

*INDOT/Local Federal-Aid Sharing Arrangement  
Final Version  
Fiscal Year 2001*

**1. General Rules for Local Federal-aid Funds:**

- a) Based upon the recognition that Metropolitan Planning Organizations (MPOs) have certified planning processes in place, MPOs may submit any number of Preliminary Engineering (PE) or Right-of-Way (R/W) projects as long as they are reasonable and fundable. There is no cost limitation on PE and R/W project submitted for funding.
- b) For areas other than MPOs: PE and R/W will not be approved. PE and R/W that was authorized by INDOT prior to October 1, 1996 will only be supplemented up to 10% over the initial amount programmed for that activity. Any additional costs must be paid with 100% local funds. The only exception to this rule is Transportation Enhancement projects. Enhancement funds may be used for PE and R/W for enhancement projects. If enhancement funds are not used for PE and R/W, the eligible cost incurred by the local government for these activities may be applied as credit to the local match on construction. Contact the Local Transportation section for more details.
- c) For dedicated or capped funds (defined in 1f), overruns which cause projects to exceed any cap must be funded with 100% local funds. For non-capped, shared funds (defined in 1f), projects with cost increases prior to contract award in excess of 10% above the originally programmed and approved amount must be either:
  - i. funded with 100% local funds or other dedicated/capped funds (if applicable);  
or
  - ii. resubmitted for funding at the new, higher cost.
- d) All dedicated local funds will be given a proportional share of obligational authority. For MPOs, the January 29, 1998 flexible funding policy for MPOs remains in effect for FY 2001.
- e) Representatives of INDOT and local governments on an annual basis will review these policies. INDOT will also prepare a report at the end of the year to show compliance with this agreement.
- f) For the purposes of section 1c of this arrangement:
  - i. "Dedicated funds" are those sub allocated to specific MPOs pursuant to Table Two (See attachment.)
  - ii. "Capped funds" are those shared funds for which a maximum has been established to limit how much any single LPA or MPO can receive.
  - iii. "Non-capped, shared funds" are those for which all LPAs and MPOs compete and on which no limit per LPA/MPO has been set. The funds that fall into this category are Bridge; Transportation Enhancement; and Safety.

- g) Each group will be entitled to a proportional distribution in its total funding (STP+MG+CMAQ) equal to the total amounts received and sharable from FFY 1997 to FFY 2001.
  - h) CMAQ funds can be used in non-attainment areas and maintenance areas.
2. **Interstate Maintenance Funds** - INDOT will receive 100% of these funds, as there are no Interstate routes under local jurisdiction.
3. **Bridge Funds** - Thirty-five percent (35%) of total bridge funds will be reserved for LPAs. Federal law requires that 15% must be spent on roads functionally classified as Rural Minor Collector or below (i.e. off system).
- a) Bridge funds for local governments are limited to eligible bridges on a “first come first served” basis. No more than four bridges per county may be in the local bridge preservation program at any one time. Bridges as part of a road project do not count toward the four-bridge limit.
  - b) Bridge funds are available on a “first come first served” basis for on- or off-system bridges to any LPA as long as the 15% off-system requirement is met. If funded by the local bridge preservation program, MPOs may qualify for up to \$800,000 in federal funds for a bridge project if all other dedicated funds, except Congestion Mitigation/Air Quality, for which obligation authority is available have been committed (i.e. scheduled for letting.)
  - c) No federal funds will be approved for PE or R/W activities for local bridge projects regardless of federal funding source.
4. **National Highway System (NHS) Funds** - INDOT will receive 100% of these funds.
5. **Surface Transportation Program (STP) Funds** - The STP funds will be allocated to the various categories and geographical areas as required by the 1998 Transportation Equity Act for the 21<sup>st</sup> Century (TEA 21).
- a) STP funds for Group I Cities will be allocated as required by TEA 21 according to population.
  - b) STP funds for Group II and Group III Cities will be split 49% to Group II and 51% to Group III.
  - c) Each Group III City is limited to \$2.5 million in STP (and/or MG) funds per year.
  - d) The funds for areas less than 5,000 population represents 110% of the total FY 1991 Rural Secondary apportionments from the Surface Transportation and Uniform Relocation Assistance Act (STURAA) of 1987. No one county will receive more than \$2.5 million in STP (and/or MG) funds per year.

**NOTE:** Marion county is excluded from this category because there are no areas under 5,000 population within the county.

- e) Rail-Highway/HES funds and Transportation Enhancement funds will be distributed when calculating the 75% INDOT and 25% Local Government overall distribution according to the amounts obligated from prior years. Adjustments will be made in the following year's sharing agreement to maintain overall equity, as nearly as practicable.
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- 6. **Minimum Guarantee (MG) Funds** – Equity funds will be divided 75-25 between INDOT and Local Government Agencies. Each group will receive a proportional distribution in funds equal to the total distribution in sharable funds from FFY 1997 to FFY 2000. In addition, the MG funds to be split by Group II, III and IV communities will be shared using a 25-25-50 ratio.
  - 7. **Congestion Mitigation/Air Quality (CMAQ) Funds** - Funds are shared on a 50/50 basis between the State and Local Governments. The local share of funds will be split among non-attainment areas on a weighted basis in the same manner as CMAQ funds are allocated to the State.
  - 8. **100% Federal Safety Funds-** All rail projects are now eligible for 100% federal funding.
  - 9. Only Interstate Maintenance, National Highway, Bridge, Surface Transportation Program, CMAQ, and Minimum Guarantee funds are included in this analysis.
  - 10. MPO's are reminded that TEA-21 money must be obligated by the end of the current federal act.

Table Two

## TEA 21 Restoration Act-FFY 2001

Final Version  
Actual FHWA Apportionments

GROUP	STP	STP-Any	MG	CMAQ	TOTAL
<b>Group 1</b>					
Fort Wayne	4,499,849	541,205	1,430,580	0	6,471,634
Indianapolis	16,569,598	1,645,764	4,716,749	3,561,968	26,494,079
Louisville	1,814,239	126,425	460,035	766,239	3,166,938
Northwest	8,893,316	410,820	2,646,769	3,458,422	15,409,327
South Bend	3,897,717	359,084	860,455	1,832,759	6,950,015
TOTAL	\$35,674,719	\$ 3,083,298	\$ 10,114,588	\$ 9,619,388	\$ 58,491,993
<b>Group II</b>					
Anderson	1,955,087		269,269		2,224,356
Bloomington	1,886,381		259,802		2,146,183
Elkhart/Goshen	2,608,162		359,200		2,967,362
Evansville	3,948,520		569,303	735,173	5,252,996
Kokomo	1,508,448		207,737		1,716,185
Lafayette	2,642,597		363,933		3,006,530
Muncie	2,325,531		320,283		2,645,814
Terre Haute	2,033,448		280,050		2,313,498
TOTAL	\$18,908,174		\$ 2,629,577	\$ 735,173	\$ 22,272,924