



MEMORANDUM

To: MPO Policy Committee

Date: December 31, 2008

From: Doug Ferguson, Associate Planner
Ross Patronsky, Senior Planner

Re: Draft CMAQ Program Management Strategies

The CMAQ Project Selection Committee has discussed many strategies for creating a more effective programming process to assure that the region gets the congestion reduction and air quality improvements of projects more quickly and does not have a large amount of unobligated funding in danger of being lost to the region.

The region has over \$200 million in unobligated CMAQ funds. There exists a potential for approximately \$30 million in funds from FY 2006 to lapse at the end of FY 2009 (September 30, 2009). The region also faces the continued threat of federal rescissions that target unobligated balances. Approximately \$69 million in CMAQ funding has been rescinded to date.

With over \$200 million in unobligated funds, it is not feasible to reduce the unobligated balance completely in one year. However, more aggressive measures are needed to reduce the balance within a reasonable time span.

The Project Selection Committee has taken steps to reduce the unobligated balance and speed the implementation of projects. The primary strategy to date is multi-year programming, begun in FY 2007. Under multi-year programming, project phases are programmed in successive years, so that funds for later phases do not automatically increase the unobligated balance.

In addition, multi-year programming presumes that the sponsor is ready to begin the initial phase in the first year. Projects that have not initiated their initial phase by the end of the first year are subject to funding withdrawal. FY 2007 and FY 2008 projects that have not been initiated have been contacted and given a deadline of December 31, 2008 to either obligate funds (FY 2007 projects) or initiate the project (FY 2008 projects). The Project Selection Committee will review projects that do not meet this deadline in January to determine whether their funding should be withdrawn.

Additional measures need to be taken to ensure that these projects continue to move forward, that delayed projects do not tie up CMAQ funds that could be obligated for other projects, and

that older projects (FY 2006 and before) are actively managed to move them to completion and obligate those funds in a timely manner.

The Project Selection Committee has developed more extensive programming and program management strategies to improve the progress of CMAQ projects. The draft strategies are attached. MPO Policy Committee adoption of these strategies will be sought at the March meeting.

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Staff Recommendations for CMAQ Programming Changes

A: Programming of CMAQ funds for new projects

- 1) Application materials
 - a) Applications submitted without the following will be rejected:
 - i) Complete project financing & CMAQ funding request section
 - ii) Input module worksheets (traffic flow improvement projects only)
 - iii) Scoping document (traffic flow improvement, commuter parking and pedestrian/bicycle projects only)
 - b) If an application is missing other information, only one attempt will be made via both e-mail and certified mail to collect that information. If the sponsor does not respond by the deadline then the application will be rejected. Staff recommends 30 days from the date of the letter as the deadline.
 - c) Project applications submitted by municipal agencies (villages, cities, park districts, school districts, townships, etc.) are required to be reviewed by their Council of Mayors staff (Planning Liaison (PL)).
 - i) The individual PLs would be responsible for reviewing applications and advising the sponsor of missing information.
 - ii) A PL sign-off will be incorporated into the application forms.
 - iii) A deadline for submitting applications to the PLs will be included in the CMAQ program development schedule. The "review deadline" will be two weeks in advance of the deadline for submission to CMAP.
 - iv) The applicant is ultimately responsible for application completeness. If a municipal agency submits an application with missing information (other than items a) i), ii) and iii), b will apply.
- 2) Programming Funds
 - a) Normally funding for all phases of a project will be considered in one application.
 - b) On an exceptional basis, proposals will be considered for funding phase I engineering separately from other phases
 - i) in this case, future phases are not eligible for funding until the project has been submitted for design approval.
 - ii) Sponsor must apply for future phases, phase II engineering, right-of-way acquisition, and construction; funding of the future phases is not automatically guaranteed.

- c) Proposals that don't seek funding for phase I engineering must be submitted for design approval by June of the application cycle to be considered for funding of the later phases in the fiscal year of the application cycle.
 - i) Applicants completing phase I engineering with local funds must certify that they will meet federal standards.
 - ii) Proposals that seek funding of later phases in an out year will be considered on a case-by-case basis. (Out years are, for example, 2011 and 2012 in the 2010 application cycle.)
- d) Proposals seeking phase 1 engineering as well as subsequent phases will have phase II engineering programmed in the third year (i.e., the program year plus two) rather than the second year as is the current practice.
 - i) Construction in such cases will be programmed in the fourth year.
 - ii) Funding for subsequent phases can be moved up on request if the project is ready.
- e) The CMAQ program mark will be the northeastern Illinois share of the state's federal apportionment.
- f) Create a "B" list of projects in the programming cycle approved by the MPO Policy Committee. It will include all projects with a reasonable cost/benefit ratio as well as partially funded projects.
- g) All sponsors will be required to attend a mandatory project initiation meeting once the eligibility determination has been received from UDOT. The meeting will distribute necessary forms and information necessary for sponsors to initiate their projects and will go over project schedules.

B: Active Program Management of Projects

- 1) Projects with funds programmed prior to 2007
 - a) Move funding (reprogram) for these projects to realistic out years for the unobligated phases.
 - i) The funding made available by moving the phases out of 2009 would be available for potential cost increases for already approved projects.
 - ii) If the amount of funds made available is of a sizeable amount, then new projects could be considered.
 - iii) Once this is done the project could move funding for an approved phase one more time before it is considered for withdrawal of funding.
 - iv) If phases of the projects move beyond the final year of the TIP (2012) into MYB, the funding for those MYB phases will be withdrawn. Sponsor will need to reapply at the appropriate time for funding.
- 2) For projects programmed since 2007
 - a) Projects approved only for phase I engineering would have only one fiscal year to initiate phase I with a job number request form submitted to IDOT or a FTA grant agreement. Failure to do so would cause funding to be considered for withdrawal from the project.
 - b) Projects programmed in the multi-year programming with phases beyond phase I engineering could move funding to new fiscal years only once. The exception to this

rule is if the moving of a phase to a new fiscal year is the direct result of actions out of the control of the sponsor. Funding will be withdrawn if the funding is not obligated in that new fiscal year.

- 3) Review of projects with phases in the annual element would be conducted in May and October.
 - a) Projects that will not obligate their annual element phase by the end of the fiscal year will be able to use their one time adjustment to their project schedule.
 - i) If the phase is phase I engineering, however, the phase still must be initiated by the end of the fiscal year.
 - ii) Projects that have already adjusted their schedule once will be considered for withdrawal of funding if the additional delay is not the direct result of actions out of the sponsor's control.
 - b) Funds freed up by schedule adjustments will be reprogrammed
 - i) In May, projects included in the "B" list will be reviewed to identify candidates for programming the funds.
 - ii) In October, new projects from the just-completed programming cycle will be reviewed for programming the funds.
 - c) Job number requests forms are required to have been submitted to IDOT by the time of the May review for non-transit projects.