

APPENDIX 8

THE STATE AID ROAD PROGRAM

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In addition to county funds, there are two sources of funding available to the counties for the construction, reconstruction, and/or maintenance of the system of roads under the jurisdiction of the county boards of supervisors. These additional funding sources are the State of Mississippi and the federal government. These funds are administered by the Office of State Aid Road Construction.

State Aid Road Funds are made available to the counties through the state legislature. At present, the eighty-two (82) counties receive a minimum of fifty-one million dollars (\$51,000,000), which is distributed to the counties according to a formula approved by the legislature. These funds may be used for the construction, reconstruction, and/or maintenance of any road in a county which has been approved by the State Aid Engineer as part of the State Aid Road System for that county. The maximum number of miles each county may designate to be on the State Aid System has been set by the legislature.

Road and bridge projects are “programmed” by the board on a form furnished by the State Aid Engineer and are limited by the funds made available to the county. State Aid funds may be used to fund one hundred percent (100%) of the cost of the contract and engineering. Under certain conditions, State Aid law allows a county to make use of the funds available for a four year term by advancing credits to use anticipated revenues. This feature of State Aid law gives the board more flexibility in planning road and bridge projects in the county. Once a project has been approved by the State Aid Engineer, the plans and specifications will be prepared by the counties’ engineer in accordance with the rules and regulations adopted by the Office of State Aid Road Construction.

LOCAL SYSTEM ROAD PROGRAM

The legislature enacted the Local System Road Program (LSRP) in 2001. This program allows the counties to utilize up to twenty-five percent (25%) of their allocated State Aid funds to address the problem of sub-standard roads not eligible for the original State Aid Road Program. Projects constructed under this program must conform to the same rules and regulations that apply to State Aid projects.

LOCAL SYSTEM BRIDGE PROGRAM

In 1994, the legislature made available to the counties twenty-five million dollars (\$25,000,000) a year to address the problem of deficient bridges on roads where, aside from county funds, no other source of funding was available. This is known as the Local System Bridge Program (LSBP). The funding is distributed to each of the eighty-two (82) counties according to a formula designated by the legislature, and may be used to fund one hundred percent (100%) of the contract cost and engineering on approved projects. The same rules and regulations that apply to State Aid projects apply to LSBP projects. This type of program meets a very definite need of counties and was renewed for eight years by the 1999 Legislature at twenty million dollars (\$20,000,000) per year.

For additional information about State Aid, please visit our web site at:
<http://www.osarc.state.ms.us>

BRIDGE REPLACEMENT AND SURFACE TRANSPORTATION PLAN FUNDS

The United States Department of Transportation makes federal revenues for the construction and reconstruction of various systems of roads available to each state. Approximately twenty million dollars (\$20,000,000) of these funds are made available to the eighty-two (82) counties in Mississippi each year. These funds are named Bridge Replacement (BR) Funds and Surface Transportation Plan (STP) Funds. BR funds are made available based on a project's necessity, rather than distributed according to a formula. STP funds are distributed to the counties in accordance with the same formula as State Aid funds.

In 2003, State Aid, working with the Governor's Office, the Mississippi Association of Supervisors, MDOT, FHWA and the Mississippi Development Bank (MDB) developed a program whereby thirty-five million dollars (\$35,000,000) would be made available, via a loan from the MDB, to fund "on-the-shelf" BR projects. This loan will be repaid from State Aid's allocation of annual BR funds.

FEDERAL HIGHWAY ADMINISTRATION

The agency responsible for the administration of federal highway programs is the Federal Highway Administration (FHWA). FHWA is limited to distributing highway funds to one state agency, the Mississippi Department of Transportation (MDOT). All federal funds available to the counties must be designated by the Transportation Commission of MDOT. At present, FHWA's level of participation in a contract is eighty percent (80%). The remaining twenty percent (20%) is to be financed with local funds (state or county funds). FHWA "authorizes" the use of federal funds only when certain regulations are complied with concerning locations, right-of-way acquisition, environmental considerations, and geometric design guidelines.

FHWA PROJECT FUNDING

Other federal funds are available through FHWA on a project by project application. The Appalachian Regional Commission (ARC) makes road construction funds available to certain counties in the northeast section of Mississippi. Access for Highway to Lakes (AHL) funds have been made available to several counties through Congress. The level of participation by FHWA varies; it can be as much as one hundred percent (100%), depending on the approved application.

REGULATIONS

In the use of state or federal funds available to the counties through the Office of State Aid Road Construction, the following regulations apply:

1. The programs, plans, and specifications must be prepared by a registered professional engineer employed by the county and approved by the State Aid Engineer.
2. Contract specifications will be those approved and adopted by the Office of State Aid Road Construction.
3. Satisfactory maintenance of the projects completed using state or federal funds will be the responsibility of the board of supervisors of the county in which the funds were expended. There are state and federal funds available to the counties that may be used for certain maintenance work; however, the *responsibility* for the maintenance is that of the board of supervisors.