

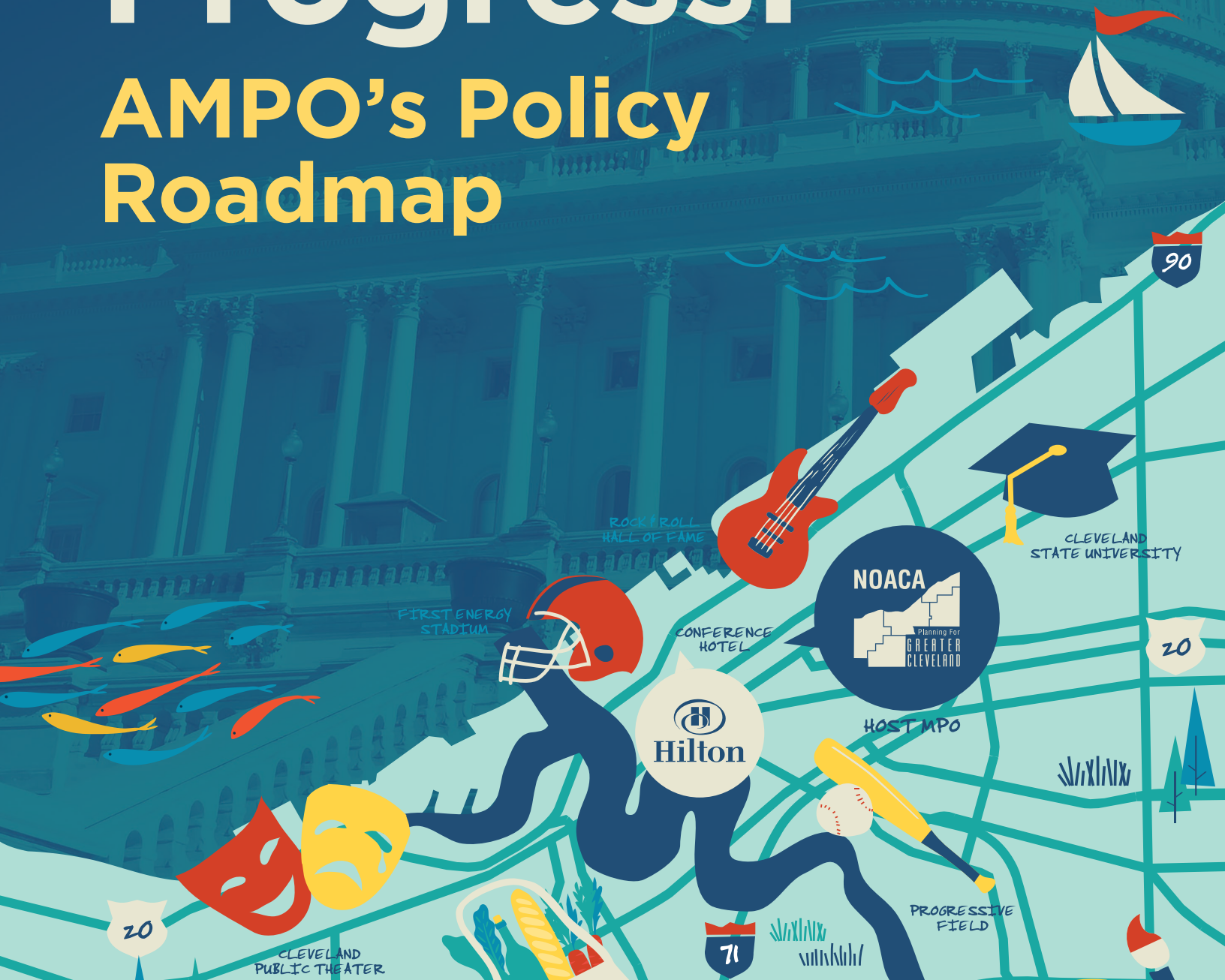
Cleveland

20 AMPO  
23 ANNUAL  
CONFERENCE



# Driving Progress:

## AMPO's Policy Roadmap



# Advocating for Our Top Legislative Priorities

Dear AMPO Members and Colleagues,

Welcome to Cleveland and the 2023 AMPO Annual Conference. We look forward to a productive week of learning and networking. Throughout the week there will be much discussion about the state of our industry and implementation of the Infrastructure Investment and Jobs Act (IIJA). As we move forward in navigating the ever-changing landscape of transportation funding and policy, it is crucial that we unite and advocate for our collective interests. AMPO remains dedicated to advancing the interests of our members and their communities, and we are committed to supporting the development of sustainable transportation systems that promote economic growth, social equity, and environmental stewardship.

As we approach the upcoming reauthorization of the federal transportation bill, AMPO staff continues to monitor federal policy closely, aiming to identify key legislative issues that are rising to the top. We are focusing on policy issues that align with our AMPO priorities and advance member goals. As a member-led and member-driven organization, it is critical that AMPO's priorities reflect our members' needs. As such, during the past year we met with and surveyed members and subsequently identified the following priorities:

**Shifting Discretionary Funding to Formula Funding:** We support a shift from discretionary funding toward formula-based allocations. Formula funding ensures a more equitable and predictable distribution of resources, which will enable our member organizations to plan and implement long-term transportation projects effectively. However, we understand the value discretionary programs can provide and will continue to advocate for the programs that garner the support of our members.

**Reducing Local Match for Federal Transportation Programs:** We urge the reduction of local match requirements for federal transportation projects. By lowering these burdensome match requirements, Metropolitan Planning Organizations will have greater flexibility to address critical infrastructure needs and enhance transportation services for our communities.

**Metropolitan Planning Organizations Becoming Direct Recipients for Federal Funds:** AMPO supports greater flexibility in granting direct recipient status to Metropolitan Planning Organizations for federal funds. This will streamline the funding process, eliminate unnecessary bureaucratic hurdles, and empower our member organizations to make decisions that directly benefit their respective communities.

**Allowing for Carryover of Federal Funds:** We advocate for a provision that permits the carryover of federal funds from one fiscal year to the next. This will facilitate the completion of long-term projects, ensuring that our efforts to improve transportation infrastructure are not hindered by year-to-year funding constraints.

We believe that addressing these priorities will improve our members' ability to deliver sustainable transportation systems that promote economic growth, social equity, and environmental stewardship. Your support and active engagement are critical to ensuring that our collective voice is heard by lawmakers and stakeholders during the transportation bill reauthorization process. We recognize that not all MPOs are able to advocate on their own behalf. AMPO proudly advocates for the MPO community's collective interests, and we look forward to our continued work together.

In the coming weeks and months, we will be reaching out to all our members to coordinate advocacy efforts. Together, we can make a significant impact and bring about positive change for the benefit of our communities.

Thank you for your support and dedication to advancing metropolitan planning initiatives. If you have any questions or suggestions regarding these legislative priorities or our advocacy strategy, please do not hesitate to contact us.

Sincerely,



**Ashby Johnson**

*Executive Director, Capital Area Metropolitan Planning Organization (Austin, TX)*  
*President, Association of Metropolitan Planning Organizations*



**Bill Keyrouze**

*Executive Director, Association of Metropolitan Planning Organizations*

# Legislative Priorities

## Reduction in Match Requirements

Reducing local match requirements has long been a topic in the MPO community and continues to be a priority. MPOs are typically required to provide a local match of 20% for federal transportation funds used both in agency operations and in project implementation. These local funds are collected from a variety of sources, including local government budgets, state government contributions, membership dues, federal grants, public-private partnerships (PPPs), local sales tax initiatives, transportation user fees, grants from non-profit organizations, impact fees, and other local funding sources. While the funding structure of MPOs is diverse and varies based on the region and local government arrangements, the vast majority receive their match from local governments.

Local governments may struggle to provide the required local match to federal funds due to budgetary constraints, infrastructure backlogs, economic disparities, unpredictable revenue streams, competing priorities, political challenges, infrastructure ownership and responsibility issues, and varying matching percentages. Limited financial resources, competing priorities, and the complexity of federal funding requirements pose significant challenges for local governments, making it difficult for them to allocate the necessary funds as a local match for federal transportation projects. The substantial addition of new discretionary grants in the Infrastructure

Investment and Jobs Act (IIJA) and their match requirements have further increased the challenge faced by MPOs and local governments in matching multiple grants. These difficulties can impede their ability to access critical transportation funding and hinder the implementation of essential infrastructure projects in their communities.

These struggles were exacerbated during the Covid-19 pandemic, further stressing and diverting limited local funds; many communities have yet to recover financially. By reducing the local match MPOs and their regions could benefit in several ways:



### **Increased Project Implementation:**

Lower federal match requirements can incentivize more local governments and agencies to pursue federal funding opportunities. This, in turn, can lead to increased project implementation and a broader range of transportation initiatives being undertaken.



### **Improved Equity and Access:**

A reduced federal match requirement can make federal funding more accessible to smaller or economically disadvantaged communities. This can help address transportation disparities and promote more equitable infrastructure development across regions.



### **Faster Project Implementation:**

Lower match requirements can expedite project timelines as local governments can secure necessary funding more quickly. This can lead to faster project implementation and delivery, resulting in improved transportation services for communities. Additionally, accelerating project implementation can lead to reduced overall expenses, particularly when compared to a project that faces prolonged delays, as it mitigates the impact of project cost inflation.



**Economic Stimulus:** By reducing the financial burden on local governments, lower match requirements can stimulate local economies through increased transportation investments and job creation in the construction and engineering sectors.



### **Enhanced Infrastructure Resilience:**


With easier access to federal funding, local governments can invest in enhancing infrastructure resilience and preparedness for future challenges, such as climate change and natural disasters.

The proposed reduction in local match requirements aims to increase the implementation rate of transportation projects, particularly in areas with limited financial resources. It would allow MPOs to undertake more projects and invest in innovative solutions without being excessively constrained by the financial burden of meeting a higher local match.



# Discretionary to Formula

Through the IIJA, roughly \$150B of discretionary funds were made available to the transportation community. This historic amount of competitive funding, while welcomed, has sparked the conversation around whether certain discretionary programs would be better utilized as formula funding. Eliminating competition for funds that improve transportation systems and services is all in our best interest. A shift of discretionary funds to formula funds under the next federal transportation bill could offer potential benefits to MPOs with limited resources that would otherwise be dependent upon competing for grants. These benefits could include:

 **Equitable Distribution:** Transitioning certain programs to formula-based funding could provide a fair and predictable allocation of resources based on objective criteria like population and road mileage, ensuring a more equitable distribution of funds. Instead of relying on the ability to win competitive grants, MPOs would receive funding based on objective criteria such as population, road mileage, and other relevant factors.



## **Increased Predictability for Long-Term Planning:**

Formula funding typically provides a stable and consistent funding stream over an extended period, often spanning multiple years. This stability allows MPOs to engage in long-term planning and implement sustainable transportation projects with greater confidence, knowing they have reliable funding support.



## **Reduction of Administrative Burdens:**

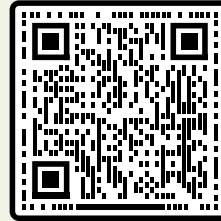
Applying for and competing for discretionary grants can be time-consuming and resource intensive. By reducing the administrative burden associated with grant application and management, MPOs can focus more on strategic planning and project execution. This would benefit the smaller MPOs that generally lack the dedicated staff and resources to put towards grants.



## **Increased Regional Flexibility:**

Formula funds also offer greater project flexibility, allowing MPOs to direct resources to a broader range of projects that align with local priorities and unique transportation needs.

While not all discretionary programs may be suitable for this shift, AMPO is working with its leadership to identify which, if any, may be a good fit while also supporting those programs that should remain discretionary. This shift from discretionary funds to formula funds could offer significant advantages to MPOs with limited resources. It ensures equitable funding allocation, stability in long-term planning, reduced administrative burden, enhanced project flexibility, improved project pipelines, capacity building, collaborative opportunities, and a focus on addressing transportation equity. This change could result in a more efficient, coordinated, and inclusive approach to transportation planning and development across various regions.



### **Stay Up To Date With Funding Opportunities**

AMPO's NOFO (Notice of Funding Opportunity) board is a hub of valuable resources, grants, and funding opportunities for our members. Maximize your potential to secure funding and implement impactful projects. Visit our website and access the board in the 'Resources' drop down or Scan the QR code above to access the NOFO board.

# Obligation and Carryover

Currently, federal law, as outlined in 23 USC 118, focuses on obligation authority, providing that funds apportioned or allocated in a State shall remain available for obligation for a period of three years after the last day of the fiscal year for which the funds are authorized. The law does not explicitly mandate states to extend obligation authority beyond the current federal fiscal year, leading to varied interpretations and practices among states. While contract authority allows for commitments in anticipation of future funding, the specific provisions of 23 USC 118 govern how obligation authority is managed. As a result, some states may be restricting MPOs from accessing suballocated transportation funds beyond the current fiscal year. Many MPOs have expressed a desire for consistent access to the full amount of funds as intended over the life of the federal transportation bill, as this would provide greater flexibility in project implementation and planning. The potential benefits of a more uniform approach to carryover obligation authority would be significant:

## CONTRACT VERSUS OBLIGATION AUTHORITY

### Contract Authority

Contract Authority is the legal permission given to federal agencies to commit to spending on projects, even before the actual funds have been appropriated. It enables long-term planning and commitments for projects.

### Obligation Authority

Obligation Authority is the specific amount of funds that an agency is allowed to obligate during a certain period. It sets a ceiling on commitments to ensure alignment with appropriated funds.

### Comparison

Contract Authority facilitates long-term planning by allowing commitments in anticipation of future funding, while Obligation Authority controls spending by limiting the amount that can be obligated to match available or expected funds. For MPOs, understanding these two concepts is vital, as they govern how federal funds can be committed and spent on various transportation projects and initiatives. The balance between these two authorities ensures that projects can be planned and executed efficiently while maintaining alignment with budgetary constraints and legislative intent.





### **Enhanced Long-Term Planning:**

Carrying over federal funds provides stability and continuity in transportation funding, ensuring a more predictable flow of resources for ongoing and future projects. MPOs can strategically plan and implement long-term transportation projects without the constraints of an annual funding cycle, leading to more comprehensive and impactful infrastructure development.



### **Prudent Financial Management:**

MPOs can build reserve funds and exercise better financial management, allowing them to address unforeseen circumstances or invest in emerging transportation needs.

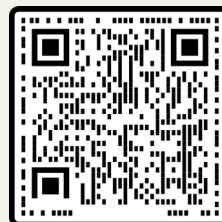


**Efficient Project Implementation:** The ability to carry over funds allows for more efficient project implementation, avoiding rushed decisions and maximizing the impact of federal transportation investments.

MPOs would be guaranteed the ability to carry over funds to subsequent years, enabling the completion of long-term and large-scale transportation projects without the constraints of an annual funding cycle. This change would foster more efficient use of federal funds and reduce the potential for rushed project implementation to avoid losing funding. It is essential to strike a balance to avoid excessive accumulation of unspent funds, which could

hinder the timely delivery of transportation projects or lead to the misallocation of resources. Proper guidelines and oversight mechanisms would be necessary to ensure responsible and effective use of carryover funds.

Overall, the shift to allow MPOs in all states to carry over federal funds for multiple years (i.e., 3 years plus year of apportionment) could result in more strategic, efficient, and impactful transportation planning and implementation, benefiting both MPOs and the communities they serve.



### **AMPO Obligation Survey Report**

AMPO recently distributed a survey to membership focused on unobligated balances and carry over policies. Several factors prompted this survey, including the 2023 August Redistribution efforts, an accounting issue between Delphi and FMIS within FHWA leading to delays in obligating funds, and the rising unobligated balances seen nationwide. Scan the QR code above to access the full report.

# MPOs as Direct Recipient

Currently, federal transportation funds are administered by state Departments of Transportation (DOTs), which then review plans for federal compliance prior to being submitted to the Federal Highway Administration. This prevents MPOs from dealing directly with federal agencies and delays the approval process. The additional layer can slow the timeline for getting federal funds into communities. Many mid- to large-size MPOs have expressed the desire to allow MPOs to opt into a voluntary direct-recipient status, bypassing the state level project administration process through reauthorization. Potential benefits for this include:



**Streamlined Decision-making:** With direct access to federal funding, MPOs can streamline the decision-making process for transportation projects. This may lead to more efficient project selection, reducing bureaucratic delays and enabling faster project implementation.



**Enhanced Accountability:** Directly receiving federal funds would make MPOs more accountable for the use and outcomes of transportation investments within their regions. While most MPOs stop tracking a project once it has been programmed in the TIP, this heightened responsibility could result in increased project tracking through the life of a project creating better coordination and decreased delays.



**Flexibility in Fund Allocation:** In some states, the DOTs add an additional layer of eligibility for projects beyond what has been determined eligible nationally. MPOs could have more flexibility in distributing funds without these additional restrictions, allowing them to focus on their specific regional needs such as improving public transit, reducing congestion, enhancing pedestrian infrastructure, and supporting sustainable mobility initiatives.

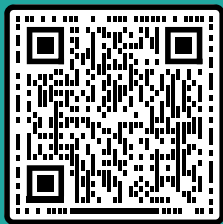


**Increased Regional Collaboration:** By having direct oversight over federal funds, MPOs can strengthen collaboration with local governments, transit agencies, and other stakeholders. Allowing MPOs to take a greater role, beyond TIP considerations, would ensure comprehensive and integrated regional transportation planning.

Despite the many benefits, it is important to note that this hypothetical shift has been identified as a voluntary option, not a requirement for all MPOs. Becoming a direct recipient of federal funds comes with its own set of burdens and challenges. Managing federal funds increases administrative overhead, including financial management, auditing, and compliance monitoring. MPOs may need to invest in additional staff, technology, and expertise to effectively handle these administrative tasks. In cases where MPOs sub-allocate federal funds

to local governments or other entities, additional responsibilities arise in overseeing subrecipient compliance and project execution, which can be resource intensive.

While becoming direct recipients of federal funds would offer mid- to large-size MPOs more control and autonomy in transportation planning and project selection, it would also entail significant administrative, financial, and regulatory burdens. Having the choice to opt into becoming a direct recipient is imperative in potential legislation.



## Vote on Legislative Priorities

**We want to hear from you!**

Vote today on your top legislative priorities. Scan the QR code to access our survey.

# Roadmap to Reauthorization

Federal transportation bills, known as surface transportation authorizations, serve as pivotal legislative instruments that direct federal funding and policy guidelines for highways, transit, and other surface transportation initiatives within the United States. These bills are typically reauthorized on a periodic basis, a process that is essential for the continuous maintenance and enhancement of the nation's transportation infrastructure. The reauthorization procedure is initiated as the current transportation bill approaches its expiration date. This impending expiration imposes a deadline on Congress to either extend the existing bill or formulate a new one to supersede it. Failure to reauthorize the bill prior to its expiration may lead to financial ambiguity for ongoing and future transportation projects, potentially hindering progress, and development.

The Infrastructure Investment and Jobs Act (IIJA), enacted on November 15, 2021, is the most recent milestone in a lineage of Federal surface transportation reauthorization acts, such as TEA-21, SAFETEA-LU, MAP-21, and the FAST Act. Together, these acts have systematically guided the financing and governance of highways, highway safety, and transit since 1998. The IIJA, with its unparalleled \$550 billion investment in infrastructure, underscores an enduring dedication to advancing the country's transportation network. For MPOs, these legislative measures, and the IIJA in particular, are fundamental to their responsibilities in planning,

programming, and coordinating Federal highway and transit investments, as they establish the structural framework and financial support that steer regional transportation planning and infrastructure growth. The IIJA is set to expire on September 30, 2026.

This roadmap provides a high-level overview of the complex and multifaceted process of reauthorizing federal transportation bills, highlighting the collaborative efforts of various governmental bodies, committees, and stakeholders. AMPO emphasizes the importance of timely reauthorization to ensure continuity in funding and strategic direction for the nation's transportation infrastructure. Key milestones of reauthorization include:



**Committee Action:** The process starts in the relevant committees in both the House of Representatives and the Senate, typically the House Committee on Transportation and Infrastructure and the Senate Committee on Environment and Public Works and Senate Commerce, Science and Transportation, respectively. These committees hold hearings, gather information, and work on drafting the new bill. There will be significant change in leadership on all the committees in 2025 after the outcomes of Presidential, House and Senate elections in November 2024. The new committee chairs will set the course and direction once the

2025 Congressional session begins. The White House, Office of Management and Budget, and the USDOT will also play a significant role in defining the presidential administration's policy and perspective on transportation reauthorization.



**Stakeholder Engagement:** In the two years leading up to reauthorization, various stakeholders, including AMPO, will play a crucial role in the process. AMPO, representing the collective interests of MPOs, actively engages with lawmakers to incorporate our legislative priorities into the reauthorization. This engagement includes providing input, advocating for the specific needs and priorities of MPOs, and participating in discussions to shape the bill's content in alignment with regional and national transportation goals. During this time, Committees will begin meetings and hearings on Reauthorization. AMPO's involvement ensures that the perspectives and priorities of MPOs are considered in the introduction of legislation, markups, and floor votes that will follow later in the year.



**Negotiations and Amendments:** The bill's development involves extensive negotiations among lawmakers, both within committees and between the two chambers of Congress. Amendments may be proposed and debated during the markup process, where specific provisions of the bill are considered and modified.



**Funding and Budgeting:** One of the most significant aspects of the transportation bill is funding allocation. Decisions about how much federal money will be allocated to different transportation programs and projects are crucial and often contentious. Balancing the competing needs of various transportation modes and regions can be challenging.



**Congressional Approval:** After going through the committee process and considering input from stakeholders, the transportation bill must pass both the House of Representatives and the Senate. Any differences between the two chambers' versions must be reconciled before the final bill can be sent to the President for signature.



**Reauthorization Signing:** Once Congress agrees on the final version, The President signs the reauthorized transportation bill into law, defining funding and policy for the specified duration, usually spanning several years.



**Ongoing Implementation:** Once the reauthorized transportation bill is enacted, the focus turns to implementation, a phase where federal agencies (e.g., USDOT) issue guidance/statute for practical execution. During this period, AMPO maintains a proactive role by offering informed public comments and proactively engaging in dialogue with federal agencies to ensure that the guidelines align with the specific needs and priorities of MPOs.



**Expiration of Current Bill:** The IIJA is set to expire on September 30, 2026, marking the next critical juncture for reauthorization.

If reauthorization is not completed by the expiration date of the IIJA, it can lead to a series of complex challenges. Without a new authorization in place, there may be uncertainty regarding federal funding for ongoing and planned transportation projects, potentially

leading to delays or cancellations. Congress may resort to temporary extensions of the existing authorization, but this can create further uncertainty and challenges in long-term planning. MPOs may face difficulties in executing their responsibilities, and there could be disruptions in various transportation programs and services, including delays in construction and maintenance. The broader economic implications might affect jobs in construction and related industries, and potentially slow down regional economic growth. Additionally, innovative policies and reforms that might be part of a reauthorized bill could be stalled, and transportation agencies may face administrative challenges in managing existing grants and agreements.

AMPO stresses the importance of unified action, transparent communication, and strategic planning to navigate legislative uncertainties, ensuring that regional transportation planning and investments align with national priorities and continue to progress.



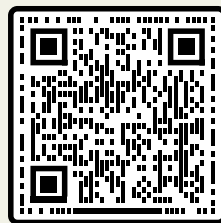
# Looking Ahead: Strategic Advocacy

With the upcoming reauthorization of the transportation bill and the ongoing implementation of the IIJA, the US transportation system is at a pivotal juncture. AMPO recognizes the critical role that MPOs play in shaping the future of transportation communities nationwide. The priorities outlined in this document reflect just a sliver of the collective insights and needs of our members, who are at the forefront of planning, programming, and coordinating federal highway and transit investments.

The challenges faced by MPOs are multifaceted, encompassing financial constraints, administrative burdens, equity considerations, and the need for long-term strategic planning. By identifying and tracking legislative issues faced by MPOs, we aim to address these challenges and empower our members to collectively advance change at the national level. The legislative priorities are not merely about altering funding mechanisms or administrative processes. They are about creating a more equitable, efficient, and responsive transportation framework that aligns with the unique needs and aspirations of MPOs.

As we embark on this critical phase of advocacy and engagement, we are asking our members, partners, and stakeholders in the transportation field to join us. Your support, insights, and active participation are vital to ensuring that our collective voice resonates with lawmakers and influences the transportation bill reauthorization

process. Reach out to us with your questions, suggestions, or concerns regarding these legislative priorities. Your feedback is invaluable in refining our advocacy strategy and aligning it with the real-world needs of MPOs. Together, we can shape a transportation future that reflects our shared values and serves the best interests of our MPO community.



## Affect National Progress With AMPO's Congressional Compass

AMPO's 'Congressional Compass' is an interactive web-map directory that connects MPOs with their respective congressional representatives. By exploring congressional and MPO boundaries, users can identify key legislators, enabling more targeted and strategic advocacy efforts for their region. Building a broad coalition of support will amplify our message and strengthen our influence. Scan the QR code above to access the Directory.



 [ampo.org](http://ampo.org)

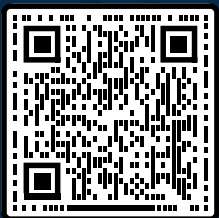
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## Stay Informed with The National Beat



The National Beat, AMPO's policy focused newsletter, is your gateway to the latest transportation updates that matter to MPOs. From tracking developments in the reauthorization process to insights on key policy issues, we ensure you stay informed and engaged. Access the 'National Beat' section in AMPO's biweekly newsletter, log into your MyAMPO account on our website's Resources page, or simply scan the QR code.