

## Federal-Aid Swap Policy

- **Planning and Programming**
  - Participation in federal-aid swap - Each Regional Planning Affiliation (RPA) and Metropolitan Planning Organization (MPO) is assumed to be a participant in the swap program unless their policy board decides otherwise. If participating in swap, all eligible projects must be swapped. In rare circumstances, an exception may be considered.
  - Federal funding will be swapped with Primary Road Funds on a dollar-for-dollar basis.
  - Funding eligible to be swapped – eligible road and bridge projects from the following federal funding programs
    - Surface Transportation Block Grant (STBG)
    - Congestion Mitigation and Air Quality Improvement (CMAQ): Projects awarded to cities and counties through the Iowa’s Clean Air Attainment Program (ICAAP)
    - Highway Safety Improvement Program (HSIP) - Secondary: County projects allocated through the HSIP – Secondary program
  - Programming
    - STBG funds are allocated based on FAST Act Implementation Policies adopted by the Commission in September 2016.
    - With the exception of dedicated county and city bridge funds, RPAs and MPOs will continue to develop a program based on their available STBG funding. Programmed road and bridge projects will be swapped with Primary Road Funds and non-road/bridge projects will move forward as federal-aid projects.
    - Dedicated city and county bridge program funds will not be programmed by RPAs or MPOs. However, they will still need to be entered into the project tracking database (TPMS).
    - The full amount of accumulated STBG balances will not be fully available to be swapped in the first year due to Primary Road Fund cash flow constraints. It is expected the full draw down of those balances can be accomplished within four years of swap implementation. Therefore, the RPA/MPO development of their program of projects should take this into account. Iowa DOT will work with each RPA and MPO during the program development process to effectively drawdown the STBG balances. **In order to do this successfully, it is critical that the projects included in the first year of the program are expected to be developed and let in that year.**
  - Match requirements
    - Unless specifically required by the grant program (see below), Iowa DOT will not require match and will reimburse funds at 100 percent up to the programmed amount.
    - For county Highway Bridge Program projects, the Iowa DOT will not require match and will reimburse funds at 100 percent up to the contract amount.
    - Match requirements for ICAAP, HSIP-Secondary, and city bridge program projects continue to apply based on program guidance.
    - Individual MPOs and RPAs can require match but Iowa DOT will not monitor those requirements.
  - System Eligibility (STBG)
    - Road projects must be on roads with a federal functional classification of Minor Collector or higher in rural areas, all Farm-to-Market routes, and Collector or

higher in urban areas. Individual MPOs and RPAs can be more restrictive with system eligibility.

- Bridge project eligibility remains the same as exists today for federal-aid bridge projects. This is to assure consistency required for meeting the Off-System Bridge Waiver verification.
  - Projects cannot already be “federalized” (e.g. any federal authorization, any environmental concurrence, any other federal action) and then swapped. Once a project is “federalized” it must continue to follow the federal-aid project development process. A project is typically not “federalized” just by having been included in a Statewide Transportation Improvement Program (STIP); however, in limited situations based on the level of federal involvement, a project could be federalized. This will be determined on a project-by-project basis as draft programs are developed.
  - Implementation date – Swap will be implemented with the Federal Fiscal Year 2019 program year that begins October 1, 2018.
- **Environmental**
    - Local public agencies participating in the Federal-Aid Swap shall continue to follow all necessary and applicable state and federal requirements, including but not limited to permitting and consultation as needed with the United States Army Corps of Engineers, United States Fish and Wildlife Service, Iowa Department of Natural Resources, Iowa Department of Cultural Affairs/State Historic Preservation Officer, Native Sovereign Tribes and Nations, and Office of the State Archaeologist. The Iowa DOT will continue to assist these local public agencies in achieving compliance or acquiring a permit, as staff and technical expertise are available.
    - Environmental and cultural resource oversight shall be verified through the local public agency providing a project development certification and all applicable documentation to ensure that identification, evaluation, avoidance, and mitigation actions have been taken.
- **Project Development/Construction**
    - All swapped projects will continue to be let through the Iowa DOT.
    - Swap funds can only be used on road and bridge construction projects.
    - Preliminary engineering and construction engineering are eligible for swap as part of a construction project. However, the use of swapped funds for these activities is not encouraged.
    - Project funds will be provided to the local public agency on a reimbursement basis.
    - The Iowa DOT will review contract documents for conformance to the Department standard for letting.
    - The Iowa DOT reserves the right to review projects during construction.