

Infrastructure Investment and Jobs Act

Key Transportation Provisions

COSTA PAPPIS, POLICY & PLANNING

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What's in the Highways Component of the IIJA?

- Five years of authorization and proposed funding levels for the federal transportation program
- Replaces the previous five-year federal transportation authorization - Fixing America's Surface Transportation Act (FAST Act)
- Vermont is anticipated to receive \$1.645 billion in highway funding over five years

What's Included in the IJA?

Increases overall funding by \$570.5 million (53%) compared to the FAST Act, including:

- \$324.3 million increase (30%) in core highway formula funds used to maintain highways and bridges across the state, and support for bike and ped, and park & ride projects
 - New \$32.8 million Carbon Reduction formula program
 - New \$37.3 million PROTECT Resilience formula program
- New \$225 million General Fund Bridge Program
- New \$21.5 million General Fund EV Charging Facilities program

What's Included in the IJA?

<i>Core Formula Program</i>	<i>IJA (FFY22-26)</i>	<i>FAST Act (FFY16-20)</i>	<i>Difference</i>
National Highway Performance Program	\$756,858,447	\$602,560,063	\$154,298,384
Surface Transportation Block Grant Program	\$368,201,406	\$301,662,088	\$66,539,318
Highway Safety Improvement Program	\$79,699,166	\$60,181,283	\$19,517,883
Rail-Highway Grade Crossing Program	\$6,125,000	\$5,875,000	\$250,000
Congestion Mitigation & Air Quality Program	\$67,169,526	\$61,440,092	\$5,729,434
Metropolitan Planning	\$14,391,711	\$10,886,721	\$3,504,990
National Highway Freight Program	\$36,628,901	\$32,310,882	\$4,318,019
Carbon Reduction Program	\$32,831,293	\$0	\$32,831,293
PROTECT Program	\$37,331,531	\$0	\$37,331,531
<i>Subtotal Core</i>	<i>\$1,399,236,981</i>	<i>\$1,074,916,129</i>	<i>\$324,320,852</i>
<i>General Fund Supplementals</i>			
GF Bridge Program	\$225,000,000	\$0	\$225,000,000
GF Electric Vehicle Program	\$21,215,761	\$0	\$21,215,761
<i>Subtotal GF</i>	<i>\$246,215,761</i>	<i>\$0</i>	<i>\$246,215,761</i>
<i>Grand Total</i>	<i>\$1,645,452,742</i>	<i>\$1,074,916,129</i>	<i>\$570,536,613</i>

What Transportation Competitive Grant Programs are Included in the IIJA?

- 26 competitive grant programs (including 20 new ones) worth approximately \$100 billion. Competitive grants include focus on highway and bridge projects (including downtown revitalization), resilience, carbon reduction, healthy streets (including bike and ped), active transportation, and safe streets.
- Since these are new programs, we need to wait for the Federal Highway Administration (FHWA) to issue guidance on how these programs will be implemented, including non-federal match requirements and the Executive's policy priorities which we anticipate will focus on:

Preserving Existing Assets

Resilience

Equity

Carbon Reduction

Major Competitive Grant Program FY22-FY26

Program	Funding	Notes
Nationally Significant Freight & Highway Projects	\$3.2 billion	
Bridge Investment Program	\$9.2 billion	New Program
Congestion Relief Program	\$250 million	New Program
Charging & Fueling Infrastructure Grants	\$2.5 billion	New Program
Rural Surface Transportation Grant Program	\$2 billion	New Program
PROTECT Grants	\$1.4 billion	New Program
Healthy Streets Program	\$500 million	New Program
Technology & Innovation Deployment Program	\$550 million	
Training & Education	\$127.5 million	New Program
Wildlife Crossings Pilot Program	\$350 million	New Program
Prioritization Process Pilot Program	\$50 million	New Program

Historically, federal competitive transportation grant programs require matching funds so eligible applicants (including state and local governments) should plan ahead to secure matching funds.

Details on matching funds to come from federal agencies.

Grant Programs the Agency of Transportation has applied for in the past

Major Competitive Grant Program FY22-FY26

Reconnecting Communities Pilot Program	\$1 billion	New Program
Stopping Threats on Pedestrians	\$25 million	New Program
Invasive Plant Elimination Program	\$250 million	New Program
Pollinator-Friendly Practices on Roadsides and Highway Rights-of-Way Program	\$10 million	New Program
Active Transportation Infrastructure Investment Program	\$1 billion	New Program
Transit Bus / Low No Grants	\$7.5 billion	
National Infrastructure Projects	\$5 billion	New Program
Local and Regional Projects Grants	\$7.5 billion	New Program
Safe Streets and Roads for All	\$5 billion	New Program
National Culvert Program	\$1 billion	New Program
SMART Program	\$500 million	New Program
Airport Infrastructure Grants	\$15 billion	
CRISI Rail	\$5 billion	
Rail Crossing Elimination Program	\$3 billion	New Program
Federal-State Rail Partnership Grants	\$36 billion	

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Specific Provisions for Municipal Governments

- **Surface Transportation Block Grant Program (STBGP) off-system bridge set-aside**
 - STBGP off-system bridge set-aside increased from 15% to 20% as compared to the FAST Act (\$45.2 million FAST Act to \$73.6 million IIJA).
- **General Fund Bridge Program off-system bridge set-aside**
 - 15% of total \$225 million allocated to Vermont under the IIJA must be spent on off-system bridges (\$33.7 million) at 100% federal.
- **Competitive Grant Programs**
 - 26 competitive grant programs (including 20 new ones) worth approximately \$100 billion, most of which include municipalities as eligible entities for grant funds. Competitive grants include focus on highway and bridge projects (including downtown revitalization), resilience, carbon reduction, healthy streets (including bike and ped), active transportation, and safe streets.

Next Steps in Implementing the Transportation Provisions of the IJA

- **Appropriations required for Highway Trust Fund Programs**
 - Congress still needs to make appropriations for certain highway programs funded from the Highway Trust Fund (HTF) (does not impact General Fund programs). Until this occurs, the transportation funding levels included in the IJA cannot be fully allocated.
- **Guidance from Federal Agencies**
 - The U.S. Department of Transportation will need to issue guidance on new programs (i.e., Carbon Reduction Program, PROTECT Resilience and EV Charging Facilities) and particularly competitive grant programs.

Risks in Implementing the Transportation Provisions of the IJA

- **The need for full Congressional Appropriations**

- We are currently operating under a Continuing Resolution – which simply propels forward last year’s funding levels for HTF programs. As noted by the American Association of State Highway and Transportation Officials (AASHTO), States will not be able to fully benefit from increased transportation funding in the IJA unless this appropriation occurs.

- **Inflation concerns**

- The Consumer Price Index (CPI) is running at over 6%. Transportation is very sensitive to prices for labor and certain commodity such as lumber and steel. Sustained rates inflation at this level will take a toll on purchasing power and eat away at the increased funding levels included in the IJA.

Questions / Comments