

## **Non-Urban Surface Transportation Program (STP) Application Process**

The information below is intended to explain the new LPA Non-Urban STP process. The three areas that MDOT would like to focus on in this informational paper are:

- 1. Background Information**
- 2. Overview of the New Program**
- 3. Details of the New Program**

- 1. Background Information:** Non-Urban STP Funds are Federal funds designated for LPAs with a population of 5k to < 200k. The population threshold to be designated a Metropolitan Planning Organization (MPO) is 50k and those metropolitan areas with a population greater than 200k are considered MPOs as well as Transportation Management Areas (TMAs). The MPOs that fall in the range of 50k to < 200k will continue to receive Non-Urban STP funds utilizing the current MPO formula for Non-Urban STP funds. The TMAs, those areas 200k and greater, receive Urban STP funds and will continue to follow their normal project selection procedure. Below is a summary of the funding discussed above:
  - a. 5k to <50k:** LPAs that compete for Non-Urban STP funds as discussed below
  - b. 50k to < 200k:** MPO that receives Non-Urban STP funds, but not as a part of the program discussed below
  - c. > 200k:** MPO and TMA that receives Urban STP funds
- 2. Overview of the new program:** The new Non-Urban STP application program is designed to give LPAs an opportunity to utilize larger amounts of STP funds for transportation projects. This new program eliminates the old distribution by population method, where LPAs often needed to bank their Federal funds before they had enough to do a worthwhile project. By not banking the Federal funds, the total STP funds are obligated each fiscal year and therefore reduce the chance of the funds being rescinded while allowing the LPA the opportunity to produce a beneficial project. The applications will be evaluated based on criteria discussed below and prioritized for award by the Mississippi Transportation Commission (MTC). The program will have milestone dates that will be set by MDOT and met by the LPA throughout the project development process. The milestone dates of the project development process will culminate into an advertisement date that must be met or the LPA will be subject to reduction or complete loss of Federal funds. As has been in the past, the new program will continue to be a reimbursement program and will follow the project development process as outlined in the Project Development Manual for Local Public Agencies (PDM).

### 3. Program Details:

- a. **Funding:** The new program for STP funds will continue to operate on an 80/20 ratio of Federal to local share and will have a Federal maximum amount of \$1.5 million/project for a total Federal amount of approximately \$7.5 million/ fiscal year (FY). With the addition of the minimum amount in local share, the total construction project could be as much as approximately \$1.875 million for one LPA transportation project. The Federal STP funds will continue to be eligible for construction and construction engineering and inspection, as has been the eligibility requirements in the past. The program will have two categories that will allow LPAs of similar size to compete for funding: LPAs with a population of < 20k and LPAs with a population > 20k to < 50k population.
- b. **Criteria:** LPA applications will be evaluated in a competitive process, per fiscal year, based on certain criteria. Criteria used for evaluations will include, but are not limited to the following:
  - i. **Overmatch of Federal Dollars**
  - ii. **How quickly the project can be let**
  - iii. **Project Purpose and Need**
  - iv. **Proposed project is part of an overall LPA transportation plan**
  - v. **Inclusion of bike/pedestrian needs**

Once all applications have been evaluated, each fiscal year's projects will be prioritized and sent to the MTC for final approval.

- c. **Project Milestones:** After projects have been selected and approved by the MTC, project milestones will be established for each fiscal year. These milestones must be met by each LPA to continue to have Federal STP money set aside for that project in that fiscal year. If milestones are missed, the LPA shall produce a project diary that outlines why milestones were missed, how the LPA plans to get the project back on schedule and a new project calendar. Missing milestones allows the LPA to be subject to a reduction in their requested amount of Federal funds. The project milestones for each project culminate into the ultimate project milestone, the authority to advertise date, which cannot be missed. If the authority to advertise date is missed, the LPA is subject to losing all Federal funds and being moved to the next available allocation of Federal money.
- d. **Important Program Dates:**
  - i. **July 1-August 15, 2011:** Solicit applications for FY 2012 & FY 2013.
  - ii. **September 30, 2011:** Award projects
  - iii. **Oct. 1-June 30, 2012:** Obligate projects