



“2012 Partnering Conference”
“Funding Codes and Funding Sources”

September 11, 2012

Ron Rigney, P.E. & P.L.S.
Director
Division of Program Management

Project Funding

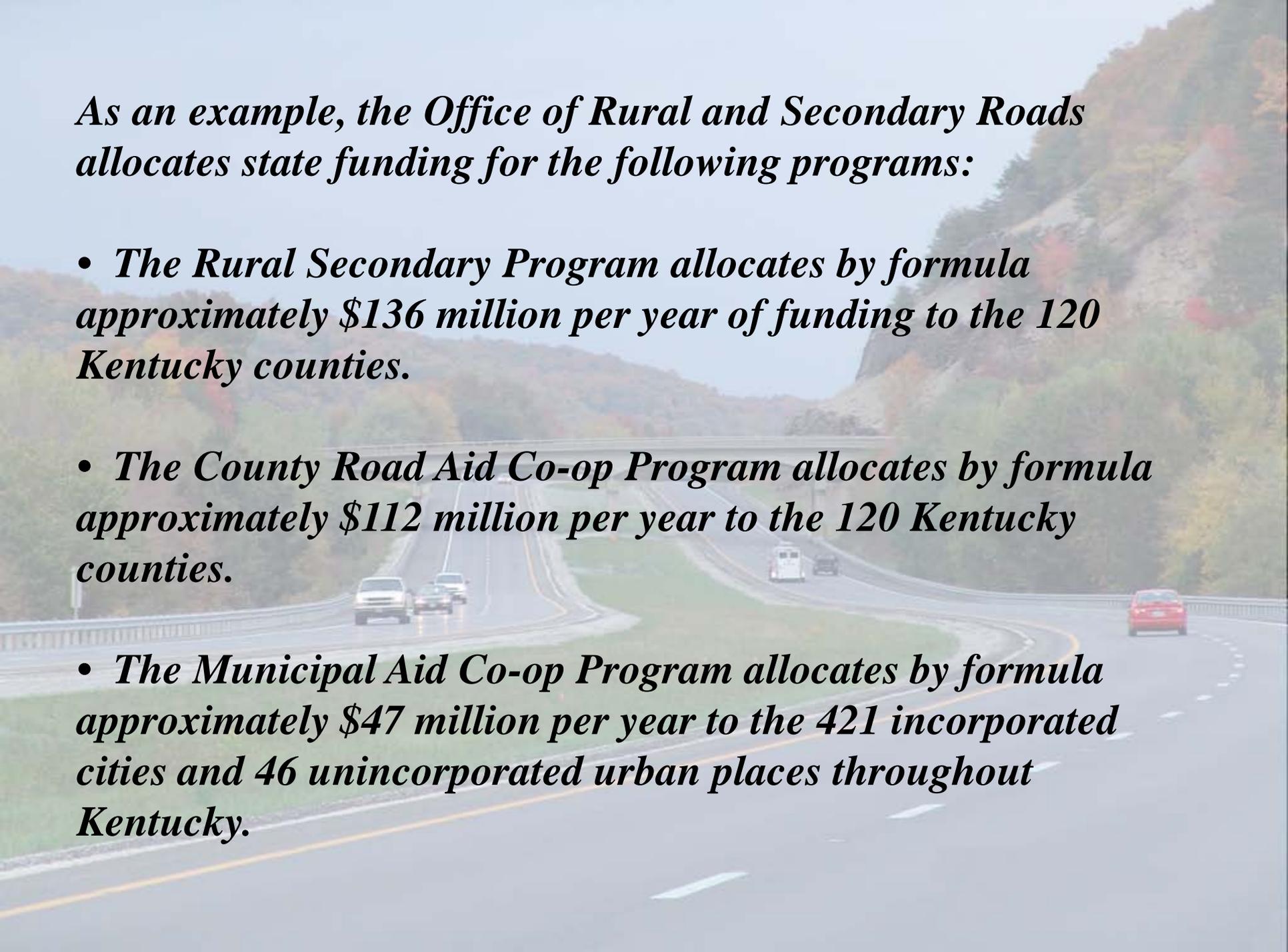
1. **What are the different funding sources for KYTC projects?**
 2. **What determines the source of project funding?**
 3. **What is the KYTC Highway Plan?**
 4. **What is the KYTC Statewide Transportation Improvement Plan (STIP)?**
 5. **Who requests funding for a project that is identified within the Highway Plan?**
 6. **What is a TC-10?**
 7. **What is a PR-1?**
 8. **What is the meaning of authorization of funding?**
 9. **What is the meaning of obligation of funding?**
 10. **What is the meaning of project budget amount?**
 11. **What is the meaning of project encumbrances?**
 12. **When does project funding actually become available to cover project expenditures?**
- 
- A multi-lane highway with a bridge over a valley, surrounded by autumn-colored trees and hills. The highway has several lanes with cars driving on it. The bridge has multiple arches. The background shows rolling hills with trees in shades of green, yellow, and red, suggesting an autumn setting. The sky is overcast.



The KYTC Division of Program Management is responsible for preparing the programming documents for authorization of state and federal funding for the Preliminary Engineering (PE) and Environmental, Design, Right-of-Way, Utility, and Construction phases of KYTC projects.

KYTC transportation roadway projects are funded through different programs within the Cabinet, and the type of funding used depends upon the program in which the project activity is conducted.





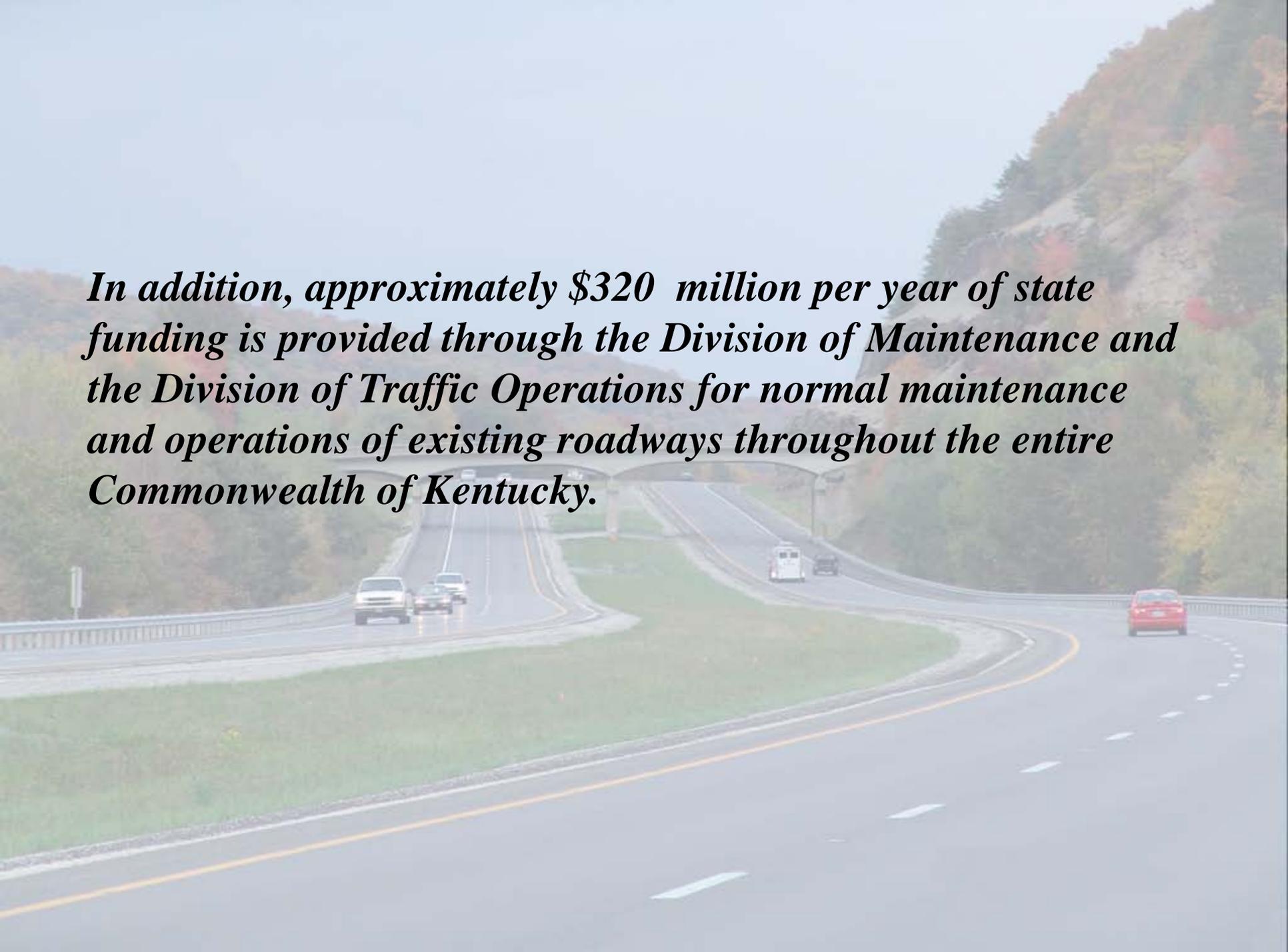
As an example, the Office of Rural and Secondary Roads allocates state funding for the following programs:

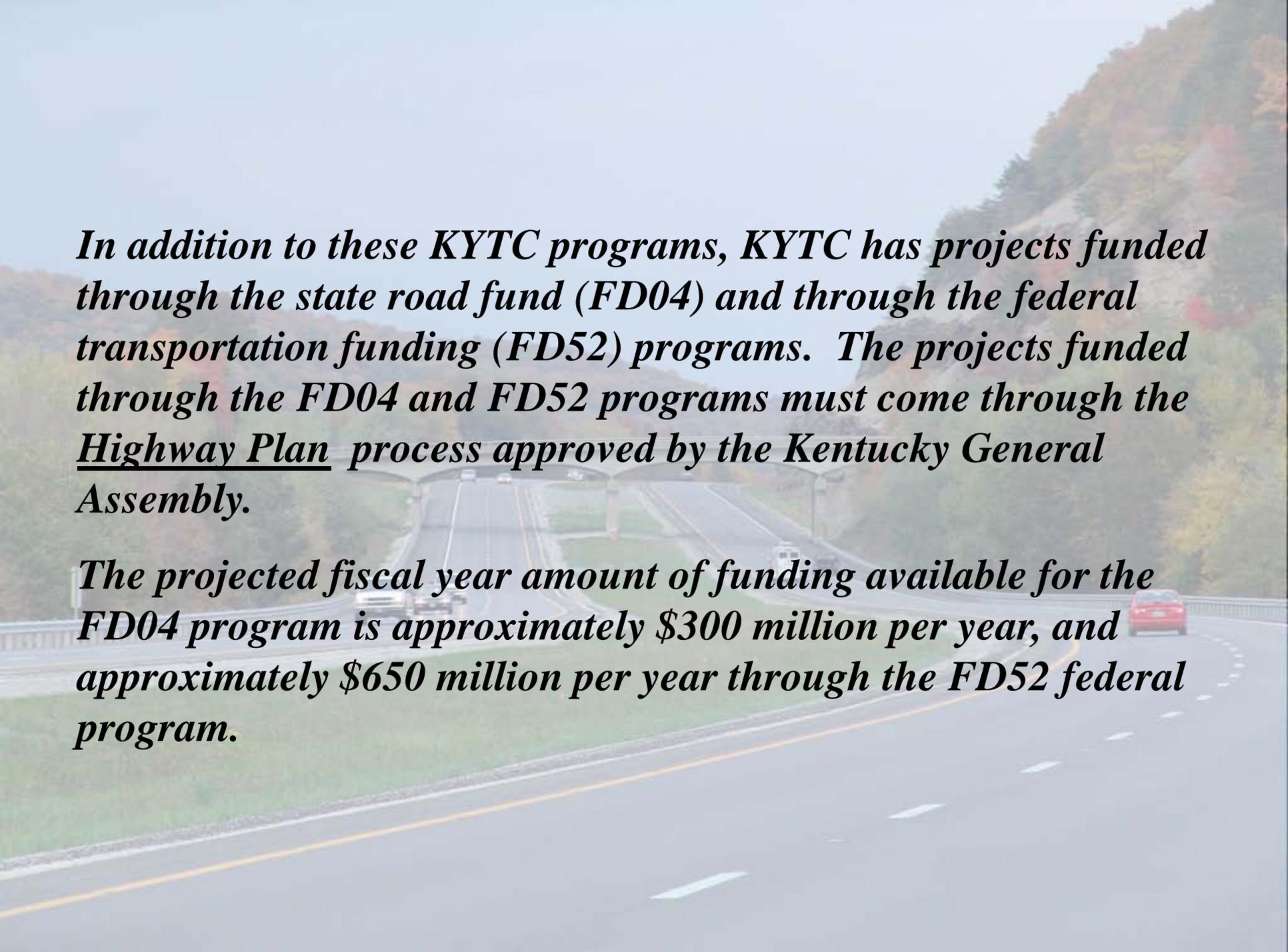
- The Rural Secondary Program allocates by formula approximately \$136 million per year of funding to the 120 Kentucky counties.*

- The County Road Aid Co-op Program allocates by formula approximately \$112 million per year to the 120 Kentucky counties.*

- The Municipal Aid Co-op Program allocates by formula approximately \$47 million per year to the 421 incorporated cities and 46 unincorporated urban places throughout Kentucky.*

In addition, approximately \$320 million per year of state funding is provided through the Division of Maintenance and the Division of Traffic Operations for normal maintenance and operations of existing roadways throughout the entire Commonwealth of Kentucky.



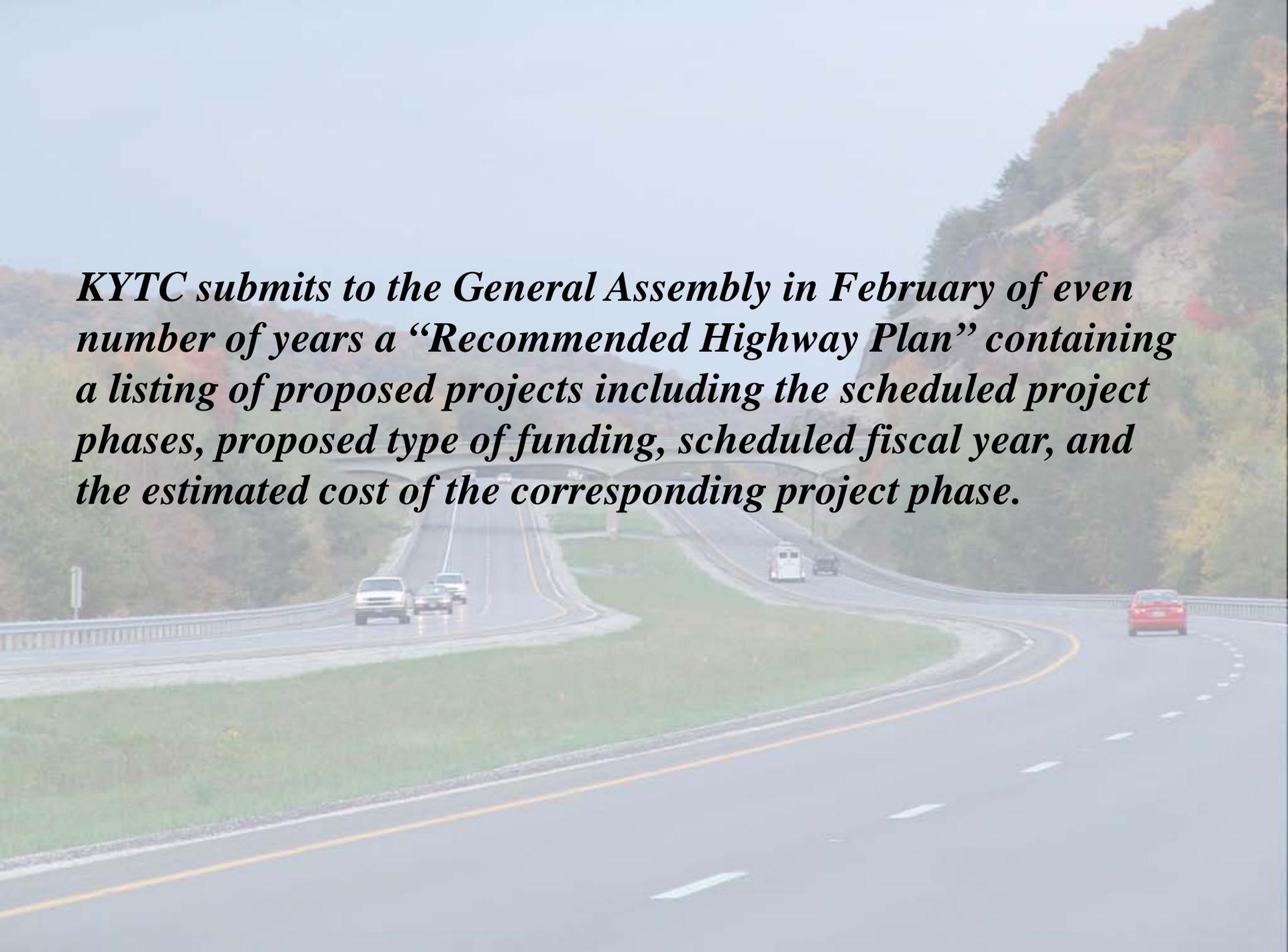


In addition to these KYTC programs, KYTC has projects funded through the state road fund (FD04) and through the federal transportation funding (FD52) programs. The projects funded through the FD04 and FD52 programs must come through the Highway Plan process approved by the Kentucky General Assembly.

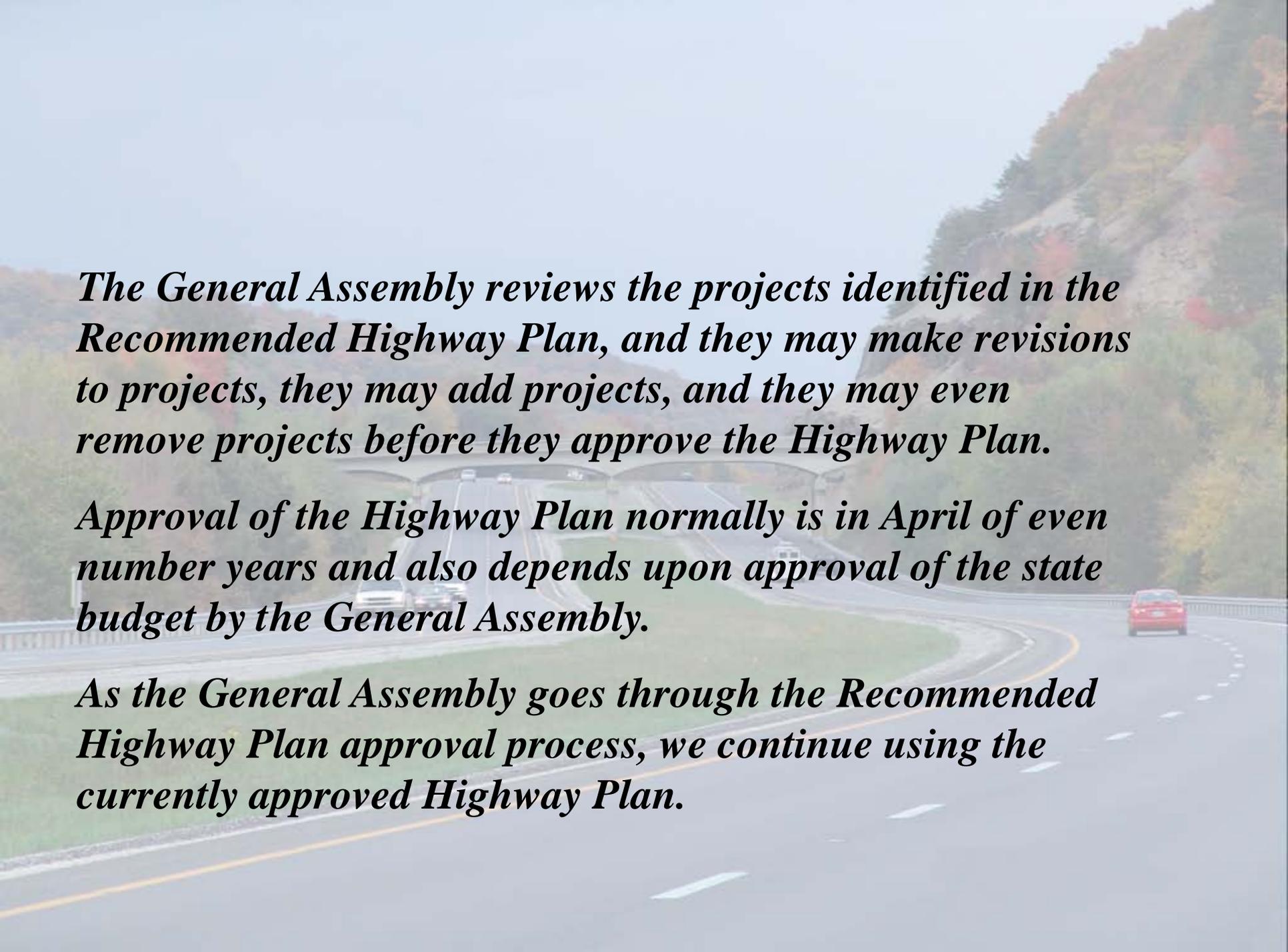
The projected fiscal year amount of funding available for the FD04 program is approximately \$300 million per year, and approximately \$650 million per year through the FD52 federal program.



***Kentucky
Highway Plan***



KYTC submits to the General Assembly in February of even number of years a “Recommended Highway Plan” containing a listing of proposed projects including the scheduled project phases, proposed type of funding, scheduled fiscal year, and the estimated cost of the corresponding project phase.



The General Assembly reviews the projects identified in the Recommended Highway Plan, and they may make revisions to projects, they may add projects, and they may even remove projects before they approve the Highway Plan.

Approval of the Highway Plan normally is in April of even number years and also depends upon approval of the state budget by the General Assembly.

As the General Assembly goes through the Recommended Highway Plan approval process, we continue using the currently approved Highway Plan.

As outlined within KRS, the Transportation Cabinet can proceed with the identified project phases scheduled within the 2012 Highway Plan for the FY 2012 – FY 2014 biennium depending upon the availability of identified funding for each project.

KENTUCKY'S FY 2012-FY 2018 HIGHWAY PLAN
"PRACTICAL APPROACHES TO IMPROVED TRANSPORTATION"
MAY 2012



STEVEN L. BESHEAR
GOVERNOR
COMMONWEALTH OF KENTUCKY

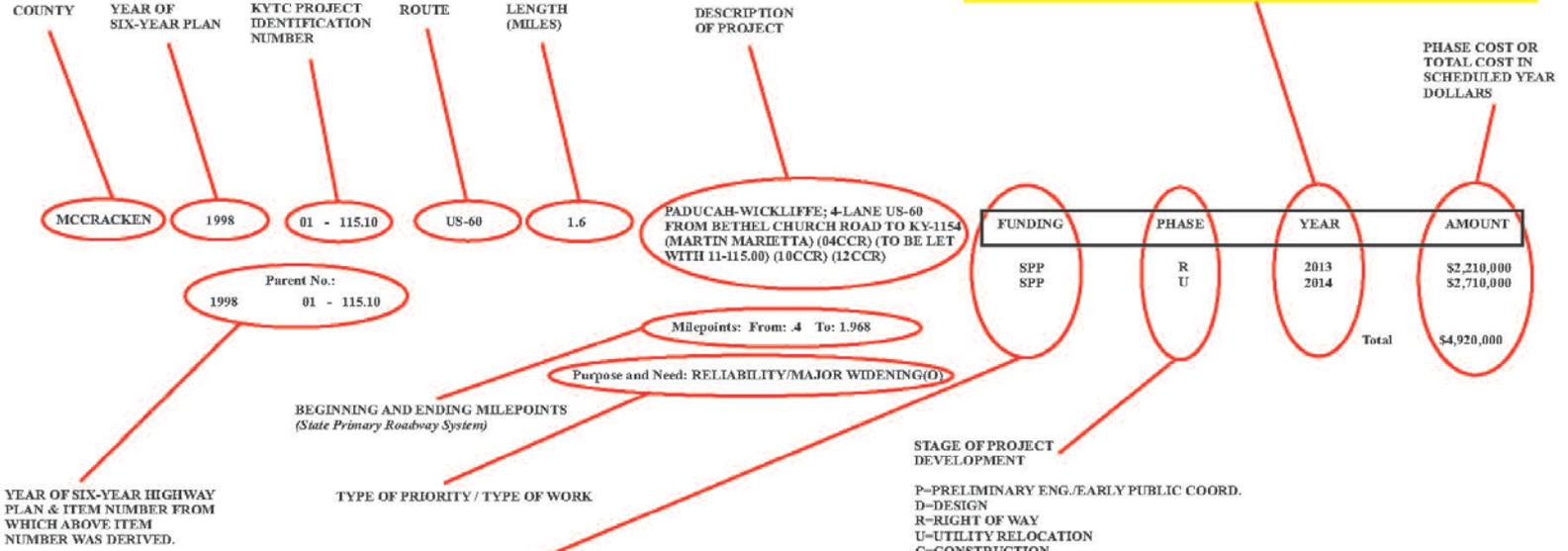


MICHAEL W. HANCOCK, P.E.
SECRETARY
KENTUCKY TRANSPORTATION CABINET

KEY TO INTERPRETING THE INFORMATION PRESENTED FOR HIGHWAY PLAN PROJECTS

EXAMPLE:

FISCAL YEAR IN WHICH PHASE ACTIVITY SHOULD COMMENCE. FOR EXAMPLE, FY-2013 BEGINS JULY 1, 2012, AND ENDS JUNE 30, 2013, FOR STATE PROJECTS. FOR FEDERAL-AID PROJECTS, FY 2013 BEGINS OCTOBER 1, 2012, AND ENDS SEPTEMBER 30, 2013.



YEAR OF SIX-YEAR HIGHWAY PLAN & ITEM NUMBER FROM WHICH ABOVE ITEM NUMBER WAS DERIVED.

BEGINNING AND ENDING MILEPOINTS (State Primary Roadway System)

TYPE OF PRIORITY / TYPE OF WORK

STAGE OF PROJECT DEVELOPMENT
 P-PRELIMINARY ENG./EARLY PUBLIC COORD.
 D-DESIGN
 R-RIGHT OF WAY
 U-UTILITY RELOCATION
 C-CONSTRUCTION

TYPE OF FUNDS TO BE UTILIZED FOR THE PROJECT, ABBREVIATED AS FOLLOWS:

- | | |
|--|---|
| <ul style="list-style-type: none"> APD — FEDERAL APPALACHIAN DEVELOPMENT HIGHWAYS BR2 — JP2 BRAC BOND PROJECTS SECOND PROGRAM BRO — FEDERAL BRIDGE REPLACEMENT - ON SYSTEM BRX — FEDERAL BRIDGE REPLACEMENT - ON/OFF SYSTEM BRZ — FEDERAL BRIDGE REPLACEMENT - OFF SYSTEM CM — FEDERAL CONGESTION MITIGATION FUNDS FH — FEDERAL FOREST HIGHWAY FUNDS HPP — HIGH PRIORITY PROJECTS IF — INNOVATIVE FINANCING IM — FEDERAL INTERSTATE MAINTENANCE FUNDS JM5 — GARVEE BONDS US-68/KY-80 LAKE BARKLEY AND KY LAKE BRIDGES JZ2 — LOUISVILLE BRIDGES GARVEE BONDS \$236 MILLION KYD — FEDERAL DEMONSTRATION FUNDS ALLOCATED TO KENTUCKY | <ul style="list-style-type: none"> NH — FEDERAL NATIONAL HIGHWAY SYSTEM FUNDS RRP — SAFETY-RAILROAD PROTECTION SAF — FEDERAL SAFETY FUNDS SB2 — STATE BONDS 2010 SHN — FEDERAL STP FUNDS DEDICATED TO HENDERSON SLO — FEDERAL STP FUNDS DEDICATED TO LOUISVILLE SLX — FEDERAL STP FUNDS DEDICATED TO LEXINGTON SNK — FEDERAL STP FUNDS DEDICATED TO NORTHERN KENTUCKY SP — STATE CONSTRUCTION "NOT" AVAILABLE SPB — SP BONDS 2009 SPP — STATE CONSTRUCTION HIGH PRIORITY PROJECTS STP — FEDERAL STATEWIDE TRANSPORTATION PROGRAM FUNDS TE — FEDERAL TRANSPORTATION ENHANCEMENT PROGRAM FUNDS |
|--|---|

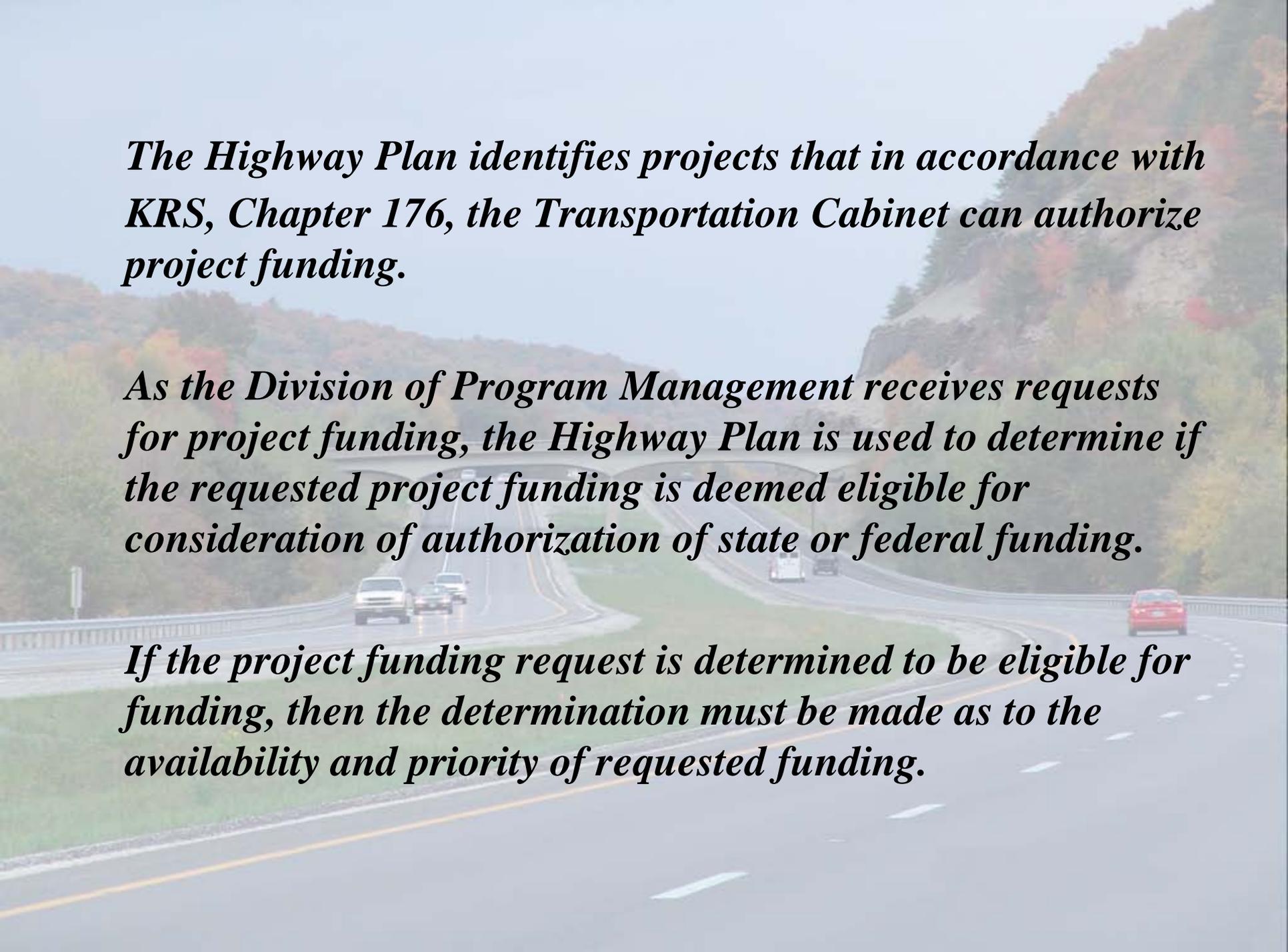
KEY TO INTERPRETING FUNDING CODES SCHEDULED WITHIN “2012 HIGHWAY PLAN”

FUND CODE	TYPE OF FUNDING
APD	FEDERAL APPALACHIAN DEVELOPMENT HIGHWAYS
BR2	JP2 BRAC BOND PROJECTS SECOND PROGRAM
BRO	FEDERAL BRIDGE REPLACEMENT - ON SYSTEM
BRX	FEDERAL BRIDGE REPLACEMENT - ON/OFF SYSTEM
BRZ	FEDERAL BRIDGE REPLACEMENT - OFF SYSTEM
CM	FEDERAL CONGESTION MITIGATION FUNDS
FH	FEDERAL FOREST HIGHWAY FUNDS
HPP	HIGH PRIORITY PROJECTS
IF	INNOVATIVE FINANCING
IM	FEDERAL INTERSTATE MAINTENANCE FUNDS
JM5	GARVEE BONDS US-68/KY-80 LAKE BARKLEY AND KY LAKE BRIDGES
JZ2	LOUISVILLE BRIDGES GARVEE BONDS \$236 MILLION
KYD	FEDERAL DEMONSTRATION FUNDS ALLOCATED TO KENTUCKY
NH	FEDERAL NATIONAL HIGHWAY SYSTEM FUNDS
RRP	SAFETY-RAILROAD PROTECTION
SAF	FEDERAL SAFETY FUNDS
SB2	STATE BONDS 2010
SHN	FEDERAL STP FUNDS DEDICATED TO HENDERSON
SLO	FEDERAL STP FUNDS DEDICATED TO LOUISVILLE
SLX	FEDERAL STP FUNDS DEDICATED TO LEXINGTON
SNK	FEDERAL STP FUNDS DEDICATED TO NORTHERN KENTUCKY
SP	STATE CONSTRUCTION "NOT" AVAILABLE
SPB	SP BONDS 2009
SPP	STATE CONSTRUCTION HIGH PRIORITY PROJECTS
STP	FEDERAL STATEWIDE TRANSPORTATION PROGRAM FUNDS
TE	FEDERAL TRANSPORTATION ENHANCEMENT PROGRAM FUNDS

Note: The Federal Funding Program is a reimbursement program. Thus, State Funds are used first to cover the costs, and then KYTC sends weekly invoices to FHWA for reimbursement of the federal share of the costs. The normal turn around time is approximately a 7 to ten days.

“Explanation of Item Number Series”

- 0 - 99 ... Interstate Construction (Non-Pavement Rehab)**
- 100 - 899 ... Non-Interstate Reconstruction, Construction, New Route, etc**
- 900 - 999 ... HES Projects**
- 1000 - 1999 ... Federal Bridge Replacement Program**
- 2000 - 2999 ... Pavement Rehabilitation (Interstate, Parkways or Primary Routes)**
- 3000 - 3499 ... Transportation Enhancement Projects**
- 3500 - 3699 ... Safe Routes to School**
- 3700 - 3999 ... Congestion Mitigation and Air Quality**
- 4000 - 4299 ... County Bridge Replacement Programs (State Funds)**
- 4300 - 4999 ... Guardrail Replacement**
- 5000 - 5999 ... Rockfall and Landslide Repairs**
- 6000 - 6999 ... Open**
- 7000 - 7999 ... 1998 SYP General Assembly Added Projects**
- 8000 - 8099 ... 2000 SYP General Assembly Added Projects**
- 8100 - 8199 ... 2002 SYP General Assembly Added Projects**
- 8200 - 8299 ... 2004 SYP General Assembly Added Projects**
- 8300 - 8399 ... 2006 SYP General Assembly Added Projects**
- 8400 - 8599 ... 2008 SYP General Assembly Added Projects**
- 8600 - 8699 ... 2010 SYP General Assembly Added Projects**
- 8700 - 8999 ... 2012 SYP General Assembly Added Projects**
- 9000 - Above ... Open**



The Highway Plan identifies projects that in accordance with KRS, Chapter 176, the Transportation Cabinet can authorize project funding.

As the Division of Program Management receives requests for project funding, the Highway Plan is used to determine if the requested project funding is deemed eligible for consideration of authorization of state or federal funding.

If the project funding request is determined to be eligible for funding, then the determination must be made as to the availability and priority of requested funding.

“Scheduled funding versus projected available funding in the 2012 Highway Plan (FY 2012 thru FY 2018)”

<u>Available</u>	<u>Scheduled</u>	<u>Available</u>
State funds (SP)	\$2.0 billion	\$0
State funds Priority Projects (SPP)	\$2.3 billion	\$2.3 billion
Federal-Aid	\$4.9 billion	\$4.9 billion
Louisville Bridges GARVEE Bonds	\$236 million	\$236 million
Louisville Bridges Innovative Finance (IF)	\$846 million	\$846 million
US68/KY80 Kentucky Lake and Lake Barkley Bridges GARVEE Bonds	\$330 million	\$330 million
BRAC 2 Bond Funds (BR2)	\$34 million	\$34 million
State Bond Funds 2009 (SPB)	\$18 million	\$18 million
State Bond Funds 2010 (SB2)	<u>\$340 million</u>	<u>\$296 million</u>
Total	\$11 billion	\$9 billion

2012 HIGHWAY PLAN

“FY 2012 – FY 2014 Biennium”

TOTAL SCHEDULED FUNDING BY PHASE (IN MILLIONS)

PHASE	COMBINED FEDERAL AND STATE	FEDERAL	STATE BONDS	SPP	SP
PLANNING	\$8	\$0	\$0	\$6	\$2
DESIGN	\$298	\$153	\$3	\$85	\$57
RIGHT-OF-WAY	\$731	\$305	\$44	\$232	\$150
UTILITY	\$376	\$145	\$25	\$126	\$80
CONSTRUCTION	\$3,645	\$1,966	\$262	\$911	\$506
GRAND TOTAL	\$5,058	\$2,569	\$334	\$1,360	\$795

Questions?





***Federal-Aid Highway
Program Funding***

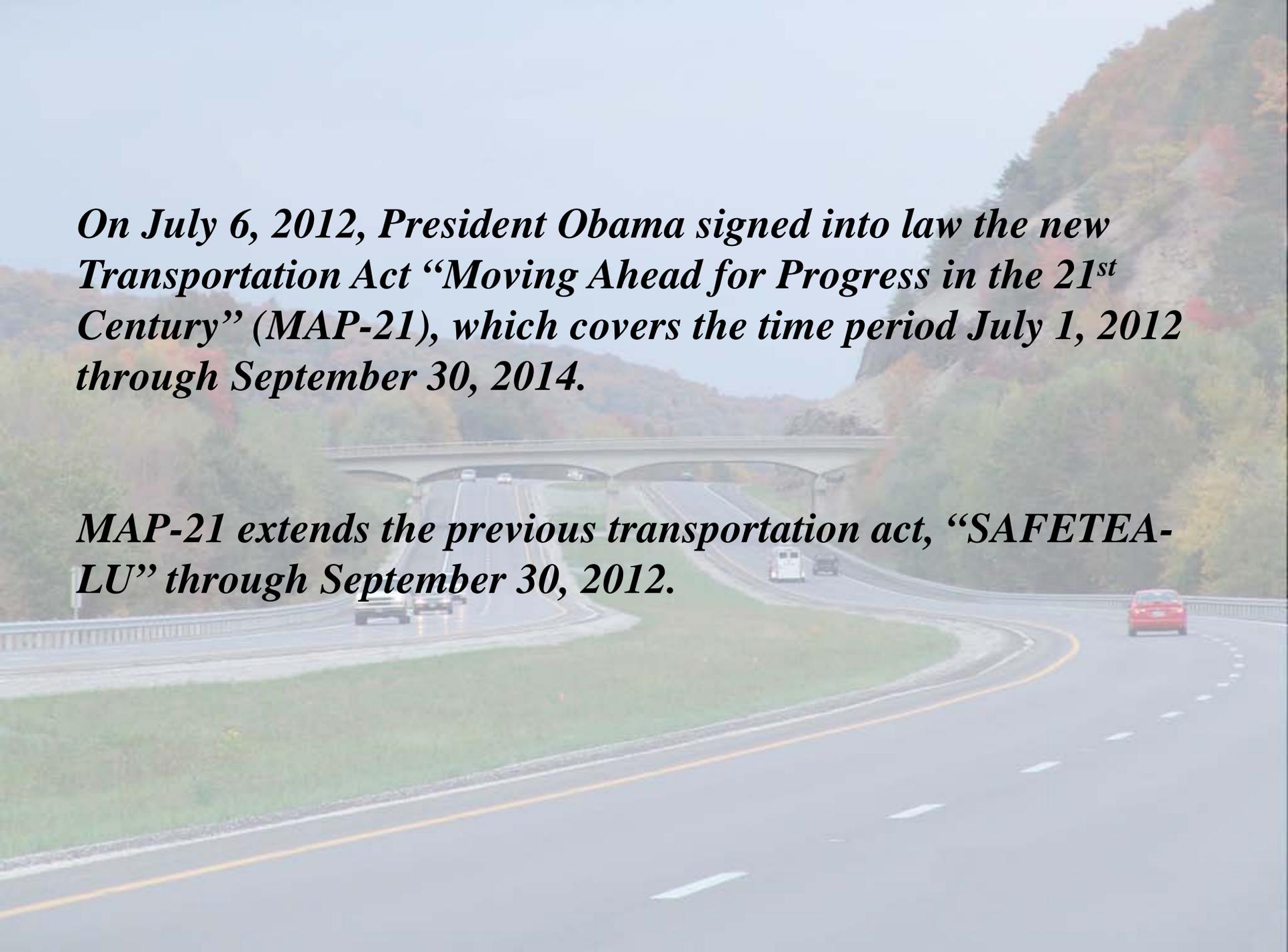


Legislative approval by Congress for the Transportation Act “SAFETEA-LU” was signed into law by President Bush on August 10, 2005.

SAFETEA-LU expired on October 1, 2009.

Between October 1, 2009 and June 29, 2012 Congress enacted ten (10) legislative continuing resolutions extending SAFETEA-LU.

On June 29, 2012 Congress approved legislation for the new Transportation Act.

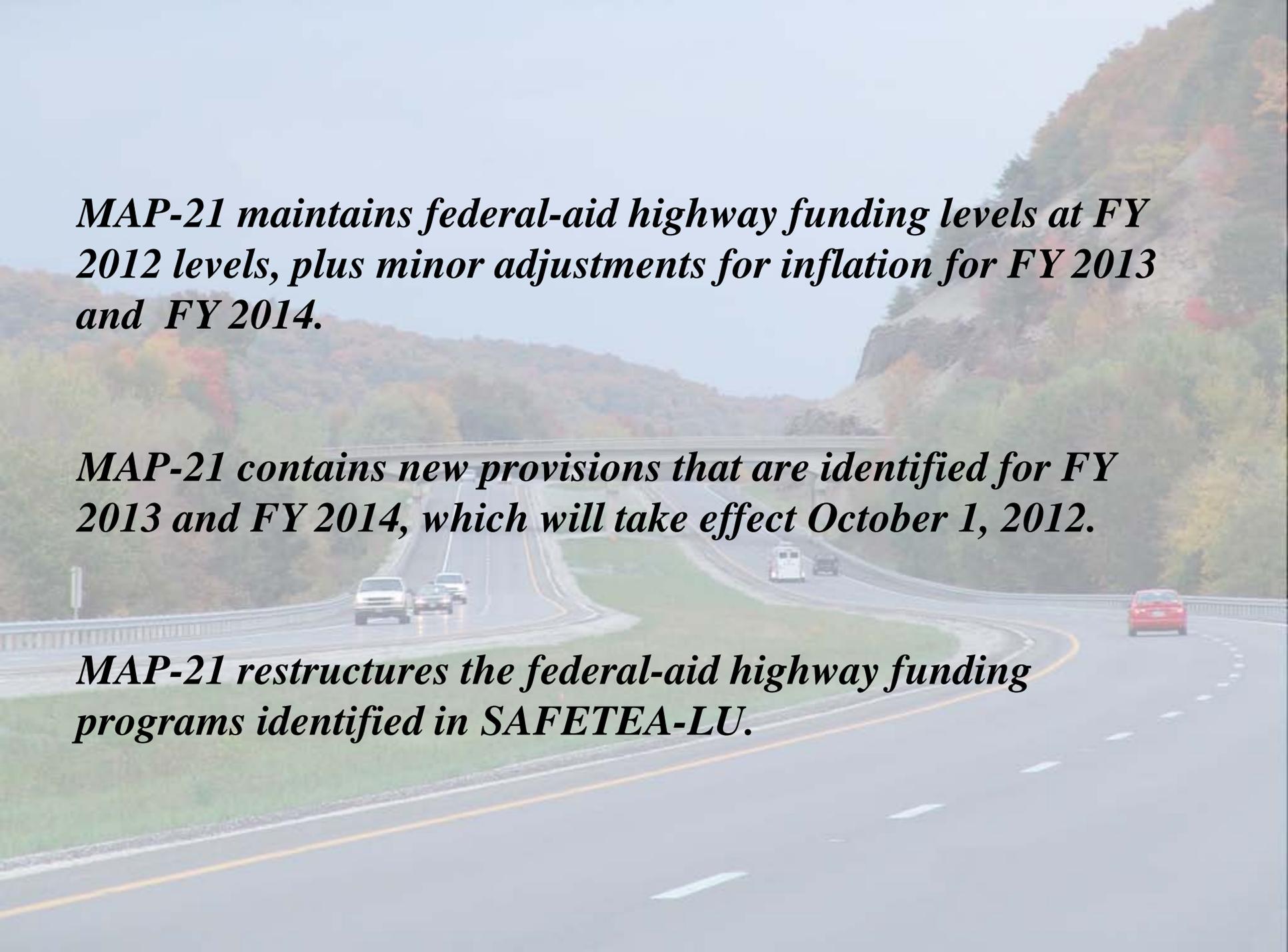


On July 6, 2012, President Obama signed into law the new Transportation Act “Moving Ahead for Progress in the 21st Century” (MAP-21), which covers the time period July 1, 2012 through September 30, 2014.

MAP-21 extends the previous transportation act, “SAFETEA-LU” through September 30, 2012.

MAP-21 Highlights

- SAFETEA-LU expired September 30, 2009
- 10 extensions
- MAP-21 became law (PL 112-141) on July 6, 2012
- Authorizes and funds the federal surface transportation program for 27 months
- Includes \$18.8 billion in general fund transfers
- Considered “state-friendly” bill
- Greater Flexibility
- No Earmarks
- Expedited environmental review process



MAP-21 maintains federal-aid highway funding levels at FY 2012 levels, plus minor adjustments for inflation for FY 2013 and FY 2014.

MAP-21 contains new provisions that are identified for FY 2013 and FY 2014, which will take effect October 1, 2012.

MAP-21 restructures the federal-aid highway funding programs identified in SAFETEA-LU.

MAP-21 restructures the federal-aid highway funding and breaks down the federal-aid highway funding into the following six (6) federal-aid highway funding programs:

- ***National Highway Performance (NHPP)***
 - ***Surface Transportation Program (STP)***
 - ***Transportation Alternatives (TA)***
 - ***Metropolitan Planning (PL)***
 - ***Congestion Mitigation (CMAQ)***
 - ***Highway Safety Improvement (HSIP)***
- 

MAP-21 Federal-aid Highways Apportionment Process

Projected 2013

FY 2013 National Total = \$37.477 Billion
 FY 2013 Kentucky Total = \$643.6 Million

General overview of the Federal-aid Highway Funding apportionment calculation process for Kentucky:

1.) Determine Total State Apportionment:

The FFY2013 apportionment is equal to the combined amount of apportionments KY received in FFY2012 = \$645,943,548

2.) Rake-Off Programs:

TA National Funding Level (2%) x \$40,438 billion (Total MAP-21 HTF Hwy. C. A.) = \$808,760,000

Step 1: (1ST Rake-off)

Transportation Alternatives (TA):

[TE, Recreational Trails, Safe Routes to School]

$$808,760,000 \times \left(\frac{\text{(KY FFY 2009 T.E.) } 13,276,014}{\text{(Natl 2009 T.E.) } 833,456,490} \right) = 12,882,627$$

Equals: KY% Share 2009 T.E. 1.59%

Step 2:

$$645,943,548 \text{ (KY Total Apportionment) Minus } 12,882,627 \text{ (KY Total TA Apportionment)}$$

New KY Base after TA Rake-off

633,060,921

Step 3:

CMAQ and Metro Planning

$$\text{CMAQ} = \frac{\text{KY 2009 CMAQ Apportionment}}{\text{State 2009 Apport. Less HPP}} \left(\frac{12,921,955}{624,600,394} \right) = 2.0688\%$$

$$\text{KY share (2.0688\%)} \times \text{New KY Base (633,060,921)} = 13,096,989.39$$

$$\text{Metro Planning} = \frac{\text{KY 2009 Metro Planning Apportionment}}{\text{State 2009 Apport. Less HPP}} \left(\frac{2,365,357}{624,600,394} \right) = 0.3787\%$$

$$\text{KY share (3.787\%)} \times \text{New KY Base (633,060,921)} = 2,397,396.95$$

3.) KY State Apportionment:

minus

	645,943,548		
TA	(12,882,627)	←	12,882,627
CMAQ	(13,096,989)		13,096,989
Metro Planning	(2,397,397)		2,397,397
	<u>617,566,535</u>		<u>28,377,013</u>

4.) Remaining State Apportionment:

63.7% National Highway Performance Program
 29.3% for Surface Transportation Program
 7.0% for Highway Safety Improvement Program

	617,566,535		
		←	393,389,883
			180,946,995
			<u>43,229,657</u>
			<u>617,566,535</u>

Comparison	NH	STP	HSIP	CMAQ	Metro Planning	TA	
FHWA:	391,819,968	180,224,883	43,057,139	13,191,338	2,414,758	12,882,145	643,590,231
KY Calculation:	393,389,883	180,946,995	43,229,657	13,096,989	2,397,397	12,882,627	645,943,548
	(1,569,915)	(722,112)	(172,518)	94,349	17,361	(482)	(2,353,317)

The following table is a general crosswalk comparison of SAFETEA-LU funding programs outlining the type of funds and yearly amount of planned funding for each program vs. the MAP-21 funding programs outlining type of funds and yearly amount of planned funding for each program.

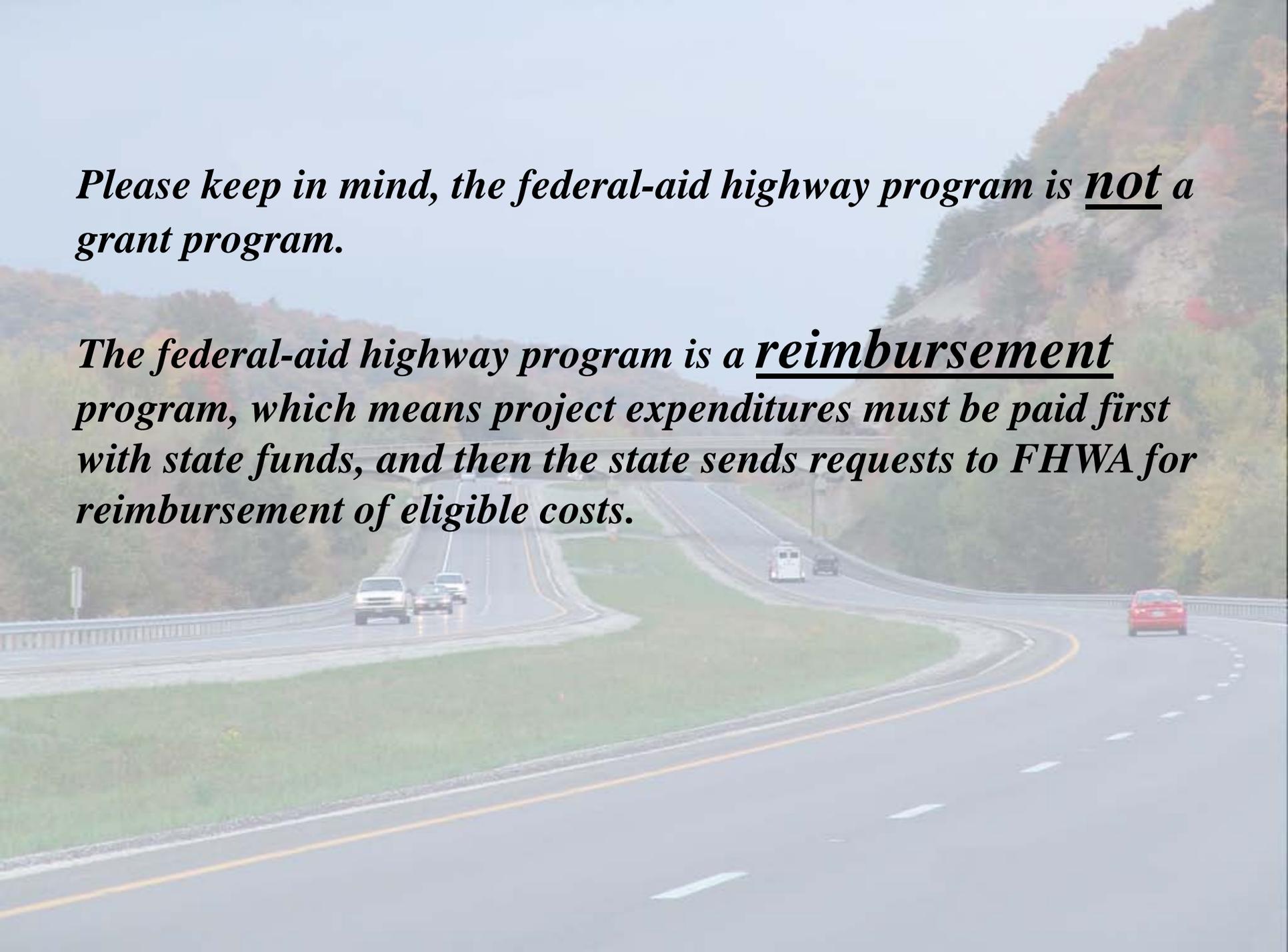
SAFETEA-LU FUNDING PROGRAMS	
TYPE OF FUNDS	AMOUNT (In Millions)
Interstate Maintenance (IM)	123.6
National Highway System (NH)	140.8
Bridge (On System) (BRO)	56
Appalachian Development Hwy Sys (APD)	48.8
Combined Funding Totals	369.2
Bridge (On/Off and Off System) (BRX) and (BRZ)	21.5
Surface Transportation (STP, SHN, SLO, SLX, SNK)	166
Combined Funding Totals	187.5
Transportation Enhancement (TE)	13.3
Recreational Trails (RTP)	1.2
Safe Routes to School (SRS)	2
Combined Funding Totals	16.5
Metropolitan Planning (PL)	2.2
Congestion Mitigation (CM)	12.9
Highway Safety Improvements (SAF)	22.1
Rail-Highway Crossings (RRP) and (RRS)	3.6
Combined Funding Totals	25.7
COMBINED SAFETEA-LU FUNDING TOTALS	614



MAP-21 FUNDING PROGRAMS	
TYPE OF FUNDS	AMOUNT (In Millions)
National Highway Performance	391.8
Projected Available Funding	391.8
Surface Transportation Program	180.2
Projected Available Funding	180.2
Transportation Alternatives	12.9
Projected Available Funding	12.9
Metropolitan Planning	2.4
Congestion Mitigation (CM)	13.2
Highway Safety Improvement	43.1
Projected Available Funding	43.1
COMBINED MAP-21 FUNDING TOTALS	643.6

Please keep in mind, the federal-aid highway program is not a grant program.

The federal-aid highway program is a reimbursement program, which means project expenditures must be paid first with state funds, and then the state sends requests to FHWA for reimbursement of eligible costs.



Questions?



***Kentucky Statewide Transportation
Improvement Program
(STIP)***





As noted, the Enacted Highway Plan is the state document required by KRS, however, federal regulations require that KYTC prepare and submit to FHWA and FTA a Statewide Transportation Improvement Program (STIP).

The Division of Program Management is responsible for preparing the Kentucky STIP.

The STIP identifies the transportation programs and projects within Kentucky that will utilize federal funding. The STIP is prepared in the summer of even number years and includes highway, public transit, aviation, transportation enhancement, Safe Routes to School and recreational trail projects. Each of the programs contains a listing of scheduled projects and scheduled costs for the next four Federal Fiscal Years. The scheduled costs of the projects listed in the STIP must be fiscally constrained.

KENTUCKY

Statewide Transportation
Improvement Program

(STIP)



Kentucky Transportation Cabinet - Division of Program Management

Steven L. Beshear
Governor
Commonwealth of Kentucky

Michael W. Hancock
Secretary
Kentucky Transportation Cabinet

A multi-lane highway with a bridge and hills in the background. The highway has several lanes with white dashed lines and a solid yellow line on the left. A bridge with several arches spans across the highway. In the background, there are hills with trees showing autumn colors. A few cars are visible on the highway.

The Division of Program Management is not only responsible for preparing the STIP, but Program Management is responsible for monitoring and preparing administrative modifications and amendments to the approved STIP .

Before FHWA can approve utilization of federal-aid highway funds for transportation projects, federal law requires that the corresponding project phase must be identified within the State's current STIP.

In addition to the STIP requirements, federal funded projects located within the nine Metropolitan Planning Organizations (MPO) areas must be identified within their MPO Transportation Improvement Program (TIP) before project funding can be authorized. If a project is not identified within the MPO TIP, KYTC must request the MPO to amend their TIP to include the project, and this process may take several months to complete.

MPO Areas

•KIPDA

Jefferson, Bullitt, Oldham Counties, KY
Clark, Floyd Counties, IN

•OKI

Boone, Kenton, Campbell Counties, KY
Butler, Clermont, Hamilton, Warren Counties, OH
Deerborn County, IN

•FIVCO

Boyd and Greenup Counties, KY

•EUTS

Henderson County, KY

•GRADD

Daviess County, KY

•BRADD

Warren County, KY

•LTADD

Hardin County, KY

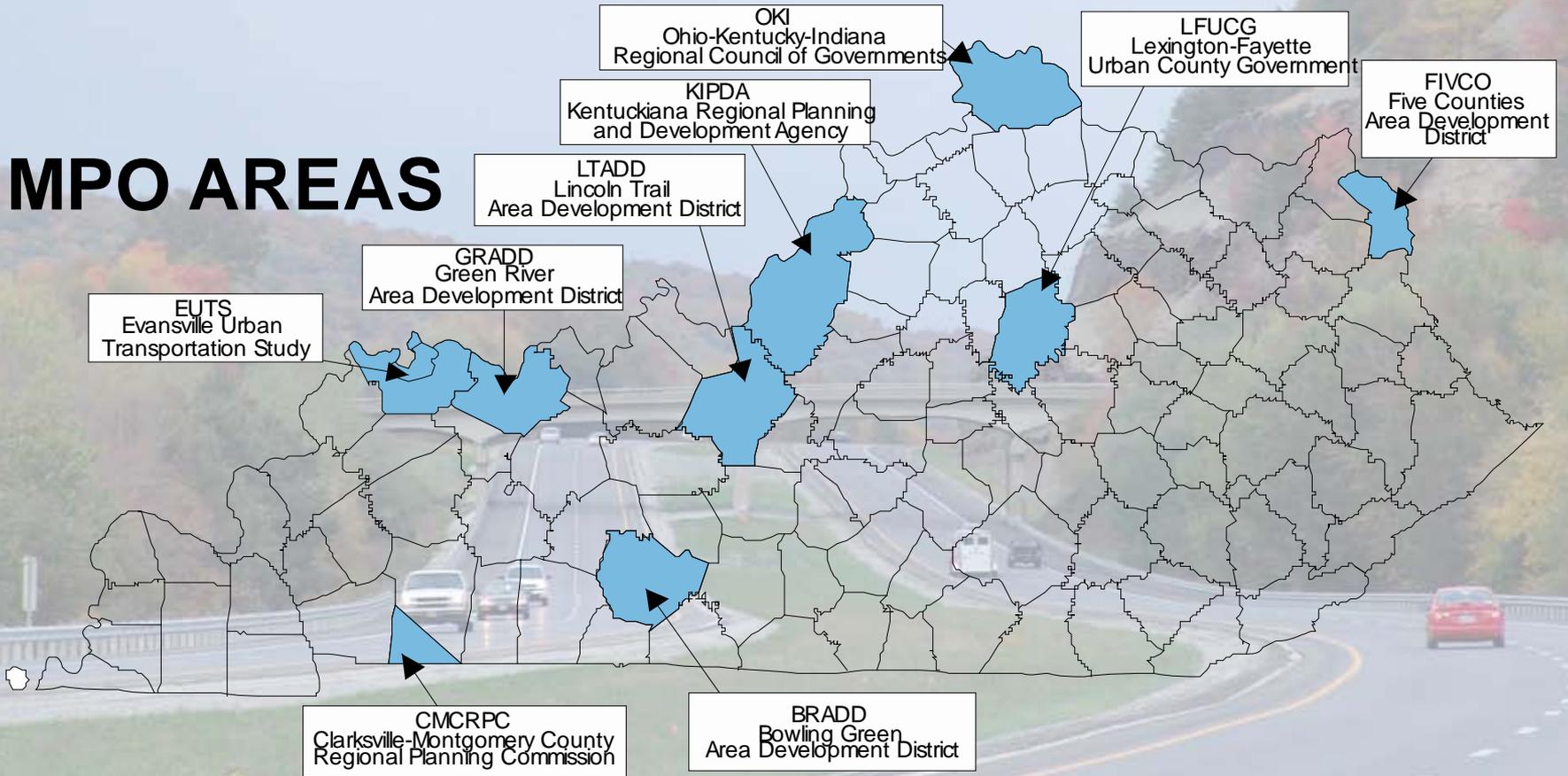
•CMCRPC

Christian County, KY

•LFUCG

Fayette and Jessamine Counties, KY

MPO AREAS





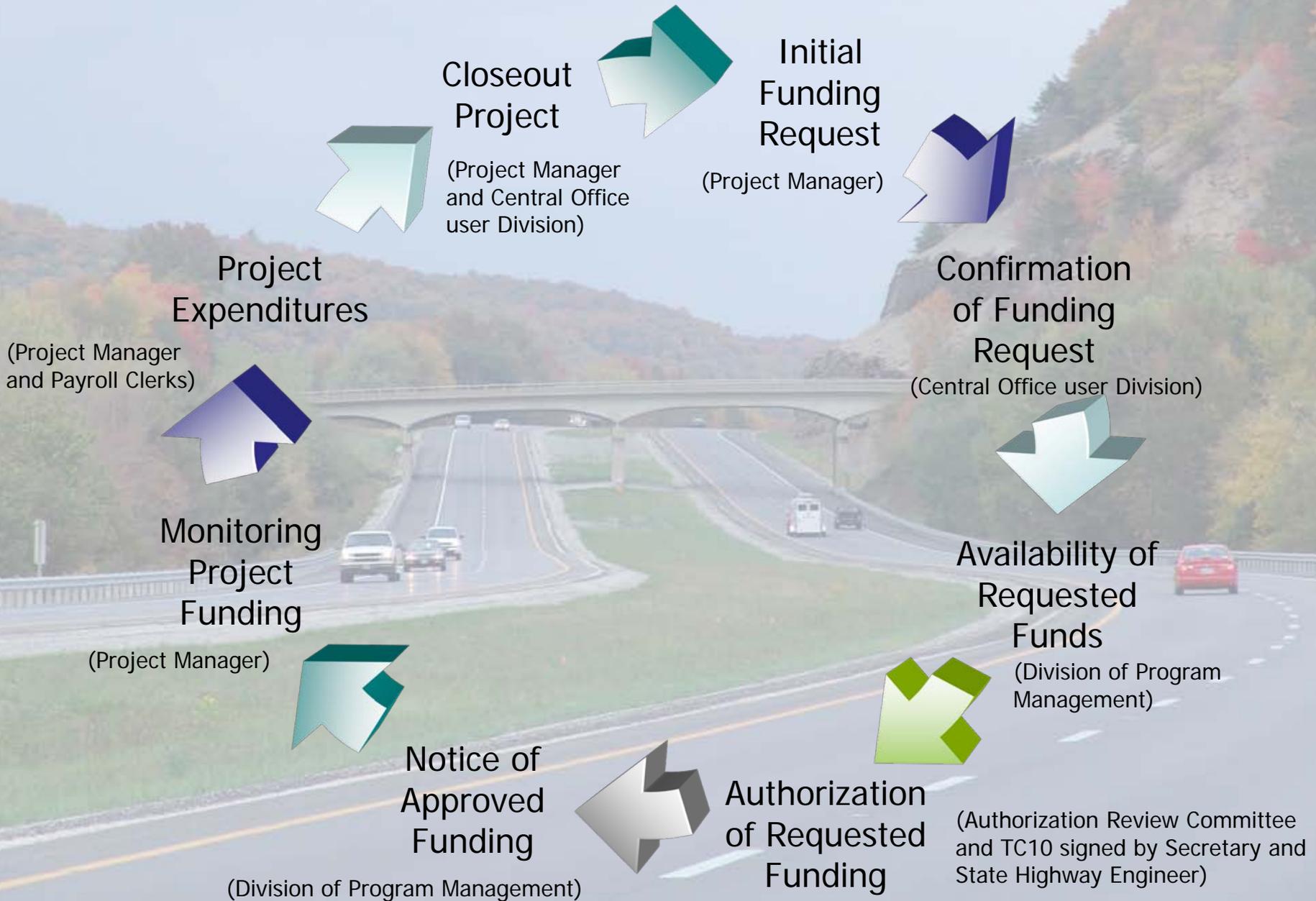
*Processing Project
Funding Requests*

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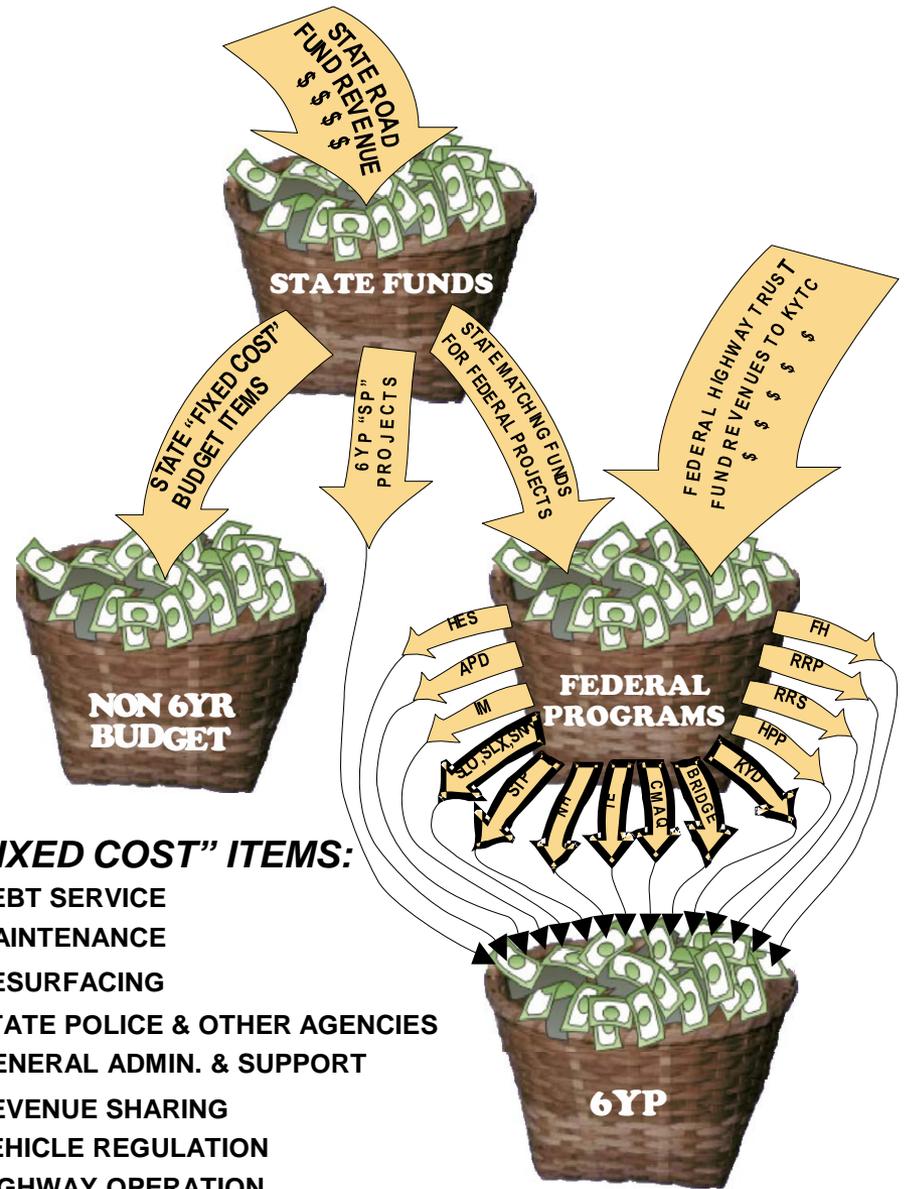
KYTC

*“Cash Management
Balance Process”*

FUNDING CYCLE



The 2000 General Assembly changed the funding authorization process to allow the Cabinet to authorize funding based on projected expenditures. Going from an authorization base to an expenditure base required the Cabinet to develop a “Cash Management Balance” process and model. The Cash Management Balance process and model is used to determine the bottom line cash balance to cover current fixed cost items, current expenditures of currently authorized projects, current modifications to existing projects, and proposed new funding requests.



- “FIXED COST” ITEMS:**
- * DEBT SERVICE
 - * MAINTENANCE
 - * RESURFACING
 - * STATE POLICE & OTHER AGENCIES
 - * GENERAL ADMIN. & SUPPORT
 - * REVENUE SHARING
 - * VEHICLE REGULATION
 - * HIGHWAY OPERATION
 - * CAPITAL CONSTRUCTION
 - * JUDGMENTS & OTHER
 - * SECRETARY’S CONTINGENCY

EXAMPLE OF CASH FLOW PROJECT FINANCING MODEL

Millions

Assumption Project expenditures occur equally over a two year completion cycle

LEGEND

- BUDGET**
- PROJECT OBLIGATIONS**
- EXPENSES**

YEAR 1

300

250

200

150

100

50

0

150.0 MIL Budget

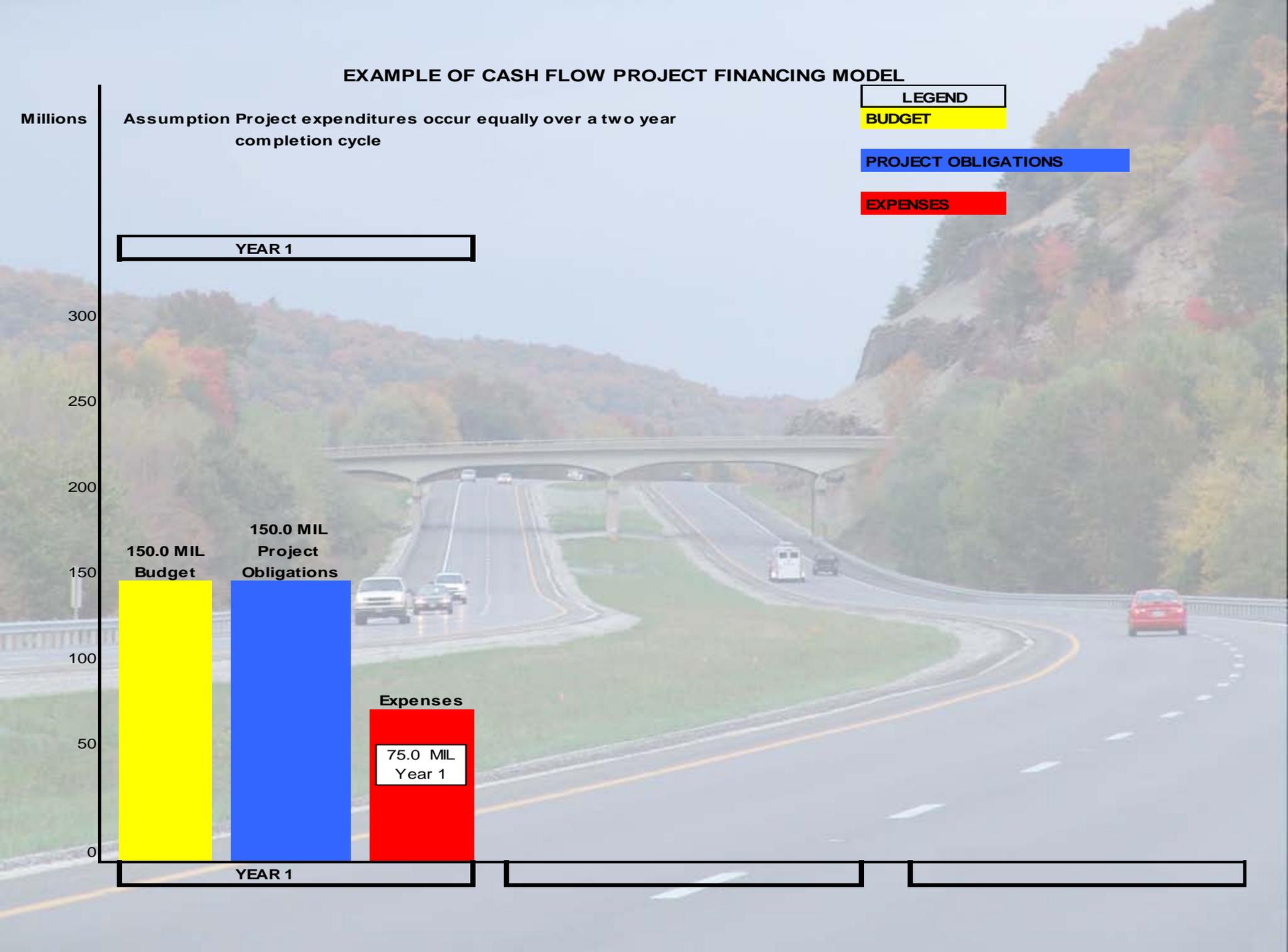
150.0 MIL Project Obligations

Expenses
75.0 MIL Year 1

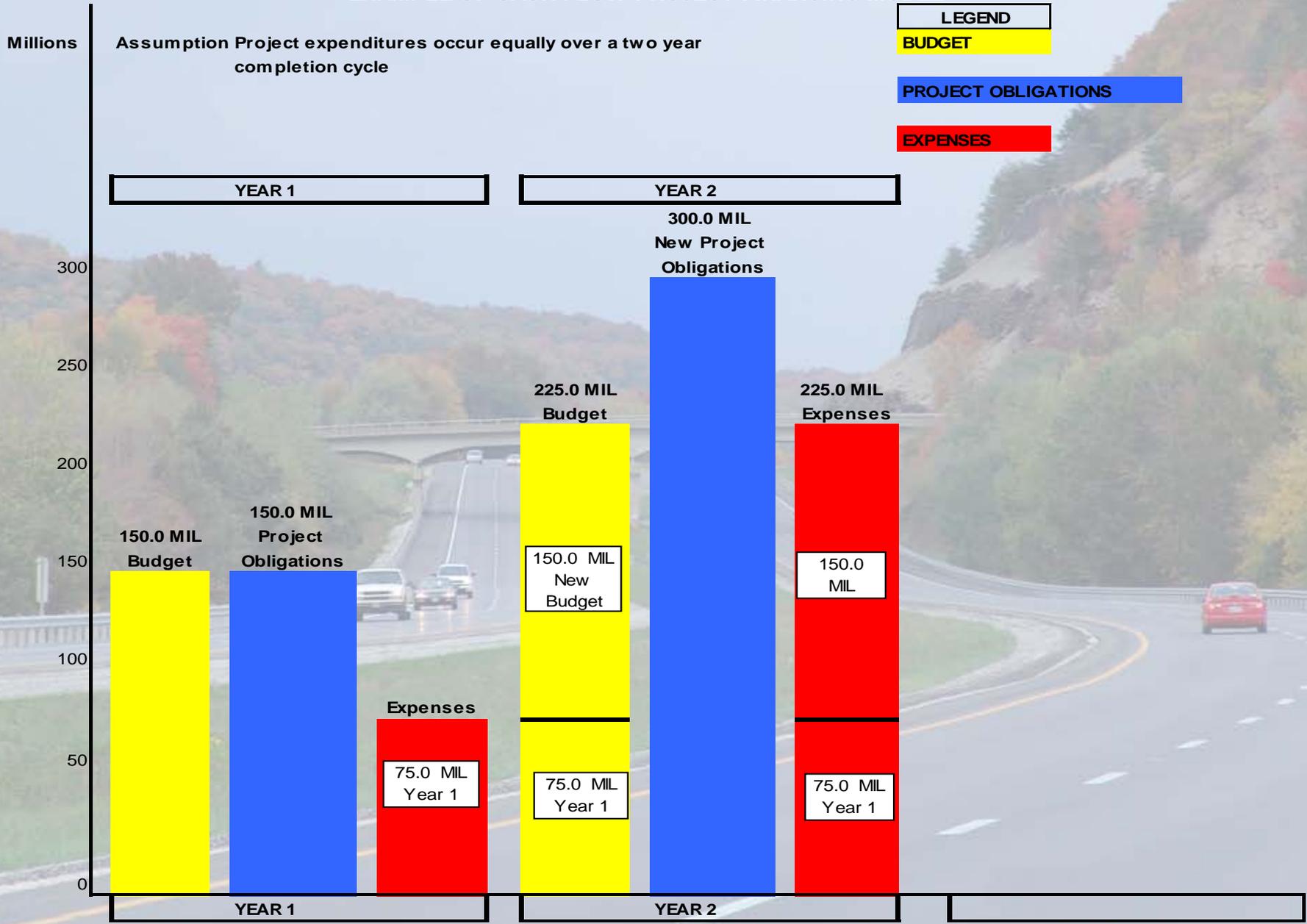
YEAR 1

YEAR 2

YEAR 3



EXAMPLE OF CASH FLOW PROJECT FINANCING MODEL



EXAMPLE OF CASH FLOW PROJECT FINANCING MODEL

LEGEND

BUDGET

PROJECT OBLIGATIONS

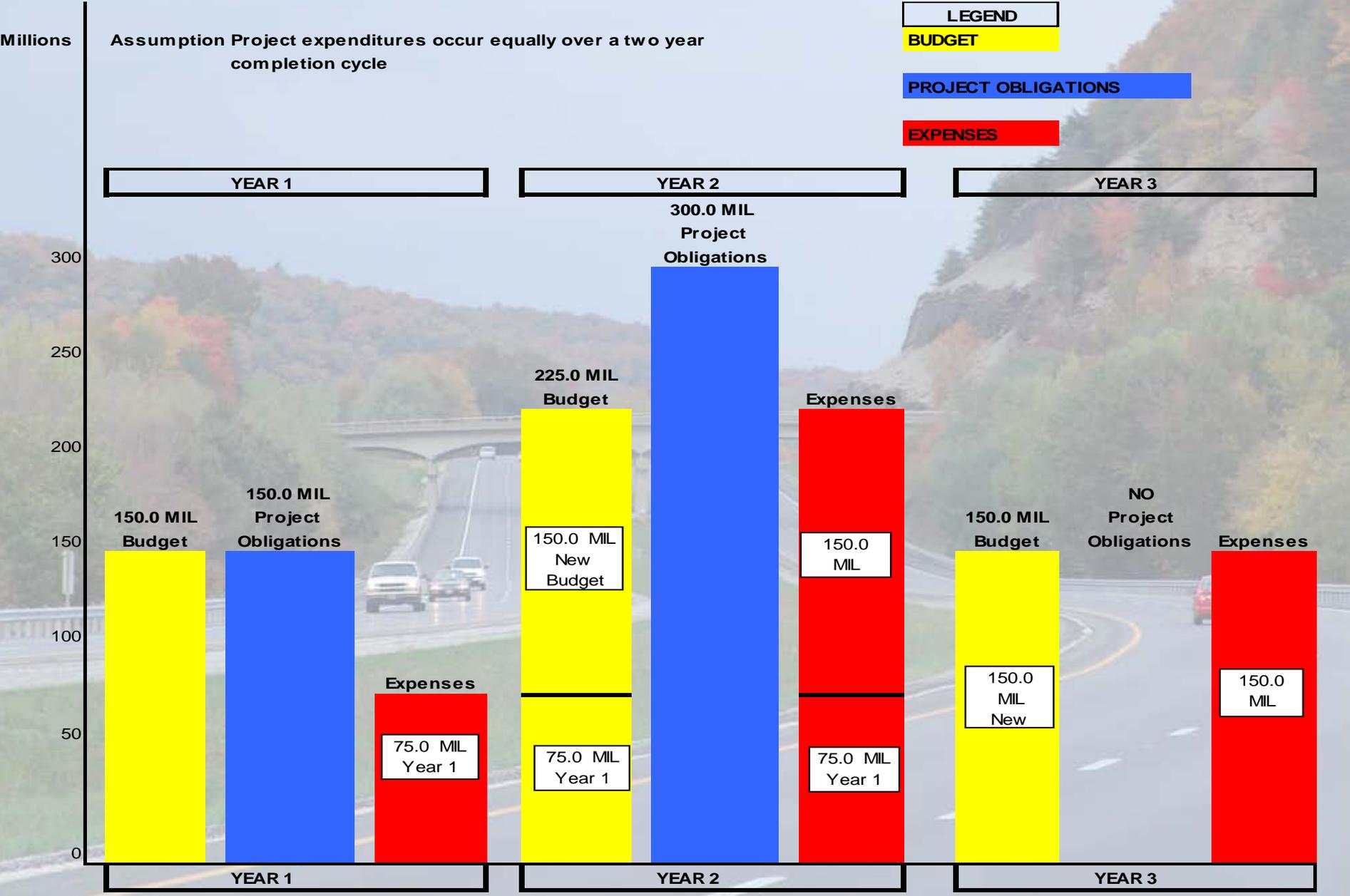
EXPENSES

Assumption Project expenditures occur equally over a two year completion cycle

YEAR 1

YEAR 2

YEAR 3



YEAR 1

YEAR 2

YEAR 3

PROJECT AUTHORIZATION

AUTHORIZATION NO. 77491 002

IT IS HEREBY ORDERED THAT THE PROJECT HEREIN DESCRIBED BE UNDERTAKEN AND ACCOMPLISHED WITHIN THE FUNDING LEVEL AUTHORIZED

1. PROJECT ID	A. PROJECT ID NUMBER 003 5221	B. FEDERAL PROJECT NO. BRZ 0703 277	C. DISTRICT HWY ADD 07	D. COUNTY ANDERSON	E. 6 YRP ITEM NUMBER 07 01109
F. TYPE OF PROJECT 080 BRIDGE REPLACEMENT	G. ROUTE NUMBER CR 5221	H. FACILITY NAME SEARCY SCHOOL ROAD		I. SYSTEMS	
J. PROJECT LENGTH	K. SCOPE OF PROJECT REPLACE BRIDGE AND APPROACHES ON SEARCY SCHOOL ROAD AT BEAVER CREEK (C14), 1.0 MILE SE OF LEATHERS STORE.				
L. NO OF BRIDGES	M. PROGRAM PRIORITY eMARS 7749101R	N. RS ITEM NUMBER eMARS 7749101U		O. 6 YR PLAN PARENT NUMBER	
2. PROJECT PHASE AND RESPONSIBILITY	A. PLANNING	B. DESIGN DOH	C. RIGHT OF WAY DOH	D. UTILITIES DOH	
	E. CONSTRUCTION DOH/CNTR	F. TITLE DEEDED TO: COUNTY	G. MAINTENANCE COUNTY	H. OTHER	
3. FUNDING & TIME ACCOUNTABILITY	PARTICIPATING AGENCIES FEDERAL FHWA _____ STATE _____ LOCAL _____ OTHER _____				

REQUESTED FUNDS FOR THIS AUTHORIZATION

ITEM NUMBER SUFFIX	PHASE	FUND	PROGRAM	FISCAL YEAR		FEDL APPR. CODE	ENACTED 6YR PLAN AMOUNT	% DIFFERENCE VS 6YR AMT	CURRENT FUNDING REQUEST	
				FEDERAL	STATE					
07-01109.00	R	12	FD52	2008	2008	HY10	0		33,400	
07-01109.00	U	12	FD52	2008	2008	HY10	0		100,000	
***** NOT IN 6YP FOR CURRENT YEAR (PRIOR 6YP, NEW, ADVANCED, BREAKOUT, OTHER) *****										
CURRENT ESTIMATE APPROVED BY:	GS	DATE 12/10/07	CURRENT FUNDING REQUEST TOTAL					133,400		

AUTHORIZATION SUMMARY FOR THIS 10-1 SERIES

PHASE	INITIAL PROJECT ESTIMATE	CURRENT PROJECT ESTIMATE	TOTAL AUTHORIZATION TO DATE (INCL. CURRENT REQUEST)
NON-HIGHWAY	\$ 0	\$ 0	\$ 0
PLANNING	\$ 0	\$ 0	\$ 0
DESIGN	\$ 150,000	\$ 166,000	\$ 166,000
RIGHT-OF-WAY	\$ 125,000	\$ 33,400	\$ 33,400
UTILITIES	\$ 100,000	\$ 100,000	\$ 100,000
CONSTRUCTION	\$ 500,000	\$ 600,000	\$ 0
TOTAL	\$ 875,000	\$ 899,400	\$ 299,400

4. REMARKS: THIS AUTHORIZATION PROVIDES RIGHT OF WAY AND UTILITY FUNDS.

TOLL CREDITS WILL BE UTILIZED IN LIEU OF STATE MATCHING FUNDS.

TB

PROJECT APPROVAL RECOMMENDED BY:

SIGNED AND APPROVED BY:

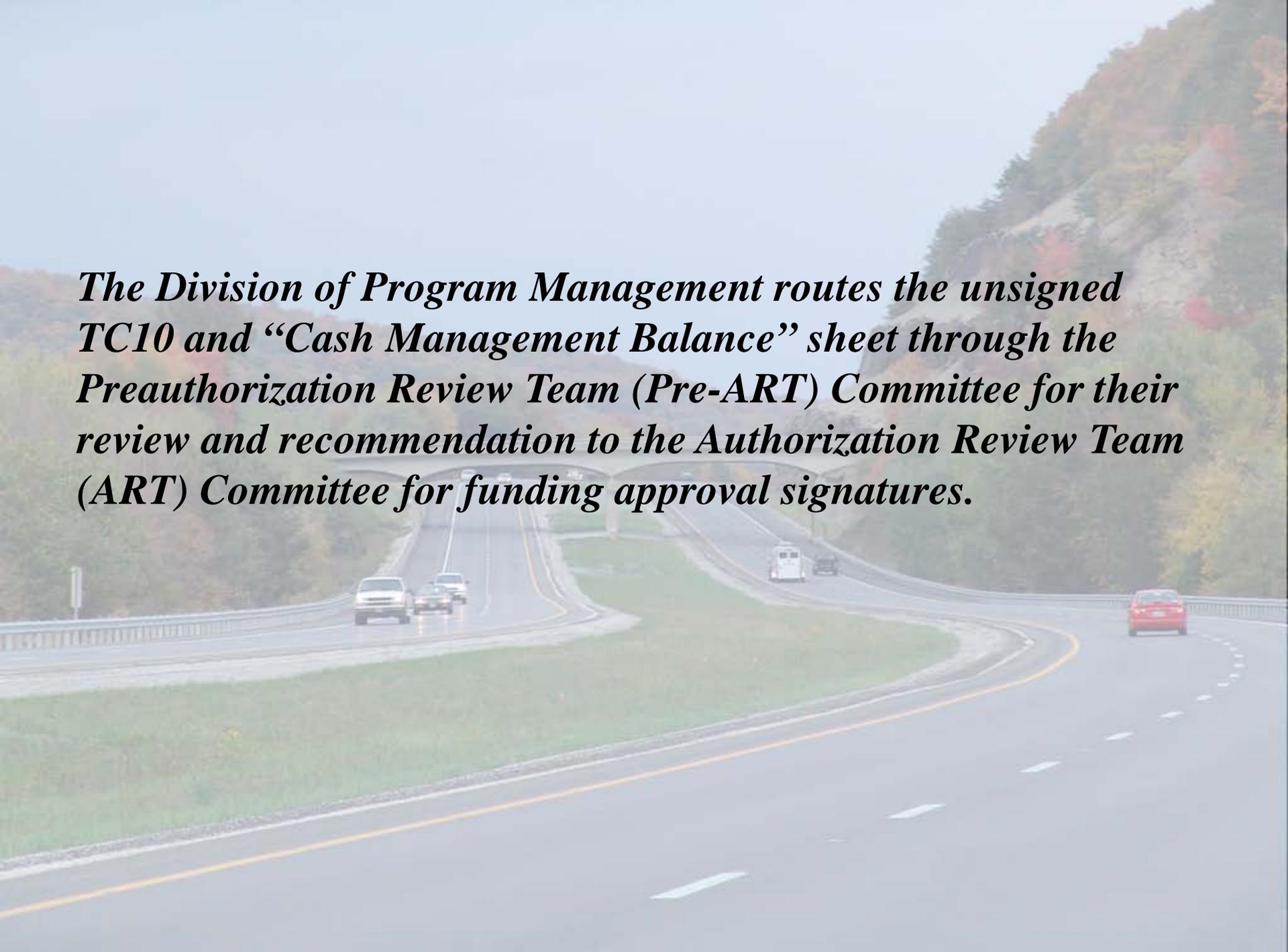
[Signature]
SIGNATURE

1/25/08
DATE

[Signature]
SECRETARY OF TRANSPORTATION OR DESIGNATED REPRESENTATIVE

The Division of Program Management prepares the project authorization document (TC10) and prints the unsigned TC10 to route for approval signatures.

TC10-1 REV 8/95



The Division of Program Management routes the unsigned TC10 and “Cash Management Balance” sheet through the Preauthorization Review Team (Pre-ART) Committee for their review and recommendation to the Authorization Review Team (ART) Committee for funding approval signatures.

Federal Number : NCPD 0661 (004) **SYP Item No :** 08 - 00059.20
Project Type : Conventional **KYTC File No :** 22
DUNS # : 188593644 **MARS :** 67808 01 R
Demo ID : **Rural/Urban :** U
Inv Route Number : I-66 **Functional System :** P
Beg/End Mile Point : **FA System :** I
Project Length : **On NHS Y/N :** Y
Bridge No : **County Name :** Pulaski
Project Oversight : Full Oversight (NHS) **Congr District(s) :** 5
STIP Ref : Page 321 FY2001-2006 **KYTC Phase :** R/W
TIP Ref : **State Def Field 1 :**
Env. Doc. Type/Date : FONSI 06/14/2004 **State Def Field 2 :** Division of Program Management
Urbanized Area : **State Def Field 3 :** E6-13-03

Termini:
 I-66, Kentucky.

Character of Work:
 Right of Way Acquisition for I-66 at US-27 in Somerset.

Remarks
 Increase cost to cover relocation assistance and relocation payments as well as right-of-way acquisition payments.

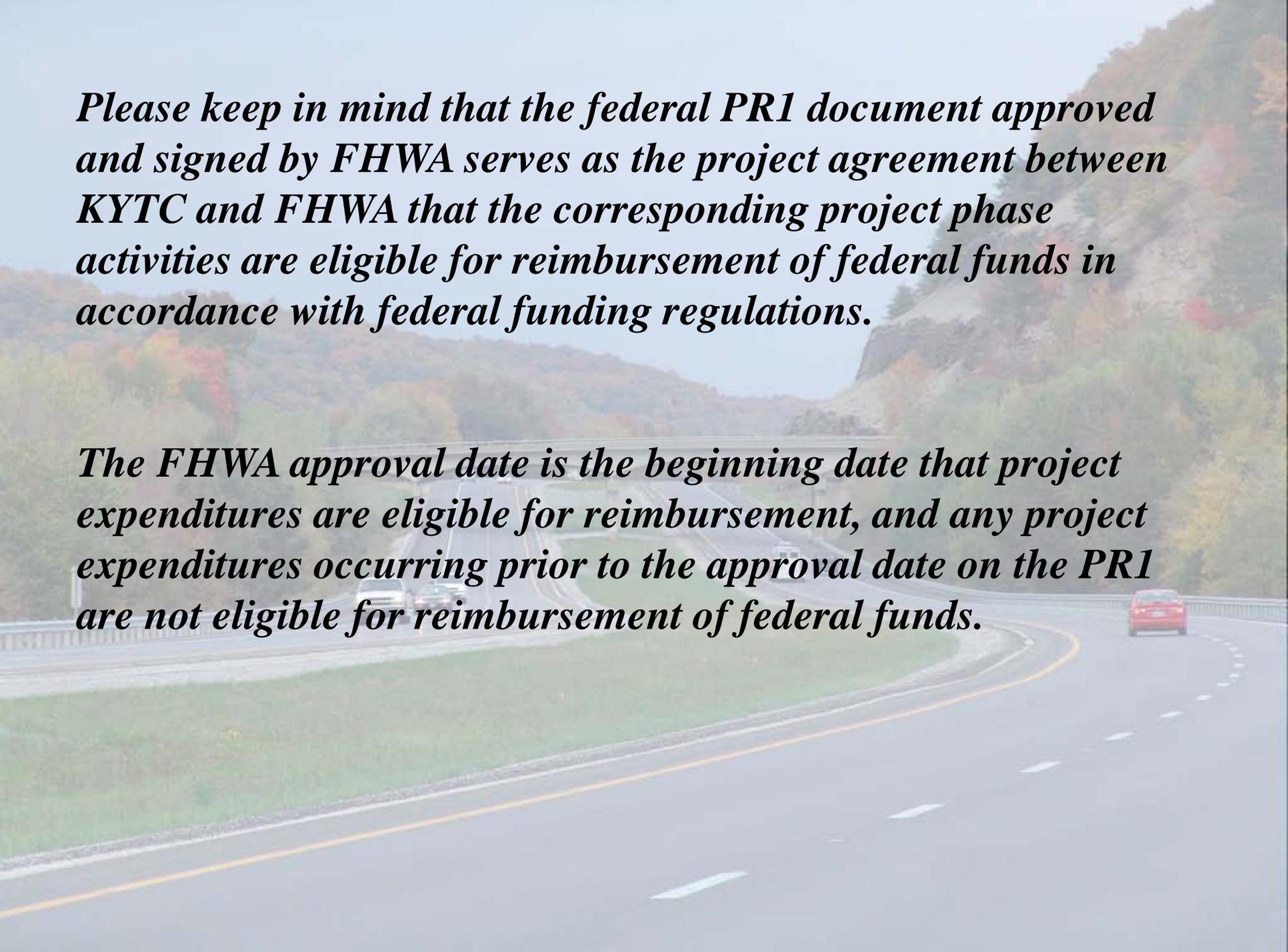
CO	IMPR TYPE	AC	APP	FF %	PRIOR FEDERAL	FEDERAL	STATE	OTHER	TOLL CREDIT	TOTAL
199	16		H050	80%		300,000.00			60,000.00	300,000.00
199	16		Q640	80%	5,600,000.00	5,600,000.00	1,400,000.00			7,000,000.00

Project Total	\$5,600,000.00	\$5,900,000.00	\$1,400,000.00	\$60,000.00	\$7,300,000.00
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The State agrees that as a condition to payment of Federal funds obligated, it accepts and will comply with the agreement provisions set forth in 23 CFR 630.112; and its signature constitutes the making of the certifications.

KYTC Signature: <i>Russell B. Kessing</i>	FHWA Signature: <i>A. Olivia Michael</i>
Date: <i>6/13/06</i>	Date: <i>6/20/06</i>

Upon receiving the approved signed TC10, if the TC10 is for federal funding, the Division of Program Management then begins the process to prepare the federal funding programming document (PR1) to be submitted to FHWA.



Please keep in mind that the federal PR1 document approved and signed by FHWA serves as the project agreement between KYTC and FHWA that the corresponding project phase activities are eligible for reimbursement of federal funds in accordance with federal funding regulations.

The FHWA approval date is the beginning date that project expenditures are eligible for reimbursement, and any project expenditures occurring prior to the approval date on the PR1 are not eligible for reimbursement of federal funds.

Questions?



A multi-lane highway with a bridge in the background, surrounded by autumn foliage. The road is paved and has yellow and white lane markings. Several cars are visible on the road, including a white SUV, a dark car, and a red car. The bridge has multiple arches and is supported by concrete pillars. The surrounding landscape is hilly with trees in various shades of green, yellow, and orange, indicating autumn. The sky is overcast and grey.

***Federal-aid
Highway Program
“Funding Terms”***

“Authorization Act” is the Congressional legislation that establishes or continues Federal programs or agencies and establishes an upper limit on the amount of funds for the program(s). The current Transportation Act, MAP-21 is for the federal-aid highway program.

“Appropriations Act” is the Congressional legislation that makes federal-aid highway funds available for expenditure with specific limitations as to the amount, purpose, and duration. For the federal-aid highway program, the appropriations act specifies amounts of funds that Congress will make available for the fiscal year to liquidate obligations.

“Apportionments” distribution of federal-aid highway funds using formula provided in the Transportation Act and the distribution of funds is called apportionments.

“Allocations” are the distribution of federal-aid highway funds through allocations as earmarked within the Transportation Act as defined by Congress (High Priority Projects), Equity Bonus, Appalachian Development Highway System (APD), and yearly Discretionary funding allocations earmarked by Congress or FHWA.

“Project Agreement” is the federal-aid highway programming document (PR-1) outlining the location of the project, the phase of the project, the project scope, type of work, type and amount of federal funds, and state matching funds, which is signed by KYTC and FHWA. The FHWA approval date is the official date that state expenditures are eligible for reimbursement with federal funds.

“Obligation” is the term used for the federal government’s legal commitment (promise) to reimburse the state for the federal share of a project’s eligible costs.

“Obligation Authority” is the total amount of federal-aid highway funds that may be obligated in a given fiscal year.

“Obligation Limitation” is a restriction or ceiling on the amount of federal-aid highway funds that may be obligated during a specified time period.

The obligation authority or obligation limitation does not change the distribution of apportionments or allocations of federal funds; it controls the amount or rate at which the funds may be obligated. In order to obligate federal-aid funding, you must have available the corresponding amount of funding apportionments/allocations and you must have available the corresponding amount of obligation authority.

Normally, each year the total federal apportionments and allocations are greater than the obligation authority. At the end of the federal fiscal year, the remaining apportionment/allocation amounts are carried forward into the next fiscal year. However, yearly obligation authority made available for the “Formula Funds” must be obligated during the fiscal year, or the state loses the remaining available obligation authority associated with the “Formula Funds.” The obligation authority for the “Non-Formula” and “Discretionary” funding can be carried forward into the next fiscal year.

“Rescissions” are when unused balances of previous apportionments or allocations are cancelled through legislative actions of Congress. The designated rescission amount reduces available funding apportionments or available funding allocations, and normally does not reduce obligation authority.

September 24, 2002	4510-481	\$5,254,868	\$320,000,000	1.64%
June 10, 2003	4510-508	\$4,139,369	\$250,000,000	1.66%
February 20, 2004	4510-515	\$3,440,783	\$207,000,000	1.66%
January 25, 2005	4510-540	\$19,938,177	\$1,261,277,000	1.58%
December 28, 2005	4510-578	\$31,511,454	\$1,999,999,000	1.58%
March 21, 2006	4510-588	\$18,010,022	\$1,143,000,000	1.58%
July 5, 2006	4510-606	\$11,066,985	\$702,362,500	1.58%
March 19, 2007	4510-643	\$55,213,815	\$3,471,582,000	1.59%
June 20, 2007	4510-647	\$13,853,179	\$871,022,000	1.59%
March 4, 2008	4510.673	\$49,444,690	\$3,150,000,000	1.57%
April 13, 2009	4510.707	\$52,476,786	\$3,150,000,000	1.67%
August 25, 2010	4510.729	\$36,652,357	\$2,200,000,000	1.67%
June 30, 2011	4510.735	\$41,397,498	\$2,500,000,000	1.66%
TOTAL		\$342,399,983	\$21,226,242,500	1.61%

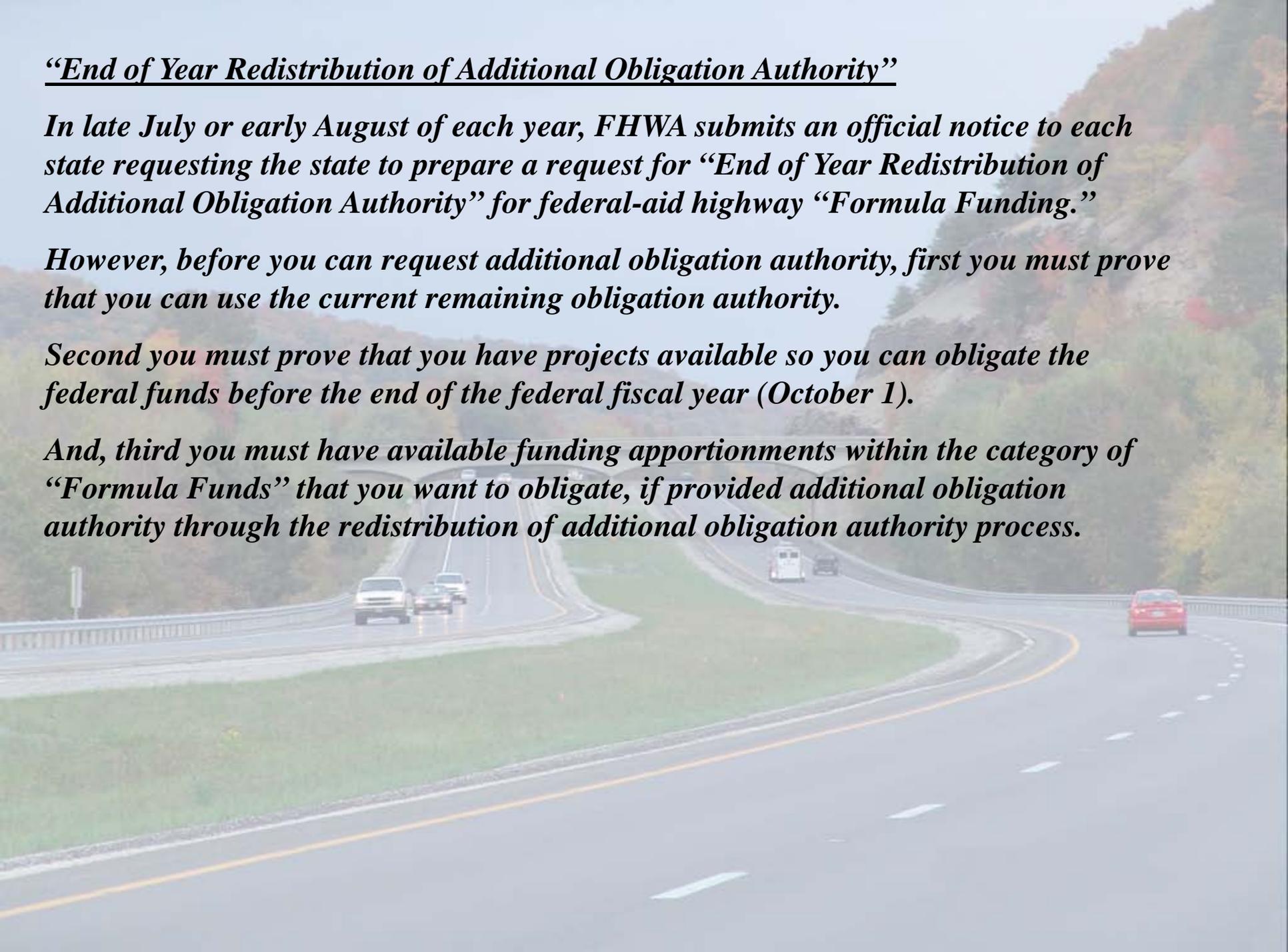
“End of Year Redistribution of Additional Obligation Authority”

In late July or early August of each year, FHWA submits an official notice to each state requesting the state to prepare a request for “End of Year Redistribution of Additional Obligation Authority” for federal-aid highway “Formula Funding.”

However, before you can request additional obligation authority, first you must prove that you can use the current remaining obligation authority.

Second you must prove that you have projects available so you can obligate the federal funds before the end of the federal fiscal year (October 1).

And, third you must have available funding apportionments within the category of “Formula Funds” that you want to obligate, if provided additional obligation authority through the redistribution of additional obligation authority process.



End of Fiscal Year Redistribution of Obligation Authority

FY 2002 thru FY 2011

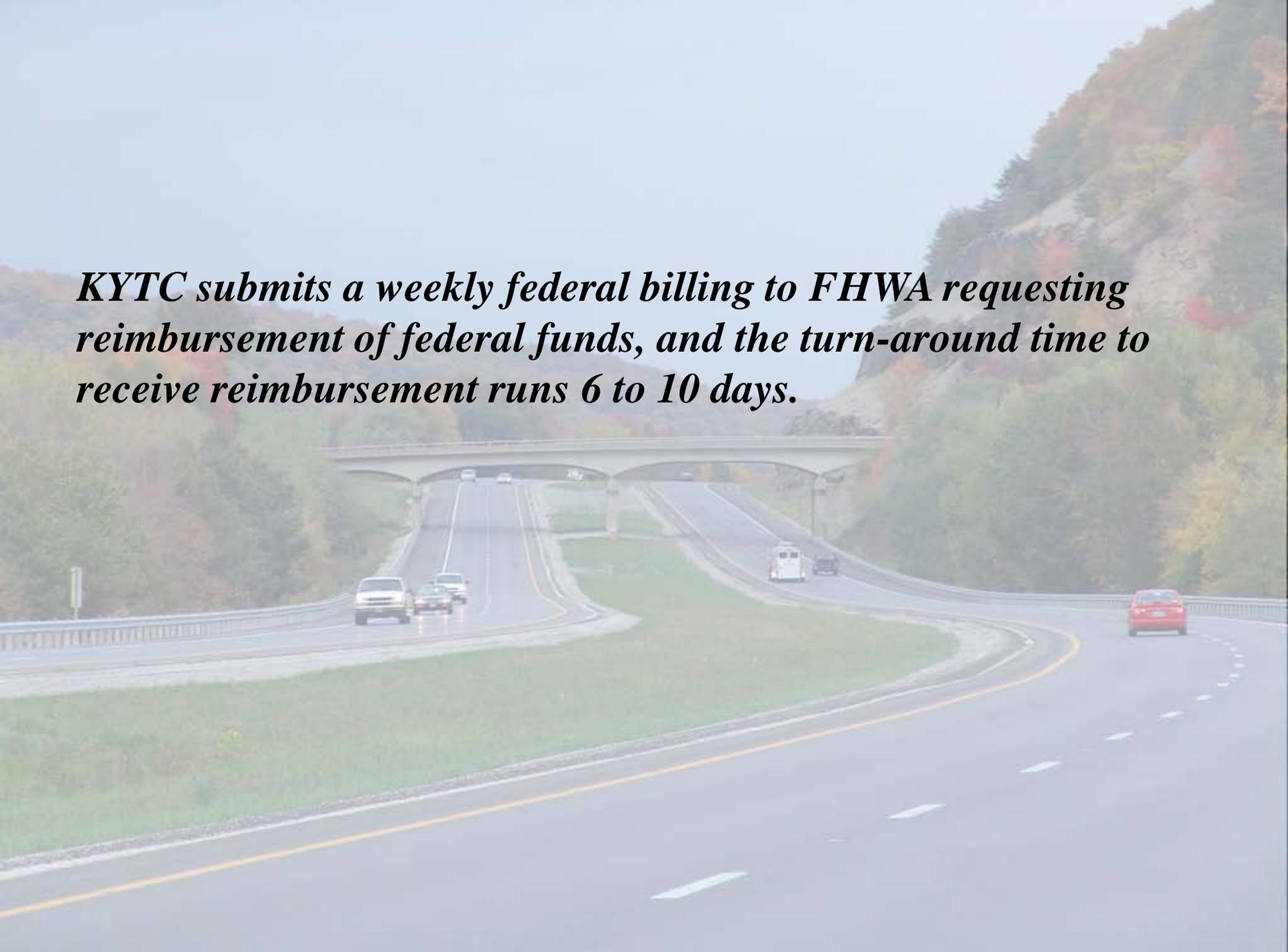
FISCAL YEAR	ADDITIONAL OBLIGATION AUTHORITY RECEIVED	KENTUCKY PERCENT OF TOTAL	TOTAL ADDITIONAL OBLIGATION AUTHORITY AVAILABLE NATIONWIDE
2011	22,877,247	1.93%	1,182,665,012
2010	22,426,299	1.68%	1,336,569,692
2009	16,988,869	1.65%	1,028,541,567
2008	18,345,981	1.57%	1,167,254,399
2007	19,029,829	1.56%	1,223,675,007
2006	33,905,399	1.63%	2,076,788,143
2005	17,434,289	1.49%	1,167,701,604
2004	14,032,625	1.44%	973,838,857
2003	6,471,721	1.50%	432,391,111
2002	7,584,664	1.53%	495,383,586
TOTALS	179,096,923	1.62%	11,084,808,978

Often times you will hear us refer to programming the federal funds as “Advance Construction (AC).”

The federal “Advance Construction” process provides states the ability to request and receive approval from FHWA to conduct designated project activities in advance of having to use current apportionments and obligation authority of federal-aid highway funds, and that expenditures associated with the designated project activities will be eligible for federal reimbursement when the advance construction amount is converted using available apportionment and obligation authority of federal-aid funds.

“Advance Construction” is like using the state’s federal-aid funding credit card, and project expenditures will be paid with state funds and reimbursement of expenditures will not be requested until federal-aid funding apportionments and obligation authority is available to convert the advance construction amount.

KYTC submits a weekly federal billing to FHWA requesting reimbursement of federal funds, and the turn-around time to receive reimbursement runs 6 to 10 days.



Questions?



THANK YOU.

A scenic view of a multi-lane highway with a bridge, surrounded by hills with autumn foliage. The text "THANK YOU." is overlaid in the center. The highway has several lanes with cars driving. The bridge is a concrete structure with multiple arches. The hills are covered in trees with vibrant autumn colors like orange, red, and yellow. The sky is overcast and grey.

National Highway Performance Program (NHPP)

- **Consolidation of IM, NHS, On-system Bridge**
- **Projects must be on NHS (or benefit the NHS)**
- **Asset Management**
 - **Risk-based, Performance-based Asset Management Plan**
 - **Minimum pavement and bridge conditions**

Surface Transportation Program (STP)

- **STP program continued**
- **No longer source of enhancement set-aside**
- **Now source of off-system bridge set-aside**
- **Sub-allocation requirements remain**
 - **50% of STP apportionment**

Transportation Alternatives (TA)

- **Combination of TE, SRTS, Rec Trails**
- **Funding from 2% set-aside from all highway programs**
- **Significant reduction in overall funding**
- **50% of funds sub-allocated based on population**
- **All funds awarded through competitive grant process**
- **Rec Trails opt-out option**

