

# MaineDOT Local Cost Share Policy

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# 1. Purpose and Applicability

## a. Purpose:

- i. The purpose of this policy is to create a set of general rules and expectations for all transportation projects that provide a fair basis for sharing the cost of investments in Maine’s multimodal transportation system. MaineDOT has a long history of partnering with local communities to best leverage limited federal, state, and local transportation funding—partnerships that work best when MaineDOT and local partners have a vested interest in seeing projects succeed. For this reason, MaineDOT requires some degree of local match on many different types of projects.
- ii. This policy sets out the general approach that MaineDOT will take when determining local match amounts. However, MaineDOT will remain flexible and will retain the ability to adjust local match requirements when there is a compelling reason, such as a safety benefit or significant regional economic development opportunity. Conversely, if communities wish to go above and beyond a standard design for a specific context, a higher local match may be expected. Please see Section [15](#) of this policy for more details.
- iii. In all instances, MaineDOT’s decision to select and fund projects is contingent upon the availability of sufficient resources to carry out the project.
- iv. In implementing this policy, MaineDOT hopes to build strong commitment to projects and maximize resources, while ensuring that all Maine communities have access to the opportunities provided by federal and state transportation funding.

## b. Applicability:

- i. This policy applies to all projects programmed in MaineDOT’s *Three-Year Work Plan*, except those projects that are subject to an alternate cost-sharing arrangement that has been negotiated and executed by MaineDOT and the local partner prior to the effective date of this policy.
- ii. A Metropolitan Planning Organization (MPO) may adopt a policy requiring a higher local match than what is outlined in MaineDOT’s policy, but not a lower one.
- iii. This policy only applies to projects that are developed by, or in collaboration with, MaineDOT and which have received a commitment from MaineDOT for its portion of any cost share. For projects developed independently by local partners who plan to seek special federal funding, the local partner must partner with MaineDOT in the development of the project before requesting federal funding. **If a project is not developed in collaboration with MaineDOT, and/or MaineDOT has not provided a written commitment to provide funds, and the project receives special federal funding requiring a non-federal match, MaineDOT will not provide any state matching funds.** In instances where local partners may identify other non-federal grant opportunities, this same principal applies—projects must be developed in collaboration with MaineDOT and/or

receive a written commitment from MaineDOT to provide a state cost share in advance of grant funds being awarded.

- iv. MaineDOT may determine that some projects of a local nature require an agreement between MaineDOT and the relevant municipal government.
- v. In any instance where a local cost share rate or other component of this policy may conflict with a state or federal statute, the requirements of that statute will prevail.

**c. Definitions**

i. Active Transportation (AT)

- 1. Active transportation (AT) includes human-powered and human-scale modes of transportation—walking, bicycling, skating, skateboarding, operating a wheelchair or other mobility devices, and electric devices such as electric bikes, electric scooters, and other similar devices.

ii. Complete Streets Elements

- 1. “Complete Streets Elements” refer to multimodal transportation improvements that provide demonstrated safety and mobility benefits for all users. These are described in more detail in MaineDOT’s Complete Streets Policy and its accompanying implementation guidance documents. They can include striping, paved shoulders, bicycle facilities, pedestrian facilities, and public transit facilities. Complete Streets Elements are often also AT elements, but Complete Streets can be inclusive of other things such as public transit facilities and speed management elements.

iii. Local Partner

- 1. For the purposes of this policy, “local partner” may refer to any eligible non-federal and non-state entity that partners with MaineDOT to plan, design, deliver, and maintain a transportation project. This may include municipalities, counties, non-profit organizations, private businesses, and in some instances individual citizens. Strictly for the purposes of this policy, this term also refers to Federally-Recognized Tribes in Maine, while recognizing that these are separate and sovereign entities.

iv. Non-Federal Match

- 1. The non-federal match of any project refers to the portion of a project’s cost that is not paid for by federal funds. Most federal funding sources have a minimum amount of required non-federal match, usually expressed as a percentage of the total cost of a project. Non-federal match requirements vary from program to program.
  - a. For example, many federal funding sources may cover a maximum of 80% of total project costs, with a minimum 20% of total project costs being the non-federal match.
- 2. In some cases, federal funds may be used as a match for other federal funds. If this is the case, it will be noted in the regulation covering the funding source, and guidance from the U.S. Department of Transportation or the other relevant federal agency will clarify what

funds can be used as a match and what, if any, non-federal match applies.

- v. Special Federal Funding
  - 1. Special Federal Funding refers to any non-formula federal funding opportunities, typically requiring an application and a competitive selection process. The main types of special federal funding are described below.
  - 2. Congressionally Directed Spending (CDS) and Community Project Funding (CPF)
    - a. Starting with Fiscal Year 2022, Congress instituted a new process to allow Members of Congress to request federal funds for specific projects in their districts. CDS refers to projects selected in the Senate, while CPF refers to projects selected in the House of Representatives.
    - b. CDS and CPF project funding is provided as a component of larger federal funding authorizations. The specific non-federal match and eligibility requirements are determined by which source of federal funding the CDS or CPF is a part of.
    - c. For more information, please contact MaineDOT or the relevant member of Maine’s Congressional Delegation.
  - 3. Discretionary grants
    - a. Some federal funding is administered by the U.S. Department of Transportation (USDOT) in the form of discretionary grant programs. According to the requirements of the funding source, the relevant USDOT administration will award these discretionary grant funds to eligible applicants through a competitive selection process.

## 2. General Approach

- a. This section describes the default approaches that MaineDOT will take to determine local cost share rates when a non-federal or non-state share is required for a project. These will apply when the other sections of the Local Cost Share Policy do not specify a different rate.
- b. *Projects receiving federal funding*
  - i. MaineDOT and the local partner will evenly divide responsibility for the non-federal share of projects receiving federal funding. For instance, a project receiving 80% federal funding would have the non-federal match covered with 10% state funds and 10% local funds.
- c. *Projects receiving no federal funding*
  - i. MaineDOT and the local partner will apply the Municipal Valuation Cost Share scale. See Section [10.b](#) for more details.

### 3. Highway

- a. MaineDOT will continue to fund 100% of the highway portions of projects sponsored by MaineDOT and included in MaineDOT's Work Plan. These are typically funded through federal formula funds designated for this purpose.
  - i. The "highway portion" of a project is defined as that portion of a project located from curb to curb, including existing curbing and related drainage, or between highway ditches, and structures necessary to sustain or improve that portion of the highway carrying vehicular traffic. Depending on the context of a project, this may include parking facilities on-road, within the curb.
- b. *Complete Streets and Local Interest Elements*
  - i. If any Complete Streets elements must be replaced or rehabilitated solely because of the impact of a MaineDOT project, MaineDOT will cover the cost at 100% with federal and state funds.
  - ii. Construction of new, or replacement or rehabilitation of existing, Complete Streets elements that are determined to be in accordance with the recommendations of the MaineDOT Complete Streets Policy and the context classification of the roadway, per the process outlined in that policy, and are being constructed as a component of a highway project, will be funded with a 90% federal and state share, with a 10% local cost share. The local share reflects the fact that Complete Streets elements generally serve more local trips and are usually components of a local transportation network, in contrast with highways that serve as integral parts of the statewide transportation system.
  - iii. Local Interest Elements include additional project elements outside the scope of the highway portion of the project or elements which have not been recommended by MaineDOT's Complete Streets Policy and process. These elements usually have more local (as opposed to regional or statewide) benefit. Often, these include streetscaping elements such as improved lighting fixtures, landscaping, plantings, street furniture, alternative pavement or surface treatments, granite curbing, concrete pavement, architectural treatments beyond what is functionally necessary on bridges or other structures, and active transportation infrastructure in locations where those facilities would not otherwise be supported by the context of the road and the recommendations of the Complete Streets Policy. Local Interest Elements also include infrastructure that accommodates all-terrain vehicles or snowmobiles, as defined in 12 M.R.S. §13001. Subject to available funding and to the extent of monetary contributions from local partners, MaineDOT, at its discretion, may contribute up to 50% of the cost of Local Interest Elements that are eligible for state Highway Fund and Federal Highway Administration funding, provided that MaineDOT's share of such costs will not exceed 10% of the overall project cost.
- c. For information on quick-build or demonstration projects, please see Section [13](#).
- d. For projects on public roads related to access roads to public ski areas, public industrial development areas, and certain resources, carried out in accordance with the requirements of 23 MRS §703, the cost of construction or reconstruction will be paid

50% from the Highway Fund (subject to available funds), 25% from the municipality or county, and 25% from the owners of the ski area, industrial development area, or other resource. Please see the [statute](#) for more details.

- e. Any noise abatement measures for a highway project will be analyzed and selected in accordance with the [MaineDOT Highway Traffic Noise Policy](#). Third-party funding is not allowed on a project if the noise abatement measure would require the additional funding from the third party to be considered feasible and/or reasonable. If a project contains no federal funding or FHWA approvals, a municipality may appeal to the Department for a 50/50 cost share. Please see the policy for more information.
- f. Local partners are responsible for year-round maintenance of all active transportation (AT) facilities. MaineDOT reserves the right to perform maintenance on AT facilities in the State right-of-way and invoice the local partner if appropriate maintenance is not satisfactorily performed by the local partners per the project agreement.

## 4. Bridge

- a. MaineDOT will continue to fund 100% of the bridge portions of projects sponsored by MaineDOT and included in MaineDOT's Work Plan. This includes all bridges aside from those listed as Low Use or Redundant Bridges (LURBs).
  - i. The "bridge portion" of a project is defined as that portion of a project that is necessary to sustain or improve vehicular travel, including highway approach work, foundations, abutments, piers, superstructure and bridge railing.
- b. MaineDOT will continue to fund capital improvement for LURBs at a maximum of 50% of project costs, upon petition by the municipality and approval by MaineDOT, if funding is available. The requirements for LURBs are outlined in the Maine Bridge Law ([23 MRS §565](#)).
- c. *Complete Streets and Local Interest Elements*
  - i. If any AT infrastructure or other Complete Streets element must be replaced or rehabilitated solely because of the impact of a MaineDOT project, MaineDOT will cover the cost at 100%.
  - ii. Construction of new, or replacement or rehabilitation of existing, Complete Streets elements that are determined to be in accordance with the recommendations of the MaineDOT Complete Streets Policy and the context classification of the bridge, per the process outlined in that policy, and are being constructed as a component of a bridge project, will be funded with 100% federal and/or state funds. While these facilities generally serve more local trips than the bridge portion of the project, appropriate Complete Streets elements for bridges have a lower local match requirement than similar highway projects due to the longevity and expense of bridge projects and the difficulty of retrofitting additional components to an existing bridge.
  - iii. Where a gap exists between the existing active transportation system and a bridge project incorporating Complete Streets elements, additional Complete Streets elements that make a reasonable connection to the active

transportation system and which are in accordance with the recommendations of the MaineDOT Complete Streets Policy, including facilities along High-Priority Active Transportation (HPAT) corridors, may be included in a bridge project or a complementary highway project. These will be funded at the same rate as Highway projects, with 90% federal and state funds, and 10% local funds.

1. Project managers may exercise some discretion in determining what may be considered a “reasonable connection to the active transportation system.” A standard benchmark will be any active transportation infrastructure within 500 feet of the limits of the bridge project, although some flexibility is permitted for infrastructure that slightly exceeds this limit. Exceptions may be granted by the relevant Bureau Head, as described in Section [15](#).
- iv. Subject to available funding and to the extent of monetary contributions from local partners, MaineDOT, at its discretion, may contribute up to 50% of the cost of Local Interest Elements (as defined above in Section [3.b.i](#)) that are eligible for state Highway Fund and Federal Highway Administration funding, provided that MaineDOT’s share of such costs will not exceed 10% of the overall project cost.
- d. For information on quick-build or demonstration projects, please see Section [13](#).
- e. Local partners are responsible for year-round maintenance of all AT facilities. MaineDOT reserves the right to perform maintenance on AT facilities in the State right-of-way and invoice the local partner if appropriate maintenance is not satisfactorily performed by the local partners per the project agreement.

## 5. Freight Rail

- a. MaineDOT may provide funding or the non-federal match for rail projects on state-owned railways, as defined in the lease and operating agreements with private operators. If MaineDOT does determine that a state match would be appropriate, the default approach will be to evenly split the non-federal match between MaineDOT and the operator. For example, a project receiving 80% federal funding would be matched with an additional 10% state and 10% local funding.
- b. The Industrial Rail Access Program (IRAP) requires a minimum 50% local share to match MaineDOT funds.
- c. For special federal funding opportunities on private railways, the default approach will be for MaineDOT to provide no state matching funds. MaineDOT will work with local partners to determine if a state cost share would be appropriate given the potential benefits of the project to the state transportation system. If a state match is determined to be appropriate, it will be carried out in accordance with Section [15](#).

## 6. Active Transportation

- a. In general, active transportation (AT) projects (such as sidewalks, bicycle facilities, multi-use pathways, off-road trails, rail trails, and other AT projects) that are not a component of a separate highway or bridge project but which are sponsored by MaineDOT and included in MaineDOT's Work Plan will be funded at 80% with federal funds, 10% with state funds, and a 10% local cost share. This includes projects funded through MaineDOT's Bicycle and Pedestrian Program (more details available on the MaineDOT website), but not Community Based Initiatives (which often do not use federal funding and have higher state and local shares as a result). This applies only to facilities with transportation utility, a logical nexus to the State transportation system, and a durable, legal public right of access.
- b. For special federal funding opportunities, MaineDOT will work with local partners to determine if a state cost share would be appropriate given the potential benefits of the project to the state transportation system. If MaineDOT does determine that a state match would be appropriate, the default approach will be to evenly split the non-federal match between MaineDOT and the local partner. For example, a project receiving 80% federal funding would be matched with an additional 10% state and 10% local funding.
- c. Local partners are responsible for year-round maintenance of all AT facilities. MaineDOT reserves the right to perform maintenance on AT facilities in the State right-of-way and invoice the local partner if appropriate maintenance is not satisfactorily performed by the local partners per the project agreement.
- d. For projects planned and funded through MaineDOT's Community-Based Initiatives, please see Section [10](#).
- e. For information on quick-build or demonstration projects, please see Section [13](#).

## 7. Transit (Land and Sea)<sup>1</sup>

- a. The State of Maine provides funds for transit planning, administration, and operating assistance. These funds are not programmed as a state cost share—they are distributed annually by MaineDOT via formula to rural and urban transit systems. For more information, please see the FTA-required [State Management Plan](#) and [23 MRS §4209](#).
- b. Many transit agencies also receive funding from the Federal Transit Administration (FTA). FTA funds apportioned to non-federal entities often include a non-federal match requirement. Detailed information regarding non-federal match requirements for specific FTA programs are available on the FTA's [website](#).
- c. Every effort will be made to maximize the use of federal funds from all Federal Transit Administration (FTA) grants. For example, for FTA programs for which the maximum

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<sup>1</sup> Note: all public transit efforts in Maine are subsidized to some extent. This reflects the need to support equity, economic opportunity, and quality of life to all Mainers. The extent and nature of the subsidy varies depending on the context of the communities served by transit providers.

federal share of a project is 50%, the actual percentage of federal funds used for the project should be as close as possible to 50%.

- d. For FTA 5339 formula funds (capital funds for buses, equipment, and facilities), which are principally funded with an 80% federal share, MaineDOT will provide a 15% state match, with a 5% local match. The higher state match for these one-time capital expenses reflects the need to provide equitable access to public transit in rural and urban Maine, even in situations where securing sufficient local matching funds may prove difficult.
- e. For special federal funding opportunities, MaineDOT will work with local partners to determine if a state cost share would be appropriate given the potential benefits of the project to the state transportation system. If MaineDOT does determine that a state match would be appropriate, the default approach will be to evenly split the non-federal match between MaineDOT and the local partner. For example, a project receiving 80% federal funding would be matched with an additional 10% state and 10% local funding.
- f. *Passenger Rail*
  - i. Operations: MaineDOT will work with the Northern New England Passenger Rail Authority (NNEPRA) and other partners to achieve a 50% cost recovery rate from NNEPRA's revenues. Additional operating funding will be split between a variety of federal and state sources.
  - ii. It has been the historic practice that all capital expenditures for passenger rail have been provided for with 100% federal and state funding, with no local match.
  - iii. All decisions regarding cost share and funding for NNEPRA, aside from statutory requirements, are subject to the Commissioner's approval of NNEPRA's annual budget.
- g. *Ferry Services*
  - i. Maine State Ferry Service (MSFS)
    - 1. Operations: According to statute (23 M.R.S. §4210-C), state support to the Marine Highway account may not exceed 50% of the budgeted revenues that support the operating cost of the Maine State Ferry Service.
    - 2. It has been the historic practice that all capital expenditures for the MSFS have been provided for with 100% federal and state funding, with no local match.
    - 3. All decisions regarding cost share and funding for the MSFS, aside from statutory requirements, are subject to the Commissioner's approval of the MSFS budget.
  - ii. Casco Bay Island Transit District (CBITD)
    - 1. CBITD receives FTA and federal Ferry Boat Program (FBP) funding.
    - 2. MaineDOT provides state funds to fully match federal FBP funds for capital improvements (80% federal, 20% state), with no local match required.

3. Some state funds are provided to support operating expenses, with the amount determined by the formula for state transit funding referenced in Section [7.a](#).
- iii. The Town of Frye Island Ferry Service receives FTA and federal FBP funding but are not provided with state matching funds.
- iv. The Cranberry Isles Commuter Service receives FTA funding but no state matching funds.
- v. Other ferry services that are not included in the federal FBP and not eligible for FTA funds also do not receive state matching funds. However, they may be eligible for some other MaineDOT programs, such as the Small Harbor Improvement Program (SHIP).
- h. For information on quick-build or demonstration projects, please see Section [13](#).

## 8. Aviation

- a. Entitlement Funding
  - i. In general, for aviation projects receiving federal entitlement funds the non-federal match will be evenly split between MaineDOT and the local partner. For example, a project that receives 95% federal entitlement funding would be matched with an additional 2.5% state and 2.5% local funds.
- b. Other Federal Funds
  - i. For all other federal funding opportunities, MaineDOT will work with local partners to determine if a state cost share would be appropriate, given the priorities laid out in the Statewide Aviation System Plan and the potential benefits of the project to the state transportation system. MaineDOT reserves the right to decide against supporting a project or providing a state match.
  - ii. If MaineDOT does determine that a state match would be appropriate for a project, the default approach will be to evenly split the non-federal match between MaineDOT and the local partner. For example, a project receiving 80% federal funding would be matched with an additional 10% state and 10% local funding.
- c. Non-Eligible Projects
  - i. For aviation projects that are not eligible for, or have not received any, federal funding, MaineDOT will work with local partners to determine if a state cost share would be appropriate, given the priorities laid out in the Statewide Aviation System Plan and the potential benefits of the project to the state transportation system. MaineDOT reserves the right to decide against supporting a project or providing a state match.
  - ii. If MaineDOT does determine that a state match would be appropriate for a project, the default approach will be for MaineDOT to provide 2.5% of project costs. In some instances, State and local match rates may be adjusted based on the priorities of the Statewide Aviation System Plan and the needs of the state transportation system.

## 9. Ports and Marine (not including ferry services)

- a. For port and marine projects receiving federal funds, the non-federal match will be evenly split between MaineDOT and the local partner. For instance, a project that receives 80% federal funding will be matched with an additional 10% state and 10% local funds.
- b. The Small Harbor Improvement Program (SHIP) requires at least a 50% local share to match MaineDOT funds. Local partners can provide additional funding above and beyond this.
- c. While MaineDOT administers federal Boating Infrastructure Grant (BIG) funds, no state funds are provided for the required non-federal match.
- d. For special federal funding opportunities, MaineDOT will work with local partners to determine if a state cost share would be appropriate given the potential benefits of the project to the state transportation system. If MaineDOT does determine that a state match would be appropriate, the default approach will be to evenly split the non-federal match between MaineDOT and the local partner. For example, a project receiving 80% federal funding would be matched with an additional 10% state and 10% local funding.
- e. Many port and marine projects are complex and involve many different federal, state, and local partners. In some instances, these projects will fall under the “Special Projects” classification described in Section [14](#).

## 10. Community-Based Initiatives

- a. MaineDOT’s suite of Community-Based Initiatives provide an opportunity for local partners to work with MaineDOT to develop programs and deliver projects that bring out a shared vision and accentuate shared priorities. These often use only state and local funds to provide options for greater flexibility and more rapid implementation. The limited use of federal funds means that in many instances a higher local cost share is required.
- b. *Municipal Valuation Cost Share Scale*
  - i. Several Community-Based Initiatives utilize a sliding match scale based on their most recently available municipal valuations.
  - ii. For municipalities with a valuation over \$550 million, there will be a 50% state and 50% local split.
  - iii. For municipalities with a valuation between \$350 million and 550 million, there will be a 60% state and 40% local split.
  - iv. For municipalities with a valuation between \$200 million and \$350 million, there will be a 70% state and 30% local split.
  - v. For municipalities with a valuation below \$200 million, there will be an 80% state and 20% local split.

- vi. MaineDOT will adjust these valuation tiers at least every four years, starting in 2024, upon the release of the annual State Valuation Report from Maine Revenue Services.
- c. *Planning Partnership Initiative and Village Partnership Initiative (VPI) Projects*
  - i. These initiatives enable communities to go through a full process from initial feasibility and selection of a preferred alternative, to preliminary engineering (PE) and design, to right-of-way and construction funding. **To ensure local buy-in, while keeping the costs of these opportunities within reach of communities, MaineDOT requires a higher local share during initial planning efforts, which gradually declines as the project moves towards final construction.**
  - ii. Initial Planning and Feasibility Costs
    - 1. Most initial planning work, which should be community-driven, will have a higher initial local share. The Municipal Valuation Cost Share Scale listed above will be used to determine the local share for each community.
  - iii. Preliminary Engineering and Final Design Costs
    - 1. For planning studies that have selected a preferred alternative and which MaineDOT considers viable candidates for future construction funding, MaineDOT and the local partner will split the preliminary engineering and design costs at a rate of 90% federal/state and 10% local.
  - iv. Capital Costs
    - 1. For Community-Based Initiatives that have received federal funding for capital expenditures, the non-federal match will be evenly split between MaineDOT and the municipality. For instance, a project that receives 80% federal funding will be matched with an additional 10% state and 10% local funds.
- d. *Municipal Partnership Initiative (MPI)*
  - i. Preliminary engineering and design
    - 1. For municipalities that do not have a full-time engineer on staff or a consulting engineer on retainer, preliminary engineering grants are available with a 70% state/30% local share.
  - ii. Construction:
    - 1. The Municipal Valuation Cost Share Scale described above will be used to determine the local share for each community.
- e. *Business Partnership Initiative (BPI) projects*
  - i. For BPI projects, the maximum MaineDOT share will be 1/3, to be matched by a 2/3 share from the local partners.
  - ii. Local partners may choose to spend additional funds beyond this amount.
- f. *Urban Partnership Initiative (UPI)*
  - i. UPI projects will have a maximum 50% state share.
- g. *Active Transportation Partnership Initiative (ATPI)*

- i. For targeted transportation improvements, the Municipal Valuation Cost Share Scale described above will be used to determine the local share for each community.
- ii. For measurable safety interventions that address a demonstrated safety need, a 20% local match will be required. The local match may be reduced to 10% if the local partner has previously implemented a quick-build or demonstration project, or if the project is located in a Federally-Recognized Tribe or a federally-designated Area of Persistent Poverty.
- iii. Quick-build or demonstration projects will be funded at a maximum state share of 50%. Please see Section [13](#) for more details.

## 11. Scenic Byways

- a. MaineDOT and the local partner will evenly divide responsibility for the non-federal share of scenic byways projects receiving federal funding. For instance, a project receiving 80% federal funding would have the non-federal match covered with 10% state funds and 10% local funds.

## 12. Metropolitan Transportation Planning

- a. Federal transportation funding is provided to MPOs for planning purposes. These planning projects are listed in the MPO Unified Planning Work Programs (UPWPs), and MaineDOT and the local partners will evenly divide the non-federal share. These efforts are usually funded with 80% federal funding, which is matched with 10% state funds and 10% local funds.

## 13. Quick-build or Demonstration (Temporary) Projects

- a. Quick-build or Demonstration projects refer to efforts using low-cost, temporary elements to experiment with adjustments to a roadway or other transportation facility, usually with a focus on traffic calming and safety improvements.
- b. Projects selected as a part of the Active Transportation Partnership Initiative will be funded with a maximum 50% state share (see Section [10.g](#)).
- c. For Quick-build projects that are a component of the scope of work of a separate Community-Based Initiative (such as a PPI or VPI), the same cost share as the larger study will apply to the Quick-build project component, but the local partner will still be responsible for installation, maintenance, and removal.
- d. For all other Quick-build or demonstration projects, the local partner will be responsible for 100% of the cost of the project application, installation, maintenance, and removal.

- e. In some instances, MaineDOT may be able to make demonstration project materials available to local partners. Other cost shares outlined in this section would still apply to all other aspects of the project.
- f. The local cost share for Quick-build transit projects will be determined as part of the development of those projects and in accordance with the required non-federal share for the applicable federal transit funding, as described in Section [7](#).

## 14. Special Projects

- a. “Special projects” refer to unique, large-scale projects that require complex negotiations and may utilize multiple funding sources with differing local match requirements that do not fit entirely into any of the other project categories listed in this policy. In these instances, MaineDOT will work with partners to determine a fair local cost share amount that will be included in any relevant project agreements.

## 15. Exceptions

- a. The MaineDOT retains the ability to agree to a different local cost share rate if they determine that the circumstances of the project require it. These circumstances could include demonstrated safety concerns, equity considerations, or significant regional or statewide economic development opportunities.
- b. Any decision to deviate from the local cost share rates or requirements outlined in this policy must be approved in writing by the relevant MaineDOT Bureau head, who must also notify the MaineDOT CORE team of their choice to issue an exception and their rationale for doing so. The exception and the rationale for it must be recorded in the project’s cooperative agreement.

## 16. Cost Overruns

- a. If any project with a local cost share requires additional funding beyond what was included in the project agreement, MaineDOT will work with the local partner to identify a solution. In general, the percentage of total project costs from federal, local, and state sources will remain the same as detailed in the original project agreement. For example, if a capital project costs \$1M and is funded with federal discretionary funds at 80%, with an agreed-upon 10% state match and a 10% local match, then the federal share would be \$800,000, the state share would be \$100,000, and the local share would be \$100,000. If the project cost doubles to \$2M, the federal share would rise to \$1,600,000, the state share would rise to \$200,000, and the local share would rise to \$200,000.
  - i. If the original agreement included federal funding, and no additional federal funding is available, MaineDOT and the local partner will need to work together to address the overrun. In most circumstances, the overrun should be covered at the same relative state/local cost share rate as listed in the original

agreement. E.g. an 80% federal, 10% state, 10% local project without the possibility of including additional federal funds to cover an overrun would pay the overrun costs with a 50% state and 50% local share.

- b.** Any changes to scope or cost will be reflected in an amendment to the project agreement which will be signed by MaineDOT and the local partner.
- c.** If a project is being administered by an entity other than MaineDOT exceeds the cost listed in the project agreement, without a signed amendment authorizing the use of additional funds, 100% of the additional costs incurred will be the responsibility of the local partner.

## 17. Acceptable Local Match Sources

- a.** In general, the local cost share must be provided from either non-federal or state funding sources (such as municipal funds), or in some cases federal and state funds available to local partners that are non-transportation in nature. Some funding sources may have unique requirements for non-federal matching funds.
- b.** For all projects requiring an agreement with a municipality, the municipality must appropriate funds that they have received either through taxes or other non-state or non-federal sources for their share.
- c.** If a local partner would like to use non-local funding sources, such as an eligible non-transportation federal or state grant, for their portion of the local cost share, they may do so with those funds making up a maximum of 50% of their share.
  - i.** For instance, if a project will be split 50% state and 50% local, and the local partner would like to use a non-transportation grant of state funds, they may only use that for up to 25% of total project costs. This would lead to a split that is 50% state, 25% grant, and 25% local.
- d.** This is done to remain in accordance with the purpose behind MaineDOT's Local Cost Share Policy—to ensure that MaineDOT and local partners have a vested interest in seeing projects succeed. If a local partner would like to provide in-kind services as part of their share of the project cost, they must first receive written approval from MaineDOT in the form of a cooperative agreement. This may not be possible in all circumstances and is subject to MaineDOT's discretion.
  - i.** Under no circumstances will the scheduling, advertising, and holding of public meetings as a part of the project be eligible to count towards an in-kind match (see Section [18.c](#)).
- e.** In all circumstances where a local match is required, and MaineDOT has agreed to permit some degree of in-kind local match, a minimum of 2.5% of the total project cost must be provided in the form of a direct financial contribution and not in-kind services. This helps to ensure that the project aligns with local policy and priorities.
- f.** If there is any uncertainty about whether a certain source of local funds is eligible to be used as a match, please contact MaineDOT for more details.

## 18. Implementation

- a. *Cooperative Agreements*
  - i. MaineDOT and local partners will develop cooperative agreements during the project scoping process and executed prior to programming the project in a MaineDOT Work Plan for planning, design, or construction. These cooperative agreements will be consistent with this policy and specify an agreed-upon local cost sharing rate.
  - ii. For projects where additional, future work to be covered under subsequent agreements is anticipated (such as at the feasibility/planning or preliminary engineering and design phases), the initial cooperative agreement will make note of the anticipated cost share rates for subsequent phases of the project, in alignment with the rates outlined in this policy.
  - iii. If any work begins in the absence of a signed cooperative agreement, the municipality may be responsible for 100% of the project cost.
- b. *Adjusting Project Scope*
  - i. If local partners wish to increase the scope of a project, the local cost share requirements for the additional elements will be determined in discussions with MaineDOT. The final decision will be informed by where the additional elements fit into the Local Cost Share Policy and their appropriateness for the context of the project, as defined by MaineDOT's Complete Streets Policy, the highway's context classification, and MaineDOT Design Standards.
- c. *Public Meetings*
  - i. In all cases, for improvements requested by a local partner, the local partner will be required to hold a public meeting prior to a commitment of state funds. During any study, design, or construction project, the local partner will be required to help lead public involvement such as introducing the effort at any applicable public meetings, providing meeting space, advertising meetings, etc. These contributions would be part of any project and not count towards an in-kind match.
- d. *Municipally Funded Items*
  - i. Upon mutual agreement between MaineDOT and the municipality, items that are funded entirely by the municipality may be added to a project. Such items may include highway treatments or project elements that are beyond the scope of the highway or bridge portion of the project, certain sidewalks or other AT infrastructure, and Local Interest Elements.

## 19. Reconsideration Process

- a. For projects with a local match, local Partners may ask that MaineDOT reconsider decisions made under this policy by submitting a written request for reconsideration to the MaineDOT Commissioner. A final decision will be rendered by the MaineDOT Commissioner or the Commissioner's designee.