

# Federal-Aid Swap Policy Approved by Iowa DOT Commission

Iowa Transportation Commission  
July 12, 2022

## Federal-Aid Swap Policy

- **Planning and Programming**
  - Participation in federal-aid swap – Projects that are eligible for swap, as defined in this policy, will be developed as swap projects. Unless restricted by the requirements of the specific program involved, a jurisdiction can request a project to be federal-aid.
  - Federal funding will be swapped with Primary Road Funds on a dollar-for-dollar basis on eligible projects.
  - **Funding eligible to be swapped – eligible road and bridge projects from the following federal funding programs**
    - **Surface Transportation Block Grant (STBG) funds programmed by Regional Planning Affiliations (RPAs) to cities**
    - **Highway Safety Improvement Program (HSIP) - Local: County and city projects allocated through the HSIP – Local program**
    - **Swap funds will be used for the 20 percent required federal match for the County Highway Bridge Program and City Bridge Program.**
  - Programming
    - STBG funds are allocated based on Infrastructure Investment and Jobs Act (IIJA) Implementation Policies adopted by the Commission in July 2022.
    - RPAs and Metropolitan Planning Organizations (MPOs) will develop a program based on their available STBG funding. RPA programmed projects in cities will be swapped with Primary Road Funds. HSIP-Local projects will also be swapped with Primary Road Funds. All other projects will move forward as federal-aid projects.
    - Dedicated city and county bridge program funded projects will need to be included in RPA and MPO programs.
  - Match requirements
    - Unless specifically required by the grant program, Iowa DOT will not require match and will reimburse funds at 100 percent up to the programmed amount.
    - Individual RPAs can require match but Iowa DOT will not monitor those requirements.
  - System Eligibility (STBG Swap awarded by RPAs to cities)
    - 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 RPAs can be more restrictive with system eligibility.
    - 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 – The original swap policies were implemented with the Federal Fiscal Year 2019 program year that began October 1, 2018. The revised policies in this document will take effect as soon as possible in consultation with city, county, RPA, and MPO stakeholders.

- **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 not eligible for swap as part of a construction project.
  - 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.