

MCSAP Interim Funding Formula & MOE for FY 2017 and beyond



Objectives

- FAST Act changes to MCSAP Funding Formula
- Interim MCSAP Funding Formula for FY 2017
- Maintenance of Effort (MOE) requirements for FY 2017 and beyond
- Question & Answer Session



FAST Act Changes

– Grant Program Consolidation

- New Entrant (NE) and Border Enforcement (BE) now under MCSAP
- States must participate in NE
- BE is optional (any State that chooses not to participate will forfeit funding based on BE activities)



FAST Act Changes (cont.)

- States must agree to achieve full participation (Level 6) in PRISM (49 USC § 31106(b)) by October 1, 2020 or demonstrate an alternative approach that provides an equivalent level of safety.
 - States that have achieved Level 6 participation in PRISM and agree to comply with the ITD program requirements may charge Operations & Maintenance (O&M) for PRISM and/or ITD to MCSAP beginning in FY 17.



FAST Act Changes (cont.)

- FMCSA must create a MCSAP Funding Formula Working Group to develop a new funding allocation formula
 - Working Group must consist of:
 - » FMCSA staff
 - » State lead CMV safety agencies (at least 51% of membership)
 - » Organization representing State safety agencies that conduct CMV inspections
 - » Other persons as deemed necessary by the Secretary



FAST Act Changes (cont.)

- Interim formula consists of three separate calculations that FMCSA must combine for FY 17:
 - MCSAP Basic and Incentive funding formula calculation as currently prescribed in Part 350
 - Average funding awarded or other equitable amounts to a State for New Entrant grants in FY 2013, 2014, & 2015
 - Average funding awarded or other equitable amounts to a State for Border Enforcement grants in FY 2013, 2014, & 2015 (if applicable)



FAST Act Changes (cont.)

- In FY 17, subject to availability of funding and notwithstanding fluctuations in the formula data elements
 - Funding allocation to a State cannot be less than 97% of the three-year average funding or other equitable amounts for MCSAP Basic/Incentive, New Entrant and Border Enforcement grants as received by the State in FY 2013, 2014, & 2015



FAST Act Changes (cont.)

- Interim formula will be used until the new MCSAP funding allocation formula is implemented.
- Funding increases will be dependent on appropriated funding levels from Congress.
 - Authorized MCSAP funding levels in FAST Act:
 - FY 2017: \$292,600,000
 - FY 2018: \$298,900,000
 - FY 2019: \$304,300,000
 - FY 2020: \$308,700,000



Maintenance of Effort (MOE)

- For FY 17 and until the new MCSAP formula is implemented, MOE requirement will remain the same using the average expenditures of the State lead agency for FY 2004 & 2005 as the baseline
- With the combining of MCSAP Basic/Incentive, New Entrant and Border Enforcement into one consolidated formula with a 15% match requirement, the required matching amounts of most States has increased



MOE Requirements (cont.)

- FMCSA may waive or modify MOE requirements for one fiscal year, at the State's request, if the circumstances described by the State are reasonable, to ensure the continuation of CMV enforcement activities in the State



MOE Requirements (cont.)

- In determining the average level of expenditures for the MOE calculation, the State:
 - May exclude State expenditures for federally sponsored demonstration and pilot programs and strike forces;
 - May exclude expenditures for activities related to border enforcement and new entrant safety audits;
 - Must exclude State matching amounts used to receive Federal grant funds
 - May use amounts generated from UCR and used for motor carrier safety purposes as part of the State's match or required MOE.



MOE Modification

- Upon establishment of a new MCSAP allocation formula, FMCSA may waive or modify the MOE baseline amount, if requested by a State, for the purpose of establishing a new MOE baseline amount if the waiver or modification:
 - Is equitable due to reasonable circumstances;
 - Will ensure the continuation of CMV enforcement activities in the State; and
 - Is necessary to ensure that the total amount of State MOE and State matching expenditures does not exceed the average of the total amount of MOE and matching expenditures required for the 3 fiscal years prior to the date of enactment of FAST.



MOE Modification (cont.)

– MOE adjustment methodology:

- Use established average MOE baseline for FY 2004 & 2005 that was in effect on the date of enactment of FAST;
- FMCSA will calculate the average required match (20%) for MCSAP Basic/Incentive grants for FY 2013, 2014, & 2015 for each State;
- FMCSA will calculate the new estimated required match (15%) under FAST;



MOE Modification (cont.)

– MOE adjustment methodology:

- FMCSA will subtract the pre-FAST match amount from the match amount required under FAST;
- If the difference is more than zero, FMCSA will subtract that amount from the established baseline MOE amount for FY 2004 & 2005;
- If the difference is less than zero, the FY 2004 & 2005 baseline MOE amount will remain unchanged.



MOE Requirements (cont.)

- State must request a MOE waiver or modification before September 30 of the first fiscal year that FMCSA establishes the new MCSAP allocation formula
- If a State does not request a waiver or modification within the required time frame, the State's MOE expenditure amount will remain at the FY 2004 & 2005 baseline that was established prior to the enactment of FAST.



MOE Requirements (cont.)

- Once the time frame for requesting a waiver or modification has passed, FMCSA loses its authority under FAST to waive or modify a State's MOE amount in the future.



MOE Modification Example

- State Z calculation based upon MOE modification request:
 - Established MOE baseline prior to FAST = \$205,000
 - Average MCSAP Basic/Incentive Match (20%) for FY 13, 14, 15 (pre-FAST) = \$915,000
 - Estimated MCSAP Match (15%) after FAST = \$1,000,000

Match Difference Calculation = $\$1,000,000 - \$915,000 = \$85,000$
(greater than zero)

Modified MOE Baseline Calculation = $\$205,000 - \$85,000 =$
 $\$120,000$



Questions?

