



Board Agenda Item

ITD 2210 (Rev. 10-13)

Meeting Date August 22, 2019Consent Item Information Item Amount of Presentation Time Needed 10 minutes

Presenter's Name Joel Drake	Presenter's Title Financial Planning & Analysis Mgr	Initials JD	Reviewed By LSS
Preparer's Name Joel Drake/ Monica Crider, PE	Preparer's Title FP&A Manager/CS Engineer	Initials MC	MC JD

Subject

Local Rural Highway Investment Program- Proposed Changes		
Key Number	District	Route Number

Background Information

Annually, the Idaho Transportation Department exchanges Local Federal-Aid Surface Transportation Program Rural apportionments for State Highway Account dollars. The local apportionments are provided to the Local Highway Technical Assistance Council (LHTAC) for utilization under the Local Rural Highway Investment Program (LRHIP). The Local Rural Highway Investment Program accomplishments are presented to the Idaho Transportation Board, early in the calendar year, annually. The program is outlined in policies 4030/5030 Surface Transportation Program Rural (STPR) Exchange Program (attached).

The rate of exchange hasn't been updated in many years. Recently, LHTAC requested that the Department consider two changes: 1) a rate change from .6167 to .80 and 2) a federal cap increase from \$4,540,295 to \$5,000,000. The Department has evaluated this request along with other scenarios and assessed impacts to LHTAC as well as the Department for each option as shown in the table below:

		change from Current Policy noted in blue			
POLICY OPTION		A	B	C	D
		Current Policy	Modify Only the		Modify Both
			Exchange Rate	Federal Cap	Exchange Rate & Federal Cap
1	Exchange Rate	0.6167	0.8000	0.6167	0.8000
2	State Funds Exchanged	\$2,800,000	\$2,800,000	\$3,083,500	\$4,000,000
3	Fed Funds Cap	\$4,540,295	\$3,500,000	\$5,000,000	\$5,000,000
4	Net \$ to ITD	\$1,740,295	\$700,000	\$1,916,500	\$1,000,000
5	Net \$ to LHTAC	(\$1,740,295)	(\$700,000)	(\$1,916,500)	(\$1,000,000)

Following evaluation, the Department recommends Option D would be in the best interest of the Department and our partners, the local highway jurisdictions. These changes reflect the current environment while providing added flexibility, in the areas of project planning, match use and standards.

Recommendations