

Capitol Region Council of Governments

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To: CRCOG Policy Board and CRCOG Transportation Committee
From: Lyle Wray, Executive Director
Tom Maziarz, Transportation Director
Date: February 22, 2009
Subject: **Recovery & Reinvestment Act: TRANSPORTATION section**

The recently passed federal Recovery & Reinvestment Act differs substantially from earlier versions that we used to structure our project selection process. The changes did not significantly alter overall funding levels and timeframes for states, but they did affect funding and timeframes for local projects. These changes are significant enough to warrant a reassessment of our selection process -- at least for those projects that have not advanced to a final submittal stage. In what follows there is a description of the legislative changes made and options for restructuring the selection process. The memo provides a status report on the project selection and scoping process to date, a summary of the new legislation, a summary of how the legislation changed over the past two months, and several options for moving forward.

DIFFICULTY OF ADJUSTING TO CHANGING LEGISLATIVE PROVISIONS.

As the federal economic stimulus bill evolved, CRCOG attempted to prepare our region to fully utilize whatever transportation funding might be available for our member municipalities. However, this proved very difficult due to major shifts in the legislation as it moved through the House and Senate and finally to the Conference Committee. Early bills emphasized 'shovel-ready' projects and small to modest funding levels for local transportation projects. Over the past two months, the timeframes for so-called "shovel ready" projects varied from as few as 90 days to contract award to as much as 150 days to issue requests for contractor bids. The deadlines were to be enforced through 'use or lose it' provisions whereby unused local/regional funds were reallocated to the state, and unused state funds were reallocated to other states. Funding levels have varied from \$2 to 3 million for the Capitol Region to as much as \$19 million.

In early February we were issued guidance from ConnDOT that they would need final project plans, specifications, and estimate (bid documents) submitted by February 23, 2009. ConnDOT later agreed that the 23rd could serve as timeframe for an initial submittal of the most advanced projects, and that other projects could be submitted after February 23rd.

During this period CRCOG worked with towns to identify and prepare projects that would be ready and able to use funds within the relatively short timeframes stipulated in the various bills at that time. To this end, we identified and advanced four projects to a stage that they will be ready to advertise for bids within a 90-day time frame. We also continued to evaluate other projects submitted by towns as well. However, now that the time restrictions have been removed and we have final funding levels, we have an opportunity to reassess the project selection process.

FINAL LEGISLATION: 'LOCAL' PROVISIONS

Eligibility & Design Requirements. (Retained) As in all earlier bills, the final act distributes the transportation funds through the regular federal funding programs and imposes all the regular eligibility and design requirements of the standard federal programs.

Time Restrictions. (12 months to obligate) The legislation removes some of the time restrictions initially imposed on local projects. State allocations are still subject to a 120-day deadline for 50% of the funds, and 12 months for the balance of funds. Local projects are no longer subject only to the 120-day requirement. ~~It is unclear in the legislative language as to whether local projects are subject to the 12-month requirement. We are asking for clarification and hope to have an answer by Monday (Feb 23).~~ We heard direct from US DOT that local projects are subject to the 12-month deadline. Funds not obligated within 12 months will be returned to Washington for redistribution to other states.

Roadway Funding Levels. (about \$17 million) The total highway funding allocated to Connecticut is \$302 million, of which 30% is 'suballocated' to programs that serve mostly local projects. The funds are suballocated to specific urban areas using formulas based on urbanized area population. This means about \$17 million dollars will be available to the Capitol Region in what we would normally consider the STP Urban program. However, in this case there is no requirement for a local match with the federal government providing 100% of the funding.

Other Funding Programs. It might be possible to fund some projects in our region through two other funding allocations: transit programs and transportation enhancement programs. CRCOG staff has been pursuing some of these options with some towns and with our two transit agencies (Greater Hartford Transit District and CT Transit).

Transit Funds. Transit funding was substantially increased in the final legislation. Connecticut received about \$137 million. However, these funds are to be controlled by the state, so CRCOG must work with the state to fund projects in our region.

Enhancement Funds. The legislation requires that 3% of funds be reserved for transportation enhancement projects. Enhancement funds have most often been used for multi-use trails and streetscape improvements. We are still uncertain as to the amount of funds for this category, but at most this would be \$9 million statewide or 3% of the total state allocation of highway funds. Several towns have submitted trail or streetscape projects, and CRCOG staff are working with those communities to determine eligibility and timeframes required to get ready for bidding.

RECOMMENDATIONS AND NEXT STEPS.

The four communities of Manchester, South Windsor, Windsor, and Rocky Hill invested a great deal of time and resources preparing their pavement resurfacing projects for submittal to ConnDOT under the best available knowledge at the time. These projects are all well advanced and can be ready to bid within 90 days. It is our recommendation that we maintain our commitment to fund these projects. The current cost estimate for these projects is about \$9-\$10 million. This would leave a balance of about \$7-8 million for other projects.

At this juncture, we have an opportunity to reassess the project selection process for the \$7-\$8 million that is still uncommitted. We recommend that reassessment start with a full discussion at the Transportation Committee meeting on Monday (Feb 23). The Committee should charge a subcommittee (the existing STP Urban Subcommittee could serve this role) with the task of developing selection criteria, developing a selection process, and carrying out the process.

Since we still might be subject to a 12-month deadline, it is important that the selection process be completed as soon as possible. It would be best if the selections could be completed within one month so they could be approved by the full Committee on March 23rd and the Policy Board on March 25th.