



Federal Funding & State Loans

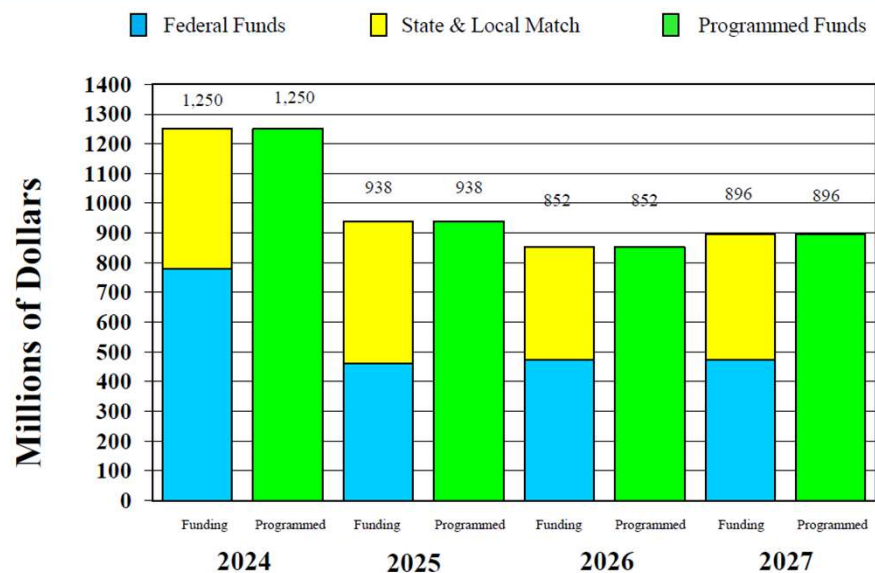
Mike Behm, PE

Director of Planning & Engineering

SDDOT

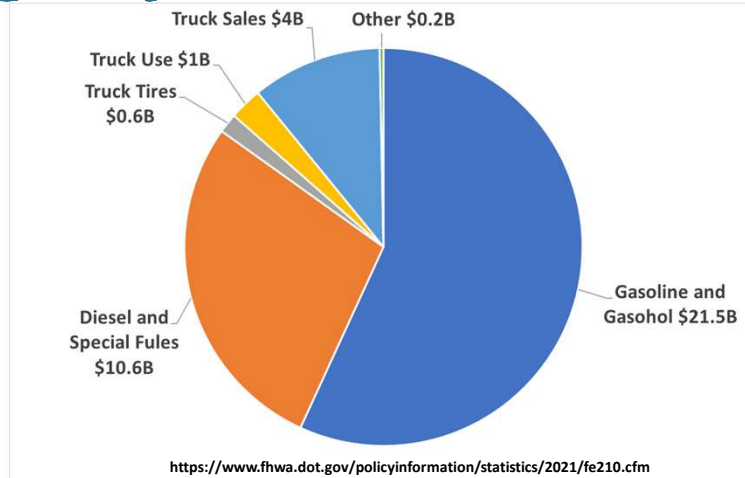
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Funding for Better Lives Through Better Transportation



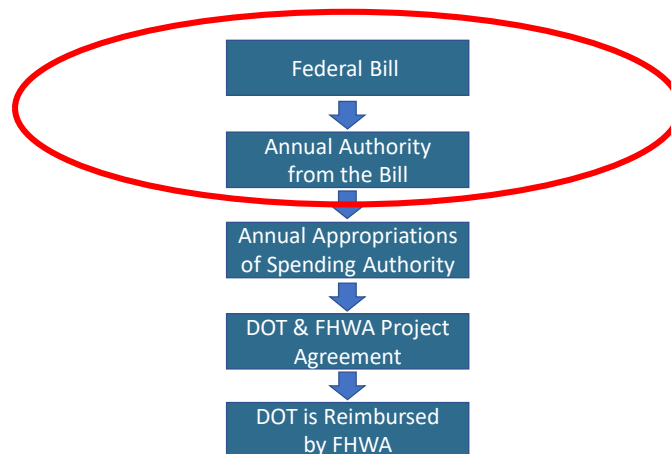
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Highway Account Income – FY21



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Federal Funding Lifecycle



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How it all begins....

H.R.3684 - Infrastructure Investment and Jobs Act

117th Congress (2021-2022)

LAW Hide Overview X

Sponsor: [Rep. DeFazio, Peter A. \[D-OR-4\]](#) (Introduced 06/04/2021)

Committees: House - Transportation and Infrastructure

Committee Meetings: [08/04/22 10:00AM](#) [03/15/22 2:30PM](#) [06/09/21 10:00AM](#) (All Meetings)

Committee Reports: [H.Rept. 117-70](#), [H.Rept. 117-70 Part 2](#)

Committee Prints: [H.Prt. 117-8](#), [H.Prt. 117-9](#)

Latest Action (modified): 11/15/2021 Became [Public Law No: 117-58](#). (All Actions)

Roll Call Votes: There have been [35 roll call votes](#)

Tracker: 1

Introduced > Passed House > Passed Senate > Resolving Differences > To President > **Became Law**

More on This Bill

[Constitutional Authority Statements](#)
[CBO Cost Estimates \[2\]](#)

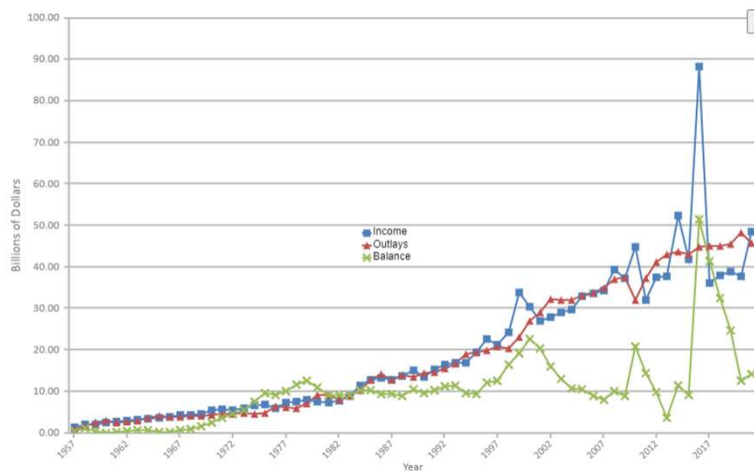
Subject — Policy Area:

Transportation and Public Works
[View subjects >>](#)

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Federal Aid

October 2022



Large Increase in FY 2016 Due to Transfers Directed By The FAST Act

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Annual Authority from the Bill

a.k.a. Contract Authority – Budget authority that authorizes funding for obligation according to the provisions of the Highway Bill



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How does this relate to real life??

Federal Bill/Authority – Household Annual Budget

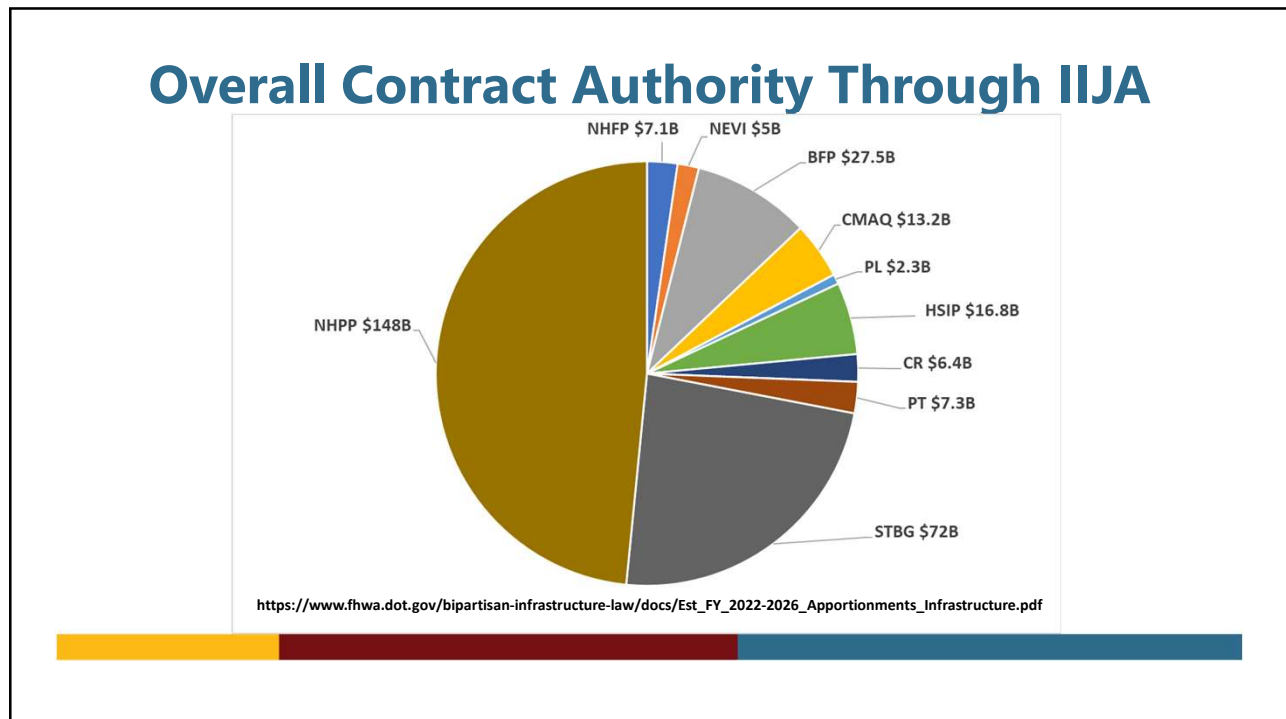


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Allowance

We plan (annual authority) for each of our 10 –14 years of age children for up to \$10/week

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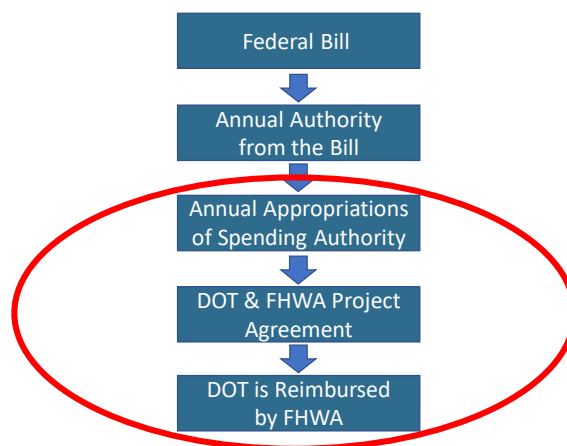
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Contract Authority

- **NHPP** – National Highway Performance Program
- **STBG** – Surface Transportation Block Grant
- **HSIP** – Highway Safety and Improvement Program
- **CMAQ** – Congestion Mitigation and Air Quality
- **PL** – Metropolitan Planning
- **NHFP** – National Highway Freight Program
- **CR** – Carbon Reduction
- **PROTECT** – Protecting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation

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Federal Funding Lifecycle



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Annual Appropriations of Spending Authority

a.k.a. Obligation Authority – Annual obligation
limitation of authorized funds



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How does this relate to real life??

Federal Bill/Authority – Household Annual Budget

Annual Federal/Obligation Authority – Weekly Budget

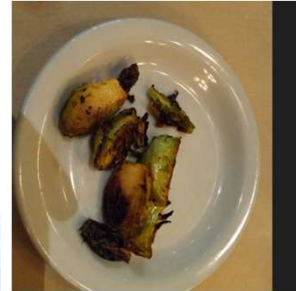


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Weekly Planned Allowance vs Budgeted Authority....

Usually less...

- Expected behavior defined
- Number of chores
- Complexity/difficulty of chores
- Mom & Dad's overall budget



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FHWA Agreement

- **Agreement defines the scope and details of the project.**
 - Cost estimates
 - Plans
 - Environmental clearance
 - FAA
 - Railroads
 - Encroachments
 - ROW
 - Specifications
 - Other federal requirements



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How does this relate to real life??

Federal Bill/Authority – Household Annual Budget

Annual Federal/Obligation Authority – Weekly Budget

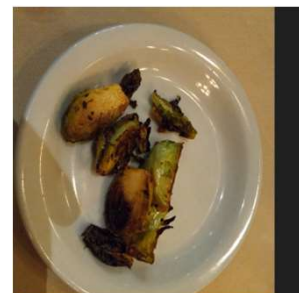
Project Agreement/Reimbursement - Weekly Expenses



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Budgeted Allowance vs Actual Cash....

- Only given when
 - Expected Behavior met
 - A chore is complete
 - Quality expectations are met
 - Timeliness expectations are met



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Actual Cash....

Only given when work is complete

- DOT has paid the contractor
- Contract requirements have been met



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USDOT Grant Map

2009 - 2022 Awarded USDOT Grant Projects



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GRANTS

- **BIP** – \$2.5 B (2022) – *Platte-Winner*
- **RAISE** – \$800 M (2023) – US18 in Pine Ridge \$10.142 M
- **INFRA** – \$3.1 B (2023) – *SVP, Platte-Winner, SD73 White River to Kadoka*
- **MEGA** – \$1.8 B (2023) – *SVP, Platte-Winner, US385*
- **RURAL** – \$675 M (2023) – *SD73 White River to Kadoka, US385*
- **PROTECT** – \$848 M (2023) – *Planning Study, I90, SD28*
- **WILDLIFE CROSSING (Pilot)** – \$350 M (2023) – *Crossing Mitigation Study*

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**What if I need money now,
can I pay you back later???**



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Loan Options

- ❖ State Infrastructure Bank (SIB) Loan Program
- ❖ Surface Transportation Block Grant Program (STBGP) Advancement
- ❖ State Highway Fund Loan

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State Infrastructure Bank (SIB) Loan Program

Who:

- Local Governments are the Applicant
- DOT manages, lets, and administers the project

What:

- Federal Aid Eligible Improvements
 - Resurfacing, Reconstruction, Restoration, Preservation of roads & bridges
- Generally, 0% Interest
- Generally, no longer than 7 years for repayment

When:

- Usually, years before a project letting

Where:

- Only on federal aid eligible routes or federal aid eligible activities

Why:

- Generally, on large projects that already include some federal aid

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Surface Transportation Block Grant Program (STBGP) Advancement

Who:

- Local Governments that receive an annual STBGP allocation (All 66 counties and all Class 1 cities)
- Local Governments usually manage, let, and administer the project

What:

- In accordance with highway purposes
- Generally, 0% Interest
- Generally, no longer than 7 years
- Annual allocation is usually collateral and is withheld until repayment

When:

- Anytime

Where:

- On public roadways under their jurisdiction

Why:

- Generally, on large projects



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State Highway Fund Loan



Who:

- Local Governments who manage, let, and administer the project

What:

- Funding of last resort
- In accordance with highway purposes
- Generally, a 1.5% Interest
- Generally, no longer than a 7 years
- Limited to \$25M overall and \$7M per project
- Collateral

When:

- Prior to expenditure

Where:

- On public roadways under their jurisdiction

Why:

- Availability of other funding for the proposed project
- Likelihood the proposed project will foster and support economic development
- Whether a highway emergency exists
- The ability of the local government to repay the loan on terms satisfactory to the commission



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State Infrastructure Bank (SIB) Loans



CENTER FOR
INNOVATIVE FINANCE SUPPORT

Entity	Loan Amt	Year Signed	Status
Beadle	\$ 1,341,700.54	2010	Closed
Butte	\$ 465,000	2010	Closed
Day	\$ 1,933,000	2011	Closed
Grant	\$ 450,000	2010	Closed
Kingsbury	\$ 613,000	2009	Closed
Lake	\$ 923,000	2011	Closed
Lemmon	\$ 700,000	2015	Closed
Marshall	\$ 1,139,000	2011	Closed
Mellette	\$ 160,000	2011	Closed
Mobridge	\$ 800,000	2011	Closed
Perkins	\$ 700,000	2015	Closed
Sturgis	\$ 500,000	2009	Closed
Total	\$ 9,724,701		

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STBGP Advancements

Entity	Loan Amt	Year Signed	Status	Remaining Balance
Day	\$1,925,000.00	2010	Closed	\$0.00
Hutchinson	\$800,000.00	2020	Open	\$37,349.80
Hyde	\$213,000.00	2012	Closed	\$0.00
Jerauld	\$1,200,000.00	2013	Closed	\$0.00
Kingsbury	\$705,000.00	2022	Open	\$277,534.24
Lawrence	\$2,095,100.00	PENDING	PENDING	\$2,095,100.00
Marshall	\$1,350,000.00	2010	Closed	\$0.00
Pennington	\$18,894,000.00	PENDING	PENDING	\$18,894,000.00
Pennington	\$8,852,000.00	2020	Closed	\$0.00
Perkins	\$3,000,000.00	2016	Closed	\$0.00
Roberts	\$2,850,000.00	2010	Closed	\$0.00
Sioux Falls	\$21,747,000.00	2023	Open	\$21,747,000.00
Total	\$63,631,100.00			\$43,050,984.04



**Benson Road / I-229
Interchange Reconstruction**



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State Highway Fund Loans

Entity	Loan Amt	Year Signed	Status	Project	Remaining Balance
Box Elder	\$1,500,000.00	PENDING	PENDING	Construction of Hotel Way in Box Elder	\$1,500,000.00
Clark	\$6,620,928.00	PENDING	PENDING	Improvement to Co. Rd 17 by the Clark Dairy	\$6,620,928.00
Hot Springs	\$1,967,000.00	2023	Open	Historical Improvements in conjunction with US18 project (028Z)	\$1,967,000.00
Lyman	\$847,522.22	2019	Open	Improvements to county road to Dakota Mill & Grain development	\$779,380.31
Yankton	\$6,000,000.00	2015		Yankton Area Rail Park development	\$4,054,107.70
Total	\$16,935,450.22				\$14,921,416.01



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THANK YOU



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