



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

RICK SNYDER
GOVERNOR

KIRK T. STEUDLE
DIRECTOR

November 4, 2015

Dear Local Partners:

Subject: Rural Task Force Program

The Michigan Department of Transportation (MDOT), in conjunction with the Rural Task Force (RTF) Oversight Board, is pleased to announce that it has achieved significant milestones in improving the RTF Program in a way that fulfills federal oversight rules and better meets the needs of the rural program.

In early 2016, the RTF Oversight Board will begin rolling out materials and guidance documents to bring more transparency and equity to the way federal funds flow through Michigan's Rural Task Forces and Regional Planning agencies.

The Oversight Board has come to consensus on a better path forward to improve how local federal obligation dollars are distributed, allocated, and obligated in the RTF process.

The following are key statements that summarize the new milestones:

- Separating the obligation authority available to the Rural Task Force Program from the rest of statewide local obligation authority pot. This will ensure that no other statewide local program (i.e., MPO, Local Bridge, Local Safety, CMAQ, etc.) can spend obligation authority available to the Rural Task Force Program.
- Guidelines and more training to ensure Regional Planning Agencies are "on the same page" with MDOT, and in their guidance to local road agencies and transit.
- A commitment to fund active projects within a financially constrained RTF described in a complete biddable package (CPB = all needed documents to derive an accurate bid) and submitted by August 1st each year, which should end the occurrence of "lost" project opportunities for counties, cities and villages.
- A change in the use of August redistribution obligation authority to first fund any existing active CPB that was not funded before the year's obligation authority ran out.
- Policy change to ensure current year STIP projects bid-ready by August 1st will be pushed ahead to the next fiscal year – rather than dropped off the list. Any current year STIP project not bid-ready by August 1st will need to be brought back to the RTF and reprioritized within its next-year STIP accordingly.

- An agreement that MDOT will continue, as has been the practice, to spend unused obligation authority, if any, and August Redistribution funds before fiscal year end – and credit the statewide RTF account up to 5 percent plus the August Redistribution amount in the next fiscal year. This ensures all Michigan federal obligation dollars are obligated.
- Improved obligation data returned to RTFs via the RPAs on every project, including allocation amount, obligation amount, bid amount and final amount. This will ensure accountability between RTF partners.
- An agreement to supply county and local spending targets each year in early November.
- An agreement that spending targets will reflect 95 percent of allocation in FY2016, which will be adjusted to 90 percent of that figure in FY2017 and beyond. This will provide obligation authority for all active CPB projects submitted by August 1st and avoid a “cascading” effect of larger-and-larger downward adjustments in future years. Recently, targets reflected 100 percent of the allocation amount – rather than the lesser obligation amount which typically ends up at 93-95 percent of allocation – which led to over-programming and “lost” projects due to obligation authority that was never truly available.
- An agreement that the RTF Oversight Board will review and possibly make an annual adjustment to the obligated percentage (see above) each summer as data becomes available, and before spending targets are released in early November.
- A recommendation that each RTF maintain an Illustrative List of contingency projects, including variable-scope projects, so as to better utilize unused funds at year end. Decisions on which contingency projects to fund will remain with the RTF.
- An agreement to charge the RTF Oversight Board with revisiting the program in 12 months to ensure the changes that are being implemented are achieving the desired outcomes including making the program more transparent and effective.

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In the coming months, the Education Committee of the RTF Oversight Board will begin publicizing the changes in a series of documents, meetings or training sessions and other means. All parties to the board are represented on the committee, which is chaired by Jim Iwanicki, Engineer-Manager of the Marquette County Road Commission.

We feel this is an important step forward in the evolving partnership between MDOT and our local rural partners.

Sincerely,



David E. Wresinski, Chair
Rural Task Force Oversight Board



James M. Iwanicki, Vice-Chair
Rural Task Force Oversight Board