

MAG Federal Fund Programming Principles

DRAFT June 18, 2008

100. Guiding Principles

1. The MAG Federal Fund Programming Principles for the Region shall be reviewed and updated for compliance as new state, and federal laws are adopted.
2. The MAG Federal Fund Programming Principles will incorporate policy direction, as appropriate from Regional Council approved MAG Transportation Plans.
3. The MAG Federal Fund Programming Principles and any future changes will be approved through the MAG Committee Process including the Transportation Review Committee, the Management Committee, the Transportation Policy Committee, and the Regional Council.
4. The MAG Federal Fund Programming Principles are applicable to federal funded projects that are competitively selected and programmed through the MAG process. These projects compose part of the MAG Federal Fund Program.
5. Member agencies are encouraged to complete programmed federally funded projects on schedule to ensure that committed obligation authority is fully used, and to increase prospects of receiving a share of Arizona redistributed obligation authority.
6. A commitment will be made to use Congestion Mitigation and Air Quality (CMAQ) funds at the same rate of Surface Transportation Program (STP) funds. STP funds will not be obligated at a higher rate than CMAQ funds.
7. *The Guide to Transportation Programming (Guidebook)* will be published annually, prior to the start of the application process. The *Guidebook* will describe and provide the programming schedule and deadlines for the MAG Federal Fund Program, application forms, Federal fund estimates, programming process information per modal type, and contacts.
8. In accordance with the Clean Air Act, projects which are committed measures in the MAG air quality plans are legally binding for implementation. Examples include: Paving Unpaved Road Projects, PM-10 Certified Street Sweepers, and Paving Unpaved Road Shoulders. In addition, these types of projects are also essential for demonstrating air quality conformity for the Transportation Improvement Program and Regional Transportation Plan.

200. Application Process

1. Annually, MAG will request MAG member agencies to submit new project applications for consideration in the MAG Federal Fund Program dependent on the needs established by the *Guidebook*.
 - a. Project applications from previous submittals will not be retained or used.
2. The application forms will annotate and define the required information.
 - a. Each application will have a checklist of application components to be completed by the submitting agency. The information that is required for a complete application will be clearly identified on the checklist.
 - b. Each application will be signed by the Manager of the jurisdiction or designated representative.
 - c. If the required information is incomplete, the application will not be accepted. Notification will be sent to the project contact within 48 hours.
3. Applications must be submitted before or on the due date. Late applications will not be accepted.
 - a. Applications will be submitted via fax, e-mail (scan of signed application), mail, or in person, with the required signature of the jurisdiction Manager or designated representative. The application will also be submitted electronically for ease of data entry.
 - b. If an application is faxed or e-mailed with the required signature, it is accepted at that time, but it is required that the original signed hard copy will follow either in the mail or be delivered in person.
4. If a project is a joint project with more than one agency, the application must:
 - a. Be submitted by the lead agency that will be responsible for implementing the project and reporting on it to MAG;
 - b. List the main contacts for all agencies involved;
 - c. Document how the local cost component will be split among all partnering agencies; and
 - d. Include signatures from the other jurisdiction's Manager(s) or the designated representative.
5. If a project is proposed as a regional project, the project is consistent with a MAG approved plan.
6. Following the due date of project applications, there will be an internal MAG review to verify the eligibility of the project, and project components in the context of the current Federal regulations.
 - a. MAG staff will work with Federal Highway Administration (FHWA) to determine eligibility.
 - b. If a project is not eligible under the current Federal regulations, a notification will be sent to the project contact within two weeks.
 - c. If certain project components are not eligible under the current Federal regulations, MAG staff will work with the jurisdiction to modify the

project for eligibility purposes. Both the original and modified application will be presented at the Technical advisory committees.

7. Project information from the applications will be compiled by MAG Staff.

300. Programming Process

1. MAG has an established project application, programming schedule, and project selection process that are explained in *The Guide to Transportation Programming*.
2. The project applications submitted for consideration in the MAG Federal Fund Program are processed through the MAG Committee Process for project evaluation, and selection. This process begins with a project evaluation process at the modal Technical Advisory Committees (TAC), and continues through the MAG Committee Process: Transportation Review Committee (TRC), Management Committee, Transportation Policy Committee (TPC), and then Regional Council for review, recommendation, and approval.
3. The modal Technical Advisory Committee's role is to develop a project evaluation process that involves a technical evaluation, project criteria analysis, and a qualitative assessment that is guided by the goals and objectives of the MAG Regional Transportation Plan (RTP), and Federal guidelines.
 - a. The TAC is responsible to implement the project evaluation process and produce a ranked order list of project applications to be considered for Federal funding. The rank ordered list is then forwarded the TRC.
 - b. Modal Technical Advisory Committees will not change the project scope, schedule, budget, or requested federal funds during the evaluation process. The TACs purpose is to rank order projects as submitted in the application through a project evaluation process.
4. The modal TACs for the transportation modes are:
 - a. Bicycle Projects – Pedestrian Working Group and The Regional Bicycle Task Force
 - b. Pedestrian Projects - Pedestrian Working Group and The Regional Bicycle Task Force
 - c. Intelligent Transportation System (ITS) Projects – ITS TAC
 - d. Paving Projects – Street Committee and Air Quality TAC
 - e. Street Sweeper Projects – Street Committee and Air Quality TAC.
5. Project information from the applications will be sent to the modal technical advisory committee (TAC) for a tiered review process.
 - a. As part of the evaluation process, MAG Staff and the Air Quality TAC will complete a CMAQ evaluation for the projects being considered for Federal funds.

- b. At the first modal TAC meeting, the sponsoring agency will present their project(s) and have the modal TAC review the application information.
 - Bicycle and Pedestrian projects will be heard at The Pedestrian Working Group and The Regional Bicycle Task Force.
 - ITS projects will be heard at the ITS TAC.
 - Paving projects will be heard at the Street Committee.
 - Street Sweeper applications will not be presented to a modal TAC.
 - c. If the committee would like further clarification on project information contained in the application, the project sponsor can answer clarification questions at the first meeting, and the project sponsor also has to opportunity to clarify information on the application for the second modal TAC meeting.
 - The MAG Staff person for that modal TAC will provide the date for revised application information to be submitted to MAG in preparation for the second modal TAC meeting.
 - d. At the second modal TAC meeting, any revised project information is presented, and the project ranking can move forward based on the modal TAC approved process including the technical evaluation, project criteria analysis, and the qualitative assessment.
 - Bicycle and Pedestrian projects will be evaluated and ranked at The Pedestrian Working Group and The Regional Bicycle Task Force.
 - ITS projects will be evaluated and ranked at the ITS TAC.
 - Paving projects and Street Sweeper applications will be evaluated at the Street Committee and ranked at the Air Quality TAC.
 - e. The ranked list of projects from each modal TAC will then be forwarded to the Transportation Review Committee for project selection, and then continue through the MAG Committee Process.
6. The Transportation Review Committee's (TRC) role is to review the evaluation and analysis completed by the TACs, and select projects to be programmed with Federal funds.
 - a. The TRC can make recommendations to change the project scope, schedule, or budget during the project selection process.
7. If the amount of federal funds for a project is recommended to be lowered than initially requested in the project application, or the scope of the project is recommended to change, the project application with proposed changes will be sent back to the Manager of the jurisdiction or designated representative for verification of new funding amounts or scope change.
 - a. At the same time, MAG staff will determine if the CMAQ evaluation is affected.
 - b. The programming process is delayed accordingly.
8. For construction projects that are selected to be programmed with federal funds, a design/clearance phase will be programmed at least one year prior to the federally funded construction phase as noted in the application.

- a. It is not assumed that the separate design/clearance phase is funded with federal funds. Member agencies can request federal funds for the design phase *if* federal funds are available either in the programming process or the closeout.
- b. Member agencies will program the design & clearance phase with scope, budget, and schedule information provided in the initial application.

400. Programmed Federal Fund Projects

1. If a programmed federal fund project does not use the full amount of its programmed federal funds, the remaining balance of unused federal funds, will be returned to the region to be reprogrammed.
 - a. The member agency shall notify MAG of the amount of unused federal funds once it is determined.
2. If a member agency will not be able to complete a federal funded project with federal funds, the federal funds will be returned to the region to be reprogrammed.
 - a. The member agency shall notify MAG if it decides it will not utilize federal funds for a project.
3. The amount of MAG federal funds available for a project is the programmed amount listed in an approved TIP. Member agencies are responsible for any project cost increases
4. A member agency can request a change to a programmed Federal Fund Project in the TIP for the current fiscal year.
 - a. Types of project changes: advancing the project, segmenting the project, or modification of the Project Scope. All Project Change requests are reviewed on a case-by-case basis.
 - b. MAG staff will review the eligibility of the project change request by the Federal guidelines.
 - c. MAG staff will also review, analyze, and convey how the project change request will impact the CMAQ evaluation and other criteria the modal TAC has established.
 - d. The requested change will go through the MAG Committee Process, as part of the Project Change request, beginning at the modal technical advisory committee that originally programmed/prioritized them.
 - e. This does not include notifications of deferred projects and/or projects that will not be utilizing federal funds. This occurs during the Closeout.

500. Closeout Process

1. The Closeout Process consists of three phases:
 1. Initial Closeout: The initial closeout usually occurs as soon as the FY Appropriations Bill is available. It involves a simple comparison

between the funds available and the projects programmed, resulting in an estimate of "uncommitted" funds.

2. Interim Closeout: Member agencies notify MAG staff, during the month of March of each year, of the projects that they wish to defer from the current fiscal year to the following fiscal year or that they do not wish to proceed with. When this total amount of federal funds to be deferred or removed is known, agencies are then requested to identify projects that can utilize the funds made available. Project submitted to use Closeout funds usually occurs by mid to late April.
 3. Final Closeout: Throughout a project cycle, adjustments can occur to projects and to the apportionment or appropriations formulas that can add to, or subtract from, the funds available. Also, redistributed OA may become available. "Contingency" projects are identified that can use these funds, often at very short notice.
2. *The Guide to Transportation Programming* will explain the Closeout schedule, due dates, forms, and requirements for project deferrals and project submittals for the Closeout.
 3. During the closeout process, the deferred projects and non-obligated federal funds will be considered within each mode as determined by the Regional Transportation Plan (RTP).
 - a. If a MAG federally funded project is requested to be deferred, the close-out process continues through the mode classification of the project.
 - b. The modes that are programmed in the RTP to receive federal funds and are in the MAG Federal Fund Program are: Streets/ITS-CMAQ, Streets-STP-MAG, Bicycle/Ped-CMAQ, and Air Quality-CMAQ. The funds (in dollars not percentages) would stay in each mode.
 - i. Example: if Bike Project A, funded by CMAQ, was deferred to a later year, the funds associated with Bike Project A would stay in the Bike/Pedestrian mode.

600. Closeout Process – Deferrals

1. For construction and right of way projects, member agencies would be allowed a one time deferral without justification.
 - a. If this project has a design contract underway, the project would be deferred 1 year, if and only if, it had an approved DCR from ADOT.
 - b. If there is no design contract underway, the project would be deferred 2 years as it generally takes 2 years to complete the ADOT process.
 - c. If there is a design and clearance work phase for the project, it would be deferred accordingly.
2. For procurement, pre design, design, and planning study projects, member agencies would be allowed a one time deferral without justification.

3. If a project is requesting to be deferred for the second time or more, the sponsoring agency for the project will submit a justification memo explaining why the project should stay in the MAG Federal Fund Program.
 - a. The sponsoring agency for the project will submit a justification memo to MAG with the deferral notification that will be taken through the MAG Committee Process, beginning at TRC.
 - i. If the justification is approved the project would stay in the program.
 - ii. If the justification is not submitted or not approved, the project would be removed from the program.
 - b. MAG will provide either a form, or memo explaining the information for the justification memo in *The Guide to Transportation Programming*.

700. Closeout Process - Prioritization of Unobligated Federal Funds

1. MAG member agencies have an opportunity to submit projects to use the unobligated Federal funds for the current federal fiscal year.
 - 1) Local jurisdictions submitting a project for advancement or additional funds will complete and submit a Closeout Project Submittal Form by the due date for project submittals for Closeout funds.
 - 2) Local jurisdictions submitting a new project for Closeout will complete and submit the most current project application form by the due date for project submittals for Closeout funds.
 - 3) The *Guidebook* will explain due dates and forms.
 - 4) Applications must be submitted before or on the due date. Late applications will not be accepted.
2. Projects submitted for use of Closeout funds will be selected based on the following three priorities in order:
 - 1) Advancing projects (or phases of projects) of the same mode, that are already programmed in the current Transportation Improvement Program (TIP) with MAG federal funds from a future year, in chronological order of the TIP;
 - 2) Adding additional federal funds to an existing, unobligated project, up to the originally programmed, federal-aid maximum, or the maximum established by the mode in the RTP, whichever is less.
 - 3) New projects
3. MAG staff will do a fiscal analysis to determine if the program can add additional funds to an existing project (priority 2), and/or fund new projects (priority 3) within the fiscally constrained federal programs in the current TIP.
4. MAG staff will review the projects submitted for Closeout funds with ADOT Local Government Section to ensure that the projects can be obligated before the end of the current federal fiscal year.
5. Once projects are submitted, the MAG Staff and the Air Quality TAC complete a CMAQ evaluation for the proposed projects. The proposed projects are

then taken through the MAG Committee Process for evaluation and prioritization.

800. Re-distributed Obligation Authority (OA)

1. Re-distributed OA are federal funds in addition to the annual allocation and obligation authority that are distributed to the states. These additional funds are usually distributed at the end of the federal fiscal year. It will be decided through the MAG Committee Process on the Region's priority/priorities for re-distributed OA. The priorities can, but are not limited to, establishing contingency lists of projects for funding. This allows the MAG Committees flexibility to address the needs of the region, which can change over time.
 - a. The priority/priorities for re-distributed OA will be established during the close-out process, which can be funded in the remainder of the current fiscal year.

DEFINITIONS

Clean Air Act – The Clean Air Act (CAA) is the comprehensive federal law that regulates air emission from stationary and mobile sources. Among other things, this law authorizes the Environmental Protection Agency to establish National Ambient Air Quality Standards (NAAQS) to protect public health and public welfare and to regulate emission of hazardous air pollutants. – (Summary of the Clean Air Act, <http://www.epa.gov/lawsregs/laws/caa.html>, Retrieved on May 9, 2008)

Congestion Mitigation and Air Quality (CMAQ) funds - Congestion Mitigation and Air Quality funds are federal funds that are available for projects that improve congestion and air quality in areas that do not meet clean air standards (“non-attainment” areas). The transportation projects and programs that are eligible under the Congestion Mitigation and Air Quality Improvement Program are: Transportation Control Measures (TCMs), Extreme Low-Temperature Cold Start Programs, Alternative Fuels, Congestion Relief & Traffic Flow Improvements (ITS projects and programs), Transit Improvements, Bicycle and Pedestrian Facilities and Programs, Travel Demand Management, Public Education and Outreach Activities, Transportation Management Associations, Carpooling and Vanpooling, Freight/Intermodal, Diesel Engine Retrofits, Idle Reduction, Training, I/M Programs, and Experimental Pilot Projects.

The Guide to Transportation Programming – This MAG Guide is published on a yearly basis and its purpose is to provide MAG member agencies background information, instructions, and deadlines on the different transportation programs and requirements for the RTP, the MAG TIP, and the MAG Federal Fund Program for the upcoming fiscal year.

Joint Project – A joint project is a project that has more than one jurisdiction financially committed to the project.

MAG Air Quality Plans -

MAG Approved Plan – MAG approved plans are used in the evaluation of Regional Projects. The list of MAG approved plans that can be used are: the most recently approved: Regional Transportation Plan, MAG ITS Strategic Plan – April 2001, MAG Strategic Transportation Safety Plan – October 2005, MAG Regional Bikeway Master Plan – 2007, MAG Regional Action Plan on Aging and Mobility, MAG Regional Off-Street System Plan – February 2001, and the Arizona Strategic Highway Safety Plan – August 2007

MAG Committee Process – For purposes related to this document and process: Transportation Review Committee, the Management Committee, the Transportation Policy Committee, and the Regional Council.

MAG Federal Fund Program – The MAG Federal Fund Program consists of projects in the MAG Transportation Improvement Program (TIP) that are funded with federal funds, both highway and transit projects. A component of this Program are the projects that are local sponsored, competitively selected and programmed through the MAG Process with Federal Funds. The categories that are available for local agencies to apply for federal funds through the MAG Process are: Arterial-ITS Projects – CMAQ funded, Arterial Projects – STP-MAG funded, Bicycle and Pedestrian Projects – CMAQ funded, and Air Quality Projects – CMAQ funded.

Modal Technical Advisory Committees (TAC) – The MAG Modal Technical Advisory Committees that are related to transportation programming are the MAG Street Committee, MAG Intelligent Transportation System (ITS) Committee, Air Quality Technical Advisory Committee, and the Pedestrian Working Group and the Regional Bicycle Task Force.

Regional Project – A Regional Project is a transportation project that affects more than one jurisdiction, or the entire county, that is funded by one agency.

Surface Transportation Program (STP) funds – Surface Transportation Program funds are federal funds designated to be used on highways, transit or street projects.