

Fund Exchange Program



Program Purpose

- Flexible funding
- Lower oversight costs
- More cost-effective for small projects
- Local projects can use for federal aid match

STBG Web Page:

<https://www.fhwa.dot.gov/specialfunding/stp/>

Fast Facts

- Calendar Year 2021 allocations & prior: Exchange rate is 94¢ per 1 STBG dollar.
- Calendar Year 2022 allocations & on: Exchange rate is 90¢ per 1 STBG dollar.
- Applies to Cities with populations 5,000 to 200,000 & all Counties.
- The agreement is no longer project specific and will last until the end of the STIP cycle. *(However, no project work may begin without an executed agreement.)*
- Once exchanged, the state money can be used as a match for eligible federal aid projects (e.g. exchanged state money would not be eligible as a match on a federal aid project that is off system).

What is Fund Exchange?

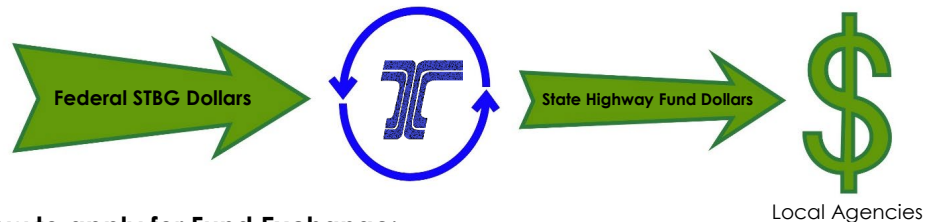
The Fund Exchange program provides local agencies a flexible funding option for delivering transportation improvements without being constrained by federal requirements. Funding may only be used for projects that are consistent with the [Oregon Constitution](#), Article IX, Section 3a. Please contact your organization's attorney to determine project eligibility.

What authorizes Fund Exchange?

The Oregon Department of Transportation has an agreement, located [here](#) with the Association of Oregon Counties and League of Oregon Cities which provides Federal Surface Transportation Block Grant (STBG) funds to Cities, Counties, and non-Transportation Management Area (TMA) Metropolitan Planning Organizations (MPO).

How does the Fund Exchange process work?

The Fund Exchange process provides an opportunity for qualified local agencies to exchange their Federal STBG dollars for State Highway Fund dollars. For 2021 allocations & prior, the exchange rate is 94 cents (90 cents for 2022 allocations & forward) in state funds for every 1 dollar of federal funds.



How to apply for Fund Exchange:

1. Prior to starting work, contact Shelley.A.Bokor@odot.state.or.us (503-986-3621) to execute a Master Grant Agreement that will expire 9-30-23.
2. Send a funding request letter to [Shelley Bokor](#) (either before or after project completion) that does not exceed the current cumulative amount available.
3. If the funding request is approved, ODOT will direct deposit (instead of mailing checks) the approved funds for use.
4. ODOT will audit various projects by requesting documentation for proof of completion and proper use of funds. *Requested funds must be completely used in the calendar year requested.*

Disclaimer: Funding must be available in the year the projects/items will be completed/delivered. **Agencies cannot borrow from future allocations.**

For Cities and Counties choosing not to participate in the ODOT fund exchange program and instead receive 100% of the STBG funds - this requires following federal aid project requirements. This means the City or County works with the ODOT [region contact](#) to initiate that process. Please comply with all federal requirements (e.g. the Environmental Impact Statement) and commit required funding (including the match) prior to project start.