

FFPP – FAQ

1c. What happens to my soft match credits?

Under the federal fund purchase program, we anticipate that local agencies will continue to program federal-aid “off system” (not on the Federal-aid system) bridge projects. This is because current (May, 2011) federal law requires that the State spend at least 15% of Federal HBP funds received on eligible bridges which are not on the federal-aid system. NDOR therefore will not be able to purchase those HBP funds. LPAs are required to have a Responsible Charge (RC) person and follow all federal requirements for all Federal-aid projects.

Eligible soft match credits may therefore continue to be applied to LPA federal-aid projects, subject to Federal laws, rules and regulations. Soft match balances (<http://www.nebraskatransportation.org/gov-aff/pdfs-docs/soft-match/soft-match-bal.pdf>) will continue to be tracked by NDOR. With the federal fund purchase program in place, there will be fewer federal-aid bridge projects and therefore fewer opportunities to apply eligible soft match credits.

The soft match program <http://www.nebraskatransportation.org/gov-aff/pdfs-docs/soft-match/softbridge-pol.pdf> permits an LPA to build a bridge on any public LPA road not on the Federal-aid Secondary system and receive “credit” for 80% of eligible costs. The intention of the program is to provide added incentive for local agencies to improve their bridges. The only way an LPA can use those credits is to program a Federal-aid bridge replacement or rehabilitation project at another location, and request NDOR to apply those soft-match credits to the project. If the LPA’s request is approved by NDOR, the credits can then be used as an LPA’s share of required matching funds. Thus, an LPA can avoid paying some, or all, of the local match with LPA funds. This has the effect of reducing HBP funds available for other LPAs.

It is important to understand that soft match credits are not money. No money is set aside in a bank account. There never was nor is there a promise that all accumulated soft credits can or will be used. The LPA has something to show for its original expenditure, and therefore nothing would be lost if some soft match credits cannot be applied right away. NDOR will work with LPAs to apply available soft match credits when possible.

LPA’s which have soft match credits are advised to maintain documentation supporting those credits.