

Carbon Reduction Program (CRP) FAQs

1. Will there be a minimum dollar amount for projects?

NCDOT has set a minimum project cost of \$100,000 for construction projects. In the case of purchasing buses or vans for on-demand transit service, the actual cost for the purchase will be accepted. Keep in mind that we must adhere to “Buy America” requirements for all projects including vehicle purchases. Transit vehicle purchases will be flexed to FTA.

Please note: NCDOT will not re-imburse for any charges that occur prior to authorization.

2. Does the project selection process developed by the MPO/RPO need to be approved by the TAC/MPO Board?

NCDOT recommends that the project selection process be approved by the TAC or MPO Board since projects must be added to the STIP.

3. Are there any elements that are required to be part of the process?

FHWA does not require anything beyond ensuring project eligibility for project selection. However, NCDOT will be providing a template for the process. The planning organization will be able to edit the template for what works best for their area. If the project is not on FHWA approved list of eligible projects, documentation of emission benefits is required.

4. What entities are eligible to deliver or implement projects?

Any entity that can enter into a local agreement with NCDOT.

5. Could a NCDOT Division deliver or implement one of these projects on behalf of the local government agency (LGA)?

This is allowable but is up to each individual Highway Division. If the Division Office agrees to deliver the project, the LGA is responsible for providing the non-federal match to the Department and would be responsible for all costs that exceed the total approved funding.

a. If so, would the Division need a portion of the funds to do so?

The cost for the Division to deliver or implement a project would be an eligible project cost.

6. Can an application be submitted for preliminary engineering and environmental only, and construction be applied for in a future year from CRP, STI, or other funding sources?

The funds may be used for preliminary engineering and environmental. In general, it is a undesirable policy to fund projects for PE only with no idea where ROW and construction funds are coming from. Also, keep in mind that environmental documents have a shelf life of one year and must be updated prior to the project going to construction.

7. If a project is funded for engineering or design, does it have to be built in a certain amount of time?

The FHWA “ten-year rule” that requires repayment of PE funds if a project does not advance to construction in 10 years was abolished by IIJA and at this time we don’t have final guidance on this issue. CRP is designed to help the environment by reducing Carbon. So, the goal should be to finish the project in a timely manner to realize the carbon reduction benefits.

8. Can the Carbon Reduction funds be combined with other funding sources such as HSIP, STBG, STBG-DA, TAP, TAP-DA, other federal discretionary grant funded projects, or Transit 5311/5310 projects?

The funds can be combined with other federal sources if eligibility requirements and non-federal match requirements are met for each program. Funds that are used to purchase transit vehicles or support eligible transit operations will be flexed to the Federal Transit Administration and will be required to follow FTA requirements.

Please Note: federal funds cannot be used to match federal funds. If combining funding sources, keep in mind the requirement for local match for each funding source, as applicable.

9. Can money be rolled over for 3 years in order to pool money to do a bigger project?

Per FHWA requirements, CRP funds are available for obligation for a period of 3 years after the last day of the federal fiscal year (September 30) for which the funds are authorized (See 23 U.S.C. 118(b)). Thus, CRP funds are available for obligation for up to 4 years.

10. What happens to funds that go unspent?

If a Local Government Agency has not obligated the funds and entered into a local agreement with NCDOT by June 30 of the second year, then NCDOT will rescind the funds and will redistribute the funds through a competitive process, or use the funds for an eligible Division-led project, or use funds on projects in the STIP.

11. Is the 20% match calculated with NCDOT’s 10% in the total project amount, or not?

NCDOT’s costs (estimated to be roughly 10% of overall costs) are eligible to be covered with Federal funds (80%) and non-federal (20%) match. The local entity should include anticipated NCDOT costs in their overall project budget.

For example: If a town estimates a project will cost \$500,000 and is awarded CRP funding (\$400K CRP and \$100K Local), then that funding will be programmed in the STIP. A year later, the project is ready to go to construction and the town estimates that it will now cost \$750,000. The Federal funding is still capped at \$400,000; the remaining \$350,000 would be all Local funds. Please note that the 80% Federal share would not go up and all project costs that exceed the agreement amount are the responsibility of the LGA entering into the agreement.

12. What will the invoicing/reimbursing process be if project was locally led project?

Information about NCDOT traditional reimbursement process is available [online](#).

Steps between the MPO/RPO awarding a project and invoicing are listed:

- Programming in STIP
- Municipal Agreement
- Preliminary Engineering funding authorization (for expenses related to design, environmental work)
- Professional engineering firm procurement (to provide the above deliverables)
- Right of Way funding authorization (for expenses related to ROW acquisition)
- Right of way acquisition (in accordance with the Uniform Act)
- Utility Relocation authorization (for expenses related to utility relocation)
- Utility Relocation
- Final Plans
- Contract Proposal
- Engineer's Estimate
- Construction Funding authorization (which allows the Local to advertise and let a construction contract)
- Construction (per NCDOT guidelines)
- Closeout
- Reimbursement

Local entities may not request reimbursement until an agreement is executed, deliverables provided, and funding authorized, but it may occur throughout the project assuming funding has been authorized and proposed costs approved.

13. Does the entity have to have 100% of the project funds on hand in order to start the project?

Yes, all projects are based on reimbursement. Therefore, the contracting entity needs to have funding available upfront to pay their contractors prior to seeking reimbursement for each phase of the project.

- 14. Does NCDOT have any intention of transferring CRP funds to another program “transferability to other federal-aid supported programs” as mentioned in the fact sheet?**

Decisions about transferring carbon funds to other programs will be made each year based on several factors. One of the key factors in this decision will be the ability of local entities to deliver their projects in a timely manner.

- 15. Can a Transportation Demand Management Plan be used as a guide for funding projects in an area if the projects are eligible?**

Yes, if your planning organization agrees to this process.

- 16. What is TPD's plan with the remaining 35% of the funds? Can POs apply for these funds?**

All eligible projects will be considered.

- 17. Can more information be provided about the process?**

For more information about the program, review [FHWA Carbon Reduction Guidance](#), watch the recorded FHWA [webinar](#) , or contact Nastasha Earle-Young at nbearle-young@ncdot.gov or Heather Hildebrandt at hjhildebrandt@ncdot.gov