

Summary

The Federal Highway Administration (FHWA) State Transportation Innovation Council (STIC) Incentive program provides resources to **help STICs foster a culture for innovation and make innovations standard practice in their States**. Through the program, **funding up to \$100,000 per State per Federal fiscal year** is made available to support or offset the costs of standardizing innovative practices in a State transportation agency (STA) or other public sector STIC stakeholder. The program is administered by FHWA's Center for Accelerating Innovation (CAI).

Introduction

America's highway system faces significant challenges: aging infrastructure, growing traffic volumes and limited staffing and funding resources. Widespread use of innovation and enhanced business processes is essential to meeting customer needs and increasing the efficiency of project delivery. Initiatives such as Every Day Counts (EDC), the second Strategic Highway Research Program (SHRP2) Implementation Assistance Program, the American Association of State Highway and Transportation Officials (AASHTO) Innovation Initiative, and others are designed to promote innovations and support the transportation community by putting them into practice. Whether through training, workshops, demonstrations, technical assistance or incentive funding, the result of these initiatives is rapid technology transfer and accelerated deployment of innovation across the nation.

Key components to the success of innovation deployment programs such as EDC are the State-based approach and the State Transportation Innovation Council (STIC) concept. A STIC or other equivalent task force, committee or group is intended to bring together public and private transportation stakeholders to evaluate innovations and spearhead their deployment in each State. Each State operates its innovation deployment council, task force, committee or group based on its unique business needs and approaches to meeting those needs. The STIC or an equivalent group puts the transportation community in each State in the driver's seat to comprehensively and strategically consider sources of innovation, select those innovations that best fit its unique program needs, and then quickly put those innovations into practice. A formalized council or group affirms a State's commitment to institutionalize innovations, ensuring innovation deployment will continue as a business practice for years to come – establishing a culture of innovation.

With EDC, SHRP2, and other innovation deployment programs as the driving force nationally, the need for every State to have an innovation deployment council or similar group is essential to ensure that the innovation deployment remains a State-based initiative. States with a strong culture of innovation are able to leverage the resources of the transportation community within the State and get the appropriate innovations into practice quickly. The establishment of a well-organized STIC or equivalent group, defined processes and procedures, and engaged leadership serve as the foundation for fostering a culture of innovation within a State.

FHWA's STIC Incentive Program will help States foster a culture for innovation and achieve goals to institutionalize innovations.

Program Background

The Technology and Innovation Deployment Program (TIDP) (as specified in Section 503(c) of Title 23 of the United States Code (U.S.C.)) includes four initiatives:

- accelerated innovation deployment (AID);
- implementation of future strategic highway research program (SHRP2) findings and results;
- accelerated implementation and deployment of pavement technologies; and
- advanced transportation innovation deployment.

The TIDP relates to all aspects of highway transportation, including planning, financing, operation, structures, materials, pavements, environment, construction, and the duration of time between project planning and project delivery. Per 23 U.S.C. 503(c)(1), the goals of TIDP are as follows:

- significantly accelerate the adoption of innovative technologies by the surface transportation community;
- provide leadership and incentives to demonstrate and promote state-of-the-art technologies, elevated performance standards, and new business practices in highway construction processes that result in improved safety, faster construction, reduced congestion from construction, and improved quality and user satisfaction;
- construct longer-lasting highways through the use of innovative technologies and practices that lead to faster construction of efficient and safe highways and bridges;
- improve highway efficiency, safety, mobility, reliability, service life, environmental protection, and sustainability; and
- develop and deploy new tools, techniques, and practices to accelerate the adoption of innovation in all aspects of highway transportation.

The AID component of TIDP (23 U.S.C. 503(c)(2)(B)) is designed to fulfill the following requirements:

- establish and carry out demonstration programs;
- provide technical assistance and training to researchers and developers; and
- develop improved tools and methods to accelerate the adoption of proven innovative practices and technologies as standard practices. (23 U.S.C. 503(c)(2)(B))

The STIC Incentive program is one tool to address the AID requirements by providing resources to foster a culture of innovation and advance innovations into standard practices in a STA or other public sector STIC stakeholder.

Program Funding:

Up to \$5.4 million per Federal fiscal year of TIDP funding is available for the STIC Incentive program. Through the program, funding up to \$100,000 per State per Federal fiscal year is made available to support or offset the costs of standardizing innovative practices in a STA or other public sector STIC stakeholder. Incentive funding for eligible projects is for the Federal share of 80 percent, limited to \$100,000 per State each year. The 20 percent non-Federal match may come from project sponsors or other allowable fund sources.

Project proposals and requests for STIC Incentive funding must be received by the FHWA CAI prior to end of Federal fiscal year (September 30th) in which the funds are being requested. STIC Incentive funds which are not requested by a STIC in a given fiscal year will not be carried over for use by the STIC in future years. These funds will be directed toward other technology and innovation deployment

initiatives under TIDP. A STIC may choose to leverage up to 1 year of their future STIC Incentive funding to accelerate a larger project or bundle of project and thus institutionalize an innovation statewide sooner (i.e. STIC can request to use both FY17 & FY18 STIC funding in FY17 to accelerate innovations with \$200,000 of STIC Incentive funding allocated in FY17).

Eligibility Requirements

Eligible Entities:

To be eligible for STIC Incentive funding, the STIC or other equivalent task force, committee or group must be formally established with a charter, include public and private members, meet regularly, and comprehensively consider sources of innovation.

The STA is the primary recipient of the STIC Incentive awards since the funds are obligated via the Fiscal Management Information System (FMIS). Other public sector STIC stakeholders such as MPOs, local governments or tribal governments are eligible to receive STIC Incentive funding as sub-recipients to an STA. Sub-recipients must demonstrate how they will meet the requirements of Title 2 Code of Federal Regulations (CFR) part 200, including financial management standards and audits.

Eligible Projects/Activities:

The requirements for eligibility of a project or activity are as follows:

- The project must have a statewide impact in fostering a culture for innovation or in making an innovation a standard practice.
- The project/activity for which incentive funding is requested must align with TIDP goals.
- The project/activity must be eligible for Federal-aid assistance and adhere to applicable federal requirements.
- The proposed project/activity must be started as soon as practical (preferably within 6 months, but no later than 1 year) after notification of approval for STIC Incentive funding and the funds must be expended within 2 years.

STIC Incentive funding may be used to conduct internal assessments; build capacity; develop guidance, standards, and specifications; implement system process changes; organize peer exchanges; offset implementation costs; or conduct other activities the STIC identifies to address TIDP goals and to foster a culture for innovation or to make an innovation a standard practice in the STA or other public sector STIC stakeholder.

Examples of allowable activities include, but are not limited to, the following:

- develop standards and specifications;
- develop and deliver training to facilitate widespread use of an innovation;
- refine current specifications based on lessons learned from implementing an innovation;
- develop memoranda of agreement;
- prepare standard operating procedures or technical guidance for an innovation;
- prepare a report summarizing the lessons learned and economic analysis of an innovation;
- develop a decision matrix for use of an innovation;
- prepare an implementation plan for an innovation, including performance measures; or
- sponsor an innovation workshop/exchange sharing best practices.

In accordance with applicable Federal regulations, following are a few examples of costs associated with technology transfer and innovation deployment activities which are not allowable/eligible for Federal reimbursement:

- food;
- promotional items;
- conference attendance; or
- conference/exhibit booth space rental.

How to Apply:

The solicitation of STIC Incentive projects is open at the beginning of the Federal fiscal year (October 1st) and closes at the end of the Federal fiscal year (September 30th).

All proposals should be submitted to the [local STIC point of contact](#). The proposals should include:

- Description of the proposed work;
- End product/ result;
- Amount of STIC Incentive funding requested;
- Commitment of other funding;
- Budget justification; and
- Project schedule.

Applicant Responsibilities:

Responsibilities of the applicant associated with the STIC Incentive program are as follows:

- Ensure that proposal(s) comply with the program requirements outlined above;
- Identify/obtain 20 percent matching funds;
- Submit proposal(s) to the local STIC point of contact;

Recipient Responsibilities:

Responsibilities of the recipient associated with the STIC Incentive program are as follows:

- Comply with eligibility requirements for use of the funds;
- Obligate the awarded funds to the project within 6 months of fund allocation;
- Report progress at STIC meetings;
- For each project, **provide brief, written progress reports to the local FHWA Division Office semi-annually** (every 6 months from the date of the allocation memorandum); and
- For each project, **provide a brief, written final report (maximum 5 pages)** to the local FHWA Division Office **which includes a description of the project, overall budget, how the work specifically meets the program criteria, result(s) of the project, challenges, and lessons learned.**

FHWA Division Office Responsibilities

- Set a schedule for when proposal(s) are due to the division office.
- Determine eligibility of proposal(s) for STIC Incentive
- **Approves proposal(s) based on STIC recommendation**
- **Request funding from CAI**
 - **Include a description of the proposed activity, end product, amount requesting, and a statement that all of the STIC Incentive eligibility requirements are met.**
- Review and approve project authorization request from State DOT and FMIS
- Ensure that the AID funds are spent according to the program guidance.

- Monitor the progress of the project and offer technical assistance if needed.
- Provide semi-annual reports on the progress of the project and forward the final report to CAI. Progress reports are due after 6-month of receipt of allocation memo and every 6 month thereafter.