

CMAQ COST-EFFECTIVENESS THRESHOLD DOCUMENTATION FOR THE STANISLAUS COUNCIL OF GOVERNMENTS 2017 FTIP

The Congestion Mitigation and Air Quality (CMAQ) program provides funding for transportation projects or programs that contribute to attainment or maintenance of the national ambient air quality standards. All San Joaquin Valley Metropolitan Planning Organizations (MPOs) adopted policies in 2007 for distributing at least 20 percent of the CMAQ funds to projects that meet a cost-effectiveness threshold for emission reductions. For the 2017 Federal Transportation Improvement Program (FTIP), this applies to years 2016-2017 through 2019-2020. Stanislaus Council of Governments (StanCOG) has made every effort to expend the minimum 20 percent funding for cost-effective projects over the course of the FTIP and the attached documentation demonstrates that StanCOG has met the 20 percent funding goal.

Project eligibility continues to be based on federal CMAQ guidance. MPOs can fund projects within local jurisdictions or contribute funding to the San Joaquin Valley Air Pollution Control District (SJVAPCD) grant incentive programs to meet the cost-effectiveness threshold requirements. Funds contributed to the SJVAPCD grant incentive programs will be assumed to have met the threshold, as that threshold is more stringent than the one established by the CMAQ cost-effectiveness policy.

Emission benefits and cost-effectiveness calculations are based on the applicable pollutants for the region, including the components of ozone (nitrogen oxides [NO_x] and reactive organic gases [ROG]) and particulate matter (PM). The “Methods to Find the Cost-Effectiveness of Funding Air Quality Projects” document developed by the Air Resources Board (ARB) is currently the appropriate methodology for calculating cost-effectiveness. In addition, FHWA has published “CMAQ Improvement Program Cost-Effectiveness Tables and Development Methodology” on December 3, 2015 and this methodology will be used to establish project eligibility for project types not addressed in the state guidance. In addition, another appropriate cost-effectiveness calculation methodology may be used upon consultation with interagency partners. Cost-effectiveness is expressed as dollars spent per pound of pollutant reduced (ROG + NO_x + PM_{2.5}+PM₁₀). The cost-effectiveness threshold for the 2017 FTIP has been recommended to be increased to \$45 per pound (\$90,000/ton) from previously recommended level of \$30 per pound (\$60,000 per ton) and is based on CMAQ dollars only, not total project cost.

StanCOG has identified, through existing programmed projects in those years or other selection methods, projects that qualify for the cost-effectiveness policy. StanCOG’s project selection process begins with approval of the CMAQ funds distribution methodology by the Policy Board. On February 17, 2016 the Policy Board, per resolution 15-21, adopted the methodology for the distribution of FFY 2018/19 and FFY 2019/20 CMAQ funds. The approved methodology is outlined on the following page.

CMAQ Distribution Methodology		
Rideshare (Off the Top)	\$350,000	
Small/Medium Size Agencies Competitive <i>(Hughson, Newman, Oakdale, Patterson, Riverbank, Waterford)</i>	20% of CMAQ Balance after Rideshare Apportionment (\$400,000 Project Cap)	
	<u>FFY 2018/19</u>	<u>FFY 2019/20</u>
	\$ 1,478,415	\$ 1,510,373
Large Agencies & Transit Competitive <i>(Ceres, Modesto, Turlock, Stanislaus County)</i>	80% of CMAQ Balance after Rideshare Apportionment (\$1,200,000 Project Cap)	
	<u>FFY 2018/19</u>	<u>FFY 2019/20</u>
	\$ 5,913,658	\$ 6,041,490

Project cost-effectiveness is determined by the California Air Resource Board's (ARB) Air Quality Cost-Effectiveness Calculations Methodology.

Once the distribution methodology is approved a Call for Projects is announced and agencies must submit a CMAQ application packet to StanCOG. The application packet allows the agency to demonstrate that the project is eligible for CMAQ funding and includes calculations demonstrating the cost-effectiveness of the project. The FY 2018/19 and FY 2019/20 Call for Project schedule is as follows:

StanCOG CMAQ Call for Projects Schedule	
August 8, 2016	StanCOG CMAQ Call for Projects Begins
September 2, 2016	StanCOG CMAQ Call for Projects Ends
September 6, 2016 – October 3, 2016	CMAQ Review Committee Examines Applications
November 16, 2016	Policy Board Approval of CMAQ Programming Recommendations

As identified in this schedule the applications and cost-effectiveness calculations are reviewed by a committee to verify application completeness and accuracy of the cost-effectiveness calculations submitted. The selected projects are then brought through the Technical Advisory Committee, Citizen Advisory Committee and Management and Finance Committee for a recommendation to the Policy Board. The Policy Board then adopts the CMAQ projects that are to be programmed in the FTIP.

As stated in the Cost-Effectiveness Policy, StanCOG has agreed to post information related to the implementation of the cost-effectiveness CMAQ policy on its website. Attached is documentation that fulfills this requirement and demonstrates that StanCOG has estimated the amount of funding in the 2017 FTIP necessary to meet the 20 percent cost-effectiveness goal and provided a summary of the CMAQ projects that meet the minimum cost-effectiveness threshold.