



Date: June 8, 2022

To: City Public Works Directors/Engineers/Clerks
County Engineers
Metropolitan Planning Organizations
Regional Planning Affiliations

From: Stu Anderson, Director
Transportation Development Division

Charlie Purcell, Deputy Director
Transportation Development Division

Subject: Infrastructure Investment and Jobs Act (IIJA)

As you are aware, the Infrastructure Investment and Jobs Act (IIJA) bill was signed into law by President Biden on November 15, 2021. It also is referred to as the Bipartisan Infrastructure Law (BIL).

The following existing Federal Highway Administration programs are retained in the IIJA:

- National Highway Performance Program (NHPP)
- Surface Transportation Block Grant (STBG) Program
- Highway Safety Improvement Program (HSIP)
- Railway Highway Crossing Programs
- Congestion Mitigation and Air Quality (CMAQ) Program
- National Highway Freight Program

There is an additional formula-based Bridge Formula Program (BFP), which will bring over \$93 million per year to Iowa for rehabilitation or replacement of bridges on public roads.

Additionally, there are many other new programs in the IIJA bill; some are formula-based, some are discretionary grant programs, and some are a combination of the two. These include a Carbon Reduction Program, which provides funds for a wide array of projects to reduce carbon emissions; the Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) Program, which is targeted towards making transportation facilities more resilient, and the Bridge Investment Program, which is targeted towards very large bridge replacement projects. IIJA also included increased federal funding for aviation, rail, transit, and waterways.

Overall, the IIJA will increase federal highway formula funding to Iowa by about 30 percent over the five-year life of the authorization. It starts out in FFY 2022 at about a 25 percent increase over FFY 2021 levels and then grows each year to be about a 35 percent increase in FFY 2026 over FFY 2021. However, these increases are not consistent across each individual program.

The Iowa Department of Transportation (DOT) has been meeting with stakeholder groups, including representatives from Metropolitan Planning Organizations (MPOs), Regional Planning Affiliations (RPAs), American Public Works Association (APWA) Iowa Chapter, and the Iowa County Engineers Association (ICEA).

The Stakeholder Group mentioned above met on several occasions, and below is a summary of the feedback and recommendations received, as it relates to the proposed funding to the Local Public Agencies (LPAs):

Transportation Alternatives Program (TAP): Propose to allocate \$5,000,000 of federal Transportation Alternatives Program (TAP) funding available for any area of the state for a Statewide Iowa's Transportation Alternatives (TA) program with eligible projects including Iowa Byways and Safe Routes to School related projects. Propose all remaining TAP funding to be allocated by population to MPOs and RPAs to program on projects eligible under the Iowa's TA program.

Federal Recreational Trails Program: This program is a set-aside of TAP. It is proposed to provide approximately \$1,250,000 to LPAs annually which is the maximum amount allowed by IIJA.

National Highway Freight Program (NHFP): It is proposed to continue using up to ten percent (approximately \$1,500,000) per year of Iowa's NHFP apportionment on freight intermodal or freight rail projects through the administration of Linking Iowa's Freight Transportation System (LIFTS), a competitive grant application program. The purpose of the LIFTS program is to provide grants for projects that help meet the changing demands of Iowa's multimodal freight system. The program will provide funding for freight projects that have economic and public benefit by enhancing the shipment of freight but are typically ineligible for state or federal highway funding. Additional background on the LIFTS program can be found at the following link - <https://www.iowadot.gov/iowarail/pdfs/LIFTSguidelines.pdf>

Highway Safety Improvement Program (HSIP) for Locals: This program is proposed to be \$5,000,000, which is an increase over the \$2 Million per year that was previously utilized on county safety projects. The new HSIP-Local program will be expanded to include city projects and will be further defined at a later date.

Rail-Highway Crossings Program: This program is proposed to be funded at the IIJA authorized levels.

Congestion Mitigation and Air Quality (CMAQ): It is proposed for CMAQ to continue being used to fund \$3,000,000 per year for bus replacements and to continue funding \$4,000,000 per year for Iowa's Clean Air Attainment Program (ICAAP). However, if it is decided for flexibility reasons to instead use the new Carbon Reduction program for these projects then all of the CMAQ funding will be utilized by the Iowa DOT for eligible activities.

Carbon Reduction Program: This is a new IIJA program with approximately \$14.4 Million per year available for projects to reduce emissions such as traffic monitoring facilities/programs, public transit, trails, congestion management and use of advanced technologies. Sixty-five percent of this funding is required to be allocated by population. IIJA requires suballocation of a portion of Carbon Reduction funding by population areas. It is proposed the suballocated amounts for Iowa's MPOs be allocated to each MPO for their programming on eligible activities. The remainder of funding is proposed to be utilized by the Iowa DOT for eligible activities.

Surface Transportation Block Grant (STBG) Program:

- STBG is proposed to go to the Transportation Management Areas (TMAs), MPOs, and RPAs at a level of \$97.7 Million for FFY 2022, and will likely increase slightly over the life of the bill. This dollar value includes the 55% required to be utilized in areas based on population, and also

includes a portion of the “any area” STBG funding. This is an increase of over 18% from the FFY 2021 STBG amount to TMAs, MPOs, and RPAs.

- The STBG program also requires an off-system bridge set-aside of \$11.2 Million. A bridge is considered to be off-system if a bridge is located on a roadway classified as a local roadway or a rural minor collector. These are defined on the [Federal Functional Classification Maps](#).
- It is proposed to utilize STBG funding programmed for highway and bridge projects be used for construction only; funds would not be allowed to be utilized for Preliminary Engineering, Construction Engineering, Right-of-Way, Utility relocations, or any other non-construction expense.
- STBG funding may be spent on roadways with a Federal Functional Classification of Collector Streets or higher in urban areas, and Rural Major Collectors and higher on rural roads.
- The STBG program requires 2 percent of funding to be utilized for state planning and research/development/technology transfer activities relating to highway, public transportation and intermodal transportation systems. The Iowa DOT proposes to continue using this approximately \$11 Million of funding to support Regional Planning Affiliation transportation planning, development of the state long-range transportation plan, creation of the state transportation improvement program, performing highway traffic forecasts, inventorying rail/highway grade crossings, doing traffic volume counts on state/city/county roadways, completion of research and technology transfer projects, etc.

Bridge Formula Program (BFP): This is a new program in the IIJA/BIL. The overall portion of funding to the state of Iowa is \$93,410,180. The LPAs are proposed to receive an amount of \$67.4 Million. The STBG Program has a set-aside for off-system bridges of \$11.2 Million and that funding is proposed to be added to the LPA bridge funds, as well as a small amount of redistribution funding. The total bridge funding to LPAs is proposed to be \$80.8 Million for FFY 2022. The City Bridge Program is proposed to utilize \$19.3 Million of that funding. The County Bridge Program is proposed to utilize \$61.5 Million of that funding, with a small portion being allocated to the County Bridge Construction Fund. Off-system bridges are required to be funded at 100% per IIJA. This funding will contribute to the City Bridge Program and County Highway Bridge Program (HBP).

Highway Infrastructure Program (HIP): In the FY 2022 Federal Appropriations Bill, there was additional bridge funding appropriated. The total amount to the State of Iowa was \$37,914,363. The proposed split between DOT and LPAs is to utilize the total percentage of bridge deck area between the DOT and LPAs, which is 48.5% and 51.5% respectively. The total funding for DOT would be \$18.4 Million and LPAs would be \$19.5 Million. This funding will also contribute to the City Bridge Program and County HBP.

All bridge projects funded through the City Bridge Program and County HBP are proposed to be funded for at 100% for construction only. On-system bridges will be funded at 80% Federal-aid, and the 20% match will be funded through Swap funds. The 20% Swap funds are part of the County HBP or City Bridge allocation. Further guidance will be forthcoming in an updated version of Local Systems [I.M. 1.100](#), Highway Bridge Programs for Cities and Counties.

Federal-aid Swap program:

Because of the increase in federal funding from IIJA, the capacity for Iowa DOT to swap state funds for local federal funds is significantly reduced. Therefore, there was extensive discussion on which activities

should continue to be eligible for swap and which programs will have to be Federal-aid. Here is the summary of proposed categories:

Proposed Federal-aid program moving forward:

- County and City Bridge programs
- STBG funding through MPOs and TMAs
- STBG funding through RPAs for counties
- CMAQ, TAP, and Federal Recreational Trails
- Rail-Highway Crossing program

Proposed swap program moving forward:

- HSIP for Locals
- STBG funding through RPAs for cities

Next Steps

Based on the feedback and recommendations of the stakeholder group, the Iowa DOT will be developing and presenting formal recommendations to the Iowa Transportation Commission at their workshop on June 13, 2022. Comments on stakeholder group feedback and recommendations are welcome any time.

After the June Commission meeting, the formal recommendations to the Commission will also be shared for public input and comment before being presented to the Commission for action at their July 12 business meeting.

In addition, the Local Systems Bureau and Systems Planning Bureau plan to host an online Teams Meeting where this information will be presented. The meeting will be held on June 15, 2022, at 9:00 A.M. until 11:00 A.M.

Microsoft Teams meeting

Join on your computer or mobile app

[Click here to join the meeting](#)

Or call in (audio only)

[+1 515-817-6093](tel:+15158176093),726004155# United States, Iowa City

Phone Conference ID: 726 004 155#

If you have any comments or questions about the stakeholder feedback and recommendations, please contact Stu Anderson at stuart.anderson@iowadot.us or Charlie Purcell at charlie.purcell@iowadot.us.