

Year-end Closeout Report Update

Maricopa Association of Governments

August 1, 2013

Transportation Review Committee

Agenda Item # 9

- Teri Kennedy,
Transportation Improvement Program Manager

Presentation Topics

- SAFETEA-LU and MAP-21 Comparison with FFY2013 actuals of FHWA amounts
- Obligation Authority (OA) Example
- FFY2013 Closeout (Actuals) update
- FFY2014 Estimates
- Two proposals to address outstanding OA at risk for FFY2013 FHWA funding.

SAFETEA-LU and MAP-21 Comparison with FFY2013 FHWA actuals

TABLE A: SUMMARY

Total SAFETEA-LU compared to MAP-21

Year	All Funds SAFETEA-LU	All Funds MAP-21	Difference	% Change	OA Rate	Final % Change FHWA
2013	124.1	113.7	-10.4	-8.37%	95.5%	-12.49%
2014	126.0	116.0	-9.9	-7.90%	95.5%	-12.04%

Displayed in millions of US dollars

SAFETEA-LU projections used from last RTP 2010 Update

MAP-21 FFY2013 actuals used, FFY2014 estimated used.

FFY 2013 includes only CMAQ 2.5 for expanded boundaries, all other funding left at CAG/ADOT

FY 2014 includes all expanded boundary funding

TABLE AA: DETAIL

MAG FHWA Funding SAFETEA-LU vs MAP-21.

Year	STP Compared				CMAQ Compared					HSIP Compared			Planning Funds			New
	STP - SAFETEA-LU	STP MAP-21	Difference	% Change	CMAQ-SAFETEA-LU	CMAQ PM 2.5	CMAQ MAP 21	Difference	% Change	HSIP-SAFETEA-LU	HSIP MAP-21	% Change	PL + SPR-SAFETEA-LU	PL + SPR MAP-21	% Change	Transportation Alternatives
2013	61.6	54.0	-7.5	-12.26%	55.8	0.7	48.3	-6.9	-12.31%	0.9	1.4	30.67%	5.8	4.7	-18.44%	4.6
2014	62.6	55.4	-7.2	-11.53%	56.6	0.7	48.3	-7.6	-13.50%	0.9	1.9	112.41%	5.8	5.0	-13.91%	4.7

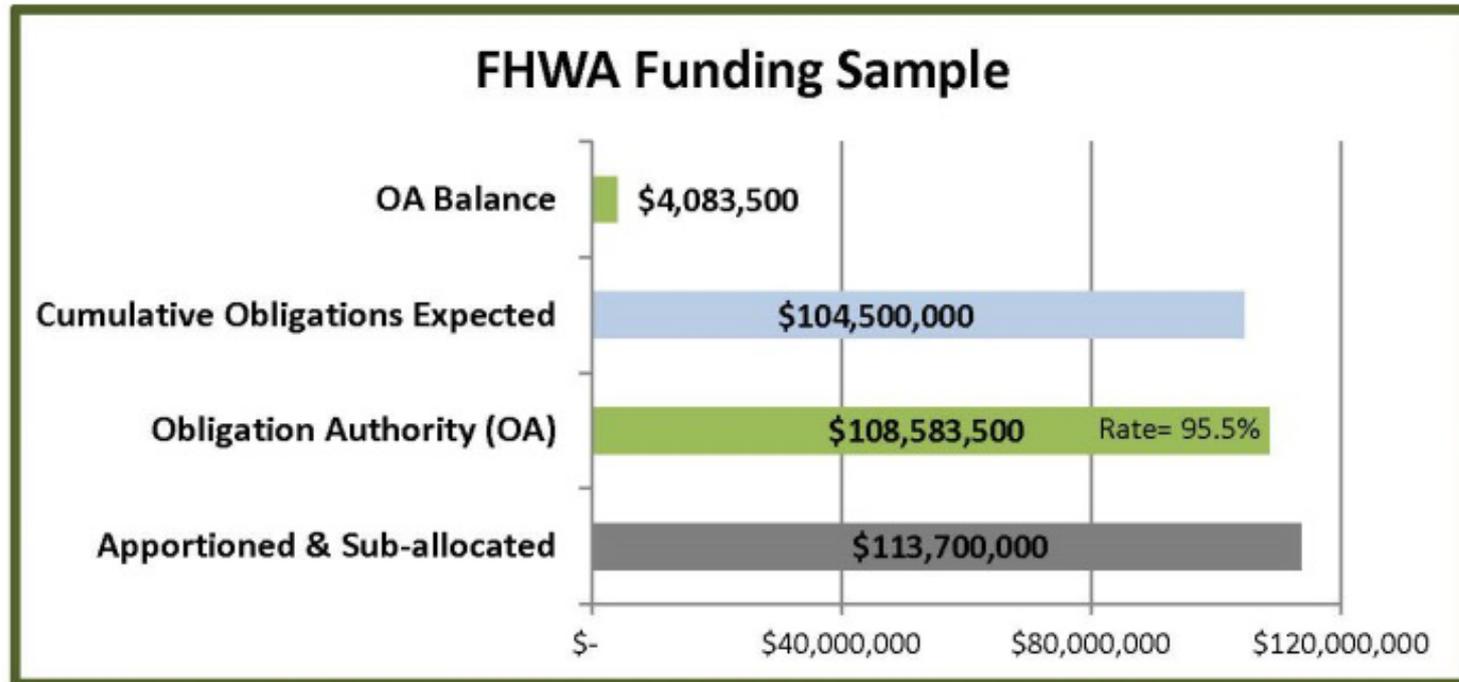
SAFETEA-LU projections used from last RTP 2010 Plan update

MAP-21 as announced on May 13, 2013, 100% Apportionments (95.5% Obligation Authority not applied)

Obligation Authority (OA) Example

Table OA: FHWA Obligation Authority Example

FFY2013 Sample	FHWA Funding
Apportioned & Sub-allocated	\$ 113,700,000
Obligation Authority (OA)	\$ 108,583,500
Cumulative Obligations Expected	\$ 104,500,000
OA Balance	\$ 4,083,500



FFY2013 Closeout Actuals* Update

Table B: FFY2013 MAG FHWA Authorizations, Allocations, and Expenditures

MAG Region FFY2013 Closeout 3rd Quarter: CMAQ and STP ⁽¹⁾						Unprogrammed ⁽²⁾
Year/Type of funds	OA Rate	Apportionments	^OA both Areas	CMAQ	STP ⁽³⁾	CMAQ2.5, HSIP, TA
FFY2012 FHWA Carry Forward	100%	63,593,207	13,437,714	13,437,714	50,242,838	-
<i>Revenues</i>						
FFY2013 FHWA Allocations	95.5%	102,313,507	97,709,399	46,100,023	51,609,377	5,586,018
FFY2013 FHWA MPO/COG loans/transfers			1,580,514	-	1,580,514	
FFY2013 Final Vouchers (closed projects)	100%		8,420,813	8,329,798	91,016	-
<i>Expenditures</i>						
FFY2013 FHWA estimated Authorized Projects	100%		103,654,368	40,874,728	63,089,479	1,268,573
FFY2013 FHWA Transfers to Transit, ⁽⁴⁾	100%		17,331,358	17,331,358	-	-
Totals			162,714	9,661,449	(9,808,573)	4,317,445
						Outstanding OA
						4,170,321

(1) Maricopa County only Allocations, prior to boundary expansion

(2) CMAQ2.5 was not programmed in FFY2013 by CAG/ADOT, deposited on MAG Ledger June 2013

(3) FFY2012 STP Carry Forward Apportionment does not currently have OA available

(4) FFY2013 Regional Transportation Plan scheduled transfer of \$16,388,358, plus design advancement \$943,000.

* As of 7-28-2013

2013 CMAQ Projects

- Based on Regional Council approval January 23, 2013, during the initial closeout session for FFY2013, all CMAQ funded project phases that could authorize in FFY2013 have **received maximum federal participation**.
- Based on Regional Council approval February 27, 2013 all CMAQ construction projects in FY2014 and FY2015 received FFY2013 Design phase CMAQ funding if needed.
- Based on project schedules that are reported in the Project Status Report, no project phases requested advancement.



2013 STP Projects

- Federally eligible project phases in the ALCP that could be advanced and utilize transferred or loaned STP funding were accommodated.
- Currently the only ALCP project that has mixed STP and CMAQ funding and is eligible for CMAQ requested advancement.

FFY2014 Estimates**

Table C: FFY2014 MAG ESTIMATED FHWA Authorizations, Allocations and Expenditures

ESTIMATED FHWA Funding Levels for FFY2014						Unprogrammed
Year/Type of funds	OA Rate	Apportionments	OA (STP-MAG, CMAQ)	CMAQ	STP	CMAQ2.5, HSIP, TA, STPPC
FFY2013 Carry Forward		-	(147,124)	9,661,449	(9,808,573)	4,317,445
<i>Revenues</i>						
FFY2014 FHWA Allocations	95.50%	102,313,507	101,145,370	46,100,023	54,041,232	8,660,158
FFY2014 FHWA MPO/COG loans/transfers						
FFY2014 Final Vouchers (closed projects) ⁽⁵⁾			-			-
<i>Expenditures</i>						
FFY2014 FHWA estimated Authorized Projects			99,423,007	32,241,597	67,181,410	7,091,926
FFY2014 FHWA Transfers to Transit			16,322,140	16,322,140	-	-
*Total FHWA FFY2014 Estimates			\$ (14,746,902)	\$ 7,197,734	(22,948,751)	5,885,677
						Outstanding OA (9,865,340)

(5) FFY2014 Final Vouchers and project savings are subject to substantial change based on ADOT and FHWA.

The amount will be updated as information is received.

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

** As of 7-28-2013, and are subject to substantial change.

FFY2014 CMAQ Funded Projects

- Typically we see projects request to defer at a federal amount of **over \$17.6 million** each year (3 year average, from initial programmed year).
- With \$9.8 over programmed for FFY2014, we expect some projects to defer to FFY2015 or cancel.
- The Final Voucher and project cost savings is subject to substantial change. **This year we realized an additional \$8.4 million of OA back on the ledger.**

FFY2014 STP Funded Projects

- MAP-21 estimates for STP in FFY2014 are at 87.9% of projections.
- There is an apportionment carry forward of STP from historic obligation transfers that occurred prior to and at the beginning of the ALCP. MAG and ADOT are working on reconciliations of historic balances.
- The FY2014 over or under programming, if needed will be addressed in the spring during regular FY2014 closeout.

Proposals to address outstanding OA at risk for FFY2013 FHWA funding

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Scenario One: Federal Fiscal Year 2013 FHWA GRLR Advancement Proposal:

- To ensure that all MAG regional OA is fully utilized each year and minimize the risk of loss of federal funding to the region, it is proposed to include an early advancement of CMAQ funds to the Mesa Main Street: Mesa Drive to Gilbert Road light rail extension.
- The advancement will address the MAG region's unused FFY2013 federal obligation authority, **reduce debt service costs** on the overall project, and **improve the year-to-year funding balance of the Arterial Life Cycle Program (ALCP)**. Future year programmed reimbursements (FY2016, 17, and 18) will be reduced by the amount advanced with no inflation applied.

Scenario One: Advantages

❖ By advancing funding using FFY2013 OA from the programmed reimbursement years:

- FY15/16 \$1.493 million
- FY16/17 \$.388 million
- FY17/18 \$2.019 million

A potential estimated ALCP program cost savings of \$237,685 in 2013 dollars (assuming a 1.9% inflation rate) could be realized.

❖ By advancing funding using FFY2013 OA from the programmed reimbursement years, the total debt service costs for the project are reduced,

- ❖ And OA funding is protected for FFY2013,
- ❖ And the project work phases will continue on schedule.

Scenario Two: Early Partial Flex

Federal Fiscal Year 2013 FHWA Early Partial Flex

- To ensure that all MAG regional OA is fully utilized each year and minimize the risk of loss of federal funding to the region, it is proposed to include an early partial flex of \$3.9 million CMAQ funds as part of the regularly scheduled annual flex to transit. **The FFY2014 estimated total flex amount is \$16.3 million.** This early flex reduces the balance of the flex amount in FFY2014.
- The early partial flex will address the MAG region's unused FFY2013 federal obligation authority, and will allow the designated recipient to begin FFY2014 grant applications for transit projects. The balance (estimated at \$12.4 million) of the estimated FFY2014 transit transfer will be completed when final funding is known in FFY2014, typically July-August of 2014.



Scenario Two: Advantages

- ❖ By advancing funding using FFY2013 OA as an early partial transfer to transit. The Direct Recipient of Federal Transit Administration Funds can begin grant applications early.
- ❖ By advancing funding using FFY2013 OA as early partial transfer to transit. Funding is protected for FFY2013, when the grant is executed.

Action:

- **Scenario One:** Recommend approval for advancement of \$3.9 million of CMAQ funding to be advanced to the Mesa Drive to Gilbert Road light rail extension project using un-programmed FFY2013 Obligation Authority.

Or

- **Scenario Two:** Recommend approval for early partial flex of \$3.9 million of CMAQ funding to be flexed to Transit as part of the scheduled Regional Transportation Plan 2010 Update amounts using un-programmed FFY2013 Obligation Authority.

Thank you

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