



September 10, 2014

Rodney Barry, Division Administrator
Federal Highway Administration
61 Forsyth Street, Suite 17T100
Atlanta, Georgia 30303-3104

Dear Mr. Barry:

Subject: CMAQ Formula

As noted in the Department's letter to the FHWA dated June 23, 2006 (enclosed), the Department periodically reviews the CMAQ distribution formula/policy to ensure the funds are being used to the maximum benefit of air quality and congestion mitigation. This letter is to inform FHWA of a change that was made to our distribution policy.

Though not explicitly stated in the 2006 CMAQ formula, it has been the Department's business practice to provide any unspent funds from the previous year to the non-attainment MPOs in the following fiscal year. The funds were re-distributed back to the MPOs based on their population. In order to forecast each fiscal year's obligation authority levels, the Department will no longer automatically provide the previous year's unspent CMAQ obligation authority (and accompanying apportionment) to the non-attainment area MPOs. Due to the rigorous demands of delivering CMAQ projects, they are not always delivered on time. As CMAQ apportionment levels grow and obligation authority goes unspent, the Department will provide excess CMAQ funds from the previous year's apportionment (and corresponding obligation authority) on a case-by-case basis to the MPOs. This will be done by weighing the merits and benefits of specific projects. If the Department and the MPO choose to fund a project with apportionment authority above and beyond what is provided to an MPO in a particular year, the Department will work with the MPO and EPD to select the project for CMAQ funding and reflect the project in the MPO's plan and TIP. This process was followed with the 2013 Atlanta CMAQ Call for Projects. During that process, the Atlanta MPO used the base apportionment allocation to determine the spending amount for selecting projects. Additionally, the I-85 Managed Lanes extension project (\$44,000,000 in FY15) was funded with unspent allocations from previous years.

The changes mentioned above reflect a change in the Department's business practice as it relates to unspent funds from year to year. The annual distribution formula for the CMAQ apportionment authority will remain the same. A revised version of the CMAQ Formula is enclosed. First, 50% of Georgia's CMAQ Apportionment which is not dedicated to the mandatory PM 2.5 set-aside is transferred into M240 funds. The

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CMAQ Formula is then broken down into two categories: Statewide and MPOs. The Statewide funding category is subtracted from the whole amount of apportioned CMAQ funds. Statewide projects include GDOT's ongoing TDM Measurement efforts and the statewide TDM activities conducted under the Georgia Commute Options program. The second category represents the majority of funding and will be available for projects within the non-attainment MPOs. Previously, a third category was provided for "donut areas" (areas within a non-attainment area but outside of an MPO). The Department represented the interests of these areas when selecting CMAQ projects. Since these areas comprise such a small portion of the state's non-attainment population and CMAQ eligible projects/needs have never been identified in the Donut areas, the Department is removing the funding set-aside from the CMAQ Formula.

The Department has already made the affected MPOs aware of this change. The MPOs are currently using the revised business practice detailed above in the development of their TIPs. The amount of CMAQ funds within the TIPs reflect the apportioned amounts shown in the enclosed document.

If you have any questions, please feel free to contact Cam Yearty at (404) 631-1798.

Sincerely,



Toby Carr
Director of Planning

TMC/cry

Enclosures (2)

APPROVED: _____



Rodney Barry, Division Administrator

FY14 CMAQ Allocation Formula (MPO) \$63,132,250 (Obligation Authority & Federal Funds Only)

*Expendable FY14 CMAQ Funds:			
GDOT Transfer	\$	63,132,250	
Georgia Commute Option Program	\$	23,674,594	
Available for Distribution:	\$	6,724,000	
	\$	32,733,656	

Statewide TDM Measurement	\$	960,000
Georgia Commute Options	\$	5,764,000

The Department will continue to transfer 50% of non-PM 2.5 spending authority into M240. This transfer will occur on an annual basis.

Total NA MPO Population	5,015,570	100.0%
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The Department will continue to take funding off the top annually for statewide activities related to Georgia Commute Options.

	Census 2010 UZA Population	% of Total GA NA Population	CMAQ Allocation (Federal \$)
Atlanta	4,515,419	90%	\$ 29,469,467
Chattanooga	78,364	2%	\$ 511,435
Gainesville	130,846	3%	\$ 853,954
Macon	137,570	3%	\$ 897,838
Rome	60,851	1%	\$ 397,138
Bartow	92,520	2%	\$ 603,823
Total for State of Georgia	5,015,570	100%	\$ 32,733,656

Population derived from 2010 Decennial Census for urbanized areas (for Chattanooga, just the portion in GA), not from an annual estimate. The population is NOT based on county, MPO, nor nonattainment area population.

* Expendable = Obligation Authority at 93% of \$67,884,140 (FY14 Apportionment)



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June 23, 2006

Robert M. Callan, P. E., Division Administrator
Federal Highway Administration
61 Forsyth Street, Suite 17T100
Atlanta, Georgia 30303-3104

Dear Mr. Callan:

Subject: CMAQ Formula

Enclosed is a copy of the CMAQ formula (Exhibit 1) prepared by the Department in consultation with the affected MPOs responsible for transportation planning in the State's Ozone and PM2.5 nonattainment areas. Also enclosed is a copy of the worksheet used to calculate and group the various population figures required for the formula (Exhibit 2) and guiding principles behind the CMAQ Formula (Exhibit 3).

Using the FY06 CMAQ funding level and obligation authority, the enclosed draft CMAQ Formula breaks the funds into three categories: Statewide, Donut Areas, and MPOs. The state-level funding category would be taken off the top and could fluctuate, at a modest scale, from year to year as funding needs are coordinated with the nonattaining MPOs. The Statewide category includes GDOT's ongoing TDM Measurement efforts and the TDM activities currently conducted by the Clean Air Campaign. The Clean Air Campaign (CAC) was selected via RFP to manage Statewide TDM activities such as employer services, advertising, PR, incentives, and school outreach/educational programs. Funding levels and work activities for the CAC will be coordinated with the nonattaining MPOs; hence possible modest yearly funding fluctuations.

The second category is associated with Donut Areas. Donut Areas are whole or partial counties located outside the Metropolitan Planning Organizations (MPO) planning boundary but inside the nonattainment area boundary. The Department represents these areas. The third category represents the majority of funding and will be available for nonattaining MPO projects rated "highly recommended" during the State CMAQ Call for Projects. This is consistent with the FHWA letter dated April 18, 2005.

CMAQ funds will be made available to each nonattainment area, but would not be strictly sub-allocated to each nonattainment area. The CMAQ Formula will serve as a funding guide, but should not be perceived as sub-allocating funding to the nonattainment area. The Program and formula will be reviewed periodically to ensure CMAQ funds are used to the maximum benefit of air quality and congestion.

Robert M. Callan
June 23, 2006
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The revised formula will be effective immediately upon your approval. The first application of the formula will be reflected in the Final FY2007 TIPs. If you have any questions please feel free to contact Cora Cook at (404) 657-6687.

Sincerely,



Harold E. Linnenkohl
Commissioner

HEL/CJC

Enclosures (3)

APPROVED:



Robert M. Callan, P.E., Division Administrator