



NORTHEAST OHIO AREAWIDE COORDINATING AGENCY

MEMORANDUM

TO: NOACA Board of Directors

FROM: Grace Gallucci, Executive Director

DATE: January 16, 2015

RE: Resolution 2015-009 – Redistribution of MPO Carry Forward Balances

ACTION REQUESTED

The Board of Directors is asked to adopt **Resolution 2015-009** which approves the strategy recommended by the Finance and Audit Committee to best direct the additional funding being redistributed to NOACA as a result of the ODOT *MPO and Large City Program Carryover Reduction Policy*.

BACKGROUND/JUSTIFICATION FOR CURRENT ACTION

The Ohio Department of Transportation (ODOT) distributes Federal Highway Administration (FHWA) funds to each of Ohio's 17 MPOs and 5 Large Cities for capital transportation improvement programs. The amount of funding sub allocated varies proportionately to each areas urban area or municipal populations. The allocations are comprised of funds required to be distributed by formula through FHWA and additional funds distributed at the discretion of ODOT. Funding is allocated annually to NOACA for administration of the Surface Transportation Program (STP) in the amount of \$27,575,220 and Transportation Alternatives Program (TAP) in the amount of \$2,757,521.

In May, 2012, ODOT and the MPOs and Large Cities, through the Ohio Association of Regional Councils, approved carryover reduction policy. This policy establishes percent limits on the amount of capital program funds that MPOs and Large Cities may carry over from one state fiscal year to the next. Any funds carried over in excess of the policy limits, not meeting a stated condition of waiver, will be recalled by ODOT and redistributed proportionately (by population) to those MPOs that did not exceed the limits. Those limits contained within the policy are as follow:

SFY 2014 – 75% of original allocation
SFY 2015 – 50% of original allocation
SFY 2016 and beyond – 25% of original allocation

In SFY 2014, under the first year of the policy, NOACA carried over only 8% of the 75% allowable of its total funding allocation, while five of the eight large Ohio MPOs carried over more than their 75%. Therefore they were subject to a recall of excess carry over funds. Those funds have been reallocated to NOACA and two other MPOs as contained in the table below:

MPO Area	STP Redistributed Funds	TAP Redistributed Funds
AMATS – Akron	\$530,023	\$48,789
Eastgate – Youngstown	\$0	-\$136,383
MORPC – Columbus	-\$1,339,056	\$0
MVRPC – Dayton	-\$934,913	\$0
NOACA – Cleveland	\$1,541,407	\$141,886
OKI – Cincinnati	\$0	-\$92,930
SCATS – Canton	-\$217,209	\$0
TMACOG - Toledo	\$419,748	\$38,638

Of the \$2,720,421 subject to recall, NOACA has received a total of \$1,683,293 in additional funding for SFY 2015, as redistributed proportionately by population. Although these funds may be utilized for many purposes, in order to keep with the spirit of the carryover policy, they should be expended as expeditiously as possible. One approach is to focus the expenditures on short term projects that address immediate needs and provide significant regional benefit. Furthermore, these projects could support or enhance an important imminent event such as the Republican National Convention.

We would like to commend ODOT for the implementation of this very progressive policy that rewards good funds management practices and performance.

In line with the intent of the ODOT carryover policy, funds must be spent efficiently on projects eligible for the respective funding programs for which they were allocated. Staff presented potential strategies for expenditure of the additional funds to the Finance and Audit Committee at their December 22, 2014. Strategies included:

1. Develop a short-term program to fund projects that address immediate needs and provide significant benefit
2. Allocate funds to an existing program effort:
 - a. Projects not funded by the Statewide Congestion Mitigation/Air Quality Program
 - b. Advance projects in the existing Transportation Improvement Program (TIP)
 - c. Provisional Transportation Asset Management Program
 - d. Transportation for Livable Communities (TLCI) project implementation

The Finance and Audit Committee recommended option one, to judiciously allocate the funds to a short-term program (12 months) that makes a visible impact and highlights the additional funding stream.

FINANCIAL IMPACT

The adjustments will result in a total increase of \$1,683,293 between the NOACA STP (\$1,541,407) and TAP (\$141,886) SFY 2015 program budgets.

CONCLUSION/NEXT STEPS

With Board of Directors' approval, staff will work with the Planning and Programming Committee to develop a short-term program, including determination of methods for project identification, selection and implementation. The developed program will then be presented to the Board for approval at its March 2015 meeting.

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE
NORTHEAST OHIO AREAWIDE COORDINATING AGENCY

WHEREAS, the Northeast Ohio Areawide Coordinating Agency (NOACA) is the Metropolitan Planning Organization (MPO) for the counties of Cuyahoga, Geauga, Lake, Lorain and Medina, and the areawide water quality management agency for the same region; and

WHEREAS, the Ohio Department of Transportation (ODOT) distributes federal funding to each of Ohio's metropolitan planning organizations (MPOs) for capital transportation improvement programs; and

WHEREAS, allocations are comprised of funds required to be distributed by formula through the federal highway administration (FHWA) and additional funds distributed at the discretion of ODOT; and

WHEREAS, funding is allocated annually to NOACA for administration of its Surface Transportation Program (STP) in the amount of \$27,575,220 and Transportation Alternatives Program (TAP) in the amount of \$2,757,521; and

WHEREAS, these funds are subject to the May, 2012 MPO and Large City Carryover Policy, which establishes limits on the amount of funds the MPOs can carryover from one state fiscal year to the next; and

WHEREAS, funds carried over in excess of the policy limits will be recalled by ODOT and redistributed proportionately (by population) to those MPOs that did not exceed the limits; and

WHEREAS, NOACA carried over only 8% of the 75% allowable, while five of the eight large MPOs carried over funds in excess of the 75% allowable; and

WHEREAS, those excess funds have been recalled by ODOT and redistributed to those MPOs that met the policy limits; and

WHEREAS, NOACA has received a total of \$1,683,293 (STP - \$1,541,407 and TAP - \$141.886) in additional funding for SFY 2015;

WHEREAS, the additional funds will be allocated to projects through a short-term program, with implementation of projects prior to the close of SFY 2016, that makes a visible impact and highlights the additional funding stream.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Northeast Ohio Areawide Coordinating Agency, consisting of 45 principal officials serving general purpose local governments throughout and within the counties of Cuyahoga, Geauga, Lake, Lorain, and Medina that:

Section 1. The Executive Director is authorized to work with the Planning and Programming Committee to develop a short-term program to best direct the additional funding allocation received.

Section 2. The Executive Director is authorized to transmit certified copies of this resolution to the appropriate federal, state, and local agencies.

Certified to be a true copy of a Resolution of the Board of Directors of the Northeast Ohio Areawide Coordinating Agency adopted this 23rd day of January 2015.

Secretary: 

Date Signed: 1-23-15