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MEMORANDUM

To: **MPO Policy Committee**

Date: **January 6, 2010**

From: **CMAP Transportation Committee**

Re: **Addressing Rescissions and Dormant Projects**

Purpose: The rescission of unobligated Highway Trust Fund contract authority balances required by the 2005 transportation authorization law known as "SAFETEA-LU" and the 2007 energy law resulted in an $83 million reduction in the northeastern Illinois Congestion Mitigation and Air Quality Improvement (CMAQ) program funds. In response, the CMAQ Project Selection Committee (PSC) considered six options involving shifting or cancelling projects. The PSC discussed these options at its October 30, 2009 and November 17, 2009 meetings, and recommends moving all projects with no obligated funds (of any phases) into a "CMAQ A" list. The PSC recommendation has a substantial purpose beyond addressing the $83 million rescission; it affords the region the opportunity to directly address dormant projects by enhancing the active program management policies adopted by the MPO Policy Committee and the CMAP Board in March 2009.

Discussion: The proposed plan allows the region to absorb the CMAQ rescission without being forced to prematurely identify which projects are dormant. Unobligated projects will be moved out of the Transportation Improvement Program (TIP) and onto a CMAQ A list. The projects will be moved from the CMAQ A list to the fiscally constrained TIP by action of the CMAP Transportation or MPO Policy Committee. That action can occur when the project sponsor notifies their Planning Liaison or CMAP staff (depending on sponsor) that the project is ready for obligation and the reviewing agencies (IDOT/RTA) confirm that status. The Planning Liaison, sponsor or CMAP staff as appropriate will make the TIP change.

In addition to removing enough projects from the TIP to meet fiscal constraint, this option has the added benefit of enhancing the PSC's active program management policies. It requires project sponsors to aggressively manage their projects to ensure inclusion in the TIP before requesting authorization. Languishing projects are still subject to active program management requirements – following a one-time move, there is a deadline for obligating project funds. If the deadline is not met, the project will be considered for withdrawal from the program. Ultimately this allows for a "first ready, first funded" approach to bringing projects back into the TIP and will allow for dormant projects to be identified and withdrawn from the program. Implementation of the recommendation will also provide a pool of unobligated funds which can be allocated for cost increases for projects that are ready to be obligated.

Projects included in the CMAQ Multi-Year B list approved in October 2009 will be reviewed in May 2010 to identify candidates for programming only if sufficient progress is not made in obligating projects on the CMAQ A list.

Below are some implementation specifics of the proposal:

- All CMAQ projects with 100% unobligated funds (all phases) will be moved to a CMAQ A list.
    - $187,765,004 Federal Funds
    - 131 projects
    - These numbers are subject to change if progress is made prior to the MPO Policy Committee's January 14, 2010 meeting.
    - The CMAQ A list will include all of the newly programmed FFY 2010 and FFY 2011 projects which do not move forward prior to the January 14 meeting.
- The CMAQ A list projects will be removed from the TIP if the MPO Policy Committee approves this approach.
    - The projects will still have a TIP ID number.
    - Projects will appear in the TIP database, but with the fiscal year changed to CMAQ A, which means that the project is not currently funded.
    - The project can still move forward with pre-obligation activities by reviewing agencies (RTA, IDOT).
    - The project cannot be obligated until it is within the selected year of the TIP.
- The project sponsor will be required to request that the project be moved into the selected year of the TIP so it can be obligated.
    - Reviewing agencies will have to confirm the project is ready to be moved into the current year of the TIP.
    - Planning liaisons, the sponsor or CMAP staff (depending on sponsor) will administratively make these changes; if funding becomes limited and more projects are ready for obligation than funds available; a CMAQ PSC meeting will be called.
    - TIP changes are scheduled in coordination with the FTA grant cycles, IDOT letting schedule and federal authorization dates, therefore projects following those schedules will not be delayed due to pending TIP changes
    - The Transportation Committee meets every month in 2010 except for February and October; the MPO Policy Committee can also approve TIP changes and meets in October.
    - Transit Projects will be added to the TIP when the RTA approves the agencies' programs or amended program with the project included.
- Active Program Management of the CMAQ A list
    - Projects that do move into the selected year of the TIP will be held to the same programming policies approved by the MPO Policy Committee and CMAP Board in March 2009.
    - Projects that remain on the CMAQ A list will also be subject to the same programming policies approved by the MPO Policy Committee in March 2009.