

Infrastructure Investment and Jobs Act (IIJA) Implementation Recommendations

Transportation Commission Workshop
June 13, 2022



Implementation Steps

- ✓ Passage of Infrastructure Bill: Nov. 15, 2021
- ✓ Iowa DOT review and assessment
- ✓ Iowa DOT overview to Commission: October 11, 2021
- ✓ Initial stakeholder input
 - ✓ City/County/RPA/MPO Committee
 - ✓ Initial meeting: Feb. 2, 2022
 - ✓ Second meeting: March 16, 2022
 - ✓ Third meeting: May 13, 2022
 - ✓ All stakeholders
 - ✓ Initial communication: Nov. 30, 2021
 - ✓ Summary of committee discussions: June 8, 2022
- ❑ Summary of input/recommendations to Commission: June 13, 2022
- ❑ Stakeholder input on recommendations: After June 13, 2022
- ❑ Commission action: July 2022

Infrastructure Bill Overview

- Infrastructure Investment and Jobs Act (IIJA)
- Includes reauthorization of surface transportation programs for FFY 2022 to FFY 2026.
- Includes \$550 billion in new funding with half going to transportation
- Core programs remain, and several new programs created

Highway Formula Programs (millions)

| Program | 2021 (actual) | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---------------|-------------|-------------|-------------|-------------|-------------|
| National Highway Performance | 307.4 | 365.8 | 373.1 | 380.6 | 388.2 | 395.9 |
| Surface Transportation Block | 157.2 | 177.9 | 181.5 | 185.1 | 188.8 | 192.6 |
| Highway Safety Improvement | 28.1 | 35.8 | 36.6 | 37.5 | 38.3 | 39.2 |
| Rail-Highway Crossings | 5.7 | 5.7 | 5.7 | 5.7 | 5.7 | 5.7 |
| Congestion Mitigation/Air Qual. | 11.8 | 12.3 | 12.6 | 12.8 | 13.1 | 13.3 |
| National Highway Freight | 18.2 | 17.0 | 17.4 | 17.7 | 18.1 | 18.4 |
| Metro Planning | 2.1 | 2.6 | 2.7 | 2.7 | 2.8 | 2.8 |
| State Planning and Research | 10.6 | | | | | |
| <i>Highway Infra/Bridge (through appropriation, not authorized)</i> | <i>43.6</i> | <i>37.9</i> | | | | |
| Bridge Formula Program | | 93.4 | 93.4 | 93.4 | 93.4 | 93.4 |
| Carbon Reduction | | 15.9 | 16.2 | 16.5 | 16.8 | 17.2 |
| PROTECT | | 18.0 | 18.4 | 18.8 | 19.1 | 19.5 |
| Total | 584.7 | 782.4 | 757.5 | 770.8 | 784.4 | 798.2 |
| <i>National EV Charging</i> | | <i>10.3</i> | <i>10.3</i> | <i>10.3</i> | <i>10.3</i> | <i>10.3</i> |

Commission Implementation Decisions

- Distribution of Surface Transportation Block Grant Program funding
- Distribution of Bridge Formula Program funding
- Allocation of FFY 2022 Bridge Funding (unrelated to IIJA)
- Use of Highway Safety Improvement Program funding
- Use of National Highway Freight Program funding
- Distribution/Use of Transportation Alternatives program funding
- Use of Congestion Mitigation and Air Quality program funding
- Distribution/Use of Carbon Reduction funding
- Use of PROTECT funding
- Information Only – National Electric Vehicle Infrastructure

Commission Decision – Distribution of Surface Transportation Block Grant and Bridge Formula Funding

- STBG is an existing program - ~\$185 million per year
- Bridge is a new program - \$93.4 million per year
- These two programs are the primary source of city/county/MPO/RPA federal revenue
- Challenges:
 - Significant funding in a new program requires significant changes to allocation recommendations
 - Historically, DOT/local allocation of federal funds is 69 percent/31 percent.
 - Transportation Alternatives Funding (off-the-top of STBG) increased more than all other programs in IIJA – this resulted in a relatively larger increase in local – non-highway/bridge allocations thus causing an imbalance to local – highway/bridge allocations
 - Increase in federal funding results in significant reduction of swap

Commission Decision – Distribution of Surface Transportation Block Grant and Bridge Formula Funding

Input:

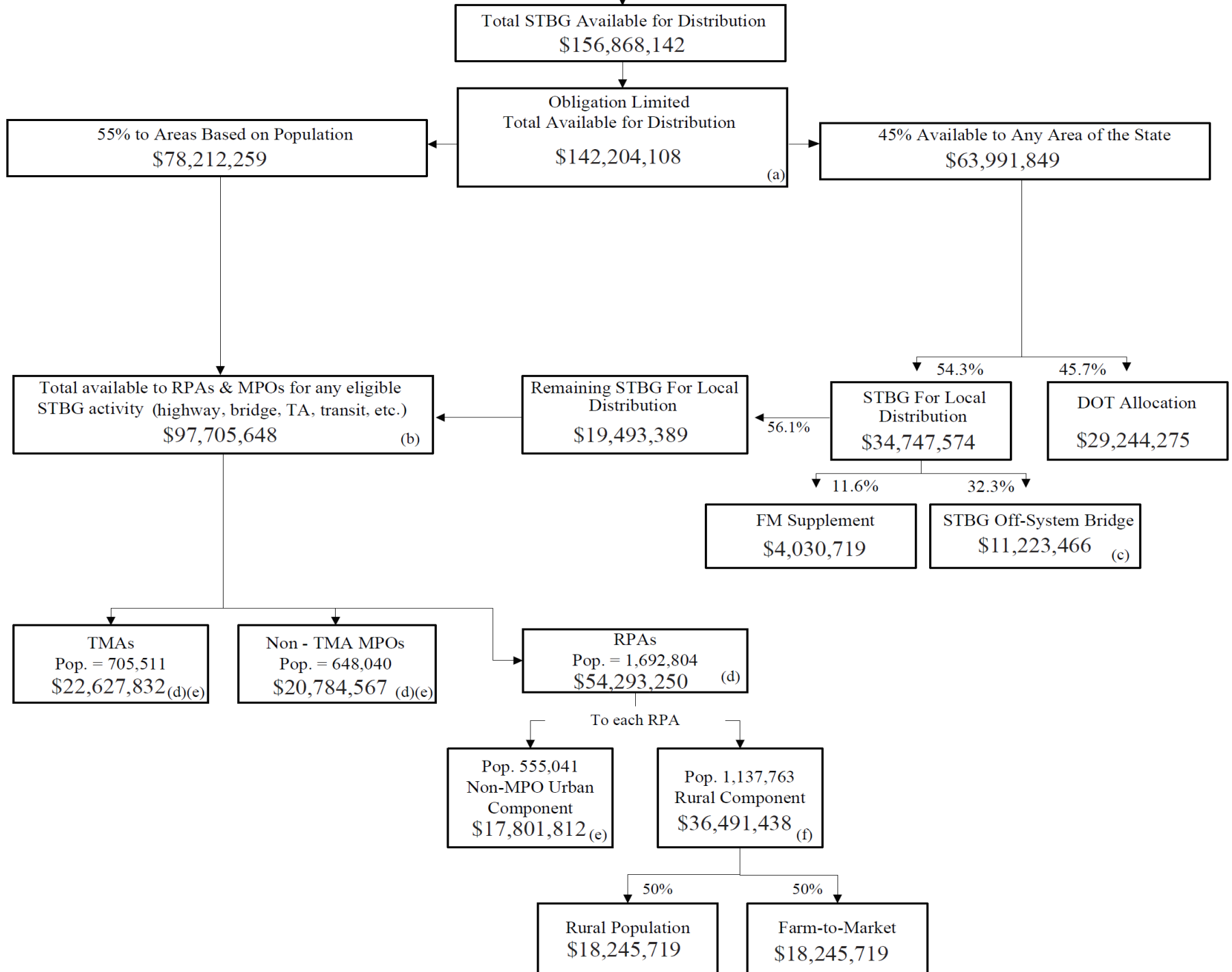
- Provide for consistent growth of highway/bridge funding for both DOT and local
- Allocate a portion of STBG funds that can continue to be swapped to provide matching fund support for county highway projects.
- Allocate a portion of STBG funds for city/county “off-system” bridges (required by IIJA) and funding that can be swapped to provide match.
- Allow HSIP-Local and STBG allocations to cities under 50,000 population to continue to be swapped

Commission Decision – Distribution of Surface Transportation Block Grant and Bridge Formula Funding

Recommendation for STBG Allocation

- 55 percent to RPAs/MPOs
- 45 percent to other allocations
 - 54.3 percent for local distribution*
 - 11.6 percent for Farm-to-Market supplement
 - 32.3 percent for off-system local bridges
 - 56.1 percent to RPAs/MPOs
 - 45.7 percent to DOT (includes funding to support local project development initiatives)*
- MPOs allocation from RPA/MPO category is based on their share of total state population. Remaining is allocated to RPAs based on:
 - 50 percent share of rural population
 - 50 percent: share of Farm-to-Market factors
- When programmed for highway/bridge projects, can only be utilized for construction activities.

* Percentages recalculated annually to provide equal growth in funding to DOT and local governments



Commission Decision – Distribution of Surface Transportation Block Grant and Bridge Formula Funding

Recommendation for Bridge Formula Funding Allocation

- \$25,986,436 to Iowa DOT
- \$67,423,744 to cities/counties

Commission Decision – Distribution of Surface Transportation Block Grant and Bridge Formula Funding

Recommendation for Swap eligibility

- Allocate a portion of STBG funds that can continue to be swapped to provide matching fund support for county highway projects.
- Allocate a portion of STBG funds for city/county “off-system” bridges (required by IIJA) and funding that can be swapped to provide match for city/county bridge programs.
- Allow HSIP-Local and STBG allocations to cities under 50,000 population to continue to be swapped
- Utilize for construction activities only

Appropriations Bill – Additional Bridge Funding

- FFY 2020: \$42.8 million
 - Allocated 50 percent Iowa DOT and 50 percent local jurisdiction
- FFY 2021: \$35.6 million
 - Allocated 47.8 percent Iowa DOT and 52.2 percent local (based on share of bridge deck area)
 - Iowa DOT: \$17.1 million
 - Local jurisdictions: \$18.5 million
- FFY 2022: \$37.9 million
 - Recommend allocating 48.5 percent Iowa DOT and 51.5 percent local (based on share of bridge deck area)
 - Iowa DOT: \$18.4 million
 - Local jurisdictions: \$19.5 million

Commission Decision - Use of Highway Safety Improvement Program Funding

- Funding level – approximately \$37 million per year
- Current policy: Allocate \$2 million per year for HSIP – Secondary Program

Input: Increase allocation to \$5 million per year and broaden program to include city projects

Recommendation:

- Allocate \$5 million per year for HSIP – Local
- Remaining funds used in Iowa DOT Highway Program

Commission Decision - Use of National Highway Freight Program Funding

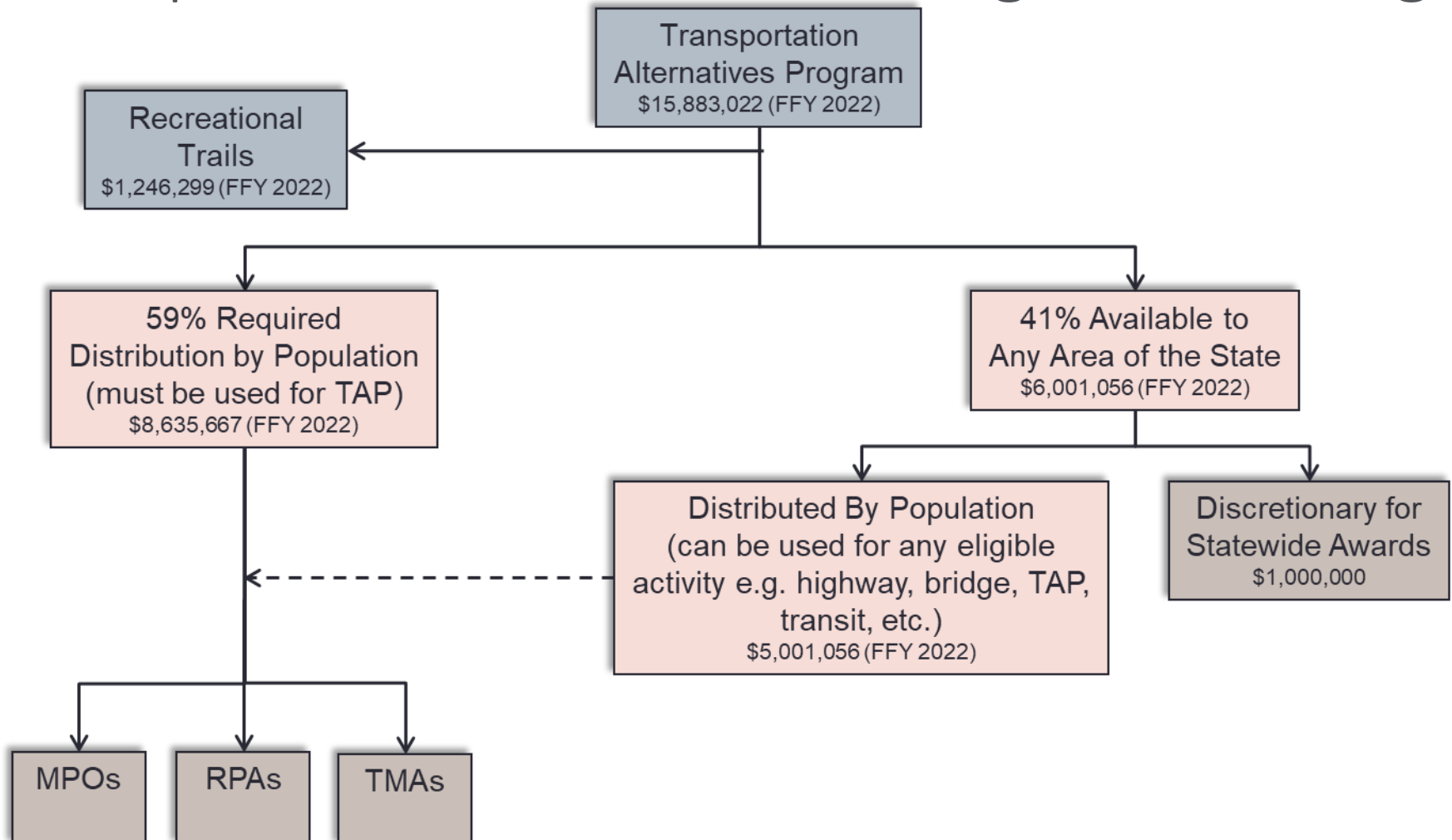
- Funding level – approximately \$17 million per year
- Current policy: Allocate 10 percent for freight intermodal or freight rail projects (LIFTS Program)

Input: Support continuing to set aside 10 percent (IIJA allows up to 30 percent)

Recommendation:

- Allocate 10 percent of annual apportionment for freight intermodal or freight rail projects.
- Commission award through an annual application - LIFTS Program
- Remaining funds used in Iowa DOT Highway Program

Commission Decision - Distribution/Use of Transportation Alternatives Program Funding



Commission Decision - Distribution/Use of Transportation Alternatives Program Funding

- Retain status quo TAP funding process?
 - Maintain \$1,000,000 for statewide awards by Commission
 - Maintain remainder of funding for TMAs, MPOs and RPAs
- Continue and/or modify the matching fund incentive for Byway Projects and Safe Routes to School Projects?
- Continue the Federal Recreational Trails program set-aside?
- Establish a minimum project size?
- Limit use of funding for just construction?

Commission Decision - Distribution/Use of Transportation Alternatives Program Funding

Input:

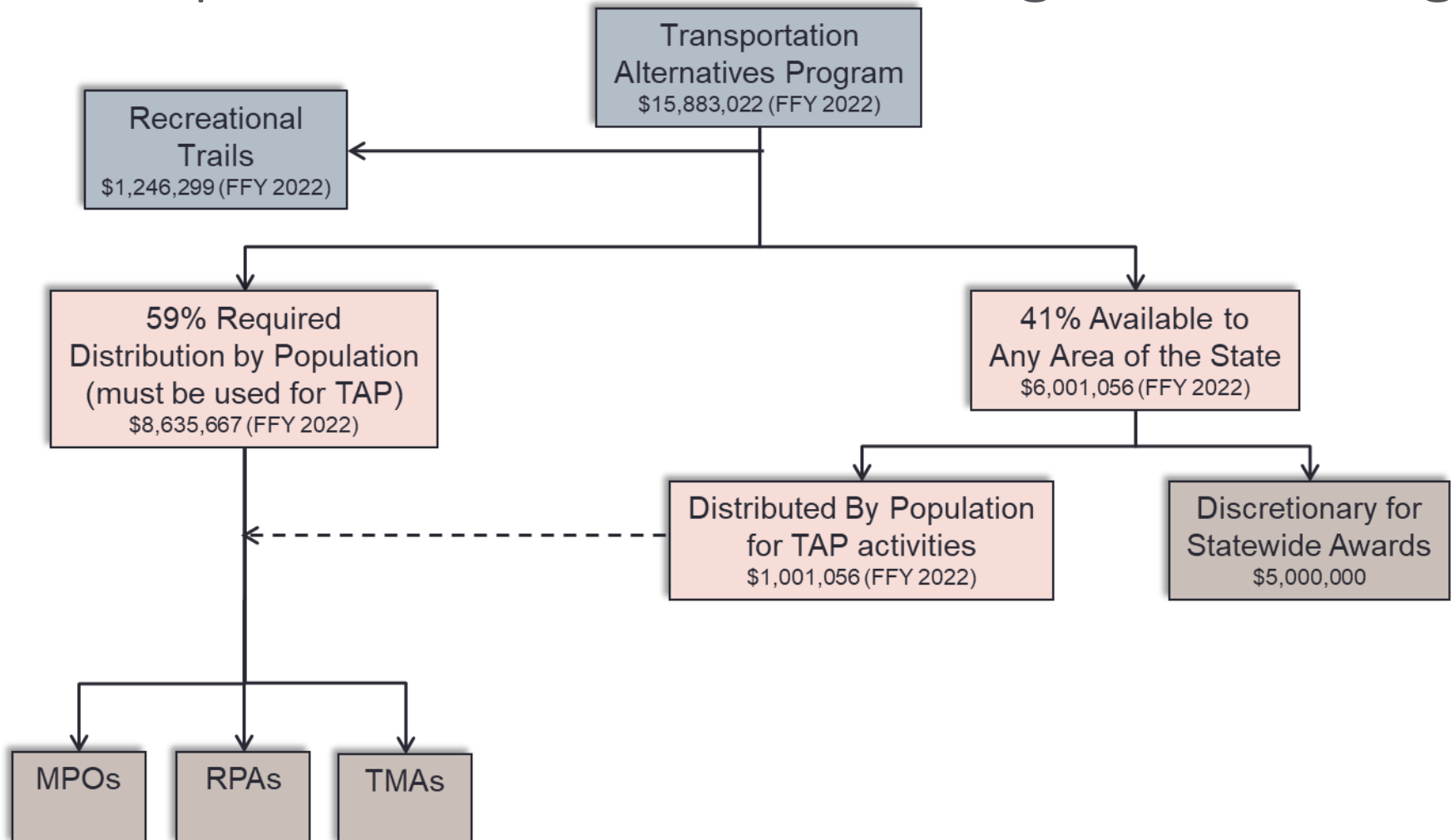
- With increase in TAP funding, increase statewide set-aside to help fund larger trail projects
- Continue the Federal Recreational Trails program set-aside
- Do not establish a minimum project size so that important regional and metropolitan projects can be funded.
- Do not limit use of funding for just construction as often these types of projects need design and engineering support that can be difficult to otherwise fund

Commission Decision - Distribution/Use of Transportation Alternatives Program Funding

Recommendation:

- Increase the statewide TAP funding from \$1,000,000 to \$5,000,000 for statewide awards by Transportation Commission for larger trail projects.
- Allow Safe Routes to School and Byway projects to apply for statewide funding instead of providing 30% incentive for MPO/RPA projects funded at 50%.
- Provide remainder of funding for MPOs and RPAs – this will provide approximately \$1,000,000 more for their targets.
- TAP flex eliminated due to IJA restrictions
- No minimum MPO/RPA project threshold.
- Continue allowing use of TAP funding for PE/CE/ROW.

Commission Decision - Distribution/Use of Transportation Alternatives Program Funding



Commission Decision - Use of Congestion Mitigation and Air Quality (CMAQ) Funding

- Funding level – approximately \$12 million per year
- Current policy:
 - Allocate \$4 million per year for Iowa's Clean Air Attainment Program (ICAAP)
 - Allocate \$3 million per year for bus replacement

Input: Continue with current allocations

Recommendation:

- Allocate \$4 million per year for Iowa's Clean Air Attainment Program (ICAAP)*
- Allocate \$3 million per year for bus replacement*
- Remaining funds used in Iowa DOT Highway Program

* Allocations may come from CMAQ or Carbon Reduction program funding

Commission Decision – Distribution/Use of Carbon Reduction Funding

- New core program – about \$16 m per year
- Allocation
 - 65 percent suballocated by population
 - Over 200,000 population: \$2.2 million
 - 50,000 to 200,000 population: \$2.1 million
 - 5,000 to 50,000 population: \$1.9 million
 - < 5,000 population: \$4.1 million
 - 35 percent to any area: \$5.6 million
- Projects to reduce emissions
 - Traffic monitoring facilities/programs
 - Public transit
 - Trails
 - Congestion management
 - Advanced technologies
- Each state required to develop carbon reduction strategy, in consultation with MPOs by Nov. 2023

Commission Decision – Distribution/Use of Carbon Reduction Funding

Input:

- Allocate to MPOs based on suballocation requirements
- Allocate to RPAs based on suballocation levels

Recommendation:

- Allocate the IIJA suballocations to Iowa's nine MPOs based on their share of population
- Do not allocate to RPAs due to the small amount of funding per RPA and administrative challenges
- Allow these funds to be used instead of CMAQ funds for all or part of the \$3 million allocation for bus replacement and/or the \$4 million allocation for ICAAP
- Remaining funds used in Iowa DOT Highway Program

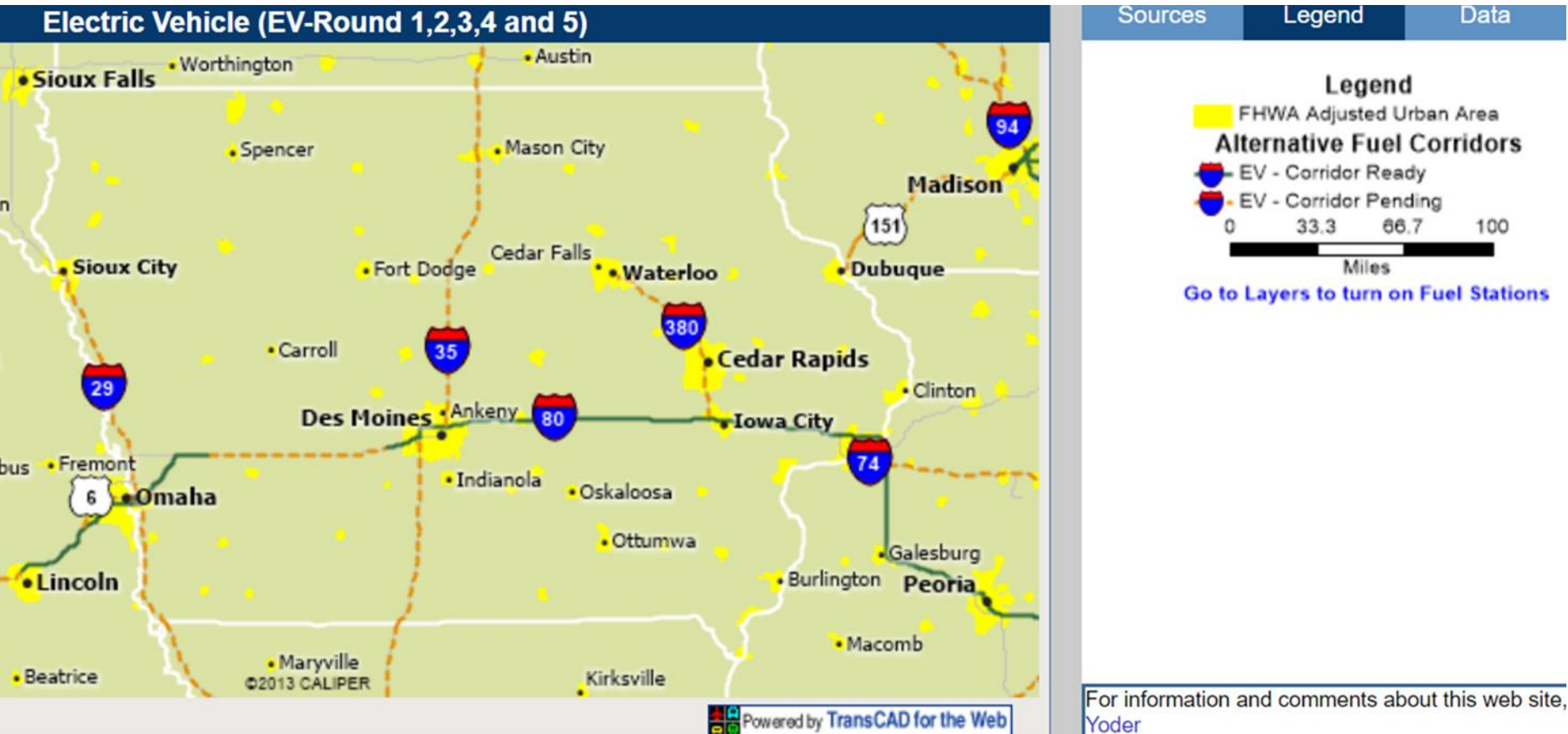
Commission Decision – Distribution/Use of PROTECT Funding

- “Promoting Resilient Operations for Transformative, Efficient, and Cost saving Transportation”
- New core program – about \$18 m per year
- Projects to improve resiliency of transportation infrastructure
 - Resilience improvement grants
 - Community resiliency
 - Evacuation routes
- Lower match if state develops resiliency improvement plan and/or incorporates within state transportation plan
- **Input:** Given the lack of program guidance and the preference for more flexible STBG funding, allocate these funds to Iowa DOT
- **Recommendation:** Use funds in Iowa DOT Highway Program

National Electric Vehicle Infrastructure

- New US DOT program from the Infrastructure Bill
- Iowa allocated \$51 million over FFY 2022-2026 – approximately \$10.3 m per year
- FFY 2022 allocation: \$7.6 m (after off-the-tops)
- Infrastructure within one mile of Alternative Fuel Corridor Routes
- Opportunity to add routes (apps were due May 13) – Iowa did not seek additional routes to maximize flexibility

National Electric Vehicle Infrastructure



National Electric Vehicle Infrastructure

- State Deployment Plan
 - Due August 1, 2022
 - Approved by September 30, 2022
 - Approval required to access funds
- Iowa DOT and Iowa Economic Development Authority are coordinating and developing plan.

Questions?