How Transportation Projects Are Funded with Federal Dollars

Federal Funding of a Transportation Project

- State submits project to federal agency.
- After thorough federal review, federal funds are committed (or obligated) to the project. (No federal funds have been sent to the state at this point).
- Depending on size and complexity, project is advertised, bids reviewed, and contract awarded (approximately four to six week process).
- Work commences.
- State pays contractor for work completed.
- State seeks reimbursement from the appropriate federal agency.
- Federal funds are sent to the state.

OUTLAY OF FEDERAL DOLLARS