



General Guidance

2020-2023 STIP

Minnesota Department of Transportation
Office of Transportation System Management
(651) 366-3750

<http://www.dot.state.mn.us/planning/program/stip.html>

Upon request, this material will be made available in an alternative format such as large print, Braille or audio recording. Printed on recycled paper.

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Intent and Purpose

The State Transportation Improvement Program (STIP) is a federally mandated document which must include a listing of projects and programs planned with federal participation in the next four fiscal years. The document identifies the funding and scheduling of transportation projects. It includes projects and programs on the federal, state, city, and county transportation systems, multimodal projects (highway, passenger rail, public transit, bicycle and pedestrian), and projects and programs in the National Parks, National Forests, and Indian tribal lands.

This guidance is intended for MnDOT's Central Office STIP Coordinators and District STIP Coordinators who are directly involved in the process of creating the annual STIP. It provides the specific guidance for items related to the development of the STIP. Questions regarding the contents should be directed to:

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395 John Ireland Boulevard
Saint Paul, MN 55155-1899
651-366-3750*

Projects Not Required in the STIP

The STIP shall include capital and non-capital surface transportation projects (or phases of projects) within the boundaries of the State proposed for funding under title 23 U.S.C. and title 49 U.S.C. Chapter 53 (including transportation alternatives and associated transit improvements; Tribal Transportation Program projects, Federal Lands Transportation Program projects, and Federal Lands Access Program projects; HSIP projects; trail projects; and accessible pedestrian walkways and bicycle facilities), except the following that may be included:

- (1) Safety projects funded under 23 U.S.C. 402 and 49 U.S.C. 31102;

Example: NHTSA non-construction safety projects

- (2) Metropolitan planning projects funded under 23 U.S.C. 104(d) and 49 U.S.C. 5305(d);

Example: MPO planning activities in an approved UPWP; example activities- data collection and analysis, asset and other management systems, planning studies, TIP development, public outreach, and long range planning

- (3) State planning and research projects funded under 23 U.S.C. 505 and 49 U.S.C. 5305(e);

Example: DOT SP&R Part 1 and 2 - Planning and Research Projects

- (4) State planning and research projects funded with Surface Transportation Program funds;

Example: Projects eligible for SP&R funding but funded with other federal funding sources

- (5) Emergency relief projects (except those involving substantial functional, locational, or capacity changes);

Example: Declared emergency resulting in projects that reopen the road to traffic or replacement of roadway in-kind

- (6) Research, development, demonstration, and deployment projects funded under 49 U.S.C. 5312, and technical assistance and standards development projects funded under 49 U.S.C. 5314;

Examples: Every Day Counts (EDC), Accelerated Innovation Deployment Demonstrations (AIDD), Technology Transfer (T2), and State Transportation Innovation Council Incentive grants

- (7) Project management oversight projects funded under 49 U.S.C. 5327; and

Examples: Project Management Plans, Financial Plans or other Project Management activities

- (8) State safety oversight programs funded under 49 U.S.C. 5329.

Examples: Safety data collection and analysis, HSIP development, public and agency outreach, and target setting

Project Selection Policy

The new project selection policy will be implemented with the 2020-2023 State Transportation Improvement Program and 2020-2029 Capital Highway Investment Plan.

In the STIP, projects subject to the policy will need to include the category it was selected under and the score. Projects listed in the 2019-2022 STIP are exempt from this requirement.

Projects will only show one category/score (even if they might qualify under more than one category).

For guidance regarding what's covered by the policy, categorical exemptions, scoring criteria, and guidance on what category to list in the STIP, see the Guide to MnDOT Project Selection (to be posted at www.mndot.gov/projectselection in the very near future)

Below are Project Selection Categories for the STIP.

- Exempt (in 2019-2022 STIP)
- Categorically exempt
- N/A (i.e. non-MnDOT selection or non-TH project)
- NHS Pavement
- Non-NHS Pavement
- Urban Pavement
- NHS Bridge
- NHS Culvert
- Non-NHS Bridge
- Non-NHS Culvert
- Rail Road Bridge Over State Highway
- Pedestrian Bridge Rehab/Replace
- Non-motorized infrastructure rehab
- HSIP – Greater MN
- HSIP – Metro
- Standalone Safety
- Intelligent Transportation Systems Program
- Railway-Highway Crossings Program
- Safety Rest Area
- Major Capacity Expansion/Mobility
- Standalone Greater MN Mobility
- Standalone Bicycle/Pedestrian
- Corridors of Commerce Program
- Highway Freight Program
- Transportation Economic Development Program
- Local Partnership Program
- Historic Roadside Property

- Standalone Noise Barrier
- Weigh Station Capital Improvement

For More Information Contact Philip Schaffner at Philip.schaffner@state.mn.us or 651-366-3743

List of Various Programs

Accelerated Innovation Deployment (AID) Program

The Accelerated Innovation Deployment (AID) Grant is one program under the multi-faceted Technology and Innovation Deployment Program (TIDP) offered by the Federal Highway Administration (FHWA) to provide funding to offset risk as an incentive to accelerate the implementation and adoption of innovation in highway transportation. Projects eligible for funding shall include proven innovative practices or technologies such as those in the “Every Day Counts” initiative (EDC). Innovations may include infrastructure and non-infrastructure strategies or activities that are a significant improvement over the applicant’s conventional practice.

FHWA made \$15M available in FFY 2014 and the program is offered on a rolling basis. Minnesota is eligible to receive up to two grants -- one for MnDOT, and another for a MPO, local government or tribal government. Awards are capped at \$1M and subject to Federal matching requirements. Projects must be ready to initiate within 6 months of applying for AID funds.

AID projects are required to be amended into the currently approved STIP once selected. Contact the Office Transportation System Management for guidance on how to submit a formal STIP amendment.

As of September 7, 2018, MnDOT was awarded \$1M to improve roadway safety by creating a signalized “restricted crossing U-turn” (RCUT) intersection on Trunk Highway 65.

For additional information on AID programs go to <https://www.fhwa.dot.gov/innovation/grants/>

Bridge and Road Construction (BARC)

BARC funds, also referred to as Road Repair funds, are unique in that they may be spent either through a normal state letting or through a contract arranged by the district for materials and rental equipment. BARC funds are not meant to be used for routine maintenance or for the purchase of equipment or salaries. These are all considered operation expenses and cannot be used as BARC funds. BARC funds should be thought of as funding for projects that are consistent with the legislative language that indicates the State Road Construction (SRC) appropriation is for the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts and consultant usage to support these activities.

BARC funds are just another element of each district’s state target. BARC funds are SRC funds and should be viewed in the same way as the district construction projects are viewed. Each district determines the amount of BARC funds required for each State Fiscal Year. Transfer of funds between Setasides (within each district) should be requested through the Office of Financial Management.

Department of Public Safety and National Highway Traffic Safety Administration Project

Projects that are partially or fully funded with DPS and/or NHTSA funds (from SAFETEA-LU) should be treated as a federal project and must follow all federal rules and regulations. However, if those funds are part of a MnDOT federal project, they would be considered as “state funds” when authorizing, but DPS and/or NHTSA funds are still considered as federal funds and cannot be used as a match on any MnDOT federal project.

For STIP purposes, DPS and/or NHTSA funds should be programmed in the “Other” column of the ATIP template and description must include an explanation of the funding source and the appropriate amount.

Districtwide State Funds Setaside

The Districts are responsible to identify the funding source and show as setasides for each year of the STIP. These funds are being setaside for items such as right of way acquisition, use of consultants for design or inspection services, signing, lighting, signaling, detours, preventative maintenance, and other low cost items that are beneficial to the trunk highway system. While these items improve the system and generally are awarded through a competitive bid process, they most often are not thought of as a construction project. It is estimated that approximately 8 percent of the construction budget is used for system support items each year. Districts are responsible for tracking and managing the eligibility constraints of these funds in the state road construction program.

Greater MN Noise Barrier Program

MnDOT’s Noise Policy allows communities outside of the metropolitan area to become eligible for federal and/or state funded Noise Barrier Projects. MnDOT Office of Environmental Stewardship (OES) will assist the Districts in conducting preliminary noise analysis and develop a solicitation and scoring system based on needs, cost effectiveness and noise level.

\$1,000,000 a year from the state trunk highway fund is available for FY 2020-FY 2023. Noise Barrier projects are required to be included in the STIP once identified. Please refer to “Centrally Funded Programs” guidance for how to code them in the STIP. For more information about the program, contact Peter Wasko, Office Environmental Stewardship.

Historic Bridge Project

Historic bridges need to go through a process to ensure that they are not being replaced without thorough investigation into all available options. Districts should work with MnDOT Bridge Office and State Historic Preservation Office (SHPO) representatives to ensure all options are investigated when there is a need to replace or rehab a historic bridge. It should not be assumed that historic bridges require replacement. Historic bridge projects in the STIP should be smart coded as ****HB**** in the project description.

For additional information on Historic Bridge program go to <http://www.dot.state.mn.us/historicbridges/>.

Indefinite Delivery Indefinite Quantity Project (IDIQ)

Indefinite Delivery/Indefinite Quantity (IDIQ) is a contracting process for the Department. The IDIQ contracting method establishes a minimum guaranteed and maximum contract amount. Costs of specific items/services are identified in the contract; however, the quantity of such items/services as well as the timing in which the work will occur are not specified. Task orders will be added to the contract as funds and needs warrant. In addition, IDIQ contracts cannot span across multiple Districts.

Funding for IDIQ Project

All IDIQ projects should be included in the STIP for tracking purposes. At this time, state trunk highway funds may be used to fund IDIQ projects without approval. If using federal funds, Brian Gage and Kevin Kosobud need to approve the project before programming the project in the STIP. All IDIQ projects should be entered into CHIMES using the standard CHIMES procedure.

IDIQ Project in the STIP

- Project Descriptions: IDIQ projects should include the project description, minimum and maximum amount of the contract, and expiration date of the contract.
- Example: DISTRICTWIDE SEALCOAT, IDIQ MINIMUM \$500,000, MAXIMUM \$1M, CONTRACT EXPIRATION DATE: 06/30/2019
- Project Financing: The project should be funded at the minimum contract amount in the STIP.
- IDIQ must be selected as the project delivery type drop down. This replaces the IDIQ smart coding in the project description.

For more information about the IDIQ program, contact Brad Cornelius.

Local Partnership Program (LPP)

Background:

During calendar year 2018, MnDOT evaluated the possibility of developing a smaller scale local partnership process in each district, patterned after a program which has been working in Metro for several years. The goal of the program is to create a local partnership program that is consistent across all the districts that would have dedicated funding to it from each district. The program would provide the following advantages to MnDOT;

- Provide for a consistent local partnership program with consistent selection criteria across all districts which includes dedicated annual funding for the program
- Help encourage local investments on the Trunk Highway System (historically such projects result in local dollars being spent on the trunk highway improvement).
- Provide an opportunity to outsource smaller scale, less complex projects to local partners
- Improve working relationships and build trust with local partners

In August, TPIC requested that State Aid work with the Operations Division to finalize the details of the program and move ahead with it for the 2020 – 2023 STIP Guidance.

Program General Guidance:

1. Starting with the 2020 – 2023 STIP, each district will dedicate annually 5% of their DRMP target (SPP will not be included in the calculation), identified in Table 1 below, towards the Local Partnership Program.
2. The program will serve as a set-a-side in each year of the STIP and will replace the current “Districtwide Set-a-side – Municipal Agreements” which most districts have in each year of the STIP.
3. The goal is to have most of this program prioritized through a statewide consistent solicitation process. However, districts may commit some of this funding directly with local governments (including tribal governments), without soliciting, should a critical opportunity present itself.
4. Both the solicited and direct commitments will count towards the total funding target for the program.
5. Current Agreements Municipal (AM) projects identified in the STIP will count towards the new LPP program target goals and will be re-named LPP.
6. State Aid will work with each district to develop a consistent solicitation process and the process will need to be included in the new Project Selection Policy.
7. District State Aid Engineers (DSAE) will be responsible for the solicitation, scoring, and recommending of all LPP projects that are not directly committed to by the district.
8. LPP set-a-sides will be recorded as RCIP investments until the projects are individually identified and classified.
9. The agreement process does not change whether an LPP project was selected by solicitation or directly by the district.
10. District Planners will coordinate with DSAE and other District Staff regarding the amount of LPP target available.

Table 1: LPP Program Targets for FY 2020-2023 STIP

Table 1 LPP Program Targets for FY 2020-2023 STIP <i>(Target set at 5% of State Funds in DRMP)</i>					
District	DRMP Distribution Formula	FY2020 District Target (5%)	FY2021 District Target (5%)	FY2022 District Target (5%)	FY2023 District Target (5%)
1	10.7%	1,200,000	1,200,000	1,200,000	1,200,000
2	6.0%	700,000	700,000	700,000	700,000
3	10.2%	1,100,000	1,100,000	1,200,000	1,100,000
4	6.4%	700,000	700,000	700,000	700,000
6	11.5%	1,300,000	1,300,000	1,300,000	1,300,000
7	6.5%	700,000	700,000	700,000	700,000
8	5.6%	600,000	600,000	600,000	600,000
M	43.1%	4,700,000	4,800,000	5,000,000	4,700,000
Total	100%	11,000,000	11,100,000	11,500,000	10,900,000

Program Solicitation Guidance:

- State Aid will take the lead in working with the districts to develop a consistent solicitation approach and scoring process for the program.
-
- State Aid and the DSAE, in conjunction with other district staff, will together determine if an annual or bi-annual solicitation is the best approach for that district.
-
- LPP is still under the umbrella of MnSHIP, therefore the scoring criteria will be designed to give preference towards projects which fit within the MnSHIP investment direction.

STIP Development Guidance

- The STIP will include one set-a-side per district, per year, for the Local Partnership Program. The STIP entry and CHIMES should align as follows;
 - **Entry Example:** 8801-LPP-20, *“FY2020 Local Partnership Program”*
 - **Program Code:** will remain AM.
 - **MnSHIP Investment Code:** will be recorded as an RCIP for all of the set-a-sides until projects are identified and then the projects should show the corresponding code for the work being done.
- This Local Partnership Program set-a-side will replace any *“Districtwide Set-a-side – Municipal Agreements – 20XX”* listed in the STIP and districts should no longer use this project description.
- The Local Partnership Program is not additional target to the districts, but rather is a part of the DRMP target.

- Remember that the LPP target includes funding for both solicited and direct commitments by the district.
- As a part of the spring check-in meetings, each district should be prepared to discuss if they will be unable to reasonably meet their recommended LPP investment guidance.

National Highway Freight Program (NHFP)

FAST Act established the new National Highway Freight Program (NHFP) to improve the efficient movement of freight on the National Highway Freight Network and to improve safety, flexibility, efficiency, and environmental impacts of freight movement in the country.

MnDOT allocated approximately \$28M per year (federal funds and state funds) for the freight program during the next four years of the STIP, SFY 2020-2023. Solicitations are being done annually and selected projects must be included in the STIP. Contact Andrew Andrusko in MnDOT's Office of Freight and Commercial Vehicle Operations for a list of projects and questions related to the program.

Rail Grade Crossing Safety Project

The prioritized statewide list of rail grade crossing safety improvement projects is developed by MnDOT's Office of Freight and Commercial Vehicle Operations based on the following criteria:

- Ranking the relative hazards of public grade crossings in the state by utilizing a multi-faceted hazard index formula
- Soliciting local road authorities, counties and railroads for proposed projects
- Conducting on-site diagnostic inspections of conditions at the crossings

For clarification, Rail Highway Safety projects are funded with their own Railway-Highway Crossing apportionments. They are not part of Highway Safety Improvement Program (HSIP) funds. All selected projects are required to be included in the STIP. Contact Amy Johnson, MnDOT's Office of Freight and Commercial Vehicle Operations for a list of projects and questions related to the program.

Section 164 Sanction HSIP Project

The federal transportation bill includes specific provisions related to the 23 U.S.C. Section 154 and Section 164, also referred to as Repeat Offender laws. States are encouraged to enact these laws meeting the minimum Federal standards. States that fail to meet the requirements of these provisions are penalized by the reservation of apportioned Federal-aid funds.

MnDOT estimates to receive approximately \$6.9 million per year of Section 164 federal funds to conduct Highways Safety Improvement Program eligible activities with no match required. MnDOT's Office of Traffic Safety and Technology (OTST) solicits and manages the program statewide. Section 164 HSIP projects are required to be included in the STIP. Refer to "Centrally Managed Program" guidance on how to show these projects in the ATIP.

Section 164 Sanction funds are not made available to Minnesota at the same time as other federal funds, therefore these projects should not be scheduled for letting until the third and fourth quarters of the SFY. Generally 40% of the projects should be let in the third quarter and 60% should be let in the fourth quarter of the SFY.

Transportation Economic Development (TED) Program (Ongoing Appropriation)

The Transportation Economic Development (TED) Program is a joint effort of the Minnesota Department of Transportation (MnDOT) and the Department of Employment and Economic Development (DEED). The program's purpose is to fund construction, reconstruction, and improvement of state and local transportation infrastructure in order to create and preserve jobs, improve the state's economic competitiveness, increase the tax base, accelerate transportation improvements to enhance safety and mobility, and promote partnerships with the private sector.

DEED administers a parallel Transportation Economic Development Infrastructure (TEDI) program that funds projects on local roads and for other types of transportation. Projects may combine funding from both programs.

Selected TED projects are required to be included and smart coded in the STIP. Refer to "Centrally Funded Programs" guidance for coding the ATIP template. For more information about the program go to: <http://www.dot.state.mn.us/funding/ted/index.html> or contact Key Buckeye.

Other STIP Related Guidance

Advance Construction (AC) and Payback

FHWA's AC process is a tool used by Minnesota to manage project funding. It allows us to spread the funding across multiple construction years as the funds are needed. AC affects the federal target in the year(s) the funding is used on a project. For MnDOT projects, AC affects the State Road Construction Budget (SRC) only in the year the construction begins.

For example:

A 2019 project that will take three construction seasons to construct uses a total of \$30 million in federal funds. This project will use \$10 million in 2019, \$15 million in 2020 and \$5 million in 2021. Without the use of AC, the full \$30 million in federal funds is tied up in 2019 even though the project will span three construction seasons. With the use of AC, the project will be shown as using \$10 million in federal funds in 2019 and \$20 million in AC funds. This way the federal funds can be used throughout the life of the project. The project is now considered a 2019 AC project with paybacks (AC conversions) in 2020 and 2021. The \$10 million, \$15 million and \$5 million will go against the federal targets in 2019, 2020 and 2021 respectively.

The advantage of not tying up the full amount of federal funds in the first year of a project is that the District can fund other projects in that year. Another advantage is having the ability to finance a high cost project that may cost beyond what is available in federal target for one year. AC Paybacks shown in the STIP are referred to as "Planned AC."

Any changes in AC Payback should go through Pa Youa Xiong or Brad Cornelius.

Alternate Bid Project

As MnDOT expands its use of Alternative Bid projects, the following approach should be used when programming Alternate Bid project in the ATIP:

- The project total should be the LOWER of the two project totals for all years of the ATIP.
- To minimize potential STIP modifications or amendments, the project description should not be too specific in describing the fix (e.g., 3" mill and 3.5" bituminous overlay"); it should be more generic so that it would cover either alternative. The description should be smart coded as ****AB****.

Associated Project

Construction plans most commonly contain multiple SPs (one Prime SP and two or more associated SPs). An associated SP is assigned when the work is being done on a different control section than the Prime SP's control section. Since the project will be authorized under the Prime SP, associated SPs are not required to be shown in the project description of the Prime SP. Associated SPs sometimes referred to as associated projects. Associated projects are not required to be shown as separate lines in the STIP unless:

- It includes a local federal share on MnDOT let projects; or
- It uses another federal fund type that is different than the federal fund type used on the Prime SP.

Do not show associated SPs in the STIP description unless it meets one or more of the requirements above.

Bridge Eligibility

Bridges on the National Highway System (NHS) are eligible for National Highway Performance Program (NHPP) funds. Bridges on any other federal aid system are eligible for STBGP funds. Bridges off the federal aid system are eligible for Off-System Bridge funds. At this time, Bridge Sufficiency Rating is not part of the criteria for a bridge to receive federal funding; however, it is required for a bridge replacement project which uses off-system federal funds and must have a sufficiency rating of 50 or less.

Cost Split on Project

Periodically, a review of cost/quantity splits on State Highway projects becomes necessary. Recognizing the desire to keep splits to a minimum and also recognizing the need to meet the requirements placed on MnDOT by federal and state requirements, the following are considered minimum splits requiring separate quantities/cost estimates on plan sheets.

Bridges/Culverts

Federal Regulations require the reporting of bridge/culvert data on projects using Federal funds. Quantities for bridges must be broken out regardless of the type of Federal funds used. This is also the case for bridges being replaced by culverts and culverts being replaced by culverts. Both the old and new bridge numbers from structure being replaced should be reported. Approach work from touchdown point to touchdown point is an

eligible bridge replacement cost on projects using Federal bridge funds and should also be reported separately if possible. This ensures that Minnesota is maximizing the use of its bridge apportionments. Each bridge type should have a separate column of quantities.

In the case of bridge rehabilitation, separate quantities are also required and the bridge number of each bridge being rehabilitated should be shown.

Highway Safety Improvement Program (HSIP)

Federal regulations require the reporting of quantities on HSIP eligible items. Federal HSIP funded projects or HSIP funded work on a larger project must be approved by the Office of Traffic, Safety, and Technology (OTST). This work should be shown on plans with quantities and costs separated from other costs.

Surface Transportation Block Grant - Transportation Alternative Program (STBG/TAP)

Projects using Transportation Alternative Program (TAP) funding is required to show quantities and associated costs for eligible items in order for MnDOT to be reimbursed with federal funds.

Congestion Mitigation and Air Quality (CMAQ)

Federal CMAQ funds are available for use in the Twin Cities Metropolitan Planning Organization area. Projects using CMAQ funds are required to show quantities and associated costs for eligible CMAQ items.

Multiple System Types

Sometimes a project will have work on more than one highway system type. Different Route Systems are eligible for different federal share amounts (e.g., 90/10 for Interstates and 80/20 other NHS routes). Work being done on different systems requires separated quantities/cost estimates. There are some exceptions to this and if in doubt contact OTSM.

Multiple Federal Fund Types

Frequently multiple federal funding types are used on one project. Federal funds are assigned to a project based on the type of work to be done, and to effectively use all the various federal funds available to the state. Every attempt is made to keep the number of funds used on a project to a minimum, however this is not always possible and care should be taken to provide splits necessary to capture all the funds. Just the fact that multiple funds are shown on a project in the STIP does not guarantee that all those funds will ultimately be used on the project. It will depend on what funds are available for use at the time of project authorization. A best practice is to separate costs according to the guidance above to ensure the best use of federal funds.

Non-Participating (Non-Par Work)/Local Match

All non-participating and local work must be identified and broken out of the Federal aid eligible work.

The Office of Transportation System Management (OTSM) continues to work towards minimizing the number of separate quantities and cost estimates needed on plans. However it is much easier to establish the splits on the

original quantity sheets rather than redo the plan sheets for the proper splits at the time of authorization (this can hold up an authorization).

Remember to:

- Identify bridge numbers (and culvert numbers)
- Separate quantities/cost estimates for each federally funded bridge and culvert
- Use CHIMES as your first check for multiple funds
- Separate quantities and cost estimates must be provided to use Federal NHPP, NHFP, STBGP, HSIP, STBGAP, and CMAQ funds

Early Let Late Award (ELLA) Project

MnDOT's ELLA process is a tool used to manage project delivery and fluctuations in funding. This process is used on MnDOT projects only and affects both the federal and state funding targets and the State Road Construction Budget in the year of funding availability. ELLA projects are required to be smart coded as ****ELLA****.

ELLA projects are let in one state fiscal year (July 1 to June 30) and awarded (i.e., funds actually encumbered) in the following fiscal year.

The advantage of ELLAs are that it allows the project to be let and awarded in advance of funding availability so that work can begin as soon as the next SFY begins. Under the regular project letting process, a project is advertised, let and awarded in the year that funding is available. This process is not available beyond MnDOT as MnDOT's Trunk Highway fund cash flows the project until Federal funds are available and the Trunk Highway fund cannot cash flow non-Trunk Highway projects. For questions regarding ELLAs, contact Thanh Vo in the Office of Financial Management (OFM).

Federal Fund Eligibility

National Highway Performance Program (NHPP): If any portion of the work is on or adjacent to the NHPP system, then the whole project is NHPP eligible.

Surface Transportation Bock Grants Program (STBGP): If any portion of the work is being done in a small urban area, then the whole project is eligible for STBGP small urban. However, in order to fund the project with STBGP small urban, the district/ATP is required to consult with the regional transportation planning organization.

Transit STBGP:

- If the capital purchase was for use in the small urban area and was also being used in the rural area, then the whole project is eligible for STBGP small urban.
- If the capital purchase was specifically for the rural area, then the project is not eligible for STBGP small urban.

Federal Share on Projects

Most federally funded projects provide an 80% or 90% share requiring a 20% or 10% non-federal match. MnDOT projects are required to maximize federal funding unless approved by OTSM. For State Aid projects, a minimum 30% federal share is required on all federally funded projects. Table 2 shows two examples of fully funded federal projects with an 80/20 split.

Table 2: Examples for Maximizing Federal Funding

Funding Source	Example A	Example B
MnDOT Federal	\$800,000	\$800,000
State Match required	\$200,000	\$200,000
Local Federal	---	\$400,000
Local Match required	---	\$100,000
Total Project	\$1,000,000	\$1,500,000

Flexible and Shelf Project Definition

Flexible projects are those that have funding either committed in the STIP or identified in the CHIP and have an assigned letting date which correlates to when that funding is available. Construction documents (plans, special provisions, permits, etc.) will be completed on a more aggressive schedule determined by the District so that the letting date can be advanced a minimum of a year if additional funding is available. All flexible projects must be listed in the STIP in the year they are funded, not the year they can be flexed for delivery. This also means these projects should have the inflation rate applied to them for the year they are funded in the STIP or CHIP. Likewise, CHIMES should show a let date for the project which corresponds to the funding year in the STIP or CHIP. CHIMES also provides a checkbox for FLEX and an early let date.

OTSM will be leading an effort between December 2018 and March 2019 to document the FLEX and SHELF project process. This includes using the term “Illustrative” to identify projects which do not have funding identified in either the STIP or the CHIP. Construction documents (plans, special provisions, permits, etc.) will be completed on a schedule determined by the District, after consultation with Senior Leadership, so that the projects could be let should additional funding become available. Illustrative projects will be in CHIMES as “Illustrative” status with no funding committed and no let date identified, and a funding year of 2060

Funding Definition

- *MnDOT Federal Fund* – Federal fund appropriated to the State of Minnesota to be used for transportation purposes on Minnesota Federal Aids eligible systems.
- *MnDOT TH Fund* – State fund to be used for transportation purposes on Minnesota Trunk Highway systems.

- *MnDOT TH Bond Fund* – State bond fund are used for transportation purposes on Minnesota Trunk Highway systems.
- *Local Federal Fund* – Federal fund appropriated to local municipalities to be used for transportation purposes on County State Aid Highway (CSAH) and Municipal State Aid Street (MSAS) systems.
- *Local fund* – Local fund or state aid fund that is neither federal nor state.

Funding Split

Projects on the Interstate would require a 90/10 Federal/State or Local split; however, if the project is adding capacity, it would be an 80/20 split and the federal fund would still be NHPP.

If the project is funded with two or more types of Target FHWA funding, show each funding type as an additional line in the STIP. Use same SP followed by N for NHPP, P for STBGP, E for Transportation Alternatives, S for HSIP, or Q for CMAQ. Different SPs are not required; however, different groups, costs, and quantities have to be separated for each funding type.

If a Transit project is using FTA and FHWA for proposed funds, split the funding in the District Comments column for Fund 1 and Fund 2. Fund 1 (higher dollar amount) and Fund 2 (the lower dollar amount) should be STBGP/FTA or FTA/STBGP. For example, Fund 1 STP 40,000 and Fund 2 FTA 20,000. In the District Comments column, the description should read: STP 80/20, \$10,000 SM, FTA 50/50, and \$20,000 LM.

In-Kind Match for Federal Project

FHWA allows for the matching of federal funds with right-of-way on all projects and for the use of In-Kind match on all federal projects. Districts are responsible to document all In-Kind matches and are required to request FHWA approval prior to project authorization.

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. In-Kind match on federal projects must be something that has a tangible cost, such as railroad ties or wires necessary to run a historic streetcar. The following are some examples of In-Kind matches under federal law:

- Donated funds are treated at cash value.
- Donated materials are treated at fair market value as determined locally within the State.
- Donated services are treated at fair market value as determined locally within the State. A State's labor department should have a schedule of the cost of services within the State, perhaps by region within the State. These rates may vary within a State.

Donated land or right-of-way is appraised at fair market value.

Table 3 shows different examples of in-kind match for federal projects. The examples assume 80/20 participation. In Examples A and B, no local or state match is required as 80% is equal to or greater than the total project 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 requiring a match of \$4,000.

Table 3: Examples of In-Kind Match for Federal Projects

Funding Source	Example A	Example B	Example C
Contract Cost	\$100,000	\$100,000	\$100,000
ROW or In-Kind Match	\$25,000	\$40,000	\$20,000
Total Project Cost	\$125,000	\$140,000	\$120,000
Federal Share 80% of Total Project Cost	\$100,000	\$112,000	\$96,000
Additional ATP or Local Responsibility	\$0	\$0	\$4,000

Maximizing Federal Funds

State projects using Federal Funds should be shown in the STIP with the maximum amount of federal/state split, typically 80/20 or 90/10 or 100/0 depending on federal funding type. Some projects including projects using bonds may result in a project not meeting the maximum split. The Districts should contact OTSM if they want to include a state projects with federal funds when the federal funds are not maximized.

Multiple District/ATP Project

At times, multiple district/ATP involvements are required to design and/or fund a single construction project. This is when the project starts in one district/ATP going across its border and ends within another district/ATP.

To help identify multiple district/ATP projects in the STIP, the descriptions must include the “design” district and the total amount funded by each of the ATPs. Please refer to Figure 8 of Template Guidance Part II for the multiple District/ATP description format.

Multiple District/ATP project is identified where the work is being done on one control section; however, requires two SPs. One SP is assigned by the district doing the design work, XXXX-XX, and the other SP will be the same except adding the letter M extension at the end, XXXX-XXM (M stands for multiple districts). The district who designs the project is the project owner regardless what the funding split will be. The district that does not design the project, but may partially or fully fund the project will acquire SP XXXX-XXM.

Project with work being done on two different control sections, where one control section is located in one district/ATP and the other control section is in the other district/ATP, requires two different SPs each assigned by their own District.

Multiple District/ATP Project Types

- Project with the same SPs, designed by one district, and funded by another ATP
- Project with the same SPs, designed by one district, and funded by both ATPs
- Project with different SPs, designed by one district, and funded by both ATPs
- Project with different SPs, designed by both districts and funded by both ATPs

Multiple District Project funding in STIP

Project with the same SP, designed by one district, and funded by another ATP:

- Designed by District 2
- Funded by ATP 1

Table 4: Project with Same SP, Designed by One District and Funded by another ATP

STIP – 2 Lines	ATP	District	FHWA \$	TH \$
5555-55	2	2	0	0
5555-55M	1	1	800,000	200,000

Project with the same SP, designed by one district, and funded by both ATPs:

- Designed by District 1
- Funded by ATPs 1 and 3

Table 5: Project with Same SP, Designed by One District and Funded by Both ATPs

STIP – 2 Lines	ATP	District	FHWA \$	TH \$
5555-55	1	1	800,000	270,000
5555-55M	3	3	800,000	200,000

Project with different SPs, designed by one district, and funded by both ATPs:

- Designed by District 1
- Funded by ATPs 1 and 2

Table 6: Project with Different SPs, Designed by One District and Funded by Both ATPs

STIP – 2 Lines	ATP	District	FHWA \$	TH \$
5555-55	1	1	800,000	200,000
6666-66	2	2	800,000	200,000

Project with different SPs, designed by both districts and funded by both ATPs:

- Designed by Districts 1 & 2 and funded by ATPs 1 & 2

Table 7: Project with Different SPs, Designed District 1 & District 2 and Funded by ATP 1 & ATP 2

STIP – 2 Lines	ATP	District	FHWA \$	TH \$
5555-55	1	1	800,000	200,000
6666-66	2	2	800,000	200,000

Regionally Significant Project

As defined in 23 CFR § 450.104, a regionally significant project means a transportation project (other than an exempt 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, sports complexes, etc., or transportation terminals as well as most terminals themselves) and would normally be included in the modeling of a metropolitan area's transportation network, including at a minimum all principal arterial highways and all fixed guideway transit facilities that offer an alternative to regional highway travel.

Shared Construction – MN DOT Let Project

Shared Construction is the local work that is being done as part of a MnDOT let project. MnDOT is responsible and pays for the entire project and the local agency reimburses MnDOT the local share or the local match if federally funded, through “Shared Receipts”. Shared Receipts and/or local federal shares are credited to the District’s Budget when received. The tables below reflect all local shares in T790129 Appropriation as the local receipts will off-set expenditures.

Shared Construction projects utilizing state aid funds, local federal funds, or non-TH bond funds will require a State Aid project number, XXX-XXX-XXX (assigned by MnDOT’s State Aid Office).

With Shared Construction, the State Aid project number is most often associated to the MnDOT project number. MnDOT’s project number is called Prime SP and State Aid project number is called Non-Prime SP.

(See tables below). Prime SP required to be shown in the STIP and Non-Prime SP is not required to be shown in the STIP unless local federal funds are used.

Shared Construction Types

- MnDOT project with MnDOT TH funds and local funds (local or State Aid)
- MnDOT project with MnDOT federal, and local funds (local or State Aid)
- MnDOT project with MnDOT federal and local federal funds
- MnDOT project with MnDOT federal where the locals contributing match to MnDOT federal funds (must have prior approval from Maryanne Kelly-Sonnek).

Shared Construction in the STIP

Tables 8 through Table 10 shows how shared construction projects should be listed in the STIP.

Table 8: MnDOT Project with MnDOT TH Funds and Local Funds (Local or State Aid)

STIP – 1 Lines	TH \$	Other \$
1111-11	80,000	20,000

Table 9: MnDOT Project with MnDOT Federal and Local Funds (Local or State Aid)

STIP – 1 Lines	FHWA \$	TH \$	Other \$
1111-11	800,000	200,000	20,000

Table 10: MnDOT Project with MnDOT Federal and Local Federal Funds

STIP – 2 Lines	FHWA \$	TH \$	Other \$
1111-11	800,000	200,000	
222-222-222*	400,000		100,000 + \$\$\$

*If State Aid SP is unknown at the time of developing the STIP, use 1111-11L. With new process in place, a modification is required to change 1111-11L to the real State Aid SP once identified and the two SPs must be adjacent to each other.

Tied Project

For cost saving purposes, individual projects with their own construction plans being let together on the same letting date and under one letting contract are called tied projects. All tied projects (prime SP) are required to be shown in the STIP as separate projects and the description should list all the tied SP(s).

- Example: MN 61, NB FROM HOMESTEAD RD TO SOUTH END BR# 9341 AT KNIFE RIVER, CPR WORK. (TIED TO 6933-92 & 6980-59)

State Road Construction (SRC) Eligibility

Projects that are eligible to use State Road Construction (SRC) budget are projects with:

“...actual construction, reconstruction, and improvement of trunk highways, including design-build contracts and consultant usage to support these activities. This includes the cost of actual payment to landowners for lands acquired for highway right-of-way, payment to lessees, interest subsidies, and relocation expenses.”

Planning studies are not eligible for funding through the SRC budget. Even though they are federally eligible for federal non-target funds, the projects cannot be encumbered using the SRC budget. A planning study is defined as a study that is done before the NEPA process is completed. In addition, research projects cannot be funded with target federal formula funds and are not eligible for funding through the SRC. Additionally, On the Job Training (OJT) may receive special federal funding, but is also not eligible to use SRC budget. Federal funds being used that are not eligible for SRC budget will need a request to use budget from the 3000 Fund. Please contact Pa Youa Xiong with questions concerning SRC eligibility or the 3000 Fund.

Program Contacts

Table 11: Program Contacts

Program	Contact
Advance Construction	Brad Cornelius
Americans with Disabilities (ADA)	Todd Grugel
Bond Programs	Thanh Vo
Bridge Off System Program	Patti Loken
Corridors of Commerce	Patrick Weidemann
Early Let Late Award	Thanh Vo
Greater MN Noise Wall Program	Peter Wasko
Highway Safety Improvement Program (HSIP)	Brad Estochen
Highway Safety Improvement Program (HSIP) (DPS Section 164)	Brad Estochen
Highway Safety Improvement Program (HSIP) (MnDOT Section 164)	Brad Estochen
Historic Roadside Properties	Andrea Weber
Historic Properties	Kristen Zschomler
Indefinite Delivery Indefinite Quantity (IDIQ)	Brad Cornelius
Intelligent Transportation Systems (ITS)	Sue Sheehan
Local Government Advance and Payback (LGA)	Pa Youa Xiong
Local Partnership Program	Gregory Coughlin
Rail Grade Crossing	Amy Johnson
Safety Rest Areas	Robert Williams
Statewide Performance Bridge Program	Amber Blanchard
Statewide Performance Freight Program	Andrew Andrusko
Statewide Performance Pavement Program	Dave Janisch
Statewide Performance Program Mobility	Molly McCartney
Greater MN Transit	Deborah Ellis
Transportation Economic Development (TED)	Ken Buckeye
Transportation Revolving Loan Fund (TRLF)	Pa Youa Xiong
Weigh Stations	Julie Whitcher