



OPEGA  
REVIEW

FINAL  
REPORT

# Urban-Rural Initiative Program

a report by

the Office of Program Evaluation & Government Accountability

July  
2007

# The Program

## Urban-Rural Initiative Program (URIP)

A portion of MaineDOT's Highway Fund appropriation is distributed to:

- 488 municipalities
- 3 Indian reservations
- 10 counties

Currently, approximately \$25,000,000 in URIP funding is distributed each year.

# The Program

## *23 MRSA §1801*

The purpose of the Urban-Rural Initiative Program is to provide equitable financial assistance to communities for their use in improving local roads, maintaining state roads in urban compact areas and assisting the State in making capital improvements to State aid minor collector highways.

# Audit Purpose

## OPEGA Sought to Answer the Questions ...

- 1) is the funding available to municipalities, counties, and Indian reservations being fairly distributed;
- 2) are the funds processed and distributed in accordance with statute; and
- 3) are the funds being utilized in accordance with statute?

# Methods

## To answer these questions, OPEGA .....

- researched relevant State statutes, history, and processes related to URIP;
- interviewed municipal officials and representatives;
- reviewed municipal financial statements and road expenditures; and
- verified URIP funding calculations.

# Background

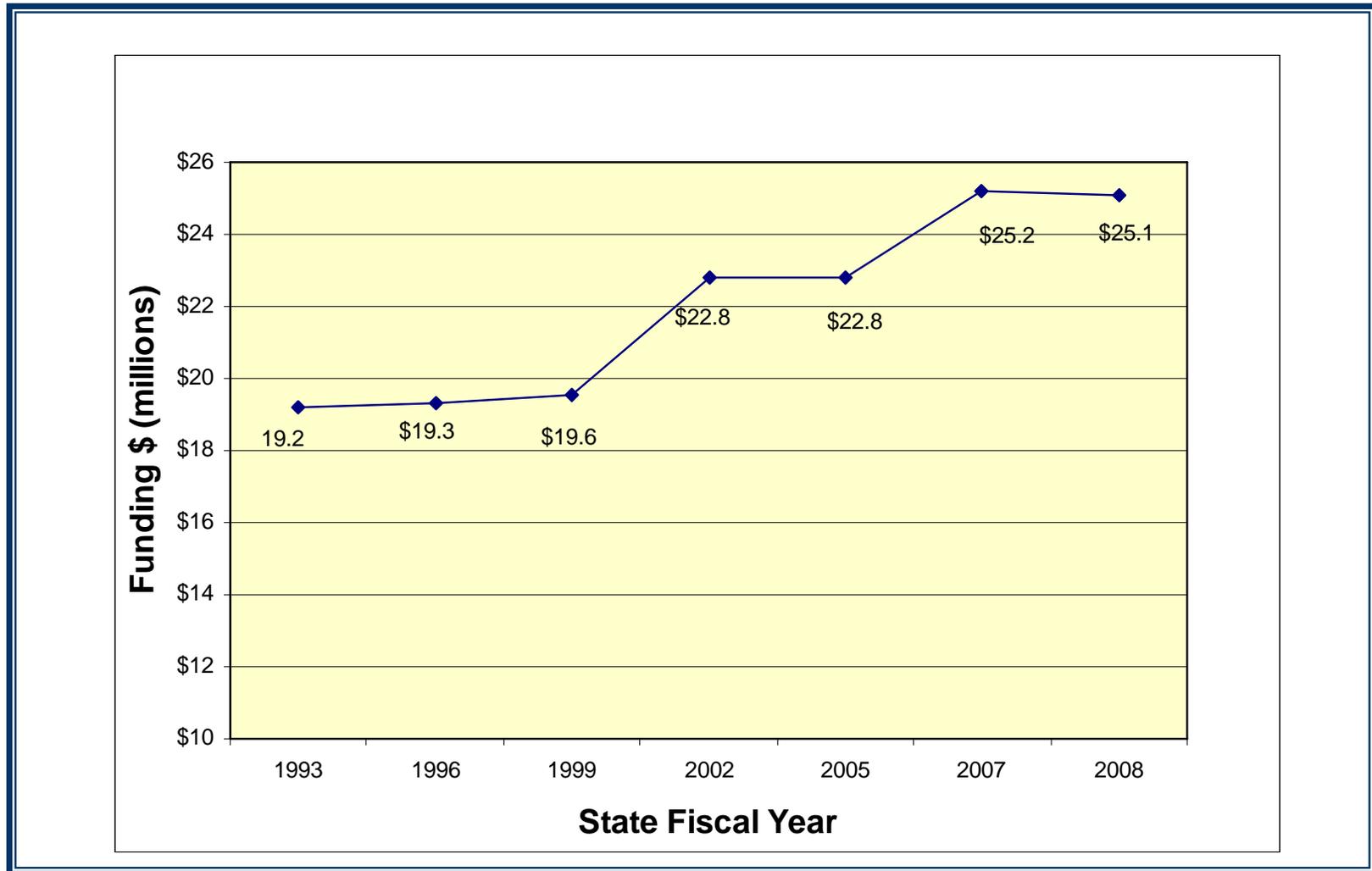
URIP evolved from what was know as the Local Roads Assistance Program (LRAP)

Changes:

- URIP funding guaranteed and indexed
- Increased lane mile rates
- Shifted focus to capital improvements
- Hold harmless provision

# Background

## Funding levels SFY1993-SFY2008



# Background

## Two components of URIP

### Urban Compact Initiative

Urban Compact Municipality: municipality with greater than 7,500 population, 43 in Maine

Urban Compact area: A section of highway where structures are less than 200 feet apart for a distance of 1/4 mile or more

### Rural Road Initiative

# Background

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## What may URIP funds be used for?

Urban Compact areas: maintenance or improvement of public roads

Rural areas: capital improvement projects only

# Background

## How are URIP funds allocated?

Based on:

- Lane miles
- Road classifications and location
- Responsibilities

# Background

## Urban-Rural Initiative Program Rates Per Lane Mile\*

Road Classification	Rural Highways	State Urban Compact Highways		
		Summer		Winter
		1st two lanes	more than two lanes	All Lanes
State Highway	\$0.00	\$2,500	\$1,250	\$1,700
State Aid Highway	\$0.00	\$2,500	\$1,250	\$0.00
State Aid Minor Collector	\$600	\$2,500	\$1,250	\$0.00
Townway	\$600	\$0.00		\$0.00
Seasonal Townway	\$300	\$0.00		\$0.00

\* These rates are statutory amounts that a recipient is allotted per lane-mile. Actual amounts may vary depending on the actual funding allocated to URIP each year.

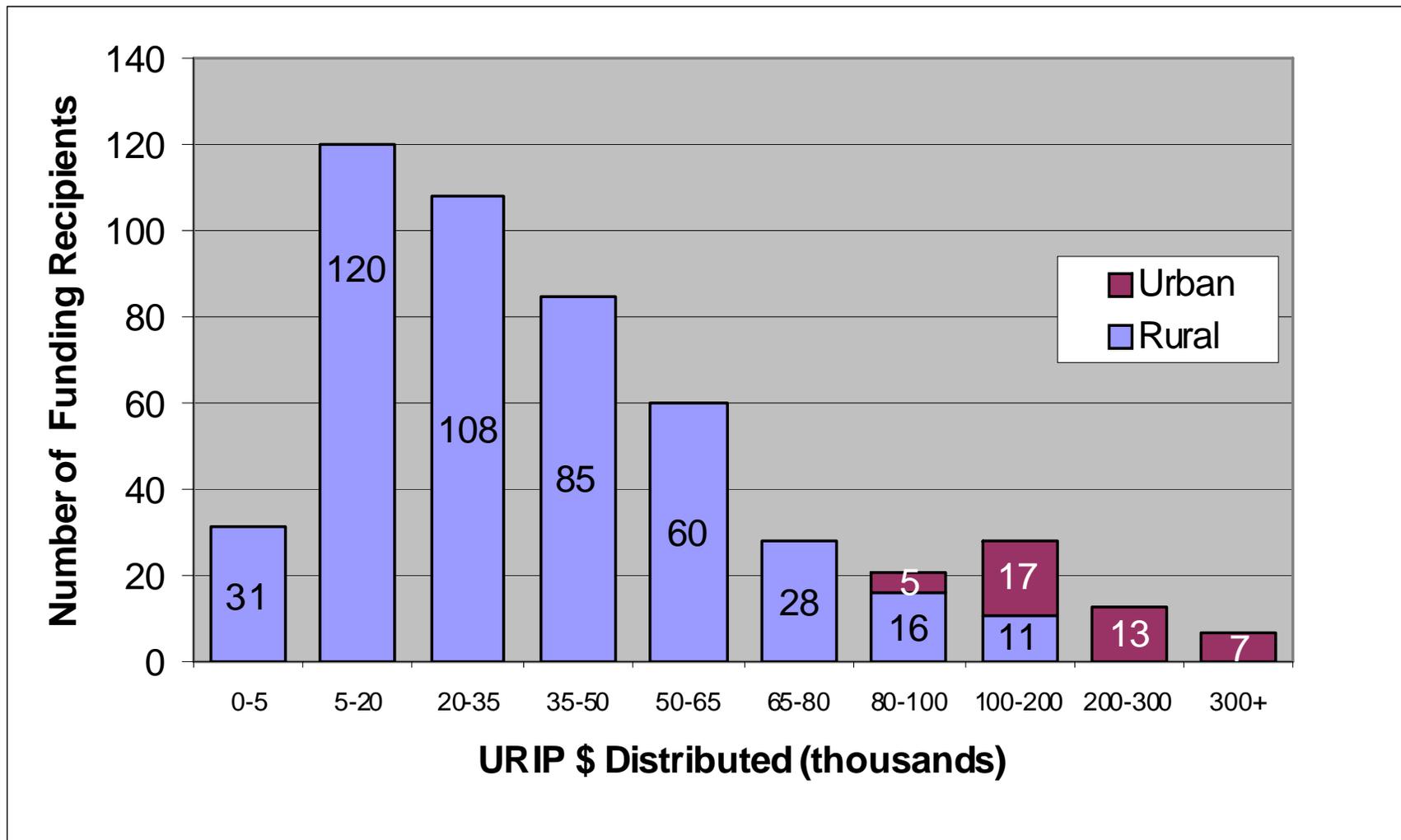
# Background

## How are URIP funds distributed?

- Maine DOT calculates URIP allotment for each entity
- Recipients must submit certification
- Payments made quarterly, as per statute

# Background

## Distribution of SFY 2006 URIP Allotments



# Background

## How do funding recipients process and utilize URIP funds?

- Roads budget supplementation
- Expend every year or carry-over
- Overall, road expenses typically exceed URIP funding allocations

# Conclusions

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## Original Questions

- *Is the funding available to municipalities, counties, and Indian reservations being fairly distributed? Yes.*
- *Are the funds processed and distributed in accordance with statute? Yes.*
- *Are the funds being utilized in accordance with statute? Undetermined; likely in most cases but some risk does exist.*

# Finding 1

## Finding

Data on actual fund use is not collected.

Compliance cannot be specifically verified nor program effectiveness assessed.

## Management Action

Beginning July 1, 2008 MaineDOT will require funding recipients to provide information regarding how URIP funding was used in the previous year.

# Finding 2

## Finding

Opportunity exists to reduce administrative costs.

## Management Action

MaineDOT and the Maine Municipal Association will work together to encourage recipients to accept URIP payments by direct deposit.

# Observation

## LD1790/Senate Paper 731

A Joint Order directing the Joint Standing Committee on Transportation to study certain Transportation related matters.

OPEGA suggests that any additional discussions concerning changes to URIP include considerations of mechanisms to collect data and stress accountability.

# Acknowledgements

- Maine Municipal Association
- Municipal Officials
- MaineDOT

# Questions?