



STAFF REPORT
Board Meeting of October 20, 2021

AGENDA ITEM: 4-F

PREPARED BY: Troy McNeil, Deputy Director/Fiscal Supervisor

SUBJECT:

Highway Infrastructure Program (HIP) Funds Swap Agreement

Enclosure: No

Action: Approve HIP Funds Swap Agreement with Local Agencies

SUMMARY:

The Highway Infrastructure Program (HIP) was created in Section 122 in Division A of the 2010 Consolidated Appropriations Act, which authorized \$650 million with the intent to specifically fund the “restoration, repair, construction, of federal aid eligible roads, bridges, and tunnels.” The unobligated HIP funds allocated in 2010 were available until September 30, 2012, after which they lapsed without the option of reobligation. HIP funds that were authorized to projects, from the 2010 apportionment, were available for reimbursement of HIP eligible expenses until September 30, 2017, which is when all the remaining authorized HIP funds expired.

On March 23, 2018, Congress passed the Consolidated Appropriations Act of 2018, which was subsequently signed into law. This omnibus 2018 FFY spending bill to fund the US federal government included the Department of Transportation Appropriations Act, which again funded the HIP to construct highways, bridges, and tunnels. In 2019, with the passage of the Consolidated Appropriations Act of 2019, additional HIP funding was added, and the eligible expenses were expanded to allow for the “elimination of hazards and the installation of protective devices at railway-highway crossings.” Then in 2020, HIP funding also expanded to projects providing, “necessary charging infrastructure along corridor-ready or corridor-pending alternative fuel corridors.”

HIP funding is distributed by FHWA and further divided by states, which are required to coordinate with the relevant Metropolitan Planning Organizations (MPOs) and/or rural planning organizations as required by the Fixing America’s Surface Transportation (FAST) Act [23 U.S.C. 1101(b)].

The Madera region began receiving apportionments in federal fiscal year (FFY) 2017-18. Due to the low and inconsistent amounts received year to year, the Technical Advisory Committee discussed the option of having one agency receive all the HIP funds in exchange for Regional

Surface Transportation Program (RSTP) funds, which are administered and controlled by the Commission. The exchanged amount would be discounted due to the administrative burden put on the use of federal funds. It was agreed upon that Madera County would receive the full FFY 2017-18, 2018-19, and 2019-20 allocation of HIP funds totaling \$1,102,829. In exchange Madera County would give up a discounted amount of RSTP funds to the City of Madera and the City of Chowchilla. For the first obligated amount of \$460,000 it was agreed by the three agencies that the amount exchanged would be discounted by 20%. The discount amount for the remaining \$642,829 still to be obligated by Madera County is subject to further discussion and consideration. The table below illustrates the swap amounts.

*Based on 2019 DOF numbers

Jurisdiction	DOF Pop.	% Pop	Repay Distrib.
Madera	66,225	41.68%	\$ 153,377.72
Chowchilla	12,329	7.76%	\$ 28,554.08
County	80,340	50.56%	\$ 186,068.20
	158,894		\$ 368,000.00

HIP \$460,000
 Repayment \$368,000

Jurisdiction	HIP	RSTP Repayment (80% HIP)	RSTP Repayment Distribution	Total
Madera	\$ -	\$ -	\$ 153,378	\$ 153,378
Chowchilla	\$ -	\$ -	\$ 28,554	\$ 28,554
County	\$ 460,000	\$ (368,000)	\$ 186,068	\$ 278,068

MCTC staff will continue to monitor HIP funding and will work with its member agencies to appropriately program the funds towards implementable projects.

FISCAL IMPACT:

No fiscal impact to the approved 2021-22 Overall Work Program and Budget.