

## MAG CLOSE OUT PROCESS

MAG attempts to utilize all of the spending authority, known as Obligation Authority (OA), made available to the region. To meet this goal, MAG established a Closeout process. The most important criteria for a Closeout project are that it must have completed the federal project development process and be in a position to go to bid by the end of the current federal fiscal year. The current Closeout Guidelines were approved by the Regional Council in 1995 and were revised in 1996 and 2001 and are well known. These recommendations have been subsequently amended and include eight actions as follows:

- Approval: Regional Council approval of all MAG federal funding changes;
- Cost Increases: The amount of MAG federal funding available for a project is the programmed amount listed in the current TIP. The sponsoring agent is responsible for any cost increases;
- Project Carry Forward: For a project in the first year of the adopted program, the sponsoring agent will notify MAG staff by March 1 if a project is to be withdrawn or requested to be carried forward. Projects will be carried forward only one time and will need to be obligated by September 30 in the following year;
- Close Out Priorities:
  1. The first priority for uncommitted and redistributed obligation authority occurring in the first year of the program will be to **advance current federally funded programmed projects** that are ready to be obligated.
  2. The second priority is to **increase the federal share of projects** being obligated in the first year of the program. The process of selecting these projects will consider committee input and results of the management systems;
  3. **Any other projects.**
- Project Readiness: Member agencies will be encouraged to have programmed federally funded projects ready to be obligated as soon as possible. Projects ready to go will have a high priority to be advanced to the current fiscal year to ensure that committed obligation authority is fully used, and to increase prospects of receiving a share of Arizona redistributed obligation authority;
- Commitment to Programmed Projects: In updating the five year program, projects will not be deleted except as requested by member agencies, or as required by lack of project progress or conformity requirements. Therefore, the focus of updating the five year program should be on adding projects in the fifth year of the program and not on changing projects in the first four years;

- CMAQ: A commitment will be made to using Congestion Mitigation and Air Quality (CMAQ) funds. Surface Transportation Program (STP) funds will not be obligated at a higher rate than CMAQ funds; and
- Procedural Changes: Any future change in adopted procedures for the allocation of MAG federal funds will require review by the MAG Transportation Review Committee and other committees as appropriate. Final action will be by the Management Committee and Regional Council.

## THE CLOSEOUT PROCESS

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.

Interim Closeout: Member agencies notify MAG staff, by March 1 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 is known, agencies are then requested to identify projects that can utilize the funds made available. This submittal usually occurs by the end of April.

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.