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To: CMAP Council of Mayors Executive Committee

From: Mike Walczak, Program Manager for Transportation, NWMC
Planning Liaison, Northwest Council of Mayors

Date: June 9, 2009

Subject: ARRA Funds

Issue: At their meeting on May 15th, the region's Planning Liaisons discussed the need for a regionwide policy to ensure all ARRA funds received by the Council of Mayors are spent. As of June, each Council has programmed their ARRA funds and adopted practices to ensure that all funds are spent by the March 2010 federal deadline. However, the Liaisons agreed that it would be prudent to establish a regionwide strategy for the redistribution of funds, should one or more council not be able to spend their allocation.

The Liaisons agreed that October 31st would be the deadline by which Councils must demonstrate that all of their funds will be spent. This date, based on IDOT's letting schedule, will allow enough time for a regional agreement on the distribution of the funds, while still making the March 2010 letting.

If one or more councils are projected to have an unspent balance of ARRA funds on October 31st, options include:

- Distributing the unspent funds to the remaining councils based on the existing population-based distribution formula.
- Distributing the unspent funds to specific projects that are far enough along in implementation to meet the March deadline and are agreed upon by the Executive Committee.

The Liaisons also discussed how and if to pay back any Council(s) which did not spend their ARRA funds. Options include:

- Not paying back a Council(s) which could not spend their ARRA funds, due to the "one-time" nature of the ARRA program.
- If the funds are distributed to all Councils on a formula basis, then the Council(s) which could not spend their ARRA funds would be paid back

proportionally from all Councils who received the additional ARRA funds from future STP funds.

- If the funds are distributed to specific projects, only those Councils who received the additional ARRA funds would have to repay the Council(s) which could not spend their ARRA funds with future STP funds.

Action Requested: The Planning Liaisons would like direction from the Executive Committee to further define this policy.