

DEVELOPMENT OF A NEW DIRECTION FOR CMAQ AT NCDOT

Summary of Comments Received

September 26, 2008

Operations Staff Meeting

TPB presented the proposal at the NCDOT Operations Staff meeting on September 2, 2008. The following comments were expressed during this presentation from Division Engineers.

- The coordination between BOT, Divisions and MPO/RPOs should be spelled out clearly.
- The minimum threshold of \$250,000 might be too high, due to some local area's inability to meet the required local match.
- Divisions were not involved in the project selection process in 2004. Division personnel may be able to offer comments on the ability to implement proposed projects, so it might be good to include them on the Interagency Review Team for the revised process.

Written Comments Received

A summary of the proposed modifications was shared with affected MPOs, RPOs, NC Association of MPOs, NC Association and other interested parties. Written comments were received from the following organizations:

- Cabarrus-Rowan MPO
- Federal Transit Administration
- Greensboro Urban Area MPO
- High Point MPO
- Lake Norman RPO
- Mecklenburg-Union MPO
- NC Association of MPOs
- NC Association of RPOs
- NC State Solar Center
- Piedmont-Triad RPO
- Southern Environmental Law Center
- Triangle Area RPO
- Winston-Salem MPO

These comments have been compiled and categorized into overarching issues as follows:

◆◆◆◆ 2004 Call for Projects Comments ◆◆◆◆

“We strongly support the 2004 Call for CMAQ projects and sub allocation of \$7 million to the CRMPO by NCDOT... We have found the CMAQ program to be highly successful in the CRMPO with over 98 percent of our suballocated funds committed to projects by NCDOT in the 2006-2012 TIP. The overwhelming majority of those projects programmed in the first 3 years of the 2006-2012 TIP are either complete or underway.” – **Cabarrus-Rowan MPO**

““[We] favor the... approach of continuing the allocation process to eligible areas and qualifying projects that began in 2004.” – **Triangle Area RPO**

◆◆◆◆◆ Programming Unallocated Funds Comments ◆◆◆◆◆

“The Greensboro [MPO]... supports moving forward with the proposal to program unallocated funds remaining from the 2006-2012 Transportation Improvement Program (TIP) cycle, with modifications as follows:

- The MPO supports establishing a reasonable project cost threshold with added flexibility for flexing CMAQ funds to FTA projects.
- The MPO recommends agreement templates, streamlined agreement processes, and bundling smaller projects where possible to reduce administrative burden and associated delay.
- The MPO welcomes guidance on project selection and scheduling as needed to advance CMAQ program goals and delivery.”

The Greensboro [MPO]... encourages NCDOT to work with MPOs that can demonstrate an ability to deliver specific projects in advance of 2013 to fast-track program expenditures to spend against future-year allocations or unclaimed balances as a way to spend down the state CMAQ balance and advance program objectives.” – **Greensboro MPO**

“The Mecklenburg-Union [MPO]... is supportive of the methods proposed to program unallocated funds from the 2004 project call... NCDOT staff should pursue Board of Transportation (BOT) action of the methods proposed to program unallocated funds from the 2004 project call.” – **Mecklenburg-Union MPO**

“Working with MPOs with a demonstrated ability to move specific projects forward in the short term to spend against future year balances will help the department efficiently expend CMAQ resources in the short term and offset impacts that project delays elsewhere in the CMAQ program may present.” – **NCAMPO**

“We request that statewide projects for 2009-2011 be considered at this time.” – **NC State Solar Center**

“North Carolina should not allow “haste to make waste” in the programming of unallocated CMAQ funds. Many states have had difficulty finding programs on which to spend CMAQ dollars. State have had to give money back to the federal government because of this. The imperative to spend CMAQ dollars in a way that reduces emissions and reduces congestions, while at the same time complying with deadlines to keep funding should be balanced in favor of better programming rather than hasty gap-filler projects, including highway capacity building projects.” – **Southern Environmental Law Center**

“The Winston-Salem Urban Area MPO supports moving forward with the proposal to program unallocated funds remaining from the 2006-2012 TIP cycle, with modifications as follows:

- Establish a minimum project cost threshold of \$50,000 with no minimum threshold for flexing CMAQ funds to FTA projects.
- Recommends agreement templates, streamlined agreement processes, and bundling smaller projects where possible to reduce administrative burden and associated delay.

- Welcomes guidance on project selection and scheduling as needed to advance CMAQ program goals and delivery.”

The Winston-Salem Urban Area MPO would like to work with NCDOT to deliver projects in advance of 2013 and to fast-track program expenditures to spend against future year allocations or unclaimed balances as a way to spend down the state CMAQ balance and advance program objectives by:

- Providing the Winston-Salem Urban Area MPO with an additional eighteen million dollars (\$18 million) in CMAQ funds (\$9 million each in Fiscal Years 2011 and 2012) to completely overhaul its traffic signal system prior to work on Business 40 in downtown Winston-Salem.” – **Winston-Salem MPO**

◆◆◆◆ CMAQ Project Fast-Tracking Comments ◆◆◆◆

“We believe the NCDOT proposal to fast track projects could be advantageous and we share your interest in utilizing any unexpended balances statewide. Given the NCDOT stated delay in implementation with other MPOs’ CMAQ projects, it could be an opportunity to get projects implemented more quickly and we agree to the merits of this idea.” – Cabarrus-Rowan MPO

“The Greensboro [MPO]... supports implementation of the proposal to fast-track program expenditures through CMAQ projects and project phases in Federal FY 2009 with a 100% federal share.” – **Greensboro MPO**

“The Mecklenburg-Union [MPO]... is supportive of the methods proposed... for fast-tracking existing funded projects. NCDOT staff should pursue Board of Transportation action on the methods proposed to fast-track some existing funding projects.”
– **Mecklenburg-Union MPO**

“[NCARPO thinks] the fast-track process is a good one, and overall the revisions you suggest should help make the program run more smoothly & efficiently.” – **NCARPO**

“North Carolina should not allow “haste to make waste” in the programming of unallocated CMAQ funds. Many states have had difficulty finding programs on which to spend CMAQ dollars. State have had to give money back to the federal government because of this. The imperative to spend CMAQ dollars in a way that reduces emissions and reduces congestions, while at the same time complying with deadlines to keep funding should be balanced in favor of better programming rather than hasty gap-filler projects, including highway capacity building projects.” – **Southern Environmental Law Center**

“The Winston -Salem Urban Area MPO supports implementation of the proposal to fast-track program expenditures through CMAQ projects and project phases in Federal FY 2009 with a 100% federal share.” – **Winston-Salem MPO**

◆◆◆◆ Programming Post-2012 CMAQ Funds with New Guidelines Comments ◆◆◆◆

General Process

“The Greensboro [MPO]... requests NCDOT defer a decision on new CMAQ guidelines for future TIP cycles pending consultation involving the Department, MPOs, and affected RPOs. Consultation should include a review of issues with program administration, project selection, and program delivery and the development of more effective CMAQ guidelines by Spring 2009.” – **Greensboro MPO**

“The proposed approach unnecessarily injects a political overlay into the project selection process. ...we request that Transportation Planning Branch reconsider their schedule and develop a more inclusive process development effort that includes the other stakeholders in the CMAQ process. In addition, we would like for the following unmet needs to be specifically addressed in developing a new or revised CMAQ process:

- Articulate a clear vision of the project selection process including for project sponsors any weighting or preference for certain project categories. For example, if signal systems are a preferred project type how much extra weight will this type project receive. Also what is the normal range of benefit cost ratios that the Interagency Review Team expects to see?
- Detailed guidance on developing CMAQ projects for inclusion in the TIP. This guidance should include clear understandable instructions for completing grant applications, acceptable methods for estimating the emissions impacts of projects, and if needed project lifetimes and schedules.
- A catalog of acceptable emission calculation methods for use by potential project sponsors.
- A CMAQ project manager's guidebook similar to the Enhancement Project Manager's guidebook published by the enhancement unit. [NCDOT Editorial note - In August 2006, NCDOT and FHWA cooperatively developed a project manager's guide for the CMAQ program entitled *Congestion Mitigation and Air Quality Program Implementation: Project Manager's Guidance*. This guidebook, which details the CMAQ project process from the project award/agreement phase through final implementation and close out, is shared with all sponsors as projects begin.]
- A project initialization meeting with each project sponsor to describe and discuss how the project sponsor will comply with all federal requirements after projects has been selected.”
– **High Point MPO**

“The RPO supports... the concept of synchronizing the project submittal schedule with the regular STIP development process.” – **Lake Norman RPO**

“Action on the recommendations regarding the programming of post-2012 CMAQ funds should be delayed, and NCDOT staff should assemble a working group of the state's MPOs and RPOs to develop a more suitable process to be presented to the BOT.” – **Mecklenburg-Union MPO**

“Integration of the CMAQ process into the two year TIP cycle (starting with the identification of priority needs) is needed for an effective and ongoing project development and selection process, for administrative efficiency, and for better outcomes overall...”

There is a need to develop project selection guidelines in cooperation with MPOs and affected RPOs. These guidelines should consider project scale and function as well as the benefit/cost ratio to ensure projects provide appropriate levels of benefit.

There also appears to be a need to develop guidelines or other protocol for realistic project scheduling to facilitate orderly TIP project delivery.

Integrate CMAQ project selection into the priority needs process of TIP. Develop CMAQ timeline with major milestones/ deadlines for MPOs and affected RPOs coinciding with the two year STIP cycle.” – **NCAMPO**

“...the proposal to integrate the call for projects with the TIP project prioritization process appears to be reasonable so as long as the timing for TIP prioritization calls becomes more predictable and clear deadlines for submittals are established.” – **Piedmont-Triad RPO**

“Funds from North Carolina’s CMAQ allocation should not go to capacity expansion for highways. Any new CMAQ guidelines should result in clear criteria supporting innovative emissions reduction programs and clear prohibitions against capacity expansion for highways.” – **Southern Environmental Law Center**

“The Winston-Salem Urban Area MPO requests that NCDOT defer a decision on new CMAQ guidelines for future TIP cycles pending consultation involving the Department, MPOs, and affected RPOs.

- Consultation should include a review of issues including retaining discrete funding allocations for nonconforming and maintenance MPOs and RPOs, program administration, project selection, program delivery, and the development of more effective CMAQ guidelines by Spring 2009.” – **Winston-Salem MPO**

Minimum Project Cost Threshold Comments

“We believe the project minimum threshold will eliminate many good projects locally and statewide. In the CRMPO, the majority of our projects from the 2004 Call were less than \$250,000 and would have not been eligible for CMAQ funds had this administrative proposal been in place. We believe a more reasonable project minimum threshold should be established (possibly \$50,000) to retain the opportunity for smaller projects and smaller project sponsors to participate in this program. (The CRMPO has a total of 10 different local project sponsors in our program.)” – **Cabarrus-Rowan MPO**

“We agree with the need for a minimum project size to avoid cases in which administrative costs exceed the dollar value of the project itself. However, the proposed \$250,000 minimum is too high. A high minimum will limit the ability of areas like the NW Piedmont RPO, the Rocky River RPO and the UNIFOUR RPO to develop projects and to obligate the funds. We propose that the minimum project value be set at \$50,000, or that the limit be set at \$350,000 for a seven year coordinated program of projects. \$350,000 is equivalent to \$350,000 per year for the seven years of the TIP.” – **High Point MPO**

“The RPO supports the \$250,000 CMAQ-project minimum...” – **Lake Norman RPO**

“MUMPO would also like to express concern with the \$150,000 threshold being considered. The new guidelines should allow for exceptions for projects of significant merit.”

– **Mecklenburg-Union MPO**

“Establish reasonable minimum threshold requirements with exceptions for transit projects flexed to FTA and air quality programs...”

Bundling smaller projects within a jurisdiction (or County) onto single contracts and agreements is administratively and economically efficient. Encourage and facilitate project bundling by municipalities, counties, and Highway Divisions.” – **NCAMPO**

“The minimum project cost seems high, especially given the smaller projects in rural areas that can provide high air quality benefits (turn lanes, signalization improvements, educational programs, etc). Perhaps a tiered project cost minimum could be developed that takes into account the feasibility of small projects, or the combination of a number of projects in a county could be combined to fit under a single contract?” – **NCARPO**

“A reasonable minimum cost threshold for projects should be required. However, \$250,000 is far too high, particularly for rural jurisdictions which must supply matching funds. We support a more reasonable cost threshold of \$50,000. This would encourage smaller projects (sidewalk construction, for example) to be bundled together into multi-year programs for agreement purposes, while still allowing for low cost stand-alone projects (like minor intersection improvements and vehicle purchase programs).” – **Piedmont-Triad RPO**

North Carolina’s program should not include a minimum cost threshold. Setting minimum project costs is at odds with the 2007 Federal Interim Guidance measures of cost effectiveness of projects. Priority consideration goes to “cost effective emission reduction and mitigation activities when using CMAQ funding” rather than the more bare “highest and best use of funds” standard articulated by the NCDOT.” – **Southern Environmental Law Center**

Regional Suballocation

“We believe the CMAQ sub allocation to the MPO’s should be retained. For the smaller MPO’s that do not receive STP funds directly, the CMAQ funds are the lone funding source that are at the sole discretion of the locals. By integrating this funding source into the TIP consultation process without firm guidelines upon how the funds should be distributed could lead to frustration similar to our MPO’s efforts to get TIP funds for highway projects. It will politicize CMAQ in a way that does not currently exist under the sub allocation and will further add to the workload on the Board members and Division Engineers where there are multiple MPO’s and/or RPO’s. In addition, NCDOT still retains about 20 percent of the overall allocation to NC (\$30 million) for those projects that are of regional and statewide significance. These funds continue to be at the Department’s discretion and could fund those more expensive projects that produce significant air quality benefits within and across regions.” – **Cabarrus-Rowan MPO**

“Our TAC wishes to express their concerns about grouping all of the MPO's and RPO's and their funding together for the prioritization and selection of CMAQ projects.” – **Gaston MPO**

“We are concerned that allocation to the nonattainment area level rather than to the MPO or RPO level tilts the project selection process towards larger metropolitan planning organizations at the expense of smaller metropolitan planning organizations and rural planning organizations. For many years NCDOT's policy position has been to distribute funds as equitably as possible. Allocating to the nonattainment area also unnecessarily requires the Board of Transportation and Division Engineers to referee disputes between adjacent MPOs and RPOs. The unnecessary expenditure of Board member time will only become greater if the number of nonattainment counties grows as a result of anticipated changes to the ozone standard.” – **High Point MPO**

“MUMPO has serious reservations with the plan to allocate CMAQ funds at an air quality region level, as opposed to the MPO/RPO level. The following details the reasons for our concerns:

1. *Local Knowledge is Important* CMAQ projects without a statewide benefit (e.g., congestion relief and traffic flow, transit improvements, bicycle and pedestrian facilities) tend to be of a scale that warrants a more localized review and approval procedure. MUMPO believes that the best local projects should be chosen at the local level where staff and officials understand the area's needs, and if a CMAQ project is an effective way to address those needs. Elevating the project selection process to a regional level is more likely to result in projects being selected that do not truly reflect the needs of the community.
2. *Different Project Type Needs* Public transportation is playing a major role in the development of MUMPO's transportation network. Consequently, MUMPO is likely to support transit projects with CMAQ funds, and in fact did so with the 2004 call for projects. By contrast, funding transit projects may not be a top priority of our regional partners due to the lack of significant transit systems and/or transit planning activities in their communities.

As with public transportation, walking and bicycling are playing increasingly important roles in MUMPO's transportation planning efforts because of the increasing densities found in much of our planning area. Municipalities in our neighboring MPOs and RPOs continue to pursue low-density, auto-oriented development where bicycling and walking will not play a significant role in mobility. The result will likely be important pedestrian and bicycle projects being overlooked as effective tools to reduce emissions.

3. *No Regional Organizational/Decision-Making Structure* The region lacks an organization with the authority to develop a project list that can be submitted to NCDOT for consideration. While the area's six transportation planning organizations have joined together to form the Charlotte Regional Alliance for Transportation (CRAFT), it has never exercised any decision-making responsibilities, and certainly not at the level of TIP programming decisions. Without such an organization, decision-making will effectively revert to NCDOT, which lacks the local staff capable of undertaking the lengthy, technical reviews and analysis necessary to develop a project list.

4. *No Regional Project Selection Process* The region lacks a project selection process. Creating such a process will be an intensive, time-consuming effort, and will be particularly burdensome at a time when the three MPOs in the region are working on the development of updated long-range plans.” – **Mecklenburg-Union MPO**

“NCAMPO has concluded that there is a need to continue the CMAQ allocation through eligible MPOs and RPOs subject to appropriate guidance, administrative enhancements, and appropriate performance measures.

The proposed regional allocation above the MPO level lacks sufficient detail and presents a series of complications and potential pitfalls. A more detailed review of issues of organizational structure, decision making, guidance and process would be needed prior to determining the relative merits and process option of a regional allocation mechanism.

There is a need to reallocate unexpended funds from any RPO or MPO that is unable or uninterested in directing their allocation.” – **NCAMPO**

“The existing funding formula for the CMAQ program is clear and easy to understand. The proposed changes to the distribution formula will create conflicts among transportation planning partners within air quality non-attainment areas that are unnecessary and unproductive. While we appreciate the fact that competition may yield bigger projects, it would not insure equal distribution of funds across the non-attainment area, and will make it more difficult for rural area to secure funding. We encourage you to keep the current funding distribution system in place.” – **Piedmont-Triad MPO**

Interagency Review Team Comments

“We believe that the statewide MPO Association should have representation on the [IRT] to review the eligibility of CMAQ projects as was the case with the 2004 CMAQ call.”
– **Cabarrus-Rowan MPO**

“...the proposed approach significantly devalues the Interagency Review Team. We much prefer maintaining status quo in which project selection is determined by local interest and Transportation Advisory Committee approval subject to available funding.” – **High Point MPO**

Project Application

“[NCARPO suggests] you provide an emissions benefit calculation guidance document with the application or during a pre-application phase. This will help ensure that AQ benefits are calculated in a uniform fashion across the state, which I know was not the case during the 2004 call.” – **NCARPO**

“The application is short and to the point; however there is little guidance regarding standard procedures or methodology to quantify air quality benefits or identify the qualitative air quality

benefits for programs that do not impact direct tailpipe emissions. Standardized emissions calculation formulas, worksheets or other acceptable methodology should be utilized to insure that projects benefits can be compared equally across the state.” – **Piedmont-Triad RPO**

Program Administration

“Provide and/or require training in federal aid, CMAQ administration, environmental & air quality documentation for project sponsors. This is a common practice in many states and for many types of grant programs.

Develop and distribute needed information regarding project selection, project scheduling, air quality benefits analysis, and documentation. Post through an NCDOT website clearinghouse.” – **NCAMPO**

“When I worked in Georgia, each year the state conducted an applicant's conference for the application of Community Development Block Grant funds (CDBG). Each local government intending to apply for the funds had to attend the conference & get guidance from the state on how to fill out the application, what was involved in reporting and admin of the grant, etc, so that they would know what they were getting themselves into. This might be a good model for CMAQ grants as well, to get everyone on the same page and clearly state the goals of the program and what is involved. Just an idea!” – **NCARPO (Shelby Powell)**

“The administrative roles and responsibilities for local governments and the RPO related to the CMAQ program have never been clearly articulated. This lack of guidance has directly contributed to the administrative issues we and other have experienced related to agreements, federal compliance and oversight. Clear, standard administrative guidance, paired with an orientation workshop for local governments receiving CMAQ dollars would resolve many of these issues and clarify roles and responsibilities for every agency involved. The proposed use of Division staff for project management would also go a long way toward delivering individual projects more efficiently and with fewer administrative issues.”
– **Piedmont-Triad RPO**

Inflation

“The 2004 CMAQ Call and approval process unfortunately did not include a provision for inflation. Because some of our projects were approved by NCDOT on a delayed schedule and the cost of construction materials has increased beyond prediction, the purchasing power of individual projects within our MPO has been reduced. Please consider adding a provision for adjustments to project costs due to inflation over time, especially for those projects originally approved in the 2006-2012 TIP.” – **Cabarrus-Rowan MPO**

Agreements

“Streamline the agreement process using standard templates, with the local sponsors filling in needed information as appropriate.

Allocating appropriate Departmental staff resources to process the agreements and include Highway Division, Agreements Unit, PTD, and/or DBPT staff as appropriate to improve the administrative process and program outcomes.” – **NCAMPO**

◆◆◆◆ Other Miscellaneous Comments ◆◆◆◆

“We at FTA would like to encourage NC and its many planning/transit entities to continue to refine and improve your CMAQ project development process. As you know CMAQ dollars can help meet the capital and new [service] needs of transit grantees while improving AQ. Feasible new routes, new rail [service] & even [park and ride] lots can be considered for CMAQ funds in NA areas if the AQ benefit is well documented. New capital investments like buses with alt. fuel technologies which have a positive AQ impact are CMAQ eligible. As a matter of fact, given the hard work of NCDOT and FHWA NC and many transit grantees in NC, FTA is in the midst of a major effort to transfer and award possibly lapsing CMAQ dollars to several transit grantees in NA areas. In general, if such CMAQ transfers can take place in time to meet TIP and STIP deadlines and funding transfer deadlines in DC, than CMAQ funds can play a very useful role in boosting capital availability and transit ridership in NA areas. Thank you for your work and the opportunity to comment.” – **Federal Transit Administration**