

Reasonable Progress Policy for Federal Transportation Funds
Programmed by MARC
Adopted 1/28/2014

Background

In its role as metropolitan planning organization (MPO) for greater Kansas City, the Mid-America Regional Council (MARC) is charged by federal and/or state policy with the responsibility of programming federal transportation funds for regional projects. These responsibilities include evaluating and selecting projects for funding and working cooperatively with designated recipients of federal funds including KDOT, MoDOT and the KCATA to manage program fund balances over time.

Federal transportation funds are a limited resource. Funds that are programmed for projects that are not implemented in a timely manner deny or delay their benefits to the public and displace other worthy projects that might have been implemented in their stead. Excessive balances of funds may be subject to claw-back by state or federal agencies. Therefore, it is in the best interest of MARC and its members, designated recipients, project sponsors and the travelling public to implement projects programmed for federal funds in a timely fashion.

Intent and Expectations

It is MARC's intent to program federal funds for projects that meet regional goals and objectives and that can be implemented on schedule to provide their benefits to the travelling public in a timely manner.

It is MARC's expectation that project sponsors awarded federal funds will:

- make every reasonable effort to obligate federal funds for their projects in the year in which they are originally programmed,
- work expeditiously with state departments of transportation or other agencies to complete required project development activities on schedule, and
- keep MARC apprised of their progress.

MARC reserves the right to reallocate funds for any project that does not make and maintain reasonable progress towards obligation and implementation in a timely manner.

Reasonable Progress will have been made if the project has advanced to the point of obligating all federal funds programmed for that project (or phase of project) in the fiscal year for which it is programmed. If a project sponsor fails to obligate its federal funds by September 30 of the relevant fiscal year, the project's funding will be forfeited and returned to the regional funding pot for the relevant program.

Reporting Requirements

It is the responsibility of the project sponsor to meet the provisions of this reasonable progress policy and ensure that the federally programmed funds will be obligated by **September 30th** of the year of programming for the project. The project sponsor shall:

- Continuously monitor the progress of the programmed funds against regional, state and federal deadlines;
- Report to MARC and the appropriate administering agency (KDOT, MoDOT, KCATA) by **May 1st** of the year of programming for the project of any potential difficulties in meeting the September 30th obligation deadline; and
- Seek solutions to potential problems well in advance of potential delivery failure or loss of funding

Schedule Changes

Extensions

If a project is realizing delays that will put the federal funding at risk of forfeiture (i.e., not meet the September 30 deadline), the project sponsor will have the opportunity to ask for consideration of a “one-time extension” in their project schedule. The one-time extension can only be requested for the implementation phase of the project. The extension request will only be considered once a year, and must be made before May 1 of the year in which funds are programmed for the project.

To be considered for this extension the sponsor must demonstrate on all counts: a.) the delay is beyond their control and the sponsor has done due diligence in progressing the project; b.) federal funds have already been obligated on the project, or in cases that no federal funds are used for PE and/or ROW acquisition, there has been significant progress toward final plan preparation; c.) a realistic strategy is in place to obligate all funds.

Failure to provide the documentation noted above will cause the project to be withdrawn and the funds to be redistributed. The removal of federal funds from any such project may require the sponsor to repay any federal funds already spent on earlier phases of the same project.

One-time extensions of up to three (3) months may be granted by the relevant programming committee. One-time extensions greater than three (3) months, but not more than twelve (12) months, must be approved by the relevant programming committee and will go before the Total Transportation Policy Committee and MARC Board of Directors for final consideration and approval.

Advancements

Projects requesting to move forward from a later fiscal year to better coordinate with other activities or use unobligated funding available in the current fiscal year must present a revised schedule and receive approval from the relevant committee. Requests for schedule advancements will be handled on a case-by-case basis.

Once a project receives approval for schedule advancement, the project is subject to the September 30 deadline for the current fiscal year and will not be eligible for extensions to the revised schedule.

All requests for extensions/advancements are subject to the continued ability of the relevant committee to meet the financial conditions established for each program as a result of the request and are subject to the Board adopted rules for TIP modifications.

Project Monitoring

To ensure proper program tracking and monitoring, the relevant designated recipient, on a regular basis, shall provide each programming committee with current program financial information and project development updates. Additionally, project sponsors shall be periodically contacted by and respond to MARC staff for project status interviews.

Definitions

Obligation means the Federal government's legal commitment (promise) to pay or reimburse the States or other entities for the Federal share of a project's eligible costs. In general, *Federal Highway Administration* funds are obligated upon request of a State Department of Transportation after completion of key milestones in the Local Public Agency federal aid project development process or, in certain cases, when the State requests that project funds be transferred to another agency such as the *Federal Transit Administration (FTA)*. In general, *Federal Transit Administration* funds are obligated when the recipient of funds enters into a grant funding agreement with FTA.

Programming means prioritizing proposed projects and matching those projects with available funds to accomplish agreed upon, stated needs. When funds are programmed in the TIP, this represents MARC's approval to allow USDOT funds to be used to implement a given project; however, this action is only one of many steps needed to ultimately secure the Federal government's obligation of funds to a project.