



Fund Exchange

- Exchange rate: 94 cents per 1 dollar
- Applies to Cities with 5,000 –200,000 population, and all Counties.
- Does not apply to CMAQ, Local Bridge, TAP, or other federal funds

Types of Projects

- Paving roads
- Equipment purchase
- ADA (Sidewalks)
- Project planning
- Safety
- Transit
- Material purchase

Federal Policy on Fund Exchange

- Flexible local project funding
- Reduces oversight costs
- More cost-effective for small projects

Source: Government Accountability Office. 2014. Federal Highway Administration could further mitigate locally administered project risks (GAO-14-113).

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 be used for projects to preserve and improve conditions on and performance of any federal-aid highway, bridge or tunnel project on any public road, or pedestrian and bicycle infrastructure within drivable right of way.

What authorizes Fund Exchange?

The Oregon Department of Transportation has an agreement, located [here](#) with the Association of Oregon Counties (AOC) and League of Oregon Cities (LOC) which provides Federal Surface Transportation Block Grant (STBG) funds to cities, counties, and non-Transportation Management Area (TMA) Metropolitan Planning Organizations. Fund Exchange provides an opportunity for local cities and counties to exchange their Federal STBG dollars for State Highway Fund dollars.

How does the Fund Exchange process work?

Fund Exchange provides an opportunity for local cities and counties to exchange their Federal STBG dollars for State Highway Fund dollars. Local agencies may exchange Federal STBG funds for state dollars at a rate of 94 cents in state funds for every 1 dollar of federal funds. Agencies may request funds on eligible projects through a reimbursement process.

What projects are eligible?

Projects which develop, improve and/or preserve existing transportation system, and be state gas tax eligible. Types of projects include, road paving and chip seal, ADA required improvements, transportation planning, or the purchase of equipment to maintain eligible roads.

How do I apply for Fund Exchange?

Submit application letter to your Region contact. Application letters should be on agency letterhead and include the following information:

- Name and location of project
- Type of project (roadway, equipment, material, etc.)
- Name of all roads/sidewalks on which agency will perform work
- Location of roads (must be within the city or county requesting funding)
- Jurisdiction authority of roadways included in project
- Does the project area cross, abut, or in any way intersect a state highway?

Note: Funding must be available in the year the project will be delivered. Agencies are not allowed to borrow from future allocations. No project work may begin and exchange payments will not be made without an executed Inter-governmental Agreement (IGA) in place first.