

MEMORANDUM

TO: TPB Technical Committee

FROM: Kanti Srikanth, Deputy Executive Director, COG

SUBJECT: Summary of the Infrastructure Investment and Jobs Act (IIJA) Funding and Grant

Opportunities

DATE: July 1, 2022

The President signed <u>H.R. 3684</u>, the Infrastructure Investment and Jobs Act (IIJA) into law on November 15, 2021. The IIJA, also referred to as the Bipartisan Infrastructure Law (BIL) is a sweeping \$1.2 trillion infrastructure bill that reauthorizes the nation's surface transportation, drinking water, and wastewater legislations with significant additional funding for existing and new programs in transportation, energy transmission, resilience, broadband, and many other sectors. A general overview and summary of the Bill was provided to the TPB in November of 2021.

Within the transportation sector the U.S. Department of Transportation (USDOT) and its modal agencies including the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) have held various webinars and briefing sessions and published several guidance documents. This memo provides a high level summary of this vast legislation and multi-year federal funding program focusing on various existing/expanded and new discretionary grants for which TPB members and the TPB itself are eligible to apply.

The information in the memo is based on the work of various entities including TPB staff. The information in the memo relies on information available on the USDOT, FHWA and FTA websites, Fact Sheets and guidance documents published by the White House, publications of national organizations, including the American Association of State Highway and Transportation Officials (AASHTO), National Association of Regional Councils (NARC), National Association of Counties (NACo), Association of Metropolitan Planning Organizations (AMPO), the ENO Foundation and other sources. It is important to note that details of the IIJA continue to emerge and evolve. As such, the information below represents a "point in time" summary.

Of the many resources available, the following on-line resources, focusing on the transportation program, are most useful and informative: Whitehouse <u>BIL Highway provisions Factsheets</u>, <u>Whitehouse BIL Guidebook</u>, <u>USDOT BIL Homepage</u>, <u>FHWA BIL Homepage</u>, and <u>FTA BIL Homepage</u>.

OVERVIEW

The IIJA's total funding over five federal fiscal years (FFY 2022-2026) is about \$1.2 trillion and makes funding available to several federal agencies including the Departments of Transportation, Energy, Homeland Security, Commerce, Agriculture, Interior, Health and Human Services, and the Environmental Protection Agency. The IIJA provides funding, through a variety of mechanisms, normally allocated each year for these agencies with considerable increases to many existing programs and creates new programs within these agencies. About \$650B is the normal allocation

(baseline spending levels) and includes supplemental appropriations for many federal agencies, including Agriculture, Commerce, Energy, Homeland Security, Interior, Environmental Protection Agency, Health and Human Services, and Transportation. Another \$550B is new investments (above baseline spending levels) for all modes of transportation, water, power and energy, environmental remediation, public lands, broadband and resilience. For the transportation sector, the IIJA essentially reflects a four-year reauthorization of the Fixing America's Surface Transportation Act (FAST Act), which was to end in federal fiscal year 2022. The Federal Highway Administration's BIL Overview of Highway Provisions briefing provides a summary of the various changes of the IIJA, to the transportation and other programs and includes information on changes to existing programs as well as the new programs.

HOW IS THE IIJA FUNDED?

Funding for the total package of \$1.2 trillion is derived from existing sources, such as the Highway Trust Fund (HTF), and some new sources. Funding for the \$550B in new investments is derived from a variety of sources including: repurposed 2020 COVID-19 relief funds, delaying the Medicare Part D rebate, unused federal supplemental unemployment benefits to states, profits from a Wi-Fi spectrum auction, enacting cryptocurrency reporting requirements, sale of Strategic Petroleum Reserves, extended fees on government-sponsored enterprises (e.g., Fannie Mae), and dynamic scoring (estimating future impacts of proposed policy changes).

The transportation sector constitutes the largest element of the Bill with \$661.1B in total funds for all modes of transportation administered by USDOT. Of this USDOT funding, \$284B is new funding, with the rest, \$377.1B, being baseline funding with a 23.6 percent increase over FY 2022 levels. An analysis by NARC identifies the modal allocation of total funds as listed in the table below and groups the transportation-related funding in the IIJA into the following three types:

- Highway Trust Fund (HTF) These are funds taken from either the Highway Account or the Transit Account of the Highway Trust Fund. These funds are "real money" provided as Contract Authority over the five years of the Bill (FFY 2022 - FFY 2026) and are available to spend.
- Guaranteed Appropriations These are funds added by the bipartisan agreement and used
 to either increase funding for existing programs or create and fund new programs. Most of
 these funds will also be provided over five years and do not need any additional action in
 the future to be made available.
- General Fund These are funds that have been "authorized" to be spent but require future
 action by the Appropriations Committee to be made available. It is likely that most of these
 funds will be part of future budget appropriations (NARC notes there are programs that were
 authorized but have not had funds appropriated).

Of the total \$661.1B for all modes of transportation, \$383.4B is estimated to come from the HTF, \$184.3B through Guaranteed Appropriations and \$93.5B is anticipated funding subject to future appropriations.

INCREASED FEDERAL FUNDING FOR OUR REGION

The US DOT individual <u>state-level fact sheets</u> provide the following estimates of anticipated federal formula funds (from existing and new formula programs) for the District of Columbia, Maryland, and Virginia. It must be noted that these estimates are likely to change as the programs are finalized and when 2020 Census population data is used in apportionments.

Infrastructure Sector	Formula Funds (5 years)		Compete For National Grants (Total Amount):	
	D.C.	Maryland	Virginia	
Roads, Bridges and Major Projects	\$1.3B	\$4.7B	\$7.7B	MEGA Projects (\$15B) and Bridge Investment Program (\$15.7B)
Reduce Transportation Emissions	\$0.026B	\$0.094B	\$0.166B	
Increase System Resilience	\$0.029B	\$0.107B	\$0.189B	
Highway Safety and Commercial Motor Vehicle Safety	\$0.0242B	\$0.067B	\$0.986B	
Public Transportation	\$1.600B	\$1.8B	\$1.200B	
EV Charging Network	\$0.017B	\$0.063B	\$0.106B	EV Charging (\$2.5B)
Airports	-	\$0.158B	\$0.386B	

The IIJA also extends the Passenger Rail Investment and Improvement Act of 2008 (PRIIA) through 2030 which provides \$150M annually towards WMATA's Capital Program which is equally matched by the District of Columbia, Maryland, and Virginia.

EXPANDED EXISTING AND NEW FEDERAL COMPETITIVE GRANT PROGRAMS

Local and state governments, along with regional agencies including MPOs, can look forward to several competitive grants as part of the IIJA. Funding for many existing federal grant programs has been increased and several new grant programs established. The listing below summarizes the competitive grants from the FHWA, FTA and the office of the US Transportation Secretary as related to USDOT program areas. Following the federal grant process, these grant programs will each issue a notice of funding availability (NOFO) announcement with details on eligibility, application requirements, and deadlines. The USDOT IIJA Webpage lists a <u>schedule of grant notifications</u> that will be periodically updated. The latest schedule is listed below.

Expanded /Existing Grants (Funds over five years):

1. Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grants (\$15B, expanded) – RAISE grants support surface transportation projects of local and/or regional significance. Previously known as Better Utilizing Investments to Leverage Development (BUILD) and Transportation Investment Generating Economic Recovery (TIGER) grants.



- 2. Federal Transit Administration (FTA) Low and No Emission Bus Programs (\$5.6B, expanded) BIL expands this competitive program which provides funding to state and local governmental authorities for the purchase or lease of zero-emission and low-emission transit buses as well as acquisition, construction, and leasing of required supporting facilities.
- 3. FTA Buses + Bus Facilities Competitive Program (\$2.0B, expanded) This program provides competitive funding to states and direct recipients to replace, rehabilitate, and purchase buses and related equipment and to construct bus-related facilities including technological changes or innovations to modify low or no emission vehicles or facilities.
- 4. Capital Investment Grants (CIG) Program (\$23B, expanded) The BIL guarantees \$8 billion, and authorizes \$15 billion more in future appropriations, to invest in new high- capacity transit projects communities choose to build.
- 5. Infrastructure for Rebuilding America (INFRA) Grants (\$14B, expanded) INFRA grants will offer needed aid to freight infrastructure by providing funding to state and local governments for projects of regional or national significance. The BIL also raises the cap on multimodal projects to 30% of program funds.
- 6. **Port Infrastructure Development Program (\$2.25B, expanded)** BIL will increase investment in America's coastal ports and inland waterways, helping to improve the supply chain and enhancing the resilience of our shipping industry. BIL overall doubles the level of investment in port infrastructure and waterways, helping strengthen our supply chain and reduce pollution.
- 7. **5307 Ferry Program (\$150M, existing)** BIL retains the \$30 million per year passenger ferry program for ferries that serve urbanized areas.

New Grants:

- 1. Safe Streets for All (\$6B, new) This program will provide funding directly to local and tribal governments to support their efforts to advance "vision zero" plans and other improvements to reduce crashes and fatalities, especially for cyclists and pedestrians.
- 2. **Federal Aviation Administration (FAA) Terminal Program (\$5B, new)** This discretionary grant program will provide funding for airport terminal development and other landside projects.
- 3. **MEGA Projects (\$15B, new)** This new National Infrastructure Project Assistance grant program will support multi-modal, multi-jurisdictional projects of national or regional significance. For FFY 2022, the NOFO was combined for INFRA and MEGA grants, and issued as the Multimodal Program Discretionary Grant (MPDG) opportunity.
- 4. Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) Program (\$8.7B, new) PROTECT will provide \$7.3 billion in formula funding to states and \$1.4 billion in competitive grants to eligible entities to increase the resilience of our transportation system. This includes funding for evacuation routes, coastal resilience, making existing infrastructure more resilient, or efforts to move infrastructure to nearby locations not continuously impacted by extreme weather and natural disasters.
- 5. **Electric or Low Emitting Ferry Program (\$500M, new)** This competitive grant program will support the transition of passenger ferries to low or zero emission technologies.
- 6. **Rural Ferry Program (\$2B, new)** This competitive grant program will ensure that basic essential ferry service continues to be provided to rural areas by providing funds to States to support this service.



7. Federal Highway Administration (FHWA) competitive grants for nationally significant bridges and other bridges (\$15.77B, new) – This new competitive grant program will assist state, local, federal, and tribal entities in rehabilitating or replacing bridges, including culverts. Large projects and bundling of smaller bridge projects will be eligible for funding.

Month (2022)	Upcoming Notices Of Funding Opportunity for 2022 (NOFO – As of June 10, 2022)	Federal Agency / Office
June	Nationally Significant Federal Lands and Tribal Project Program	FHWA
June	Bridge Investment Program	FHWA
June	Railroad Crossing Elimination Program	Federal Railroad
		Administration (FRA)
June	Ferry Programs: Electric or Low Emitting Ferry Program; Ferry Service	FTA
	for Rural Communities Program; Passenger Ferry Grant Program	
June	Reconnecting Communities Pilot Program	Office of the
		Secretary
July	All Stations Accessibility Program	FTA
July	Rail Vehicle Replacement Program	FTA
Summer	National Culvert Removal, Replacement, and Restoration Grant	FHWA
	<u>Program</u>	
Summer	Thriving Communities	Office of the
		Secretary
August	Consolidated Rail Infrastructure & Safety Improvements Grant	FRA
	<u>Program</u>	
August	Strengthening Mobility and Revolutionizing Transportation (SMART)	Office of the
	Grant Program	Secretary
September	Fiscal year 2022 Federal-state Partnership (National)	FRA
October	Fiscal year 2022 Federal-state Partnership (Northeast Corridor)	FRA
November	Nationally Significant Federal Lands and Tribal Project Program	FHWA