



Kentuckiana
Regional Planning &
Development Agency

PROJECT MANAGEMENT GUIDEBOOK

Metropolitan Planning Organization (MPO)
Dedicated Funding Programs

ADOPTED
June 25, 2026

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INTRODUCTION

Background and History

The Project Management Guidebook (PMG) is intended to provide guidance for programming and managing KIPDA's MPO-dedicated funding sources. This document outlines KIPDA's call for projects process, provides policies for MPO-dedicated projects with cost overruns and/or schedule changes, and includes procedures for tracking and reporting on MPO-dedicated projects. Brief summaries of previous PMG updates are described in the paragraphs below.

In August 2016, KIPDA's Transportation Policy Committee (TPC) approved a Project Management Process (now titled Project Management Guidebook) for the Surface Transportation Block Grant (STBG-MPO) Program to clarify requirements and procedures and to increase transparency and accountability. It was a new process for planning, programming and prioritizing STBG-MPO funds for which the TPC has sole authority to award.

In February 2020, a Transportation Technical Coordinating Committee (TTCC) working group was formed to examine the Project Management Guidebook (PMG) rules and procedures to identify improvements to further the original goals and reduce administrative burdens. Updates included moving the project application process to an online format and restructuring rules regarding project phase shifts and cost increases. This guidance would be used to develop recommendations to the TPC without limiting the TPC's ability to make decisions in the best interest of the Metropolitan Planning Organization (MPO).

In August 2022, the TPC approved the new [Complete Streets Policy](#). This policy requires that all projects receiving KIPDA MPO-dedicated funds adhere to this policy in order to be eligible. The PMG was updated to incorporate the new requirement. More information about the policy can be found in the [Call for Projects](#) (CFP) section of this document.

In May 2024, the TPC approved minor adjustments to the PMG. Clarifications were made to KIPDA's schedule management and KY cost increase reserve policy. This update also introduced the "Plan B" list of projects in Indiana, improved the project application process, and added an appendix with online resources for education, training, and support.

The need for a PMG update will be evaluated at least every three years.



Goals

The goals of the PMG are as follows:

- Support the goals of KIPDA's Metropolitan Transportation Plan (MTP)
- Support the performance targets as defined by the [KIPDA Performance Management Plan](#)
- Establish a process that prioritizes awarding projects that represent high value per dollar invested
- Ensure projects advance in a timely and efficient manner so the community may benefit
- Establish a process that provides clear and understandable rules for project sponsors to follow
- Minimize administrative burdens to avoid impediments to project delivery

What's Changed?

A summary of changes for this iteration of the PMG (approved by the TTCC and TPC in June 2026) are outlined here:

- Project sponsors are now required to develop early project cost and timeline estimates in coordination with KIPDA staff and KIPDA's third party consultant. See these policy changes [here](#).
- In Kentucky, right-of-way, utilities, and construction funds for new projects will not be officially programmed until a project's post-PE cost and timeline estimates have been completed. These dollars will be held within a capped future funding reserve. See this policy change [here](#).
- In Kentucky, the KIPDA tracking sheet will display more realistic expectations for funding likely to be authorized in the current fiscal year. Project sponsors will have the opportunity to request funding adjustments for the current and upcoming fiscal year twice a year (in addition to the yearly call for projects) via the biannual project re-evaluation meeting. See this policy change [here](#).
- In Kentucky, projects now have a percentage-based cost increase cap based upon their post-PE cost estimate. See this new policy [here](#).
- In Kentucky, project scheduling expectations and consequences are based on a project's post-PE timeline estimate. See these new policies [here](#).
- The STBG cost increase reserve has been lowered to 10% and is now only available beginning with the Spring Kentucky Project Re-evaluation Meeting. See this policy change [here](#).



PROGRAMS

KIPDA currently manages annual sub-allocations for six federal funding programs in Indiana and three in Kentucky. These are known as the MPO-dedicated funding programs. The table below indicates which programs KIPDA receives an annual sub-allocation of funding for.

The purpose of each of these federal funding programs is outlined here:

[Carbon Reduction Program \(CRP-MPO\)](#): This program provides funds for projects designed to reduce transportation emissions, defined as carbon dioxide (CO₂) emissions from on-road highway sources.

[Congestion Mitigation and Air Quality \(CMAQ-MPO\)](#): This is a funding source focused on reducing vehicle emissions in designated areas of the United States. Federal funding is available to government agencies for projects that will contribute greatly to air quality improvements and decreases in traffic congestion without adding vehicle capacity on roadways. Federal CMAQ funds must be spent in non-attainment or maintenance areas as determined by the Environmental Protection Agency (EPA).

[Highway Safety Improvement Program \(HSIP-MPO\)](#): This is a federal-aid program with the purpose to achieve a significant reduction in traffic fatalities and serious injuries on all public roads, including non-state-owned roads and roads on tribal land. The HSIP requires a data-driven, strategic approach to improving highway safety on all public roads with a focus on performance.

[Promoting Resilient Operations for Transformative, Effective, and Cost-Saving Transportation \(PROTECT\)](#): This program is designed to help make surface transportation more resilient to natural hazards, including, sea level rise, flooding, extreme weather events, and other natural disasters through support of planning activities, resilience improvements, community resilience and evacuation routes, and at-risk coastal infrastructure.

[Surface Transportation Block Grant \(STBG-MPO\)](#): This is a federal-aid program that provides flexible funding that may be used by states and localities for projects to preserve and improve the conditions and performance on any federalaid highway, bridge and tunnel projects on any public road, pedestrian and bicycle infrastructure, and transit capital projects, including intercity bus terminals.

[Transportation Alternatives \(TA-MPO\)](#): This program provides funding for a variety of smaller-scale transportation projects such as pedestrian and bicycle facilities, recreational trails, safe routes to school projects, community improvements such as historic preservation and vegetation management, and environmental mitigation related to storm water and habitat connectivity.

PROGRAM	INDIANA	KENTUCKY
Carbon Reduction Program (CRP-MPO)	Y	Y
Congestion Mitigation and Air Quality (CMAQ-MPO)	Y	N
Highway Safety Improvement Program (HSIP-MPO)	Y	N
Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT-MPO)	Y	N
Surface Transportation Block Grant (STBG-MPO)	Y	Y
Transportation Alternatives (TA-MPO)	Y	Y

PROJECT APPLICATIONS

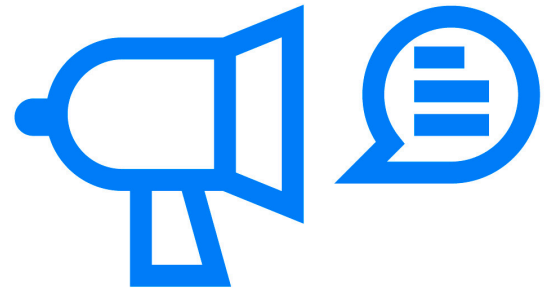
Any change to a project's funding, schedule, description, sponsor, state id/designation (DES) number, location, or scope of work will require the project sponsor to fill out a project application to notify KIPDA staff for the need to update the TIP to reflect these updates via an amendment or administrative modification (see KIPDA's current TIP for more details on amendments and administrative modifications).

KIPDA has two project applications for this purpose located in KIPDA's [Transportation Planning Portal](#)—a Full MPO-Dedicated CFP Application and an Expedited MPO-Dedicated CFP Application. The Full MPO-Dedicated CFP Application is more robust and required for providing projects with an MTP score. All new projects will be required to be submitted via the Full MPO-Dedicated CFP Application. Additionally, all existing projects with proposed changes that represent a substantive change in design concept, location, or scope must use the Full MPO-Dedicated CFP Application as their project will need to be re-scored. Minor project changes can be submitted using the Expedited MPO-Dedicated CFP Application, which is streamlined to ease the administrative burden for project sponsors.

CALLS FOR PROJECTS

Announcement

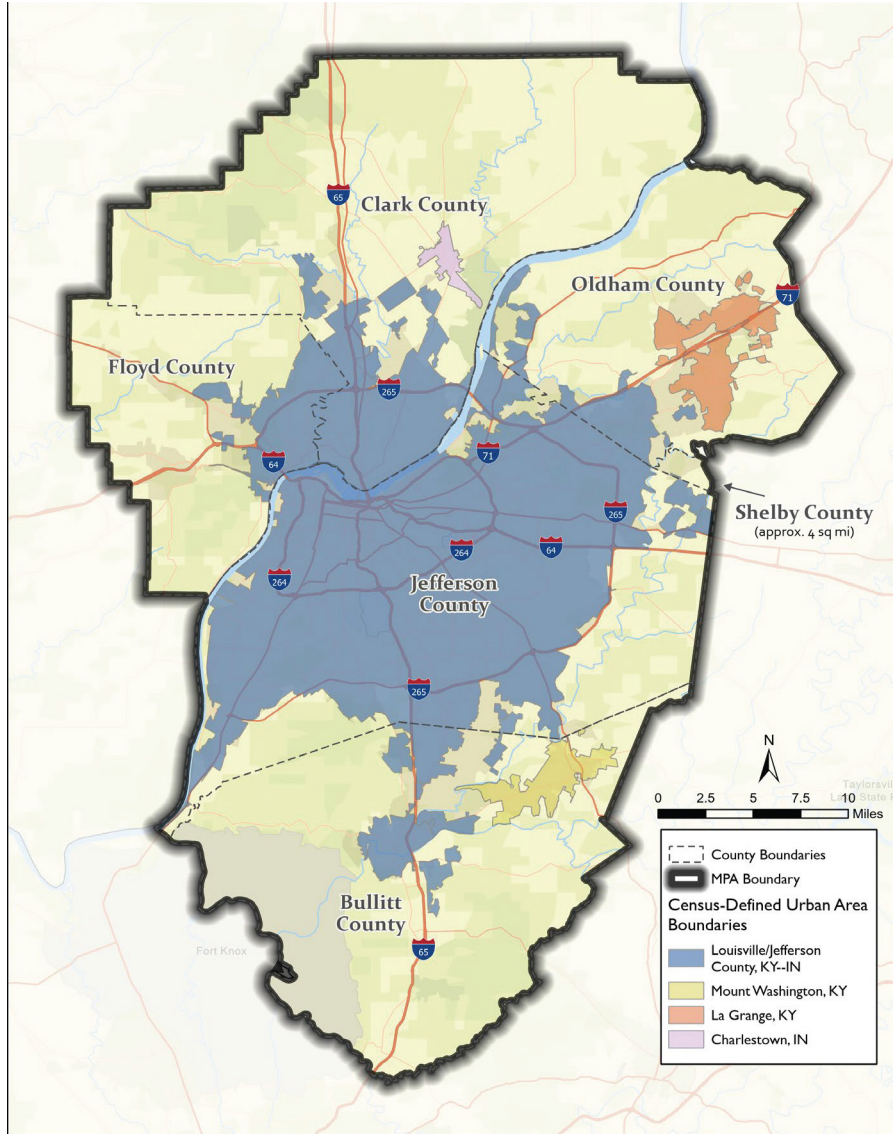
Calls for projects typically occur once every two years in Indiana and every year in Kentucky. When a call for projects is announced, KIPDA staff will provide a schedule of activities including the submittal deadline(s) for potential project sponsors. Ample time will be provided so that sponsors can adequately prepare documentation and complete the appropriate application(s).



Eligibility

All state and local public agencies in the Louisville/Jefferson County KY-IN Metropolitan Planning Area (MPA) are eligible to compete for available funds. However, all projects awarded MPO-dedicated funding must be located within the MPA boundary to be eligible.

LOUISVILLE/JEFFERSON COUNTY, KY-IN METROPOLITAN PLANNING AREA



The MPA boundary is determined by agreement between the MPO and the state Governor/s and includes the areas of anticipated urban growth over the next 20 years. At a minimum, the MPA boundary must include the entirety of the Louisville-Jefferson County, KY-IN US Census Bureau defined urban area boundary (UAB). UAB updates are made every 10 years by the Census. There are currently four UABs within the Louisville-Jefferson County MPA. The Federal Highway Administration (FHWA) may approve adjustments to the urban area made for better accuracy and road classification; however, it is worth noting that the federal funding formula is based solely on the population of the Louisville-Jefferson County census-defined area. This directly affects how much money will be available for KIPDA’s MPO-dedicated funding programs. For more information on these concepts, click [here](#). All areas within the KIPDA MPA are eligible for MPO-dedicated funding through KIPDA.

All calls for projects are state specific. Only sponsors who are located or operate in Indiana can compete for Indiana funding programs, and only those who are located in Kentucky can compete for Kentucky funding programs.

Project eligibility depends on the specific MPO-dedicated funding program. Each of the six programs listed in the [Programs](#) section of this guidebook has their own federally defined project eligibility. The STBG-MPO program is the most flexible in terms of project eligibility, while the CMAQ-MPO, HSIP-MPO, PROTECT-MPO, CRP-MPO, and TA-MPO programs are all very specific in the types of projects that are eligible.

Planning studies are only eligible for MPO-dedicated funding through the STBG-MPO program and the PROTECT-MPO program. Up to 5% of the annual sub-allocation of STBG-MPO funds may be awarded to planning studies. Planning studies must be obligated in the year they are programmed, and they are not eligible for cost increases.

There is a cap on how much federal funding Kentucky project sponsors are eligible to receive for a single phase of a project through the STBG-MPO program. KIPDA annually receives approximately \$24M through the program. The most any single phase can initially be awarded post PE phase completion is 50% of the adjusted annual allocation of STBG-MPO funds. More information about the adjusted annual allocation of STBG-MPO can be found in the [Managing Costs](#) section. The reason the 50% rule does not apply to the programs in Indiana and the other Kentucky programs is that the amount of funding KIPDA receives annually is significantly lower, which already makes it difficult to fully fund a single phase of a project.

Project sponsors applying for MPO-dedicated funding will be asked to acknowledge that their project will adhere to KIPDA's [Complete Streets Policy](#) and explain how their project will safely and comfortably accommodate vulnerable road users. This should include a description of the pedestrian, bicycle, and/or transit facilities that will be included in the project. If the project does not provide any of these facilities, the project sponsor must explain why. Exemptions to the policy will be considered, but sponsors must provide justification as to why the specific exemption(s) applies to the project.

Funding Awards

In Kentucky, existing MPO-dedicated project phases with a high likelihood of obligating funds in the upcoming fiscal year that have not hit their cost increase cap will receive funding priority before the call for projects TTCC working group meets. These projects will be recommended at the Summer Kentucky Biannual Project Re-evaluation Meeting (for more information on this meeting click [here](#)) and ultimately approved by the TPC. Any remaining funding will be equally available to new and existing project funding requests at the discretion of the TTCC working group and ultimately the TPC.

Preliminary Engineering (PE) Phase Disclaimer

Kentucky and Indiana define the preliminary engineering phase, or PE phase, differently. For the purposes of this document, the PE phase refers to the first 30% of design work (phase 1 design) where NEPA evaluation begins, project alternatives have been identified (along with early estimates of potential risks, challenges, opportunities, and costs), initial meetings with the public are held, and concludes with a preferred project alternative selected.



Future Funding Reserve (Kentucky Only)

In addition to officially awarding funds to project phases within the current programming years, KIPDA utilizes a future funding reserve in Kentucky. The future funding reserve is a holding zone where new projects that have completed a planning level cost estimate and been officially awarded design funds reserve all of their remaining estimated project phases (ROW, U, C). Once a project sponsor has completed PE and developed the associated post-PE timeline and cost estimate (for more information click [here](#)), then the project sponsor can request to officially program the reserve funding from the future funding reserve at the next call for projects. Reserve funding can either be officially programmed one phase at a time, or all remaining funds can be programmed at once at the discretion of the TTCC working group and ultimately, the TPC.

The future funding reserve will have a cap of 25% of the combined STBG-MPO sub-allocations programmed (typically a 5-6 year period). For example, if KIPDA is sub-allocated \$25 million of STBG-MPO dollars for 5 years, then that would total \$125 million. 25% of \$125 million is just over \$31 million, so the STBG-MPO future funding reserve would be capped at just over \$31 million. The TA-MPO and CRP-MPO reserve amounts are 50% of their respective sub-allocations over the same period due to their smaller year-to-year sub-allocation amounts. These caps ensure that KIPDA isn't funding too many PE phases for new projects where funding for the later implementation phases may not be reasonably available in the near future.

Applying for Funds During a Call for Projects

Projects New to the MTP or TIP

Before applying for MPO-dedicated funding for a project that has not completed at least the PE phase, a project sponsor must complete a planning level cost estimate utilizing year-of-expenditure dollar projections. The project sponsor must then submit that estimate and all relevant project information to KIPDA's third-party consultant who will then review the planning level estimate. The project sponsor, KIPDA staff, and the third-party consultant will meet to come to terms with the most reasonable planning level cost estimate for the new project. With the agreed upon planning level estimate in hand, the project sponsor can then submit a project application to KIPDA for the call for projects.

Projects that are new to KIPDA's planning documents (i.e. MTP and TIP) must first submit a Full MPO-Dedicated CFP Application, which is found in [KIPDA's Transportation Planning Portal](#). Every transportation project in the current MTP and TIP must have submitted a Full MPO-Dedicated CFP Application at some point in time. The Full MPO-Dedicated CFP Application provides KIPDA staff with all of the relevant details about a project including the scope, mapped location, total cost, and anticipated open to public (OTP) date. Additional questions asked in the Full MPO-Dedicated CFP Application help KIPDA staff determine a project's potential contribution to the regional performance targets as well as its scoring in the MTP.

Staff will review the Full MPO-Dedicated CFP Application for completeness and will follow up with sponsors if any additional information or clarifications are required.

Existing Projects in the MTP or TIP

A call for projects is not only an opportunity for new projects to compete for funding but also provides project sponsors an opportunity to adjust their existing project schedules and compete for additional MPO-dedicated funds for existing projects.

NEW KENTUCKY PROJECT TIMELINE



How do eligible Kentucky transportation projects obtain and retain MPO-dedicated funding from KIPDA?

CALL FOR PROJECTS (CFP) ANNOUNCEMENT

Sponsor decides to request funds for new project via KIPDA's CFP process. Must consider project eligibility, reasonable scope, and connection to KIPDA long range goals and objectives.

1

REMEMBER: The most any single phase can initially be awarded post PE phase completion is 50% of the adjusted annual allocation of STBG-MPO funds.

PLANNING LEVEL ESTIMATE

Sponsor goes through KIPDA's third-party process to develop a reviewed planning level estimate for their proposed project.

2

With a realistic estimate now in hand, the project sponsor must also consider if they are politically and financially committed to completing this new project before starting to acquire right-of-way.

CALL FOR PROJECTS APPLICATION

Sponsor submits application for funding via KIPDA CFP process. A few months later, the TPC approves projects for funding. Assuming a sponsor is awarded funding, the design funds are officially programmed and later phases are held in Future Funding Reserve.

3

PRELIMINARY ENGINEERING (PE)

After the PE phase is completed the sponsor then must complete the post-PE timeline and cost estimate through KIPDA's third-party review process. Afterwards, the sponsor can request to officially program later phases currently held with future funding reserve via a future KIPDA CFP.

4

These post-PE estimates set the basis for KIPDA policy regarding future cost and schedule adjustments for the life of the project.

LATER PROJECT PHASES

Project sponsor continues to work on federally obligated phases of work. Progress reports are submitted and project review meetings are held every 6 months with KIPDA staff.

5

KIPDA staff will be available anytime to answer questions, provide assistance, and guide projects through the TPC approval and TIP coordination process.

BIANNUAL PROJECT RE-EVALUATION MEETINGS & CALLS FOR PROJECTS

Throughout the life of the project, the sponsor may request to shift phases and request cost increases at these meetings within the parameters of KIPDA's cost and schedule adjustment guidelines.

6

PROJECT LETTING

Project must let within two years of their post-PE estimated letting date (established in post-PE timeline estimate) to avoid PMG policy consequences.

7

For more detailed information regarding KIPDA policy for MPO-dedicated projects and the call for projects process, please review KIPDA's Project Management Guidebook (PMG).

[www.https://www.kipda.org/transportation/core-products/transportation-improvement-program/](https://www.kipda.org/transportation/core-products/transportation-improvement-program/)

Kentucky

For a Kentucky project that has completed the PE phase with all the remaining project funding held within the future funding reserve, a project sponsor must complete a post-PE cost estimate utilizing year-of-expenditure dollar projections. The project sponsor must then submit that estimate and all relevant project information to KIPDA's third-party consultant who will then review the post-PE level estimate. The project sponsor, KIPDA staff, and the third-party consultant will meet to come to terms on the most reasonable post-PE cost estimate and timeline for the remaining phases of the project. With the agreed upon post-PE estimate in hand, the project sponsor can then submit a project application to KIPDA for the call for projects for the remaining phases.

For a project that has already completed a post-PE timeline and cost estimate and is requesting additional funding for an existing phase already officially programmed, an updated cost estimate will be required as a part of the application process, but a review from KIPDA's third-party consultant as described in the paragraph above will not be required.

Indiana

For an Indiana project that has completed the PE phase, a project sponsor must complete a post-PE cost estimate utilizing year-of-expenditure dollar projections. The project sponsor must then submit that estimate and all relevant project information to KIPDA's third-party consultant who will then review the post-PE level estimate. The project sponsor, KIPDA staff, and the third-party consultant will meet to come to terms on the most reasonable post-PE cost estimate and timeline for the remaining phases of the project. With the agreed upon post-PE estimate in hand, the project sponsor can then submit a project application to KIPDA for the call for projects for the remaining phases.

For a project that has already completed a post-PE timeline and cost estimate and is requesting additional funding for an existing phase already officially programmed, an updated cost estimate will be required as a part of the application process, but a review from KIPDA's third-party consultant as described in the paragraph above will not be required.



Both States

The type of application project sponsors will need to submit for these projects will follow guidelines outlined in the [Project Applications](#) section of this document (most project changes for these projects will only require an Expedited MPO-Dedicated CFP Application). If an existing project requires no changes at all, then no application submission is required. It is assumed that the project will continue as previously programmed.

Typically, MPO-dedicated projects should keep the same funding source through each programmed phase to ease administrative processing and avoid delays in project delivery. (Ex: An existing STBG-MPO project should not transition to a CRP-MPO or TA-MPO project during a call for projects or visa-versa.)

Staff will review the Full MPO-Dedicated CFP Application or Expedited MPO-Dedicated CFP Application (as applicable) for completeness and will follow up with sponsors if any additional information or clarifications are required.

General Call for Projects Schedule:

State Applicability	Cyclical Timeline	Projected Call for Projects Process Activity
Both States*	May	KIPDA staff announces upcoming call for projects
Both States*	June - July	KIPDA's 3rd party consultant reviews LPA cost estimates as appropriate before the call for projects application period opens
Kentucky Only	June - July	KIPDA staff requests applications for cost increases and programming adjustments before the Summer Kentucky Biannual Project Reevaluation Meeting
Kentucky Only	Late July	Summer Kentucky Biannual Project Re-evaluation Meeting (reset upcoming FY programming for only realistic project phases)
Both States*	August 15th - August 31st	Call for projects application period is open
Kentucky Only	August TTCC and TPC	Reviews and approves cost increases and programming adjustments for existing project phases deemed likely to authorize funding in the upcoming fiscal year per the discussion at the Summer Kentucky Biannual Project Reevaluation Meeting
Both States*	September	Call for projects application evaluation period, which includes TTCC working group rankings and internal project sponsor rankings among other tasks
Both States*	September 15th - September 30th	Public comment period
Both States*	October	TTCC working group meetings are held
Both States*	November	TTCC and TPC review and approval for the call for projects
Kentucky Only	February - March	KIPDA staff requests applications for cost increases and programming adjustments before Spring Kentucky Biannual Project Reevaluation Meeting
Kentucky Only	March	Spring Kentucky Biannual Project Reevaluation Meeting (reset current FY programming for only realistic project phases) (10% cost increase reserve becomes available.)
*annual for KY and semi-annual for IN	Repeat	

DECISION-MAKING

There are occasions when a TTCC Working Group must be formed. It could be related to a new Call for Projects or an instance where there are not enough funds available to cover every cost increase request. In each of these instances KIPDA staff will convene a TTCC Working Group comprised of representatives from the following agencies:

- Indiana Department of Transportation (INDOT)
- Kentucky Transportation Cabinet (KYTC)
- Kentuckiana Regional Planning and Development Agency (KIPDA)
- Louisville Metro Government
- Transit Authority of River City (TARC)
- Two rotating TTCC member agencies with voting status from Indiana
- Two rotating TTCC member agencies with voting status from Kentucky

If a rotating TTCC member agency prefers not to participate, then the next member agency on the rotating list of agencies will be asked to participate. It is not required that all nine TTCC Working Group members participate, but it is recommended.

The TTCC Working Group members must reach a consensus on any recommendations. Members have discretion as to how they reach their decision, but the following factors should be considered when applicable:

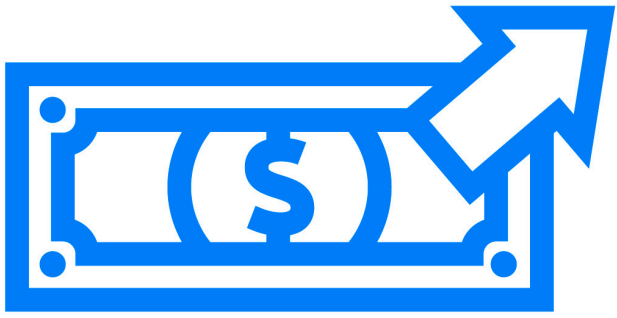
- Project's MTP scoring
- Project's cost/benefit proposition
- Project's potential contribution to achieving KIPDA's MTP goals, objectives, and performance targets
- Ability of project sponsor to provide necessary non-federal match
- Project sponsor's history of advancing projects in a timely and efficient manner
- Information provided via any applications
- Relationship of the project to the Transportation Environmental Impact Areas
- Justification for cost increase or phase shift
- Amount of a cost increase relative to the original cost estimate
- Amount of a cost increase relative to the available balance

Once the TTCC Working Group has reached consensus, a KIPDA staff member will draft a recommendation report. The TTCC Working Group recommendation will then be presented to the TTCC for their consideration and recommendation to the TPC. The TTCC has discretion to modify the TTCC Working Group's recommendation. The TPC also has discretion to modify the recommendation from TTCC. Ultimately, it is up to TPC to make any final decisions. Once the TPC takes action, then the next step is to incorporate the newly awarded projects into the MTP, and TIP as needed. Some projects can be processed through an administrative modification to the TIP. All other projects must be added to the MTP and TIP through an amendment which typically takes 3-4 months. View KIPDA's TIP for more information on administrative modifications and amendments. Once the projects have been added to the planning documents, project sponsors can work with their respective state Department of Transportation to seek federal authorization and ultimately obligate federal funds for a particular phase.

GENERAL PROJECT CHANGES

Managing Costs

There are opportunities for sponsors, with projects funded through one of the MPO-dedicated programs, to request a cost increase for a particular phase. Whether funds are available depends on the particular funding program and the state in which the project is located. Cost increases are only available to projects that were previously awarded MPO-dedicated program funds.



Indiana

KIPDA receives annual sub-allocations for six funding programs in Indiana. The total amount of funding received through the programs is typically around \$6-7M annually. Due to the limited availability of funds coupled with the typical cost of a transportation project no funds are set aside for cost increases through any of the programs. The result is that cost increase opportunities are random and may not occur every year. Federal Highway Administration (FHWA) and INDOT rules provide some flexibility to shift funds among MPO-dedicated funding programs which increases the probability that there may be funds available for cost increases. Typically, the availability of funds for cost increases depends on five questions:

- During the last Call for Projects, were sponsors awarded 100% of the estimated funds available?
- Was the actual amount of funds sub-allocated by INDOT greater than the estimated amount?
- Was the actual cost for a particular project phase less than the amount awarded to a sponsor?
- Were any projects and/or a phase of a project cancelled or delayed?
- Is there an opportunity to swap funds with another Indiana MPO and is such a deal justified?

The answers to these five questions will determine whether there are opportunities for Indiana sponsors to request cost increases in a particular fiscal year. If there are funds available only existing MPO-dedicated projects and projects on KIPDA's "Plan B" list can request these available funds. Existing MPO-dedicated projects will always receive greater funding priority compared to projects on KIPDA's "Plan B" list. For more information on the "Plan B" list, click [here](#). All available funds are co-mingled, so it does not matter which of the four dedicated programs a particular project was originally awarded funds from.

Kentucky

KIPDA manages annual sub-allocations for three funding programs, each with their own unique circumstances.

Existing Kentucky projects will have the opportunity to compete for additional STBG-MPO, CRP-MPO, and TA-MPO funding via the annual call for projects process and at each Kentucky biannual project re-evaluation meeting.

In the STBG-MPO program, there is a cost increase reserve that is set aside annually for anticipated cost increases. The amount set aside each year is equal to 10% of the annual sub-allocated amount. Therefore, the adjusted annual allocation of STBG-MPO funds is 90% of the annual sub-allocated amount.

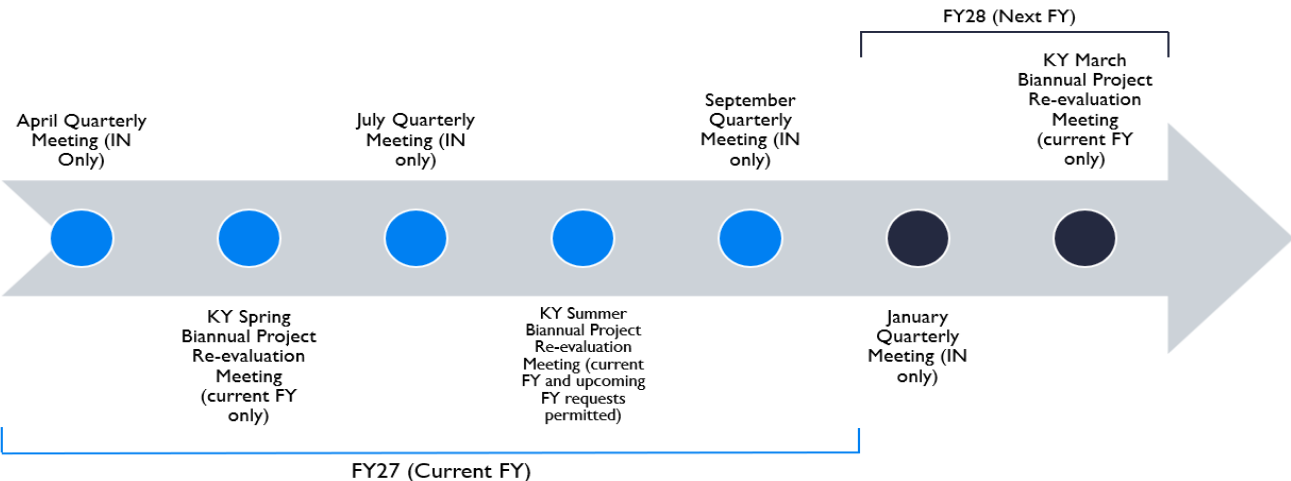
There will be 2 distinct calls for cost increase requests each fiscal year at the Spring and Summer Kentucky Biannual Project Re-evaluation Meetings. If cost increase reserve funds remain after the Spring meeting, then cost increase requests for project phases in the current fiscal year will also be accepted at any time between the Spring Kentucky Project Re-evaluation Meeting and the next Summer Kentucky Biannual Project Re-evaluation Meeting near the end of the fiscal year. Project sponsors may not submit a cost increase request from the cost increase reserve for

a project phase programmed in the upcoming fiscal year until the Summer Kentucky Biannual Project Re-evaluation Meeting. Requests for a cost increase from the STBG-MPO Cost Increase Reserve for a project phase programmed later than the upcoming fiscal year will not be permitted. Any leftover funds from the STBG cost increase reserve will be made available at the Summer Kentucky Biannual Project Re-evaluation Meeting for phases in the upcoming fiscal year.

Cost increases allowed per project are capped at 25% beyond the total project cost estimate established by the agreed upon post-PE cost estimate for the life of the project. Any costs beyond the 25% cap will be the responsibility of the project sponsor. If a project is split funded (funded utilizing KIPDA MPO-dedicated funding, the MPO-dedicated funding local match, and another state, federal, or local funding source), then the cost increase cap would be 25% of the total programmed MPO-dedicated funds and associated local match requirement for those funds. Any additional overages beyond the project's permitted cap will need to come from other federal, state, or local sources.

An example of the cost increase request timeline is shown below:

Cost Increase Request Timeline Example

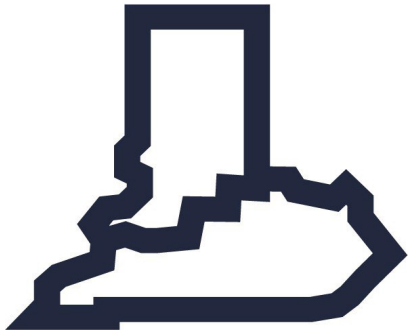


Cost increase requests for project phases in the current fiscal year will also be accepted at any time in between the spring and summer biannual project re-evaluation meetings.

The STBG-MPO Cost Increase Reserve is available to existing CRP-MPO and TA-MPO projects in addition to existing STBG-MPO projects. However, the cost increase reserve will only be allowed for CRP-MPO and TA-MPO projects if the project sponsor is able to provide a prior commitment from KYTC that the office of administration of the project will not change after adding STBG-MPO funds (as this can lead to project delays). The project must also meet the qualifications and requirements of both federal funding sources (TA & STBG or CRP & STBG).

Bi-State Process

KIPDA will follow the same process in both states for each call for cost increase requests. An announcement will be made regarding how much funding is available for cost increases and an application deadline will be specified. Planning studies and programs are not eligible for cost increases.



All requests must be made by submitting both an MPO Cost Increase Application and an Expedited MPO-Dedicated CFP Application. Both applications are found in the [Transportation Planning Portal](#). If there are more federal funds available than requested all eligible applications will be sent to TPC for final approval. The only exception is if KIPDA staff determines that the request is extremely unusual or excessive.

If there are not enough funds available to cover every request, then the process will require the formation of a TTCC Working Group or be recommended by the participants of the KY biannual project re-evaluation meetings and/or Indiana quarterly meetings. More information about this process is explained in the Decision-making section of this guidebook.

Shifting Funds Between Project Phases

During the life of a project, sponsors may realize that one phase requires more funding than originally anticipated, while another phase of the same project requires less funding. If this is the case, project sponsors may shift funds between phases of the same project by simply emailing KIPDA staff and attaching an updated engineer’s cost estimate. Upon review and approval, KIPDA staff will instruct the sponsor to submit the change via the Expedited MPO-Dedicated CFP Application found in the [Transportation Planning Portal](#).

Managing Schedules

TPC strongly encourages project sponsors to set reasonable schedules that can be maintained to minimize delays and expedite project delivery. For example, if the construction phase of Project X is scheduled for FY 2030 per the post-PE timeline estimate then the sponsor will be expected to seek federal authorization to obligate the funds in FY 2030. Additionally, project cost estimates should be calculated in year-of-expenditure dollar amounts based upon reasonable timelines.

However, there will inevitably be issues that arise which force a sponsor to delay a phase of a project. Due to state specific rules from INDOT and KYTC there are differences as to whether KIPDA staff can accommodate a project delay.

Indiana

INDOT does not allow KIPDA to carryover MPO-dedicated program funds from one fiscal year to the next. Therefore, Indiana project sponsors cannot request that funds associated with a particular phase of a project be shifted back to another fiscal year. The initial design phase of a project must be obligated in the year in which it was programmed in the TIP. Failure to obligate the initial design phase on schedule will automatically remove the design funds and all future phases from the funding program. The project must then sit out at least one call for projects cycle before recompeting for funds in a future call for projects. If for some reason a project sponsor does not obligate MPO-dedicated funds in the fiscal year they are programmed then the sponsor will have to pay for the phase with 100% local funds, consider cancelling the project, or swap MPO-dedicated funds with another project sponsor. Sponsors should alert KIPDA staff as early as possible if there is any chance that the MPO-dedicated funds will not be obligated within the fiscal year in which they are programmed. KIPDA staff will attempt to reprogram those funds to another project(s) that needs a cost increase.

If there is not enough time for unobligated funding to be reprogrammed within the same fiscal year, then INDOT will repurpose those KIPDA-managed funds toward projects of their own choosing—possibly outside of the Southern Indiana region. To reduce the likelihood of this outcome, all Indiana LPA's work with KIPDA staff to develop a "Plan B" list of small projects and planning studies. The intention of the "Plan B" list is to provide contingency options that can quickly absorb unprogrammed KIPDA funds if an Indiana project were to falter and not achieve authorization by the end of the fiscal year.

- Examples of "Plan B" projects could include portions of simple projects—like a traffic light timing reconfiguration project where no right of way or utility relocation is required. However, the most common and practical "Plan B" project would be a planning study, data collection study, or providing additional funds to a pre-existing federal project.
- Projects and planning studies within the "Plan B" list sometimes exist informally outside of the TIP and MTP. If approved by the TPC, a Plan B project or planning study from the list can be added quickly as a group project if the appropriate criteria are met. See KIPDA's [Group Project Policy](#) for more information.

Kentucky

KYTC does allow KIPDA to carryover MPO-dedicated program funds from one fiscal year to the next.

A phase shift is defined as adjusting the funding schedule of an awarded project forward or backward any number of years. The initial design phase of a project must be obligated in the year in which it was programmed in the TIP. Failure to obligate the initial design phase on schedule will automatically remove the design funds and all future phases from the funding program. The project must then sit out at least one call for projects cycle before re-competing for funds in a future call for projects.

If a sponsor would like to advance a phase of a project to an earlier fiscal year, please contact KIPDA staff. This adjustment can potentially occur during one of the biannual project re-evaluation meetings in Kentucky or during the call for projects process pending funding availability.

As a part of the call for projects process, all MPO-dedicated projects will be required to establish an estimated project timeline in conjunction with their post-PE cost estimate. This timeline will establish a reasonable projected letting date along with milestones along the project's critical path.

- Projects will be allowed two grace years beyond their post-PE estimated letting date (which should already include some level of contingency for right-of-way and utility-related delays).
- If a project is not let by the end of this two-year grace period, then all future programmed MPO dedicated funds will be removed from the TIP (and MPO-dedicated tracking sheet) and the project must sit out at least the next call for projects. The project may then re-compete for funding after this 1-year penalty period. The project's original 25% cap will still apply; however, if a project is re-awarded funds, then a monetary inflationary cost increase for each year beyond the year the project was removed from the funding matrix will be permitted at a rate according to the most recent version of the Consumer Price Index released by the Bureau of Labor Statistics.
- Projects exclusively delayed due to the lack of available KIPDA funding (not due to overshooting their 25% cost increase cap) would be provided an additional grace year(s).

Project sponsors should consider their programmed funding schedules according to the bulleted list below:

- **Funding Officially Programmed Within the Current Fiscal Year*:**
 - This funding is officially awarded by the TPC.
 - Project phases programmed are able and expected to request funding authorization at any time within the current fiscal year up to the current programmed amount.
 - Project phases programmed in the current fiscal year can request cost increases at any time. If funding is available and other PMG policies are met, then the request will go to the TTCC and TPC for review and potential approval. Requests can also occur via a biannual project review meeting.

- **Funding Officially Programmed Beyond the Current Fiscal Year*:**
 - This funding is officially awarded by the TPC, but since project phase timelines are re-evaluated and adjusted every six months via the biannual project re-evaluation meeting process, project sponsors should not be too attached to specific fiscal year programmed. For example, a project phase programmed one year beyond the current fiscal year has the same potential of phase shifting into the current fiscal year as a project phase programmed 4 years beyond the current fiscal year if both project phases are equally prepared to authorize their associated funding. Therefore, the "perceived value" of programmed dollars one year beyond the current fiscal year is the same as any other officially programmed fiscal year beyond the current one.
 - Project phases programmed beyond the current fiscal year cannot request funding authorization until their programmed year matches the current fiscal year.
 - Project phases programmed beyond the current fiscal year can request cost increases via the call for projects. They can also request to be phase shifted into the current fiscal year via a biannual project reevaluation meeting in keeping with other PMG policies. If granted a phase shift into the current fiscal year, then the associated project phases follow the expectations of a project phase programmed in the current fiscal year (shown below).

- **Funding Programmed in the Future Funding Reserve:**
 - This funding has been reserved for the specific project by the TPC, so the project sponsor should expect that funding to eventually be officially programmed in the future in keeping with other PMG policies. However, it is not officially programmed at this stage.
 - Project phases programmed beyond the current fiscal year cannot request funding authorization until their programmed year matches the current fiscal year.
 - Project phases programmed in the future funding reserve cannot compete to be officially programmed until their post-PE timeline and cost estimate has been completed. These phases can be officially programmed in any available fiscal year at the discretion of the TTCC working group and TPC. In other words, project phases coming in from the future funding reserve don't necessarily have to be programmed in the last fiscal year if they are ready to proceed with in earlier years (or even the current fiscal year). Once funding is officially programmed, each phase follows the guidance of the columns to the left as appropriate.

* Programmed years within the current TIP years must remain fiscally restrained per federal requirements

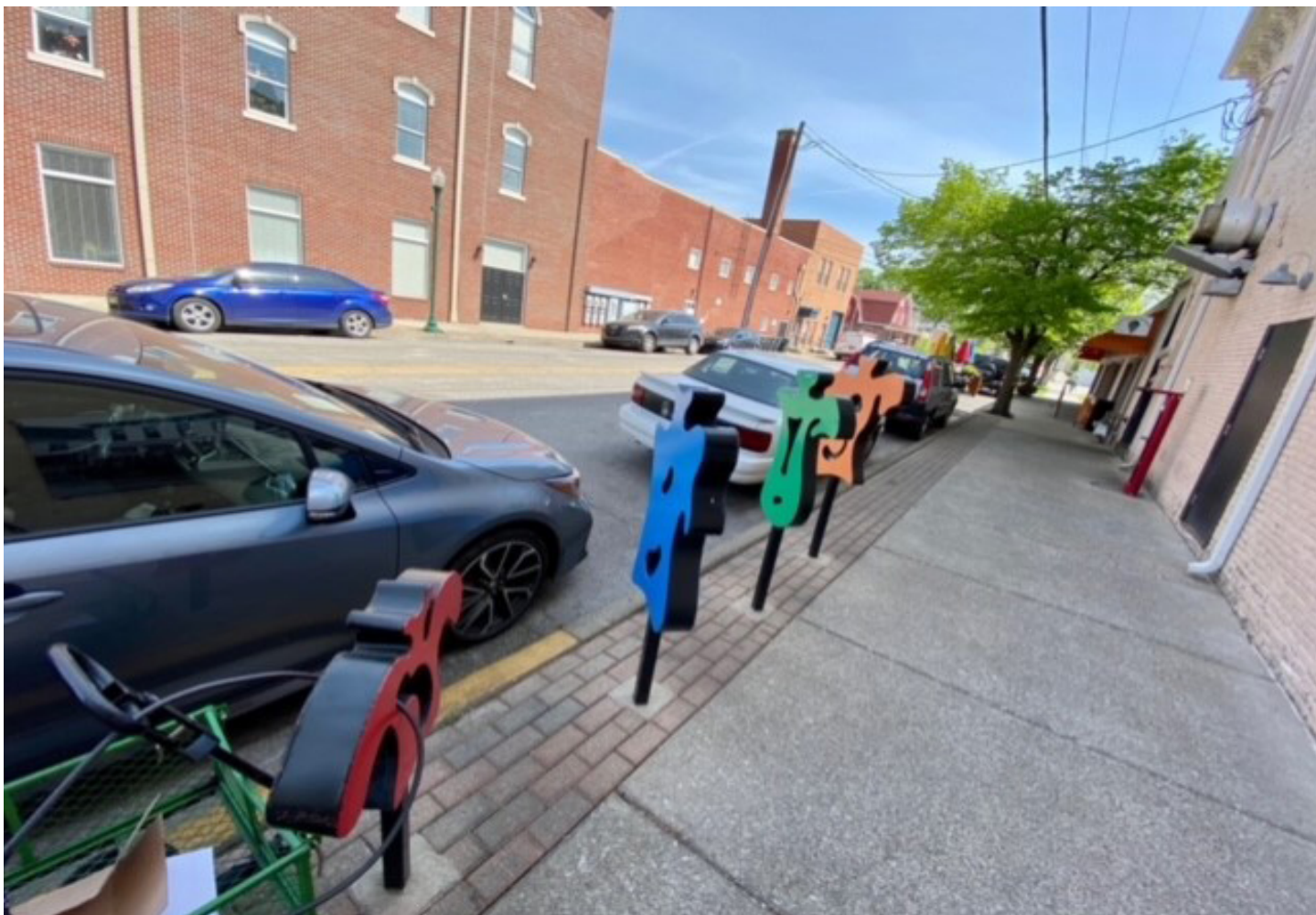
PROJECT PROGRESS

Tracking

KIPDA staff maintain a project tracking sheet for all projects awarded MPO-dedicated program funds. The tracking sheet reflects how much federal funding each phase of a project has been awarded by the TPC. It also indicates how much federal funding has been obligated towards a particular phase of a project. In addition to tracking the progress of projects, the sheet also indicates how much funding KIPDA anticipates receiving in future fiscal years. Future fiscal year suballocations in the tracking sheet are conservatively assumed to remain the same as the current fiscal year (as opposed to projecting future increases). Sub-allocation estimates are updated yearly as current fiscal year sub-allocations are finalized. Sponsors can also find information about whether there will be funding available for cost increases. This is a living, working document that is updated regularly. New tracking sheet updates are posted every month—typically after the TPC meets. The tracking sheet can be found on [KIPDA's TIP webpage](#) under the MPO-Dedicated Funding Programs section.

Reporting

Each project sponsor with an MPO-dedicated project must submit progress reports. These reports request the month and year in which the sponsor anticipates obligating funds for a particular phase of a project. Sponsors should indicate when funds have been obligated in the progress report. In Indiana, project sponsors are required to submit progress reports quarterly, whereas Kentucky sponsors will only submit reports semi-annually. KIPDA staff will prompt sponsors in advance of the deadline for progress reports.



Project Review Meetings

KIPDA staff will hold project review meetings to discuss in greater detail the progress that sponsors have made on each active MPO dedicated project. During the meeting sponsors will make note of any significant project delays, upcoming funding obligations and projects that are now open to the public.

In Indiana project sponsors are required to meet quarterly, whereas Kentucky sponsors will meet individually with KIPDA staff semi-annually. KIPDA staff coordinate these meetings.

Kentucky Biannual Project Re-evaluation Meetings

KIPDA staff will host two project re-evaluation meetings each year, typically around March and July. The primary purpose of these meetings will be to adjust MPO-dedicated funding (shown in the tracking sheet) to prioritize existing project phases that are realistically able to obligate funds within the current fiscal year (or upcoming fiscal year in the case of the Summer version of this meeting). Prioritization comes in the form of both cost increases and phase shifts (within the boundaries set forth by the PMG).

Program Review

Sponsors that have recurring/ongoing programs funded with MPO-dedicated funds may be asked by KIPDA staff to provide a written progress summary and/or formal presentation to the TTCC and/or TPC on an annual basis.



APPENDIX: PROJECT MANAGEMENT RESOURCES

The process for constructing federal aid transportation projects is complicated and sometimes arduous. This appendix provides a short list of helpful project management guidance and training for project sponsors from FHWA, KYTC, INDOT, and other relevant planning organizations.

Federal Highway Administration (FHWA) Resources

- This [link](#) contains informational training videos regarding federal-aid transportation projects from FHWA
- [Federal Aid Essentials for LPAs](#)
- [FHWA Transportation Planning Process Briefing Book](#)
- [FHWA's Local Aid Support Training Library](#)
- The [Federal Highway Administration's National Highway Institute](#) offers many free training courses for those with a Login.gov account.
- [Uniform Relocation Assistance & Real Property Acquisition Policies Act of 1970 \(Uniform Act\)](#)

Kentucky Transportation Cabinet (KYTC) Resources

- [KYTC's Local Public Agency \(LPA\) Guide](#)
- [KYTC training for Person in Responsible Charge](#)
- [KYTC Prequalified Firms](#)
- [University of Kentucky Highway Knowledge Portal – LPA Project Administration](#)

Indiana Department of Transportation (INDOT) Resources

- [INDOT's Local Public Agency Project Development Process Guidance Document for Local Federal-Aid Projects](#)
- [INDOT's Brochures and Fliers](#) are intended to provide basic information about INDOT projects, programs, and policies
- [Purdue University Local Technical Assistance Program \(LTAP\)](#)
- [INDOT LPA Resources](#)