

INDOT/Local Federal-Aid Sharing Arrangement Fiscal Year 2006

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/or R/W phases of the project submitted for funding unless “capped” by the MPO.
- b) For areas other than MPOs: PE and R/W that was authorized by INDOT prior to October 1, 1996 will only be permitted to expend Federal funds on PE and or Right of Way up to the approved and indicated original amount. Any additional costs must be paid with 100% local funds.

Federal enhancement funds if specifically authorized 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 (maximum 80% of total cost) incurred by the local government with 100% local funds for these activities may be applied as credit to the local match (20%) on construction.

Effective April 1, 2003, INDOT initiated a “volunteer program” that allows costs that Group III and IV towns and counties spend with 100% local funds on development, design or land acquisition of a local road, bridge or railroad project to be credited (maximum 80% of total cost) for up to one half of the 20% local required match to fund construction. Effective May 1, 2005, in order to receive this credit, before starting any phase, PE or R/W, the estimated cost must be authorized with INDOT and Federal Highway as 100% local match. Contact the Local Service Center for more details.

- c) On any project not funded by an MPO, Federal-aid reimbursements will be limited to the Federal share of the initial “award” amount indicated in the project’s award notification letter from INDOT. For projects funded by MPO’s levels of Federal reimbursement are governed by the respective MPO.

Any requests for additional Federal funds above the “award” amount must be approved by the MPO or INDOT, whom ever initially approved the project.

- 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 2006.

- e) Representatives of INDOT and local governments will meet on an annual basis to 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. “Organizational 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: Transportation Enhancement; Rail, Safe Routes to Schools, Highway Safety Improvement Program and Bridge (except MPOs).
 - g) Each group will be entitled to a proportional distribution in its total funding (STP+EB+CMAQ) equal to the total amounts received and sharable from FFY 1997 to FFY 2004.
 - 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 approved Federal-aid projects. 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 via the Federal-aid program application process for on-or-off-system bridges to any LPA exclusive of MPOs as long as the 15% off-system requirement is met.
 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 2005 SAFETEA-LU Act, 2005-2009.
 - a) STP funds for Group I Cities will be allocated as required by SAFETEA-LU according to population.

- b) STP funds for Group II and Group III Cities will be split in order to assure that both Group II and Group III cities receive a change in apportionments equal to the overall change in apportionments to the state.
- c) Each Group III City and for urban areas less than 5,000 population (i.e. Group IV cities and towns) and Group IV Counties is limited to \$2.5 million in STP (and/or EB) funds per year unless an alternate Federal-aid reimbursement schedule is received and formally approved by INDOT.

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

- d) 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.
6. **Equity Bonus (EB) Funds** – Equity funds will be divided 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 2004.
 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. **Recreational Trails and SPR/HPR/Planning Funds** are not included in this analysis.
 10. Federal funds do require a match from the LPA, that is in most cases, 20% of the eligible project cost. INDOT is required to “let” the construction phase of the project. After the award of the construction contract INDOT will bill the LPA for their 20% match or adjusted match and any non-participating (not eligible for federal funding) items. This is the only phase of the project that the LPA is required to send their 20% match funds to INDOT.
 11. Federal funds are reimbursable by INDOT to the LPA which means the LPA must incur the expense and seek reimbursement from INDOT for the Federal portion.
 12. Federal funds to be used on any phase of a local project must first be authorized by INDOT and FHWA before notice to proceed is given to the LPA by INDOT.

FFY 2006 INDOT/Local Federal Aid
Sharing Agreement
FINAL

| <u>FUND TYPE</u> | <u>AMOUNT</u> | <u>INDOT</u> | <u>LOCAL</u> |
|--|-----------------------|-----------------------|-----------------------|
| Interstate Maintenance | \$ 162,002,714 | \$ 162,002,714 | \$ - |
| National Highway System | \$ 168,365,999 | \$ 168,365,999 | \$ - |
| Bridge | \$ 62,839,720 | \$ 38,929,750 | \$ 23,909,970 |
| Recreational Trails | \$ 1,188,812 | \$ - | \$ - |
| SPR - Planning | | | |
| 1.25% Metro Planning | \$ 4,860,332 | \$ - | \$ - |
| 2% HPR | \$ 11,469,180 | \$ - | \$ - |
| 25% STHPR | \$ 3,823,060 | \$ - | \$ - |
| Surface Transportation Program | | | |
| Any Area | \$ 63,829,585 | \$ 63,829,585 | \$ - |
| Enhancement | \$ 21,111,119 | \$ 2,111,112 | \$ 19,000,007 |
| Urban>200K | \$ 45,715,972 | \$ - | \$ 45,715,972 |
| Urban Group II & III | \$ 45,599,057 | \$ 3,631,485 | \$ 41,967,572 |
| Rural | \$ 14,975,392 | \$ - | \$ 14,975,392 |
| Total | \$ 191,231,125 | \$ 69,572,182 | \$ 121,658,943 |
| Rail | \$ 6,941,300 | \$ - | \$ 6,941,300 |
| Highway Safety Improvement Program | \$ 23,405,139 | \$ 15,425,746 | \$ 7,979,394 |
| HSIP-High Risk Rural Road | \$ 1,686,742 | \$ - | \$ 1,686,742 |
| Congestion Mitigation/Air Quality | \$ 38,653,381 | \$ 19,464,186 | \$ 19,189,195 |
| Equity Bonus | | | |
| Group I | \$ - | \$ - | \$ 12,881,184 |
| Group II | \$ - | \$ - | \$ - |
| Group III | \$ - | \$ - | \$ - |
| Group IV | \$ - | \$ - | \$ 6,723,115 |
| Total | \$ 101,190,241 | \$ 81,585,942 | \$ 19,604,299 |
| Safe Routes to Schools | \$ 1,798,399 | \$ 899,200 | \$ 899,199 |
| Distribution of Certain Authorized Funds | \$ 6,035,274 | \$ 6,035,274 | \$ - |
| Redistribution Funds | \$ 49,807,956 | \$ 48,187,499 | \$ 1,620,457 |
| Sub-total | \$ 835,299,375 | \$ - | \$ - |
| Less: Rec Trail SPR/HPR Planning | \$ (21,341,384) | \$ - | \$ - |
| TOTAL | \$ 813,957,991 | \$ 610,468,493 | \$ 203,489,498 |
| FY2005 \$801,766,855* | 1.52% | 75.0% | 25.0% |

*Includes FY04 MG Supplemental and Bryd adjustment \$80,872,312

Apportionments
Final

| GROUP | STP | HSIP | EB | CMAQ | BRIDGE | TOTAL | FY05 Share | Percentage | Spending Authority |
|--------------------|-----------------------|---------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|--------------------------------|-------------------------------|
| | | | | | | | | increase from FY05 1.52% | Percentage for FY06 92.45% |
| | | | | | | | | FY06 Needed | Spending Authority |
| GROUP I | | | | | | | | | |
| INDIANAPOLIS | \$ 21,307,415 | \$ 2,822,845 | \$ 6,769,718 | \$ 5,940,247 | \$ - | \$ 36,840,225 | \$ 34,898,348 | \$ 36,840,225 | \$ 34,058,788 |
| FORT WAYNE | \$ 5,030,195 | \$ 666,409 | \$ 1,262,579 | \$ 1,737,954 | \$ - | \$ 8,697,138 | \$ 8,238,705 | \$ 8,697,138 | \$ 8,040,504 |
| LOUISVILLE | \$ 2,149,185 | \$ 284,728 | \$ 431,652 | \$ 850,347 | \$ - | \$ 3,715,912 | \$ 3,520,043 | \$ 3,715,912 | \$ 3,435,360 |
| SOUTH BEND | \$ 4,235,493 | \$ 640,331 | \$ 809,580 | \$ 1,677,307 | \$ - | \$ 7,362,711 | \$ 6,937,102 | \$ 7,362,711 | \$ 6,806,826 |
| NORTHWEST | \$ 9,673,405 | \$ 1,280,108 | \$ 2,861,155 | \$ 2,909,794 | \$ - | \$ 16,724,462 | \$ 15,843,586 | \$ 16,724,462 | \$ 15,461,765 |
| EVANSVILLE | \$ 3,240,830 | \$ 429,351 | \$ 746,499 | \$ 1,186,670 | \$ - | \$ 5,603,350 | \$ 5,307,993 | \$ 5,603,350 | \$ 5,180,298 |
| CINCINNATI | \$ 79,449 | \$ 10,641 | \$ 0 | \$ 123,062 | \$ - | \$ 213,152 | \$ 204,720 | \$ 213,152 | \$ 197,059 |
| TOTAL | \$ 45,715,972 | \$ 6,134,413 | \$ 12,881,184 | \$ 14,425,381 | \$ - | \$ 79,156,950 | \$ 74,950,496 | \$ 79,156,950 | \$ 73,180,600 |
| GROUP II | | | | | | | | | |
| ANDERSON | \$ 2,102,283 | \$ 224,726 | \$ (0) | \$ 710,812 | \$ - | \$ 3,037,821 | \$ 2,881,657 | \$ 3,037,821 | \$ 2,808,466 |
| BLOOMINGTON | \$ 2,680,264 | \$ 214,115 | \$ 0 | \$ - | \$ - | \$ 2,894,379 | \$ 2,745,589 | \$ 2,894,379 | \$ 2,675,854 |
| ELKHART/GOSHEN | \$ 2,898,404 | \$ 303,901 | \$ - | \$ 894,934 | \$ - | \$ 4,097,239 | \$ 3,886,218 | \$ 4,097,239 | \$ 3,787,898 |
| KOKOMO | \$ 1,847,769 | \$ 147,611 | \$ - | \$ - | \$ - | \$ 1,995,380 | \$ 1,892,804 | \$ 1,995,380 | \$ 1,844,729 |
| LAFAYETTE | \$ 3,645,096 | \$ 291,192 | \$ - | \$ - | \$ - | \$ 3,936,288 | \$ 3,733,936 | \$ 3,936,288 | \$ 3,639,098 |
| MUNCIE | \$ 1,952,043 | \$ 209,986 | \$ - | \$ 676,533 | \$ - | \$ 2,838,562 | \$ 2,692,641 | \$ 2,838,562 | \$ 2,624,251 |
| TERRE HAUTE | \$ 1,685,388 | \$ 183,824 | \$ - | \$ 615,692 | \$ - | \$ 2,484,904 | \$ 2,357,163 | \$ 2,484,904 | \$ 2,297,293 |
| COLUMBUS | \$ 1,456,062 | \$ 116,319 | \$ - | \$ - | \$ - | \$ 1,572,380 | \$ 1,491,549 | \$ 1,572,380 | \$ 1,453,665 |
| MICHIGAN CITY | \$ 1,355,575 | \$ 153,308 | \$ - | \$ 544,726 | \$ - | \$ 2,053,609 | \$ 1,947,355 | \$ 2,053,609 | \$ 1,898,562 |
| TOTAL | \$ 19,622,884 | \$ 1,844,980 | \$ (0) | \$ 3,442,698 | \$ - | \$ 24,910,562 | \$ 23,628,913 | \$ 24,910,562 | \$ 23,029,815 |
| GROUP III | \$ 22,344,687 | \$ 1,265,057 | \$ - | \$ 422,183 | \$ - | \$ 24,031,927 | \$ 23,049,053 | \$ 24,031,927 | \$ 22,217,516 |
| GROUP IV | \$ 14,975,392 | \$ 421,686 | \$ 6,723,115 | \$ 777,596 | \$ - | \$ 22,897,788 | \$ 22,347,267 | \$ 22,897,788 | \$ 21,169,005 |
| BRIDGE | \$ - | \$ - | \$ - | \$ - | \$ 23,909,970 | \$ 23,909,970 | \$ 23,551,980 | \$ 23,909,970 | \$ 22,104,767 |
| GRAND TOTAL | \$ 102,658,936 | \$ 9,666,136 | \$ 19,604,299 | \$ 19,067,857 | \$ 23,909,970 | \$ 174,907,197 | \$ 167,527,708 | \$ 174,907,197 | \$ 161,701,703 |