




COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION
1401 EAST BROAD STREET
RICHMOND, VIRGINIA 23219 2000

Stephen Brich
Commissioner

MEMORANDUM

To: County Administrators/City and Town Managers

From: Stephen C. Brich, P.E. Commissioner 

Subject: FAST Act Rescission

Date: November 6, 2018

As a current recipient of either Transportation Enhancement (TE) or Transportation Alternatives (TA) funding, we want to make you aware of federal legislation that may impact the funding in these programs. The current federal highway authorization, Fixing America's Surface Transportation Act (FAST Act), contains language providing for a nationwide rescission of \$7.569 billion of unobligated contract authority. Based on the language, this rescission will result in a reduction of federal funding not yet obligated to a phase of work (Preliminary Engineering, Right of Way, or Construction). However, be assured that we are working on several strategies to mitigate the impacts to our active projects.

The following provides additional information regarding the rescission.

A rescission is a legislative action that cancels the availability of contract authority (apportionment) that has not been obligated to a contract or project in the Federal Highway Administration's (FHWA) financial system. In other words, the rescission will impact funding available for project phases that have not started, and will reduce the amount of federal funding supporting projects in funding categories subject to the rescission. The FAST Act specifies that rescission amounts will be calculated based on these unobligated balances as of September 30, 2019, and the rescission will be applied on July 1, 2020. In addition, the FAST Act prescribes the calculation of the rescission amount applicable to each state, as well as the manner in which the rescission will be applied; therefore, no flexibility is provided to the Commonwealth to determine how the rescission will be applied.

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While the exact impact is unknown, the amount of the rescission required by the FAST Act is significant and likely to cause reductions in funding in certain programs with large unobligated balances. In particular, the TA program has been identified as high risk for experiencing significant impacts.

The best way to reduce the impact of the rescission is to maximize obligation of federal funds, and there are several things that you and your staff can do to help us plan for and work to minimize this rescission:

- Ensure that your projects have accurate and updated estimates;
- Ensure that your projects have realistic schedules that comply with Departmental Policies for project delivery;
- Work to advance phases that are already fully funded; and
- Deliver your projects as scheduled.

Our ability to plan for and to mitigate the impact of this rescission relies greatly on the information contained within our project management information systems. **Accordingly, we need your assistance to ensure that our project schedules and estimates are up-to-date and accurate and are asking that you provide any necessary updates to your VDOT contact by December 5, 2018.** Your VDOT contact will reach out to discuss project schedules and estimates to support meeting this deadline.

If you have any questions, please feel free to contact Russ Dudley, Assistant Division Administrator for the Local Assistance Division at 804-786-6663.