

Use of STP Funding on Minor Collectors

Prepared for the ICEA Executive Board by the Office of Local Systems
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Background

Under current law, States may use up to 15% of their portion of STP funds for areas under 5,000 population on minor collector routes; the rest must be used on major collectors or above.

Also by law, the amount of STP funds available for areas less than 5,000 population is fixed at 110% of the 1991 Federal-aid Secondary (FAS) allocation. For Iowa, this amount is \$13,425,937 each year. 15% of this amount is equal to \$2,013,890.55. In accordance with good funds-management principles, the Iowa DOT obligates the most restrictive types of funds first, and as a result, all of these funds are obligated each year leaving no carry-over for the next year. Therefore, on a state-wide basis, the maximum amount that may be obligated each year on minor collectors is a little over \$2 million.

Challenges with using STP funds on Minor Collectors

From time to time, the Office of Local Systems has been asked by counties about using Surface Transportation (STP) on routes classified as Minor Collectors. In the past, such requests have either been denied or approved on a limited basis – that is, only the amount of < 5,000 pop. funds available to an individual RPA could be used by the county, and only if approved by the RPA. See attached sheet for the amount of funding that would be available to each RPA.

Local Systems does not believe that using STP funds on minor collectors is either practical or necessary. Regarding the practicality, there seems to be no easy and fair way to distribute such funds to individual counties since the amount available to each RPA is relatively small each year and cannot be carried over or saved up. Regarding the necessity, most counties already have sufficient needs on their Federal-aid system (major collector and above routes) to fully utilize all of the STP funds that are available to them.

However, if the ICEA Executive Board would like to explore the use of STP funds on minor collectors, there are a couple options that could be considered. Each is briefly outlined below.

Option 1 – Competitive Statewide Program

Since the total amount available is very small (about \$2 million annually statewide), a competitive program could be developed based on agreed-upon criteria to score and rank projects for funding. Projects would be funding in their ranked order until the available funds were depleted.

Advantages

- This would be a fair way to distribute the funds.

Disadvantages

- About \$2 million would need to be deducted from the RPAs STP targets, leaving less STP funds available through the RPA to counties that don't need to use STP funds on minor collectors.
- This would create another program for Local Systems to administer. Other duties would have to be dropped in order to accommodate this. Since creating a separate program is not required,

the counties would have to accept reduced services from Local Systems to make this option viable. It is not immediately obvious which services or functions of Local Systems could be eliminated since most are required by law.

Option 2 – First-come-first-served

Under this option, counties could request use of STP funds from the Office of Local Systems. Requests would be approved on a first-come-first-served basis until the available funds were depleted.

Advantages

- This option would be relatively simple to administer and therefore would not require a reduction in services from Local Systems.
- If there is little interest among most counties in using STP funds on minor collectors, this may be a workable solution.

Disadvantages

- About \$2 million would need to be deducted from the RPAs STP targets, leaving less STP funds available through the RPA to counties that don't need to use STP funds on minor collectors.
- It might be difficult to decide at what point funds could be committed to a county. Is a simple request enough, or should the project be developed to a certain stage (i.e., check plans) before funds are committed?
- If projects must be developed to a certain stage, then this could put counties at risk by developing projects that may not be funded. Alternative funding sources would have to be in place to avoid developing projects that cannot be let.
- What happens if a county commits, but then is unable to bring the project to letting within the fiscal year? Since these funds cannot roll-over, they would lose the funds.

Minor Collector Distribution

Fifteen Percent of < 5,000 Population Funds			\$	2,013,890.55
Upper Explorerland RPC	Region 1	0.0500	\$	100,746.89
North Iowa Area COG	Region 2	0.0778	\$	156,739.45
Northwest Iowa P&DC	Region 3	0.0830	\$	167,115.82
Siouxland Regional TPA	Region 4	0.0434	\$	87,447.24
MIDAS COG	Region 5	0.0585	\$	117,787.90
Region Six PC	Region 6	0.0522	\$	105,141.97
Iowa Northland RTA	Region 7	0.0548	\$	110,374.59
E. Central Inter. Assoc.	Region 8	0.0583	\$	117,457.80
Bi-State RC	Region 9	0.0291	\$	58,702.54
East Central Iowa COG	Region 10	0.0862	\$	173,601.97
Central Iowa RTPA	Region 11	0.1106	\$	222,814.49
Region XII COG	Region 12	0.0479	\$	96,507.13
Southwest Iowa PC	Region 13	0.0322	\$	64,748.93
ATURA TPA	Region 14	0.0262	\$	52,834.20
Area 15 RPA	Region 15	0.0529	\$	106,442.52
Southeast Iowa RPC	Region 16	0.0586	\$	118,111.97
Chariton Valley PD	Region 17	0.0401	\$	80,763.76
MAPA Rural TPA	Region 18	0.0380	\$	76,551.37
Total REGIONS:		1.0000	\$	2,013,890.55