



STATE BUYOUT OF FEDERAL FUNDS AND LOCAL ADMINISTRATION OF THE SURFACE TRANSPORTATION GRANT PROGRAM (STP)

BACKGROUND: In 2010, approximately 15 percent of the state’s federal highway funds were devoted to funding local projects. For projects using federal funds, the Federal Highway Administration requires compliance with all federal financial and administrative requirements. Such requirements can be overly burdensome and unnecessarily increase the project delivery costs for local units of government such as counties.

Recently, WCA and WCHA successfully lobbied the Wisconsin Legislature to establish a mechanism by which federal funds from the Surface Transportation Grant Program (STP) could be swapped and replaced with state funds whereby reducing the magnitude of oversight and allowing projects to be designed and constructed at a faster pace and at a lower cost to the taxpayer. The goal of this new “swap” program is to streamline the use of federal funds and provide local governments with more efficient options to do business. As a result, local transportation providers will have the opportunity to do more with less.

CURRENT STATUS: With the passage of the “Swap” or the “Federal Exchange Program” counties are looking to ensure that proper efficiencies and savings are captured by the Wisconsin Department of Transportation (WisDOT) in the administration of the Surface Transportation Grant Program (STP).

REQUESTED ACTION: In order to best ensure the efficient and effective delivery of projects, WCA and WCHA suggest that the WisDOT Faculty Development Manual (FDM) be updated to reflect the streamlining of federal mandates and use of state rather than federal dollars in the STP local program. In the event that a local government seeks to enhance the design of a project as part of the local program beyond the minimum legal established design standards, we suggest that WisDOT establish a defined process and mechanism for funding the change management process. Finally, we would ask that administration of the program be done from a more localized standpoint in order to streamline efficiencies and eliminate unnecessary bureaucratic hurdles.

TALKING POINTS:

- The federal fund exchange program “Swap Program” allows WisDOT to “Swap” federal funds allocated for “simple projects” as part of the Surface Transportation Grant Program (STP) in exchange for state transportation dollars going to more “complex projects.” As a result of this even swap, no dollars would be lost in any transportation program. Rather, less onerous regulations would apply to local governments receiving Surface Transportation Grant Program (STP) allocations.
- In order for a local government to seek additional funding for the enhanced design of a project beyond the minimum legal standard, counties must receive approval via WisDOT’s “change management process.” The change management process could be improved by establishing a more clearly defined process and establishing clear criteria for which type of project may be eligible.

- The WisDOT Faculty Development Manual (FDM) should be updated to reflect the streamlining of federal mandates and use of state rather than federal dollars in the Surface Transportation Grant Program (STP).
- Additional efficiencies can be found by localizing the administration of the Surface Transportation Grant Program (STP) and by removing the bureaucratic hurdles that exist with in WisDOT's current administration of the program.
- By streamlining the use of federal funds and providing counties with more efficient options to do business, local transportation providers will have the opportunity to do more with less.

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