

## **AGENDA ITEM #5: HRTPO CMAQ AND RSTP FUNDING POLICIES**

Given the various programs from which projects may receive funding – SMART SCALE, State of Good Repair, TA Set-Aside, CMAQ/RSTP, etc. – and the obvious benefit of sometimes applying for funding under multiple programs, HRTPO staff believes a new policy should be added to the HRTPO CMAQ/RSTP Project Selection Process to clearly document how CMAQ/RSTP allocations will be affected in situations in which a project receives duplicate funding from the HRTPO CMAQ/RSTP Project Selection Process and other funding sources.

At the previous TPS meeting on November 17, 2017, members requested that new language be added to the HRTPO CMAQ/RSTP Project Selection Process guidance document to address the funding policy concerns. A draft of the updated policy is attached.

**Ms. Kathlene Grauberger, HRTPO Transportation Planner, will brief the TPS on this item.**

Attachment 5

### **RECOMMENDED ACTION:**

Recommend approval of a new policy regarding projects that receive duplicate funding from the HRTPO CMAQ/RSTP Project Selection Process and other sources.

## **CMAQ AND RSTP FUNDING POLICIES**

The following are the funding policies of the HRTPO regarding CMAQ and RSTP funds:

1. Priority for new CMAQ and RSTP allocations will be given in the following order:
  - a. Previously approved and underway CMAQ and RSTP project phases will be funded to completion.
  - b. Other on-going project phases eligible for CMAQ and RSTP funding will be evaluated in order to be considered.
  - c. Unfunded and new candidate projects will be evaluated and ranked in order to be considered.
2. Whenever possible, a reserve account of approximately 5% of the CMAQ or RSTP mark per fiscal year will be established to cover potential cost overruns or future reductions in marks. The reserve amount for a particular year should be allocated by the end of that fiscal year.
3. Program six years of CMAQ and RSTP preliminary allocations in accordance with project schedules and estimates. Allocate funds consistent with how they will be obligated and expended.
4. CTB members will work with MPOs and VDOT/DRPT staff to identify projects and allocations for CMAQ. VDOT Central Office, working with DRPT, will manage programming CMAQ allocations.
5. Considerations for funding cost overruns:
  - a. If the cost/annual allocation and/or scope of a project change less than 10% on any one CMAQ or RSTP funded project, the locality/agency should notify the TTAC with a request and justification for a change in funding. The TTAC must review the request and recommend use of the reserve account or, if possible, commit future year funding to preserve the project.
  - b. If the cost/annual allocation and/or scope of the project change by more than 10% on any one CMAQ or RSTP funded project, the locality/agency should notify the TTAC and HRTPO Board with a request and justification for a change in funding and/or scope. The TTAC and HRTPO Board must review the request and may recommend one or any combination of the following:
    - i. Scale back the project
    - ii. Use local funds
    - iii. Use CMAQ or RSTP reserve account funds
    - iv. Use existing CMAQ or RSTP funds from another project
    - v. Use future CMAQ or RSTP allocations
    - vi. Use future non-CMAQ/non-RSTP funds
    - vii. Drop the project

6. Policy for handling surplus CMAQ and RSTP allocations on completed or canceled projects:

While the handling of surplus CMAQ and/or RSTP allocations on completed or canceled projects may be determined by the TPS, TTAC, and HRTPO Board on a case by case basis, in general, if there are unused CMAQ and/or RSTP funds allocated to a project that has been completed or canceled, the transfer of the available funds will be handled as follows:

Within 180 days after a project has been completed (VDOT C5 form processed and final reimbursement received or equivalent from other agencies) or canceled:

- a. The project sponsor (locality or agency) will request that the available funds be transferred to one or more of the sponsor's previously approved CMAQ or RSTP projects, depending upon the type of funds available; or
- b. The project sponsor (locality or agency) will request that the available funds be transferred to the CMAQ or RSTP reserve account.

7. Policy for handling surplus CMAQ and RSTP allocations on a project that occur as a result of an award of funding from other programs, such as SMART SCALE, State of Good Repair, TA Set-Aside, TIGER, INFRA, etc.:

Within 90 days after VDOT or DRPT confirms that an approved CMAQ/RSTP project is overfunded due to receipt of funds from other programs resulting from duplicate funding requests, any CMAQ and/or RSTP funds in excess of what is needed to fully fund the project will be handled as follows:

- a. The project sponsor (locality or agency) will request that the available funds be transferred to one or more of the sponsor's previously approved CMAQ or RSTP projects, depending upon the type of funds available; or
- b. The project sponsor (locality or agency) will request that the available funds be transferred to the CMAQ or RSTP reserve account.

In the event a project has been allocated CMAQ and/or RSTP funds from the HRTPO and those allocations are subsequently removed due to the project being fully funded from other sources, the project will retain its status as a previously-approved CMAQ/RSTP project should it require additional funding at a later date to cover a cost overrun.