

Census Funding Proposal

Revenue distribution in the State of Arizona has been based on the latest decennial or special census. While a special census has been a mechanism to capture population changes in the past, the cost to implement has become increasingly prohibitive. Potential legislation is being discussed by cities and towns that would revise the funding distribution to be based on state or federal population estimates. Distribution of funding based on state or federal population estimates will address the problem moving forward; however, an anomaly exists because some agencies already had committed financial resources to conduct a special census.

If a solution to the anomaly can be found, all agencies stand to benefit. Distribution of state-shared revenue based on population estimates will ensure stability in local budgets; agencies will no longer be faced with the uncertainty of a fiscal cliff every five years. Since the census cities are all in the MAG region, MAG has been working on a federal funding-based solution to provide assistance for projects within the impacted agencies.

In federal fiscal year (FFY) 2013, ADOT closed out a number of federal projects that resulted in a significant amount of obligation authority (OA) being returned to the MAG ledger. Additionally, FFY 2013 was the first year that the ADOT "use-it-or-lose-it" policy was strictly enforced; in the past, MAG had carried large balances of unused OA forward year-to-year.

As a result, there was a sizable amount of federal funding in the MAG region that had to be obligated. In order to use all the FFY 2013 OA, several ALCP projects were advanced from FFY 2017 – FFY 2019 to FFY 2013. This created a programming gap of unprogrammed funding in those future years.

The estimated \$8.1 million required to fund this proposal would come from this unprogrammed funding available in future years. The total amount would be determined by calculating 50% of the special census costs of all the census cities combined. The more than \$60 million estimated to be available for the August call-for-projects does not include the unprogrammed funding. It should be noted that MAG anticipates there will be additional unprogrammed funding as ADOT continues to close out projects; the new unprogrammed funding will be used either for the MAG closeout process or reallocated to other purposes.

Assistance to the census communities would come in the form of federal funding and is anticipated to occur within the first five years – although it could take longer if needed. Under the proposal, there would be a multi-option process to determine how the funding would be allocated, based on the prioritization of each census city's projects.

- The first option would be to fund the design phase (and ADOT fees) for any project that a) is currently in the TIP and b) has not yet started design. Since design otherwise would have been funded with local dollars, this results in a direct savings to the agencies.
- The second option would be a combination of funding the design phase (and ADOT fees) for projects awarded through the August 2015 call-for-projects process and/or move projects that ranked below the funding line to above the funding line.
- The third option would be to fund other projects for agencies who do not or opt to not receive their entire share from options one and two. MAG staff would work with each agency on an individual basis to determine where the funding could be programmed. Funding must be programmed on a project that has been competitively selected – through the call-for-projects process or through inclusion in one of the lifecycle programs or Regional Transportation Plan. The funding could be programmed on an ALCP project, on an existing ADOT project, or on a project that already has other federal funds (e.g., to fund elements of an existing safety project that could not be funded with safety funds) as well as allowing cost savings on an ALCP project to be reprogrammed on another project that is in the ALCP or added to the ALCP and meets the intent of the Transportation Improvement Program and the Policies and Procedures of the ALCP.

Programming of the census assistance funds would run concurrent with the call-for-project awards this fall. Specifically, the call-for-project awards would be made as part of one TIP amendment table, while the assistance to the census communities would be part of a second TIP amendment table. This would provide for transparency and allow tracking of the funds.

The call-for-projects was released to MAG member agencies and applications will be due at the end of September. It is anticipated that the evaluation process will occur throughout September, October, and November, and the items will go to Transportation Review Committee in December, and then Management Committee, Transportation Policy Committee, and Regional Council in January or February 2016.

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Estimated Funding Allocations*		
Jurisdiction	Total Estimated Census Costs	Estimated Funding Amount
Buckeye	\$1,600,000	\$800,000
Chandler	\$4,150,000	\$2,075,000
Gilbert	\$4,193,000	\$2,096,500
Goodyear	\$1,570,000	\$785,000
Maricopa	\$1,021,000	\$510,500
Peoria	\$3,153,000	\$1,576,500
Queen Creek	\$591,681	\$295,841
Total	\$16,278,681	\$8,139,341

*funding allocations determined by census cities

1. Option 1: Fund the design phase and ADOT review fees for existing MAG/ADOT awarded projects (where design has not yet started).

Agency	Estimated Eligible Amount
Buckeye	\$ 298,532
Chandler	--
Gilbert	--
Goodyear	--
Maricopa	512,000
Peoria	127,875
Queen Creek	--

2. Option 2: Fund the design phase and ADOT review fees for future awarded MAG/ADOT projects (call-for-projects to occur August 2015).

Agency	Historic Amount (Based on the 2012 call-for-projects)
Buckeye	\$ 512,000
Chandler	575,531
Gilbert	273,917
Goodyear	259,969
Maricopa	n/a
Peoria	172,300
Queen Creek	--

3. Option 3: move projects that were ranked below-the-line to above-the-line, fund ALCP projects, fund other projects.

Agency	Historic Amount
Buckeye	--
Chandler	\$ 2,400,000+
Gilbert	TBD
Goodyear	TBD
Maricopa	--
Peoria	TBD
Queen Creek	TBD