

## **CMAQ COST-EFFECTIVENESS THRESHOLD DOCUMENTATION FOR THE STANISLAUS COUNCIL OF GOVERNMENTS 2015 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 2015 Federal Transportation Improvement Program (FTIP), this applies to years 2014-2015 through 2017-2018. 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<sub>x</sub>] 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. Cost-effectiveness is expressed as dollars spent per pound of pollutant reduced (ROG + NO<sub>x</sub> + PM). The cost-effectiveness threshold for the 2015 FTIP has been maintained at the 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 May 21, 2014 the Policy Board, per resolution 13-38, adopted the methodology for the distribution of FFY 2016/17 and FFY 2017/18 CMAQ funds. The approved methodology is outlined below.

- Rideshare (off the top): \$330,000
- Large Agencies & Transit Competitive based on Cost-Effectiveness (\$/lb/day)
  - *City of Ceres, Modesto and Turlock and Stanislaus County*
    - CMAQ Funding Available \$11,499,860 (\$5,749,930 per Fiscal Year)
    - \$1,200,000 Project Cap

- Small/Medium Size Agencies Competitive based on Cost-Effectiveness (\$/lb/day)
  - *City of Hughson, Newman, Oakdale, Patterson, Riverbank and Waterford*
  - CMAQ Funding Available \$2,400,000 (1,200,000 per Fiscal Year)
    - \$400,000 Project Cap

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 2016/17 and FY 2017/18 Call for Project schedule is as follows:

<b>StanCOG CMAQ Call for Projects Schedule</b>	
<b>May 22, 2014</b>	StanCOG CMAQ Call for Projects Begins
<b>June 19, 2014</b>	StanCOG CMAQ Call for Projects Ends
<b>June 20<sup>th</sup> – July 18<sup>th</sup></b>	CMAQ Review Committee Examines Applications
<b>August 20, 2014</b>	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 2015 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.