

Chapter 2

Planning Requirements & Funding Programs

2.1 General Discussion

This chapter describes local and state planning processes and requirements, and presents the basic procedures for local agency participation.

Federal-aid funds may be used to pay project costs for preliminary engineering, right-of-way acquisition, and construction. However, Federal-aid funds may only be expended after authorization by MDT through FHWA. These funds cannot be used for lobbying efforts.

The planning process needs to be consistent with federal planning requirements of Title 23 USC 134/135.

Montana MPOs and local government agency officials are given project prioritization authority with final project approval by the Montana Transportation Commission for use of STP-Urban funds, CMAQ funds, Transportation Alternative funds, or discretionary funds (on the Urban System or local roads).

Local agencies inside MPOs are also required to comply with federal law for any projects they wish to do with federal funds. Project identification is generally accomplished separately for locally and federally funded projects with project inclusion in the MPO TIP for federally funded projects. Public involvement includes the MPO public comment processes. Reporting is accomplished through the submittal of the MPO TIP to MDT's Rail, Transit and Planning Division. That MPO TIP is then used to assemble the STIP.

MDT has primary responsibility for implementation of the STIP process. This cannot be accomplished without recognizing the requirements of all transportation providers in the MPO developing their various TIPs. MDT District Offices and MDT Project Analysis have critical roles in managing the process and funds.

2.2 Planning Requirements

At the state and federal levels, policies and procedures have been established to provide for area wide coordination of transportation programs. A project must meet various planning and NEPA requirements.

- **For Metropolitan Planning Areas (within a MPO):**
 - The Project or phases of the Project within the time horizon of the Long Range Transportation Plan (LRTP) must be included in the fiscally constrained LRTP, and other phases of the Project and the associated costs beyond the LRTP horizon must be referenced in the Plan.
 - The Project or phase of the Project must be in the MPO's fiscally constrained Transportation Improvement Program (TIP), which includes:
 - At least one subsequent Project phase or the description of the next Project phase.
 - All Federal-aid Projects or Project phases and non-federally funded, regionally significant projects that require a Federal action. [23 CFR § 450.324(d)]

- The Project or phase of the Project must be in the fiscally constrained Statewide Transportation Improvement Program (STIP), which includes:
 - If the completion of the Project is beyond the timeframe of the STIP, the STIP must contain at least one subsequent Project phase, or a description of the next Project phase for informational purposes.
 - All Federal-aid projects or project phases and non-federally funded, regionally significant projects that require a Federal action [23 CFR § 450.216(h)]
 - Full funding is reasonably available for the completion of all phase(s) of the Project. [23 CFR § 450.216(l)-(m)]
- Full funding is reasonably available for the completion of all the phase(s) of the Project within the time period anticipated for completion of the Project. [23 CFR § 450.324(h)-(i)]
- **For Non-metropolitan Areas:**
 - The Project must be consistent with the Long Range Statewide Transportation Plan (also referred to as TranPlan 21).
 - The Project or phase of the Project must be in the fiscally constrained STIP, which includes:
 - If the completion of the Project is beyond the timeframe of the STIP, the STIP must contain at least one subsequent Project phase, or a description of the next Project phase for informational purposes.
 - All Federal-aid projects or project phases and non-federally funded, regionally significant projects that require a Federal action [23 CFR § 450.216(h)]
 - Full funding is reasonably available for the completion of all phase(s) of the Project. [23 CFR § 450.216(l)-(m)]

Table 1 describes the fiscal constraint actions that must be in place before a final environmental decision is taken

Table 1. Fiscal Constraint Requirement before Approving the NEPA Decision	
Before a Final Environmental Decision (ROD, FONSI, CE) is approved in:	Fiscal Constraint must be demonstrated by:
Metropolitan Areas	<ul style="list-style-type: none"> • Entire Project is in the LRTP • At least one subsequent phase of the Project is in the TIP (more if within TIP timeframe) • Full funding is reasonably available for the completion of the entire Project⁵
Non-Metropolitan Areas (Outside MPO)	<ul style="list-style-type: none"> • Project is consistent with TranPlan 21 • Project is consistent with local long range transportation plan (if one exists) • At least one subsequent phase of the Project is in the STIP (more if within STIP timeframe) • Full funding is reasonably available for the completion of the entire Project

2.3 Coordination with Planning Agencies

23 USC 134 and 135 require a continuing, cooperative and comprehensive transportation planning process. That process involves:

- MPO long-range transportation plans
- MPO Transportation Improvement Programs (TIP)
- A statewide long-range transportation plan
- A Statewide Transportation Improvement Program (STIP)

2.4 Statewide Transportation Improvement Program (STIP)**2.4.1 Development of the STIP:**

- All MPO transportation improvement programs using Title 23 or Title 49 funds
- All federally funded multimodal transportation projects
- Involvement of:
 - Local agencies
 - State and Federal agencies
 - Tribal governments
 - Metropolitan Planning Organizations (MPOs)
 - MDT
 - Transit agencies
 - Citizens
 - other interested parties

2.4.2 Elements of the STIP:

The following are the basic required elements of the STIP, which must be approved by FHWA and the Federal Transit Administration (FTA):

- Identifies all proposed highway and transit projects in the state funded under Title 23 United States Code (USC) and the Federal Transit Act (Title 49 USC), including Federal Lands projects.
- Incorporates the metropolitan transportation improvement programs approved by the MPOs.
- In carbon monoxide, ozone, or PM-10 nonattainment areas, includes projects that conform with the State Implementation Plan (SIP).
- Maintains consistency with expected available funding.
- Identifies selection priorities developed with appropriate consultation and/or coordination with local jurisdictions, metropolitan planning organizations, and Federal Lands agencies.
- Contains all regionally significant transportation projects requiring FHWA or FTA approval, regardless of funding.
- Projects must be listed by funding source, phase, and federal fiscal year
- Must cover at least a 4-year period and be updated a minimum of every 4 years
- Meets the requirements of 23 USC 135(f), Statewide Planning, coordination with local jurisdictions, and review by FHWA.

As part of the STIP, each MPO TIP must:

- Be updated at least every 4 years and approved by the MPO and the Governor (or designee).
- List all projects, including pedestrian and bicycle transportation facilities, to be funded by Title 23 or Title 49 over a 4-year period.
- Projects must be listed by funding source, phase, and federal fiscal year
- Have reasonable opportunity for public comment prior to approval.
- Include a list of prioritized projects.
- Include a financial plan for implementing the projects that is also consistent with reasonable expectation of available funding.
- Have projects consistent with the MPO long-range plan.

Additionally, projects funded only with state or local sources may be included in the STIP. For consistency in planning and coordination of projects, agencies are encouraged to include all projects for which funding is secured.

2.4.3 STIP Processes and Responsibilities

The following timelines reflect the general processes and responsibilities reflected in state and federal law to achieve compliance with the list above. This is a very time consuming process. All steps noted are dependent upon other steps in the process.

STIP timelines are crucial in managing transportation funding. The times noted are based on reasonable time limits to perform the various functions. Adequate time must also be provided for the physical transmission of paper and data, as well as the discussions and analyses required at the various levels.

TIP Timeline:

- The TIP must be updated every four years or less. Since these updates can occur at any time during the four-year period, there are no set timelines for TIPs.
- Amendments to TIP as required.

STIP Timeline:

- The STIP is updated yearly with timelines as follows:

MONTH	TASK
JANUARY	<ul style="list-style-type: none"> • Distribute list of STIP projects and write-ups to districts/program managers for review and comment (give them 30 days to respond) • Touch base with Urban on TIPs
FEBRUARY/MARCH	<ul style="list-style-type: none"> • Responses due from districts & program managers • Prepare & print draft STIP
MARCH	<ul style="list-style-type: none"> • Post on Web • Mail letters with postcards announcing draft is available on-line. • Mail STIPs to public libraries • Distribute to administrative staff, FHWA, & FTA for comment and review • Publish CN projects in <i>Newsline</i> (also transit?)
APRIL	<ul style="list-style-type: none"> • Public involvement ends • Update and print final STIP • Final STIP to Lori (only needs district lists & agenda item – not booklet)

MAY	<ul style="list-style-type: none"> • Distribute final “draft” STIP to commissioners and administrative staff to review prior to meeting • Take STIP to Commission for approval • Federal approval of STIP • Distribute final STIP
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- Amendments to STIP/TIP as required

2.5 Surface Transportation Program – Urban (STPU)

Statutes

Title 23, U.S.C. Section 133 and MCA 60-2-110,111,126,127,211

Program Purpose

The STPU Program provides financial resources to develop and construct improvements on the state designated urban highway system.

Funding

The STPU program is a sub-allocation of the larger Surface Transportation Program. This sub-allocation is authorized by state statute and approved annually by the Montana Transportation Commission. The allocation is based on a per capita distribution and is recalculated each decade following the census. The per capita distribution is based on the Urban Area population. The Federal share for this program is 86.58 percent with the State contributing 13.42 percent matching funds.

Program Eligibilities

Activities eligible under the STPU program include:

- Construction of new facilities
- Reconstruction, resurfacing, restoration and rehabilitation of existing facilities
- Operational improvements
- Bicycle facilities, pedestrian walkways, and carpool projects and programs; and
- These funds may also be transferred into transit capital at the discretion of the urban area.

Project Selection

The selection process in Montana’s three MPO’s (Billings, Great Falls, Missoula) is as follows:

- STPU project proposals must advance through the metropolitan planning process, come from an approved transportation plan and metropolitan TIP.
- Projects are selected on the designated Urban System by the MPO in cooperation with MDT from the approved plan and metropolitan TIP
- The project is reviewed by MDT staff to assure it is affordable and eligible for STPU funds and has met the appropriate planning and programming regulations
- The Montana Transportation Commission must approve the project. Historically, the Commission has approved all projects nominated by local governments if the projects met the program criteria.
- Projects must be included in the STIP or a STIP amendment.
- Projects must be included in the MPO’s approved long-range transportation plan.

The selection process in non-metropolitan urban areas is as follows:

- Projects are selected on the designated Urban System by the local government officials in cooperation with MDT and be consistent with an approved long-range transportation plan (if available). For urban areas with technical advisory committees representing the city and county, the committee will nominate a project. For urban areas without an established technical committee, requests will need to come from both City Mayor and County Commissioner Chairperson.
- The project is reviewed by MDT staff to assure it is affordable and eligible for STPU funds and has met the appropriate planning and programming regulations
- The Montana Transportation Commission must approve the project.
- Projects must be included in the STIP or a STIP amendment.

2.6 Transportation Alternatives

Statutes

Title 23, U.S.C. Section 1122 (23 U.S.C. 213(b), 101(a-g)(29))

Program Purpose

The Transportation Alternatives Program (TAP) authorized under Section 1122 of MAP-21 (23 U.S.C. 213(b), 101(a)(29)) provides funding for programs and projects defined as transportation alternatives, including on- and off-road pedestrian and bicycle facilities, infrastructure projects for improving non-driver access to public transportation and enhanced mobility, community improvement activities, and environmental mitigation; recreational trail program projects; safe routes to school projects; and projects for the planning, design or construction of boulevards and other roadways largely in the right-of-way of former Interstate System routes or other divided highways.

Funding

The Federal share for this program is 86.58 percent with the State contributing 13.42 percent matching funds.

Program Eligibilities

Activities eligible under the TAP program include:

- Construction, planning, and design of on-road and off-road trail facilities for pedestrians, bicyclists, and other non-motorized forms of transportation, including sidewalks, bicycle infrastructure, pedestrian and bicycle signals, traffic calming techniques, lighting and other safety-related infrastructure, and transportation projects to achieve compliance with the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.).
- Construction, planning, and design of infrastructure-related projects and systems that will provide safe routes for non-drivers, including children, older adults, and individuals with disabilities to access daily needs.
- Conversion and use of abandoned railroad corridors for trails for pedestrians, bicyclists, or other non-motorized transportation users.
- Construction of turnouts, overlooks, and viewing areas.
- Community improvement activities, including--
 1. inventory, control, or removal of outdoor advertising;
 2. historic preservation and rehabilitation of historic transportation facilities;
 3. vegetation management practices in transportation rights-of-way to improve roadway safety, prevent against invasive species, and provide erosion control; and

4. archaeological activities relating to impacts from implementation of a transportation project eligible under this title.
- Any environmental mitigation activity, including pollution prevention and pollution abatement activities and mitigation to--
 1. address storm water management, control, and water pollution prevention or abatement related to highway construction or due to highway runoff, including activities described in sections 133(b)(11), 328(a), and 329; or
 2. reduce vehicle-caused wildlife mortality or to restore and maintain connectivity among terrestrial or aquatic habitats.

Project Selection

Funds are awarded through a competitive application process. (This process is still in development.)

2.7 Congestion Mitigation and Air Quality Program (CMAQ)

Statutes

Title 23, U.S.C. Section 149

Program Purpose

The purpose of the CMAQ program is to fund transportation projects or programs that will contribute to attainment or maintenance of the national ambient air quality standards (NAAQS) for ozone, carbon monoxide (CO), and particulate matter (PM10, PM2.5). For the purposes of the LAG manual, only Missoula, Great Falls and Billings receive annual allocations of this funding and may pursue certification for these funds.

Funding

The CMAQ program is an individual category of federal funding annually allocated to the state. Of this funding, Montana receives a portion for Missoula which was designated as a non-attainment area for CO (now in maintenance). The Montana Transportation Commission has designated that Billings and Great Falls will receive the same amount of funding annually as Missoula to address air quality.

At the project level, the use of CMAQ funds is not constrained to a particular system (i.e. Primary, Urban, or NHS). Of the total received, 86.58% is federal and 13.42% is non-federal match. A requirement for the use of these funds is to estimate the reduction in pollutants resulting from implementing the program/project. These estimates are reported yearly to FHWA.

Project Selection

Projects in the MPO areas are prioritized through the MPO planning process, come from an approved metropolitan LRTP and metropolitan TIP. Projects must be included in the STIP or a STIP amendment.

Program Eligibilities

Activities eligible under the CMAQ program include:

- Traffic flow improvement projects
MAP -21: "add turning lanes" and "through real-time" traffic information are now eligible federally. (SEC 1113 23 USC 149(b)(5))
- Signal synchronization,
- Transit improvements
- Travel demand management strategies

- Bike & pedestrian projects
- Air quality equipment purchase (sweepers, flush trucks, deicer applicators)

2.8 Appendix

Appendix 2.8.1 Transportation Plan and Transportation Improvement Program (TIP) Process

