

Chapter 7 Funding Mechanisms

7.1 Introduction

MDT administers a number of programs that are funded from state and federal sources. Because US 93 is on a designated federal-aid highway system, there are potential funding programs that may be used to fund all or portions of any future new alignment of US 93.

Each year, in accordance with 60-2-127, Montana Code Annotated (MCA) the Montana Transportation Commission allocates a portion of available federal-aid highway funds for construction purposes and for projects located on the various systems in the state as described herein.

7.2 Federal Funding Sources

The following summary of major Federal transportation funding categories received by the State through Continuing Resolutions of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU)-enacted on August 10, 2005, includes state developed implementation/sub-programs that may be potential sources for development of a new alignment for US 93 in the study area. In order to receive project funding under these programs, projects must be included in the State Transportation Improvement Program (STIP).

7.2.1 National Highway System (NHS)

The purpose of the NHS is to provide an interconnected system of principal arterial routes which will serve major population centers, international border crossings, intermodal transportation facilities and other major travel destinations; meet national defense requirements; and serve interstate and interregional travel. The NHS includes all Interstate routes, a large percentage of urban and rural principal arterials, the defense strategic highway network, and strategic highway connectors.

Allocations and Matching Requirements

NHS funds are Federally apportioned to Montana and allocated based on system performance by the Montana Transportation Commission. The Federal share for NHS projects is 86.58 percent and the State is responsible for the remaining 13.42 percent. The State share is funded through the Highway State Special Revenue Account.

Eligibility and Planning Considerations

Activities eligible for the NHS funding include construction, reconstruction, resurfacing, restoration, and rehabilitation of segments of the NHS. Operational improvements as well as highway safety improvements are also eligible. Other miscellaneous activities that may qualify for NHS funding include research, planning, carpool projects, bikeways, and pedestrian walkways. The Transportation Commission establishes priorities for the use of NHS funds and projects are let through a competitive bidding process. US 93 is on the NHS.

The Missoula District, which the US 93 Polson corridor is a part of, is anticipated to receive an average of about \$38 million annually of NH funds during the next five years. Current Missoula District priorities already under development total an estimated construction cost of \$194.8 million of which

approximately \$93.6 million is for improvement along segments of the US 93 corridor outside of this study area. Given the estimated range of planning level costs of \$43.8 million to \$60.1 million to develop a new alignment of US 93, NH funding for this level of improvement is highly unlikely over the short term, but may be available toward the end of the planning horizon depending on other NHS needs within the Missoula District.

7.3 Discretionary Funds

Discretionary funds may be received through either highway program authorization or annual appropriations processes. These funds are generally described as “demonstration” or “earmark” funds. Receiving Discretionary funds has been a viable mechanism for local governments to secure federal funding for projects. If a local sponsored project receives these types of funds, MDT will administer the funds in accordance with the Montanan Transportation commission Policy #5 – *“Policy resolution regarding Congressionally directed funding: including Demonstration Projects, High Priority Projects, and Project Earmarks.”*