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TO: Members of the MAG Transportation Review Committee

FROM: Teri Kennedy, Transportation Improvement Program Manager

SUBJECT: FEDERAL FISCAL YEAR 2012 YEAR END REPORT AND FEDERAL FISCAL YEAR 2013  
FEDERAL FUND PROGRAMMING LEVELS

On February 22, 2012 the MAG Regional Council approved the Federal Fiscal Year (FFY) 2012 Federal Fund Closeout methodology for projects to be programmed in the MAG FY 2011-2015 Transportation Improvement Program (TIP) to address available un-programmed funding. Closeout of the FFY2012 Federal Highway Administration (FHWA), Surface Transportation Program (STP) and Congestion Mitigation and Air Quality (CMAQ) program funding levels were reported by Arizona Department of Transportation (ADOT) to MAG in December, for FFY2012 fourth quarter. An evaluation of funding shows revenues of \$102.1 million, expenditures of \$81.2 million, which leaves \$17.9 million of CMAQ funds available for carry forward. Additionally in FFY2012, STP revenues of \$28.1 million and expenditures of \$31.2 million, leave a negative \$3.1 million of STP funding for FFY2013. Please refer to table A for additional detail.

On July 6, 2012, the Moving Ahead for Progress in the 21st Century (MAP-21) Surface Transportation Authorization Act was signed into law. The Federal Funding levels for FFY2013 surface transportation have been published and are funded through March 2013. The Obligation Authority (OA) is currently unknown at this time, pending legislative action. MAG will be working under the reasonable assumption that the CMAQ and STP programs will receive a full year authorization with at least a 94.6 percent OA. To ensure that all MAG regional OA is fully utilized each year and minimize the risk of loss of funding to the region, staff is moving forward with requesting a Federal Fund Tier 3 Closeout methodology for projects for FFY2013. Please refer to table B.

For FFY2013, currently programmed in the FY 2014-2018 TIP, are \$40.7 million of CMAQ projects including Regional Transportation Plan (RTP) specified Flex transfer amounts, and \$47.8 million of STP projects. For FFY2013, MAG is under-programmed by \$22.0 million of CMAQ projects, and over-programmed by \$2.0 million of STP funds. MAG staff is collecting current project work schedules for STP funded Arterial Life Cycle Program projects and will provide an update at a later date. Please refer to table C.

For FFY2014, currently programmed in the FY 2014-2018 TIP, are \$55.0 million of CMAQ projects including Regional Transportation Plan (RTP) specified Flex transfer amounts, and \$60.4 million of STP projects. Based on estimated apportionments for FFY2014, MAG is over-programmed by \$8.8 million of CMAQ and \$11.1 million of STP funds. Please refer to table C.

To ensure that all FFY2013 OA is fully utilized, projects that receive funding must submit for ADOT obligation by June 28, 2013, and receive federal authorization by the end of FFY2013. For the FFY2013 project closeout process two scenarios have been developed for consideration.

Scenario 1: Fully fund current year (FFY2013) CMAQ project phases to the maximum federal level of 94.3 percent; for PM-10 Paving Un-Paved Dirt Roads, Bicycle/Pedestrian, and Intelligent Transportation projects. The balance of funding is to be carried forward to apply to over-programming in FFY2014, based on ADOT/FHWA approval. Please refer to table D.

Scenario 2: Fully fund current year (FFY2013) CMAQ project phases to the maximum federal level of 94.3%; for PM-10 Paving Un-Paved Dirt Roads, Bicycle/Pedestrian, and Intelligent Transportation projects. AND, fund all FFY2014 currently programmed Construction projects with a Design Phase that can obligate by June 28, 2013. The Design Phase portion of this scenario is based on an estimated 10 percent of current programmed total construction cost. The balance of funding is to be carried forward to apply to over-programming in FFY2014, based on ADOT/FHWA approval. Please refer to table E.

Scenario 3: Comments and suggestions from the TRC members welcome.

Action requested: Motion for a recommended scenario to proceed with for FFY2013 Tier 3 priorities, and of the necessary amendments and administrative modification to the FY2011-2015 MAG TIP, and as appropriate, to the RTP.

Notes: If Scenario 2 is preferred, a request for funding letter stating that the agency requests a Design Phase to be funded with CMAQ which will obligate by June 28, 2013, will need to be sent to MAG by January 2, 2013 close of business. The letter should include total cost, local cost, CMAQ funds requested and a commitment statement ensuring that the design phase will be able to be submitted to ADOT by June 28, 2013 for obligation.

If submitting new projects is recommended, a new project application will be made available and will need to be submitted to MAG by January 2, 2013 close of business.

Requests made be emailed or mailed to:

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**TABLE A: FFY2012 MAG FHWA Authorizations, Allocations, and Expenditures**

<b>MAG Region FFY2012 Closeout 4th Quarter</b>					
<b>Year/Type of funds</b>	<b>OA Rate</b>	<b>Apportionments</b>	<b>^OA all Areas</b>	<b>CMAQ</b>	<b>STP</b>
FFY2011 FHWA Carry Forward	100%	40,591,573	40,591,572	42,145,814	(664,005)
FFY2012 FHWA Allocations	100%	120,714,819	120,714,818	55,315,294	60,461,561
FFY2012 FHWA MPO Authorizations	100%	(30,530,774)	(30,530,774)	743,261	(32,657,299)
FFY2012 Final Vouchers (closed projects)	100%	4,199,621	4,199,621	3,937,893	261,727
FFY2012 FHWA Authorized Projects	100%	(76,775,154)	(76,775,154)	(40,988,783)	(30,493,325)
FFY2012 FHWA Transfers to Transit	100%	(43,208,128)	(43,208,128)	(43,208,128)	-
<b>Totals</b>		<b>14,991,957</b>	<b>16,546,197</b>	<b>17,945,352</b>	<b>(3,091,341)</b>

**Table B: FFY2013 MAG**

<b>FHWA Funding Levels for FFY2013 Closeout*</b>					
<b>Year/Type of funds</b>	<b>OA Rate</b>	<b>Apportionments</b>	<b>OA (STP-MAG, CMAQ)</b>	<b>CMAQ</b>	<b>STP</b>
FFY2012 Carry Forward		14,991,957	14,854,011	17,945,352	(3,091,341)
FFY2012 Carry Forward with OA applied at:	94.60%	0	14,051,894	16,976,303	(3,091,341)
*FFY2013 FHWA with OA applied at:	94.60%	47,305,804	94,611,608	45,757,048	48,854,561
<b>*Total FHWA FFY2013 Budget</b>	<b>94.60%</b>	<b>\$ 47,305,804</b>	<b>\$ 108,663,503</b>	<b>\$ 62,733,350</b>	<b>\$ 45,763,220</b>

**Table C: FFY2013 and FFY2014 MAG**

<b>FHWA Funding for FFY2013 Closeout*</b>					
<b>Year/Type of funds</b>	<b>Rate</b>	<b>Apportionments</b>	<b>OA (STP-MAG, CMAQ)</b>	<b>CMAQ</b>	<b>STP</b>
<b>*Total FHWA FFY2013 Budget</b>	<b>94.60%</b>	<b>47,305,804</b>	<b>108,663,503</b>	<b>62,733,350</b>	<b>45,763,220</b>
FY2013 HWY Projects Currently Programmed in TIP, Federal Portion, Dec 5th RC Action				(24,285,252)	(47,821,528)
FY2013 Transit Rail Programming level (Transfer to Flex)				(16,426,780)	-
<b>Total Available</b>				<b>\$ 22,021,318</b>	<b>\$ (2,058,308)</b>

<b>FHWA Funding for FFY2014*</b>					
<b>Year/Type of funds</b>	<b>Rate</b>	<b>Apportionments</b>	<b>OA (STP-MAG, CMAQ)</b>	<b>CMAQ</b>	<b>STP</b>
<b>*Total FHWA FFY2014 Budget</b>	<b>94.60%</b>		<b>95,406,346</b>	<b>46,141,407</b>	<b>49,264,939</b>
<b>Carry forward from FFY2013 TBD</b>					
FY2014 HWY Projects Currently Programmed in TIP, Federal Portion, Dec 5th RC Action	94.60%			(38,440,944)	(60,358,314)
FY2014 Transit Rail Programming level (Transfer to Flex)	94.60%			(16,564,765)	-
<b>Total Available</b>	<b>94.60%</b>			<b>\$ (8,864,302)</b>	<b>\$ (11,093,375)</b>

**Table D: FFY2013 MAG Scenario One**

<b>Scenario 1: Fully Fund current year FFY2013 CMAQ: AQ Pave, Bike/Ped/Paving Projects*</b>					
<b>Year/Type of funds</b>	<b>Rate</b>	<b>Apportionments</b>	<b>OA (STP-MAG, CMAQ)</b>	<b>CMAQ</b>	<b>STP</b>
<b>FFY 2013 Total Available</b>				<b>\$ 22,021,318</b>	<b>\$ (2,058,308)</b>
Fund all FFY2013 CMAQ Construction, Design, and ROW phases at maximum 94.3% Federal rate				(11,082,172)	
<b>Balance</b>				<b>\$ 10,939,146</b>	<b>\$ (2,058,308)</b>

**Table E: FFY2013 MAG Scenario Two**

<b>Scenario 2: Fully Fund current year FFY2013 CMAQ: AQ Pave, Bike/Ped/Paving projects. AND Fund Design for FFY2014 projects*</b>					
<b>Year/Type of funds</b>	<b>Rate</b>	<b>Apportionments</b>	<b>OA (STP-MAG, CMAQ)</b>	<b>CMAQ</b>	<b>STP</b>
<b>FFY 2013 Total Available</b>				<b>\$ 22,021,318</b>	<b>\$ (2,058,308)</b>
Fund all FFY2013 CMAQ Construction, Design, and ROW phases at maximum 94.3% Federal rate				(11,082,172)	
Fund all FFY2014 Construction Projects for a Design Phase that can obligate by June 28, 2013				(3,227,187)	
<b>Balance</b>				<b>\$ 7,711,959</b>	<b>\$ (2,058,308)</b>

\*All amounts are in YOES\$, and OA and funding amounts are subject to change based on federal authorization levels and ADOT allocations.