Local Rural Task Force Program

FYs 2017-2020 Call for Projects Information

Introduction

The Michigan Department of Transportation (MDOT) in conjunction with the Local Rural Task Force Oversight Board is issuing a "Call for Projects" in non-metropolitan areas for fiscal years (FYs) 2017-2020. The purpose of the call is to solicit projects from local rural highway and transit agencies wishing to utilize federal and state transportation funding for FYs 2017-2020. Projects selected to receive funding will be included in the FYs 2017-2020 Statewide Transportation Improvement Program (STIP).

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.

The current Michigan STIP covers FYs 2014-2017 and was approved by the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) on November 26, 2013. MDOT is developing a new STIP during FY 2016 that will cover FYs 2017-2020. It is anticipated that the new STIP will be federally approved on or before October 1, 2016. The FYs 2017-2020 STIP will cover the four fiscal years between October 1, 2016 and September 30, 2020.

This document provides additional information to Rural Task Force agencies regarding the call process, available funding, project eligibility, and the selection process.

What is the Call for Projects?

The Call for Projects is a process through which funding is allocated to rural highway and transit projects that serve the highest priority needs of the region. Through the call, local rural agencies submit projects to be presented, reviewed, and prioritized by their Rural Task Force and if approved, those projects will become programmed as part of the FYs 2017-2020 STIP.

How much funding is available?

Funding for the Local Rural Task Force Program is provided by MDOT through two main sources: the federally funded Surface Transportation Program-Rural (STL) Program, and the state funded Transportation Economic Development Fund-Category D (EDD) Program.

The STL Program funds projects that preserve and improve the conditions and performance of federal-aid highway and transit capital projects, including terminals and facilities. The EDD Program funds projects designed to serve development and commerce by establishing and integrating a local secondary all-season road network with the state trunkline system.

It is anticipated that MDOT will provide approximately $49 million annually to the Local Rural Task Force Program for FYs 2017 through 2020. This includes $42 million in federal STL[1] funds and $7 million in state EDD funds.

How is funding distributed?

MDOT uses a statewide formula to distribute STL and EDD allocations to each Rural Task Force. Allocations represent "target" amounts that each Rural Task Force uses to program projects for the fiscal year. Task forces are required to select projects in accordance with the targets established by MDOT, which are based on projected amounts of federal and state funds to be received. This is very challenging due to current uncertainties with federal and state funding.

Recently, target amounts were equal to 100 percent of each Rural Task Force's allocation amount. On October 26, 2015, the Rural Task Force Oversight Board cooperatively reached a decision to require each Rural Task Force to use a target amount equal to 95 percent of their FY 2015 base year funding amounts for FY 2016. **The targets will then be adjusted to 90 percent of that amount for all four years of the FY 2017-2020 STIP.** The idea behind using target amounts equal to these percentages is to align Rural Task Force target amounts more closely with federal obligation authority, which averages 93-95 percent of the annual total federal allocation amount. This methodology also provides an allowance in the program to accommodate eligible projects that need to move from the current fiscal year to the following fiscal year if necessary. Funding targets may be adjusted in the future to reflect updated state and/or federal legislation.

Tables 1 shows anticipated STL and EDD target amounts for each Rural Task Force from FYs 2017 through 2020. These amounts represent the **federal portion only** of the funding. All federal funds require a non-federal or "local" match. In Michigan, the standard local match is 20 percent. For highway projects, the local match must be provided by the project sponsor as a monetary cash match. For transit projects, the local match is provided by MDOT through the Comprehensive Transportation Fund.

All dollar amounts represented in the following table are estimates. Please note the revenue package recently passed by the state legislature to increase state funding for transportation does not directly affect the estimates provided in the table.

[1] The STL amount includes $32 million in regular STP-Rural funds and $10 million in STP-Flexible funds. STP-Flexible funds are federal trunkline dollars that are being used to replace Fed-D funds which expired September 30, 2015 as a result of MAP-21 requirements.

Table 1: FYs 2017-2020 Annual STL and EDD Target Allocations

Rural Task Force	County	STP-Rural Allocation	STP-Flex Allocation	STL Total Allocation [1]	EDD Total Allocation [2]
RTF 1	Livingston	$442,519	$84,231	$526,750	$67,489
	Monroe	$425,227	$115,533	$540,759	$92,570
	St. Clair	$534,420	$180,302	$714,722	$144,464
	Washtenaw	$459,807	$138,430	$598,237	$110,915
	RTF 1 Total	$1,861,973	$518,495	**$2,380,468**	**$415,438**
RTF 2	Hillsdale	$379,808	$154,472	$534,280	$123,769
	Jackson	$533,792	$183,961	$717,753	$147,397
	Lenawee	$511,924	$190,978	$702,902	$153,019
	RTF 2 Total	$1,425,524	$529,411	**$1,954,935**	**$424,185**
RTF 3	Barry	$407,273	$144,561	$551,834	$115,828
	Branch	$320,893	$141,845	$462,739	$113,652
	Calhoun	$422,673	$178,792	$601,464	$143,255
	Kalamazoo	$355,947	$106,956	$462,903	$85,697
	St. Joseph	$338,598	$132,722	$471,320	$106,342
	RTF 3 Total	$1,845,384	$704,876	**$2,550,260**	**$564,774**
RTF 4	Berrien	$421,796	$146,476	$568,272	$117,363
	Cass	$347,035	$101,590	$448,625	$81,398
	Van Buren	$470,695	$134,932	$605,626	$108,113
	RTF 4 Total	$1,239,526	$382,998	**$1,622,524**	**$306,874**
RTF 5	Lapeer	$535,992	$143,543	$679,535	$115,012
	Shiawassee	$379,678	$148,426	$528,104	$118,925
	RTF 5 Total	$915,670	$291,970	**$1,207,640**	**$233,937**
RTF 6	Clinton	$381,375	$125,393	$506,768	$100,470
	Eaton	$374,677	$124,025	$498,702	$99,373
	Ingham	$343,053	$124,623	$467,676	$99,853
	RTF 6 Total	$1,099,105	$374,040	**$1,473,145**	**$299,696**
RTF 7A	Huron	$467,502	$147,151	$614,654	$117,904
	Sanilac	$547,287	$155,400	$702,687	$124,512
	Tuscola	$528,670	$153,891	$682,560	$123,303
	RTF 7A Total	$1,543,459	$456,442	**$1,999,901**	**$365,719**
RTF 7B	Bay	$304,856	$114,019	$418,876	$91,357
	Gratiot	$345,219	$148,918	$494,137	$119,319
	Saginaw	$557,448	$161,672	$719,120	$129,538
	RTF 7B Total	$1,207,523	$424,609	**$1,632,133**	**$340,214**
RTF 7C	Clare	$308,369	$101,090	$409,460	$80,997
	Gladwin	$288,595	$101,445	$390,040	$81,282
	Isabella	$366,276	$145,365	$511,641	$116,472
	Midland	$318,546	$99,371	$417,916	$79,620
	RTF 7C Total	$1,281,786	$447,270	**$1,729,056**	**$358,371**
RTF 7D	Arenac	$207,567	$79,233	$286,800	$63,484
	Iosco	$247,077	$90,901	$337,978	$72,833
	Ogemaw	$289,337	$105,772	$395,109	$84,749
	Roscommon	$243,454	$63,507	$306,961	$50,884
	RTF 7D Total	$987,436	$339,413	**$1,326,849**	**$271,950**
RTF 8A	Mecosta	$345,593	$110,158	$455,751	$88,263
	Montcalm	$521,062	$159,449	$680,511	$127,757
	Osceola	$308,410	$108,974	$417,384	$87,314
	RTF 8A Total	$1,175,065	$378,581	**$1,553,646**	**$303,334**
RTF 8B	Allegan	$640,398	$205,280	$845,677	$164,478
	Ionia	$378,553	$155,130	$533,683	$124,296
	Ottawa	$405,779	$86,813	$492,592	$69,558
	RTF 8B Total	$1,424,729	$447,223	**$1,871,952**	**$358,332**
RTF 9	Alcona	$249,834	$87,138	$336,973	$69,819
	Alpena	$234,728	$84,761	$319,490	$67,914
	Cheboygan	$353,410	$95,224	$448,634	$76,297
	Crawford	$226,684	$76,936	$303,620	$61,645
	Montmorency	$215,390	$70,023	$285,413	$56,105
	Oscoda	$225,338	$76,795	$302,133	$61,532
	Otsego	$243,863	$86,843	$330,706	$69,582
	Presque Isle	$259,483	$85,963	$345,446	$68,877
	RTF 9 Total	$2,008,730	$663,683	**$2,672,414**	**$531,771**
RTF 10A	Antrim	$286,645	$89,973	$376,618	$72,090
	Charlevoix	$235,216	$78,874	$314,089	$63,197
	Emmet	$277,322	$99,191	$376,513	$79,476
	Kalkaska	$262,780	$98,503	$361,283	$78,925
	RTF 10A Total	$1,061,962	$366,541	**$1,428,503**	**$293,688**
RTF 10B	Manistee	$280,738	$105,712	$386,450	$84,701
	Missaukee	$265,093	$95,117	$360,210	$76,211
	Wexford	$302,354	$69,561	$371,915	$55,735
	RTF 10B Total	$848,184	$270,390	**$1,118,574**	**$216,647**
RTF 10C	Benzie	$204,063	$77,069	$281,132	$61,751
	Grand Traverse	$340,648	$80,156	$420,804	$64,224
	Leelanau	$209,230	$70,549	$279,779	$56,526
	RTF 10C Total	$753,942	$227,774	**$981,715**	**$182,501**
RTF 11	Chippewa	$141,764	$502,498	$644,262	$113,587
	Luce	$61,437	$217,197	$278,635	$49,226
	Mackinac	$112,801	$291,596	$404,397	$90,381
	RTF 11 Total	$316,003	$1,011,291	**$1,327,294**	**$253,194**
RTF 12A	Alger	$84,979	$244,740	$329,719	$68,089
	Marquette	$112,040	$570,745	$682,785	$89,771
	Schoolcraft	$95,831	$275,337	$371,167	$76,783
	RTF 12A Total	$292,850	$1,090,822	**$1,383,672**	**$234,643**
RTF 12B	Delta	$141,700	$368,293	$509,993	$113,536
	Dickinson	$69,612	$222,716	$292,329	$55,776
	Menominee	$186,150	$381,889	$568,039	$149,151
	RTF 12B Total	$397,463	$972,899	**$1,370,361**	**$318,463**
RTF 13A	Baraga	$251,669	$63,665	$315,334	$51,011
	Houghton	$319,087	$125,093	$444,180	$100,230
	Keweenaw	$123,706	$43,727	$167,433	$35,036
	RTF 13A Total	$694,462	$232,486	**$926,947**	**$186,277**
RTF 13B	Gogebic	$307,692	$103,001	$410,693	$82,529
	Iron	$313,269	$115,387	$428,657	$92,453
	Ontonagon	$326,581	$102,945	$429,526	$82,484
	RTF 13B Total	$947,543	$321,334	**$1,268,876**	**$257,466**
RTF 14	Lake	$269,926	$104,288	$374,214	$83,560
	Mason	$272,188	$95,664	$367,852	$76,650
	Muskegon	$330,540	$107,550	$438,090	$86,174
	Newaygo	$485,266	$146,489	$631,755	$117,373
	Oceana	$326,019	$119,300	$445,319	$95,588
	RTF 14 Total	$1,683,939	$573,291	**$2,257,230**	**$459,345**

1. Total federal STL allocation of the Local Rural Transportation Program is approximately $42 million dollars annually. Per agreement of the Rural Task Force Oversight Board, the FYs 2017-2020 STL annual funding targets are being held to 90 percent of 95 percent of FY 2015 levels due to current uncertainties associated with state and/or federal funding and to provide an allowance in the program to accommodate eligible projects that need to move from the current fiscal year to the following fiscal year if necessary. Funding estimates may be adjusted in the future to reflect updated state and/or federal legislation.
2. The FYs 2017-2020 EDD annual funding targets are being held to FY 2015 base levels and represent allocation amounts only; they do not include any positive or negative balances from previous fiscal years. These amounts will be revised annually to include previous fiscal year balances.

What is Financial Constraint?

Financial constraint is a comparison of total estimated *revenues* (federal/state funds) with total estimated *commitments* (project costs). Each Rural Task Force 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 federally supported transportation system is being adequately operated and maintained. Financial constraint applies to each fiscal year of the STIP. MDOT requires each Rural 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 the four-year STIP period must not exceed the anticipated total amount of funds available (i.e., target amounts) to the Rural Task Force for that period. There are several reasons for this requirement:

- To maintain the Local Rural Task Force Program within anticipated available revenues.
- To be consistent with all applicable laws and regulations.
- To be simple and easy to understand.
- To be consistent with MDOT business practices.
- To represent agreement reached by the Rural Task Force Oversight Board

Rural Task Forces may elect to transfer (i.e., borrow and lend) STL and/or EDD funds to another task force in order to complete larger projects, etc. It will be up to each task force to cooperatively work with MDOT and their Regional Planning Agency to track any transfers and agreements made for repayment of borrowed funds (see Appendix A for a sample agreement). Only similar type funds can be borrowed and repaid between task forces. For example, if Rural Task Force A borrows $100,000 of STL funds from Rural Task Force B, Rural Task Force A will be required to pay back $100,000 of STL funds – not EDD or local funds – to Rural Task Force B, based on the terms of the agreement.

What projects are eligible?

Road projects are eligible for STL and EDD funding. Eligible uses include construction, reconstruction, rehabilitation, resurfacing, restoration, enhancement, and operational improvements. Projects must be located on federal-aid eligible highways that have been functionally classified as a rural major collector or higher according to the National Functional Classification System approved by FHWA. Some STL funds may be spent on rural minor collectors. (MDOT allows up to 10 percent of the total STL funds to be spent on rural minor collectors.) Functional classification maps have been provided to respective county road commissions, cities, and villages or can be viewed at the following Web address: http://mdotcf.state.mi.us/public/maps_nfc/. Additional copies of maps are available from MDOT upon request.

Roads eligible for EDD funds must be classified as county primary or city/village major roads. If a road does not fall into one of these categories, application must be made to MDOT and the classification changed before EDD funds can be used to improve the road.

The road must be built to all-season standards, connect other all-season routes, and cannot be restricted to legally loaded commercial vehicles.

Transit capital projects are eligible for STL funding only and must be eligible for FTA funding in order to use STL funds. Eligible transit capital projects may include replacement buses and rehabilitation of existing buses, communication equipment, maintenance equipment, operational support equipment and services, items related to services under the Americans with Disabilities Act, and facility renovations.

Funds can only be spent on construction costs and contingencies for highway projects and transit capital projects. Right-of-way, construction engineering, and preliminary engineering costs are not eligible.

How will projects be selected?

Projects in rural counties must be evaluated and selected by the Rural Task Force and based on either established project selection criteria developed through the Task Force, or on the greatest needs of the region. Each Rural Task Force selects projects cooperatively with all cities and villages under 5,000 population, county road commissions, rural transit providers, and MDOT (for EDD-funded projects) in accordance with funding targets established by MDOT. Projects will also be reviewed for eligibility and consistency with the criteria established for the state's Transportation Economic Development Fund Program and the federal Surface Transportation Program.

How will Selected Projects be included in the STIP?

The Rural Task Force FYs 2017-2020 STIP Development Process consists of the steps listed below. The schedule of the steps can be found in Appendix B.

1. <u>MDOT Develops Call for Projects for Rural Task Force Program Projects (by October 2015)</u>.

   MDOT develops a Call for Projects letter and instructions document for FYs 2017-2020. The department sends the call letter and instructions document to each Regional Planning Agency in Michigan. The Regional Planning Agency shares the letter and instructions with each Rural Task Force in their geographic area.

2. <u>Rural Task Forces hold meetings to Select Proposed Projects (November 2015 to January 2016).</u>

   Rural Task Forces hold a meeting(s) between **November 2015 and January 2016** to select their FYs 2017-2020 projects using STL or EDD funds. This time frame also includes county-level task force meetings to identify potential projects. The project selection process allows Rural Task Force members to fund as many greatest need projects as possible within the annual RTF funding targets. The Rural Task Force is charged with reviewing the projects and approving them as part of their annual program.

   Regional Planning Agencies are responsible for notifying member agencies, the public, and all other interested parties of the opportunity to participate in all Rural Task Force meetings.

Notification must be sent out at least one week prior to the meeting(s) or in accordance with established procedures written in bylaws or in approved public participation plans. Every effort must be made to solicit input from the public and all interested parties on the proposed program of projects.

3. Rural Task Forces submit Approved Project Listing to the Regional Planning Agency (by January 31, 2016)

   The Rural Task Force is responsible for sending the approved four-year listing of projects to the Regional Planning Agency for consideration and programming into the rural Transportation Improvement Plan (TIP) e-file. This should be done by **no later than January 31, 2016**.

4. Regional Planning Agency reviews and submits Approved Project Listing to MDOT (by February 12, 2016)

   The Regional Planning Agency will review the four-year project listing and input project information into the rural TIP e-file (spreadsheet). The rural TIP e-file represents the approved four-year listing of projects for inclusion into the STIP. The Regional Planning Agency will submit the rural TIP e-file and all supporting documentation (i.e., meeting agenda, minutes, public notices, data sheets, balance sheets, e-file, and all-season road maps, if necessary) to the MDOT Rural Task Force coordinator by no later than **February 12, 2016**.

   Note: The rural TIP e-file must be financially constrained for each fiscal year of the STIP. That is, the total annual amount of STL and EDD funds programmed for projects must not exceed the annual target amount of funds available to the Rural Task Force. The Regional Planning Agency will work with the Rural Task Force to ensure that financial constraint is met for both STL and EDD funds for each fiscal year of the STIP.

5. MDOT will Program Projects into MAP Database (by March 1, 2016)

   Upon receipt of the e-file, MDOT will review each Rural Task Force's four-year listing of projects and supporting documentation. Projects will be programmed into the MAP database by **March 1, 2016**. It is imperative that MDOT receive a complete four year list of Rural Task Force projects no later than February 12, 2016, in order to meet the March 1st programming date. Any MDOT job numbers created will be input directly into the e-file and returned to the Regional Planning Agency upon completion.

6. MDOT STIP Coordinator takes MAP Database Snapshot (by March 1, 2016)

   The MDOT STIP coordinator runs a MAP database "snapshot" or query on **March 1, 2016,** that includes all Rural Task Force projects programmed on the database. The snapshot of projects will be included in the official FYs 2017-2020 STIP document for federal review and approval. Any STL or EDD funded projects that do not make it into the MAP database by March 1, 2016, will need to wait and be amended into the STIP after its approval.

7. MDOT prepares and submits FYs 2017-2020 STIP for Federal Approval (Spring/Summer 2016)

   MDOT prepares a draft FYs 2017-2020 STIP for review and comment during Spring/Summer of 2016. The draft document and project listing will be released to the public for 30 days for review and comment.

   Taking into consideration all comments received, MDOT will finalize the FYs 2017-2020 STIP document and submit it to FHWA and FTA for review and approval by **August 15, 2016**. It is anticipated that FHWA and FTA will need roughly 60 days to review and approve the document and subsequent project listings.

8. FHWA and FTA Approve the FYs 2017-2020 STIP (by October 1, 2016)

   By **October 1, 2016,** FHWA and FTA formally approve the FYs 2017-2020 STIP as the official transportation program of Michigan. MDOT will notify the Regional Planning Agencies of STIP approval, who will in turn notify all local Rural Task Force members.

Appendix A: Sample Agreement for Rural Task Force Funding Transfers

Local Rural Transportation Program Federal Fund Trade Agreement

The purpose of a trade is to utilize all available federal and state funding allocated to the Local Rural Task Force Program. This agreement pertains to STL and EDD funds only. It is not for the trade or exchange of local funds. All agreements must be approved by each Rural Task Force/Metropolitan Planning Organization involved and the parties listed below.

Date:

By execution of this agreement, Rural Task Force A agrees to allow Rural Task Force B to borrow an amount not to exceed $XXX,XXX of Rural Task Force A's STL or EDD funds during fiscal year 20XX. In return, Rural Task Force B agrees to repay Rural Task Force A an amount not to exceed $XXX,XXX of Rural Task Force B's STL or EDD funds during fiscal year 20XX. The project(s) utilizing these funds are included in Attachment 1 of this agreement. If funds are not obligated within the agreed to time frame, the two task forces can re-negotiate and/or forfeit the agreement upon written notification to the MDOT Rural Task Force coordinator.

This is a voluntary agreement between the two aforementioned task forces and both task forces understand that the availability of future federal-aid is not guaranteed. Should any issues arise with this agreement, both task forces agree that the issue will be brought to the Rural Task Force Oversight Board for mediation.

Signatures:

Rural Task Force A Chair	Rural Task Force B Chair
MDOT Rural Task Force Coordinator	Rural Task Force Oversight Board Chair

ATTACHMENT 1

Please attach the approved RTF E-files with the highlighted projects and/or provide a detailed project description of the projects below

Appendix B: Rural Task Force FYs 2017-2020 STIP Development Schedule

Timeframe	STIP Development Steps
By October 2015	**MDOT develops Call for Projects**
	MDOT develops Local Rural Task Force Program "Call for Projects" letter and instructions document, and sends to Regional Planning Agencies (RPAs). RPAs share letter and instructions with Rural Task Force members.
November 2015 - January 2016	**Local County and Rural Task Force Meetings**
	Local counties and Rural Task Forces hold meetings to identify and select FYs 2017-2020 projects using Surface Transportation Program-Rural (STL) and Transportation Economic Development Fund-Category D (EDD) funds. RPA is responsible for setting up meetings and notifying the public and all interested parties of the meeting dates.
By January 31, 2016	**Rural Task Force sends FYs 2017-2020 project listing to Regional Planning Agency**
	Each Rural Task Force sends four-year listing of projects to the RPA by January 31, 2016.
By February 12, 2016	**Regional Planning Agency sends rural TIP e-file to MDOT**
	RPA reviews the four-year listing of projects and programs them into the rural TIP e-file. The rural TIP e-file and supporting documentation is sent to MDOT by no later than February 12, 2016.
By March 1, 2016	**MDOT programs FYs 2017-2020 projects**
	MDOT programs all Rural Task Force FYs 2017-2020 projects onto the MAP database by March 1, 2016. MDOT enters job numbers directly into the rural TIP e-file and returns the e-file to the RPA upon completion.
May - August 2016	**MDOT develops FYs 2017-2020 STIP**
	MDOT develops FYs 2017-2020 STIP document between May and August 2016. MDOT allows for minimum 30 day public comment period and documents any public comments in the STIP.
August 15, 2016	**MDOT submits STIP to FHWA and FTA**
By October 1, 2016	**FHWA and FTA approve STIP**