



Michigan Local Rural Transportation Program

STATEWIDE GUIDELINES AND OPERATING PROCEDURES FOR RURAL FUNDING AND PLANNING COORDINATION

May 2017

The Michigan Department of Transportation (MDOT), in cooperation with the Michigan Rural Task Force Program Advisory Board, has developed these guidelines and operating procedures to provide a resource to rural local elected/appointed officials, county engineers, transit providers, stakeholders, and other decision-makers for developing rural transportation projects and programs. These guidelines replace the original guidelines developed by MDOT in 2013 and include a discussion on funding and planning coordination.

The guidelines are intended to provide a better understanding of:

- An overview of the Michigan Local Rural Transportation Program and the rural task force;
- How funding is allocated and distributed to each rural task force;
- How rural transportation projects are selected locally and regionally; and
- The roles and responsibilities of MDOT, the Rural Task Force Program Advisory Board, rural task force agency members, and Regional Planning Agencies in carrying out a continuing, cooperative, and comprehensive (3-C) multimodal transportation planning process in rural portions of the state.

Appendices at the end of the document include maps, technical and policy references, funding examples, and a glossary of transportation planning terms and acronyms to assist rural officials and decision-makers.

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I. Overview of the Michigan Local Rural Transportation Program

Michigan’s Local Rural Transportation Program was established in 1987 under the Transportation Economic Development Fund Act (Public Act 231 of 1987). Section 12a of the act recommended the creation of regional *rural task forces* to administer and fund rural transportation projects and programs in counties with a population of 400,000 or less (78 out of 83 counties). Each rural task force is required to contain a representative of each county road commission within the regional area plus an equal number of representatives from incorporated cities and villages with a population of 5,000 or less with the regional area, and a representative from each rural transit provider. Today, there are 22 rural task forces that cover the entire geographic area of Michigan (see **Appendix A** for map of rural task forces).

Each rural task force is charged with assisting MDOT in carrying out the federally mandated 3-C multimodal transportation planning process in rural areas of the state. Each rural task force provides the forum for facilitating rural consultation with local elected/appointed officials, county engineers, transit providers, stakeholders, and other decision-makers in developing and implementing the planning process. Rural transportation projects and programs wishing to utilize federal and/or state funding must be selected through this planning process. This ensures that MDOT’s transportation planning and project decisions reflect the needs of Michigan’s rural areas and contributes to regional economic growth and quality of life.

II. Funding

MDOT provides two main sources of funding for the Local Rural Transportation Program: federal Surface Transportation Program-Rural (STL) funds and state Transportation Economic Development Fund-Category D (EDD) funds. Federal STL funds are used to preserve and improve the conditions and performance of federal-aid highways and transit capital projects, including terminals and facilities. State EDD funds are designed to serve development and commerce by establishing and integrating a local secondary all-season road network with the state trunkline system. (See **Appendix B** for a complete list of STL and EDD eligible projects.) Both sets of funds are distributed by MDOT to each rural task force based on a statewide formula.

a. Distribution of Funds

MDOT distributes funds to each rural task force based on a statewide formula. The distributed funds represent allocation “target” amounts that each task force can use to program projects for the fiscal year. Target amounts are cooperatively determined by MDOT and the Rural Task Force Program Advisory Board based on projected amounts of federal and state funds to be received. MDOT supplies each task force with an annual target amount covering the four-year Statewide Transportation Improvement Program (STIP) cycle at or near the beginning of the fiscal year, which begins October 1st. The STIP is a statewide listing of transportation projects covering a period of four years that is consistent with the State Long-Range Transportation Plan. It presents the fiscally constrained, multimodal transportation program for Michigan and includes all federally funded projects scheduled for some phase of implementation over a four-year period.

In addition to task force-level targets, MDOT has agreed to provide each county with an annual county-level allocation “estimate” amount. The sum of the county-level estimates will equal the total rural task force allocation target. County-level estimates will be calculated using the same statewide formula used to calculate task force allocation target amounts. Using the county-level estimate as a guide, each county agency (i.e., county road commission, cities and villages under 5,000 population, and rural transit providers) must coordinate with each other to prioritize projects and coordinate with their Regional Planning Agency to program those projects as part of the rural portion of the STIP.

b. Rural Obligation Authority

MDOT has agreed to provide the Local Rural Transportation Program with its own separate pot of STP-Rural (STL) obligation authority.¹ By having its own separate pot of obligation authority, the Local Rural Transportation Program will not be affected by other local projects and programs (e.g., local bridge, local safety, metropolitan planning organizations (MPOs), etc.) However, the program will be limited in the amount of obligation authority (i.e., funding) it has to “spend” each fiscal year.

As a separate pot of funding, rural transportation projects and programs must be obligated in a timely manner and will count against the rural task force’s allocation target. Projects must be submitted to MDOT’s Local Agency Programs (LAP) or Office of Passenger Transportation (OPT) as a “Complete Biddable Package” on or before August 1st in order to be obligated during the current fiscal year. Projects submitted by this deadline will be reviewed and submitted for obligation in the order the project’s package was received.

After August 1st of each fiscal year MDOT will assess the status of the entire Local Rural Transportation Program, in terms of both obligated projects and projects in the process of being obligated. The assessment will determine the likelihood of the program not utilizing all rural obligation authority by the end of the fiscal year. Any federal August Redistribution the state receives shall be first used to fund Complete Biddable Package projects submitted to LAP by August 1st, and then on Complete Biddable Package projects submitted after August 1st based on the date of submittal.

If all current fiscal year projects have been funded, any unspent rural obligation authority, including federal August Redistribution, will be spent by MDOT on the trunkline program. In the following fiscal year, MDOT will provide flexible trunkline obligation authority up to 5 percent of the total obligation authority, not including the rural portion of August Redistribution, assigned

¹ *State-D (EDD) funds are not subject to obligation authority. As such, task force members can accumulate balances to fund transportation needs. **However negative balances must be reconciled to the task force prior to obligating additional projects as a result of the new statewide financial system (SIGMA – Statewide Integrated Governmental Management Applications)** Projects identified with EDD funds have three years from the original approved fiscal year to be obligated. However, if not obligated at the end of the third fiscal year, funds shall be reallocated to remaining counties within the regional rural task force per Public Act 231 of 1987.*

to the overall Local Rural Transportation Program. (See **Appendix C** for 5 percent carryover examples.)

Any unfunded Complete Biddable Package projects submitted on or before August 1st will automatically be moved to the next fiscal year and be funded “off the top” without impacting current programmed projects. MDOT will then adjust the next fiscal year’s allocation targets before distributing the remaining funds to each rural task force by statewide formula. Any unfunded Complete Biddable Package projects submitted after August 1st will need to be reprogrammed in a future fiscal year at the discretion of the task force. (See **Appendix D** for unfunded project examples.)

Keep in mind that obligation authority is not always used just for starting new transportation projects. It may be used on cost overruns of old projects, up to the point where the project has been audited and closed out.

c. Financial Constraint

Financial constraint is a comparison of total estimated *revenues* (federal/state funds) with total estimated *commitments* (project costs). Each rural task force (through the Regional Planning Agency with guidance from the Program Advisory Board) must demonstrate financial constraint by including sufficient financial information to confirm that projects can be implemented using committed available, or reasonably available, revenue sources, with reasonable assurance that the transportation system is being adequately operated and maintained. This includes ensuring that the four-year program of projects is within reasonable consistency of the county-level estimates over the four-year rolling timeframe of the STIP.

MDOT requires each task force to be financially constrained to their total annual STL and EDD target amounts. That is, the total amount of STL and EDD funds programmed for projects for each year must not exceed the anticipated total amount of funds available (i.e., “target” amounts) allocated to the task force for that period. There are several reasons for this requirement:

- To maintain the Local Rural Transportation Program within anticipated available revenues,
- To be consistent with all applicable federal/state laws and regulations,
- To be simple and easy to understand,
- To be consistent with MDOT business practices, and
- To represent agreement reached by the Program Advisory Board.

County-level members may shift around funding without hindering financial constraint. An example of this would be where all local members agree to allow a single agency to utilize all STL funds for the highest priority project. This is allowable as long as the total amount of the project does not exceed the total amount of funding for the task force as a whole.

d. Borrowing and Lending of Funds

There may be instances where one rural task force has reached its current fiscal year target limit and needs to borrow allocated funds (STL or EDD) from another task force due to cost overruns, special projects, etc. If this happens, the borrowing task force must agree to return equal allocated funds (STL or EDD) to the lending task force in a mutually agreed upon fiscal year within the current four-year STIP timeframe. Both task forces must enter into a boilerplate agreement documenting the exchange and have it approved by the Program Advisory Board (see **Appendix E** for a sample agreement). MDOT will adjust and monitor new allocation targets for those task forces that have entered into agreements.

III. Project Selection and Meeting Coordination

Each rural task force is responsible for developing and managing a minimum four-year, multimodal listing of projects known as the rural e-file (i.e., spreadsheet). The e-file is a coordinated listing of transportation improvement projects anticipated to be undertaken in the next four-year period.² The rural e-file is the mechanism by which the State Long-Range Transportation Plan is implemented, and represents the transportation improvement priorities of the region.

Projects seeking STL or EDD funding assistance must be included in the rural task force e-file. Furthermore, projects for task forces who are also located with the planning area boundary of a metropolitan planning organization (MPO) must also be included in the MPO's four-year transportation improvement program (TIP) before funding can be authorized. The common years of the e-file and the S/TIP must be consistent (e.g., fiscal years 2017-2020); however, a task force may choose to include additional outer-year projects for informational purposes only.

Projects included in the e-file must be evaluated and selected based on either established project selection criteria developed through the task force or on the greatest needs of the region through a *consensus* decision-making process. While each task force is unique and develops its own project selection criteria, these selection criteria must ensure standards of fairness for all modes of transportation. All agencies which have a right to project selection consideration must be given reasonable consideration for funding. In evaluating selection criteria, MDOT may consider the following Standards of evidence for actions by County Committees and Rural Task Forces.

1. Is an agency which has a right to project selection consideration excluded from reasonable funding?

² *The rural e-file is not a final schedule of project implementation. Projects shown in the e-file represent a “best estimate” at the time of development. The timing of projects can change due to lack of available federal, state, or local funds, delays in project development activities, changes in implementation priorities, etc. Federal regulations allow for updates to the e-file for adjustments to project schedules and changes in priorities of transportation improvements. For example, the e-file may be updated in order to add or delete projects, advance a project into the current year, or accommodate cost and scope changes to a project.*

2. If an agency/project has its funding significantly changed or removed, did the affected agency agree to the action?
3. To what extent did the decision to change funding for an agency/project follow the RTF's other project selection process?
4. Was the process used to decide funding for an approved mode developed by group consensus as recommended within the RTF Guidelines or a vote of County Committee/Task Force members?
5. Is each agency/mode sufficiently represented in the current 4 year STIP cycle?
6. Is each agency given the opportunity to appeal its' funding approved by the County Committee to the Regional Rural Task Force?
7. Is there other evidence in the record that indicates the County Committee or RTF didn't follow the federal process specified in 23 CFR 450.206? (i.e. blanket exclusion of a particular transportation mode; statements made during the project selection process; correspondence or actions by local government boards or officials; manipulation of meeting attendance by selective notification of potential meeting attendees, etc.?).

It is the responsibility of the Regional Planning Agency (RPA) to provide professional leadership to RTF members and attempt to address any of the issues noted above during the project selection process. If the answer to any of the above questions is "no," it is the responsibility of the RPA staff to document the action and provide prompt notification to MDOT's RTF Program Coordinator.

The Program Advisory Board requires consensus as the preferred method for selecting projects as part of the statewide transportation planning process. Consensus is a decision-making process where the input of each task force member is carefully considered and outcomes (i.e., projects) are selected that best meet the needs of the entire region. Of course, coming to a consensus isn't always possible. **As such, voting by majority rule or by RTF Bylaws can be used as a means of tie-breaking.**

The following bullets provide a few pros and cons of both consensus and voting decision-making methods:

- Consensus requires participation from all task force members, including those with minority opinions, at all meetings where decisions are made. Voting does not require a collective agreement.
- Consensus enables all task force members to be invested in project selection. Voting may result in those in the minority feeling left out of the decision-making process.
- Consensus requires an environment that is conducive to healthy discussion. Voting does not require the same level of interaction, and may allow task force members to keep their beliefs private, if they so choose.
- Voting generates predictable patterns or outcomes in the voting results (road agencies voting for road projects and transit agencies voting for transit projects).

- Voting is a quicker decision-making process. Consensus requires careful deliberation by all task force members and may require additional time to reach an agreement.

Consensus results in an acceptable resolution, one that can be supported, even if not the favorite of each individual. Every effort should be made to ensure a consensus with all task force members in the transportation planning process. All members are equal partners in the planning process.

a. Local County Meetings

Local county-level meetings mark the beginning of the cooperative project selection process. The local county committee consists of three or more members: a representative of the County Road Commission, a representative from cities/villages with a population of under 5,000, and a representative of transit providers within the County. The local county committee members determine the highest and best need and reach consensus before the full task force meeting. It is *recommended* that all projects identified for federal and/or state funding be selected during local county-level meetings before being approved at full task force meetings. However, during STIP development years, local county meetings are *mandatory* for project selection before full task force meetings.

All eligible projects should be given equal consideration. No single type of project (e.g., road fixes versus transit) are by their very nature a higher priority than any other project type. There are critical needs in all areas of the transportation system and the planning process should result in allocating funds across the entire system. Larger road and transit projects that would make use of a significant portion of the task force's annual target should be considered. Transit projects should not be expected to only receive a small percentage of support in any given fiscal year. Large road and transit projects are equally important and, as such, each year of the rural portion of the STIP must be flexible enough to consider larger needs while striving to be multimodal.

Local county members are expected to justify and explain the need for their proposed project, while at the same time give every project due consideration in how it will help move people and goods throughout the region and state.

b. Regional Rural Task Force Meetings

Regional rural task force meetings continue the cooperative project selection process, but for the entire regional area. The purpose of these meetings is for identifying and selecting projects submitted from local county meetings for funding through the rural portion of the STIP. Rural task force members must review individual prioritizes established during their local county-level meeting and describe project amendments or administrative modifications, as needed, for task force approval. (See **Appendix F** for amendment vs. administrative modification guidelines.)

It is highly recommended that each rural task force meet three times a fiscal year at a minimum to discuss current year projects, identify/prioritize future year projects, and provide project updates to ensure that all projects can be submitted and/or obligated by August 1st. The Program Advisory Board recommends the following months for full task force meetings:

- November/December

- March/April
- June

The general public and other interested parties must be provided an opportunity to comment on proposed projects at full task force meetings. Additionally, rural task force members (in coordination with the Regional Planning Agency) must ensure that projects meet funding eligibility requirements and criteria; are constrained to funding allocation targets for each year of the rural portion of the STIP; and are approved by the task force.

Additionally, task force members are encouraged to develop Illustrative Lists to move projects up if additional funding becomes available. Illustrative projects that are identified locally and approved through the task force can be administratively added to the program when funding is identified. Projects on the Illustrative List should be evaluated and selected based on either established project selection criteria developed through the task force or on the greatest needs of the region.

c. Funding Changes:

Changes to priorities and funding for approved projects can occur throughout the fiscal year, however due to time constraints, it is highly recommended that approved projects in a given fiscal year remain as consistent as possible. If an approved project needs to change administratively or by amendment, it must be done cooperatively per federal regulations. The following list below provides guidance to determine if funding changes and or deletions to approved projects meets the intent of the transportation planning process (CFR23 450.206):

Standards of evidence for actions by County Committees and Rural Task Forces.

1. If an agency/project that was previously funded has its funding significantly changed or removed, did the affected agency agree to the action?
2. To what extent did the decision to change funding for an agency/project follow the RTF's project selection process?
3. Was the process used to divert funding from a previously approved project developed by group consensus as recommended in Section III of the RTF Guidelines or a vote of County Committee/Task Force members?
4. Is the agency/project that had its funding changed re-funded at a later date in the current 4 year STIP cycle?

d. Potential Corrective Actions:

What are the potential consequences of a finding by MDOT that the Federal Planning Process, either in project selection or project changes, was not properly followed?

1. Current fiscal year funding may be jeopardized within the affected RTF.
2. Future fiscal year funding may be re-prioritized to other RTFs.
3. MDOT may be required to intervene in the Regional Planning Agency's management of RTF activities.

IV. Areas of Responsibility

This section is designed to provide a high-level discussion of the roles and responsibilities of MDOT, the Program Advisory Board, rural task force members, and Regional Planning Agencies in successfully implementing Michigan's Local Rural Transportation Program. More detailed information regarding roles and responsibilities can be found in **Appendix G**.

a. MDOT

MDOT is responsible for administering the Local Rural Transportation Program in cooperation with the Rural Task Force Program Advisory Board. MDOT must ensure that all existing and future federal expenditures for rural transportation projects and programs are based on a 3-C multimodal transportation planning process. In order to successfully administer the program, MDOT is responsible for the following major activities:

- Developing funding allocation targets and county-level estimates of STL and EDD funds, and sharing the targets/estimates with the Regional Planning Agency;
- Attending local county-level and full task force meetings, either in person or by conference call;
- Reviewing local county-level and full task force meeting materials (meeting minutes, handouts, rural e-file, data sheets, etc.) for completeness, and programming rural transportation road and transit projects into the MAP database based on approved meeting materials and e-file;
- Reviewing the recommended list of projects submitted by rural task forces for eligibility;
- Determining if a project has been submitted as a Complete Biddable Package for both road and transit projects; and
- Providing approved MDOT job numbers for all new rural transportation projects programmed onto the MAP database.
- Provide reporting tools that will assist the rural task force members in determining the financial status of their respective programs
- Mediating any funding disputes/enforcing trade agreements
- Develop and report statewide targets for required performance measures and ensure performance based planning requirements are integrated into the statewide planning process and products for non-metropolitan areas.

MDOT is responsible for maintaining and updating the state's All-Season road network maps and resending revised maps (either hard copy or electronic versions) to each Regional Planning Agency and county. Electronic versions of the All-Season maps will also be placed on the MDOT rural task force website, and are available for downloading. MDOT will update the maps whenever a revision is requested.

Additionally, MDOT is responsible for developing reliable, regular status reports and posting these reports to the MDOT Local Agency Programs (LAP) and/or rural task force website(s). The reports include information regarding task force target allocations, amount of project obligations, remaining balances, and specific project information. MDOT and each rural task force

must cooperatively monitor the reports in order to be constrained to annual target amounts. MDOT is committed to provide timely reports that can be used to assist the RPAs/RTFs in the monitoring of cradle-to-grave project information.

Transportation Performance Measures in Non-Metropolitan Areas

MAP-21 transformed the federal highway and transit programs by requiring a performance-based approach to decision making. The national system of performance management envisioned in MAP-21 and strengthened in the FAST Act will add consistency and uniformity to the performance-oriented programs that exist around the country by focusing investment decisions around a set of goals articulated in MAP-21. These national goals address safety, infrastructure condition, congestion, system reliability, economic vitality, and environmental sustainability.

Regulations to implement the federal system of performance management have been developed by FHWA and FTA and are nearing completion. The regulations require two types of performance targets for each measure designated by FHWA/FTA. Statewide targets are required to be established by state DOTs to address infrastructure condition and performance in all areas of the state. MPO targets are to be established by MPOs (following the adoption of statewide targets) to cover the MPO's planning area.

MDOT will establish targets for the rural areas in the state for both highway and transit per federal requirements for all the required categories. MDOT will also be responsible for ensuring that performance-based planning requirements are integrated into statewide planning products including the State Transportation Improvement Program and the State Long Range Plan. As required by law, MDOT established initial performance targets for rural transit asset condition in January 2017. The initial targets for rural transit asset condition are based solely on what can be achieved with the investment of funds that MDOT has direct control over. As these targets become more robust, they will take into consideration the role of RTF funding on rural transit asset condition.

If Regional Planning Agencies or Rural Task Force Members have any questions about Performance Measures, Target Setting or Performance Based Planning they should contact the MDOT Rural Program Coordinator.

b. Rural Task Force Program Advisory Board

Created in 2014, the Rural Task Force Program Advisory Board is charged with providing an overall strategic direction to the Local Rural Transportation Program. The Board is ultimately responsible for ensuring that federal and state funding authorized by MDOT is done so in accordance with federal 3-C transportation planning regulations. The Board is to ensure that the planning process is run effectively and funding is utilized efficiently.

The Program Advisory Board is composed of representatives of MDOT, the County Road Association, the Michigan Municipal League, and local rural transit providers. Each board member is responsible for the following major activities:

- Establishing the general direction and goals of the Local Rural Transportation Program;
- Ensuring consistency in the program implementation and administration;
- Enforcing funding agreements and mediate disputes that may occur between task forces and within task forces.
- Analyzing program financial constraint and progress towards performance goals;
- Providing direction on how funding distributions should be made for annual target allocations, August redistributions, and other significant funding issues which may arise; and
- Ensuring progress reports are disseminated to the various constituencies that are affected by decisions of the Program Advisory Board.

The Program Advisory Board is responsible for approving any changes to the rural task force process, tools, data, etc. and for facilitating training, education, and communication of all participants in the process.

c. Rural Task Force Member Agencies

Rural task force member agencies include local elected or appointed officials of county road commissions, cities and villages under 5,000 population, and rural transit providers. Members are required to cooperate with MDOT and the Regional Planning Agency to ensure that a 3-C multimodal transportation planning process is carried out to address regional needs and the programming of rural projects. As such, each task force member is responsible for the following major activities:

- Ensuring that the concerns of local elected/appointed officials with responsibilities for transportation in rural areas are considered during the planning process;
- Assigning and reviewing priorities established at local county-level meetings and reach consensus on rural priorities;
- Reviewing the recommended list of projects submitted by county agencies for eligibility, and allocating funding based on agreement by rural priorities;
- Constraining their annual list of projects to their regional funding allocation targets;
- Ensuring that the public and all other interested parties are provided an opportunity to participate in the project selection process and any propose amendments and/or administrative modifications;
- Submitting project information (i.e., application, Grade Inspection packages, permits, final plans, environmental clearance, right-of-way, etc.) to MDOT's LAP staff in a timely manner per the LAP project planning guide;
- Monitoring individual project(s) for cost overruns, contract modifications, etc. which would impact the project(s) programming; and

- Notifying MDOT and the Regional Planning Agency if a current-year project will not be ready for obligation by August 1st.
- Utilizing the reporting tools provided by MDOT to monitor the financial status of their programs

Task force members must ensure that they will obligate projects in the fiscal year for which they are programmed. If the project cannot be obligated that fiscal year (due to reasons beyond federal obligation authority running out) the project sponsor must notify task force members. The task force will then need to meet and reprioritize projects to maximize use of available federal obligation authority within the current fiscal year.

Additionally, task force members must ensure that projects selected for funding are obligated within three years from the original approved fiscal year. If at the end of the three years the project cannot be obligated, the project sponsor must notify and provide the Regional Planning Agency and rural task force with an explanation for the task force's consideration of further support.

d. Regional Planning Agency

The State of Michigan contains 14 state-designated Planning and Development Regions, more commonly known as Regional Planning Agencies. Public Act 281 of 1945 created Regional Planning Agencies to provide a regional basis for planning and programming activities of the state government and to encourage regional coordination of planning and programming undertaken by local governments. These agencies act as voluntary organizations comprised of local governments dedicated to serving the regional planning needs of multi-county areas in all parts of the state. (See **Appendix A** for a map of all Regional Planning Agencies.)

Since 2012, MDOT has contracted with Regional Planning Agencies to assist in carrying out transportation planning activities in rural areas of the state. As such, each agency is responsible for the following major activities:

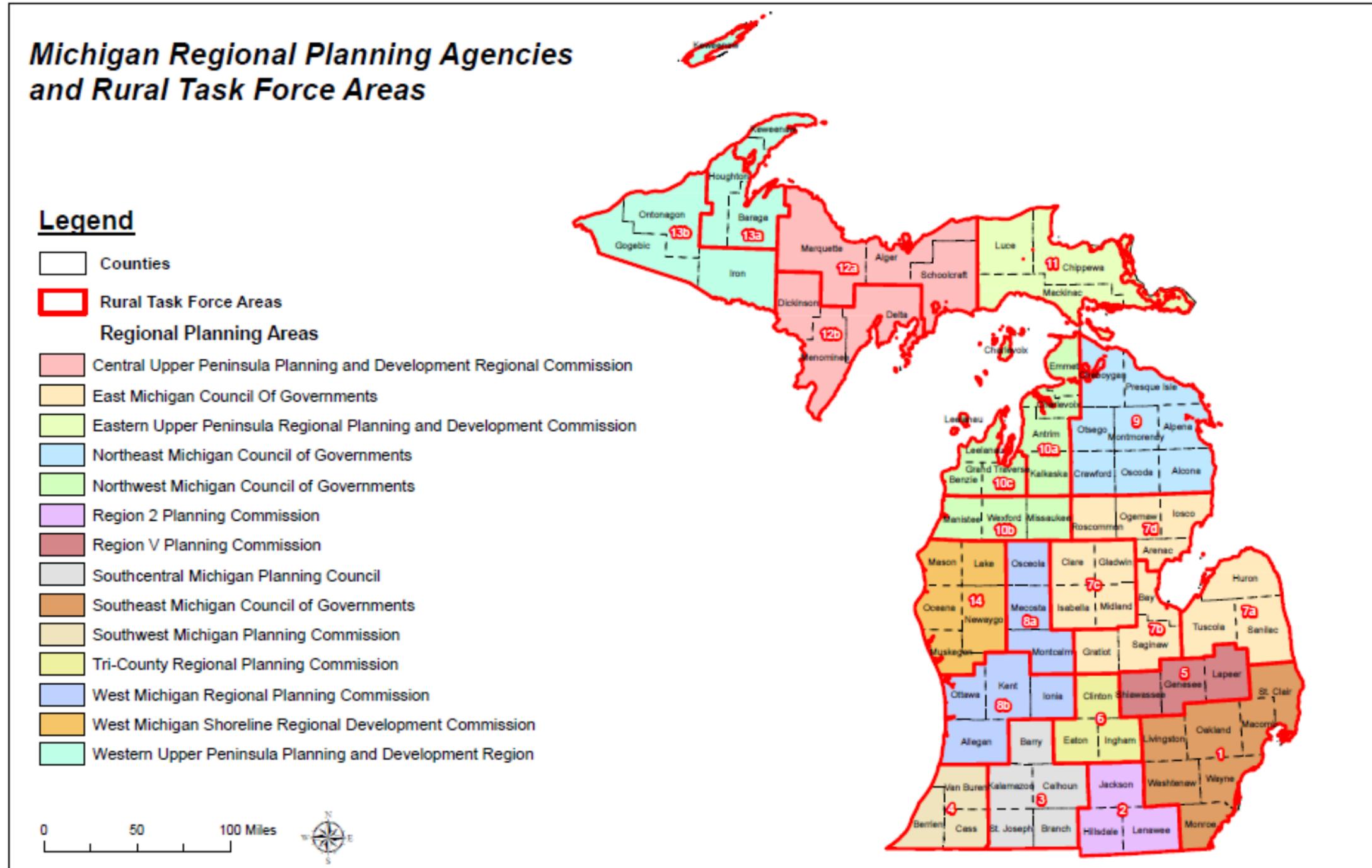
- Acting as the mechanism to ensure that a 3-C multimodal transportation planning process is being carried out within rural areas of the state in consultation with MDOT;
- Working with task force members to address needs and programming for rural transportation projects on the federal-aid system, through development of the rural e-file;
- Ensuring that the concerns of local elected/appointed officials with responsibilities for transportation in rural areas are considered during the planning process;
- Reviewing the recommended list of projects submitted by county agencies and rural task forces for eligibility, and allocating funding based on agreement by rural priorities; and
- Sharing regional funding level targets and estimates with task force members prior to local county-level and full task force meetings.
- Administering any amendments or administrative changes to the e-file.

Each Regional Planning Agency is responsible for setting up and attending local county-level meetings and full task force meetings. It will supply meeting agendas, minutes, handouts, All-Season road maps (if necessary), and any additional project-level information for meeting attendees. Regional Planning Agency staff must notify the public, MDOT staff (Region Planner and/or Central Office), and any other interested parties of the opportunity to participate in the task force meetings. This includes sending notifications out to the entire geographic area of the region in a timely manner based on established procedures written in bylaws or in approved public involvement plans. If no procedures exist, public notification must be sent out at least one week prior to both local county-level and full task force meetings.

The Regional Planning Agency will coordinate the development of a rural e-file with all members of the task force. The e-file will cover a period of no less than four years, matching the same timeframe as the STIP, and will be updated at least every four years. All rural road and transit projects must meet federal eligibility and criteria in order to be included in rural portion of the STIP, and be financially constrained by fiscal year according to the task force funding allocation targets.

Changes to transit projects may either require approval from the rural task force or may be an administrative modification which the RPA can make without further notice. If a project is on the illustrative list and is being moved to the approved project list, it can be moved administratively. If there are cost savings or new money and a new project is being added, one that was not on the illustrative list, this will require an amendment by the rural task force. If an amendment is required, it will need to wait until the next rural task force meeting. The bylaws of each RTF should contain a provision for calling of special meetings of the RTF in the event that project timing requirements do not fit into the regular RTF meeting schedule. More information on amendments and administrative modifications can be found in Appendix F.

Appendix A
Map of Rural Task Forces and Regional Planning Agencies in Michigan



Appendix B

List of Eligible Road and Transit Projects

All road projects to be funded with STL or EDD funds must meet location, eligibility, and planning requirements. In general, road projects must not be undertaken on roads functionally classified as “local” or “rural minor collectors” unless the roads were on the federal-aid highway system on January 1, 1991. The projects must be on existing hard surface roads unless otherwise waived by the regional rural task force. The funds must be used for physical construction only and must not include costs of right-of-way acquisition and engineering.

STL-funded Road Projects³

- Construction, reconstruction, rehabilitation, resurfacing, restoration, preservation, or operational improvements for highways.
- Replacement, rehabilitation, preservation, protection, and anti-icing/deicing for bridges and tunnels on any public road, including construction or reconstruction necessary to accommodate other modes.
- Construction of new bridges and tunnels on a federal-aid highway.
- Inspection and evaluation of bridges, tunnels and other highway assets as well as training for bridge and tunnel inspectors.
- Carpool projects, fringe and corridor parking facilities and programs, including electric and natural gas vehicle charging infrastructure, bicycle transportation and pedestrian walkways, and ADA sidewalk modification.
- Highway safety infrastructure improvements and programs, installation of safety barriers and nets on bridges, hazard eliminations, mitigation of hazards caused by wildlife, railway-highway grade crossings.
- Highway research, development, technology transfer.
- Capital and operating costs for traffic monitoring, management and control facilities and programs, including advanced truck stop electrification.
- Surface transportation planning.
- Transportation alternatives, includes most transportation enhancement eligibilities.
- Transportation control measures.
- Development and establishment of management systems.
- Environmental mitigation efforts (as under National Highway Performance Program).

³ *This represents the full list of STP-eligible activities as stated within the Federal Highway Administration’s **A Guide to Federal-Aid Programs and Projects**. However, most rural task forces spend federal STP funds on construction, 3R, and 4R work activities. The FHWA guide can be viewed and downloaded here: <https://www.fhwa.dot.gov/federalaid/projects.cfm>.*

- Intersections with high accident rates or levels of congestion.
- Infrastructure-based ITS capital improvements.
- Environmental restoration and pollution abatement.
- Control of noxious weeds and establishment of native species.
- Congestion pricing projects and strategies, including electric toll collection and travel demand management strategies and programs.
- Recreational trails projects.
- Construction of ferry boats and terminals.
- Border infrastructure projects.
- Truck parking facilities.
- Development and implementation of State asset management plan for the NHS, and similar activities related to the development and implementation of a performance based management program for other public roads.
- Surface transportation infrastructure modifications within port terminal boundaries, only if necessary to facilitate direct intermodal interchange, transfer, and access into and out of the port.
- Construction and operational improvements for a minor collector in the same corridor and in proximity to an NHS route if the improvement is more cost-effective (as determined by a benefit-cost analysis) than an NHS improvement and will enhance NHS level of service and regional traffic flow.
- Two eligibilities formerly covered by the repealed Highway Bridge Program (HBP)—
 - Construction of a bridge that replaces a low water crossing of any length, a bridge that was destroyed prior to January 1, 1965, a ferry that was in existence on January 1, 1984, or any road bridge rendered obsolete by a Corps of Engineers (COE) flood control or channelization project and not rebuilt with COE funds.
 - Actions to preserve or reduce the impact of a project on the historic integrity of a historic bridge under specified conditions.

EDD-funded Road Projects

- The project must be essential to the creation of an all-season road system.
- The project must be located on a rural primary road or major street in a small city or village (population of 5,000 or less) in counties with a population of less than 400,000.
- Unless waived by the rural task force, the project must be eligible for federal-aid and must be for road improvements on existing hard surface roads.
- The project must meet all-season standards.

- Projects will be coordinated with TEDF-Category F projects to establish all-season system continuity within cities and villages.
- Priority routes must begin and end at an existing all-season road or highway or a point-of-loading origin.

STL-funded Transit Projects

- Capital costs for transit projects eligible for assistance under chapter 53 of title 49, including but not limited to:
 - Bus purchases, rehabilitation, lease, and shelters
 - Van purchases, rehabilitation, and lease
 - Support/administrative vehicle
 - Vehicle equipment
 - Office equipment
 - Computer equipment
 - Communication equipment
 - Maintenance equipment
 - Facility construction, improvements, and purchase
 - Security/surveillance system for buses and facilities
- Transit research, development, and technology transfer.
- Transportation Alternatives.

Appendix C Example of 5 Percent Carryover Option

Beginning in fiscal year 2016, any unspent rural obligation authority, including federal August Redistribution, will be spent by MDOT on the trunkline program. In the following fiscal year, MDOT will provide flexible trunkline obligation authority up to 5 percent of the total rural obligation authority, not including the rural portion of August Redistribution, assigned to the overall Local Rural Transportation Program. Below are examples for further explanation.

Example #1: Local Rural Flexible Obligation Authority

Year 1:	Year 2:	
Statewide Rural Obligation Authority Available (Current Year)	\$42,000,000	Statewide Rural Obligation Authority Available for current fiscal year
Obligated by locals in current year	\$37,000,000	\$44,100,000**
Unobligated balance at end of fiscal year	\$5,000,000	Greater than 5%
Amount of flexible obligation authority to be added to next fiscal year based on 5% limitation	\$2,100,000	

****Statewide Rural Obligation Authority has been increased by \$2,100,000 to show limited allowance of flexible Obligation Authority.**

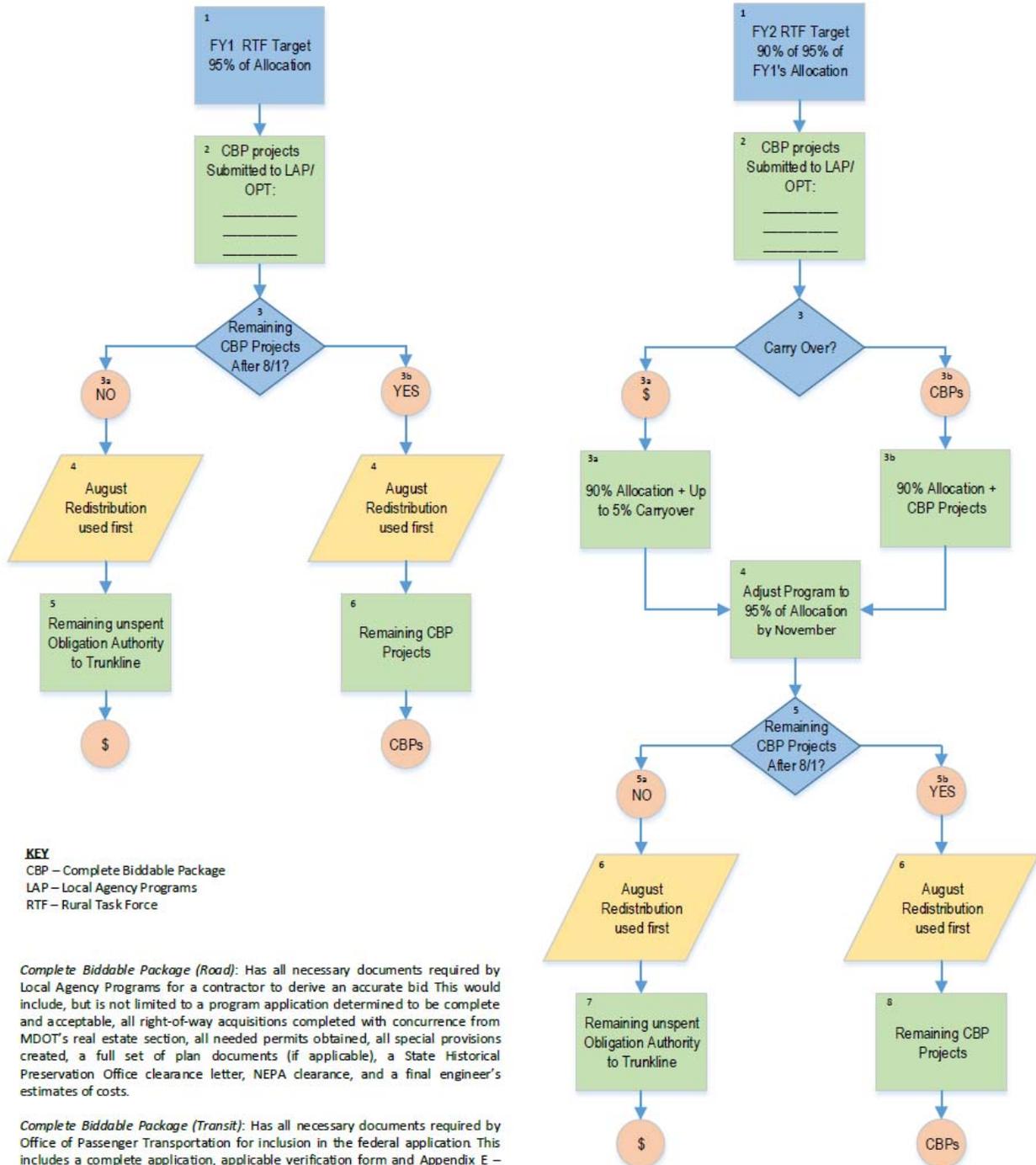
Example #2: Local Rural Flexible Obligation Authority

Year 1:			Year 2:
Statewide Rural Obligation Authority Available (Current Year)	\$42,000,000		Statewide Rural Obligation Authority Available for current fiscal year
Obligated by locals in current year	\$41,500,000		\$42,500,000**
Unobligated balance at end of fiscal year	\$500,000	Less than 5%	
Amount of flexible obligation authority to be added to next fiscal year based on 5% limitation	\$500,000		

****Statewide Rural Obligation Authority has been increased by \$500,000 to show limited allowance of flexible Obligation Authority.**

Appendix D Example of Unfunded Project Carryover

Rural task force Unfunded Project Carryover Solution Flowchart



Rural task force Unfunded Project Carryover Solution Explanation

Fiscal Year 1:

1. Rural task forces will program to a target of 95 percent of fiscal year (FY) 1's base allocations, which are provided by MDOT to the Regional Planning Agencies for each rural task force.
2. Projects must be submitted to Local Agency Programs (LAP) for road projects and to Office of Passenger Transportation (OPT) for transit projects as a Complete Biddable Package (CBP) before they can be submitted for obligation.
3. All CBP projects must be submitted to LAP/OPT on or before the August 1st deadline:
 - a. If Yes – projects that were submitted to LAP/OPT on or before August 1st as a CBP.
 - b. If No – projects were submitted to LAP/OPT after August 1st with a CBP.
4. Any August redistribution the state receives shall be first used to fund CBP projects submitted to LAP/OPT on or before August 1st based on date of submittal. After all CBP projects submitted to LAP/OPT on or before August 1st have been funded, any remaining August redistribution shall be used to fund CBP projects submitted to LAP/OPT after August 1st based on date of submittal.
5. If all current fiscal year CBP projects have been funded, any remaining obligation authority including unutilized August redistribution will be utilized by the trunkline and up to 5 percent of the formula obligation authority and unutilized August redistribution will be reimbursed the following fiscal year.
6. Any unfunded CBP projects submitted to LAP/OPT on or before August 1st will be moved to FY 2 and will be funded off the top. Any unfunded CBP projects submitted to LAP/OPT after August 1st will need to be reprogrammed in a future fiscal year at the discretion of the rural task force.

Fiscal Year 2:

1. Rural task forces will program to a target of 90 percent of 95 percent of FY 1's base allocation provided to each rural task force.
2. Projects must be submitted to LAP/OPT as a CBP before they can be submitted for obligation.
3. Any unspent Obligation Authority or un-obligated CBP projects submitted to LAP/OPT on or before August 1st from FY 1 will affect FY 2's program allocation totals.
 - a. If "\$" (see graphic above) – This represents the original rural task force target allocations of 90 percent of 95 percent of FY 1's allocation plus up to 5 percent

trunkline Obligation Authority and unutilized August redistribution reimbursed to the Local Rural Transportation Program. The 5 percent trunkline Obligation Authority has to be spent in the current fiscal year (FY 2) or it will be lost.

- b. If “CBPs” (see graphic above) – This represents the original rural task force target of 90 percent of 95percent of FY 1’s allocation plus any remaining CBP projects submitted on or before August 1st that were not obligated in FY 1.
4. The Local Rural Transportation Program will be adjusted to at least 95 percent by adding the 5 percent carryover and unutilized August redistribution from the previous fiscal year (FY 1) or by adjusting to a higher allocation to remedy any remaining CBP projects. MDOT is committed to sending readjusted targets to each rural task force by November.
5. All CBP projects must be submitted to LAP/OPT on or before the August 1st deadline:
 - a. If Yes – projects that were submitted to LAP/OPT on or before August 1st as a CBP.
 - b. If No – projects were submitted to LAP/OPT after August 1st with a CBP.
6. Any August redistribution the state receives shall be first used to fund CBP projects submitted to LAP/OPT on or before August 1st based on date of submittal. After all CBP projects submitted to LAP/OPT on or before August 1st have been funded, any remaining August redistribution shall be used to fund CBP projects submitted to LAP/OPT after August 1st based on date of submittal.
7. If all current fiscal year CBP projects have been funded, any remaining obligation authority including unutilized August redistribution will be utilized by the trunkline and up to 5 percent of the formula obligation authority and unutilized August Redistribution will be reimbursed the following fiscal year.
8. Any unfunded CBP projects submitted to LAP/OPT on or before August 1st will be moved to FY 2 and will be funded off the top. Any unfunded CBP projects submitted to LAP/OPT after August 1st will need to be reprogrammed in a future fiscal year at the discretion of the rural task force.

** Note: The discussion above and the identification of “FY 2” is for illustrative purposes only. In reality, when FY 2 begins it becomes FY 1 each new fiscal year.*

Appendix E

Sample Borrowing and Lending Agreement

Fund Transfer Agreement

Some of the feedback that MDOT received from counties and task forces indicated that there was some reluctance among task forces to swap funds with another task force. Under the federal aid system in place funds not obligated within the rural program by the end of the year are lost to the rural program. While there will never be 100 percent certainty that future funds will be available to repay a loaning task force, below is a draft of an agreement that could be developed between task forces and reviewed by the Program Advisory Board. In addition to transfer of federal funds, there may arise circumstances where RTFs may wish to transfer State D (EDD) funds. Transfer of these funds shall be treated similarly to transfer of federal funds.

In addition, all transfer agreements shall address the following issues:

- Amount and Fiscal Year (FY) of funds to be borrowed/lent
- Amount and Fiscal Year (FY) of funds to be repaid
- Disposition of or responsibility for any cost (bid) savings or overages that may occur with the project being funded by the borrowed funds
- Any other potentially foreseeable issues that may affect funding repayments

Date

By execution of this agreement Rural task force XX agrees to allow rural task force YY to obligate \$XXX of rural task force XX's federal/EDD funds during fiscal year 20XX. In return rural task force YY agrees to allow rural task force XX to obligate \$XXX of rural task force YY's federal/EDD funds during fiscal year 20XX.

This agreement is a voluntary agreement between the two task forces and both task forces understand that the availability of future federal aid is not guaranteed.

MDOT, in its role of program management, will strictly interpret the meaning of transfer agreements and is the sole authority for deciding any contingencies or conflicts that may arise from a transfer agreement absent of a mutually approved amendment to any agreement made between RTFs.

Signatures:

- Rural Task Force XX Chairperson
- Rural Task Force YY Chairperson
- MDOT Rural Task Force Coordinator
- Rural Task Force Program Advisory Board Chairperson

Appendix F

Rural E-file Amendment vs. Administration Modification Guidelines

The following guidelines apply to any Rural Task Force (RTF) project, road or transit, listed in the rural e-file. Procedures are applicable to only the participating cost of a project.

Amendments:

- Project additions or deletions to/from the approved project list.
- Requests to shift a project from the approved project list to the Illustrative List.
- Project federal cost change (increase or decrease) of greater than or equal to 25 percent of the amount shown on the approved project list.
- Project funding changes from a state source to a federal source.
- Project funding changes from a federal source to a state source.
- Major scope changes, including the following: project name/route/location change.
- Significant change to limits along route (changes of ½ mile or more).
- Significant change to type of work or project description (if the Primary Work Type field changes or significant changes are otherwise indicated in the description of the project, then it is significant).
- Adding work to previously flexed transit projects when the desired work **is not** on the Illustrative List.

Administrative Modifications:

- Project federal cost change (increase or decrease) of less than 25 percent of the amount shown on the approved project list.
- Minor scope changes, including the following: minor changes to the limits along the same route (changes of less than ½ mile).
- Minor changes to the type of work (if the Primary Work Type field would remain the same, then it is an administrative modification).
- Requests to shift a project on the approved project list from one FY to another, provided fiscal constraint is maintained by year.
- Requests to shift a project from the Illustrative List to the approved project list.
- Technical corrections. (Technical corrections are used to correct various typos, misspellings, and various other data entry errors. These types of technical corrections will be processed as administrative modifications).
- Project state or local cost change of any amount.
- Adding work to previously flexed transit projects when the desired work is on the Illustrative List.

Administrative modifications are minor in nature and can be approved quickly. Administrative modifications do not require a full task force meeting and public involvement period. The

following procedures for administrative modifications should be followed, depending on the type of change.

- Changes to local cost, technical corrections: The agency responsible for the project should send an updated data sheet to the Regional Planning Agency, which will then make the change and submit an updated e-file to the MDOT Rural Program Coordinator.
- All other changes: The agency responsible for the project should send an updated data sheet to the Regional Planning Agency. The Regional Planning Agency representative will distribute the request to the members of the Rural Task Force for e-mail approval by the members. When the change is approved, the Regional Planning Agency representative will send an updated e-file to the MDOT Rural Program Coordinator.

Appendix G

Roles and Responsibilities

In Michigan, rural transportation planning and programming is undertaken by county road commissions, cities/villages under 5,000 in population, rural transit providers, and MDOT cooperatively. In general, each member agency that has jurisdiction over a specific transportation system plays a role in developing transportation needs, projects, and programs. In order to carry out their individual roles each agency has certain responsibilities. There are four general areas of responsibility for rural transportation planning agencies. These have been discussed within the document and are listed below:

- a. Planning**
- b. Funding**
- c. Project Selection and Meeting Coordination**
- d. Programming**

How these four areas of planning, funding, project selection and meeting coordination, and programming are navigated in developing rural transportation projects and programs is a coordinated effort. The following highlights the areas of responsibility for rural transportation planning:

- MDOT conducts statewide transportation planning. This usually includes development of the policy-oriented Statewide Long-Range Transportation Plan.
- The statewide transportation planning process addresses needs/programming for rural transportation projects (road and transit) on the federal-aid system. This process develops a STIP.
- At the regional level, county road commissions, cities and villages under 5,000 population, and rural transit providers develop needs/programming of projects (road and transit) as part of the rural portion of the STIP.
- The process through which rural transportation needs (as developed at the regional level) are reviewed annually by the Michigan Rural Task Force Program Advisory Board. The Board provides advice and recommendations to MDOT to ensure that statewide transportation planning and project decisions reflect the needs of Michigan's rural areas and contribute to regional economic growth and quality of life.

The following sub-sections describe the areas of responsibility for each agency involved in the 3-C multimodal transportation planning process in rural areas. The discussion focuses on the four general areas of responsibility for each agency.

I. The Michigan Department of Transportation (MDOT)

- a. Planning**

MDOT is responsible for administering the Local Rural Transportation Program in cooperation with the Program Advisory Board. MDOT will ensure that all existing and future federal expenditures for rural transportation projects and programs (road and transit) are based on a 3-C statewide multimodal transportation planning process.

b. Funding

MDOT is responsible for distributing rural STL and EDD funds to each regional rural task force based on statewide formulas. The funds represent allocation “targets” that each regional rural task force uses to program projects for the fiscal year. MDOT will supply each rural task force with an annual allocation target for the amount covering the four-year STIP cycle at or near the beginning of the fiscal year, which begins October 1st. Target amounts will be adjusted for previous year projects submitted as a Complete Biddable Package and previous year’s obligation authority. Additionally, MDOT will supply each county with an annual county-level allocation estimate of the rural task force target amount. County-level estimates will be calculated using the same statewide formulas used to calculate full rural task force allocation target amounts.

The annual target amounts will be included within the rural e-file (i.e., spreadsheet) which documents all projects (road and transit) selected and programmed for funding. The constraint portion of the e-file will include each annual STL and EDD targets and will be monitored for financial constraint. MDOT will not allow any regional rural task force to program projects for funding above the annual rural task force target amount.

During STIP development years, which occur every three years, MDOT will create a new rural e-file (i.e., spreadsheet) with projected STL and EDD target amounts for the next four-year STIP timeframe. The EDD target allocations will reflect any carryover of positive or negative balances for the first fiscal year of the e-file only. Additional years’ balances will be determined at the end of each fiscal year. The e-files will be sent to each Regional Planning Agency and then shared with rural task force members for the programming of future road and transit projects.

MDOT will make every effort to review target allocations periodically and update them if/when new federal surface transportation legislation is passed and the state receives new apportionments. The new targets will then be supplied to the Regional Planning Agency for inclusion into the rural e-file.

c. Project Selection and Meeting Coordination

MDOT is responsible for coordinating the project selection process with each Regional Planning Agency. Every effort will be made by MDOT staff to attend county-level and full task force meetings either in person or by conference call; attendance at local county-level meetings are recommended but not required. MDOT staff should be available at all time to receive questions or comments from local rural task force members or the

Program Advisory Board. By law, MDOT is required to vote on any additions, deletions, or revisions to projects funded with EDD funds.

d. Programming

MDOT will receive all local county-level and full task force meeting materials (e.g., agenda, minutes, handouts, approved e-files, data sheets, updated All-Season maps, etc.) from the Regional Planning Agency. The meeting materials will be reviewed for completeness and correctness to ensure that the statewide 3-C multimodal transportation planning process has been followed. MDOT's Local Agency Programs (LAP) and Office of Passenger Transportation (OPT) are charged with determining if a project has been submitted as a Complete Biddable Package for both road and transit projects. (See **Appendix H** for a glossary of planning terms).

MDOT will make project adjustments in the Michigan Architectural Project (MAP) database based on approved meeting materials. This includes any year, cost, and scope adjustments, as well as any project additions or deletions. For all new project additions, MDOT will provide approved job numbers directly into the e-file.

Upon completion, MDOT will provide a current Federal Approval Date in the e-file so that the Regional Planning Agency and rural task force can identify when projects changes have been made. MDOT will then send an updated copy of the e-file back to the Regional Planning Agency with a new date. The Regional Planning Agency can then use the updated e-file for all future project adjustments.

MDOT is responsible for maintaining and updated the state's All-Season road network maps and resending the revised maps to each Regional Planning Agency and county, either in hard copy form or digitized PDF form. Digitized PDF versions of the maps will be placed on the MDOT rural task force website and updated whenever a revision is requested. By law, MDOT is required to vote on any changes to All-Season road network maps.

MDOT is responsible for developing reliable, regular status reports and for posting these reports to the MDOT LAP and/or rural task force website monthly. The reports will also be provided to each Regional Planning Agency for distribution to each task force within the region. The reports will include information pertaining to each task force's target allocation, amount of project obligations, remaining balances, and specific project information. Timely status of the reports will be critical in the monitoring of projects to allow each regional rural task force to be constrained to their individual target allocations. MDOT will also develop tools to assist with the monitoring of "cradle-to-grave" project information. A listing of all approved rural task force projects will be posted on the MDOT LAP and/or rural task force website for public viewing and inclusion within the next STIP amendment submittal to the Federal Highway Administration and the Federal Transit Administration.

II. The Rural Task Force Program Advisory Board

a. Planning

The Rural Task Force Program Advisory Board is responsible for providing overall strategic direction to the Local Rural Transportation Program. The Board is cooperatively responsible for ensuring that the federal-aid authorized by MDOT is done so in accordance with federal 3-C transportation planning laws and regulations. The Board will ensure that the rural transportation planning process is run effectively and funding is utilized efficiently.

The Board is composed of representatives of MDOT, the County Road Association, the Michigan Municipal League, and local rural transit providers. Each board member is responsible for the following major activities:

- Establishing the general direction and goals of the Local Rural Transportation Program;
- Ensuring consistency in the program implementation and administration;
- Analyzing program financial constraint and progress towards performance goals;
- Providing direction on how funding distributions should be made for annual target allocations, August redistributions, and other significant funding issues which may arise; and
- Ensuring progress reports are disseminated to the various constituencies that are affected by decisions of the Program Advisory Board.

b. Funding

The Program Advisory Board is to work cooperatively with MDOT to develop annual target allocations for each rural task force. The task force is then required to select projects in accordance with the targets established cooperatively by MDOT and the Program Advisory Board, based on projected amounts of federal and state funds to be received.

c. Programming

The Program Advisory Board is responsible for annually reviewing the project selection and programming process as conducted by each rural task force. The Board may make recommendations to change the process, tools, data, etc. and facilitate training, education, and communication of all participants in the process.

III. Rural Task Force Member Agencies

a. Planning

Rural task force member agencies include local elected/appointed officials from county road commissions, cities and villages under 5,000 population, and rural transit providers. Each member agency is required to cooperate with MDOT and the Program Advisory Board to ensure that a 3-C multimodal transportation planning process is being carried out in rural areas of the state. Task force members must ensure that the concerns of their local elected/appointed officials with responsibilities for transportation in rural areas are considered during the transportation planning process. The 3-C transportation planning process helps to address local rural needs/programming for rural projects, both road and transit.

b. Funding

Task force members will receive regional target allocations from the Regional Planning Agency. If necessary, task force members must work with MDOT and the Regional Planning Agency to determine county-level funding estimates if the estimates provided by MDOT need to be changed. The members must constrain their annual list of projects to their annual regional rural task force target allocation, as provided by MDOT and shown within the constraint portion of the rural e-file.

c. Project Selection and Meeting Coordination

Before each county-level meeting, rural task force members assign priorities for consideration by completing task force data sheets (e.g., 1797 and 1799 forms for road and transit projects). At county-level meetings, a county road commission representative (1), cities and villages under 5,000 representative (1), and rural transit provider representative (1) will meet and reach consensus on which projects are to be submitted for their county. All eligible projects should be given equal consideration based on the highest and best need for the county. Local counties are encouraged to develop Illustrative Lists to move projects up if additional funding becomes available. (Illustrative projects that are identified locally and approved through the regional rural task force can be administratively added to the approved project list when funding is identified.)

Projects identified and selected locally will be submitted to the full task force for funding. Representatives from each county, MDOT Region, and/or Transportation Service Center are required to attend full task force meetings and approve regional programs.

At full task force meetings, each county will have equal representation from their county road commission, cities/villages under 5,000, and rural transit providers. The counties will review their individual priorities established at county-level meetings, and describe project adjustments (amendments and/or administrative modifications) as required for task force approval. Task force members will then cooperatively review county priorities and select projects for funding based on the region's highest and best needs. Any projects not selected for funding may be reprioritized and placed on a regional Illustrative List.

Task force members must ensure that the public and all other interested parties are provided the opportunity to comment on proposed project adjustments to the task force program.

d. Programming

The rural task force is to program and maintain a financially constrained transportation program for the regional area. Task force member agencies should submit project information as a Complete Biddable Package (i.e., applications, grade inspection packages, permits, final plans, right-of-way plans, environmental clearance, etc.) to MDOT LAP or OPT in a timely manner. The task force should ensure that member agencies will submit projects for obligation in the fiscal year they are programmed. If a project cannot be obligated that fiscal year (for reasons other than obligation authority running out), the project sponsor agency must notify the Regional Planning Agency and task force as early as possible. Task force members will need to meet and reprioritize projects to maximize use of available funding within the current fiscal year.

Each task force member agency is responsible for monitoring their individual project(s) for cost overruns, contract modifications, etc. which could impact the project's programming. Project sponsor agencies should inform other task force members of any cost adjustments that could cause the obligated amount of the project(s) to be higher/lower than what was originally programmed in the rural e-file. Task force members must work with MDOT and the Regional Planning Agency to program any additional cost savings and/or reprioritize projects due to additional cost expenditures.

Rural task force members must coordinate all project adjustments with the Regional Planning Agency to ensure that the rural e-file contains the most up-to-date project information. If necessary, member agencies should coordinate any project changes during each full task force meeting.

IV. Regional Planning Agencies

a. Planning

The Regional Planning Agency is to ensure that a 3-C multimodal transportation planning process is being carried out in rural areas of the state. They will work with task force members to address needs/programming for rural transportation projects (road and transit) on the federal-aid system through development of the rural portion of the STIP.

b. Funding

MDOT is responsible for developing rural STL and EDD target allocations and distributing those to each Regional Planning Agency. The Regional Planning Agency, in turn, is responsible for sharing those targets with each rural task force. If necessary, the Regional

Planning Agency will work with MDOT and task force members to determine county-level funding estimates if the estimates provided by MDOT need to be changed.

The Regional Planning Agency will constrain each task force's annual list of projects to their annual target allocation, as provided by MDOT and shown within the constraint portion of the e-file. If one task force needs to borrow funding from another task force, the Regional Planning Agency will facilitate an agreement (see **Appendix E** for sample agreement) between both task forces and inform MDOT of the action. The decision to borrow funds must be approved at the rural task force level before requesting action by the Regional Planning Agency.

c. Project Selection and Meeting Coordination

The Regional Planning Agency is ultimately responsible for setting up and attending county-level meetings and full rural task force meetings. This includes supplying meeting materials (agendas, past meeting minutes, handouts, copy of e-file or traditional balance sheet, All-Season maps (if necessary), and any other project-level information for attendees. Documentation of local elected/appointed official consultation and stakeholder involvement are required for rural project selection.

The Regional Planning Agency is ultimately in charge of notifying MDOT, the public, and all other interested parties of the opportunity to participate in both county-level and full task force meetings. In some instances, the Regional Planning Agency may work with a task force agency to allow them to send meeting notifications on behalf of the Regional Planning Agency due to potentially having greater knowledge of those wishing to attend. Regardless, notifications must be sent out to the entire geographic area of the region in a timely manner based on established procedures written in bylaws or in approved public involvement plans. If no procedures or plans exist, notification must be sent out at least one week prior to both meetings.

d. Programming

The Regional Planning Agency must coordinate the development of the rural e-file with all members of the rural task force. The e-file will cover a period of no less than four years, matching the same timeframe as the STIP, and will be updated at least every four years. All rural road and transit projects must meet federal eligibility and criteria in order to be included in the e-file, and be financially constrained by year to the task force target allocations. The e-file must include a project, or an identified phase of a project such as construction (CON), only if full funding can reasonably be expected to be available for the project within the time period for completion.

The Regional Planning Agency will work with each task force to determine project adjustments (amendments and/or administrative modifications) based on federal guidelines for project revisions (see **Appendix F** for e-file amendments vs. administrative

modifications). Concurrence for project amendments must take place during a full rural task force meeting. Concurrent for project administrative modifications can take place either during full task force meetings or by electronic vote via email.

The Regional Planning Agency will work with the rural task force to ensure that member agencies submit projects for obligation in the fiscal year they are programmed. This involves requesting each task force member agency to provide project-status updates during full task force meetings. In the case where a task force member agency identifies a project that cannot be obligated by April of the current fiscal year (for reasons other than obligation authority running out), the Regional Planning Agency and rural task force must cooperatively determine whether the project should be reprioritized in a future fiscal year. This will allow the task force to reprogram the funds so that they are not lost at the end of the current fiscal year.

The Regional Planning Agency will document project adjustments and compile meeting materials for submission to MDOT for review. Both county-level meeting materials and full task force meeting materials should be submitted. This includes the following:

- Public notices – Copies of both the county-level and full task force meetings need to be submitted. The notice should include name of RTF, date, time, participants, and location of the meeting. Also, documentation that consultation with local elected/appointed officials, or other representatives, and stakeholders occurred must be included. This is usually in the form of a meeting sign-in sheet.
- Meeting minutes – Required for both county-level and full task force meetings. Draft meeting minutes are sufficient. The meeting minutes should indicate who was in attendance at the meeting.
- Data sheets – MDOT Forms 1797 and 1799 are required for all project adjustments. If MDOT does not receive data sheets, project changes cannot be programmed, which can delay obligation of funds. Information on the forms should match the descriptions and information supplied within the rural e-files.
- Balance sheets – MDOT no longer requires the use of the traditional balances sheet, nor recognizes the balances sheet as the official rural portion of the STIP. The e-files are now considered the official document that house project information for inclusion in the rural portion of the STIP. However, task force member agencies may still utilize the balance sheet for their own recording or project adjustments and costs. If utilized, the balance sheet should show the project name, limits, work descriptions, and costs and match the MDOT data sheets. The total project costs need to be shown and include local participating costs. Transit match can be shown under the local cost column in the balance sheet, but should be shown under the state cost column within the rural e-file.
- All-Season road network changes – Completed and proposed All-Season road improvements utilizing EDD funds need to be shown on the All-Season road map provided by MDOT. The approved additions to the All-Season network need to be depicted on the map as “proposed.” The task force must first approve the proposed

routes before funding can be spent. Constructed projects will be shown as “complete.”

The Regional Planning Agency is expected to submit all necessary meeting materials in a timely manner. Once MDOT reviews the material and makes all necessary project adjustments in the MAP database, it will send to the Regional Planning Agency the approved rural e-file with all relevant federal approval dates and job numbers (for project additions). The Regional Planning Agency will notify task force member agencies of program approval.

Appendix H

Glossary of Planning Terms and Acronyms

A

Administrative Modification: A minor revision to a long-range statewide transportation or metropolitan transportation plan, TIP, or STIP that includes minor changes to project/project phase costs, minor changes to funding sources of previously included projects, and minor changes to project/project phase initiation dates. An administrative modification is a revision that does not require public review and comment, re-demonstration of fiscal constraint, or a conformity determination (in nonattainment and maintenance areas).

Allocation: An administrative distribution of funds for programs that do not have statutory distribution formulas.

Amendment: A revision to a long-range statewide or metropolitan transportation plan, TIP, or STIP, that involves major change to a project included in a MTP, TIP, or STIP, including the addition or deletion of a project or a major change in project cost, project/project phase initiation dates, or a major change in design concept or design scope (e.g., changing project termini or the number of through traffic lanes). Changes to projects that are included only for illustrative purposes do not require an amendment. An amendment is a revision that requires public review and comment, re-demonstration of fiscal constraint, or a conformity determination (for MPO long-range plans and TIPs involving "non-exempt" projects in nonattainment and maintenance areas). In the context of a State Long-Range Transportation Plan, an amendment is a revision approved by the state in accordance with its public involvement process.

Apportionment: The distribution of funds as prescribed by a statutory formula.

Appropriations Act: Action of a legislative body that makes funds available for expenditure with specific limitations as to amount, purpose and duration. An Appropriations Act is passed annually and specifies the amount of funds that Congress will make available for the fiscal year to liquidate obligations.

August Redistribution: The redistributing of unused federal obligation authority as identified by federal regulation. The amount of redistribution is determined by Congress in accordance with federal requirements so that priority is given to those states having large unobligated balances of funds apportioned by federal law.

Authorization Act: Basic substantive legislation that establishes or continues federal programs or agencies and establishes an upper limit on the amount of funds for the program(s). Traditionally a six-year bill that contains the formulas for apportionment.

Available Funds: Funds derived from an existing source dedicated to or historically used for transportation purposes. For Federal funds, authorized and/or appropriated funds and the extrapolation of formula and discretionary funds at historic rates of increase are considered "available." A similar approach may be used for State and local funds that are dedicated to or historically used for transportation purposes.

C

Code of Federal Regulations (CFR): The codification of the general and permanent rules (United States Code) published in the Federal Register by the departments and agencies of the Federal Government. Statewide transportation planning regulations are published within 23 CFR §450.

Complete Biddable Package (Road): Has all necessary documents required by Local Agency Programs for a contractor to derive an accurate bid. This would include, but is not limited to a program application determined to be complete and acceptable, completed Grade Inspection (GI) materials, all right-of-way acquisitions completed with concurrence from MDOT's real estate section, all needed permits obtained, all special provisions created, a full set of plan documents (if applicable), a State Historical Preservation Office clearance letter, NEPA clearance, and a final engineer's estimates of costs.

Complete Biddable Package (Transit): Has all necessary documents required by Office of Passenger Transportation for inclusion in the federal application. This includes a complete application, applicable verification form and Appendix E – Independent Cost Estimate.

Consideration: When one or more parties takes into account the opinions, action, and relevant information from other parties in making a decision or determining a course of action.

Consultation: When one or more parties confer with other identified parties in accordance with an established process and, prior to taking action(s), considers the views of the other parties and periodically informs them about action(s) taken. This definition does not apply to the "consultation" performed by the States and the MPOs in comparing the long-range statewide transportation plan and the metropolitan transportation plan, respectively, to State and Tribal conservation plans or maps or inventories of natural or historic resources.

Cooperation: When the parties involved in carrying out the transportation planning and programming processes work together to achieve a common goal or objective.

Coordination: The cooperative development of plans, programs, and schedules among agencies and entities with legal standing and adjustment of such plans, programs, and schedules to achieve general consistency, as appropriate.

F

Federal Highway Administration (FHWA): A branch of the U.S. Department of Transportation that administers the Federal-aid highway program, providing financial assistance to states to construct and improve highways, urban and rural roads, and bridges. The FHWA also administers the Federal Lands Highway Program, including survey, design, and construction of forest highway system roads, parkways and park roads, Indian reservation roads, defense access roads, and other Federal Lands roads.

Federal Transit Administration (FTA): A branch of the U.S. Department of Transportation that administers Federal-aid funding to transportation authorities, local governments, and states to support a variety of locally planned, constructed, and operated public transportation systems throughout the U.S., including buses, subways, light rail, commuter rail, streetcars, monorail, passenger ferry boats, inclined railways, and people movers.

Fiscal Year (FY): The accounting period for the budget. The Federal fiscal year is from October 1 until September 30. The fiscal year is designated by the calendar year in which it ends. For example, FY 1999 runs from October 1, 1998 until September 30, 1999.

Financial Constraint: Making sure that the metropolitan transportation plan, TIP, and STIP includes sufficient financial information for demonstrating that projects in the metropolitan transportation plan, TIP, and STIP can be implemented using committed, available, or reasonably available revenue sources, with reasonable assurance that the federally supported transportation system is being adequately operated and maintained. For the TIP and the STIP, financial constraint/fiscal constraint applies to each program year. Additionally, projects in air quality nonattainment and maintenance areas can be included in the first two years of the TIP and STIP only if funds are “available” or “committed.”

I

Illustrative Project: An additional transportation project that may (but is not required to) be included in a financial plan for a metropolitan transportation plan, TIP, or STIP if reasonable additional resources were to become available.

M

Metropolitan Planning Organization (MPO): The Policy board of an organization created and designed to carry out the metropolitan transportation planning process for urbanized areas with populations greater than 50,000, and designated by local officials and the Governor of the state.

N

Non-metropolitan Area: A geographic area outside a designated metropolitan planning area; also known as a rural area.

O

Obligation: The Federal government’s legal commitment (promise) to pay or reimburse the States or other entities for the Federal share of a project’s eligible costs.

Obligational Authority (OA): The total amount of funds that may be obligated in a year. For the Federal-aid Highway Program this is comprised of the *obligation limitation* amount plus amounts for programs exempt from the limitation.

Obligated Projects: Strategies and projects funded under title 23 USC and title 49 USC §53 for which the supporting Federal funds were authorized and committed by the State or designated

recipient in the preceding program year, and authorized by the FHWA or awarded as a grant by the FTA.

Program Advisory Board: Also known as the *Rural Task Force Program Advisory Board*, represents the advisory decision-making body of the Local Rural Transportation Program responsible for providing overall strategic direction.

P

Project Selection: The procedures followed by MPOs, states, and public transportation operators to advance projects from the first four years of an approved TIP and/or STIP to implementation, in accordance with agreed upon procedures.

Public Participation/Public Involvement: The active and meaningful involvement of the public in the development of transportation plans and programs.

Public Transportation Operator: The public entity which participates in the continuing, cooperative, and comprehensive transportation planning process in accordance with 23 USC §§134 and 135 and 49 USC §§5303 and 5304, and is the designated recipient of Federal funds under title 49 USC §53 for transportation by a conveyance that provides regular and continuing general or special transportation to the public, but does not include school bus, charter, or intercity bus transportation or intercity passenger rail transportation provided by Amtrak.

R

Revision: A change to a long-range statewide or metropolitan transportation plan, TIP, or STIP that occurs between scheduled periodic updates. A major revision is an “amendment,” while a minor revision is an “administrative modification.”

S

Stakeholders: Individuals and organizations involved in or affected by the transportation planning process. Include Federal/state/local officials, MPOs, transit operators, freight companies, shippers, users of the transportation infrastructure, and the general public.

State Long-Range Transportation Plan: A plan using performance measures and targets that provides for the development and implementation of the multimodal transportation system for the state. The plan covers a minimum 20-year forecast period and considers, as applicable, elements and connections between public transportation, non-motorized modes, rail, commercial motor vehicle, waterway, and aviation facilities, particularly with respect to intercity travel.

Statewide Transportation Improvement Program (STIP): A statewide prioritized listing/program of transportation projects covering a period of four years that is consistent with the long-range

statewide transportation plan (LRSTP), metropolitan transportation plans (MTPs), and transportation improvement plans (TIPs), and is required for projects to be eligible for funding under 23 USC and 49 USC §53.

Surface Transportation Program (STP): Federal-aid highway funding program that supports a broad range of surface transportation capital needs, including many roads, transit, sea and airport access, vanpool, bike, and pedestrian facilities.

T

Transportation Improvement Program (TIP): A prioritized listing/program of transportation projects covering a period of four years that is developed by an MPO as part of the metropolitan transportation planning process, consistent with the long-range transportation plan and required for projects to be eligible for funding under 23 USC and 49 USC §53.

U

United States Code (USC): A consolidation and codification by subject matter of the general and permanent laws of the United States. Statewide transportation planning laws are established within 23 USC §135.

Acronyms

3-C	Continuing, Cooperative, and Comprehensive Planning Process
CBP	Complete Biddable Package
CFR	Code of Federal Regulations
EDD	State Transportation Economic Development Fund-Category D Program
FHWA	Federal Highway Administration
FTA	Federal Transit Administration
FY	Fiscal Year
GI	Grade Inspection
JN	Job Number (MDOT)
LAP	Local Agency Programs (MDOT)
MAP	Michigan Architectural Project (MDOT Database)
MDOT	Michigan Department of Transportation
MPO	Metropolitan Planning Organization
STIP	State Transportation Improvement Program
STL	Surface Transportation Program-Rural
TIP	Transportation Improvement Program
USC	United States Code