

LOCAL PUBLIC AGENCY – TRAINING SERIES

MODULE 3: FEDERAL AUTHORIZATION

FEDERAL AUTHORIZATION & RESOURCE ADMINISTRATION

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Presentation Overview

- ▶ Federal Aid
- ▶ Distribution of federal funds between ADOT and COGs/MPOs
- ▶ Local Federal Aid - “Use or Lose”
- ▶ Initiation of a Project
- ▶ Joint Project Agreement
- ▶ Resource Administration
- ▶ Questions

Federal Aid

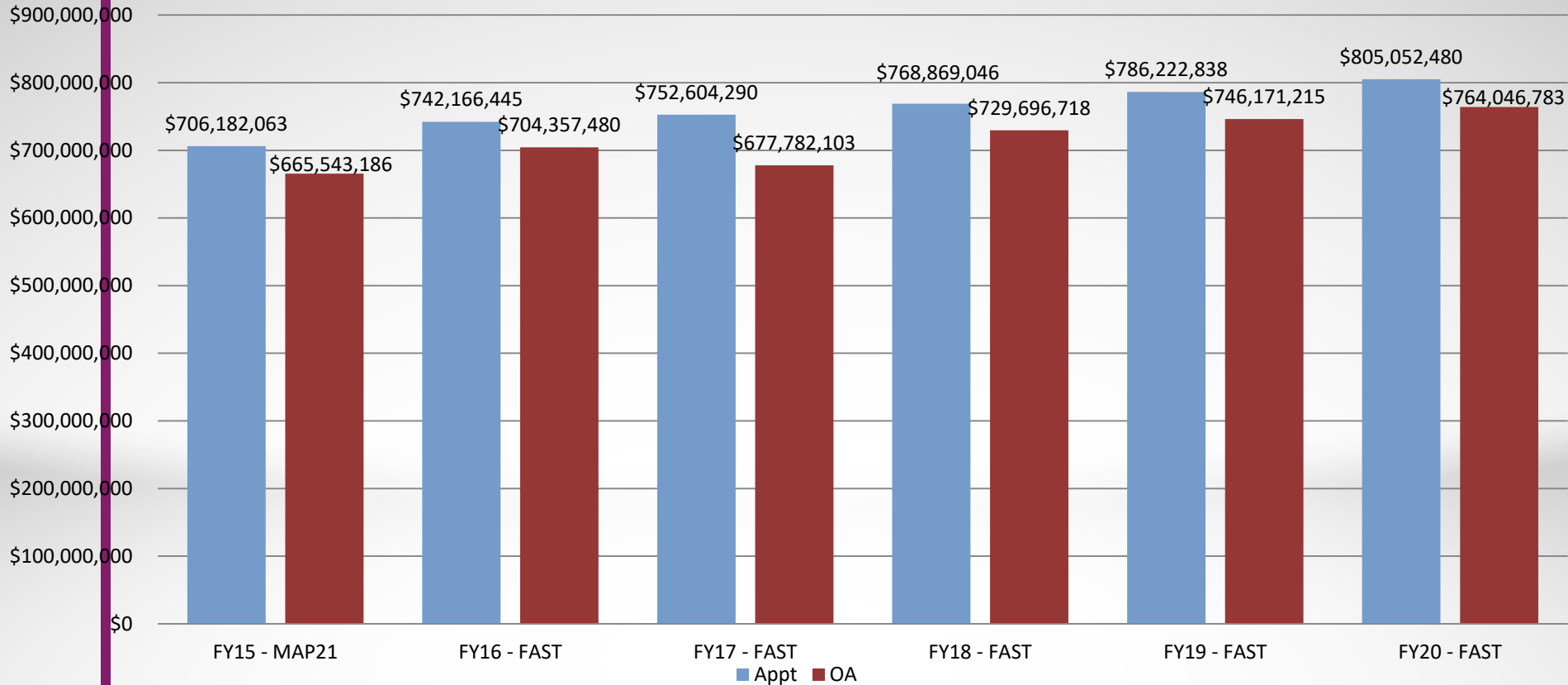
Federal Aid Highway Program

- ▶ Reimbursement program
- ▶ Requires a local match
 - 5.7% for the state of Arizona (only Nevada has a lower match at 5%), based on percentage of federal lands in the state
- ▶ Funding is distributed by formula to States pursuant to a federal transportation program authorization (apportionments) and annual budget bills (obligation authority)
- ▶ Funded primarily from the Federal Highway Trust Fund
- ▶ The transportation bill FAST Act expired on September 30, 2020. It was extended for one year.

Apportionments vs Obligation Authority

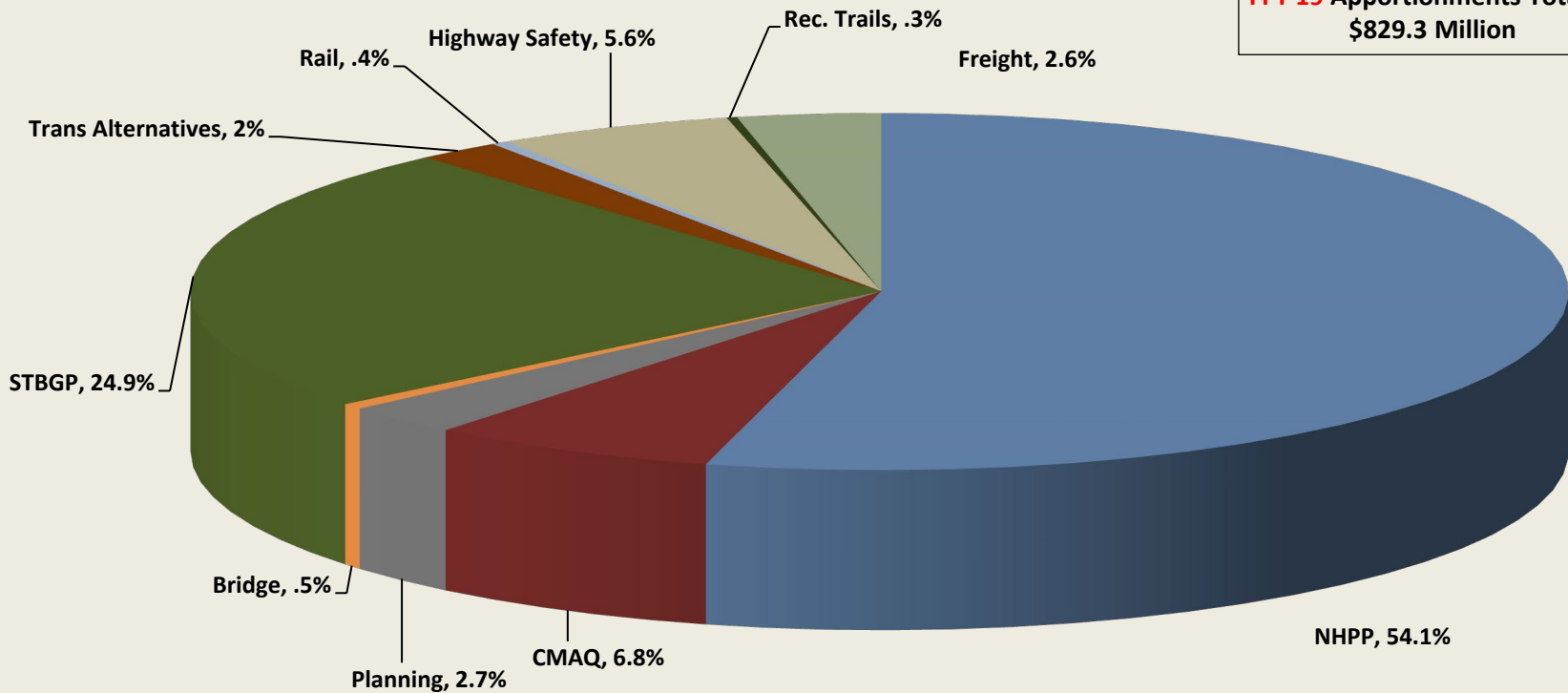
- ▶ Apportionments (checks)
 - Amount set in program authorization bill
 - Represent upper annual limit
 - Broken into various categories via formula, earmarks and allocations
- ▶ Obligation Authority (cash)
 - Amount set annually in budget bills
 - Generally 90-95% of apportionments
 - Ratio results in “excess” apportionments
- ▶ An equal amount of both are required to fund projects

Apportionment v. Obligation Authority MAP-21 to FAST



Apportionments – FFY 20

FFY 19 Apportionments Totaled
\$829.3 Million



FAST Act Funding – FFY20 Overview

FFY 20 Estimated Apportionments and Regional			APPORTIONMENTS											
OA Ratio (OA/apportionments) /1		90.60%	State			MAG			PAG			Greater AZ		
Fund Type	Program Category	Total Apportionments	Statutory	Disc	Total	Statutory	Disc	Total	Statutory	Disc	Total	Statutory	Disc	Total
Formula	Rail Highway Crossing Hazard	1,483,479	1,483,479		1,483,479			0			0			0
Formula	Rail Highway Protect Dev	1,483,480	1,483,480		1,483,480			0			0			0
Formula	Highway Safety Imp Prog	44,794,312	44,794,312		44,794,312		0	0		0	0		0	0
Formula	Recreational Trails	1,915,514	1,915,514		1,915,514			0			0			0
Formula	Rec Trls Return 1% Admin	19,349	19,349		19,349			0			0			0
Formula	Redistrib Certain Authorize /2	4,565,324	4,565,324		4,565,324			0			0			0
Formula	National Freight Program	27,099,921	27,099,921		27,099,921			0			0			0
Formula	National Highway	424,149,451	424,149,451		424,149,451			0			0			0
Formula	Projects to Reduce PM2.5	1,198,927	516,508		516,508		682,419	682,419			0			0
Formula	Congestion Mitigation	53,320,117			0		53,320,117	53,320,117			0			0
Formula	SPR (Planning)	11,950,975	8,895,975		8,895,975		1,250,000	1,250,000		350,000	350,000		1,455,000	1,455,000
Formula	SPR (Research)	3,983,659	3,983,659		3,983,659			0			0			0
Formula	Metropolitan Planning	6,311,543			0	4,320,282		4,320,282	1,044,529		1,044,529	946,732		946,732
Formula	STP Urban > 200k	77,268,528			0	62,700,943		62,700,943	14,567,585		14,567,585			0
Formula	STP Flex	86,236,568	86,236,568		86,236,568			0			0			0
Formula	STP < 200k	20,621,535	10,194,590		10,194,590		2,603,773	2,603,773		3,304,738	3,304,738		4,518,434	4,518,434
Formula	STP < 5k	12,546,118	5,879,711		5,879,711		1,220,668	1,220,668		2,112,865	2,112,865		3,332,874	3,332,874
Formula	Bridge Off System	4,120,308	4,120,308		4,120,308			0			0			0
Formula	TA Urban > 200k	5,520,479			0	4,479,692		4,479,692	1,040,787		1,040,787			0
Formula	TA Flex	7,890,154	7,890,154		7,890,154			0			0			0
Formula	TA < 200k	1,473,310	1,051,741		1,051,741		349,168	349,168		72,404	72,404			0
Formula	TA < 5k	896,365	643,822		643,822		153,739	153,739		98,801	98,801			0
	Total Formula Apportionments	794,284,092	630,358,542		630,358,542	71,500,917	59,579,884	131,080,801	16,652,901	5,938,808	22,591,709	946,732	9,306,308	10,253,040
	Total Formula OA (@90.6)	719,629,212	State Formula OA		564,063,865	MAG OA		124,395,680	PAG OA		21,439,532	Greater AZ OA		9,730,135
Exempt	NHPP Exempt /3	11,034,182	State Exempt OA		11,034,182									
	Total Arizona OA	730,663,394	Total State OA		575,098,047									

What does it all mean?

- ▶ While ADOT receives the cash (obligation authority) in one large bucket, the categories of funding dictate what the blend of projects has to be
- ▶ When a project needs to defer, a project with similar type of funding needs to be advanced
- ▶ When a project looks to advance, we must ensure we have enough funding in the project category

Distribution of Federal Aid between ADOT and COGs/MPOs

Funding Distributions

- ▶ Local projects in State Transportation Improvement Program (STIP)
 - Approved by regional Executive Board or Council
 - Statutory – Urban STBGP and TAP (MAG/PAG), PL
 - Discretionary
 - STBGP under 5,000 people
 - STBGP between 5,000 and 200,000 people
 - SPR, CMAQ
 - HURF Exchange

Funding Local Project Overview

- ▶ HURF swap program
- ▶ OA is “use or lose” by Sept 30th, however a deadline of May 15th is set to have funding packages submitted to ADOT for review
- ▶ Can’t fund design without construction programmed
- ▶ Ensuring enough time is in schedule for project to deliver in year programmed

Project Initiation

Project Initiation

In Module 2 – The following information was presented. Just a quick recap:

- Local TIP – The project needs to be in the TIP before Project Initiation can occur.
- A Project Initiation letter is generated from ADOT.
- Project Manager assignment to the project.
- Project number assignment (ADOT and Federal Aid number).

Joint Project Agreement

Joint Project Agreement (JPA)

In Module 2 – This JPA information was presented. Just a quick recap:

What is a JPA?

- Funding is identified in the JPA
- Required by statute
- Protects the interests of the parties
- Once a JPA is executed, the responsible charge would need to request Accounts Receivable (AR) to invoice the city/county/tribe/town

Accounts Receivable (AR):

- The AR section will invoice for the local match or 100% contributions
- Cost overruns (the local is responsible for covering additional costs)

Resource Administration Team

- ▶ Elise Maza – Program/Project Funding Administrator
 - ▶ Patrycja Kozaczka – Accounting Manager over Resource Administration/Project Accounting/Final Voucher
 - ▶ Alison Hill– Resource Administration Manager
 - ▶ Rebecca Fimbres– PRB/Project Master
 - ▶ Mary Villarreal-Perry & Maria Coronado– Construction Awards/Increases, GAE Encumbrances
 - ▶ Socorro Juarez– MPD Projects
 - ▶ Velia Gomez-Zuniga– PA/FV liaison, Special Projects
 - ▶ Vacant – Inbox management, Project End Date, Reconciliation, A/R Log

Resource Administration Responsibilities

▶ **Project Review Board (PRB) Meeting**

- ▶ Local projects funded from our subprogram
- ▶ Preview of what projects to expect
- ▶ Provide financial guidance/answer questions
- ▶ Review/validate all financial elements on form: budgets, project master, fed ID, and fund source
- ▶ Process time: within 5 business days RA receives PRB final decision packet
 - ▶ Cannot take action until approved final PRB decision packet is received (PRB only), or it has been authorized by PPAC and the Board
 - ▶ Resource Admin packet: STIP/TIP, Map, Authorization letters (HSIP, NEPA), ROW parcel info

Resource Administration Responsibilities

▶ Construction Packets

- ▶ Obligation Request - FMIS4 Coding Form & Recap (Excel), MONEYADM (Word), DocuSign Cover Letter, JPA/IGA (if applicable), TIP or STIP, Map – showing the vicinity/exact location where project is taking place, FARA workbook if applicable (excel format)
- ▶ HSIP projects need to include eligibility letter (projects above 20% of ADOT estimate require a new letter)
- ▶ Local projects – local funds must be received prior to submitting paperwork to RA
 - ▶ Analyst will confirm if monies have been received through A/R log
- ▶ Documentation is reviewed for consistency
 - ▶ RECAP must match FMIS 5, ITS projects must include Systems Engineering Checklist, DocuSign cover letter (Federal portion match recap, etc.)
- ▶ Goes to FHWA for authorization (cc'g you/C&S, etc)
 - ▶ FHWA 2nd signature provides approval to authorize (typically email is sent from FHWA)
 - ▶ FHWA 3rd signature provides approval to load funding

Resource Administration Responsibilities

▶ **Budget Increases**

- ▶ Additional funds requested for project after initial approval
- ▶ Come in DocuSign format approved by State Engineers Office

▶ **Construction Award Recaps**

- ▶ Contractor has been awarded the project and adjustments are made to original approved funding
- ▶ Once projects have been approved by STB, award should be submitted to RA within 10 days

▶ **Construction Huddle**

- ▶ Discuss Advertising/Authorization dates
- ▶ Provides processing dates for both RA/FHWA

▶ **Monitor Receipt of local funds**

▶ **Track/update Project End Dates**

▶ **Inactive Projects**

Local Project Hot Topics

▶ **Project End Dates**

- If work is performed after the End Date of the Period of Performance it becomes ineligible for Federal reimbursement
- Communicate with ADOT 60-90 days prior to End Date expiring

▶ **Inactive Projects**

- Project where no expenditures have been charged against the federal funds within the past 12 months or more
- Inactive status being closely watched by FHWA, quarterly reporting
- We can lose Federal funding on these projects if we don't get activity

Local Project Hot Topics

- ▶ **Phase transfers (TIP Amendment)**
 - Require special approval/local concurrence
- ▶ **Final push to phase closure and/or project closure**
 - Work with your ADOT PM once the project is near completion
 - Once project has been closed, you will receive a letter with the record retention date form ADOT
- ▶ **Invoicing for self-administered phases**

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QUESTIONS?

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THANK YOU!