



# Chicago Metropolitan Agency for Planning

Agenda Item No. 12

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## MEMORANDUM

**To:** Transportation Committee

**From:** CMAP Staff

**Date:** April 19, 2019

**Re:** FAST Act Rescission

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As a measure to ensure that the budget totals of the legislation balance, section 1438 of the FAST Act of 2015 orders that \$7.569 billion in unobligated funds nationwide be rescinded (canceled) on July 1, 2020. The amount to be rescinded within each state and program is based on account balances on September 30, 2019. CMAP is working with project sponsors to reduce unobligated balances in advance of this date.

The FAST Act specifies how the rescission is to be applied. First, it exempts certain programs from the calculation entirely, including funding sub-allocated by population to metropolitan areas, certain safety programs, and funding not distributed via formula such as discretionary freight grants. Next, each state's share of the rescission is calculated based on that state's share of nationwide unobligated balances subject to the rescission as of September 30, 2019. Thus, a state that has obligated funds quickly -- relative to other states -- will shoulder less of the burden of the rescission. Finally, within each state, the rescission is applied to each non-exempt program by multiplying the state's total rescission amount by the share of that state's unobligated balance for the program as it relates to the state's total unobligated balance for all programs subject to the rescission. Further explanation from FHWA is available [here](#).

Staff are especially concerned about the potential impact on the CMAQ and Transportation Alternatives (TAP) programs, as these fund sources are of particular interest for northeastern Illinois. Nationwide, these programs tend to spend out more slowly than other programs, putting them at risk of rescission. This has been demonstrated in [previous rescissions](#). To help states and MPOs plan, FHWA published a [table](#) showing programmatic impacts if the rescission were applied as of September 30, 2018. If applied on that date, Illinois' share of the rescission would have been 4.01 percent, which is greater than the approximately 3.6 percent share of funding the state typically receives. Amounts rescinded would have been \$47.1 million for CMAQ and \$31.1 million for locally programmed TAP. CMAQ would have shouldered 15.5 percent of Illinois' rescission amount, despite the program representing just 7.6 percent of new funds annually. TAP would have shouldered 10.3 percent of the rescission despite representing just 0.7 percent of new funds.

In order to mitigate the impact of the rescission on CMAQ and TAP, CMAP is working with project sponsors to identify projects that can be obligated prior to the September 30, 2019 deadline, as well as projects currently authorized in Advance Construction that can be converted to current obligations. All project sponsors are encouraged to identify additional projects and expedite obligations and conversions where possible.

ACTION REQUESTED: Information

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