

ATTACHMENT A (pp.1-9)

MEMORANDUM KENTUCKY TRANSPORTATION CABINET POLICIES AND PROCEDURES REGIONAL TRANSPORTATION PROGRAM EFFECTIVE JULY 1, 2005

I. PURPOSE

- A. The purpose of this memorandum is to set forth the policies and guidelines for the funding of a Regional Transportation Program within and in relation to designated Area Development Districts of the Commonwealth of Kentucky.
- B. Modifications may be made to this memorandum at any time by written notification from the Kentucky Transportation Cabinet at least 30 days prior to implementation of such modifications. However, upon written concurrence of a specific modification by the affected Area Development District, said modification shall become effective immediately.
 - 1. Modifications relative to the classification of policies and procedures that result in a reduction of the workload will, when substantial, result in a comparable reduction of the budget.
 - 2. Modifications that result in additional workloads will be associated with a representative increase of the budget or adjustment in previously assigned tasks.

II. AUTHORITY

- A. Legislation was enacted by the 1972 legislature to create the Area Development Districts by law in Chapter 147A of the Kentucky Revised Statutes (KRS). KRS 147A.080(6) provides that each ADD Board of Directors shall have the power and authority to:

Accept, receive, and administer loans, grants, or other funds or gifts from public and private agencies including the Commonwealth and the federal government for the purpose of carrying out the functions of the District.

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- B. Further, KRS 147A.090(2) provides that each ADD Board of Directors shall have the power, duty, and authority to:

Conduct the necessary research and studies and coordinate and cooperate with all appropriate groups and agencies in order to develop, and adopt and revise, when necessary, a district development plan or series of plans, including, but not limited to, the following district-wide plan elements: goals and objectives; water and sewer; land use; and open space and recreation. Such plans shall serve as a general guide for public and private actions and decisions to assure the development of public and private property in the most appropriate relationships.

- C. The Kentucky Transportation Cabinet has historically administered major comprehensive transportation programs at the urban, metropolitan, and statewide levels. With the creation of the Area Development Districts and pursuant to federal legislation (ISTEA, TEA-21 and subsequent reauthorizations), an effective link was established for the development of a comprehensive transportation program utilizing local, regional, and statewide agencies.

III. JURISDICTION

- A. The requirements, policies, and procedures are applicable for all of the fifteen Area Development Districts in the Commonwealth of Kentucky as created and established by KRS 147A.050.
- B. The program shall not necessarily be limited within the boundaries as set forth for each of the Area Development Districts, but shall also include necessary coordination between Districts and Metropolitan Planning Organizations, particularly those whose boundaries are coincident to develop and maintain regional continuity and integrity for transportation elements.

IV. FUNDING

- A. Funds for the performance of the Regional Transportation Program will be provided on a 90 percent state and 10 percent local matching basis for each fiscal year for each Area Development District, unless otherwise noted in the

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contract agreement for a specific ADD. The local match shall be provided in cash. Funding ratios (other than 90/10), which may be appropriate for a specific project, will be included in the contract agreement/amendment and specifically stated in the Annual Work Program for that work element.

- B. Regional Transportation Program funds will be committed to each Area Development District through an individual agreement with the Kentucky Transportation Cabinet, subject to the policies and procedures set forth in this memorandum, and the procedures and funding ratios set forth in the executed agreement.
- C. Regional Transportation Program funds will be provided subject to the approval by the Kentucky Transportation Cabinet of the final contract agreement to be submitted no later than June 1st of each year. This agreement shall include an Annual Work Program as described in paragraph V.B. of this memorandum. Funds for this program may include both Road Fund and General Fund monies.
- D. The use of funds provided to the Area Development Districts for the Regional Transportation Program will be in accordance with the Federal Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) requirement for Statewide Transportation Planning, revisions made through the Federal Transportation Equity Act for the 21st Century of 1998 (TEA-21), and any subsequent legislation/regulations related to federal reauthorization of transportation programs. Regional Transportation Program funds will, therefore, be eligible for mode-specific investigations or analysis in support of the Cabinet's intermodal transportation system. However, all funding items must be included in the Annual Work Program, or approved amendments, and approved by the Cabinet.
- E. Each Area Development District will receive a fixed amount of state funds for each county under its jurisdiction or per ADD, as agreed to, as stated in paragraph III.A., unless:
 - 1. The contract agreement submitted by an Area Development District is for less than the amount allocated by the Cabinet.

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2. The amount of funds is reduced by the Kentucky Transportation Cabinet, subject to the review and revision of the ADD's contract agreement, or subject to the evaluation of performance in accordance with the reporting process as described in Section VI of this memorandum.
 3. The amount of funds and/or the funding ratio is increased by the Kentucky Transportation Cabinet, subject to the review and revision of the ADD's application for funds, or subject to the need for additional services/projects in specific counties under its jurisdiction.
 4. The General Assembly appropriates additional General Fund monies to be utilized in support of the Transportation Cabinet's programs.
- F. Regional Transportation Program funds will be awarded after compliance with paragraphs IV.A. and IV.E. by the Kentucky Transportation Cabinet based on evaluation of the Annual Work Program as described in paragraph V and VI of this memorandum, the satisfactory progress reports as described in paragraph VI.B. of this memorandum, satisfactory completion of work elements according to schedules set out by the Cabinet, and the specific needs of the Transportation Cabinet.
- G. Payment to each Area Development District will be in accordance with its agreement with the Kentucky Transportation Cabinet and paragraph VI.A. of this memorandum.
- H. Expenditures of project funds shall be for professional staff services and overhead necessary for the accomplishment of the project, except as provided in paragraphs IV.I. and IV.J., and IV.K. based upon a Cost Allocation Plan prepared in accordance with and approved by the Department for Local Government and submitted to the Cabinet.
- I. Consulting services, where appropriate, may be an eligible project expenditure when prior approval for such is obtained from the Kentucky Transportation Cabinet. Consultants must be on the "prequalified" list of the Cabinet, with approval by the Kentucky Transportation Cabinet in the selection process.

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- J. Certain specialized staff training may be an eligible project expenditure under this program. Prior approval for such is not required by the Kentucky Transportation Cabinet. However, such training, seminars, conferences, etc. should be reviewed carefully by ADD management to ensure adequate applicability to the Regional Transportation Program if such training is to be a direct charge to the Regional Transportation Program.
- K. Certain special purchases (e.g., computer equipment/software) may be an eligible expenditure under this program and will not require prior approval from the Kentucky Transportation Cabinet, providing such purchases are for use in the Regional Transportation Program. However, ADD management should review these purchases carefully to ensure their applicability to this program if they are to be a direct charge to the Regional Transportation Program.
- L. The provisions of KRS 45A.695 (7) may be deemed applicable to the funding of this agreement.

V. APPLICATION FOR FUNDS

- A. A draft of the proposed Annual Work Program and a suggested budget will be supplied by the Kentucky Transportation Cabinet to the Area Development Districts each year. The Area Development Districts shall review and complete this Annual Work Program as requested by the Cabinet, subject to discussion by and between the Area Development District and the Kentucky Transportation Cabinet.
- B. The draft contract agreement and Annual Work Program will be submitted by each Area Development District to the Kentucky Transportation Cabinet, Director, Division of Planning, by June 1st of each year or other dates which may be established by the Cabinet, as necessary. This application shall include the following:
 - 1. Comments on or acceptance of the contract agreement
 - 2. Draft Annual Work Program
 - 3. Other documents as may be requested by the Cabinet.

The Annual Work Program will list each work element to be undertaken during the next project year.

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1. These work elements will be adequately supported. Items of support shall include the following:
 - a. A statement of the purpose and objectives of the proposed work element.
 - b. Anticipated products of the work element.
 - c. The Cabinet may request a detailed scope of work, or methodology for specific work elements, which must be approved by the Cabinet to be eligible for funding.
 2. The Kentucky Transportation Cabinet reserves the right to make the final decision regarding the inclusion of a work element as part of the Annual Work Program.
- C. The Kentucky Transportation Cabinet will review the documents listed above of each of the Area Development Districts. The final agreement and Annual Work Program will be returned to each ADD for final approval and signature no later than June 30th of each year.
- D. The final agreement and Annual Work Program, approved and signed by the ADD's Executive Director, must be returned to the Cabinet by the deadline set by the Cabinet, but no later than thirty days following receipt of said document in the ADD.
- E. Approval of the contract agreement is subject to a performance evaluation by the Kentucky Transportation Cabinet in accordance with the reporting process as described in paragraphs VI.A. and VI.B. of this memorandum.
- F. Any Area Development District which acts as the Metropolitan Planning Organization under Section 134 Title 23 United States Code shall submit a separate contract/application in accordance with procedures established by the state and federal governments for the Regional Transportation and Urban Metropolitan Planning Programs.

VI. REPORTING/MEETING REQUIREMENTS

- A. Each Area Development District involved in the Regional Transportation Program will submit a quarterly progress report to the Kentucky Transportation Cabinet no later than the last day of the month following the

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end of each quarter. The Cabinet may require monthly progress reports for a work element, if such requirement is included in the Annual Work Program for that specific element. The quarterly/monthly progress report will include:

1. Activities and accomplishments within each work element of the approved Annual Work Program, including but not limited to progress made, meetings held, training attended, and documents prepared.
2. Percentage and estimates of completion for each work element should be included in the quarterly progress report. Estimates of completion must refer to any prescribed due dates set out by the Cabinet.
3. An original Invoice for quarterly (monthly, if required) payment, prepared in the format provided by the Cabinet, approved and signed by the Area Development District Executive Director or the Director's representative.
4. Prior notices of all Transportation Committee meetings should be forwarded to the Cabinet, followed by minutes of the meeting and a list of attendees (and their organizations) no later than 30 days following the date of the meeting.

The above also should apply to any other public/coordination meetings held relating to the Statewide Transportation Planning or Highway Safety process or special projects which are a part of the Annual Work Program and for which the ADD is the contact person

- B. Quarterly (monthly, if required) reports submitted by the Area Development Districts will be used for continuous evaluation by the Kentucky Transportation Cabinet of the Regional Transportation Program.
 1. Any Area Development District which is not performing satisfactorily as determined by the Cabinet will be so notified and will be expected to correct or justify those conditions deemed to be unsatisfactory within 30 days of the date of notification.
 2. Failure to correct or properly justify any unsatisfactory condition within 30 days of notification by the Kentucky Transportation Cabinet may result in termination of or a reduction of funding by the Cabinet. Time extensions in which to correct unsatisfactory conditions may be granted if requested by the ADD and satisfactorily justified in writing within the initial 30-day period.

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3. No Area Development District which has lost its funding status under paragraph VI.B.(2) may have this status restored until the ADD has properly demonstrated that any unsatisfactory conditions have been corrected.
 4. If delays occur in completing a work element, an extension of time will be considered if the ADD applies in writing to the Cabinet for a reasonable extension of time, within 30 days from the date of delay and prior to the prescribed date for completion.
- C. A copy of the Cost Allocation Plan, required by and submitted to the Department for Local Government, should be forwarded to the Kentucky Transportation Cabinet no later than November 1st of the contract year.
 - D. Each Area Development District shall have an annual agency audit conducted in accordance with the appropriate state and federal OMB standards, as required by the Kentucky Department for Local Government. The audit shall include the Regional Transportation Program Funds and any other funds provided through this agreement, and shall be submitted to the Kentucky Transportation Cabinet at the same time such document is submitted to the Kentucky Department for Local Government, as a requirement for funding under this program.
 - E. A representative from each Area Development District will be required to attend the bimonthly Statewide Transportation Planning meetings conducted by the Cabinet and other meetings as may be required by the Cabinet. If the Planner assigned to this program is unable to attend due to illness or other extenuating circumstances, the ADD shall send a representative designated by the ADD.

VII. DOCUMENT IDENTIFICATION

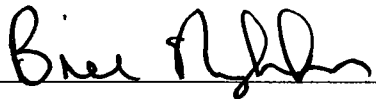
All maps, charts and other printed matter prepared by the Area Development District in conjunction with the Regional Transportation Program shall be identified with the following statement:

THIS DOCUMENT WAS PREPARED IN COOPERATION WITH THE KENTUCKY TRANSPORTATION CABINET

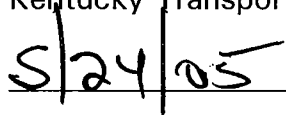
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VIII. TERMINATION

- A. The Kentucky Transportation Cabinet may, upon determining cause, terminate the program with the ADD by written notice to the Area Development District.
- B. The program may be terminated by the Area Development District by written notice to the Kentucky Transportation Cabinet delineating the terms of and reasons for termination. All materials, maps, charts, and other information shall become the property of the Kentucky Transportation Cabinet upon termination.
- C. All notices of termination shall become effective 30 days after the date of notification.



Bill Nighbert
Acting Secretary
Kentucky Transportation Cabinet



Date