

Federal-Aid Highway Funds for Local Public Agencies

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There is a large balance of federal highway funds available to all Local Public Agencies (LPA) and particularly the counties. Following is an update of what has transpired so far this federal fiscal year through January 1985. This is a four-month time period since the federal fiscal year started October 1, 1984.

Fund	Oct. Balance	FY Obligations	Current Balance
RS	\$25,483,583	\$878,267	\$24,605,316
BR	25,974,634	701,565	25,273,069
RRP/RRS	11,603,006	458,653	11,144,353

This is the time period in which most county highway projects should have been ready for letting and the funds obligated for construction so as to have the full construction season to complete the projects. Obviously some of them have to carry over through the winter now that the projects are being delayed. This only adds to the cost and inconvenience to the traveling public.

What is the reason for not having projects ready and spending the available funds? There are many reasons and each reason is not unique to each county. Six reasons are fairly common and all counties should consider which of these reasons apply to them:

1. The indecision of counties in using funds and determining project priority. It is poor planning by counties without a long- and short-range program of matching the priority needs versus available local and federal funds. Many projects are developed without due consideration of how or when they will be funded. Projects in the development stage which will not be built or funded for years are delaying other projects from being completed in a reasonable time period.
2. Most counties do not understand the time and steps required to develop a federal-aid project. A singular local agency expects the IDOH to process their project in a very short time period without consideration of all other agencies who also think their projects should be processed expeditiously. All projects can not be top priority. There must be planning involved; counties must get their projects ready early without waiting until

April. Projects submitted in April cannot be readied for a May letting.

3. Counties do not administer or monitor the progress and development of projects. The payments and schedules of projects are contained in the agreement with a consultant if federal funds are being used. That agreement has a provision that the consultant is to provide the counties with the projected progress schedule and the actual progress of the project each month.

How many counties receive such a report?

How many counties review it and see how the progress is going?

What do counties do if the project is running behind schedule?

4. Project priorities are constantly being revised by change in administrations. Remember, projects may have been committed by prior administrations and if they are not followed through then there may be a pay back provision of the federal funds. Key personnel may also commit to a project that another administration will be responsible for. This should be covered in the long-range planning process.
5. In some cases, the counties are reluctant or slow in acquiring the necessary right-of-way (R/W). Reluctance to acquire R/W by condemnation, or to start R/W acquisition before plans are complete, delays the project.
6. Some counties, after almost completing a project, will decide against construction either through a change of administration, public disinterest, or lack of funds. This is a lack of input by the populace, no master plan to insure continuity from one administration to another, or an unrealistic undertaking from a financial standpoint. This is a waste of human resources and funds.

Why aren't the funds being spent? The answer is because the projects are not being approved for funds. That may be true. Following is the status of identified and approved projects that we are aware of in the development stage.

For BR projects, there are 222 known projects in the development stage not ready for construction with an estimated cost of \$69 million, or 3.3 years of available and projected funds.

For RS projects, there are 147 known projects in the development stage not ready for construction with an estimated cost of \$63 million or six years of available and projected funds.

Counties need to be aware of the deobligation and payback provisions of a federal-aid project.