Memorandum

Date: June 22, 2022

Subject: INFORMATION: Audit Announcement | Assessment of FHWA’s Oversight of States’ Use of STIPs That Include IIJA-Funded Projects | Project No. 22B3001S000 Federal Highway Administration

From: David Pouliott  
Assistant Inspector General for Surface Transportation Audits

To: Federal Highway Administrator

The Infrastructure Investment and Jobs Act (IIJA)\(^1\) provides a once-in-a-generation transportation investment of $350 billion to the Federal Highway Administration’s (FHWA) highway programs over the next 5 years. This funding significantly increases the investment in the Nation’s surface transportation infrastructure. For planning and budgeting of Federal funds for transportation projects—such as those from IIJA—each State must submit to FHWA for approval a State Transportation Improvement Program (STIP) that includes all projects planned for implementation in the State.\(^2\) STIPs must cover at least 3 years, and may cover longer periods at States’ discretion. FHWA reviews each STIP to determine project eligibility for Federal funds, State compliance with Federal requirements, and fiscal constraint—meaning each STIP must demonstrate that program funding is reasonably available.

Due to the importance of STIPs for this significant investment under IIJA, we are initiating this audit to assess FHWA’s oversight of States’ use of STIPs that include IIJA-funded projects. We plan to begin the audit in the coming weeks and will contact your audit liaison to schedule an entrance meeting. We will conduct our work at FHWA Headquarters and select division offices. If you have any questions, please contact me at (202) 366-5630 or Tony Wysocki, Program Director, at (202) 493-0223.

cc: DOT Audit Liaison, M-1  
FHWA Audit Liaison, HCFB-32

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\(^{1}\) Pub. L. No. 117-58 (2021)

\(^{2}\) States develop STIPs in coordination with metropolitan planning organizations and non-metropolitan local officials.