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FROM: Sarah Okerlund, P.E.
SUBJECT: Federal-aid Transportation Funding Status Update 2
DATE: February 28, 2025

Local Public Agency (LPA) Partners:

Per an email received earlier this afternoon, various FHWA and FTA planning approvals have been restored to FHWA Division Offices. This includes the following processes:

- Statewide Transportation Improvement Program (STIP) Updates and Amendments
- State Planning and Research (SPR) Work Programs and Amendments
- Unified Planning Work Programs (UPWPs) and Amendments
- TMA Transportation Planning Process Certification Reviews; and Certification Actions (including review notification letters)
- Air Quality Conformity Determinations and related letters

This means STIP Amendments / Major Revisions will no longer be required to funnel through HQ. The NEVI Program and all Discretionary Grants not already "obligated" remain ON HOLD. For previous Gov Delivery updates on this same topic, please see our [Local Systems Guidance Sent to LPAs](#) website.

Below is updated guidance on potential impacts to your transportation improvement projects that are either under construction or within the Project Development phase. It still depends on the project status and funding source(s) involved. For assistance understanding where the Federal-aid funds you received falls, please see our new [Local Systems Federal-Aid Programs](#) website.

1. Federal-aid transportation projects of any funding already let / bid:

No impact at this time. We are unaware of any valid, obligated transportation Federal-aid reimbursement requests that have been delayed, put on pause, or rejected here in Iowa.

2. Federal-aid Formula transportation projects in Final Development Phase:

- NEPA Cleared

No impact at this time. We are unaware of any current restrictions on authorizing formula funded transportation projects within FMIS that are already in the approved STIP ahead of Iowa DOT lettings. See [I.M. 4.020](#), NEPA Process for NEPA guidance and Section 2.1 of the [Federal-aid Guide](#) for STIP Programming guidance.

3. Federal-aid Formula transportation projects needing any of the following minor clearances, and none of the major clearances noted below in Situation #4:

Minor Clearances not requiring FHWA HQ Approval

- NEPA Clearance – Programmatic CE, without 4(f) considerations (See [I.M. 4.020](#))

Potential delay, minor impact. As we have for years, the above action has been delegated to the Iowa DOT by FHWA. It is our understanding that this can be maintained within Iowa DOT. However, we would recommend early/proactive action on the above items in the event guidance from FHWA were to change unexpectedly.

4. Federal-aid transportation projects of any funding source that need any of the following major clearances:

Major Clearances requiring FHWA HQ Approval

- NEPA Clearance – Programmatic CE with 4(f) considerations, Individual CE, EA, or EIS (See [I.M. 4.020](#))
- Executed Federal-aid Discretionary Grant Agreement (This is required for ALL Discretionary Grants)

Potential letting delay, impact and duration unknown. Several official FHWA approvals now require additional review and/or clarification. They are not “on hold” or “on pause” but will take longer to process. Decisions previously made in the Iowa FHWA Division Office must now flow to Headquarters (HQ) into the FHWA chief counsel’s office, which then interfaces with USDOT’s general counsel office. This updated list includes NEPA decisions, planning documents not listed above, program plans not listed above, civil rights documents, and asset management plans. Please see the respective I.M. from the [I.M. Table of Contents](#) for topic specific guidance. Keep in mind the Iowa Division is just one of 52 FHWA Divisions being required to funnel these documents through the same channel.

We will continue to monitor and coordinate with our partners as long as it takes to stabilize and clarify new guidance when available.

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