

October 6, 2025

TO: Members of the MAG Management Committee

FROM: Patrick Stone, Deputy Transportation Director - Programming

SUBJECT: FEDERAL FISCAL YEAR 2026 CLOSEOUT – REDISTRIBUTION OF AVAILABLE  
FEDERAL HIGHWAY ADMINISTRATION FUNDING

Federal Highway Administration (FHWA) funding allocated to the MAG region is primarily made up of Congestion Mitigation and Air Quality Improvement Program, Surface Transportation Block Grant Program, and Transportation Alternatives funds. Consistent with policy set forth in the Regional Strategic Transportation Infrastructure Investment Plan, these dollars are programmed through the three life cycle programs and the Regional Competitive Programs - Call for Projects process.

Annually, MAG reviews projected FHWA funding and compares this amount against programmed projects for the current federal fiscal year to determine how much, if any, funding is unprogrammed. Federal funding is allocated to the MAG region on a use or lose basis and unused amounts need to be reprogrammed on other projects prior to the end of the federal fiscal year. This occurs through the annual closeout process. MAG is now accepting applications for Federal Fiscal Year (FFY) 2026 closeout funding.

For FFY 2026, the MAG region is currently estimated to have **\$25.0 million** available for closeout based on programmed amounts, project deferrals, potential cost savings, and projects that will be closed out. Only projects selected through the Regional Competitive Programs-Call for Projects process are eligible for closeout. Requests are now being accepted to:

- Advance projects currently programmed in FFY 2027 to FFY 2026
- Provide additional federal funding for current year (FFY 2026) projects
- Fund design work phase requests for FFY 2026
- Fund right of way work phase requests for FFY 2026
- Fund PM-10 Certified Street Sweeper applications that were not selected as part of the FFY 2026 call for projects

Projects requiring the execution of, or an amendment to, an Intergovernmental Agreement (IGA) between the member agency and the Arizona Department of Transportation must be initiated with ADOT by February 13, 2026, and the IGA must be fully executed by May 15, 2026, to allow sufficient time for ADOT processing.

Closeout requests to advance FFY 2027 projects to FFY 2026 are to be submitted on member agency letterhead and signed by the Manager/Designated Representative stating that project and agency resources are available to advance the project.

Closeout requests for additional funding or to fund design or right of way work phases for projects programmed in FFY 2026 should be submitted to MAG on the [TIP Project Change form](#) that is available on the MAG website. Increases to existing FFY 2026 construction projects should also be accompanied by an updated cost estimate prepared by the agency engineer or ADOT project manager (the [original application](#) contains a cost estimate form that may be used).

Closeout requests to fund FFY 2026 Street Sweepers that were not awarded during the call for projects are to be submitted on member agency letterhead and signed by the Manager/Designated Representative stating that project and agency resources are available.

A fact sheet is attached to this notification outlining specific MAG guidelines and procedures related to closeout and a schedule of key dates.

Please submit closeout requests via email to Patrick Stone, [pstone@azmag.gov](mailto:pstone@azmag.gov) and cc Wendy Miller, [wmillers@azmag.gov](mailto:wmillers@azmag.gov) on or before **Thursday, November 13, 2025, at 12:00 p.m., via email**. Late requests will not be accepted.

MAG staff is available to help with information and questions regarding requirements. Please contact Patrick Stone at [pstone@azmag.gov](mailto:pstone@azmag.gov) or Wendy Miller, [wmillers@azmag.gov](mailto:wmillers@azmag.gov) via email, or by phone at (602) 254-6300.

cc:	ADOT, Local Public Agency Section	ADOT Project Management Group
	FHWA Arizona Division Planners	MAG Intergovernmental Representatives
	MAG Active Transportation Committee	MAG Intelligent Transportation Systems Committee
	MAG Street Committee	MAG Transportation Review Committee
	MAG Transportation Safety Committee	

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## Federal Fiscal Year 2026 Closeout Request – Fact Sheet

The Regional Council approved the [Regional Programming Guidelines](#) on June 25, 2025. Requirements for Closeout as noted are found in Section 480 Redistribution of Unused Funding (i.e., Closeout) are as follows:

- 1. Funding estimate.** In August of each year, MAG staff will release an estimate of funding available for redistribution for the current federal fiscal year. Typically, this estimate is calculated as the difference between the anticipated sum of regional competitive funding from appropriations, closed out projects and project deferrals, and the sum of projects anticipated to authorize. This estimate will be updated if warranted by new information.
- 2. Cost estimates for redistribution.** Cost estimates to be used in the redistribution of regional competitive funding to the current year and advancing projects must meet the following criteria:

- a. TIP cost estimates.** Only costs as reported in the TIP or in pending TIP amendments will be used for the redistribution of regional funds. MAG members may update cost estimates for projects whenever MAG processes changes to the TIP. Member agencies are strongly encouraged to update the TIP for changes in project costs as they occur in the development process and when MAG distributes project workbooks.
- b. Engineering cost estimates required.** Up to date engineering cost estimates are required for all projects that are to receive redistributed regional competitive funds. These estimates must be provided by either the sponsoring agency or ADOT project manager. The costs listed must be sufficient to use the redistributed regional competitive funding.

- 3. Advancing projects.** MAG member agencies may at any time request to advance projects to take advantage of the anticipated redistribution of funding. At a minimum, projects that are requested to be advanced must meet all requirements for inclusion in the current year as identified in Section 610. Actions to approve project advancements will occur at the same time as the decision to redistribute regional competitive funding.
- 4. Redistribution meeting.** Early in the calendar year, TRC will consider priorities for the redistribution of regional competitive funding. As a default, advancing projects will be given first priority, increased funding for currently programmed projects will have second priority and loans to projects or programs will have third priority.
- 5. Review and approvals.** Following the redistribution meeting, the action of the TRC will be reviewed, revised and, as appropriate, approved by the MAG Management Committee and Regional Council.

### More Than 50 Years of Serving the Region

6. **Notice of redistribution.** Following Regional Council approval MAG staff will provide notice to MAG member agencies that will receive redistributed funding. This notice will be distributed to project sponsor representatives as identified in Section 440.

## Schedule

Category	Date	Committee / Group	Action
Closeout Request Notice	Mon, Oct 6, 2025	Management Committee	Send out memo to members of Management Committee outlining the FFY 2026 Closeout process.
	Mon, Oct 6, 2025	Transportation Review, Safety, ITS, Street, Active Committees	Send out memo to members of the committees outlining the FFY 2026 Closeout process.
	Mon, Oct 6, 2025	All Member Agencies	Send out memo to all member agencies outlining the FFY 2026 Closeout process.
	Mon, Oct 6, 2025	ADOT	Send out memo to ADOT LPA and PMG groups outlining the FFY 2026 Closeout process.
	Mon, Oct 6, 2025	FHWA	Send out memo to FHWA staff outlining the FFY 2026 Closeout process.
Application Period	Mon, Oct 6, 2025 - Thu, Nov 13, 2025	All Member Agencies	MAG Staff will be available to provide answers to questions regarding the closeout process.
	<b>Thu, Nov 13, 2025</b>	<b>All Member Agencies</b>	<b>Requests Due at 12:00 pm (late requests are not accepted)</b>
Request Review	Mon, Nov 17, 2025	MAG Staff	Review requests to confirm project eligibility and completeness of request.
Committee Review	Thu, Dec 11, 2025	Transportation Review Committee	Review and recommendation for closeout requests.
	Wed, Jan 14, 2026*	Management Committee	Review and recommendation for closeout requests.
	Wed, Jan 21, 2026*	Transportation Policy Committee	Review and recommendation for closeout requests.
	Wed, Jan 28, 2026*	Regional Council	Review and approve closeout requests.

\* Estimated meeting date, subject to change