Delivery Target – Process Proposal and Current Status

RPEC
April 26, 2019
Overview

• Current Policies and Procedures
• Project Delivery Working Group Recommendation
• Rebalancing Update
• Next Steps
Current Policies and Procedures
Current Project Tracking Policies

- updated in 2014
- before requirement to balance by year
- focused on potential need for supplemental funding action
Current Project Tracking Policies

Goals:

1. Achieve annual delivery targets
   • Keep funds within the region
   • Position the region to receive additional obligational authority and/or funding

2. Establish policy guidance for supplemental funding recommendations
   • Follow existing PSRC practices to the extent possible
   • Create a consistent, fair and transparent process

3. Funding actions should aim for a reasonable distribution among project phases and geographies
   • Predicated on the assumption that projects under consideration are immediately ready to obligate PSRC funding
Current Policies and Procedures

Adopted process to solicit ready-to-go projects for supplemental funding:

1. Immediately ready-to-go projects solicited from the current adopted contingency list
2. Projects previously awarded PSRC funds, with a need for funding of the subsequent phase
3. Add PSRC funds to projects with other federal, state or local funds that have already been through a PSRC public review and comment process (i.e. TIP amendment)

Process has evolved over time:

- balancing by year
- target = allocation
- updates needed
Current Project Tracking Policies

Recent Delivery History

2013 – supplemental funding action required
2014 – supplemental funding action required
2015 – barely met target
2016 – exceeded target, resulted in no more old money on the books
2017 – it was a challenge to meet delivery target
2018 – it was an even bigger challenge to meet the delivery target, outside-the-box thinking was required to meet goal
Project Delivery Working Group
A Project Delivery Working Group from the Regional Project Evaluation Committee and the four countywide forums has been convened since December

- Goal = work towards a more consistent and streamlined approach to meeting delivery targets
- Focused on 2019 immediate needs, and future improvements to overall process
Guiding Principles
• Neutral impact on PSRC funds preferred (i.e., no net change to totals in the TIP)
• Adhere to existing policies and procedures to the extent possible
  • Geographic Equity
  • Respect for project selection process, awards and prioritized contingency list
Working Group Prioritization of Options

Recommended Prioritization Process

1. Advance projects from later years

2. Swap funds between phases or projects within single project
   - Example 1 = project has two PSRC-funded phases, one underway and one in a future year; the sponsor is able to move the later PSRC award to the current year and phase, and exchange for an equal amount of local funds
   - Example 2 = agency has two projects with PSRC funds, one underway and one in a future year; sponsor is able to move the PSRC funds into the current project and exchange an equal amount of local funds

Neutral
3. Contingency
   • Traditional process:
     • New funds from higher allocation applied 50/50 between regional and countywide forums
     • Returned funds go back to forum
     • Applied to prioritized contingency lists
     • Funds generally in the latter year of the TIP
   • Under a delivery need situation:
     • Standard process applied to the extent feasible
     • First priority is to meet delivery gap
     • Seeking immediately ready to go projects
     • May result in no further contingency funds in outer year
4. If options 1-3 aren’t enough to fill the gap (failsafe option):
   • Increased federal share (between award and maximum 86.5%) or
   • New funds to projects – i.e., projects that are ongoing or repetitive in nature and can utilize federal funds
Working Group Prioritization of Options

Summary: Recommended Prioritization Process

1. Advance projects from later years
2. Swap funds between phases or projects within single project
3. Contingency
4. Increase federal share / new funds to projects
Rebalancing Update
2019-2022 TIP Programming

Programming By Year

- **FFY 2019**: $78.3m programmed, Target = $76.5m
- **FFY 2020**: $82.2m
- **FFY 2021**: $79.5m
- **FFY 2022**: $77.6m
2019-2022 TIP Programming

Status as of January 2019

- **FFY 2019**: $78.3m programmed
  - Target = $86.8m

- **FFY 2020**: $82.2m

- **FFY 2021**: $79.5m

- **FFY 2022**: $77.6m

$10.3 mil added to target
(8.5 mil higher allocation & 1.8 mil from deobligations)
Programming Status as of March 31, 2019

$1.9 mil returned

FFY 2019: $76.4m programmed
FFY 2020: $82.2m
FFY 2021: $79.5m
FFY 2022: $77.6m

Target = $86.8m
2019-2022 TIP Programming

Extensions

- **FFY 2019**: $43.4m programmed
  - Target = $86.8m
  - GAP = $43.4m

- **FFY 2020**: $115.2m
  - $33 mil in extensions moved to FFY 2020

- **FFY 2021**: $79.5m

- **FFY 2022**: $77.6m
2019-2022 TIP Programming

Draft Advancements

$74.7m programmed
Target = $86.8m
GAP = $12.1m

- FFY 2019: $86.8m
- FFY 2020: $101.5m
- FFY 2021: $68.4m
- FFY 2022: $71.1m

$13.7 mil advanced from 2020
$11.1 mil advanced from 2021
$6.5 mil advanced from 2022
Contingency Potential

➢ Funding Source Issue

<table>
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<tr>
<th>Fund Source</th>
<th>2020-2022 Projects Able to Advance</th>
<th>2019 Contingency Potential</th>
<th>Total Potential to Fill Gap</th>
<th>Gap</th>
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<td>19.5</td>
<td>50.8</td>
<td>43.4</td>
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</tbody>
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➢ Procedure

- Fund STP projects in priority order – as available to obligate by mid-July
- Consideration of funding CMAQ contingency project with STP funds, if necessary

➢ Issues

- Higher ranked projects will be skipped
- Won’t be balanced by forum
Next Steps

1. Sponsor follow-ups
2. Research into option #2 (net zero impact projects)
3. Confirmation and follow-ups on contingency projects
4. May RPEC action – funding action if needed, revisions to project tracking policies
5. June board action
Next Steps

March
March 22 – Project Delivery Working Group refine 2019 delivery proposal

April
April 1 - Extension requests due;
April 11 – TPB delivery presentation
April 26 – RPEC discussion; Proposed final recommendation from Project Delivery Working Group on 2019 delivery proposal

May
May 24 – Proposed RPEC action on contingency and/or supplemental funding;
No PSRC Executive Board meeting

June
June 1 – PSRC obligation deadlines;
June 11, 25 – Proposed PSRC Board action on contingency and/or supplemental funding

July
July 15 – Proposed obligation deadline for any supplemental funding action, i.e., “immediately ready to go” projects

August
August 1 – State obligation deadline

September
September 30 – end of federal fiscal year