

Local HSIP Fed/State Funds Exchange

Office of Federal Programs
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Local HSIP

Fed/State Funds Exchange

Senate Bill 137, Dodd – (Chapter 639 of the 2019 Statutes), effective October 8, 2019, authorized Caltrans to allow federal transportation funds that are allocated as local assistance to be exchanged for nonfederal State Highway Account funds appropriated to the department on a dollar-for-dollar basis for federal local assistance funds received by a city, county, or city and county

Exchange not to exceed \$100M per FY

Exchanged funds to be used for the Highway Safety Improvement Program and for Local Bridge projects

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Caltrans shall not exchange state funds pursuant to this section unless the exchange meets all of the following criteria:

- ▶ (1) The exchange will be used by the city, county, or city and county for projects or purposes for which the federal local assistance funds being exchanged were originally intended in order to meet national transportation goals and performance management measures (23 U.S.C. Sec. 150), and the exchange will satisfy the intent of the Legislature, as described in Section 2333.
- ▶ (2) The exchange will not put at risk other transportation activities or projects needing state funds.
- ▶ (3) Federal funds received in exchange can be readily and effectively used on other projects by the state during the federal fiscal year.
- ▶ (4) The amount of exchange will not exceed the department's ability to obligate all federal funds received in exchange during the current federal fiscal year.

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- ▶ Started with exchanging funds for HSIP and may look at exchanging state funds for local bridge projects (more discussion needed with the Local HBP Advisory Committee)
- ▶ CTC approved \$40M exchange in the 20/21 FY and approved \$60M for the 21/22FY that is being used for Local HSIP projects (\$ amount estimated by HSIP Managers)
- ▶ Because Local HSIP is transitioning from using federal funds to state funds, some funds needed to be kept back to deliver older cycle HSIP projects
- ▶ All Cycle 10 Local HSIP projects are using state/local funds in which allocations to projects started in early 2021.
 - ▶ 266 projects were awarded for cycle 10 totaling \$249.9M of which \$227.6M will be allocated state funds for preliminary engineering and construction costs.
- ▶ Goal: Lead to increased efficiencies for local agencies by reducing the time and resources needed to deliver projects especially local HSIP projects since they are generally smaller and average around \$900,000 per project (including support)

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- ▶ How the exchanged HSIP funds are managed:
 - ❑ Federal HSIP are given back to the state for them to use on state highway HSIP projects
 - ❑ Exchanged state funds are put in Local HSIP state funds “bank” that is used to draw from
 - ❑ Allocation requests are processed by DLA, not the CTC
 - ❑ Funding allocation requests for phase specific, i.e., PE, ROW or CON – separate requests completed for each phase
 - ❑ When requesting a construction allocation, the implementing local agency must certify the PS&E completion, Right of Way Clearance and CEQA compliance.
 - ❑ In the Allocation Request Form, checkboxes must be marked to verify the local agency has self-certified the PS&E completion, Right of Way Clearance and CEQA compliance.

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- ▶ Quick guide to implement state funded HSIP projects:
 - <https://dot.ca.gov/-/media/dot-media/programs/local-assistance/documents/hsip/2021/statefundedhsip-guidelines20210330.pdf>
- ▶ Delivery requirements are the same as federally funded HSIP projects:
 - 9 months from time of award announcement to request PE funds
 - 3 years from the time of award announcement to request CON funds
- ▶ Scope / Cost / Delivery requests are done using the HSIP Request Form:
<https://dot.ca.gov/programs/local-assistance/fed-and-state-programs/highway-safety-improvement-program/delivery-requirements-status-approved-projects>



Questions?