

## **ACTION TRANSMITTAL**

2012-34

**DATE:** October 12, 2012  
**TO:** TAC Funding and Programming Committee  
**REQUESTED BY:** Federal Program Delivery Work Group  
**PREPARED BY:** Kevin Roggenbuck, TAB Coordinator (651-602-1728)  
Heidi Schallberg, Senior Planner (651-602-1721)  
**SUBJECT:** New Program Year Policy Recommendation: To review and discuss proposed edits pending from the September 20 TAC Funding & Programming Committee meeting  
**MOTION:** Recommend adoption of the Regional Program Year Policy.

**BACKGROUND AND PURPOSE OF ACTION:** The Federal Program Delivery Work Group has focused on how to successfully move federally-funded projects to implementation. The group met five times to develop recommendations to policy and processes to improve project implementation.

For years, regional policies and rules have allowed a continuous shift of regional solicitation projects from year to year, under the auspices of flexibility and accommodation for local program delivery challenges. These policies have evolved into a practice that results in a local federal program that is substantially delaying important regional projects as reported in the State Transportation Improvement Program. The sunset date was a regional policy to allow an automatic extension of the program year until March 31<sup>st</sup> of the following year for federally-funded projects recommended through the TAB's solicitation process.

An analysis of the regional program indicates a delivery problem that translates into a transparency and accountability problem. Over the past 10 years, only 35% of the program was delivered in the original program year; 32% of the program was let in the sunset year; and 20% received a sunset date extension and delivered the projects. In addition, 13% of the projects were not completed.

Over the years, MnDOT has adjusted the federal program in an effort to accommodate movement of federally funded projects. This practice has resulted in a number of programming challenges that, in the end, put in jeopardy Minnesota's ability to fully use federal funds. The new transportation legislation, MAP-21, introduces performance measures and targets, tying spending of funds to specific outcomes. The result will be much more difficulty in shifting funds to different years.

As a result of these issues, one of the work group's recommendations is to eliminate the official automatic "sunset date" while allowing a process for projects that may need to request a program year extension due to extenuating circumstances. Additional information is provided on the handout.

On September 20, the TAC Funding & Programming Committee discussed the proposed changes to the region's sunset date policy and scope change policy as they apply to projects awarded funding through the regional solicitation process. Action on the proposed changes will begin with the TAC Funding & Programming Committee meeting on October 18. Comments made at the September 20 TAC Funding & Programming Committee meeting are summarized below .

- The forms to request a program year extension should be provided in an electronic format.
- TAB should shorten the regional solicitation process so projects can be awarded funds sooner and included in the region's TIP sooner so project sponsors can begin project development sooner.
- A project can meet its program year requirements but still needs to be authorized by June 30. Additional language is needed to make that clear to project sponsors.
- For the projects awarded funds through the 2011 regional solicitation, the program year policy should apply only to those projects that will be programmed later than 2016.
- The projects kickoff meeting between project sponsors and MnDOT Metro State Aid should be mandatory.
- Project sponsors should be given a federal project delivery schedule so they understand the time and effort needed to develop their project.

**RELATIONSHIP TO REGIONAL POLICY:** Since the first regional solicitation in 1993, the Transportation Advisory Board (TAB) has had a sunset date provision in place that applied to all projects awarded funding by the TAB. The sunset date is the date when the federal funds are no longer available to the project sponsor. The intent of the sunset date is give local project sponsors some additional time beyond its program year to develop their project and get it ready for authorization.

The sunset date is a regional policy adopted by the TAB and is not part of the federal guidance associated with each federal transportation funding Act.

---

**ROUTING**

---

<b>TO</b>	<b>ACTION REQUESTED</b>	<b>DATE COMPLETED</b>
TAC Funding & Programming Committee	Review & Recommend	
Technical Advisory Committee	Review & Recommend	
Transportation Advisory Board	Review & Adopt	
Metropolitan Council	Information	

## REGIONAL PROGRAM YEAR POLICY

-The Regional Program Year Policy is intended to manage the development and timely delivery of transportation projects awarded federal funds through the TAB's Regional Solicitation Process.

-Project sponsors awarded federal funds through the regional solicitation process are expected to get their project ready for authorization in their Program Year.

-The Program Year ~~ends on March 31~~ is July 1 to June 30<sup>th</sup> of the year in which the project is ~~first~~ originally programmed in the Transportation Improvement Program.

~~-By March 31<sup>st</sup> of the program year, the project must meet the criteria on the attached sheet.~~

-The Regional Program Year Policy will begin with projects programmed through the 2011 regional solicitation.

~~-Additionally, if a regionally selected project is not ready to request for authorization in its by June 15<sup>th</sup> of its Program Year, the project will be dropped from the not be carried over into the new TIP unless the project sponsor receives a Program Year Extension from the TAB. (move this bullet below " By March 31<sup>st</sup> of the program year... ")~~

-A Program Year extension process will exist for projects that have made significant progress and are delayed by circumstances that prevent them from delivering their projects on time. **Requests for a program year extension must be submitted by March 31<sup>st</sup> of your program year.**

- The maximum length of a Program Year extension is up to 1 year. Projects are eligible for only one Program Year extension request.

-Projects receiving a Program Year extension will not receive an inflationary cost increase in their federal cost cap.

-“Procedure to Request a Program Year Extension” is provided on the following pages.

# CRITERIA FOR MEETING PROGRAM YEAR

## **Construction Projects through the FHWA Process:**

- Environmental document approved.
- Right of way certificate approved or condemnation proceedings have been formally initiated.
- Final Construction plans submitted and reviewed for standards, eligibility, funding and structural design.
- Engineer's estimate.
- ~~Special provision information.~~ *(We are removing this because it is too early to submit these).*
- Utility relocation certificate.
- Permit applications submitted.

## **Construction Projects through the FTA Process**

- Environmental document completed; reviewed by Metro State Aid for completeness
- Satisfactory review by Metro State Aid that project plans are complete and reflect the project that was selected.
- Letting date can be set within 90 days.
- FTA notification that grant approval imminent.

## **Right of Way Only Projects through FHWA Process**

- Environmental document approved.
- OCPPM/SALT authorization to proceed.

## **Right of Way Only Projects through FTA Process**

- Environmental document completed; reviewed by Metro State Aid for completeness.
- Appraisals over \$250,000 approved by FTA; under \$250,000 reviewed by MnDOT Metro State Aid/Right of Way Section.
- FTA notifies that grant approval is imminent.
- OCPPM transfers funds.
- Offers made/condemnation initiated if offers refused.

## **Program Project**

- Grant application submitted to FTA; includes work plan.
- Notification from FTA that grant approval is imminent.
- Work will begin within 90 days after grant approval.
- Agreement executed between MnDOT and proposer once funds are transferred.

TRANSPORTATION ADVISORY BOARD

PROCEDURE TO REQUEST A PROGRAM DATE EXTENSION

If your project did not meet the project criteria for meeting the PROGRAM YEAR above and you wish to request a PROGRAM YEAR extension, use the following procedure. The project sponsor must illustrate to the Funding and Programming Committee that significant progress has been made on the project and the criteria can be met within the time period requested. The answers provided on the **PROGRESS SCHEDULE FOR PROGRAM YEAR EXTENSION will determine your eligibility for a one year extension.** The maximum length of a PROGRAM YEAR extension is 1 year. Projects are only eligible for one PROGRAM YEAR extension request. **Requests for a PROGRAM YEAR extension must be submitted by March 31 of your program year.**

In addition to the **PROGRESS SCHEDULE FOR PROGRAM YEAR EXTENSION as of (DATE) (page 4 and 5)** the project sponsor is required to submit the following materials to the Funding and Programming Committee so it can determine if a ~~sunset-date~~ Program Year extension is reasonable:

- 1) Project Background will be provided by TAB staff.
- 2) Project Progress
  - a) Complete attached progress schedule with actual dates.
  - b) Right of way acquisition - provide map showing status of individual parcels.
  - c) Plans - Provide layout and discussion on percent of plan completion.
  - d) Permits - provide a list of permitting agencies, permits needed and status.
  - e) Approvals - provide a list of agencies with approval authority and approval status.
  - f) Identify funds and other resources spent to date on project.
- 3) Justification for Extension Request
  - a) What is unique about this project that requires an extension of the program year?
  - b) What are the financial impacts if this project does not meet its current program year?
  - c) What are the implications if the project does not obtain the requested extension?
  - d) What actions will the agency take to resolve the problems facing the project in the next 3 to 6 months?

PROCESS AND ROLES

The Funding and Programming Committee will hear all requests for extensions. The Committee's recommendation will be forwarded to the TAC for concurrence. The TAC will report the action to the TAB Programming Committee. The Funding and Programming Committee will notify the applicant of its decision.

Adopted by the Transportation Advisory Board

(insert date) 2012

**PROGRESS SCHEDULE FOR PROGRAM YEAR EXTENSION (PYE) as**  
**of (A)**

Enter date (form date)

ENVIRONMENTAL DOCUMENTATION

\_\_\_\_\_ PROJECT MEMORANDUM  
\_\_\_\_\_ Completed/Approved If checked enter 5. \_\_\_\_\_  
\_\_\_\_\_ Date of approval \_\_\_\_\_

\_\_\_\_\_ EA  
\_\_\_\_\_ Completed/Approved If checked enter 2. \_\_\_\_\_  
\_\_\_\_\_ Date of approval \_\_\_\_\_

\_\_\_\_\_ EITHER  
\_\_\_\_\_ Not Complete  
\_\_\_\_\_ Anticipated Date of Completion \_\_\_\_\_  
If less than 1 month from "form date" enter 1. \_\_\_\_\_

OPPORTUNITY FOR PUBLIC HEARING (not necessary for project memorandum)

\_\_\_\_\_ Completed  
\_\_\_\_\_ Date of Hearing \_\_\_\_\_ If checked enter 2. \_\_\_\_\_  
\_\_\_\_\_ Not Complete  
\_\_\_\_\_ Anticipated Date of Completion \_\_\_\_\_  
If less than 2 months from "form date" enter 1. \_\_\_\_\_

FINAL ENVIRONMENTAL ASSESSMENT (not required for project memorandum)

\_\_\_\_\_ Completed/FONSI Approved If checked enter 2. \_\_\_\_\_  
\_\_\_\_\_ Date of approval \_\_\_\_\_  
\_\_\_\_\_ Not Complete  
\_\_\_\_\_ Anticipated Date of Completion \_\_\_\_\_  
If less than 3 months from "form date" enter 1. \_\_\_\_\_

STUDY REPORT (required for Environmental Assessment Only)

\_\_\_\_\_ Complete/Approved If checked enter 1. \_\_\_\_\_  
\_\_\_\_\_ Date of Approval \_\_\_\_\_  
\_\_\_\_\_ Not Complete  
\_\_\_\_\_ Anticipated Date of Completion \_\_\_\_\_

CONSTRUCTION PLANS

\_\_\_\_\_ Completed (includes signature of District State Aid Engineer)  
\_\_\_\_\_ Date \_\_\_\_\_ If checked enter 3. \_\_\_\_\_  
\_\_\_\_\_ Completed (approved by District State Aid as to SA Standards but not signed)  
\_\_\_\_\_ Date \_\_\_\_\_ If checked enter 2. \_\_\_\_\_  
\_\_\_\_\_ Not Complete  
\_\_\_\_\_ Anticipated Date of Completion \_\_\_\_\_  
If less than 6 months from "form date" enter 1. \_\_\_\_\_

**PROGRESS SCHEDULE FOR PROGRAM YEAR EXTENSION (PYE) as**  
**of \_\_\_\_\_ (date)- (A) \_\_\_\_\_**

Enter date (form date)

**RIGHT OF WAY ACQUISITION**

\_\_\_\_\_ Completed (includes approval of R/W Cert. #1 or #1A) If checked enter 2. \_\_\_\_\_  
Date \_\_\_\_\_

\_\_\_\_\_ Not Complete  
Anticipated Date of Completion \_\_\_\_\_  
If less than 9 months from "form date" enter 1. \_\_\_\_\_

If after March 30 in the year following the original program year, enter *what number do you want here?*

**ENGINEERS ESTIMATE OF COSTS**

\_\_\_\_\_ Completed If checked enter 2. \_\_\_\_\_  
Date \_\_\_\_\_

\_\_\_\_\_ Not Complete  
Anticipated Date of Completion \_\_\_\_\_  
If less than 9 months from "form date" enter 1. \_\_\_\_\_

**AUTHORIZED**

Anticipated Letting Date \_\_\_\_\_ Enter 0 if date is prior to July 30 of PYE \_\_\_\_\_  
Anticipated letting date must be prior to June 30 DO NOT REQUEST AN EXTENSION  
in the year following the original program year, IF LETTING DATE IS NOT BEFORE  
so that authorization can be completed prior to JULY 30 OF THE PYE DATE.  
June 30 of the extended program year.

TOTAL POINTS \_\_\_\_\_

**INSTRUCTIONS:**

1. Enter the date the form is filled out (A). This date becomes the "FORM DATE"
2. Check status of project under each major heading.
3. Enter dates as requested for each major heading.
4. Enter points as suggested by each applicable response.
5. Total points received in the TOTAL POINTS line middle of page 2.