

# **State Transportation Improvement Program Guidance**





**Guidance**  
**for the Development of the**  
**State Transportation Improvement Program**  
**(STIP)**

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**Office of Investment Management**  
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## ACRONYMS

AC	Advance Construction
ATIP	Area Transportation Improvement Program
ATP	Area Transportation Partnership
BIA	Bureau of Indian Affairs
BRRP	Bridge Replacement and Rehabilitation Program
CMAQ	Congestion Mitigation and Air Quality
CO	Carbon Monoxide
DNR	Department of Natural Resources
DOT	Department of Transportation
EPA	Environmental Protection Agency
ER	Emergency Relief
FFY	Federal Fiscal Year
FHWA	Federal Highway Administration
FTA	Federal Transit Administration
GAP	Guaranteed Accelerated Projects
HES	Hazard Elimination Safety
HIP	Highway Improvement Program
HOV	High-Occupancy-Vehicle
IRC	Interregional Corridor
IRR	Indian Reservation Roads
ISTEA	Intermodal Surface Transportation Efficiency Act of 1991
ITS	Intelligent Transportation System
IVHS	Intelligent Vehicle Highway Systems
MIS	Major Investment Study
Mn/DOT	Minnesota Department of Transportation
MOU	Memorandum of Understanding
MPO	Metropolitan Planning Organization
NHS	National Highway System
OIM	Office of Investment Management
PL	Planning

RDC	Regional Development Commission
SFY	State Fiscal Year
SIB	State Infrastructure Bank
SPR	State Planning and Research
STIP	State Transportation Improvement Program
STP	Surface Transportation Program
STURAA	1987 Surface Transportation and Uniform Relocation Assistance Act
TEA	Transportation Enhancement Activity
TEA-21	Transportation Equity Act for the 21 <sup>st</sup> Century
TH	Trunk Highway
TIP	Transportation Improvement Program
TMA	Transportation Management Area
TOCC	Traffic Operations Communications Center
TPIC	Transportation Program Investment Committee
TRLF	Transportation Revolving Loan Fund
US DOT	Federal Department of Transportation

## INTRODUCTION

### **Purpose**

This document has been prepared to assist in the development of the State Transportation Improvement Program (STIP). The document is intended for use by the transportation partners involved in this process and provides an overall framework of the Area Transportation Improvement Program (ATIP)/State Transportation Improvement Program (STIP) process. Any questions with regard to content or relating to the process should be directed to the appropriate District office. A list of Mn/DOT Transportation District Offices is provided in Appendix A.

### **Federal Requirements for the STIP**

The Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21) builds on its predecessor, the Intermodal Surface Transportation Act of 1991 (ISTEA), which created a new focus for transportation. Both acts emphasize a seamless intermodal transportation system for the movement of people and goods. TEA-21 requires the development of a State Transportation Improvement Program or STIP for all areas of the state. TEA-21 is based on the premise that a mature transportation system exists and the emphasis should be on preservation and operational improvements.

The STIP must include capital and non-capital transportation projects proposed for funding under Title 23 United States Code (USC) (highways) and Title 49 USC (transit). The STIP must also contain all regionally significant transportation projects that require an action by the Federal Highway Administration (FHWA) or the Federal Transit Authority (FTA) whether or not funding from either agency is anticipated. For informational purposes, the STIP should also include all regionally significant projects regardless of jurisdiction, mode, or source of funding.

At a minimum the STIP must include a priority list of transportation projects for a three-year time frame. The STIP may include projects for a longer time period with additional years considered informational by the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA). Minnesota currently limits its STIP to a three-year time frame.

The projects in the STIP must be consistent with the Statewide Transportation Plan that is also required under TEA-21. The STIP must be financially constrained by year and must indicate whether the transportation system is being adequately operated and maintained. The STIP must include sufficient financial information to demonstrate which projects are to be implemented using current revenues. If additional funding sources are proposed for some projects, strategies for ensuring the availability and likelihood of additional funding are necessary.

The following types of projects may be excluded from the STIP if the state so chooses:

Safety projects funded under the Surface Transportation Assistance Act of 1982, Section 402, as amended (primarily concerning education and enforcement activities);

Intelligent Transportation System (ITS), formerly called Intelligent Vehicle Highway Systems (IVHS) planning grants funded under ISTEA, Section 6055b;

Transit planning grants funded under the Federal Transit Act, Sections 5303 or 5313;

Metropolitan Planning Projects (PL funds);

State Planning and Research projects (SPR), except those funded with National Highway System (NHS) or Surface Transportation Program (STP) funds; and

Emergency Relief (ER) projects (except those involving functional, location, or capacity changes).

Of these types of projects, Mn/DOT excludes all except ITS projects in its STIP.

The STIP will include the final Transportation Improvement Programs (TIPs) forwarded by the Metropolitan Planning Organizations (MPOs). An MPO TIP is subject to an air quality conformity determination if the MPO is a non-attainment or maintenance area for air quality as identified by the US Environmental Protection Agency (EPA). The state must certify that a transportation planning process is being carried out in accordance with the applicable requirements. The FHWA and FTA may jointly approve the STIP for no more than a two-year period. The FTA may separately approve operating assistance for specific projects or programs, if necessary.

TEA-21, like ISTEA before it, requires an opportunity for early and continuous involvement in the development of the Statewide Transportation Plan and the STIP. Public involvement is also a mandatory component of the MPO planning process under TEA-21. The public involvement process may be informal, although the Twin Cities Metropolitan Council must hold a formal public meeting since it is a Transportation Management Area (TMA) as defined in TEA-21. The Statewide Transportation Plan and the STIP must be published and made available for public review and comment. The state must also provide for public comment on existing or proposed procedures for public involvement.

Guidance on implementing public involvement programs can be found in Mn/DOT's *Hear Every Voice - A Guide to Public Involvement at Mn/DOT*. *Hear Every Voice* provides guidelines to assist Mn/DOT personnel in implementing public involvement plans and activities. *Hear Every Voice*

highlights public involvement best practices and techniques for use in planning, programming, and project development.

Environmental Justice is defined in an Executive Order issued on February 11, 1994 (EO 12898). Environmental Justice is intended to identify and address disproportionately high and adverse human health or environmental effects. These disproportionately high and adverse effects include interrelated social and economic effects, of the programs, policies, and activities of government agencies on minority populations and low-income populations in the United States. Mn/DOT has issued draft guidance that details how its planning, programming, and project development processes should implement the objectives of Environmental Justice.

Guidance on implementing public involvement programs that specifically reach out to non-traditional (minority and low-income) stakeholders is also included in Mn/DOT's Guide to Public Involvement *Hear Every Voice* which can be found at: [www.dot.state.mn.us/pubinvolve/partner.html](http://www.dot.state.mn.us/pubinvolve/partner.html).

## **FEDERAL PROGRAMS**

### **Federal Aid Highway Funding (Title 23)**

The Federal Aid Highway Program includes two systems with specific funding, the Interstate System and the National Highway System (NHS). The Interstate System is actually a component of the NHS. The Interstate System includes two funding components as follows:

Interstate Completion

Interstate Maintenance

The Interstate Maintenance Program is available to reconstruct, rehabilitate, restore and resurface the Interstate System. High-Occupancy-Vehicle (HOV) and auxiliary lanes are eligible for this funding. Capacity additions to the Interstate System may only be from the NHS or Surface Transportation Program (STP) funding unless the principal purpose is to provide HOV or transit lanes. The NHS, including the Interstate System, has been approved by Congress and includes approximately 4,000 miles of highways within Minnesota.

The Surface Transportation Program (STP) is designed to address specific issues identified by Congress and issues raised within a state which are of national significance. The STP funding (other than safety, enhancement, and bridge) may be spent on any road not functionally classified as local. A maximum of 15% of STP funds for municipalities with populations under 5000 population may be spent on rural minor collectors and on other eligible activities. The STP funding includes minimum apportionment provisions over the life of the act, as follows:

10 percent for enhancement activities;

10 percent for safety activities;

24 percent for Transportation Management Areas (Twin Cities Area);

26 percent for other areas of the state (includes 110 percent of 1991 secondary funding for rural areas under 5,000 population); and

30 percent for any area of the state.

TEA-21 includes the Minimum Guarantee equity adjustment. This equity adjustment is used to return a fair share (minimum of 90.5%) to each of the states.

The Congestion Mitigation and Air Quality Improvement Program (CMAQ) directs funding toward transportation projects in air quality non-attainment areas and maintenance areas. CMAQ projects are expected to contribute to meeting the national ambient air quality standards. The Twin Cities, Duluth and St.

Cloud are eligible for the utilization of CMAQ funds since these areas are air quality maintenance areas.

The Bridge Replacement and Rehabilitation Program (BRRP) provides assistance for any eligible bridge on a public road. A bridge is eligible if the rehabilitation sufficiency rating is less than 80 or the replacement sufficiency rating is less than 50. The state must spend a minimum of 15 percent but not more than 35 percent of this funding on off system bridges (bridges on roads functionally classified as local). STP funding for bridge projects may be used on any federally eligible bridge project on any public road and is not restricted by functional classification.

The Federal Lands Highways Program funding is managed by FHWA. There is limited state authority over this category of funding (see Appendix B). The Federal Lands Highways Program includes the following categories of roads:

Indian Reservation Roads (IRR);

Parkways and Park Roads;

Public Lands Highways, which includes the former Forest Highways category; and Refuge Roads.

In TEA-21, Congress has designated 52 High Priority projects (FHWA & FTA) and four earmarked projects in Minnesota. The FFY 2001 Appropriations Bill added one new High Priority project. There are also several special "demonstration" projects that have fund balances from previous federal highway authorization and appropriations acts.

Other special categories of funding include National Recreational Trails managed by the Department of Natural Resources (DNR) and National High-Speed Ground Transportation, Safety Belts and Motorcycle Helmets, and Motor Carrier Safety managed by FHWA.

#### **Federal Transit Assistance (Title 49)**

A portion (\$2.86 of the cost of each gallon of gas) of the federal gas tax is placed in the Mass Transit Account of the Federal Highway Trust Fund. These funds, and general fund appropriations, are reserved for transit purposes and are managed by the FTA. Transit funding authorized by TEA-21 is managed in several ways. The largest amount is distributed to the states by formula. Other program funds are discretionary and some are earmarked for specific projects. FTA transit allocations may be administered by the state or granted directly to the transit agency.

In Minnesota, FTA transit allocations for rural and small urban transit capital and operating assistance is managed by Mn/DOT's Office of Transit (OT). These formula programs include the Elderly and Persons with Disabilities Program (5310) providing capital assistance and the Non-urbanized Area Formula Program (5311) providing capital and operating assistance. Federal

capital and operating assistance for urbanized areas over 50,000 population (Urbanized Area Formula Program, 5307)) is provided directly to the urbanized area transit agency (Twin Cities Metropolitan Council, Duluth, East Grand Forks, Moorhead, Rochester, St. Cloud, and LaCrosse for LaCrescent) by FTA. In addition, FTA works directly with the states and transit agencies in urbanized areas to allocate discretionary capital funds under the Capital Program (5309) for major capital needs such as fleet replacement, construction of transit facilities, and construction of transitway corridors.

Transit capital and operating projects that receive FTA funds must appear in the STIP. Transit capital assistance is also an eligible use of most FHWA federal funds and also must appear in the STIP.



## TRANSPORTATION INVESTMENT PROCESS

The transportation investment process in Minnesota provides for an interrelationship between elected officials and transportation agencies and relies on the planning activities of the state, Mn/DOT, cities, counties, MPOs, RDCs, and other transportation partners. The process is driven by a declaration of statewide goals and transportation directions described in national and state legislation. It is guided by statewide, district, regional, and local plans. It is the planning activities of the state, regional, and local partners that guide and influence transportation in Minnesota.

Mn/DOT's transportation investment process encompasses planning, programming, and project development. In order to provide Minnesota with a balanced transportation system, Mn/DOT provides a planning framework which guides its programming and project development processes.

Mn/DOT's *Strategic Plan: "Charting Our Course,"* provides a vision and mission, along with strategic directions and objectives for Minnesota's transportation system. The *"Minnesota Statewide Transportation Plan: Moving Minnesota from 2000 to 2020,"* provides the policy framework to meet the strategic plan directions and objectives. These two plans provide the foundation for the development of Mn/DOT's performance-based district, corridor, and modal plans.

These planning processes drive programming and project development at Mn/DOT. Projects are identified and developed to meet statewide goals and satisfy investment strategies set in the district planning process. Projects are programmed to address these goals and strategies in a timely manner.

### **Decentralized Process for Investing Federal Highway Funds**

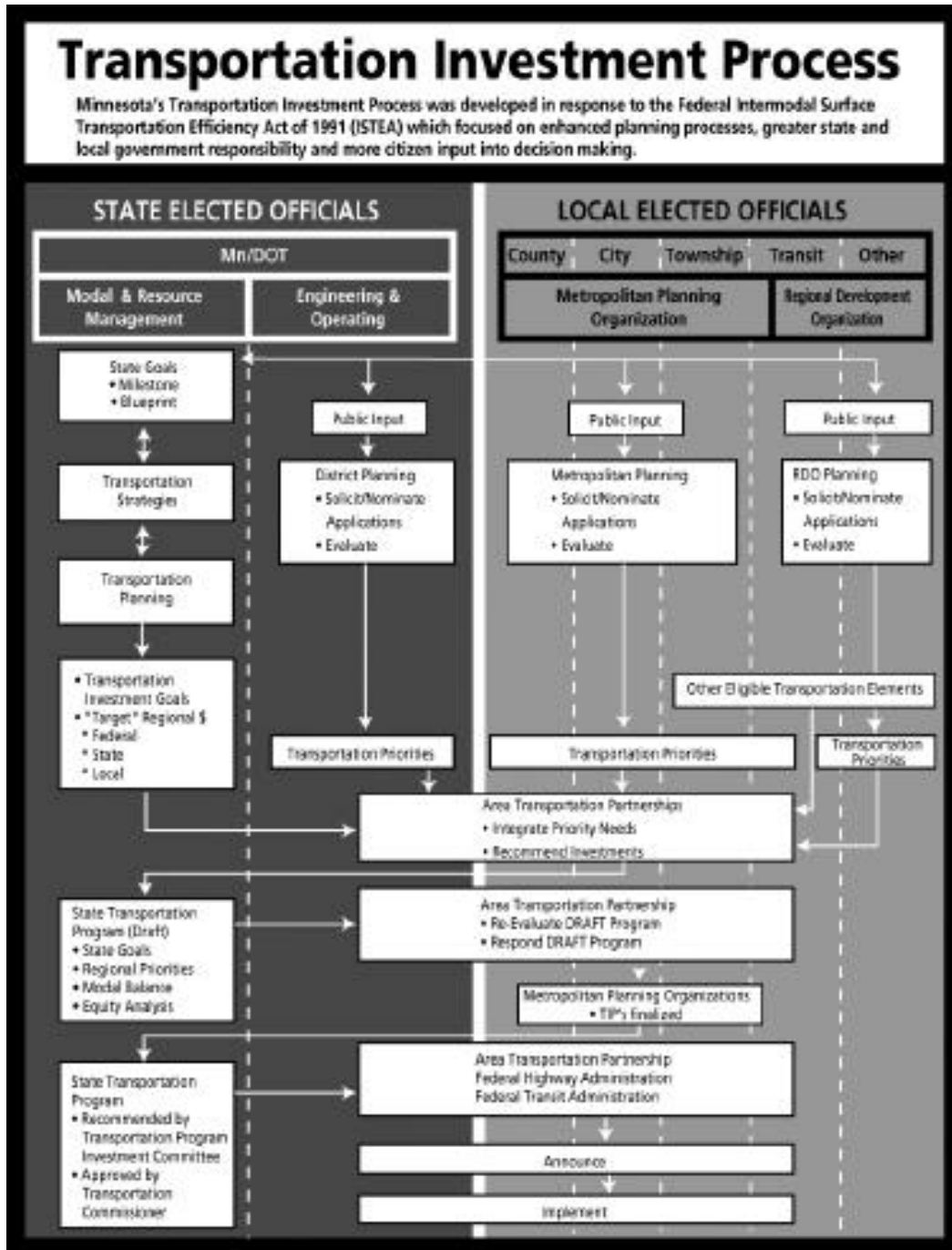
The public response to ISTEA in Minnesota was a request for a substate geographic focus on transportation decisions. The decentralized District/Area Transportation Partnership (District/ATP) process was designed to provide a geographic basis for integrating the transportation priorities within the regions of the state. The District/ATP process depends on transportation partner involvement in the development of a regional program of priority projects. This regional focus continued under TEA-21.

The District/ATP process is used for investing federal aid highway funding in transportation. Although the District/ATP decision-making process is used only for federal highway funded projects, District/ATP members should be aware of the other federal funds that are included in the STIP, such as FTA and highway discretionary funds.

The main goal of TEA-21 is to preserve and manage the existing transportation system. Therefore, each District/ATP should place emphasis on the preservation and management of the existing system over capital improvements. Safety should be a key element of all investments. Expansion projects on high priority,

low performing interregional corridors should be given priority over other expansion projects.

Transportation programs should reflect district, regional, and local plan priorities along with statewide priorities. Future statewide priorities will be identified as performance-based corridor management plans are completed.



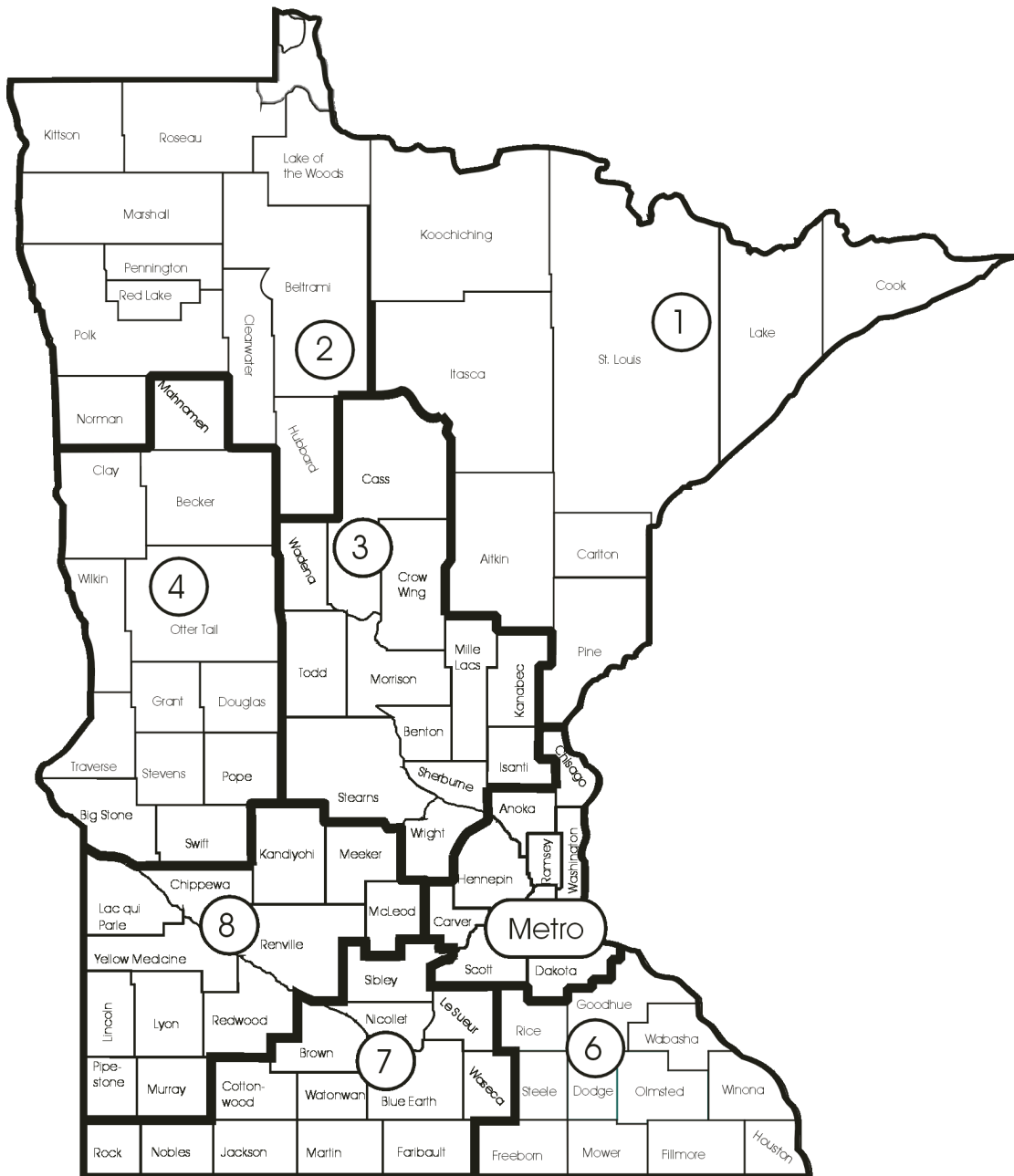
## **DISTRICT/AREA TRANSPORTATION PARTNERSHIPS**

The District/ATP boundaries generally follow the Mn/DOT District State Aid boundaries. The use of District State Aid boundaries helps the Districts and the Metro Division in their coordination and staffing role to the District/ATPs. Nine of the 10 counties, who experienced a District/RDC boundary overlap, chose to remain affiliated with their respective Mn/DOT District. Aitkin County, however, chose to remain with their respective RDC and is now affiliated with the District 1/ATP rather than the District 3/ATP. See Figure 2, ATP Boundaries.

District/ATP membership should either be comprised of or selected by the District Transportation Engineer and the MPO and RDC Executive Directors (or the membership of partner MPO and RDC policy or technical committees). *Mn/DOT's Draft Environmental Justice Guidance* requires that the membership of the District/ATPs be periodically reviewed to ensure the interests of minority and low-income populations are adequately represented by the District/ATP. This should be documented in the District/ATP Operating Manual. The Manual should also establish and document basic rules regarding the number, representation, tenure, and replacement of District/ATP members. District/ATP members should be familiar with planning processes, and have broad, multi-modal and multi-jurisdictional perspectives and sensitivities. Each District, RDC, and MPO shall be represented on a District/ATP. A transit representative should also be a member of the District/ATP.

The primary role of a District/ATP is to bring together the transportation improvement recommendations of Mn/DOT and their transportation partners into an integrated list of transportation investments, which is the Area Transportation Improvement Program (ATIP). The District/ATP should also ensure implementation of the ATIP through program management. Each District/ATP will receive one or many prioritized lists of transportation projects through their project solicitation process. The District/ATPs are responsible for integrating these priority lists into an ATIP. The District/ATPs will respect the order of projects on submitted priority lists in the integration process. District/ATPs are also expected to review and comment on the draft STIP. Additional roles that may be considered by the District/ATPs include establishing criteria for project selection, participating with the District in the development of policies and procedures for managing the program, and developing/reviewing priority lists of projects for programs that are not included in the funding target (see ATP Target Funding, page 16).

# Area Transportation Partnerships



## **Roles of Transportation Partners**

### Metropolitan Planning Organization (MPO)

The MPO must be a member of the appropriate District/ATP. MPO candidate projects and priorities developed through its TIP process are input into the District/ATP integration process in developing an ATIP. The final MPO TIP and the final STIP should be consistent in content. The MPO should also include, for informational purposes, all Mn/DOT state funded transportation projects. It is the responsibility of the MPO to provide the Mn/DOT Districts with project updates on all FTA Urbanized Area Formula Program funded projects. This will ensure that the project tracking system (ARTEMIS/PPMS) is kept current. Figure 3 shows the location of Minnesota MPOs.

### Transportation Management Area (TMA)

MPOs over 200,000 population are TMAs. The Twin Cities Metropolitan Area is the only TMA in Minnesota. TMAs are unique in that TEA-21 gives them significantly more authority and responsibility than other MPOs. The TMAs control a significant portion of TEA-21 funding, especially the urban guarantee portion of the Surface Transportation Program (STP). The TMA must provide the Metro Division with a list of its projects. It is also the responsibility of the TMA to provide the Mn/DOT Metro Division with project updates on all FTA Urbanized Area Formula Program funded projects. This will ensure that the project tracking system (ARTEMIS/PPMS) is kept current.

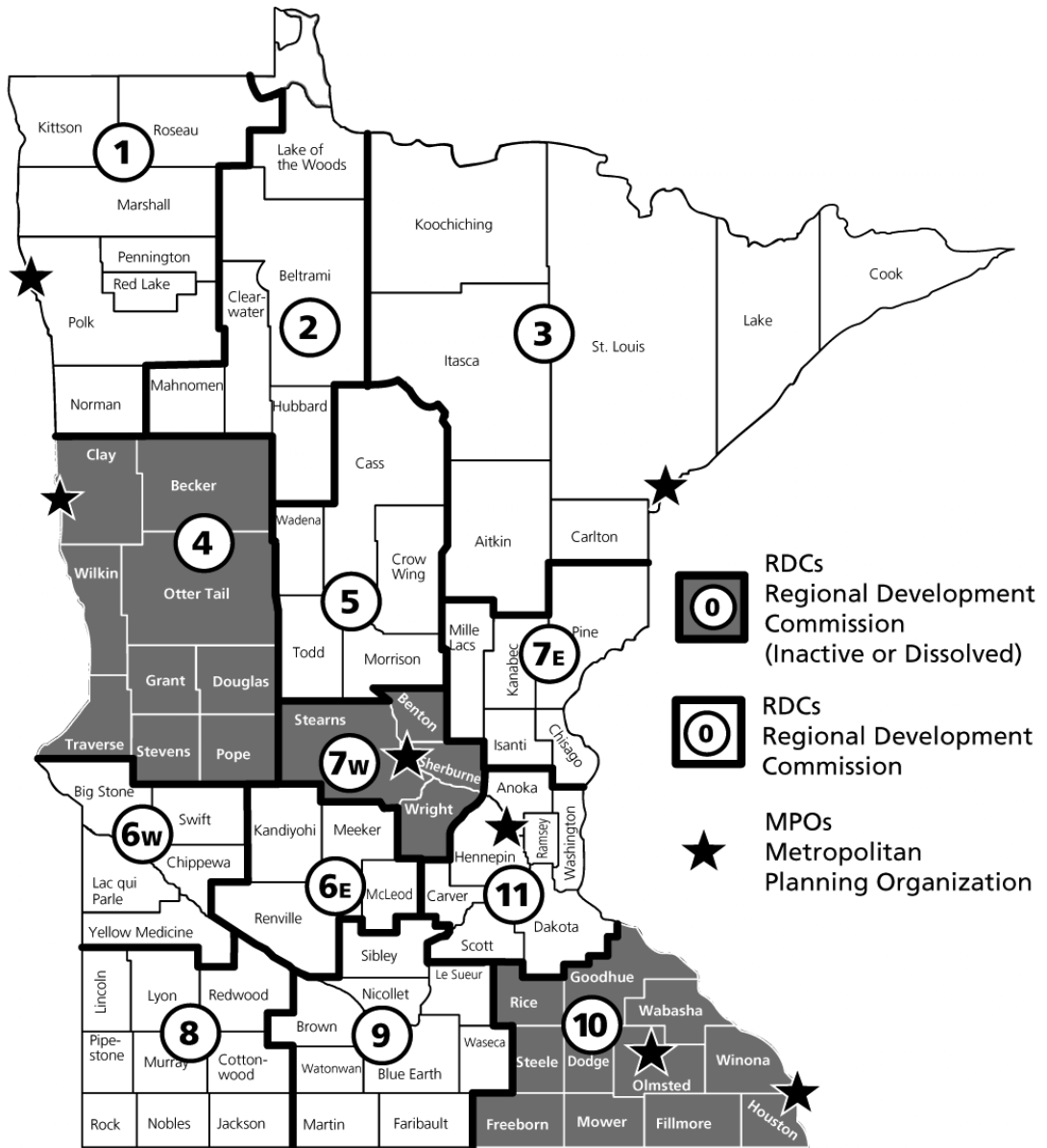
### Regional Development Commission (RDC)

RDCs are in the best position to reflect regional needs and priorities. They are encouraged to enhance their transportation planning so that it can be more useful in determining transportation priorities. RDCs will be members of appropriate District/ATPs. RDCs should act as a regional clearinghouse for developing regional transportation priorities reflecting the needs of counties, non-traditional partners, cities, transit providers, etc. If an RDC is inactive, the Districts will be responsible for this function. Figure 3 shows Minnesota RDCs and their boundaries.

### Local Governments

Counties and cities are responsible for their own planning and are involved in the planning activities of RDCs, MPOs, and Mn/DOT Districts. Counties and cities develop and submit candidate projects and priorities as input for developing the "regional/metro" priority lists. Counties and cities should have valid long-range plans and fiscally responsible capital improvement programs. Information on proposed state and locally funded local projects should be available to the District/ATPs as necessary to assist with integration of projects.

## Regional Development Commission (RDC) and Metropolitan Planning Organizations (MPO)



#### Mn/DOT District Offices and Metro Division

The Districts and Metro Division will ensure that a process exists to solicit projects and integrate priorities from all source. In developing priority lists for the District/ATP, the District should be knowledgeable of all Mn/DOT programs (district, modal, special) and the programs of other partners (DNR, Historical Societies) to be able to successfully coordinate and integrate their respective projects into a priority list. Mn/DOT will be a member of the District/ATP and the Districts and Metro Division will act as staff to the District/ATPs for preparing lists, data, and schedules and will ensure communication with Mn/DOT Central Office and among the partners. The Districts and Metro Division will ensure that all projects are solicited and prioritized and that an ATIP is developed. The Districts and Metro Division will be responsible for management of the regional portion of the STIP in accordance with policies and procedures developed through the District/ATP or Metro Division.

#### Mn/DOT Central Office

Some Offices in Mn/DOT's Central Office (Transit; Freight, Railroads and Waterways; Passenger Rail, Environmental Services, Traffic, etc.) have the responsibility to champion or manage certain programs. These offices need to provide information to the Districts and Metro Division during the project solicitation process timeframe in order for the Districts and Metro Division to reflect these projects and priorities in the District priority list. The District (and partnership agencies) should be informed of the purpose and importance of these programs. These Mn/DOT offices should also be proactive in District, RDC, and MPO transportation planning processes in order for the regions to be knowledgeable and thus able to reflect all transportation needs in the broadest terms of TEA-21 intent.

The Office of Investment Management (OIM) and the Transportation Program Investment Committee (TPIC) are responsible for the development and approval of the funding targets (see next section). The funding targets assist in the District/ATP process of developing an ATIP; and developing, monitoring, managing and evaluating the regional portion of the STIP. Additionally, OIM is responsible for developing the final STIP from the ATIPs received from the District/ATPs. OIM is also responsible for the STIP amendment process, TEA-21 implementation, and the evaluation of Transportation Revolving Loan Fund (TRLF) candidate projects.



## **Federal Funding**

### Estimated Federal Aid Highway Funding

The federal aid highway funding level for Minnesota is based on an estimate of the federal aid highway funds available for projects for the three years of the STIP. The estimate of federal aid highway funds includes all sources of federal funds except special high priority project funding which Congress earmarks. Federal funds are classified as either formula or allocated. Formula funds are distributed to the states by legislative formula. Formula (categorical) funds include several equity adjustment categories. Allocated funds are distributed to the states based on administrative formulas, nationwide competition, eligibility criteria, and congressional mandate or priority.

### Formula (Categorical) Funding

Formula funds are distributed to the states within various categories. Each category of federal aid highway funding has an authorized level of funding established by TEA-21. The annual formula funding is generally available for four years. After that time the funding for individual categories lapses and is not available within the state. Special attention to this lapse potential is advisable.

### Allocated Federal Aid Highway Funding

Allocated funds include many varied categories of federal aid. Allocations of categorical funding generally consist of several small projects, are distributed across several areas of the state, and may not be identified within the timeframe for STIP development. Some of these categories are Indian Reservation Roads, the Forest Highways portion of Public Lands, and Scenic Byways.

### High Priority (Demonstration) Project Funding

Mn/DOT recognizes the practice of congressional project selection of High Priority Projects (formerly Demonstration Projects). If special projects are identified within Minnesota, Mn/DOT will attempt to accommodate these projects by working through the District/ATP process to schedule the project within a reasonable timeframe that does not unduly distort existing project schedules. The High Priority Project funding is outside of the target funding level. However, most High Priority Projects/DEMOS require matching funds.

### Reserves of Federal Aid Highway Funding

Mn/DOT reserves federal aid highway funds for administration and an adjustment fund. The administrative reserve includes state highway planning and research (SPR), metropolitan planning (PL), Section 402 safety funds for education and enforcement, and engineering and contingencies for construction projects.

Mn/DOT uses State Planning and Research (SPR) funds for planning activities such as statewide studies, the development of management systems, and for research. PL funds are distributed to the MPOs to support activities undertaken within the metropolitan area by the MPOs. The FHWA Highway Safety Program, sometimes called the 402 Program, is for guidelines and programs relating to highway, driver, and vehicle safety. Funds for the 402 Program are managed by the Department of Public Safety. The major portion of the administrative reserve is available for construction engineering and contingencies. The administrative reserve will continue to be reviewed. A federal adjustment fund is reserved for projects that are statewide in nature or to balance the program across the state.

### **ATP Target Funding**

Target regional federal funding is an estimate of the federal highway funding available for each District/ATP. “Targets” provide a beginning point in establishing a priority list of projects for the development of the regional ATIP and the STIP. See Appendix C for an explanation the target formula. The actual funding available for a specific year will be different than the estimated funding for the average year of the three-year STIP. The average annual target funding will vary with the timeframe, available federal aid highway funding, and the priorities of the area and the state. High Priority Projects (Demonstration); Federal Lands that include Forest Highways, Public Lands, Indian Reservation Roads, and Refuge Roads; Scenic Byways; Intelligent Transportation System (ITS) funding; and other discretionary categories are not funded with the “target” funding. Funding “targets” based on the estimated federal aid highway funding will be provided to the District/ATPs annually in a memo from the Office of Investment Management (See Appendix D).

The District/ATPs can use subtargets for the development of the ATIPs. However, subtargets should be used only as a result of the planning process and not as a consideration of previous or historic funding.

### **Solicitation of Projects**

Development of partner priority lists and ultimately the ATIP<sub>5</sub> depend upon the project solicitation process. Districts, MPOs, and RDCs should do project solicitation. The Districts are responsible for initiating the process and ensuring its completion. The Districts (or RDCs) should solicit rural and non-MPO area

projects ensuring that all partners, including non-traditional partners, are involved. Each program/use of funds should be considered in project solicitation. This includes solicitation of potentially interested parties for Transportation Revolving Loan Fund (TRLF) projects. Each District/ATP must determine how it solicits, selects, and prioritizes TRLF projects (See Appendix E).

Programs recommending specific candidate projects (Scenic Byways, ITS, etc) should provide this information to the appropriate partner early in the STIP process. The District/ATPs will include this in the public input portion of their processes.

### **ATIP Development**

The District/ATP integrates the prioritized project lists submitted by the partners. The planning processes of the partners should provide direction to the District/ATPs in integrating priorities, as should Mn/DOT's strategic, statewide, district, modal, and corridor plans. While area funding targets consist of federal aid highway funding, the District/ATPs must include in their ATIPs all projects from the following sources of funding: 1) federal aid highway; 2) state trunk highway; 3) FTA (both transit capital and operating); and 4) project match from other entities. For informational purposes, ATIPs should include all "regionally significant" projects, federally funded or not. A "regionally significant" project is defined as a project that is on a facility which serves regional transportation needs (such as access to and from the area outside of the region; major activity centers in the region; major planned developments such as new retail malls and sports complexes; or transportation terminals) and would normally be included in the modeling of a metropolitan area's transportation network.

The ATIP prepared by the District/ATPs and submitted to OIM should include adjustments for inflation as outlined in the memo in Appendix D. The submitted ATIP should be in the form of one integrated list organized by year. The Districts and Metro Division will submit the ATIP by April 15 with all required information in the Excel format requested in Appendix F.

State and federal fiscal year funding is managed largely on the basis of the state fiscal year that begins July 1, as opposed to the federal fiscal year that begins October 1. Managing the expenditure of federal aid usually occurs within a time frame that closely matches the state fiscal year. Federal aid is generally utilized between October and June because this allows the scheduling of contract lettings in the winter and spring for the summer construction season. The objective is to use federal funds in the year they are provided and to be eligible for redistribution of federal spending authority, not used by other states, in August. Expenditures during July through September generally include only small state funded projects that may be completed during the same construction season. The state fiscal year includes only the approved expenditures between July 1st of one year and June 30th of the following year. Mn/DOT contracts that

are "let" in June and "encumbered" in July are charged to the fiscal year in which they are "encumbered". Federal funds may possibly be spent after June of the state fiscal year (July - September) if recommended by the District/ATP and approved by OIM.

The following additional guidelines are provided for ATIP development:

#### Discouraged Uses of Federal Formula Funds

Federal formula funds should generally not be used for Preliminary Engineering, Planning, or Construction Engineering and Contingencies. Planning includes those activities that take place before the selection of a preferred alternative. Although eligible for reimbursement for federal formula funds, these are not considered by Mn/DOT to be economical uses of such funds.

TEA-21 permits up to 15 percent of the STP funds reserved for areas of less than 5,000 population (rural areas) to be spent on roadways functionally classified as Rural Minor Collectors (less than \$3.0 million statewide). This is not "new" or "additional" funding, but only additional eligibility. Applying funds to Rural Minor Collectors diverts funds from the other eligible roadways within the ATP. TEA-21 does not dedicate the full 15 percent of the STP rural guarantee funds to Rural Minor Collectors, but only permits the use of up to 15 percent. TEA-21 also allows the Secretary of Transportation the authority to suspend the use of STP funds on Rural Minor Collectors if he determines it is being used excessively. District/ATPs are responsible for the wise use of this funding option.

#### Matching Funds

TEA-21 allows for the matching of federal funds with right-of-way on all projects and for the use of "soft" or "in kind" match on enhancement projects. The right-of-way used for match should be right-of-way either purchased or donated specifically for the project. Right-of-way purchased at an earlier time to do other work or the initial construction of the route should not be used as match. The "soft" or "in kind" match for enhancement projects must be something that has a tangible cost, such as railroad ties or wires necessary to run a historic streetcar. Charging a professional fee for labor being performed by non-professionals is not allowed.

Federal funds are received when right-of-way or soft match is used. If the right-of-way or soft match is sufficient to make up 25% of the total cost of the project, (contract plus right-of-way or soft match) then the contract would receive 100% federal funds. If the right-of-way or soft match is less than 25% then some state or local match would be required. The following examples assume an 80/20 participation.

	<b>A</b>	<b>B</b>	<b>C</b>
Contract Cost	\$100,000	\$100,000	\$100,000
ROW or Soft Match	25,000	40,000	20,000
Total Project Cost	\$125,000	\$140,000	\$120,000
Federal Share 80% of Total	\$100,000	\$112,000	\$96,000
Additional State-Local responsibility	\$ 0	\$ 0	\$ 4,000

In Example A and B no local or state match is required as 80% is equal to or greater than the contract cost. Federal funds used would be \$100,000. Example C illustrates that a local or state match would be required as 80% is less than the contract amount. Federal funds used would equal \$96,000.

Federally funded projects require a 20% non-federal match with the exception of STP Safety projects (Hazard Elimination and Rail-highway Crossing) and Interstate Maintenance projects which require a 10% non-federal match. State match on federally funded trunk highway projects will be limited to the federally required match (80/20). A full federal match is generally desirable on non-trunk highway projects; however, flexibility may be used in matching federal funds if they are needed to facilitate the project. In general, consistency in the percent of match should be practiced within each District/ATP. Projects should be selected based on project merit and not on the size of the match.

#### Mn/DOT Cost Participation in Local Projects

Districts should refer to Mn/DOT's cooperative cost participation policy that outlines limitations for Mn/DOT participation in cooperative construction projects with State Road Construction (SRC) funds. Mn/DOT should make available to the local governments cost splits on projects as early in the process as possible. At the very least, this information should be available early enough to enable local governments to seek federal fund participation (through the District/ATP process) or a Transportation Revolving Loan Fund (TRLF) loan to assist in paying their share if they so desire.

Federal funding to be applied to local shares of cooperative construction projects must be determined in accordance with District/ATP procedures. Mn/DOT may not apply their federal funds towards the local share of cooperative construction projects. This would reduce the anticipated revenues to the SRC budget and lead to a budget deficit (project deferral). This would also be a violation of the State Constitution Amendment, which prohibits the expenditure of SRC funds off the Trunk Highway system for non-trunk highway purposes.

It is the local government’s responsibility to obtain the funding to be used to pay the local share of the cooperative construction project. Mn/DOT should assist in identifying the various sources of funding available and explain how each source works and the possible payback of funds involved.

The local share of a project must be shown in the STIP as a separate line below the line for the state share. If federal target funds or advance construction funds are being used, those amounts should be placed in the proper column and the resulting local match should be shown in the “Other” funds column. If TRLF funds are being used the entire amount should be in the “Other” funds column. Local funds can not be applied to project cost shares unless identified in this fashion. See following example.

Proj. #	Who	Pos. Fund	FHWA \$	AC \$	SF \$	Other \$	Total \$
xxxx-xx(A)	S	STP	800,000	0	200,000	0	1,000,000
xxxx-xx(B)	L	STP	80,000	0	0	20,000	100,000

Advance Construction

Federal law allows states to request and receive approval to construct Federal-aid projects in advance of the apportionment of authorized Federal-aid funds through the use of Advance Construction (AC). This means that Minnesota may commit future federal funds to a project as long as it goes through the normal FHWA approval and authorization process. **An AC project is treated the same as any other federal projects and must be authorized prior to advertising for letting or expending any funds on the project.** Projects using AC must be fully encumbered in the state budget (essentially front-ended) for the amount of both the state and the federal AC amount. AC is available to local governments as well.

AC is the innovative funding method that drives the Project Packaging Program. The use of Packaged projects allows a District/ATP a level of overprogramming in the STIP and guarantees that this level of federal funds will be authorized and let. The matching funds must be available in the year the project is let. The agency that uses the AC procedure must “front end” the project with their own funds, which may be state aid funds, local tax funds, State Road Construction funds, TRLF funds, or other appropriate funding sources. Local projects utilizing AC funds

require a special agreement approved by the Division of State Aid for Local Transportation.

Partial conversion of a project is possible if insufficient funds are available to convert the original project. The federal funds will be charged to the ATP target in the year or years the project is converted to regular federal funds.

Federal regulation requires that AC be shown in the STIP in the year incurred and that the conversion of AC be shown in each year in which conversion takes place. Conversion is the process of converting AC to the obligation of actual federal funds.

#### Project Readiness

Significant transportation projects that require environmental documentation in the form of an Environmental Impact Statement or an Environmental Assessment should have the appropriate draft document completed, or be identified as part of a comprehensive transportation plan, prior to inclusion of the project in the STIP. An important requirement as part of the environmental analysis and the plan development process is the analysis of potential environmental justice impacts of the proposed transportation plan or project. Although it is required for all federally-funded projects, *Mn/DOT's Draft Environmental Justice Guidance* also encourages partners to recognize the value of this analysis and to apply it consistently "regardless of mode, jurisdiction or source of funding."

The intent is to provide for meaningful evaluation of alternatives, provide public involvement in selection of the preferred alternative, and avoid commitments to significant transportation improvements before they are fully evaluated. Additionally, the period of time required to prepare these documents and complete the project development process for projects of this type is typically longer than the time frame provided by the STIP.

Projects that are not anticipated to have any significant impacts are typically documented and classified as Categorical Exclusions. These projects can usually have environmental documentation prepared, and have project development completed, following inclusion of the project in the STIP.

#### Setasides

The ATIPs must be fiscally constrained and should not include any federal contingency projects for the first two years. The first year of the ATIP should include all of the specific projects expected to be identified/selected through the project selection process. Minor projects not considered to be of an appropriate scale for individual identification may be grouped by function, work type, or geographic area, in the

*second or third* year. Grouped projects should not exceed \$1 million or 10% (whichever is greater) of the annual program. Grouped projects that are not specifically identified cannot be automatically advanced through the process. Advancing grouped projects will require a STIP amendment for the individual projects. If any project of the grouped projects is within a metropolitan area, that project must also be included in the MPO TIP.

#### Enhancements and Safety Projects

The District/ATPs are responsible for integrating the priorities of all other Highway and Transit Capital activities using federal aid under Title I of TEA-21 and Title 23 USC. The Surface Transportation Program (STP) includes specific funding for Transportation Enhancement Activities (TEA) and Safety Construction projects.

Enhancement projects may be identified as a line item in a transportation project, a combined project administered with another transportation project, or a stand-alone project. Individual enhancement projects must be identified in the first year of the STIP; however, funds may be set aside for enhancement projects in the second and third years of the STIP. Questions regarding enhancements should be directed to the appropriate Mn/DOT District Office.

The STP funding for Safety Construction activities includes Hazard Elimination Safety (HES) and Rail-Highway Safety. The Office of Traffic Engineering and the Office of Freight, Railroads and Waterways have traditionally monitored these categories, respectively. These functional areas serve as program experts and assist the District/ATPs as needed. Close coordination with these offices is essential.

#### Transit

Project selection for the Elderly and Persons with Disabilities Program and the Nonurbanized Area Formula Program is made by the Mn/DOT Office of Transit and information is provided to the MPOs and Districts for inclusion in the TIPs/ATIP. MPOs with Urbanized Area Formula Program projects in their TIPs should also provide project information to the District/ATPs for inclusion in the ATIPs. Discretionary Capital Program projects are not to be included in the TIP/ATIP/STIP unless funds are available or committed for those projects. Both the Office of Transit and MPOs should provide the Districts with project status updates so the project tracking system (ARTEMIS) can be kept current.

Transit capital assistance is an eligible use of flexible federal STP funds and, therefore, is part of the District/ATP process. **The blending of FTA and STP funds on one project, however, is strongly discouraged by the FTA and Mn/DOT.** Transit capital and operating projects that receive FTA funds must appear in the STIP.



Projects Funded with State Legislative Appropriations

The Interregional Corridor, Bottleneck, and Advantages for Transit projects funded with the money appropriated by the 2000 Legislature should be identified in the STIP. These project estimates were inflated when selected so no additional inflation correction should be applied.

The special funding for these projects needs to be shown in the “IRC/BN/AT” column. IRC for Interregional Corridor, BN for Bottleneck, and AT for Advantages for Transit should be included in the description.

## **DRAFT STIP DEVELOPMENT - PROJECT SELECTION**

The draft ATIPs will be combined into a list of STIP candidates and cross-tabulated to determine any funding uses. The project lists will be analyzed with respect to state and department goals, targets, and various federal categories. Other parameters may also be used.

Mn/DOT's OIM will automatically roll any projects from a given fiscal year that do not make the cut for funding in that fiscal year to the top of the list of projects for the following fiscal year unless otherwise directed by the District/ATP.

### **State Goals**

Investment priorities emphasize system preservation over replacement and expansion activities. Safety is a key criterion involved in all investment priorities. Expansion projects on high priority, low performing interregional corridors should be given priority over other expansion projects. These priorities will be the most important factors in developing the draft STIP. The ATIPs will be analyzed to determine the fit with the priorities. This analysis will be used to determine the initial impact of various funding levels for each area and will be an integral factor in determining where to "draw the line" within each ATIP.

### **Program Balance**

Program balance means that all eligible activities are considered for funding in the ATIPs. That does not mean that each ATIP must include all eligible activities or that all eligible activities should be funded. However, the current intent is to utilize 50 to 90 percent of the available funding within each category of federal funding, subject to the availability of obligation authority on a statewide basis. Some categories of federal highway aid may utilize 100 percent of the available funding. Transit capital assistance, car pool facilities, bicycle and pedestrian facilities, traffic monitoring, and management and transportation control measures are some of the factors that will be considered in determining the draft STIP. It will be critical to ensure that the STIP accounts for the funding for all projects that utilize FHWA and FTA assistance. A District/ATP may suggest the possible category of federal funds for the projects in the ATIP. OIM will determine the proposed category of funding. The actual category of funding will be determined at the time the project is authorized and will be subject to possible change during the management of the program. In addition, regionally significant projects not funded with FHWA or FTA funds must be included in the STIP.

**Draft STIP Review**

The draft STIP will be circulated back to the District/ATP for review and comment. The District/ATP and the respective participants may review and comment. Any requests for additions or funding changes must be accompanied by offsetting funding recommendations. It is possible to consider modest realignment of the regional priorities in the draft STIP. However, significant realignment will require reanalysis and reconsideration of the portion of the ATIP that is to be included in the draft STIP.

Projects that were cut from the ATIPs and not included in the draft STIP should be reevaluated. The scope of the projects should be reconsidered, not merely placed in a future year. To ensure some predictability for project delivery, the Districts and the Metro Division should develop a responsible investment strategy for the post-STIP period. Each Mn/DOT District and Metro Division will develop a Project Work Plan and Project Studies Plan for district/division initiated projects for the seven years beyond the STIP. These plans will enable functional groups involved in early project development activities to plan their workloads. The plans also encourage an assessment of the financial feasibility of the projects. The projects included in these plans should be regularly reviewed for consistency with the long-range system plan for the district. The District/ATP should also be made aware of these project planning and development activities. See Appendix G for specific information on Project Work Plans and Project Studies Plans.

## STIP MANAGEMENT

TEA-21 requires a project selection process that "selects" the projects for implementation from the STIP. Therefore, the first year of the STIP is deemed to be selected for implementation. Mn/DOT's OIM is responsible for managing the statewide project selection process. OIM is responsible for the statewide coordination of the STIP.

Mn/DOT Transportation District Offices and Metro Division are responsible for management of the regional portion of the STIP. The District/ATP may establish criteria and procedures for managing the ATIP. These criteria and procedures should be documented. The District Offices will manage the requests for changes in the list of projects selected for implementation and are responsible for obtaining District/ATP direction and concurrence in any changes.

The District/ATP procedures should allow for any federal project included in any year of the STIP to be advanced or delayed without a STIP amendment if the financial balance is maintained within each fiscal year. Unless otherwise directed by the District/ATP, all projects will be authorized and funded by OIM at the percent match identified in the STIP. This will include changes in actual cost at letting, overruns, and supplemental agreements. The Districts and Metro Division in managing the regional ATIP will utilize these changes in cost. The District/ATP may establish criteria where funding procedures other than the percentage identified in the STIP should be implemented by the District and OIM. These criteria should identify what the District/ATP feels are significant changes in scope or cost or which may warrant further consideration by the District/ATP, and procedures to address these significant project changes.

### Reauthorization

The Reauthorization process applies to federally funded projects included within the STIP. The process is especially applicable to the projects selected for the first year of the STIP. All partners must follow STIP priorities. New projects using federal funds cannot be added to the STIP without going through a formal STIP amendment process. Each District has the responsibility to manage the ATIP in the context of its final list of projects in the STIP. **Any change resulting from scope creep, faulty original estimates, unanticipated environmental/historical considerations, supplemental agreements and cost overruns, changes in revenue, or project slippage must be managed within the regional ATIP by the District.** Some of the ways of dealing with these factors include, but are not limited to, capping federal funds, down scoping, overmatching, advancing and deferring projects.

Project managers are responsible for informing Districts and Metro Division of any changes in scope, cost, or timing. The Districts and Metro Division, in accordance with District/ATP policies or direction, are responsible for

approving most changes in costs and schedules. These changes must be promptly communicated to OIM for entry into the project scheduling system (ARTEMIS/PPMS). The Mn/DOT Districts and Metro Division will be responsible for informing partners of these changes and for keeping project information up to date. The Mn/DOT Districts and Metro Division must adjust current or subsequent years of the STIP to reflect any approved adjustments to the ATIP. MPOs must amend their TIP, as necessary so that the TIP and the STIP match.

OIM is responsible for monitoring current STIP spending schedules using ARTEMIS and other tools to ensure statewide spending is within authorized limits and available program revenue. OIM will also assign federal appropriation codes to projects and monitor availability of project funds as well as annually report any changes from approved STIP spending. If necessary, OIM will transfer funds among federal appropriation codes to accomplish the approved list of projects within the STIP and make applications for federal discretionary funds. OIM also has the responsibility of advising the Districts and Metro Division of existing or likely financial problems.

Federal formula funding is not allocated to specific projects or areas of the state. The Districts and Metro Division must receive the concurrence of OIM if the project selection process is to be used to select a project in the second or third year of the STIP for inclusion in the first year of the STIP. The commitment to the STIP is a commitment to the list of projects included in the STIP. A secondary commitment is to the overall cost of the complete list of projects. Of lesser reliability are the mix of federal, state and local funding for the specific projects in the STIP. It is Mn/DOT's intent to maximize the flexibility available under TEA-21 in order to deliver a program of projects.

### **STIP Amendment Process**

Once the STIP is approved by the state, FHWA and FTA, and concurred to by the U.S. Environmental Protection Agency (EPA), there may be a need to amend the STIP to reflect changes. Changes that could trigger the need for a STIP amendment would include adding a new project to the first year of the STIP or significantly changing the scope or cost of a project in the first year. New projects or significant changes in the second or third year of the STIP would typically wait for the next STIP update rather than process an amendment. An attempt should be made to keep STIP amendments to a minimum.

The Districts or the partners in consultation with the District/ATP initiate STIP amendments. Amendments to the STIP, as well as to an MPO TIP, should be considered by the District/ATP, submitted to the appropriate District or Metro Division for concurrence, and forwarded to OIM. A form for this is available from OIM and the Districts are encouraged to use it (see Appendix H). OIM will then approve the MPO TIP amendment or STIP amendment and request

FHWA/FTA approval of the STIP amendment. The amendment of a MPO TIP for an area designated as a non-attainment or maintenance area requires air quality conformity determination, unless the amendment includes only "neutral" projects for air quality purposes. Approval of a STIP amendment at the state and federal level is dependent upon appropriate public involvement and continued financial constraint of the STIP. OIM will be responsible for processing and coordinating STIP amendments, and notifying the Districts and Metro Division of the status of STIP amendments. The Districts and Metro Division are responsible for notifying the appropriate partners. A list of current STIP amendments can be found at: [www.oim.dot.state.mn.us](http://www.oim.dot.state.mn.us).

### **STIP Analysis and Feedback**

Each year the STIP will be analyzed by Mn/DOT's OIM and the resulting information will be given to each District/ATP. It will look at the different funding categories and their funding status.

## SCHEDULE FOR THE STIP

The STIP should be reviewed and approved by the appropriate federal agencies prior to the September 30th end of the federal fiscal year.

The desired STIP schedule is as follows:

<b>TIP – STIP SCHEDULE</b>		
MPO TIP	DATE	ATP ATIP/STATE STIP
Solicit projects	Oct. – Dec.	ATP solicits projects
Evaluate/rank projects	Dec. – Jan.	
Prepare project list	Dec. – Jan.	
Public meeting & comment period	Dec. – Jan.	
Finalize project list	Jan.	
Submit prioritized project list to ATP	Feb.	ATP selects projects
	Feb. – Mar.	Public comment period on projects
Prepare draft TIP/public comment period	Mar. – Apr.	
	April 15	Draft ATIP due to OIM
	May 1	OIM prepares draft STIP/sends to district/ATPs
	May – June	Review and comment period
	July 1	Comments on draft STIP due
Finalize, approve TIP and send to District/ATP	July	OIM develops final draft STIP
District sends TIP to OIM	July 30	
OIM approves TIP and sends to FHWA/FTA	Aug.	
	Aug. 15	Mn/DOT approves STIP and sends to FHWA/FTA
FHWA/FTA makes finding and accepts for funding	Aug. – Sept.	FHWA/FTA reviews and approves
TIP ACCEPTED FOR FUNDING	October	STIP APPROVED

This schedule can be affected by changes in funding estimates at both the state and federal level. Mn/DOT has developed guidelines to deal with funding level changes that occur during the STIP process. These guidelines along with a summary of the federal and state budget processes can be found in Appendix I.





## **APPENDIX A**

### **MN/DOT TRANSPORTATION DISTRICT OFFICES**



**Mn/DOT Transportation District Offices**

<b>MN/DOT TRANSPORTATION DISTRICT OFFICES</b>			
District	Address	Phone	Fax
1	1123 Mesaba Avenue Duluth, MN 55811	218/723-4870	218/723-4774
2	3919 Highway 2 West PO Box 490 Bemidji, MN 56619	218/755-3800	218/755-2028
3	1991 Industrial Park Road Baxter, MN 56425	218/828-2460	218/828-2210
4	1000 Highway 10 West Detroit Lakes, MN 56501	218/847-1500	218/847-1583
6	2900 48th Street NW Box 6177 Rochester, MN 55903-6177	507/285-7350	507/285-7355
7	501 S. Victory Drive PO Box 4039 Mankato, MN 56001	507/389-6351	507/389-6281
8	2505 Transportation Road PO Box 768 Willmar, MN 56201	320/231-5195	320/231-5168
Metro	Water's Edge Building 1500 W. Co. Rd. B2 Roseville, MN 55113	651/582-1000	651/582-1166



## **APPENDIX B**

### **SPECIAL PROGRAMS INFORMATION**



## Special Program Information

### STP Safety Categories

Ten percent of the TEA-21 STP apportionments are required to be earmarked to carry out the provisions of 23 U.S.C. 130 & 152. This provides the funding for the Hazard Elimination Program (HES) and the Rail-highway Crossing Program. The federal share for these programs is 90%. Of the ten percent STP funds earmarked for safety, amounts must be reserved separately for the Hazard Elimination and Rail-highway Crossing Programs. In Minnesota this amounts to approximately \$5.5 million annually for Hazard Elimination and \$4.0 million annually for Rail-highway Crossings. STP safety funds may be used for projects on any public road including the Interstate System, which was added in TEA-21.

Both the HES and Rail-highway Crossing Programs are to enhance the safety of the traveling public by correcting, removing, or improving unsafe conditions on the roadway. Typical projects for Hazard Elimination funds include signals, turn lanes, skid resistant surfaces, rail crossing safety, special pavement markings, and channelization. Typical projects for Rail-highway Crossing funds include signals, signs and pavement markings, bridges (highway over railroad), lighting, improved roadway alignments, and crossing closures/consolidations.

To participate in the HES program, interested agencies should complete an HES Worksheet. The worksheet along with HES program criteria can be found at <http://www.dot.state.mn.us/trafficeng/safety/hes/index.html>. Potential HES projects should be identified through District solicitation. Mn/DOT's Office of Traffic Engineering will annually produce a list of high crash cost locations and distribute these to the Districts. ***It is a Mn/DOT Program Delivery Group target that 40 of high crash intersections and segments be programmed for improvement annually statewide.***

Likewise, potential Rail-highway Crossing projects are identified through District solicitation and by recommendation from Mn/DOT's Office of Freight, Railroads, and Waterways (OFRW). OFRW reviews potential projects and forwards recommendations to the Mn/DOT District Offices for consideration for inclusion in the ATIPs. ***It is a Mn/DOT Program Delivery Group target that 40 of high risk railroad crossings be programmed for improvement annually statewide.***

### Scenic Byways Discretionary Funds

A Scenic Byways Program was funded through 2003 by Section 1219 of TEA-21. Funding is provided through a discretionary grants program managed by the FHWA National Scenic Byways Program. Funds are available for eight eligible activities connected with state and nationally designated scenic byways. These funds are not included in the state's apportionment and are not considered a part of the ATP targets.

Funding is available for the following activities:

1. Planning, design and development of a State Scenic Byway Program.
2. Development and implementation of a corridor management plan to maintain the scenic, historical, recreational, cultural, natural, and archaeological characteristics of a byway corridor while providing for increased tourism and development of related amenities
3. Safety improvements to a State Scenic Byway, National Scenic Byway, or All American Road to the extent that the improvements are necessary to accommodate increased traffic and changes in types of vehicles using the highway as a result of the designation as a State Scenic Byway, National Scenic Byway, or All American Road.
4. Construction along a scenic byway of a facility for pedestrians and bicyclists, rest areas, turnouts, highway shoulder improvements, passing lanes, overlooks, and interpretive facilities.
5. Improvements to the scenic byway that will enhance access to a recreation area, including water-related recreation.
6. Protection of scenic, historical, recreational, cultural, natural, and archaeological resources in an area adjacent to a scenic byway.
7. Developing and providing tourist information to the public, including interpretive information about the scenic byway.
8. Development and implementation of a scenic byway marketing program.

#### Unique Circumstances

**\$25k Seed Grant:** States are encouraged to give priority to applications for seed grants that strengthen a byway organization's capacity to help implement the corridor management plan for a National Scenic Byway or an All American Road. The grant would be limited to \$25,000 annually for up to five years per designated National Scenic Byway or All American Road.

**Multi-State and Coordinated Grants:** Multi-State scenic byway applications may be submitted. The decision to submit a multi-state or a coordinated grant request should be driven by the nature of the project activity and the administrative convenience of the grant recipient.

#### Applications for Scenic Byway Funds

Applications for scenic byway funds will be solicited annually by the National Scenic Byways Program of the Federal Highway Administration in January of the year preceding the fiscal year for which the funds will be



available. The Office of Environmental Services will provide ATP coordinators and OIM with a list of proposed projects by March 1.

A state ranked submittal of applications for scenic byway funds will be prepared by the Minnesota Scenic Byway Commission and the Mn/DOT Office of Environmental Services in May and submitted to the FHWA through the Office of Investment Management.

Proposed Scenic Byways projects and matching funds will be included in the STIP as contingent on Scenic Byway funding. Projects that are selected by the Secretary of Transportation will be funded as indicated in the STIP. If a project does not get selected for Scenic Byway funding, it will drop out of the STIP. *It will not be funded by any other funds.* If more projects are funded than were identified in the STIP, they will be amended into the document.

**Contact**

Mn/DOT – Env. Serv.                      Mark Anderson                      (651) 284-3748

## Transportation Enhancements

Transportation enhancements (TE) are transportation-related activities that are designed to strengthen the cultural, aesthetic, and environmental aspects of the Nation's intermodal transportation system. The transportation enhancements program provides for the implementation of a variety of non-traditional projects, with examples ranging from the restoration of historic transportation facilities, to bike and pedestrian facilities, to landscaping and scenic beautification, and to the mitigation of water pollution from highway runoff.

Ten percent of Minnesota's Surface Transportation Program STP funds are apportioned for eligible Transportation Enhancement activities. These activities include:

1. Provision of facilities for pedestrians and bicyclists.
2. Provision of safety and educational activities for pedestrians and bicyclists.
3. Acquisition of scenic easements and scenic or historic sites.
4. Scenic or historic highway programs (including the provision of tourist and welcome center facilities).
5. Landscaping and other scenic beautification.
6. Historic preservation.
7. Rehabilitation and operation of historic transportation buildings, structures or facilities (including historic railroad facilities and canals).
8. Preservation of abandoned railway corridors (including the conversion and use thereof for pedestrian or bicycle trails).
9. Control and removal of outdoor advertising.
10. Archaeological planning and research.
11. Environmental mitigation to address water pollution due to highway runoff or reduce vehicle-caused wildlife mortality while maintaining habitat connectivity.
12. Establishment of transportation museums.

The nature of a proposed Transportation Enhancement project's relationship to surface transportation should be discussed in the project proposal. The nature of the relationship may be highly dependent on the type of project being proposed. Since federal guidance on the project's relationship to transportation is now more flexible than in the past, the Project Linkage section of the FHWA Final Guidance cited below should be consulted for specific guidance.

FHWA Final Guidance  
Transportation Enhancement Activities  
23 U.S.C. and TEA-21  
[http://www.fhwa.dot.gov/environment/te\\_final.htm#prov](http://www.fhwa.dot.gov/environment/te_final.htm#prov)

Questions regarding federal requirements or application procedures should be referred to the appropriate District State Aid Engineer or to Frank Van

De Steeg. For more information on Transportation Enhancements eligible projects and examples of eligible enhancement projects contact Mark Anderson.

**Contacts**

Mn/DOT - OIM	Frank VanDeSteege	(651) 296-8482
Mn/DOT – Env. Serv.	Mark Anderson	(651) 284-3748

**Congestion Mitigation and Air Quality Program (CMAQ)**

The 1991 Intermodal Surface Transportation Efficiency Act (ISTEA), Title I, Section 1008 established a Congestion Mitigation and Air Quality Improvement Program (CMAQ) to direct funds to projects and programs which are determined likely to contribute to the attainment of air quality standards for carbon monoxide, ozone, and particulate matter. The Transportation Act for the 21<sup>st</sup> Century (TEA-21) continues the CMAQ program on an expanded level, at \$1.3 billion per year nationwide. Because of a change in the weighting of the formula factors, Minnesota now receives an average of approximately \$19 million per year statewide. CMAQ projects are prioritized through the ATP process.

Funds can be spent only in nonattainment and maintenance areas for eligible projects. In Minnesota, the Twin Cities (most of the seven county Twin Cities area and part of Wright County), Duluth and St. Cloud are eligible for CMAQ funds. Capital expenditures under CMAQ must be new or expanded transportation projects to reduce emissions. Operating assistance is eligible under CMAQ for new or expanded services, but is limited to three years. Construction projects which will add new capacity for single-occupant vehicles are not eligible under this program unless the project consists of a HOV facility that is only available to single-occupant vehicles at off-peak travel times.

CMAQ projects are prioritized through the ATP process. Before a project or program can receive CMAQ funding, it must be determined eligible for CMAQ by FHWA/FTA. It must be shown to fit one of the eligible project or program categories, and must quantitatively demonstrate a reduction in CO emissions.

**Contacts**

Mn/DOT      Frank VanDeSteege      (651) 296-8482

## Federal Lands Highways Program

The Federal Lands Program includes the following four categories:

- Indian Reservation Roads (IRR)
- Park Roads and Parkways
- Public Lands Highways (Discretionary and Forest Highways)
- Refuge Roads

### Indian Reservation Roads

The Federal Lands Indian Reservation Roads program is co-administered by the Federal Highway Administration and the Bureau of Indian Affairs. The Indian tribal government, in cooperation with the BIA, (and any state or local government, or metropolitan planning organization as may be appropriate), must develop a transportation improvement program that includes all Indian reservation road projects proposed for funding. Projects must be selected by the Indian tribal government from the transportation improvement program and approved by the BIA and the FHWA. TEA-21 established a nationwide priority program for improving IRR deficient bridges.

### Park Roads and Parkways

The National Park Service owns Park Roads. Congress authorizes parkways. The FHWA's Federal Lands Highway Office administers the program in cooperation with the National Park Service.

### Public Lands Highways

A "public lands highway" means a forest road, or any highway through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations, under the jurisdiction of and maintained by a public authority and open to public travel. Federal reservations are considered to include lands owned by the Department of the Interior, Department of Agriculture, Department of Defense, and other Federal Agencies. The receipt of PLH funds does not impact the other Federal-aid highway funding distributed to the state.

#### *Discretionary*

PLH discretionary funds are available for any kind of transportation project (planning, research, engineering, and construction of the highways or transit facilities) eligible for assistance under Title 23 USC, that is within, adjacent to, or provides access to the areas served by the public lands highway. Eligible projects may include tourism planning, parking areas, signage, acquisition of scenic easements or historic sites, provisions for pedestrians and bicycles, rest areas, and visitor centers. PLH discretionary funds are allocated to projects selected by the FHWA through an annual nationwide solicitation. The annual solicitation is processed through the Division of State Aid for Local Transportation.

*Forest Highway*

PLH forest highway funds are available for the construction of transportation projects on designated Forest Highway routes, that are within, or provide access to the Chippewa and Superior National Forests in Minnesota. The County having jurisdiction over the FH route, as per Agreement with the Division of State Aid for Local Transportation administers the design and construction of a FH project. The FHWA, through annual meetings with the counties, Mn/DOT, and the Forest Service, develops the Forest Highway Transportation Improvement Program for inclusion in the STIP.

Refuge Roads

Refuge Road funds are available for the maintenance and improvement of federally owned public roads that are within, or provide access to the National Wildlife Refuge System. The FHWA's Federal Lands Highway Office will administer the program in cooperation with the US Fish and Wildlife Service.

### **National Corridor Planning and Development Program**

High Priority Corridors were first designated by Congress in ISTEA. The intent of these corridors was to serve the travel and economic development of regions not served by the Interstate System. ISTEA identified 21 corridors. One corridor in Minnesota was designated, that being the Avenue of the Saints. This corridor follows various routes from St. Paul, Minnesota to St. Louis, Missouri.

Since the original 21 corridors were identified in ISTEA, 2 additional corridors have been identified in Minnesota. Section 330 of the National Highway Designation Act of 1995 identified I-35 from Laredo, Texas to Duluth, Minnesota and TEA-21 identified the Falls to Falls corridor (US 53) from International Falls, Minnesota to Chippewa Falls, Wisconsin.

Unlike ISTEA, TEA-21 did not provide any funding to the individual corridors. Instead, TEA-21 provides for a discretionary fund to be allocated at the discretion of the Secretary of Transportation. To prevent the earmarking of funds for discretionary project, TEA-21 requires the Secretary to develop guidelines for the allocation of funds.

Eligible activities under this program include:

- Planning, coordination, design, and location studies.

- Environmental review and construction.

A corridor plan shall include:

- A complete and comprehensive analysis of benefit/cost.

- A coordinated schedule showing completion of plans, development activities, environmental reviews and permits, and construction of all segments.

- A finance plan.

- Results of any environmental reviews and mitigation plans.

- Identification of any impediments to the development and construction of the corridor.

All studies and planning for corridors or a corridor component should be completed prior to any funds being available for environmental review, detail design, or construction.

Contact:

Mn/DOT – OIM

Ed Idzorek

(651) 205-4391

### **Coordinated Border Infrastructure Program**

TEA-21 established the Coordinated Border Infrastructure Program. This program is directed toward improvements to the safe movement of people and goods at or across the border between the United States and Canada and the border between the United States and Mexico.

Unlike ISTEA, TEA-21 did not provide any funding to the individual corridors. Instead, TEA-21 provides for a discretionary fund to be allocated at the discretion of the Secretary of Transportation. To prevent the earmarking of funds for discretionary projects, TEA-21 requires the Secretary to develop guidelines for the allocation of funds. Improvements to existing border infrastructure.

Eligible activities under this program include:

- Construction of highways and related safety and safety enforcement facilities that facilitate vehicle and cargo movements.

- Operational improvements, including technology applications to expedite cross border movements.

- Modification to regulatory procedures to expedite cross border movements.

- International planning, programming, and border operation coordination,

- Facilitating federal inspection agency activities.

This is a discretionary program funded from the same allocation as the National Corridor Planning and Development Program. Funds are limited to States and MPOs.

**Contact:**

Mn/DOT – OIM

Chuck Sanft

(651) 296-1666



## Pavement Preventive Maintenance

The American Association of State Highway and Transportation Officials' (AASHTO) Lead States Team for Pavement Preservation has documented savings from 6:1 to as high as 10:1 when comparing preventive maintenance activities to rehabilitation activities.

Mn/DOT's Pavement Preventive Maintenance (PPM) program will provide measurable results and produce smoother, longer lasting roads by "*applying the right treatment to the right road at the right time.*"

The purpose of the PPM program is to protect the pavement structure, slow the rate of pavement deterioration and/or correct pavement surface deficiencies. PPM projects should be done on roads in GOOD condition and not as a quick fix to buy time until rehabilitation or reconstruction is needed. Although these projects are done using PPM techniques, they should not be charged to the PPM category since it will distort the performance data needed to determine the benefit of these fixes. Decision trees in the Pavement Management System (PMS) can help in the selection of specific PPM projects.

*Draft Guidelines for the Pavement Preventive Maintenance Program* (August 9, 2000) are available from the Office of Materials and Road Research. The Guidelines provide information on project identification and selection and recommends that each district develop a preventive maintenance action plan for newly constructed pavement structures.

The Office of Materials and Road Research (OMRR) will provide annual updates to each district on recommended actions. They will try to provide the information early in the process so it can be incorporated into the District/ATP development process.

The statewide targeted spending level is \$40 million per year. The annual memo from OMRR will designate the portion each district should consider setting aside for these PM activities. A separate program category in the State Road Construction Program has been established and named "Preventive Maintenance" (PM).

If the districts have been using either Resurfacing (RS) or Road Repair (RX or BARC) to identify these types of fixes, they should be revised to reflect the new PM program category. Each district can also use their operating budgets for PM activities but these are not currently tracked in ARTEMIS, so will have to be tracked at the district level.

**Minnesota Bridge Construction Program**

Minnesota has approximately 19,790 bridges on the public road systems statewide. Mn/DOT, county, and municipal highway agencies make a continuous effort to replace or rehabilitate deficient bridges on both the Trunk Highway system and the Local Road Systems. Federal funds for bridge replacement and bridge repair projects are available from a variety of federal program categories. Mn/DOT Districts and local agencies submit bridge projects in response to their Area Transportation Partnership's (District/ATP) solicitation for transportation projects. The Mn/DOT Division of State Aid for Local Transportation manages the replacement or repair of bridges on the local road systems in conjunction with local agencies.

In July 1998 the Office of Bridges and Structures distributed the Trunk Highway Bridge Planning Guide to each District and the Metro Division. This planning guide provides information that can assist in developing candidate projects for inclusion in the construction program. Appendix C of the Trunk Highway Bridge Planning Guide provides project specific priorities for each District and the Metro Division.

### FTA Transit Process

In Minnesota, FTA transit allocations for rural and small urban transit capital and operating assistance is managed by Mn/DOT's Office of Transit (OT). These formula programs include the Elderly and Persons with Disabilities Program (Section 5310) and the Non-urbanized Area Formula Program (Section 5311). Federal capital and operating assistance for urbanized areas over 50,000 population (Urbanized Area Formula Program – Section 5307) is provided directly to the urbanized area transit agency by FTA. In addition, FTA works directly with the state and transit agencies in urbanized areas to allocate discretionary capital funds under the Capital Program (Section 5309) for major capital needs such as fleet replacement and construction of transit facilities.

The OT works closely with the District Transit Managers (DPM) to ensure that transit projects are included in the District/ATP process.

<b>INCORPORATING TRANSIT PROJECTS INTO THE STIP</b>	
November	Office of Transit distributes 5307 and 5311 projected operating costs and allocation of federal state and local funds to the DPMs to forward to District/ATPs and MPOs. Office of Transit distributes projected vehicle capital costs by vehicle classification to the DPMs to forward to District/ATPs and MPOs.
Dec – Feb	DPMs work with the District/ATPs in the identification of transit projects to receive STP capital (FHWA) funding. All vehicle replacements must be identified in the recipient's CY five capital vehicle replacement plan as submitted in the recipient's current Mn/DOT approved Management Plan. All vehicles in the five capital plans must meet the minimum threshold of PTMS vehicle replacement formulas. DPMs will determine any transit STP capital amendments to the ATIP/STIP. All adjustments must meet PTMS requirements and be in the transit recipient's Management Plan. DPMs work with OT and OIM of the STIP amendments. DPMs work with OT staff on potential 5310 recipients. This is a separate process but the information must be provided in the STIP.
March	Final 5310 recipients are determined. OT submits final 5310 project list to DPMs to include in the District/ATP ATIPs.
April	DPMs and OT staff review draft ATIPs.
May – June	DPMs and OT staff review draft STIP.
October	STIP is approved. Capital is programmed into 5311 contracts. OT/OIM submit to FTA and FHWA request to transfer STP funds to FTA.

**Interregional Corridors**

In February of 1999, Mn/DOT began identifying key transportation corridors and in January of 2000 adopted an Interregional Corridor System as part of the approved Statewide Transportation Plan. The goal of the Interregional Corridor (IRC) System is to enhance the economic vitality of the state by providing safe, timely, and efficient movement of goods and people between important regional centers.

Corridor management plans will be completed on all IRCs. However, these plans cannot be completed in a short period of time with 2,930 miles of IRC routes. Because the task is large and the resources limited, informed choices are needed regarding how resources are allocated and what areas receive greater priority. Seven corridors have been selected for corridor management plans. These seven corridor plans are to be completed in a one year time frame (by January 2002).

Expansion projects on high priority, under-performing interregional corridors should be given priority over other expansion projects.

More information on the IRC System can be found in *Interregional Corridors – Statewide Interregional Corridor Policies* and *Interregional Corridors – A Guide for Plan Development and Management*.

## **APPENDIX C**

### **TARGET FORMULA**



## Target Formula

### Background

“Target” is defined as a flexible short-range estimate of federal funding. The target is used as a planning tool to assist the District/Area Transportation Partnerships (District/ATPs) in developing their Area Transportation Improvement Programs (ATIP).

The District/ATPs used targets for the first time to develop the 1994-1996 State Transportation Improvement Program. During 1995, officials within Mn/DOT requested that targets be re-evaluated. In late 1995, a work team within Mn/DOT was formed to examine the existing methodology that had been used to develop the target formula and to review other options.

The Target Work Team developed five alternative target formula scenarios which were reviewed by the Districts, Metro Division and their partners in May and June 1996. In July, the Transportation Program Investment Committee, the Transportation District Engineers, the Metro Division Engineer and the Target Work Team met to share information received from the transportation partners. The scenario that most closely reflected the group’s desire to include both system size and system usage factors was selected and further modified.

As a result of nearly a year of analysis and review, Mn/DOT recommended the new target formula for the Area Transportation Improvement Program. The new target formula was consistent with the investment guidance for developing an Area Transportation Improvement Program, included factors that addressed the needs of the system and resulted in relatively minor changes from the results of the previous formula.

The data used in the target formula was updated in late 1998 and a slight change in distribution percentages was approved by TPIC beginning with FFY 2002.

### Target Formula Explanation

The target formula is based on a 40/60 split between system size and system usage. Factors measuring system size and system usage are used as proxies for existing deficiencies and reflect future usage rather than a backlog of existing deficiencies.

System size factors are included in the formula to reflect Mn/DOT’s commitment to preserve and maintain the roadway system throughout the entire state. The usage factors capture the impact of vehicle use on the system and the contribution made by users to the highway trust fund from the different regions of the state.

The Guidance for Development of the State Transportation Improvement Program (STIP) indicates that 30 to 40 percent of Minnesota's investment in the transportation system should be in preservation activities. The most direct measure of need is the size of the system to be preserved. The size of the system is weighted at 40 percent of the formula. The size factors include total statewide bridge area, federal aid lane miles and public transportation/buses. The weights given to each of these factors roughly approximate the balance among the dollars spent on bridges, roadways and transit projects included in the STIP.

The usage measure, representing 60 percent of the formula, is split equally between present usage and future usage. The present usage factors are total vehicle-miles of travel (VMT) and heavy commercial vehicle-miles of travel (HCVMT). HCVMT is also included in the number for total VMT. To give additional weight to heavy commercial traffic since these vehicles impose greater damage to roads, HCVMT is included in the formula as a separate factor. Mn/DOT routinely collects the two factors of VMT and HCVMT.

The target formula includes the state demographer's forecast of population for the year 2025 to represent future system usage. A better measure might be projected VMT, but a forecast of VMT is not available by county (only current VMT is available by county). Analysis of the state demographer's 1995 projected population and 1995 VMT as reported by Mn/DOT showed a 99 percent correlation between population and VMT. Therefore, Mn/DOT concluded that population is a reasonable proxy for future usage of the system.



**TARGET FORMULA**

<b>MEASURE</b>		<b>FACTOR</b>	<b>WEIGHT</b>
SYSTEM SIZE 40%		Bridge Area	10%
		Federal Aid Lane Miles	25%
		Buses	5%
USAGE 60%	Present	VMT	25%
		HCVMT	5%
	Future	2025 Population	30%

**TARGET DISTRIBUTION BY DISTRICT/ATP**

<b>DISTRICT</b>	<b>TARGET</b>		
	OLD	(2000-2001)	(2002- )
1	9.4%	9.5%	9.6%
2	4.6%	5.6%	5.6%
3	11.8%	10.9%	11.4%
4	6.9%	6.6%	6.6%
6	10.0%	9.9%	9.9%
7	8.0%	7.4%	7.5%
8	6.1%	6.1%	6.0%
M	43.2%	44.0%	43.4%



## **APPENDIX D**

### **STIP FUNDING GUIDANCE**





## Minnesota Department of Transportation

### Memo

#### Office of Investment Management

3rd Floor South  
395 John Ireland Blvd.  
St. Paul, MN 55155

November 16, 2000

To: Transportation District Engineers  
Metro Division Engineer

From: Al Schenkelberg, Director  
Office of Investment Management

Subject: STIP Funding Guidance (FY 2002, 2003, and 2004)

This memo will provide the updated federal and state target funding estimates for FY 2002-2004 which were approved by the Transportation Program Investment Committee on November 9, 2000.

#### **Federal Funding Forecast for the 2002-2004 STIP**

The target funding level is based on an estimate of the federal aid highway funds available for transportation projects for the next three state fiscal years (2002-2004). The estimate of federal aid highway funds exclude High Priority Projects, Intelligent Transportation System (ITS), Federal Lands (Forest Highway, Public Lands, and Indian Reservation Roads), and small categories of allocated funds like Scenic Byways. Because of the variability of future revenues, it is suggested that the ATIP federal submittals should contain five to ten percent more than the target. *Do not identify "guaranteed accelerated projects" (GAP) in 2002.* We will essentially use advance construction to cover any identified projects that are delivered.

The District/ATP target funding is shown in TABLE 1 and does not include the \$10 million withheld for statewide reserves. The target formula is the same for all three years of the STIP.

Transportation District Engineers  
 Metro Division Engineer  
 November 16, 2000

TABLE 1		
Annual Federal Funding Target Estimates For 2002, 2003, and 2004		
District/ATP	Share Percent	Target \$ Millions
1	9.6%	\$ 32
2	5.6%	\$ 19
3	11.4%	\$ 38
4	6.6%	\$ 22
6	9.9%	\$ 33
7	7.5%	\$ 25
8	6.0%	\$ 20
M	43.4%	\$146
TOTAL	100.0%	\$335

State Funding Forecast for the Mn/DOT HIP

The state target funding level is based on current revenue forecasts less approximately \$15 million per year for statewide reserves, some of which will remain uncommitted in the 3<sup>rd</sup> year of the STIP. This level should be used in developing the Trunk Highway Improvement Program (HIP). The revised forecast envisions \$260 million in state target funds available for fiscal years 2002-2004. The target funding levels are included in TABLE 2.

TABLE 2		
Annual State Funding Target Estimates For 2002, 2003, and 2004		
District/ATP	Share Percent	Target \$ Millions
1	9.6%	\$ 25
2	5.6%	\$ 14
3	11.4%	\$ 30
4	6.6%	\$ 17
6	9.9%	\$ 26
7	7.5%	\$ 19
8	6.0%	\$ 16
M	43.4%	\$113
TOTAL	100.0%	\$260

Transportation District Engineers  
Metro Division Engineer  
November 16, 2000

The recommended level of over programming for Mn/DOT's HIP is three percent for the years 2002 and 2003 and six percent for year 2004. This equates to the following dollar levels:

YEAR	2002	2003	2004
Over programming	\$ 15M	\$ 17M	\$ 33M

Use your target share of this dollar level as an overprogramming guide to identify additional state fund projects in the development of your HIP.

Discussions are continuing with regard to how we will address inflation in the STIP and Work Plan/Studies Plan. General consensus to date would indicate that all project and setaside estimates should be inflated to "year of construction" dollars. The issue will be discussed at the December 14, 2000 TPIC meeting and further guidance on methodology will follow.

Any questions can be directed to Bob Hofstad at (651) 296-8519.

cc: TPIC G. Thompson D. Allan  
ADE's K. Rasmussen A. Vogel  
M. LaBau R. Hofstad/F. VanDeSteege District Planners  
R. Borson D. Gerdes  
D. Flemming/D. Dorgan A. McKenzie/E. Idzorek





## **APPENDIX E**

### **TRANSPORTATION REVOLVING LOAN FUND (TRLF)**



## Transportation Revolving Loan Fund

In November 1995, the federal government established the State Infrastructure Bank (SIB) program through the National Highway Designation Act. A SIB is a state or multi-state fund that can be used by eligible borrowers to finance transportation projects. The purpose of the SIB program is to attract new funding to transportation, encourage innovative approaches to financing transportation projects, and help build needed transportation infrastructure. A SIB operates much like a commercial bank. It offers loans and other types of financial assistance to eligible borrowers to finance transportation projects. When the loans are repaid, the funds are returned to the SIB and used to finance another set of projects, creating a continually expanding pool of money for transportation projects.

During the 1997 legislative session in Minnesota, Mn/DOT proposed legislation that would create a SIB for Minnesota. On May 12, 1997, this legislation, known as the Transportation Revolving Loan Fund (TRLF) Act, was signed into law. The TRLF Act authorized Mn/DOT, the Minnesota Department of Trade and Economic Development (DTED), and the Minnesota Public Facilities Authority (PFA) to jointly develop and administer a SIB program. Mn/DOT is responsible for evaluating and certifying transportation projects to the PFA for TRLF financing. The PFA is responsible for conducting a financial evaluation of the certified transportation projects' applicants and setting the terms and conditions for the TRLF loans.

In June of 1997, the federal government authorized Minnesota to create a SIB program and appropriated the state \$3.96 million in federal incentive funds to capitalize the TRLF. All federal funds deposited into the TRLF require the concurrent deposit of a non-federal match of 25% of the federal contribution. Since 1997, Minnesota has capitalized the fund to the amount of \$54 million.

For information on the TRLF program and eligibility requirements or a copy of the TRLF Application and Information Packet contact:

Mn/DOT OIM

Brad Larsen

651-282-2170



# **APPENDIX F**

## **FORMAT FOR ATIP SUBMITTAL**



## Format for ATIP Submittals

ATIP data should be transmitted via an Excel database in the following format. A customized template is available on disk or via GroupWise from OIM.

DATA	FORMAT
ATP	Enter the ATP number as a one digit number, e.g. 1, 2, 3, etc. Metro should enter the letter M.
District	Enter the Mn/DOT construction district number as a one digit number, e.g. 1, 2, 3, etc. Metro should enter the letter M. Do not enter maintenance district numbers.
Route System	Enter the route name. See page F7 for list of standard route name abbreviations.
Route Number	Enter the number associated with the route system.
Project Number	Enter the project number that identifies the project. See page F8 for standard formats for project number.
Requested Year	Enter the state fiscal year in which the District/ATP is requesting the project. The year should be entered as a 4-digit number, e.g. 2002, 2003, 2004.
Rank	Enter the project ranking. Use requested fiscal year (4 digit) followed by a ranked numbering system. Each district can decide its own ranking system.
Who	Enter an S to identify Mn/DOT projects. These projects make up the Mn/DOT Highway Improvement Program (HIP). Enter an L to identify all other projects. Transit projects are considered local projects.
Agency	Enter the name of the jurisdiction responsible for implementing the project or for opening bids. For transit projects, this can be either Mn/DOT or the local transit authority. For 5307 transit projects, the Agency is always the local transit authority. For STP funded transit projects, Mn/DOT is the agency unless that project is an urban (MPO) project and then it is the local transit authority. For Rail projects enter Mn/DOT as the agency. See page F9 for recommended formats.
MPO	Enter an indicator to identify projects that are located in an MPO. 1 = Duluth-Superior                      5 = LaCrosse-LaCrescent 2 = Grand Forks-East Grand Forks 3 = St. Cloud                              6 = Rochester-Olmsted 4 = Fargo-Moorhead                      7 = Met Council
Description	Enter a brief description of the project. The description should be in upper case. See page F10 for recommended formats and abbreviations. Add (AC project) or (AC Payback) where appropriate.

<b>DATA</b>	<b>FORMAT</b>
Length	Enter the length of the project in miles. Use only one decimal place. Use 0.0 for bridges, intersections, and all other projects with no mileage.
City	Enter the name of the city when a project is located in a city. Do not abbreviate. This is for mapping purposes.
County	Enter the number of the county. This is for mapping purposes.
Program	Enter the 2 letter category identifier for the program in which the project falls. See page F3 for the list of Program Categories.
Primary Type of Work	Enter the primary type of work from the list of Artemis work type codes. Only one code should be used for each project. If a project includes more than one work type, the work type that has the greatest cost associated with it should be used.
Secondary Type of Work	Enter the secondary type of work for the list of Artemis work type codes. Only one code should be used.
Possible Funds	Enter the anticipated source of funding. See page F12 for list of funding sources.
TOTAL	Enter the total current estimate. This number should be the sum of Demo, Other FHWA, FHWA, AC Payback, FTA, State TH, Legislative Appropriation, and Other dollars. It does not include AC.
DEMO \$	Enter the total federal High Priority Project dollars anticipated to be used.
Other FHWA \$	Enter total FHWA non-High Priority, non-formula dollars anticipated to be used, e.g. Indian Reservation Roads, Forest Highways, Scenic Byways.
FHWA \$	Enter total federal formula highway dollars anticipated to be used.
AC	The total estimated amount of future federal funds being committed to a project, front-ended by local/state funds.
AC Payback	The total estimated amount of dollars converted to federal funds.
FTA \$	Enter total dollars from the Federal Transit Administration.
STATE TH \$	Enter total state highway dollars anticipated to be used (either state match or state funds; does not include any state-aid funds). Does not include 2000 MN legislative appropriation.
IRC-BN-AT	Enter total state legislative appropriation dollars anticipated to be used.
OTHER \$	Local match, local funds,



## Program Categories

### Highway Program Categories

**Municipal Agreements (AM).** The Municipal Agreements category is Mn/DOT's share of work done on its right-of-way by another jurisdiction.

**Bridge Improvement and Repair (BI).** The Bridge Improvement and Repair category is directed at the maintenance, protection and improvement of safety on existing bridges. The work may consist of deck and substructure repairs, deck overlay, slope protection repair, bridge approach panel repair, bridge painting, minor widening, etc.

**Bridge Replacement (BR).** The Bridge Replacement category is directed at the elimination or correction of bridges that have been identified as inadequate and/or hazardous because of horizontal and vertical clearances, load restrictions or deterioration. The work may consist of replacing deficient bridges with bridges or culverts, constructing approaches or major bridge rehabilitation.

**Bike Trail (BT).** The Bike Trail category is used for pedestrian and/or bike trails that are not federal Enhancement projects and do not use STP Enhancement funding. The work may consist of construction, resurfacing or maintenance.

**Enhancement (EN).** The Enhancement category is used for those projects that qualify for STP Enhancement funding and are not tied to another program category.

**Indian Reservation Roads (IR).** The Indian Reservation Roads category is intended for those roads constructed on Indian reservations and identified in the IRR TIP.

**Junk Yard Screening (JY).** The Junk Yard Screening category is used for those projects that qualify for the Junk Yard Screening Program.

**Major Construction (MC).** The Major Construction category is directed toward improvements that increase the operational characteristics of a highway facility by decreasing congestion, increasing the operating speed and/or reducing accidents by adding lanes, or by building a new roadway. The projects consist of grading, surfacing, and may include all or combinations of the following: interchanges, bridges, signals, lighting, signing, fencing and landscaping. The focus is on major improvements to existing facilities.

**Non-Applicable (NA).** The Non-Applicable category is used when there is no commitment to a specific category.

**Noise Walls (NO).** The Noise Walls category is intended for the construction of noise walls.

**Planning (PL).** The Planning category is intended for long range studies of options along or within transportation corridors.

**Preventive Maintenance (PM).** The Preventive Maintenance category is intended for projects that preserves the surface of the roadway.

**Recreational Trails (RT).** The Recreational Trails category is intended for projects that are administered by the DNR and are funded through the FHWA Recreational Trails Program.

**Rest Area/Beautification (RB).** The Rest Area/Beautification category is intended for the installation and/or upgrade of Roadside Rest Areas. The Beautification portion of the category is intended for those activities to improve the appearance of the roadside and state entrances, such as Landscape Partnerships.

**Reconstruction (RC).** The Reconstruction category is intended to bring sections of the highway system which are of higher functional class and are inadequate with respect to grades (deficient horizontal and/or vertical sight distances) and cross section (steep slopes and narrow shoulders) to an acceptable standard. These projects may also provide for the upgrading of sections with load capacity restrictions. The reconstruction category is not meant to include the addition of through traffic lanes. The projects consist predominantly of grading or heavy regrading, base, surfacing, and bridges where necessary.

**Reconditioning (RD).** The Reconditioning category is intended to correct conditions that have been identified as critically deficient without involving major changes to the cross section. The projects usually consist of a combination of two or more of the following: widening, resurfacing, recycling, drainage correction or shouldering. The work may also involve major ditch restoration, isolated geometric corrections, as well as projects with road strengthening as an objective. Geometric improvements include corrections to the horizontal (width, curvature) and vertical (grade) design elements of the highway.

**Revolving Loan (RL).** The Revolving Loan category is used to identify capitalization of the Transportation Revolving Loan Fund.

**Resurfacing (RS).** The Resurfacing category is intended to restore the roadway surface and/or shoulders. The projects may consist of removing and replacing the top layer of the roadway, placing an additional layer on the existing roadway or shoulder, maintenance emergencies or minor improvements (joints, culverts, slopes).

**Right-of-Way (RW).** These projects are intended to provide for the purchase of property needed for highway construction and to relocate utilities and railroad facilities.

**Road Repair (RX).** The road repair category is used for minor preservation work. Work must be more than ordinary maintenance and be necessary to obtain the normal life expectancy of the roadway.

**Supplemental Agreement/Cost Overrun (SA).** The supplemental agreement/cost overrun category is intended to cover unanticipated items that appear during construction of the project.

**Safety Improvements (SH) and (SC).** The purpose of the Safety Improvement categories is to eliminate hazardous conditions and/or to increase intersection capacity. The projects consist of mainly intersection improvements (channelization, signals), widening turn lanes, guardrail, improving curves and skid resistant surface treatments. This category has two subcategories determined by funding eligibility.

Safety High Hazard (SH) -federally funded and projects must have a Benefit/Cost Ratio of 1.0 or more (This category is often called the Hazard Elimination Safety (HES) Program and more information can be found in Appendix B.)

Safety Capacity (SC) - the project's potential to reduce accidents is reviewed but does not have a specific requirement for the Benefit/Cost Ratio. These are typically state funded.

**Safety Rail (SR).** The purpose of the Safety Rail category is to promote and enhance safety at all public railroad-highway grade crossings in the state. More information can be found in Appendix B.

**Traffic Management (TM).** The purpose of the Traffic Management category is to provide for the installation and development of systems to control and alleviate the congestion on urban freeways.

#### Transit Program Categories

**Transit (TR).** The Transit category is used for transit capital projects that are funded using FHWA STP funds.

**Urbanized Area Formula (B9).** The Urbanized Area Formula category identifies FTA Section 5307 projects that provide capital and operating assistance.

**Capital Program (B3).** The Capital Program category identifies FTA Section 5309 projects. These projects are found only in the Twin Cities Metropolitan Area. This category includes allocated discretionary capital funds.

**Elderly and Persons with Disabilities (NB).** The Elderly and Persons with Disabilities category identifies FTA Section 5310 projects. This category provides capital assistance.

**Non-urbanized Areas (OB).** The Non-urbanized Areas category identifies FTA Section 5311 projects. This category provides capital and operating assistance.

### Route System

The route system includes the route name. Names of streets should not be used in this column but may be included in the description column. The recommended format for Route System is shown below.

<b>ROUTE SYSTEM</b>	<b>DESCRIPTION</b>
BB	Transit (buses)
CITY	City road
CMAQ	Congestion Mitigation and Air Quality project
CR	County Road
CSAH	County State Aid Highway (except if a forest highway)
DA	Disability Act project
EN	Enhancement (not assigned to a specific road and not a pedestrian or bicycle path)
FH	Forest Highway
I	Interstate
IRR	Indian Reservation Road
ITS	Intelligent Transportation System project
LOCAL 999	Local project not associated with a road (not an enhancement)
MSAS	Municipal State Aid Street
MUN	Municipal Street
PED/BIKE	Pedestrian or Bike Path/Trail (not assigned to a specific road)
PL	Planning
REC TRAIL	Recreation Trail Program (administered by the DNR)
RL	Transportation Revolving Loan Fund (capitalization only)
RR	Railroad
TWN	Township Road
TH	Trunk Highway
TH 999	State project not associated with a road (not an enhancement)

**Project Number**

A project number identifies the project. Most trunk highway projects start with the control section numbers. Local projects start with either the county or city numbers. Setasides, transit, and railroads have their own format. Project numbers for state highway projects are assigned by Dean Freitag (651-296-3041) and State Aid project numbers are assigned by Diane McCabe (651-296-9876). **For State Aid projects, do not use the local project number format with added zeros (0XX-XXX-0XX).**

PROJECT TYPE	PROJECT NUMBER FORMAT	ABBREVIATIONS
Trunk Highways <sup>1</sup>	AAAA-NN	AAAA = control section BBBBB = crossing number (RR)
Trunk Highway Bridge <sup>1</sup>	AAAA-NN	
Set-Asides <sup>2</sup>	880D-PP-YY	
State-Aid Roadway (CSAH/MSAS)	CC-XXX-NN CCC-XXX-NN	CC = county
Municipal Street Township Road	CCC-XXX-NN CC-XXX-NN	CCC = city
Railroad Crossing	CC-BBBBB	D = district (M for Metro)
Transit	TRF-AAAA-YY TRS-AAAA-YY	NN = unique number (the 5-digit bridge number may also be used if the project is split out)
ITS	Use appropriate roadway format or transit format if appropriate, otherwise: DIST-N-ITS or DIST-N-A-ITS when more than 1 project	
Advance Construction Payback	AAAA-NN(A) Use original project number followed with an “(A)” for 1 <sup>st</sup> year of payback, “(B)” for 2 <sup>nd</sup> year of payback, and so on.	PP = program code TRF = FTA funding TRS = STP funding XXX = route designator YY = fiscal year

<sup>1</sup> If there are more than one project in a control section, a letter should be used to indicate additional projects, e.g. AAAA-NNA and AAAA-NNB

<sup>2</sup> When specific projects are identified, Artemis screens should be built and project numbers assigned. OIM will fund the project and reduce the set-aside amount.

### Agency

The agency is the jurisdiction responsible for implementing projects or for opening bids. Agency names should be in UPPER CASE letters. County names should be followed by the word “COUNTY”. When the project is a city project, provide only the city name. Do not use City of “AAAAA”.

<b>AGENCY</b>	<b>EXAMPLE FORMATS</b>
Mn/DOT	MN/DOT
Counties	WASECA COUNTY ANOKA COUNTY AITKIN COUNTY
Cities	WASECA ANOKA AITKIN
Transit Authorities <sup>1</sup>	METRO TRANSIT DTA ST. CLOUD MTC MOORHEAD TRANSIT MVTA
Rail Authorities	REGIONAL RAIL AUTH
Others	Abbreviate if possible

---

<sup>1</sup> The local transit authority is always the Agency for Section 5307 projects and for any STP funded projects from urban area MPOs.

**Description**

The description is a brief notation of location. Upper case letters should be used for the entire description. Work type does not have to be included in the description as secondary work types will be shown in another column in the STIP. Use (AC project) or (AC payback) in the description where appropriate. Use the following abbreviations and formats where possible. **Descriptions will be limited to 3 lines maximum (40 characters/line in Excel) in the STIP. PLEASE BE BRIEF.**

PROJECT TYPE	FORMAT
Roadways	FROM: _____ TO: _____
Examples	FROM TH 46 TO INGER FROM CSAH 16 TO TH 95
Bridges	LOCATION/DESCRIPTION, BRIDGE NUMBER
Examples	19.2 MI E OF I-35, BRIDGE #98765 0.5 MI S OF CR 97, BRIDGE #56565
Roadways with no mileage	LOCATION/DESCRIPTION, WORK
Examples	GOOSEBERRY STATE PARK, REST AREA AT INTERSECTION OF GRANT AVE & TH 53 IN EVELETH ON 3 <sup>RD</sup> ST NEAR FRONT ST IN BAXTER
Ped/Bike	FROM: _____ TO: _____ (or location)
Examples	SMITH ST TO SOLDIERS PARK IN NORTHFIELD, BIKE TRAIL BAXTER TO PIERZ, BIKE TRAIL IN HILL CITY, BIKE TRAIL
Historic Preservation and Enhancements	LOCATION/DESCRIPTION, WORK
Examples	CLOQUET, DEPOT RESTORATION ELY, HISTORIC ARTS CENTER INT'L FALLS, STREETScape WILMAR, LANDSCAPE
Transit-FTA	SECT XXXX: DESCRIPTION (Bus class # if 5310)
Examples	SECT 5311: CLOQUET TRANSIT OPERATING ASSISTANCE SECT 5307: DULUTH TRANSIT CAPITAL SECT 5310: POLK CO DEV ACHIEVEMENT CTR, 1 SMALL BUS (xxx) SECT 5310: ELDER HOME, EYOTA, 1 MEDIUM BUS (xxx)
Transit-FHWA	DESCRIPTION (bus class number)
Examples	MAHNOMEN CO HUMAN SERV – 1 MED BUS (xxx) TRI-VALLEY TRANSIT – 1 MED BUS REPLACE (xxx)
Setasides	DISTRICTWIDE SETASIDES – PROGRAM – FY
Examples	DISTRICTWIDE SETASIDES – MUNICIPAL AGREEMENTS – 03 DISTRICTWIDE SETASIDES – ROW – 04 DISTRICTWIDE SETASIDES – ROAD REPAIR – 04
Advance Construction and Advance Construction Payback	After project description add (AC PROJECT) or (AC PAYBACK)



**Relationship Between Priority Goals and Program Categories**

PRESERVATION	MANAGEMENT & OPERATIONS	REPLACEMENT	EXPANSION
Road Repair (RX) Resurfacing (RS) Reconditioning (RD) Bridge Repair (BI) Preventive Maintenance (PM)	Cooperative Agreements (AM) Safety Improvements (SH) or (SC) Traffic Management (TM) Right-of-Way (RW) Enhancements (EN) Junk Yard Screening (JY) Planning (PL) Rest Area/ Beautification (RB) Bike Trail (BT) Indian Reservation Road (IRR) Supplemental Agreements/Cost Overruns (SA) Safety Rail (SR) Noise Walls (NO)	Bridge Replacement (BR) Reconstruction (RC)	Major Construction (MC)
Operating enhancements for existing transit service Bus rehabilitation and refurbishing Bus replacement with same size bus Bus replacement due to end of useful life Facility Repair	Transit Administration Transit Training Transit Studies Transit Planning	Bus Replacement with Larger Size Bus	Operating Assistance for New Transit Service Transit Fleet Expansion Construction of New Transit Facilities

### Possible Funds

Possible funds is a preliminary fund assignment. Exact determination of funding category will be made by the Office of Investment Management to ensure optimal use of all transportation funding.

<b>FUNDING CODE</b>	<b>DESCRIPTION</b>
BH	Bridge Rehabilitation
BR	Bridge Replacement
BROS	Bridge Replacement Off System
CMAQ	Congestion Mitigation and Air Quality
EN	STP Enhancement
ER <sup>1</sup>	Emergency Relief
FFM	Federal Funds Miscellaneous
FH	Forest Highways
FTA	Federal Transit Administration
HES	STP Safety
HPP	High Priority Project
IM	Interstate Maintenance
IRR	Indian Reservation Roads
ITS	Intelligent Transportation Systems
LA	Legislative Appropriation
LF	Local Funds or Other
NHS	National Highway System
PUB	Public Lands
RESR	Research
RRS	STP Rail Safety
RT <sup>2</sup>	DNR Recreation Trails
SB	Scenic Byways
SF	State Funds
STP <sup>3</sup>	Surface Transportation Program
SU	STP Small Urban
TRLF	Transportation Revolving Loan Fund
UG	Urban Guarantee

<sup>1</sup> Permanent repairs have to be in the STIP

<sup>2</sup> Used for projects funded through the Recreational Trails Program administered by the DNR

<sup>3</sup> Used when specific STP funds (RRS, EN, etc) can not be identified.

## **APPENDIX G**

### **MN/DOT HIGHWAY IMPROVEMENT PROGRAM (HIP) (STATE TH FUNDS)**



## Mn/DOT Highway Improvement Program (HIP)

In developing the STIP, all federal aid formula highway funds are subject to the District/ATP prioritization process. High-Priority funds, discretionary funding and other allocated funds will not be included in the federal target, however all funding is under the budgetary limitations of the state road construction program (HIP). State funded trunk highway (TH) projects are included in the formal STIP for informational purposes and are shared and discussed with the District/ATPs. Mn/DOT anticipates a high degree of flexibility in the use of federal and state funding sources for individual trunk highway projects. State funded projects should also be included in the MPO TIP for informational purposes.

This state fund target is available to each Mn/DOT District to cover the following items in priority order:

1. Match federal dollars received through the DISTRICT/ATP process and high-priority funds or discretionary successes.
2. Estimate necessary District set asides to cover supplemental agreements and significant cost overruns.
3. Estimate of right of way needs to cover all trunk highway (TH) projects, with appropriate lead-time for expenditures. A single account will still be managed under one charge identifier by the Mn/DOT Office of Right-of-Way. The Mn/DOT Districts and Metro Division must identify the expenditures for the correct state fiscal year (SFY).
4. Prioritize a list of all other state funded highway and bridge projects. ***In the process of developing this list of projects, projects that preserve the system should be given priority. For expansion projects, priority should be given to high priority-low performing IRCs. Future expansion priorities will be identified as corridor management plans are completed.*** The list of projects may include reserves for grouped projects in the 2nd and 3rd year of the STIP. While discouraged, grouping in the 1st year may be necessary within some project categories. The prioritized list should consider (but not be limited to) projects or funding reserved for grouped projects in the following categories: municipal agreement projects, road repair projects, wildflower projects, landscape partnership projects and rest area projects. A number of these categories could be covered under a single reserve; e.g. wildflower and landscape partnership projects could be covered by the municipal agreements reserve.
5. Ninety-five percent of major construction, bridge, and reconstruction projects must come from the Project Work Plans and Project Studies Plan. This is a measure in the Program Delivery Group Business Plan. The Plan identifies the Districts and Metro Division as responsible for achieving the target.

**Project Work Plans and Project Studies Plans**

The three-year Project Work Plan should be based on sound estimates of total costs. Projects should have the appropriate scope and reasonable time schedules. The Project Work Plan will be constrained to the funding estimates provided by OIM. A financial summary form should be used for each year of the Project Work Plan (see memo following this information). The following data elements should be included:

SP number, TH number, description/termini; length; category; cost; date and status (new, modified, existing).

The four-year Project Studies Plan may include studies that are in the very early stages of development. Accurate estimates of costs may not be available for some of these studies. A reasonable estimate of corridor, area or study cost should be used to keep the list of project studies within a reasonable estimate of future funding. The Project Studies Plan will also be constrained to the funding estimates provided by OIM. The financial summary form should also be used for each year of the Project Studies Plan.

A District multi-modal long-range plan may identify corridor studies and environmental analyses that are beyond the ten-year time frame. Area wide analyses, major investment studies, systems plans, modal plans, etc., are activities that are also being considered for District long-range plans.

## Minnesota Department of Transportation

### Memo

#### Office of Investment Management

3rd Floor South  
395 John Ireland Blvd.  
St. Paul, MN 55155

October 6, 2000

To: Transportation District Engineers  
Metro Division Engineer

From: Al Schenkelberg, Director  
Office of Investment Management

Subject: Beyond the 2001-03 STIP (Mn/DOT Highway Investment  
Plan)  
**Project Work Plan (2004-2006)**  
**Project Studies Plan (2007-2010)**  
**Due Date: December 11, 2000**

The statewide **Project Work Plan (PWP) and Project Studies Plan (PSP)** need to be updated. These plans allow functional groups, involved in the early project development activities, to be able to plan their workload more effectively. The plans also encourage an assessment of the financial feasibility of the projects. The projects included in these plans should be regularly reviewed for consistency with the long range system plan for your district. The Area Transportation Partnership should also be made aware of these project planning and development activities.

We also anticipated that these project lists will become part of the conversation with the “Major Transportation Projects Commission” later this year. It would also be important to publish a statewide PWP list of Major Construction, Reconstruction and Bridge Replacement.

The development of the project planning list necessitates estimates of future funding. The preliminary forecast of funding for Mn/DOT planning purposes has been reviewed by the Transportation Program Investment Committee (TPIC). The estimated annual funding is \$610 million per year. This figure assumes that state funds will grow at a rate of 1.1% per year above inflation and includes new funds programmed in 2002 and 2003. *No statewide setasides or overprogramming will be applied to these*

*estimates.* Table 1 shows this annual funding estimate distributed to the districts using the existing funding targets.

Table 1: Annual Projected Funding Estimates Using Funding Target (Trunk Highway only) SFY 2004-2006 and 2007-2010

District	Percent	\$Millions	
		2004-2006	2007-2010
1	9.6%	55	57
2	5.6%	32	33
3	11.4%	65	67
4	6.6%	38	39
6	9.9%	56	58
7	7.5%	43	44
8	6.0%	34	36
M	43.4%	247	256
TOTAL	100%	570	590

The three-year Project Work Plan should be based on sound estimates of total costs. Projects that are currently in the Artemis system should be reviewed for appropriate scope and reasonable time schedules. New projects, not currently in Artemis, should be added and a tentative schedule built.

The four-year Project Studies Plan may include studies that are in the very early stages of development. Accurate estimates of project costs may not be available for some of these studies. A reasonable estimate of corridor, area, or study cost should be used to keep the list of project studies within a reasonable estimate of future funding. If project costs are not available, a typical cost per mile should be estimated for the study area. The district is asked to provide an estimate of dollars needed for each year of a Study Project. We understand and expect these estimates to change as project development continues and realistic staging is determined.

*The project work plan and project studies plan will be constrained to the funding estimate in Table 1. Any review of project planning and project development should consider the funding setasides necessary for project support activities. Specifically we believe that a minimum of 15% of funds*



Metro Division Engineer  
October 6, 2000  
Page 3

available should be reserved for Cooperative Agreements, Right of Way, and Supplemental Transportation District Engineers Agreements. A financial summary form is attached for your use in identifying funding reserves (setasides) and funding committed to identified projects or studies in the various categories of work. The financial summary form should be completed for each year of the Highway Investment Plan. A list of the projects included in the plan should be provided to this office. The following data elements should be included as a minimum: SP #; TH #; description/termini; length; program category; total estimate; proposed letting date; and status (new, modified, existing). This list of projects will be distributed more broadly than in the past as indicated earlier in this memo.

Under the Program Category Expansion, "Interregional Corridors" has been added. Interregional Corridors have been identified in each district. Any activities that would qualify for improving performance on these corridors should be separated out and listed on the financial summary form. As Corridor Management Plans are completed the recommendations or program adjustments will have to be brought forward.

There has been a lot of discussion recently centered around preventive maintenance and a Task Force recommended more emphasis in this area. It is our understanding that the pavement management unit in the Office of Materials and Road Research has been providing each district with detailed recommendations for these types of activities. We are suggesting for this update that you consider this work under your road repair (RX) or (BARC) setaside. In the future we may have to create a separate program category in ARTEMIS to summarize preventive maintenance expenditures.

When setting letting dates, remember that November is typically the earliest a federal project can be let in the federal fiscal year. As these projects are programmed into the STIP even earlier lettings can be accomplished through innovative finance procedures such as advanced construction. We need to continue to meet the letting schedule goals established by the Study Task Force in 1999.

Both the Project Work Plan and the Project Studies Plan should be submitted to this office by **December 11, 2000** . If you have any questions or concerns, please call Bob Hofstad (651)296-8519 or contact him through GroupWise.

Attachment

cc: Kevin Gray  
Doug Weiszhaar  
Pat Hughes  
Julie Skallman  
Jim Swanson  
Al Steger/Sheri Koch  
Dave Ekern  
Dick Swanson

PMSS Coordinators  
Tim Worke  
Cecil Selness  
Richard Bautch  
Richard Borson

Randy Halvorson  
Margo LaBau  
Don Flemming  
Merritt Linzie  
Karl Rasmussen  
Shannon Beaudin-Kline  
Dick Borson  
District/Metro Division

District/Metro Division Planners  
Donna Allan  
Tammy Bergemann  
Al Vogel

**MN/DOT HIGHWAY INVESTMENT PLAN for District \_\_\_\_\_**  
**FY \_\_\_\_\_ Financial Summary of Project Work Plan and Project Studies Plan**

<b>Program Category</b>	<b>Funding Reserves \$ Millions</b>	<b>Identified Projects \$ Millions</b>	<b>Total Estimate \$ Millions</b>
<b>Preservation</b>			
Bridge Repair (BI)			
Road Repair (RX) or (BARC)			
Resurfacing (RS)			
Reconditioning (RD)			
Subtotal			
<b>System Management</b>			
Cooperative Agreements (AM)			
Right of Way (RW)			
Supplements/Overruns (SA)			
Enhancement Activities (EN)			
Landscaping – Rest Area – Wetland Mitigation (RB)			
Planning (PL)			
Safety, Traffic and Capacity (SC)			
Safety, Hazard Elimination (SH)			
Safety, Rail/Highway (SR)			
Traffic Management (TM)			
Other			
Subtotal			
<b>Replacement</b>			
Bridge Replacement (BR)			
Reconstruction (RC)			
Subtotal			
<b>Expansion</b>			
Interregional Corridors (program code TBD)			
Other Major Construction, not IRCs (MC)			
Subtotal			
<b>Grand Total</b>			
<b>Annual Project Planning Funding Estimates</b>			



# **APPENDIX H**

## **STIP AMENDMENT FORM**



**Minnesota Department of Transportation**

**Office of Investment Management**  
Mail Stop 440, 3<sup>rd</sup> Floor South  
395 John Ireland Blvd.  
St. Paul, MN 55155-1899

Office Telephone: (651) 296-8478  
Fax:(651) 296-3019

Date

Joel Ettinger  
Area Director  
FTA Region V  
200 West Adams Street, Suite 2410  
Chicago, Illinois 60606

Re: Amendment to the Minnesota 200X-200X State Transportation Improvement Program (STIP)  
Project Number: XX-XXX-XX

Dear Mr. Ettinger:

Please amend the Minnesota 200X - 200X State Transportation Improvement Program (STIP) to include the project in [year]. The project is being submitted with the following information:

**PROJECT IDENTIFICATION:**

ATP	DIST	ROUTE SYSTEM	PROJECT NUMBER (S.P. #) (Fed # if available)	DESCRIPTION	TOTAL \$	FED \$	STATE FISCAL YEAR

**PROJECT BACKGROUND (INCLUDE REASON WHY AMENDMENT IS BEING REQUESTED):**

Joel Ettinger

Date

Page 2

**MAINTENANCE OF FISCAL CONSTRAINT (CHECK ONE):**

- New Money \_\_\_\_\_
- Anticipated Advance Construction \_\_\_\_\_
- ATP or MPO or Mn/DOT Adjustment \_\_\_\_\_

**DATE OF ATP CONCURRENCE OR N/A:**

**DATE OF MPO ADOPTION OR N/A:**

**NOTE: SUBMITTAL OF THIS STIP AMENDMENT CONSTITUTES Mn/DOT APPROVAL OF TIP AMENDMENT**

**AIR QUALITY CONFORMITY:**

- Subject to conformity determination (attach documentation) \_\_\_\_\_
- Exempt from regional level analysis \_\_\_\_\_
- Exempt from project level analysis \_\_\_\_\_
- Exempt by virtue of interagency consultation \_\_\_\_\_
- N/A (not in a nonattainment or maintenance area) \_\_\_\_\_

\*Exempt Project Category # \_\_\_\_\_

We are requesting approval of this STIP amendment at this time. If you have any questions, please call Elizabeth Brott at (651) 296-8518.

Sincerely,

Al Schenkelberg  
Director  
Office of Investment Management

cc: Alan Steger (if addressed to Joel Ettinger) or Joel Ettinger (if addressed to Alan Steger)  
Person submitting request

Artemis Coordinator

Other Mn/DOT Offices (e.g., State Aid, Environmental Services)

Robert Hofstad

Frank VanDeSteege

Linda Zemotel

Betty Brott

Kathy Briscoe (if MPO involved)

Greater Minnesota MPO Director (if MPO involved)



**Minnesota Department of Transportation**

**Office of Investment Management**

Mail Stop 440, 3<sup>rd</sup> Floor South  
395 John Ireland Blvd.  
St. Paul, MN 55155-1899

Office Telephone: (651) 296-8478

Fax:(651) 296-3019

Date

Alan Steger  
Division Administrator  
Federal Highway Administration  
175 East Fifth Street, Suite 500  
St. Paul, Minnesota 55101

Re: Amendment to the Minnesota 200X-200X State Transportation Improvement Program (STIP)  
Project Number: XX-XXX-XX

Dear Mr. Steger:

Please amend the Minnesota 200X - 200X State Transportation Improvement Program (STIP) to include the project in [year]. The project is being submitted with the following information:

**PROJECT IDENTIFICATION:**

<b>ATP</b>	<b>DIST</b>	<b>ROUTE SYSTEM</b>	<b>PROJECT NUMBER</b> (S.P. #) (Fed # if available)	<b>DESCRIPTION</b>	<b>TOTAL \$</b>	<b>FED \$</b>	<b>STATE FISCAL YEAR</b>

**PROJECT BACKGROUND (INCLUDE REASON WHY AMENDMENT IS BEING REQUESTED):**



Alan Steger  
Date  
Page 2

**MAINTENANCE OF FISCAL CONSTRAINT (CHECK ONE):**

- New Money \_\_\_\_\_
- Anticipated Advance Construction \_\_\_\_\_
- ATP or MPO or Mn/DOT Adjustment \_\_\_\_\_

**DATE OF ATP CONCURRENCE OR N/A:**

**DATE OF MPO ADOPTION OR N/A:**

**NOTE: SUBMITTAL OF THIS STIP AMENDMENT CONSTITUTES Mn/DOT  
APPROVAL OF TIP AMENDMENT**

**AIR QUALITY CONFORMITY:**

- Subject to conformity determination (attach documentation) \_\_\_\_\_
- Exempt from regional level analysis \_\_\_\_\_
- Exempt from project level analysis \_\_\_\_\_
- Exempt by virtue of interagency consultation \_\_\_\_\_
- N/A (not in a nonattainment or maintenance area) \_\_\_\_\_

\*Exempt Project Category # \_\_\_\_\_

We are requesting approval of this STIP amendment at this time. If you have any questions, please call Elizabeth Brott at (651) 296-8518.

Sincerely,

Al Schenkelberg  
Director  
Office of Investment Management

cc: Joel Ettinger (if addressed to Alan Steger) or Alan Steger (if addressed to Joel Ettinger)  
Person submitting request  
Artemis Coordinator  
Other Mn/DOT Offices (e.g., State Aid, Environmental Services)  
Robert Hofstad  
Frank VanDeSteeg  
Linda Zemotel  
Betty Brott  
Kathy Briscoe (if MPO involved)  
Greater Minnesota MPO Director (if MPO involved)



# **APPENDIX I**

## **CHANGES IN HIGHWAY REVENUE ESTIMATES**



## Guidelines for Responding to Changes in Funding Level Estimates

Districts/Metro Division are given target funding estimates at the beginning of their ATIP development process. However, at times funding estimates can change after the initial estimates are provided. This is due to changes in either or both federal and state funds. When this happens, the following guidelines should be followed:

When Changes Occur	How to Proceed
Between October 1 and May 1	Changes should be incorporated into ATIP
Between May 1 and June 30	Changes should be made to the ATIPs only if the change in funding level affects the first year of the STIP.

It is understood that if changes affecting the first year of the STIP occur, it may result in additional processing time in the development of the STIP.

The following narrative highlights the federal and state budget processes and indicates when changes in funding estimates are most likely to occur.

## CHANGES IN HIGHWAY REVENUE ESTIMATES

The development of a Statewide Transportation Improvement Program (STIP) is based on an estimate of future federal and state revenues. The estimate is normally prepared in October or November of the year preceding the STIP time line. The draft Area Transportation Improvement Program (ATIP) is due in April. The final draft STIP is due in July.

However, as the STIP is developed a number of federal and state actions may change the estimate of available revenues. Most of these actions occur during the time the STIP is moving from a preliminary ATIP to a final draft STIP (March-July).

### Federal Aid Highway Funding

Federal programs operate on a October 1 to September 30 federal fiscal year (FFY).

The estimate of federal aid for highways is most likely to be revised during the late spring to early fall time period. The revisions to the estimate are conditioned on congressional and federal agency actions. The formal congressional actions include **budget**, **authorization**, and **appropriation** acts. The informal congressional actions include the 602b allocations to the appropriating committees. The agency actions include apportionment, obligation limitation, allocation, and redistribution.

The **budget** act sets the general fiscal parameters for all categories of government spending (defense and domestic) for the next four to six years. It is based on formal estimates of revenue and expenditures. Preliminary federal budget information may be made available as early as May or June and final action may occur in July or August.

The 602b process is an internal process within the congress. The 602b process establishes the spending authority for each appropriating committee. This spending authority may be more but often is less than established by the budget or authorizing acts.

An **authorization act** “authorizes” the expenditures for specific categories of federal spending, such as transportation. The “Transportation Equity Act for the 21<sup>st</sup> Century, also known as TEA 21, is an authorization act. An authorization act covers four to six years. TEA 21 established funding levels through FFY 2003. TEA 21 was passed in May and signed in June, 1998.

An **appropriation act** is a one year act that determines the actual amount of funds appropriated for a specific program for the upcoming year. The annual appropriations act also establishes the limitations on obligations for the year. The

obligation limitation establishes the proportion of appropriated funds that may be obligated by the states for expenditure on transportation projects. The obligation limitation is most likely to be less than the authorized level of spending. Preliminary information may be available as early as May or June, with final information often available in September.

The federal agency **apportions** funds that have been appropriated by Congress to the states by formula established in law. Generally, the formula is included in an authorization act. A program such as highways includes many categories with their own formula as well as equity adjustments like minimum guarantee in TEA 21, to make various interests whole under the entire program. Normally this information is available in September of each year.

Certain categories of funds are allocated to the states through competition or administrative formula. The allocations and discretionary funding may increase the funding available to the state. These administrative distributions normally occur in the October to April time period.

Available federal estimates may also increase if the federal agency redistributes unused obligation authority to the states near the end of the federal fiscal year. Redistribution usually occurs in August.

<b>Federal Action</b>	<b>Early Notice</b>	<b>Late Notice</b>
Budget Act/602b Allocation	Apr/May	June/July
Authorization Act	Oct/Dec	Feb/May
Appropriation Act	June/July	Aug/Sept
Allocations	Oct/Nov	Mar/Apr

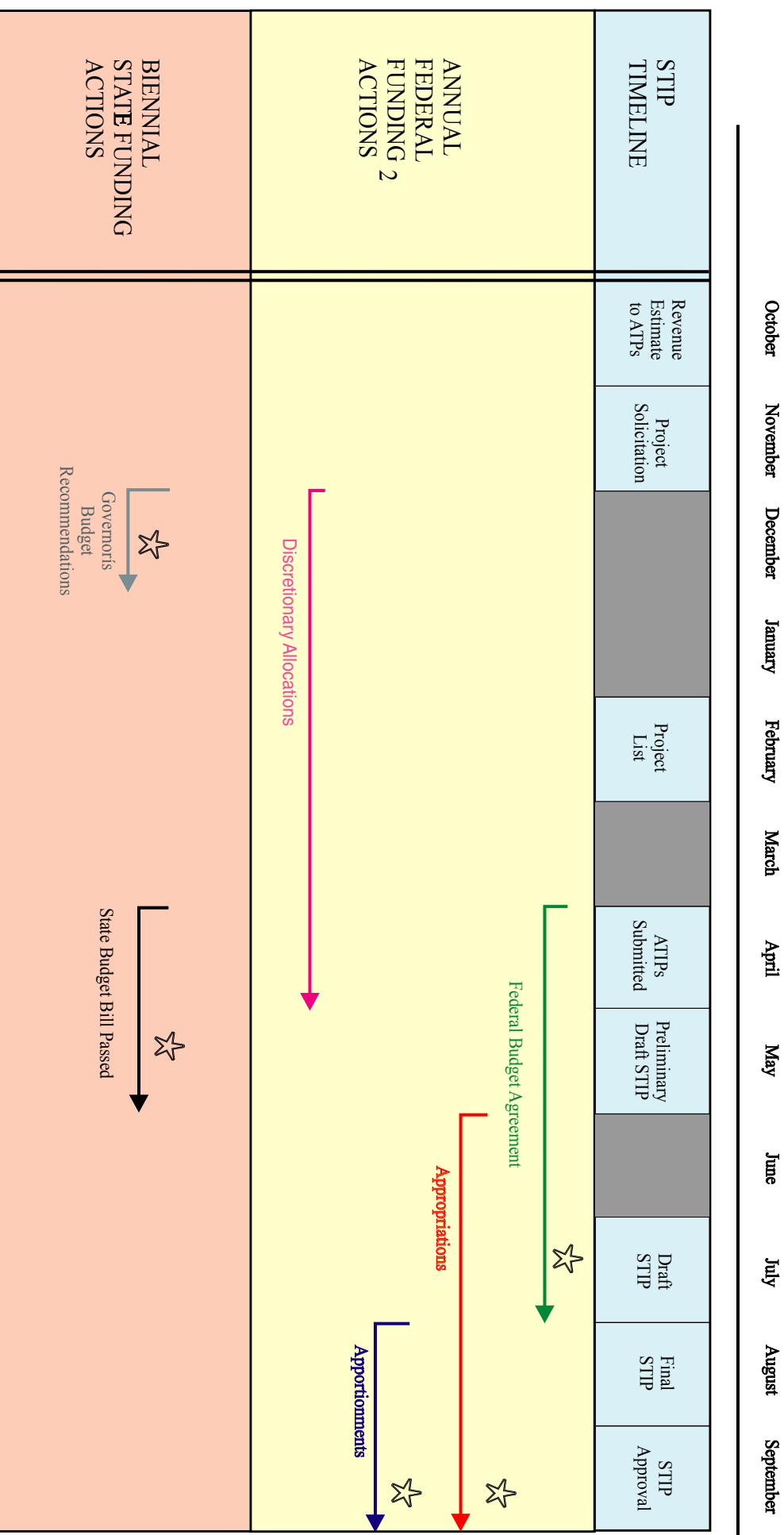
**State Highway Funding**

The state fiscal year is July 1 through June 30. However, the state biennial budget covers a two year time period beginning with July 1 of each odd numbered year. The current biennium includes the time period from July 1, 1997 through June 30, 1999.

Final preliminary budget information is made available in about August of the year prior to the budget session. The state does a preliminary balance of its books in July and a final balance in September. Thus, a state fund balance is known in October. The estimates of future revenue are released periodically; with formal budget session estimates prepared in November and March/April of the budget year. These estimates establish total state government expenditure levels. The executive branch releases a proposed budget in December prior to the legislative session passing a budget bill. Passage of a **budget** bill, typically at the end of the legislative session in May, can also change the estimate of state funds available for the MnDOT portion of the STIP and, in turn, the size of the total STIP.



# FUNDING ACTIONS<sup>1</sup> / STIP TIMELINE



☆ Most likely date of Action

- 1 Federal funding timelines occasionally get extended beyond what is shown.
- 2 Authorization Act every 4-6 years (TEA-21 1998-2003)



## **APPENDIX J**

### **GLOSSARY OF FEDERAL FINANCE TERMS**



## Glossary of Federal Finance Terms

**Allocation.** An administrative distribution of funds among the states for funds that do not have statutory distribution formulas.

**Apportionment.** A term that refers to a statutorily prescribed division or assignment of funds. An apportionment is based on prescribed formulas in the law and consists of dividing authorized appropriations for a specific program among the states.

**Appropriations Act.** Action of a legislative body that makes funds available for expenditure with specific limitations as to amount, purpose, and duration. In most cases, it permits money previously authorized to be obligated and payments made, but for the highway program operating under contract authority, appropriations specify amounts of funds that Congress will make available to liquidate prior obligations.

**Authorization Act.** Basic substantive legislation or that which empowers an agency to implement a particular program and also establishes an upper limit on the amount of funds that can be appropriated for that program.

**Budget Authority.** Empowerment by the Congress that allows federal agencies to incur obligations to spend or lend money. This empowerment is generally in the form of appropriations. However, for the major highway program categories, it is in the form of "contract authority." Budget authority permits agencies to obligate all or part of the funds that were previously "authorized." Without budget authority, federal agencies cannot commit the Government to make expenditures or loans.

**Contract Authority.** A form of budget authority that permits obligations to be made in advance of appropriations. The Federal-Aid highway Program operates mostly under contract authority rules.

**Expenditures (Outlays).** A term signifying disbursement of funds for repayment of obligations incurred. An electronic transfer of funds, or a check sent to a state highway and transportation agency for voucher payment, is an expenditure or outlay.

**Federal Fiscal Year (FFY).** Since FFY 1977, the yearly accounting period beginning October 1 and ending September 30 of the subsequent calendar year. Prior to FFY 1977, the federal fiscal year started on July 1 and ended the following June 30. Fiscal years are denoted by the calendar year in which they end; e.g., FFY 1991 began October 1, 1990, and ended September 30, 1991.

**Firewall.** A mechanism established in TEA-21 to guarantee that the funding appropriated will be made available for programs.

**Limitation on Obligations.** Any action or inaction by an officer or employee of the United States that limits the amount of federal assistance

that may be obligated during a specified time period. A limitation on obligations does not affect the scheduled apportionment or allocation of funds; it just controls the rate at which these funds may be used.

**Obligation Authority.** Another term for limitation on obligations. See that definition.

**Obligations.** Commitments made by federal agencies to pay out money as distinct from the actual payments, which are "outlays." Generally, obligations are incurred after the enactment of budget authority. However, since budget authority in many highway programs is in the form of contract authority, obligations in these cases are permitted to be incurred immediately after apportionment or allocation. The obligations are for the federal share of the estimated full cost of each project at the time it is approved regardless of when the actual payments are made or the expected time of project completion.

**Penalty.** An action that does not allow a state to use the full amount of its apportioned funds. The action may be a withholding of project approvals or withholding of a percentage of the state's apportionment. The action may be taken when the state does not comply with a required provision of law.

**President's Budget.** A document submitted annually (due by the first Monday in February) by the President to Congress. It sets forth the *Executive* recommendations for the federal budget for the upcoming fiscal year. The President's budget submitted in January 1996 contained recommendations for FY 1997, beginning on October 1, 1996.

**Rescission.** A legislative action to cancel the obligation of unused budget authority previously provided by Congress before the time when the authority would have otherwise lapsed. Rescission may be proposed by the executive branch but require legislative action to become effective.

**States.** As defined in Chapter 1 of Title 23, the 50 states comprising the United States plus the District of Columbia and the Commonwealth of Puerto Rico. However, for the purposes of some programs (e.g., Highway Safety programs under 23 USC 402), the term may also include the Territories (Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands) and the Secretary of the Interior (for Indian Reservations).

**Trust Funds.** Accounts established by law to hold receipts that are collected by the federal Government and earmarked for specific purposes and programs. These receipts are not available for the general purposes of the federal Government. The Highway Trust Fund is comprised of receipts from certain highway user taxes (e.g., excise taxes on motor fuel, rubber, and heavy vehicles) and reserved for use for highway construction, mass transportation, and related purposes.