

[date]

Debra Elston
Director – Office of Corporate Research, Technology, and Innovation
Management
Federal Highway Administration
[address]
[city,state,zip]

Dear Ms. Elston:

SUBJECT: Modifications to the Peer Exchange Program

On August 22, 1994, the State Planning and Research (SP&R) Program Administration regulations (23 CFR Part 420 Subpart B) which require each State to perform periodic peer reviews on its Research, Development and Technology Transfer (RD&T) management processes became effective. Subsequent revisions to these regulations revised the term “peer review” to “peer exchange” to better reflect the current practice.

State RD&T programs have embraced the peer exchange concept as an effective mechanism to continually improve their RD&T administrative processes which ultimately results in a better product for their stakeholders. However states have also begun to suggest that minor changes to the peer exchange process would improve its effectiveness. Recognizing this, AASHTO’s Subcommittee of Research (SCOR) created a special task force to examine the peer exchange process and make recommendations, if any, for improving this valuable tool for research program managers.

The special task force prepared and distributed a questionnaire (see attachment) to gather the input of state department of transportation research program managers. Approximately 80% of the states replied to this questionnaire on peer exchanges and after the responses had been compiled, the special task force prepared the recommendations contained herein based on the results of the survey. Overwhelmingly state department of transportation research program managers responded favorably to the peer exchange process and viewed it as an effective mechanism for improving their programs; however suggestions for improving the existing process were conveyed. The following recommendations resulted from their responses.

1. Revise the current requirement to perform a peer exchange at least once every 3 years to at least once every 5 years

The initial CFR Part 420 Subpart B required each State to perform *periodic* peer reviews on its RD&T management processes, however subsequent memorandums (see attached *Betsold 9/20/96 & Judycki 7/13/00*) from FHWA interpreted “periodic” to mean once every 3 years. A majority of the respondents (59%) indicated they believed 3 years was too frequent of an interval. Of the twenty respondents that

thought that 3 years was too frequent, the majority believed 5 years to be an acceptable interval. Reasons cited for revising the requirement include:

- The three year cycle for peer exchanges had proved to be awkward given their state's biennial legislative and budget cycle and since holding an exchange every 2 years was not practical the new 5 year requirement would enable such states to perform an exchange every 4 years.
- In many cases 3 years is not long enough to implement and evaluate program changes resulting from the last peer exchange.

Many respondents pointed out that there would be cases where more frequent peer exchanges would be necessary, particularly if there was a change in leadership either within the research program office or within the agency itself. The language of "not to exceed 5 years" would allow for more frequent exchanges as deemed necessary by the research program manager.

Respondents strongly felt (95%) that the research program manager should have discretion to negotiate the frequency of peer exchanges with their local FHWA Division Office based on the needs of both entities.

2. Allow the states more flexibility in exploring alternate formats for future exchanges

Respondents felt that state should be allowed to deviate from the traditional peer exchange model on future exchanges. Some veteran research program managers who have performed three or more exchanges indicated that they were beginning to exhaust possible discussion topics and would like to explore other formats for future exchanges. Program managers cited difficulty in obtaining out of state travel authorization hindered their ability to participate in other state exchanges. Given travel restrictions faced by an increasing number of states, managers suggested increased utilization of long distance exchanges utilizing either video or web based technologies. Multiple state exchanges in which groups of states meet and spend time focusing on each of their programs should be allowed. Further it was suggested that exchanges could be scheduled to take place in conjunction with other national meetings to minimize the travel burden to participants. The following examples of alternate format exchanges were suggested:

- Exchanges that involve only individual program stakeholders to concentrate on meeting customer needs
- Collaborative peer exchanges in which three or more states complete their peer exchange with each participating state supplying a focus area for discussion
- Conducting exchanges via video conference, webinar, etc.

- Since panelists often must dedicate a week to participate in the traditional 3-day exchange, the option of a peer exchange of less than 3 days
- National RAC meeting events such as “town hall sessions” or the revival of regional RAC meetings to serve as peer exchanges

3. Providing assistance with travel reimbursement for panel participants

A number of respondents expressed that due to fiscal administrative policies currently in place within their DOT, that reimbursing panel participants has proven to be difficult if not impossible. In some cases states have chosen not to utilize 100% SP&R funds to reimburse travel expenses, opting to utilize 80/20 funds because of fiscal policies within their agency. Some states have unnecessarily contracted with a consultant to merely serve as a “clearing house” for reimbursing participants. In this case the DOT hires the consultant, pays them an indirect cost in addition to the travel expense reimbursement and the consultant then forwards the reimbursement to each individual participant.

Previous FHWA correspondence (see attached *Betsold 9/20/96*) indicated that initially consideration was given to establishing a pool fund project for peer exchange travel reimbursement, but an information survey of state DOT research program managers taken prior to this correspondence and further discussion at RAC meetings held during that time period indicated that the establishment of such a pool fund project was not necessary. However the memo further states that, *“If any State has an administrative problem with reimbursing peer exchange team members’ travel expenses, we will work with them on an individual basis to find a solution.”* The following two ideas were suggested for those states having difficulty:

- Utilization of FHWA Invitational travel procedures, similar to travel on FHWA led pooled fund project technical advisory committee meetings
- Establishment of a pool fund project for travel reimbursement

4. Development of training materials & updated resources for FHWA Division Office & State DOT Research Personnel

Many of the suggestions given earlier in this document may already be allowable under the current peer exchange standards; however there appears to be a lack of consistency among the various FHWA Divisional Offices in applying those standards in addition to a lack of understanding of the standards amongst some State DOT Research program personnel. The following is proposed based on the responses to the questionnaire:

- Development of a web based training program on peer exchange requirements with the FHWA Division Office and State DOT Research Program Personnel as the target audience

- Preparation of a document that highlights recent successful peer exchanges held by states with an emphasis on exchanges that were held utilizing non-traditional formats
- Maintain a listing on the SCOR/RAC website of available panelists (including potential panelists from organizations such as FHWA, NAS, RITA, etc.) for future peer exchanges as well as states that are soliciting panelists for their future exchanges

The NCHRP program could serve as a mechanism to develop some of the materials and resources suggested by the state responders.

Overwhelmingly the state research program managers felt that the peer exchange program was very valuable and enabled improvements to the quality of their programs to be made. The suggestions contained within this document are merely ideas conveyed by various program managers as to how to modify the existing program to make it even more efficient and rewarding for individual state managed transportation research programs. The Peer Exchange special task force welcomes the opportunity to convey these suggestions to FHWA and will readily work with you or your representatives in the future to make improvements to the peer exchange program. Should you wish to discuss these recommendations or additional courses of action for moving the program forward, feel free to contact me at you convenience.

Sincerely,

Randy Battey, P.E.
Mississippi DOT
Chair Peer Exchange Special Task Force