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## **Michigan Local Rural Transportation Program**

# **STATEWIDE GUIDELINES AND OPERATING PROCEDURES FOR RURAL FUNDING AND PLANNING COORDINATION**

**Approved by Rural Task Force Program Advisory Board on May 1, 2025**

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 any past updates to those guidelines. .

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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## 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 outside of any Adjusted Census Urban Boundary (ACUB) and within 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.

### Funding

MDOT provides two main sources of funding for the Local Rural Transportation Program: federal Surface Transportation Block Grant Program (STBG) funds, and state Transportation Economic Development Fund-Category D (TEDF D) funds. Federal STBG funds are used to preserve and improve the conditions and performance of federal-aid highways and transit capital projects, including terminals and facilities. State TEDF D 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 guidance on STBG and TEDF D eligible projects.) Both sets of funds are distributed by MDOT to each rural task force based on a statewide formula.

Projects utilizing federal funds are typically funded with 80% federal funds and require a 20% non-federal match. Matching funds can be state or local funds. The FAST Act allows for a "sliding scale" which is defined under 23 U.S.C. 120(a) and (b) authorizes an upward adjustment to the Federal share for a State containing Federal and nontaxable Indian lands. This option is available for local agencies to increase the federal funding to 81.85% and lower the local match to 18.15%. If an agency chooses the "sliding scale" option, the funding amounts on the data sheet (1799 form) will reflect the percentages and will be programmed manually in JobNet to reflect the increased percentage of federal funding.

Projects utilizing TEDF D funds require a full 20% match of non-state funds. Matching funds can be federal or local funds.

## a. Distribution of Funds

MDOT distributes STBG funds to each rural task force based on a statewide formula. The distributed funds represent a specific fiscal year's allocation "target" amount 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. County level estimates are an important element as the starting point for the local RTF meetings. County level estimates are tracked in the fiscal constraint sheets maintained by the RPAs for each RTF. Any funding arrangements between the RTF members should also be tracked in the fiscal constraint sheet. Using the county-level estimate as a guide, each county agency (i.e., county road commission, cities and villages under 5,000 population not within an ACUB, 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 STIP.

MDOT distributes TEDF D funds to each county based on a statewide formula and are tracked by county. The TEDF D allocation target includes the entire allocation balance of TEDF D rather than being restricted to a specific fiscal year's allocation. TEDF D funds must be obligated, transferred to another county within the specific RTF, or programmed to a project within three years of distribution<sup>1</sup>. An analysis will be done annually after the current fiscal year's allocation is announced. Any area with unprogrammed funds that are older than three years will be contacted by the MDOT RTF Program Manager and told of the need to program the funds to a project. If any county fails to program the funds that are older than three years those funds will be transferred to the other counties in their RTF based on the percentage split of the current year's allocation.

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<sup>1</sup> *Transportation Economic Development Fund Act 231 of 1987, 247.912a, Section 12a(1) - If any represented county fails to submit sufficient qualified projects to obligate its allocation after 3 consecutive years, those funds shall be reallocated to the remaining counties in the same regional rural task force area.*

## b. Rural Obligation Authority

MDOT has agreed to provide the Local Rural Transportation Program with its own separate pot of STP-Rural (STBG) obligation authority.<sup>2</sup> 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. Road projects must be submitted to MDOT’s Local Agency Programs (LAP) as a “Complete Biddable Package” on or before August 1<sup>st</sup> in order to be guaranteed obligation during the current fiscal year or off the top of the next fiscal year as described below. Transit projects must be submitted to Office of Passenger Transportation (OPT) by the third Wednesday in May in order to be flexed. Projects submitted will be reviewed and submitted for obligation in the order the project’s package was received.

After August 1<sup>st</sup> 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 1<sup>st</sup>, and then on Complete Biddable Package projects submitted after August 1<sup>st</sup> 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 to the overall Local Rural Transportation Program. (See **Appendix D** for 5 percent carryover examples.)

Historically there has been a remaining allocation balance; therefore, it is currently recommended that RTFs program to 100% of their STBG federal allocation. Any unfunded Complete Biddable Package projects submitted on or before August 1<sup>st</sup> 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 1<sup>st</sup> will need to be reprogrammed in a future fiscal year at the discretion of the task force. (See **Appendix E** 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.

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<sup>2</sup> State-D (EDD) funds are not subject to obligation authority

### 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 RTF allocation estimates over the four-year rolling timeframe of the STIP.

MDOT requires each task force to be financially constrained to their total annual STBG and TEDF D<sup>3</sup> target amounts. That is, the total amount of STBG and TEDF D 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.
- To represent agreement reached by the Program Advisory Board.

Because the STBG funds are distributed and tracked by RTF the 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 STBG 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. In RTFs that utilize the Pro Rata system it is possible for the RTF allocation to run out due to project overages at time of initial obligation, contract award, contract modifications, and project closeout. Project overages also affect the available bid saving for an RTF. If one RTF member’s project overages effect another RTF member’s project or the ability to utilize bid savings, it is expected that RTF members will work together to make the effected member whole in future years. These arrangements are tracked in the fiscal constraint sheet.

Shifting of TEDF D funds is also allowed within the RTF but requires a transfer of allocation by MDOT from one county to another as these funds are tracked by county. This is described in the next section.

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<sup>3</sup> The TEDF D annual target includes the allowable carry forward from previous fiscal years.

#### **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 (STBG or TEDF D) from another task force due to cost overruns, special projects, etc. If this happens, the borrowing and lending task force must mutually agree to the amount of allocated funds (STBG or TEDF D) returned to the lending task force in a mutually agreed upon fiscal year within the current four-year STIP timeframe. It should be noted: There will never be 100 percent certainty that future allocation of funds will be available, to repay a loaning task force.

- For STBG funds: Because MDOT tracks STBG funds by RTF the allocation is available to any county within that RTF and does not require a transfer. The tracking of any agreement between RTF members of using more of the allocation with the promise of allowing another county to use more in the future is the responsibility of that specific RTF. To complete transfers between RTFs, both task forces must enter into an agreement documenting the exchange and have it approved by the MDOT RTF coordinator (see **Appendix F** for a sample agreement). MDOT will adjust and monitor new allocation targets for those task forces that have entered into agreements.
- For TEDF D funds: Because the TEDF D funds are tracked by county, MDOT must be informed of any transfer of TEDF D funds between counties, even if they are in the same RTF. Note: any transfers of TEDF D funds between counties belonging to different RTFs can only be done in the form of a loan that is to be paid back within 2 years. An TEDF D transfer request can be documented using the sample agreement in Appendix F, in regional RTF committee meeting minutes, or can be done via an email request to the MDOT RTF Coordinator which must include the participating counties and the RPA representative(s). The email can be sent by the RPA representative or the local, (County level) RTF committee chairperson. It must provide a description of the transfer including relevant information such as the year of repayment (if repayment is required), specific dollar amount, etc. In addition, an email reply of concurrence from the participating local RTF committee chairperson, indicating approval of the action by both county and city/village committee members is also required prior to approval.

Note: the transfer of allocation must be complete by MDOT staff prior to obligating funds.

### **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 STIP List of Projects. The STIP List of Projects is a coordinated listing of transportation improvement projects anticipated to be

undertaken in the next four-year period.<sup>4</sup> The RTF fiscal constraint sheet reflects the selected projects for each RTF. The local agencies submit the 1799 or 1797 forms to their RPA for each project on the RTF fiscal constraint sheet. The RPAs program the projects into JobNet, the current MDOT database that holds the STIP list of projects. The projects are federally approved through the Rural STIP and MPO TIP processes and represent the transportation improvement priorities of the region.

Projects seeking STBG or TEDF D funding assistance must be included in the rural task force STIP list of projects. Furthermore, projects for task forces that are also located within the planning area boundary of a metropolitan planning organization (MPO) must be included in that MPO's four-year transportation improvement program (TIP) before funding can be authorized. For these projects, counties must coordinate with the MPO to follow the MPO's planning process for TIP amendments and administrative modifications. The projects listed on the RTF fiscal constraint sheet must match the projects listed in the current STIP (which includes the rural and MPO TIPS), which is a four year listing of projects that is updated every three years overlapping the last year of the current STIP and the first year of the next STIP. The current STIP covers FY 2023-2026. A task force may choose to include additional outer-year projects (beyond the current STIP cycle) for planning and informational purposes only in the RTF fiscal constraint sheet. Projects included in the STIP list of projects must be evaluated and selected based on either an established project selection criterion developed through the task force or based 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 local county and regional RTF committees.

1. Is an agency which has a right to project selection consideration excluded from reasonable funding?
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 the Rural Task Force committee members?

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<sup>4</sup> *The STIP list of projects is not a final schedule of project implementation. Projects shown in the STIP 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 STIP for adjustments to project schedules and changes in priorities of transportation improvements. For example, the STIP 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.*

5. Is each agency/mode sufficiently represented in the current four 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 Local RTF Committee or Regional RTF committee 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 RTF 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 according to 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 if voting is done along organizational affiliation Example: 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 it is not the first preference of each individual. Consensus is often described as being able

to live with the decision despite it not being your preferred approach. **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 outside of any Adjusted Census Urban Boundary (ACUB) within the county, and a representative of transit providers within the County. The local committees should balance the number of committee members between the three member agencies. This balance should be outlined in the local committee bylaws. 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 regional rural task force meetings. Because projects are selected for the four year TIP cycle during STIP development years, local county meetings are *mandatory* for project selection to be brought forward the regional rural task force committee for approval. By not requiring local level meetings outside of STIP development years it enables the local county RTF committee to decide if there are significant changes to the currently selected projects that would warrant a local county meeting.

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 RTF STIP list of projects 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.

If local county RTF meetings are held in conjunction with county commission meetings it is important to separate out the project selection for RTF projects from other county business and to clearly identify the members of the local county RTF committee that will be deciding or voting on RTF project selection.

## 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 STIP. Rural task force members must review individual priorities established during their local county-level meeting and describe any proposed project additions, deletions, or project changes as needed, for task force approval. (See **Appendix G** for the definition of RTF Major Action, RTF Minor Action, and the required action by the RTF committee to approve each category of changes)

Regional Task Force voting committee members are limited to three representatives from each county. One representative from each county's road commission, and one representative for all small cities/villages with a population under 5,000 outside of any ACUB boundary within that county, and one representative for all transit agencies within that county. The cities and villages will need to appoint one person to represent all of the cities and villages within their county for the regional meeting. The transit agencies will also need to appoint one representative for all of the rural transit agencies that serve the county. Some counties do not have a rural transit agency and/or qualifying city/village. In these cases, that voting committee member position is forfeited and is not to be replaced by another category of road agency (road commission, transit, small city) within the county.

A representative of MDOT will act as a committee member on any job that uses TEDF D funds. This includes the designation of new roads into the all-season network as well and any funding changes on existing jobs that utilize TEDF D funding<sup>5</sup>.

It is highly recommended that each rural task force meets 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 1<sup>st</sup>. The Program Advisory Board recommends the following months for full task force meetings:

- August if there are known project changes that will cause a STIP amendment. This will allow the adjustment of limits and funding to be approved through the STIP amendment process. Any minor adjustments necessary after the final targets are released should then be Minor Actions.
- November/December if RTF Major Actions are needed.
- April/May depending on how many projects are obligated/awarded in the individual RTF. This will allow the reprogramming of any identified bid savings

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<sup>5</sup> *Transportation Economic Development Fund Act 231 of 1987, 247.912a, Section 12a(2) - The regional rural task force shall be composed of 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 within the regional area, and a representative selected by the administrator.*

and reallocation of funds for programmed projects that are not moving forward in the obligation process.

- Note: The deadline for transit projects to be flexed is the Third Wednesday in May; and, therefore must be in an approved STIP status by this date

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 fiscally constrained to funding allocation targets for each year of the rural portion of the STIP; and are approved by the task force. The by-laws of each RTF should contain a provision for calling of special meetings of the RTF committee if project timing requirements do not fit into the regular RTF meeting schedule.

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 may be added to the program when funding is identified through an e-mail vote of the Regional RTF committee rather than a public meeting. 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.

Changes to transit projects that have been previously flexed to FTA funds require approval from the rural task force committee. This might be due to a cost savings or a reprioritization of the transit agency. These funds are now FTA funds and cannot be converted back to STBG funds. FTA requires the approval of the RTF committee before these funds can be applied to a different contract, this also ensures transparency in the utilization of RTF funds. If the repurposed funds are being utilized on a project that is on the illustrative list it can be approved through an e-mail vote of the RTF committee since the illustrative list was approved at a public meeting. If the funds are being utilized on a new project the change must be approved at an RTF public meeting. This is consistent with the illustrative procedures listed above.

### **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 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 RTF committee members.
4. Was the agency/project that had its funding changed funded at a later date in the current four 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.

## **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 H**.

**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 STBG and TEDF D funds, and sharing the targets/estimates with the Regional Planning Agency;
- Attending full task force meetings, either in person or by conference call, and local meetings as needed.

- Reviewing local county-level and full task force meeting materials (meeting minutes, handouts, RTF fiscal constraint sheet, data sheets, etc.) for completeness.
- Reviewing All Season route designations to ensure that they meet the requirements of the program.
- Reviewing the recommended list of projects submitted by rural task forces for eligibility;
- Reviewing the project change requests in JobNet, utilizing the data sheet and RTF fiscal constraint sheet.
- Determining if a project has been submitted as a Complete Biddable Package for both road and transit projects.
- 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 web-application maps. A link can be found on the MDOT RTF website and the 1799 data sheets.

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 Statewide targets are required to be established by state DOTs to address infrastructure condition and performance in all areas of the state.

MPOs must either develop their own targets for their planning area or officially adopt the statewide targets.

MDOT is 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. Duties of the Program Advisory Board include:

- Establish the general direction and goals of the Rural Task Force Program.
- Ensure consistency in the Rural Task Force Program implementation and administration.
- Analyze program financial constraint and progress towards performance goals.
- Provide direction on how funding distributions should be made for annual allocations, mid-year distributions, and other significant funding issues which may arise.
- Ensure progress reports are disseminated to the various constituencies that are affected by decisions of the Program Advisory Board.
- Approve changes to the RTF process, tools, data, etc.
- Facilitate training/education/communication of the participants in the Rural Task Force process.
- Ensure that the annual work programs for the Regional Planning Agencies reflects the goals and strategic direction of the RTF Program Advisory Board.

- Ensure that the Local Rural Transportation Program is a multi-modal program meeting the needs of all Michigan citizens in rural areas.

### **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 from each county in the RTF. 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 proposed project changes.
- 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.
- Notifying MDOT and the Regional Planning Agency if a current-year project will not be ready for obligation by August 1<sup>st</sup>.
- 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 or by the third Wednesday in May for transit projects.

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:

- Work with the RTF Chairperson to ensure a cooperative, coordinated, and comprehensive planning process is followed at RTF committee meetings. This process shall be consistent with approved federal planning regulations and provide for the consideration and implementation of projects that address all modes of transportation.
- Ensure that the concerns of local elected/appointed officials with responsibilities for transportation in rural areas are considered during the planning process.
- Ensure the required public involvement and consultation process is followed by providing citizens, affected public agencies, tribal governments, private transportation providers, and other interested parties with sufficient notice and opportunity to comment on proposed transportation projects, plans and programs.
- Program eligible projects and project changes in JobNet as approved by the RTF committees. Ensure that 1799 and 1797 data sheets received from the local agencies match what was approved by the RTF committees as reflected in the RTF fiscal constraint sheet and attach those data sheets to the appropriate project in JobNet
- Share all MDOT correspondence with their respective RTF members.
- Share the most current regional funding level targets and estimates as distributed by MDOT Staff with task force members prior to local county-level and full task force meetings.

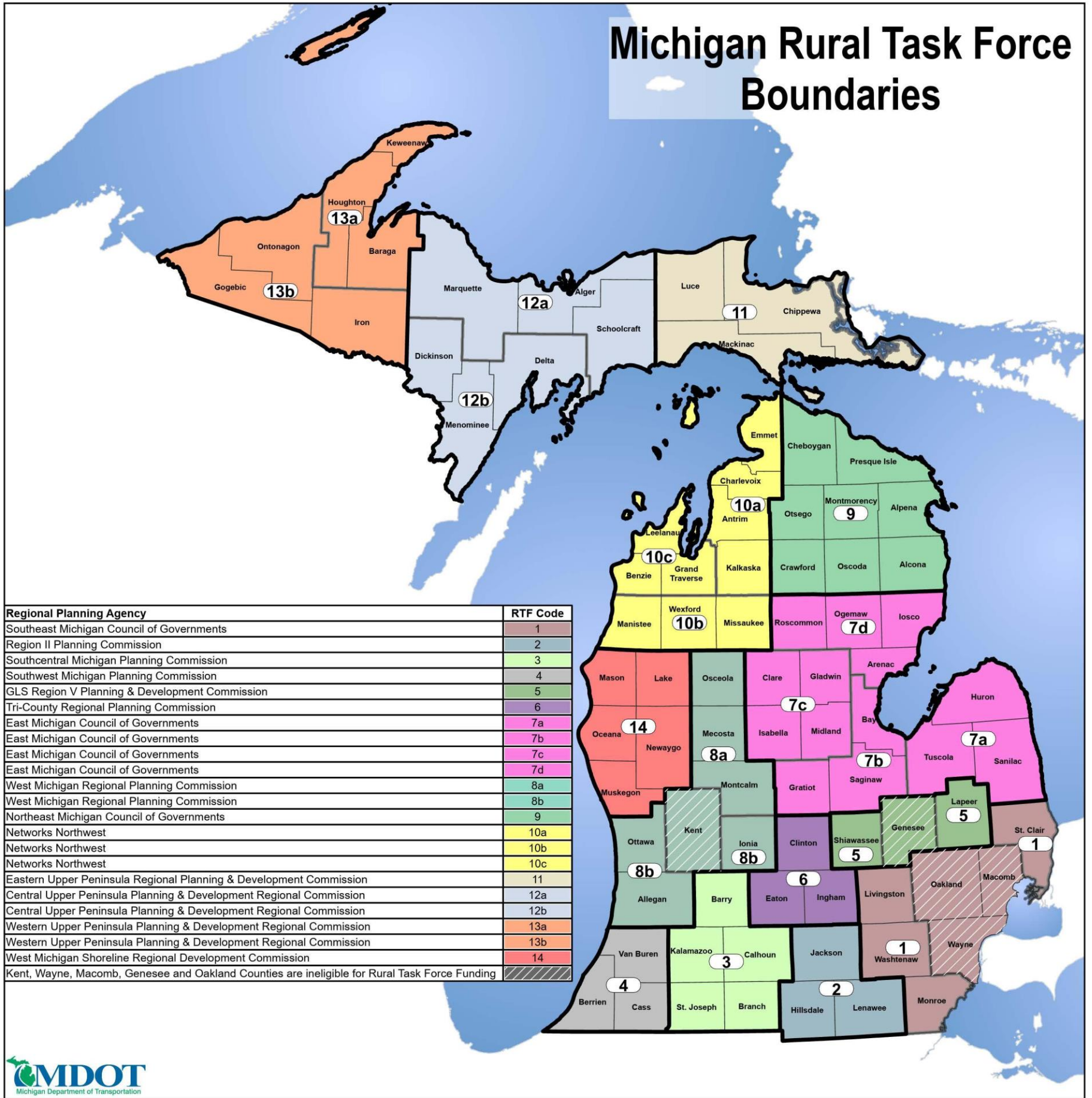
Each Regional Planning Agency is responsible for setting up and attending local county-level meetings and full task force meetings. RPA staff will supply meeting agendas, minutes, handouts, All-Season road maps (if necessary), and any additional project-level information for meeting attendees. Regional 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. These duties can be performed by other RTF members if the individual RTF committee prefers but the RPA must ensure adherence to public notice, accurate meeting minutes, 3C planning process, and attend the meetings

The Regional Planning Agency will coordinate the development of a STIP list of projects with all members of the task force. The Project list 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 STIP and be financially constrained by fiscal year according to the task force funding allocation targets.

## Appendix A

### Map of Rural Task Forces and Regional Planning Agencies in Michigan



Created January 2025

## Appendix B

### List of Eligible Road and Transit Projects

Road projects are eligible for STBG and TEDF D funds while transit projects are only eligible for STBG funding. All road projects to be funded with STBG or TEDF D funds must meet location, eligibility, and planning requirements specific to each funding source. In general, road projects must not be undertaken on roads functionally classified as “local” or “rural minor collectors”, there are two exceptions to this.

1. If a minor collector was on the federal-aid highway system on January 1, 1991 prior to implementation of the National Functional Classification System (NFC) they are eligible for STBG funds. The county legacy maps showing the old federal aid systems can be found here, [Federal-aid highways](#).
2. Another exception is 23 USC 133 (g) Special Rule for Areas of Less Than 50,000 Population which allows up to 15% of the Rural STBG program to be obligated on roads with the NFC classification of rural minor collectors or local roads outside of a Census Urban Area with a population greater than or equal to 50,000.

RTF road projects must be on existing hard surface roads unless otherwise waived by the regional rural task force.

#### STBG Funded Road Project Eligibility

STBG funds may be programmed to any federal aid eligible activity that MDOT LAP has the ability to contract for. Please refer to the LAP [Federal Eligibility Guidelines](#) for details. Each RTF committee may choose to put additional restrictions on the type of projects that the STBG funds are used on. For example, the individual RTF can decide to restrict the use of STBG to construction only if they feel that this is the best way to achieve the goals of their RTF.

Please note that to ensure there is no conflict of interest when federal funds are utilized for PE, CE or ROW the same consultants cannot be used to perform ROW, PE, CE, and construction on the same project. More information on these restrictions can be found here, [Guidance for Local Agency's Use of Consultants on Federal Aid Eligible Projects \(michigan.gov\)](#).

#### TEDF D Funded Road Projects

The project must be on either a Proposed All Season Route (to be improved to all season construction standards) or an All Season Route (currently meets all season construction standards) which meets all of the criteria below. Designation of a Proposed All Season Route or an All Season Routes must be vetted and approved by the Regional RTF committee and verified for eligibility by the MDOT RTF Program Manager. The project must be on existing hard surface roads unless otherwise waived

by the regional rural task force. The funds must be programmed for physical construction only and must not include costs of right-of-way acquisition or engineering.

- 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 and outside of any ACUB) 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 construction standards.
- Projects will be coordinated with TEDF-Category F projects to establish all-season system continuity within cities and villages.
- All Season routes must begin and end at an existing all-season road or highway or a point-of-loading origin. Jurisdictional boundaries are **not** a valid endpoint.

### **STBG 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, and lease
  - Van purchases, rehabilitation, and lease
  - Support/administrative vehicle
  - Vehicle equipment
  - Office equipment
  - Computer equipment
  - Communication equipment
  - Maintenance equipment
  - Facility construction, purchase, improvements, and bus shelters
  - Security/surveillance system for buses and facilities

# Appendix C

## Bid Savings

### STBG Bid Savings

STBG Bid savings is identified at the RTF level and any programming of bid savings must be approved by the Regional RTF committee after all RTF committee members have had the opportunity to present projects for consideration to utilize identified bid savings. Bid savings must be programmed and obligated within the same fiscal year that the project the bid saving came from was obligated. For example; if bid savings are realized from a project with an initial obligation in FY 2025 it must be reprogrammed and obligated in FY 2025. Any unutilized bid savings will remain in the RTF’s allocation account and any RTF that utilizes the pro rata can utilize it for project overages in future years.

Bid savings reports will be developed Monthly and distributed with the RTF Monthly Status Report starting in March of each year that will show the amount of bid savings that are eligible for reprogramming for each RTF. If updated information is needed for a specific RTF please contact the RTF Program Manager and an analysis can be run between the monthly reports.

### Bid Savings Process

1. Identifying Bid-Savings
  - a. Through Bid Savings Report
  - b. Project coming in under engineers estimate at award
2. Contact RTF Program Manager
3. The RTF Manager confirms how much Bid-Savings is available
4. Does it meet Bid-Savings Criteria
  - a. 50% of total allocations are awarded
  - b. The RTF has \$1,000,000 in Carryover
  - c. The RTF caps all projects
5. The RTF Program Manager notifies committee members that there is a Bid Savings available
6. RTF determines how to utilize Bid-Savings
  - a. Add to a project that is unobligated or not yet flexed and overmatched
  - b. Loan to another RTF
  - c. Utilize on an AC/ACC Project
  - d. Use on a new project



## Identification of Bid Savings

RTFs that cap their projects to the programmed amount can utilize bid savings once a project is awarded.

For RTFs that utilize the Pro Rata system identifying bid savings must take into consideration the other projects programmed in the RTF that will affect that RTFs allocation account. This is done to help ensure that project overages are not offsetting project bid savings, which could result in a shortage in allocation for projects obligated later in the year. An RTF must have 50% or more of its Allocation Target awarded before bid savings are identified. The transit projects are included in the awarded projects, since their funding will be flexed to FTA at the amount they are programmed.

If the RTF members feel that there will be significant overage on a project(s) that have not yet been obligated, they should not pursue reprogramming to bid savings until they know the amount of the overages and know that there will be enough allocation to cover the pending projects. Remember that past year's project with overages will affect the RTFs allocation account.

## Utilizing STBG Bid Savings

There are multiple ways to utilize bid savings within the RTF. The four main methods of utilizing the bid savings are:

- Utilize on an existing project that is not yet obligated, or flexed and overmatched.
- Loan the allocation to another RTF that has a need for it before the end of the fiscal year. The allocation will be paid back in a future year. This affects the allocation target for both RTFs.
- Utilized to reduce the Advance construct conversion (ACC) on an Advance Construction (AC) project
- Use on a project that is on the illustrative list or a new project, this could be a PE or ROW phase

### Existing Project

1. If there is an existing project in the RTF that has not been obligated, or flexed if it is a transit project, and is overmatched the confirmed amount of the bid savings can be added to the project, up to the maximum federal share.
2. A new 1799 or 1797 must be submitted to the RPA
3. Approved by the RTF committee as an RTF Major or RTF Minor action based on the amount of increase in the federal share.
4. Approved in the STIP as an Amendment or and Administrative Modification based on the increase of the total project cost
5. The project is ready for obligation or flexing.

## Loan Allocation to Another RTF

1. Identify an RTF that can utilize the bid savings in the current FY.
  - a. Reach out to RTF program manager to identify willing RTF's to take funding
  - b. Utilize CRA engineer list serve to see if any other County can utilize funding
2. Provide a signed contract noting the amount being transferred and the repayment in a future year. See section II Funding (d) Borrowing and lending funds (page 5) for details on this process and a contract template.
3. It is the responsibility of the receiving RTF to ensure that they can utilize the allocation within that FY.
4. The payback will reduce the RTF allocation target for the year that it is being paid back. Projects must be adjusted for that in the payback year.
5. Adjusting the project to receive the loan and the project(s) to remain fiscally constrained based on the allocation target reduction of the payback year will need to be approved by the RTF at full meeting or by email vote depending if it is either an RTF Major or RTF minor action based on project changes.

## Reduce the Advance Construct Conversion (ACC) on an Advance Construction (AC) project

1. Bid Savings can be used to reduce the ACC amount by increasing the current year amount up to the maximum federal share of the project.
2. This is an RTF Minor Action
3. This is an Administrative Modification for the STIP
4. This will reduce the amount of programmed allocation for the ACC year. Because this is a reduction in the target allocation the RTF must adjust projects to be fiscally constrained.

## Use on a project that is on the illustrative list or a new project

Note that the requirements for NEPA, SHPPO and other clearances as well as the development of the LAP complete biddable package for a CON, PE, ROW phase requires a significant amount of time and can make the utilization of bid savings on an illustrative or new road project difficult. This is not true for Transit projects; however, their restriction is that they must be STIP approved by the third Wednesday in May in order to be included in the flex process.

1. If you hope to utilize bid savings on an illustrative or new project construction phase you will need to coordinate with LAP by January or as soon as possible. You may have a project programmed as a draft Job and start the LAP process prior to final identification of bid savings.

2. PE phases need 3-6 months lead time so contact LAP by March.
3. Projects will need to be approved by the RTF committee, e-mail vote for illustrative projects and at a regional RTF committee meeting for new projects.
4. Both illustrative and new projects will need a STIP amendment.

### **TEDF D Bid Savings**

TEDF D target allocation includes the current year allocation and any available carryover. Therefore, any bid savings is returned to the allocation account and may be utilized to program to future projects in the current or a future FY.

## Appendix D

### 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

Action	Amount
Statewide Rural Obligation Authority Available (previous year)	\$42,000,000
Obligated by local agencies	\$37,000,000
Unobligated balance at the end of fiscal year (Greater than 5%)	\$5,000,000
Amount of flexible obligation authority to be added to next fiscal year based on 5% limitation, (5% of \$42,000,000)	\$2,100,000
Statewide rural Obligation Authority Available (Current Year) Statewide Rural Obligation Authority has been increased by \$2,100,000 to show limited allowance of flexible Obligation Authority.	\$44,100,000

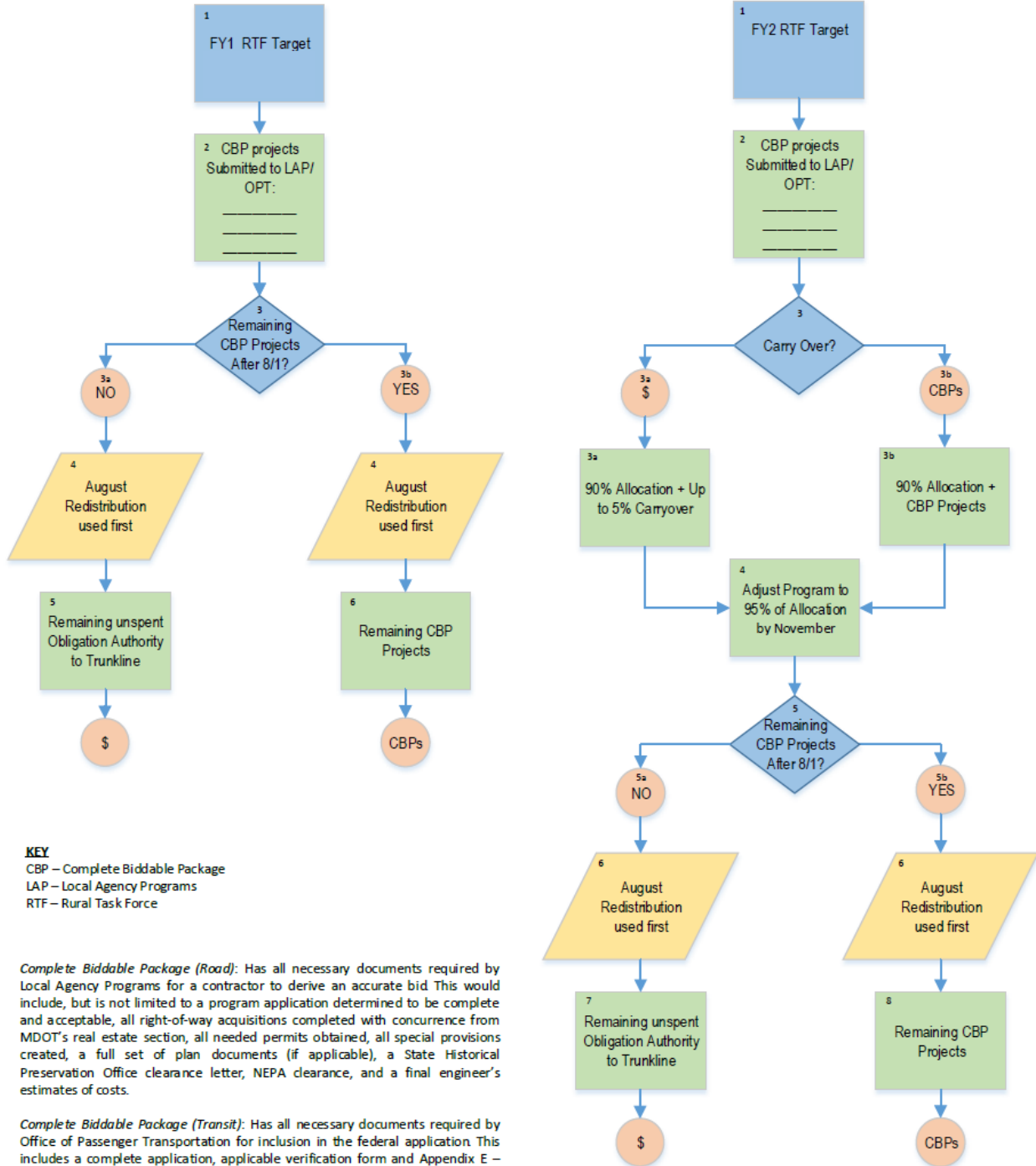
#### Example #2: Local Rural Flexible Obligation Authority

Action	Amount
Statewide Rural Obligation Authority Available (previous year)	\$42,000,000
Obligated by local agencies	\$41,500,000
Unobligated balance at the end of fiscal year (less than 5%)	\$500,000
Amount of flexible obligation authority to be added to next fiscal year based on 5% limitation**	\$500,000
Statewide rural Obligation Authority Available (Current Year) Statewide Rural Obligation Authority has been increased by \$500,000 to show limited allowance of flexible Obligation Authority.	\$42,500,000

# Appendix E

## 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 the target allocation for FY 1, which is provided by MDOT to the Regional Planning Agencies for each rural task force. Note: It is currently recommended that RTFs program to 100 percent of target allocation. This is based on historically having unspent obligation authority remaining at the end of the fiscal year.
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 1<sup>st</sup> deadline:
  - a. If Yes – projects that were submitted to LAP/OPT on or before August 1<sup>st</sup> as a CBP.
  - b. If No – projects were submitted to LAP/OPT after August 1<sup>st</sup> 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 1<sup>st</sup> based on date of submittal. After all CBP projects submitted to LAP/OPT on or before August 1<sup>st</sup> have been funded, any remaining August redistribution shall be used to fund CBP projects submitted to LAP/OPT after August 1<sup>st</sup> 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 1<sup>st</sup> will be moved to FY 2 and will be funded off the top. Any unfunded CBP projects submitted to LAP/OPT after August 1<sup>st</sup> 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 the target for FY 2 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 1<sup>st</sup> 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 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 FY 1’s allocation plus any remaining CBP projects submitted on or before August 1<sup>st</sup> that were not obligated in FY 1.
4. The Local Rural Transportation Program will be adjusted 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 1<sup>st</sup> deadline:
  - a. If Yes – projects that were submitted to LAP/OPT on or before August 1<sup>st</sup> as a CBP.
  - b. If No – projects were submitted to LAP/OPT after August 1<sup>st</sup> 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 1<sup>st</sup> based on date of submittal. After all, CBP projects submitted to LAP/OPT on or before August 1<sup>st</sup> have been funded, any remaining August redistribution shall be used to fund CBP projects submitted to LAP/OPT after August 1<sup>st</sup> 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 1<sup>st</sup> will be moved to FY 2 and will be funded off the top. Any unfunded CBP projects submitted to LAP/OPT after August 1<sup>st</sup> 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. When FY 2 begins it becomes FY 1 each new fiscal year.*

## Appendix F

### Sample Borrowing and Lending Agreement

#### Fund Transfer Agreement between RTFs

Below is an outline of required information and boilerplate language to be utilized as a template for an agreement between Rural Task Forces (RTFs). Approval is required by the MDOT RTF Coordinator prior to project obligation. This form may also be used for the transfer of TEDF D funds by replacing STBG with TEDF D; however, it is not required [See Section II (Funding) d. (Borrowing and Lending of Funds)].

All transfer agreements shall address the following issues:

- Amount and Fiscal Year (FY) of allocation to be borrowed/lent

- Amount and Fiscal Year (FY) of allocation 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 allocation

- Any other potentially foreseeable issues that may affect allocation repayments

#### Date

By execution of this agreement RTF A agrees to transfer \$XXX of RTF A's STBG allocation to RTF B's STBG allocation during fiscal year 20XX. In return RTF B agrees to transfer \$XXX of RTF B's STBG allocation to RTF A's STBG allocation 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 resolving disputes that may arise from a transfer agreement.

#### Signatures:

RTF A Chairperson

RTF B Chairperson

MDOT Rural Task Force Coordinator

## Appendix G

### Definitions of Major Actions (program/project changes), Minor Actions, and Technical Corrections

Major actions require the RTF committee approval at a public meeting. Minor Actions may be approved by the RTF committee through an e-mail vote. Technical corrections are by definition correcting a mistake to ensure that project programming matches what was approved by the committee and therefore does not require additional action by the RTF committee.

RTF approval is not the final approval necessary in order to obligate a project, it must be part of the federally approved STIP. The definition of RTF Major Actions is reflective of the requirements of a STIP amendment, but it does not follow them exactly. Therefore, it is possible for RTF minor action to trigger the need for a STIP amendment. The definitions of STIP amendments and STIP administrative Modifications can be found in Appendix J.

The STIP is made up of the Rural TIP (all areas outside of an MPO planning boundary) and the MPO TIPs. If a rural project falls within an MPO planning boundary, the local agency must follow the MPO planning process. Project changes that require a STIP amendment are coded into JobNet. However, each MPO has the ability to impose additional guidelines defining project changes that require an amendment. Because of this MDOT is encouraging RTFs that have overlapping boundaries with MPOs to contact their specific MPO for guidance on this issue as well as their TIP amendment process and schedule.

Rural Task Force (RTF) projects outside of an MPO boundary are part of the Rural TIP portion of the STIP. Rural TIP amendments follow the federal amendment criteria coded in JobNet. Rural TIP amendments are posted on the MDOT STIP website for two weeks public comment and then submitted for federal approval.

Projects that have similar work type activities that are not considered to be of appropriate scale for individual identification can be grouped together in a General Program Account (GPA) based on that work type activity and included in the STIP, which includes the MPO TIPs and Rural TIP. Some work types are not eligible for GPAs such as reconstruction and projects that contain advance construct funding are also ineligible. A GPA guidance document can be found on the MDOT RTF Website ([General Program Accounts \(GPA\) guidance](#)). Projects within a GPA do not require individual federal approval, the GPA as a whole is approved by FHWA or FTA and STIP amendments are triggered by a GPA total cost change of +/- 25%. Because the GPAs typically have several project in them most individual project changes will not trigger an amendment for the GPA. However, please be aware that changes to projects in a GPA are cumulative so a small change might tip the balance.

The guidance below should be used to determine if a project change is categorized as an RTF Major Action which requires action to be taken at a full regional task force meeting or an RTF Minor Action which requires an e-mail vote of approval from the regional task force committee. Conditions are applicable to only the participating cost of a project.

**RTF Major Actions - requires action at a public Regional RTF meeting:**

- Project additions or deletions to/from the approved project list.
- Requests to shift a project from the approved project list to the Illustrative List.
- Cost change (increase or decrease) of greater than or equal to 25 percent of the federal amount shown on the approved project list.
- For projects that only use TEDF Category D and local matching funds: Project cost change (increase or decrease) of greater than or equal to 25 percent of the State amount shown on the approved list project list.
- 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 Example, changing the major work type from a Preventative Maintenance (PM) category fix to a Resurfacing, Restoration, Rehabilitation (3R) category fix.
- Repurposing previously flexed transit projects funds when the desired work **is not** on the Illustrative List or part of a currently programmed project.

These actions identified as RTF Major action require action at a public Regional RTF committee meeting.

**RTF Minor Actions – May be done though an e-mail vote of the Regional RTF committee:**

- Cost change (increase or decrease) of less than 25 percent of the federal amount shown on the approved project list.
- Projects that only use TEDF Category D and local matching funds: Project cost change (increase or decrease) of less than 25 percent of the state amount shown on the approved list project list.
- Changing federal funding sources while keeping the overall federal cost change (increase or decrease) of less than 25 percent of the federal amount shown on the approved project list. Example: 100,000 in federal (60,000 in STBG and 40,000 in HIC) changed to 110,000 in federal (80,000 STBG and 30,000 HIC).
- 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 Example, the original and the new major work type fall into the Resurfacing, Restoration, Rehabilitation (3R) category fix. 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.
- Repurposing previously flexed transit project funds when the desired work is on the Illustrative List or part of a currently programmed project.

Minor Actions do not require a public involvement and can be handled with an e-mail vote of the Regional RTF committee. The agency responsible for the project should contact the RPA and explain the proposed change and then send an updated data sheet to the RPA. The RPA will distribute the request detailing the proposed project changes via e-mail to the regional rural task force committee for review and approval. If the change is approved, the Regional Planning Agency representative will make the change in JobNet for review and approval by the MDOT Rural Program Coordinator. The RPA will send a PDF of the approval e-mails to the MODT Rural Program coordinator for verification and record of the committee action. If not approved The RPA will inform the committee members and a decision on how to move forward, such as entertain other proposals, call a meeting to discuss, or leave as is, can be reached by the committee members.

#### **Technical Correction – may be done without committee action**

A technical correction fixes something that was programmed in JobNet, entered into a spreadsheet incorrectly, or a typographical error. The correction fixes the record so that it matches what was approved at the RTF meetings. Therefore, you do not need action by the RTF committee. Depending on the magnitude of the correction the RPA should inform the committee of the correction.

## Appendix H

### Roles and Responsibilities

In Michigan, rural transportation planning and programming is undertaken by county road commissions, cities/villages under 5,000 in population and outside of any ACUB, 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 outside of any ACUB, 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 distributes STBG funds to each rural task force based on a statewide formula. The distributed funds represent a specific fiscal year's 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 outside of any ACUB, 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.

MDOT distributes TEDF D funds to each county based on a statewide formula. TEDF D funds are tracked by county. The TEDF D allocation target includes the entire allocation balance of TEDF D rather than being restricted to a specific fiscal year's allocation. This allows the programming of projects to funds that have carried forward from previous years allocation, carryforward is limited to 3 years. Counties within an RTF may transfer TEDF D funds between each other based on what best serves the entire RTF planning area. This allows the proactive transfer of funds prior to the 3 year carry over limit. Based on this, if all of the TEDF D funds within the task force are programmed, we will consider that the individual counties have either submitted sufficient qualified projects for

obligation, or the other counties have already programmed that particular county's funds. The annual target amounts will be provided to the RPAs to be included within the RTF fiscal constraint sheet which documents all projects (road and transit) selected and programmed for funding. MDOT will not allow any regional rural task force to program projects for funding above the annual rural task force target amount.

Allocations for STBG and TEDF D for the current fiscal year and remaining years of the STIP cycle will be updated at the beginning of each fiscal year, as the allocation targets are determined by MDOT. The TEDF D target allocations will reflect any carryover of positive or negative balances for the current fiscal year. Additional years' balances will be determined at the end of each fiscal year. The updated allocation spreadsheet will be sent to each Regional Planning Agency then shared with rural task force members for the programming of future road and transit projects.

If the state receives new apportionments via new federal surface transportation legislation MDOT will update target allocations and distribute them to the RPAs and RTF members. The RTF fiscal constraint sheet will be updated by the RPA with the new allocation targets received from the MDOT RTF coordinator.

### **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 full task force meetings either in person or by conference call, and local meetings as needed. MDOT staff should be available at all times to receive questions or comments from local rural task force members or the Program Advisory Board. By law, designated MDOT planning staff person is required to vote on any additions, deletions, or revisions to projects funded with TEDF D funds.

### **d. Programming**

MDOT will receive all local county-level and full task force meeting materials (e.g., agenda, minutes, handouts, RTF fiscal constraint sheet, 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 I** for a glossary of planning terms).

RPAs will make project adjustments in JobNet based on approved meeting materials and the project data sheets (1799 or 1797) received from the local agencies. This includes any year, cost, and scope adjustments, as well as any project additions or deletions. MDOT RTF Coordinator will review and approve

changes. The RPA will enter the Action Date in JobNet and the project will enter the STIP approval process either through the rural TIP or MPO TIP based on the project location.

MDOT is responsible for maintaining and updated the state's All-Season road network Web Application maps, a link to the map can be found on the RTF Website and the 1799 Data Sheet. By law, designated MDOT planning staff person 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. Any project changes entered into JobNet that require a STIP amendment will be included in the next TIP amendment package for the appropriate MPO or the rural area based on the location of the project.

## **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 transit associations Michigan Public Transit Association (MPTA) and Michigan Association of Transportation Systems (MASSTrans). Duties of the Program Advisory Board include:

- Establish the general direction and goals of the Rural Task Force Program.
- Ensure consistency in the Rural Task Force Program implementation and administration.
- Analyze program financial constraint and progress towards performance goals.

- Provide direction on how funding distributions should be made for annual allocations, mid-year distributions, and other significant funding issues which may arise.
- Ensure progress reports are disseminated to the various constituencies that are affected by decisions of the Program Advisory Board.
- Approve changes to the RTF process, tools, data, etc.
- Facilitate training/education/communication of the participants in the Rural Task Force process.
- Ensure that the annual work programs for the Regional Planning Agencies reflects the goals and strategic direction of the RTF Program Advisory Board.
- Ensure that the Local Rural Transportation Program is a multi-modal program meeting the needs of all Michigan citizens in rural areas.

#### **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 outside of any ACUB, and rural transit providers from each county in the RTF. 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. The members must constrain their annual list of projects to their annual regional rural task force target allocation, as provided by MDOT. The RTF Committee can adjust the recommended county level allocations per consensus or vote. These targets will be updated in the RTF fiscal constraint sheet as they become available.

## **c. Project Selection and Meeting Coordination**

Before each local (county-level) RTF committee meeting, rural task force members assign priorities for consideration by completing rural task force data sheets (e.g., 1797 and 1799 forms for road and transit projects). At local RTF committee meetings the committee members (equal number of representatives from the county road commission, cities and villages under 5,000 and outside of any ACUB and rural transit providers), will meet and reach consensus on which projects are to be submitted for their county to the regional RTF committee for consideration. 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.

At full task force meetings, each county will have one representative from their county road commission, cities/villages under 5,000 and outside of any ACUB, and rural transit providers. The RTF coordinator, representatives from OPT, MDOT Region, and/or Transportation Service Center staff will also attend full task force meetings.

The counties will review their individual priorities established at county-level meetings and describe project adjustments (Major and Minor Actions) 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. Note: The deadline for transit projects to be flexed is the third Wednesday of May; and therefore, must be in an approved S/TIP by this date.

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 JobNet. 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 JobNet 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 RTF Project list documented in the RTF fiscal constraint sheet.

#### **b. Funding**

MDOT is responsible for developing rural STBG and TEDF D 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 and updating the RTF fiscal constraint sheet. If the RTF has chosen to use an initial split of RTF STBG funds by county that differs from the county level

estimates suggested by MDOT the RPA will reflect that in the RTF fiscal constraint sheet.

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 in the updated RTF fiscal constraint sheet. If one task force needs to borrow funding from another task force, the Regional Planning Agency will facilitate an agreement (see **Section II (Funding). d. (Borrowing and Lending of Funds)** and **Appendix F** for sample agreement) between both task forces. The decision to borrow funds must be approved at the Regional RTF level (for STBG funding) or local RTF (for TEDF D funding) 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 RTF fiscal constraint 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 RTF fiscal constraint sheet with all members of the rural task force. The RTF fiscal constraint sheet will cover a period of no less than four years, matching the same timeframe as the STIP, and will be updated at least every three years. All rural road and transit projects must meet federal eligibility and criteria in order to be included in the RTF fiscal constraint sheet and be financially constrained by year to the task force target allocations. The RTF fiscal constraint sheet 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. Once projects are approved by the Regional RTF committee local agencies will submit project data sheets (1799 and 1797) that

reflect the description of the projects listed in the RTF fiscal constraint sheet. RPAs will enter the projects into JobNet to be reviewed and approved by the MDOT RTF Coordinator. The RPA will enter the Action Date in JobNet and the project will enter the STIP approval process either through the rural TIP or MPO TIP based on the project location.

The Regional Planning Agency will work with each task force to determine project adjustments (Major Actions or Minor Actions) based on RTF program guidelines for project revisions (see **Appendix G** for definitions of RTF Major and Minor Actions). Concurrence for project Major Actions must take place during a full rural task force meeting. Concurrence for project Minor Actions 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 or redistribute to another task force member, 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 attended the meeting and all actions taken detailed.
- Data sheets – MDOT Forms 1797 and 1799 are required for all project adjustments and will be attached to the projects in JobNet so that MDOT staff can reference them during review.
- The RTF fiscal constraint sheet may be the traditional balance sheet or any spreadsheet that can be used to show fiscal constraint of projects and project adjustments. The RTF fiscal constraint sheet should show the project name,

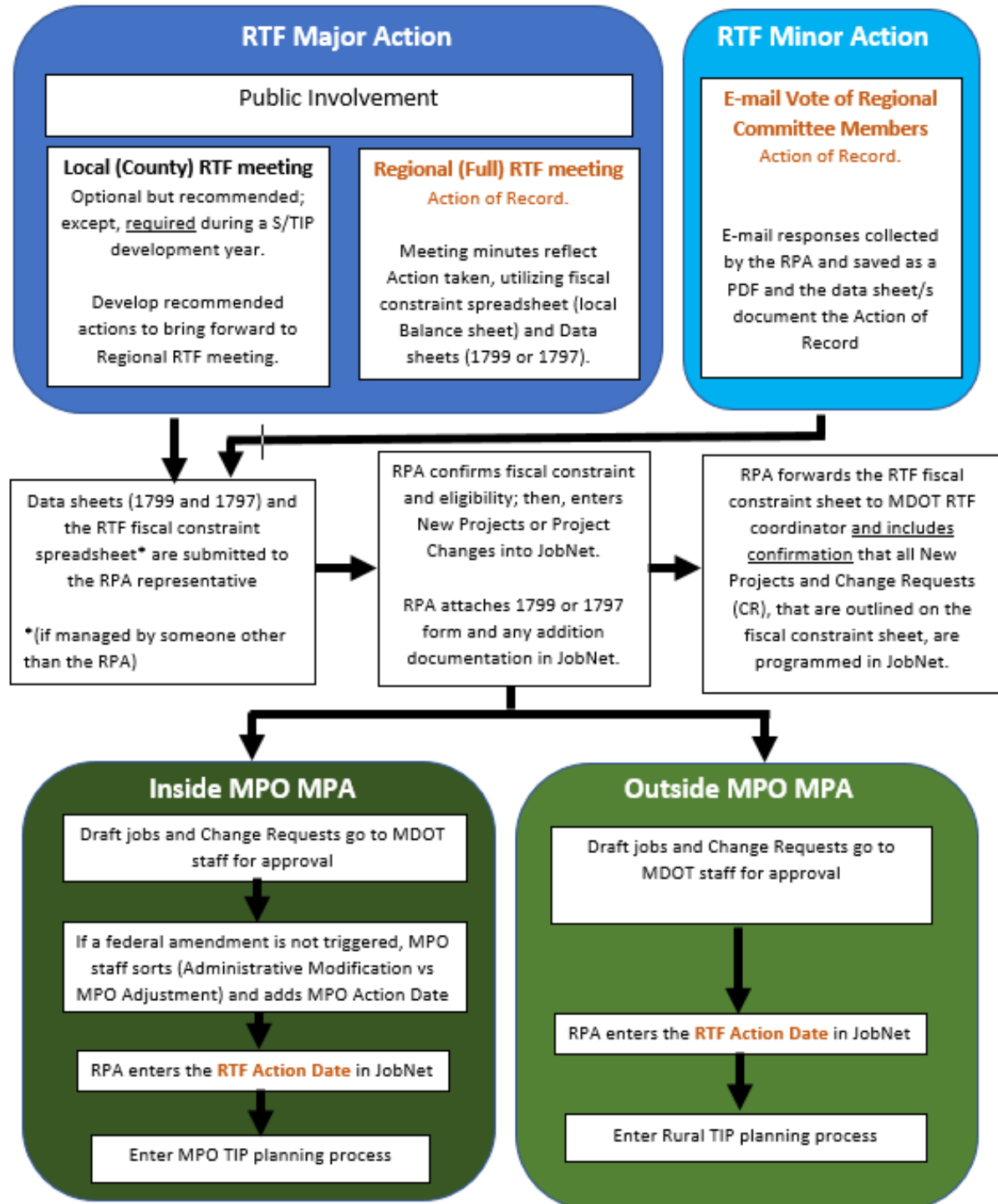
limits, work descriptions, costs and must match the MDOT data sheets. The total project costs need to be shown and include local participating costs.

- All-Season road network changes – The Regional RTF committee must approve all changes to the All-Season Network. The RPA will include the changes in their monthly report to MDOT RTF Coordinator by the 5<sup>th</sup> of each month, along with the meeting minutes where action was taken. Completed and proposed All-Season routes must be shown on the All-Season Web Application map. All road improvements utilizing TEDF D funds need to be on an approved “Proposed All-Season Route” or an “All-Season Route”. A link to the map can be found on the RTF website and the 1799 form. Road segments must be part of the Proposed All-Season Network” or the “All-Season Network”.

The Regional Planning Agency is expected to submit all necessary meeting materials with their monthly report to the MDOT RTF Coordinator. The RPA will program the projects once the data sheet has been submitted by the local agency and the funding is checked against the RTF fiscal constraint sheet. The MDOT RTF Coordinator will review and approve the draft project or project change in JobNet. The RPA will then enter the Action Date and the project will enter the Rural TIP or MPO TIP process depending on the location of the project.

# Appendix I

## Rural Task Force Workflow



Updated September 2, 2020

## Appendix J

### Federal STIP Amendment and Administrative Modification Guidance

#### Amendment

1. Any project or project phase change that affects air quality conformity or requires a conformity determination (in nonattainment and maintenance areas) regardless of the cost of the project or the funding source.
2. A project or project phase change that requires public review and comment and/or the re-demonstration of fiscal constraint.
3. The addition of a new project/phase or moving a project/phase from the illustrative list to the financially constrained list.
4. The deletion a project/phase or moving a project/phase to the illustrative list.
5. Major change in project phase cost (increase or decrease greater than 25% of the total phase cost).
6. Changing a non-Federally funded project/phase to a Federally funded project/phase (except when switching a project from regular federal-aid project to an Advance Construction project or vice versa); and
7. Major change in project/phase design concept or design scope.\*

\*Major change in design concept or design scope is defined as:

- A change resulting in an air quality conformity reevaluation (per Interagency Work Group determination).
- Significant change to work type or project/phase description.
- Significant change in limits – Increase/decrease a project phase length by a ½ mile or more.
- Addition/increase/decrease of a travel lane by ½ mile or more.
- Addition of new project items (sidewalk, bike lane, ADA enhancements) that are a ½ mile or more in length.

#### Administrative Modification

1. Minor change in cost (increase or decrease less than 25% of the total project phase cost);
2. Minor change in funding source (moving from one federal funding source to another federal funding source, except CMAQ funding);
3. Shifting projects/phases between fiscal years of the current STIP while maintaining financial constraint defined as “project selection” in the regulations (23 CFR 450.222 and 23 CFR 450.332);
4. Switching a project/phase from regular federal-aid to Advance Construction and vice versa (per Michigan Division and MDOT finance agreement provided the change is noted in the request sent to FHWA at the time of project/phase authorization);
5. Addition of a project/phase that uses 100% State or local funding, unless it is deemed “regionally significant” by the MPO;

6. Changes in non-federal project/phase costs;
7. Addition of a project/phase for emergency repairs to roads or bridges\*\*;
8. Addition, deletion, and scope changes to projects/phases within General Program Accounts (GPAs);\*\*\*
9. Technical corrections – corrections to typos, misspellings, and other data entry errors.

\*\*Emergency relief projects may (but are not required to) be included in the STIP, except those involving substantial functional, location, or capacity changes per 23 CFR 450.218(g)(5).

\*\*\*May require a Federal amendment for transit projects in urbanized areas if FTA program of projects public participation requirements have not been met.

## Appendix K

### Glossary of Planning Terms and Acronyms

#### A

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*Administrative Modification:* A minor revision to a long-range statewide transportation plan or metropolitan transportation plan, MPO TIP, or Rural TIP 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, MPO TIP, or Rural TIP, 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 Air Quality 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

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*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 F– 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

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*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.”

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## 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.

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## 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.

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## N

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

## O

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*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.

## P

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

*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

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*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

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*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.

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## 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.

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## 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
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
STBG	Surface Transportation Block Grant Program
TEDF D	State Transportation Economic Development Fund-Category D Program
TIP	Transportation Improvement Program
USC	United States Code