

# Local Programs

## Federal Fund Exchange Pilot Program

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# Background

- Administration of Federal Aid Projects can be challenging
- Concept is new to Washington
- Other states handle Federal Aid differently
- Coordination with WSACE and AWC
- A tool to reduce the administrative burden



# Federal Fund Exchange Pilot

## 23-25 Supplemental Transportation Budget

### – Section 309(6)

\$7,125,000 of the motor vehicle account—state appropriation is provided solely for a **federal fund exchange pilot program**. The pilot program will allow exchanges of federal surface transportation block grant population funding and state funds at an exchange rate of 95 cents in state funds per \$1.00 in federal funds...

... A report on the effectiveness of the exchange program, the total estimated cost of program administration, and recommendations for continuing the pilot program is due to the governor and transportation committees of the legislature by December 1, 2024. . The legislature intends to evaluate the utility and efficacy of the pilot program in the 2025 legislative session while reappropriating any remaining funds into the 2025-2027 fiscal biennium. Therefore, the department may issue additional calls for projects with any remaining funds provided in this subsection.

# Surface Transportation Block Grant (STBG)

- WSDOT allocates STBG funds to Metropolitan Planning Organizations (MPO's) and County Lead Agencies for prioritizing and selecting projects that align with their regional priorities involving all entities eligible to participate in a public process.
- Eligible projects include highway/bridge construction/repair; transit capital projects; bicycle, pedestrian and recreational trails; and construction of ferry boats and terminals.

# Federal Fund Exchange Pilot

- Rural Counties (22) and their Sub-Recipients
- Exchange Rate
  - \$0.95 state funds per \$1.00 federal funds
- Effective FFY 2024
  - October 1, 2023 – September 30, 2024
- Current FFY 2025
  - October 1, 2024 – September 30, 2025

# Exchange Process

1. Local Programs solicits exchange participation
2. County requests exchange for FFY
3. WSDOT (CPDM) determines if there is eligible WSDOT projects that meet the requests and criteria.
4. If there is an eligible state project(s), Local Programs will be provided, \$0.95 cents state funds to \$1.00 federal STBG funds, that is then available for the local reimbursements.
5. CPDM is provided the STBG federal funds and applies them to the eligible WSDOT project(s).
6. County/LPA proceeds with State funds and reporting requirements.
7. Local Programs tracks and submits report on the effectiveness, impacts to DBE, and recommendations.

# County Participation

2024 STBG Federal Fund Exchange Pilot Program							
County	23 Carry Forward *	FHWA Funds Transferred to CPDM				FFY 2024 STBG TOTAL	County State Fund Allocation
		Urban Small (US Areas >= 5,000 and 50,000)	Rural (R) Area < 5,000	Any Area Flexible	FFY 2024 Fund Exchange @ 95%		
Pacific	0	69,901	193,343	92,124	355,368	337,600	
Wahkiakum	0		106,996	32,416	139,412	132,441	
Total	0	69,901	300,339	124,540	494,780	470,041	

# WSDOT Projects

## WSDOTs programming of the exchanged federal funds FFY 2024

WSDOT Federal Exchange Projects			
Project #	Title	Description	Amount
0195(073) / 619503P	US 195/Colfax North Fork Palouse River - Replace Bridges	Located in Whitman county, constructs one new structure aligned between the existing two structures over the North Fork Palouse River. Phase 1 of construction will remove BN 195/27, detour traffic onto BN SR-26/2SP, and begin construction of new structure, including a new roundabout connection north of new bridge. Phase 2 of construction will route traffic to the new structure, remove BN 26/2SP, and complete construction of new structure and roundabout.	300,339
0155(027) / 215500R	SR 155 Electric City Southward - Seal and Complete Streets	Located in Grant county on SR 155, SRMP 0.00-25.18. Resurfaces deteriorating chip seal pavement (due to rutting, cracking, and normal wear) with a chip seal overlay. Extends the service life of the existing pavement.	124,540
2024	TBD	STBG Urban Small - 5k-49,999k	69,901
	<b>TOTAL</b>		<b>494,780</b>



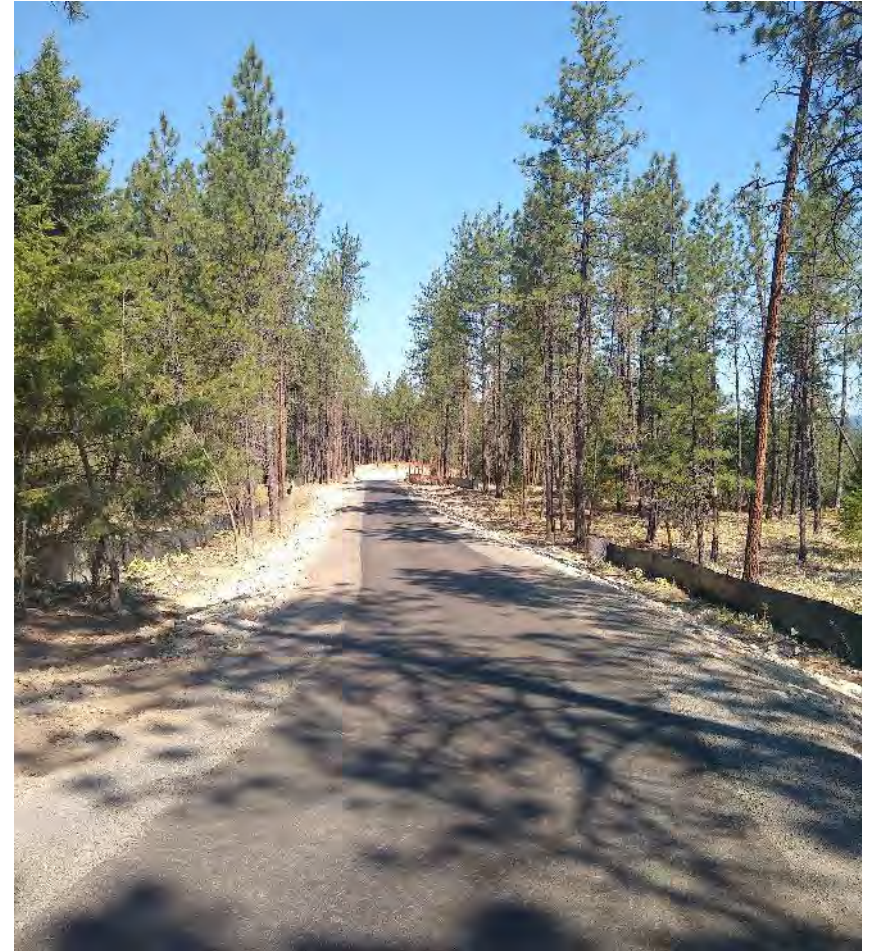
# Exchange Program Risks

## Implementation of an Exchange

- No Opportunity for FHWA August Redistribution
- Pilot – Cannot Borrow-Ahead
- Requires Annual/Biennial Legislative Appropriation
- Distribution, Accounting, and Compliance
- SFY Challenges
  - Authorize July 1, 2023 – June 30, 2025
  - WSDOT budget limitations
  - Federal uncertainty

# Exchange Recommendations

- Continue the program
- Program is established
- A tool to reduce the administrative burden on smaller cities and rural counties
- Consider expanding to other programs
- Low administration cost



# Questions?

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