

Implementation of the Infrastructure Investment & Jobs Act Key Transportation Provisions

PRESENTATION BEFORE THE HOUSE COMMITTEE ON TRANSPORTATION

February 9, 2022

Michele Boomhower - Director of Policy, Planning & Intermodal Development

Costa Pappis – Policy & Planning Manager



What's in the Highways Component of the IJA?

- 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.
- The FHWA funded programming will continue to be implemented using the statutorily prescribed asset management process of prioritization, with the exception of the Bridge Formula Program as proposed in the Transportation Bill, and the new programs: Carbon Reduction Program, PROTECT Program and the EV Charging Program for which guidance is still pending.

What's in the Highways Component of the IIJA?

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 in the Highways Component of 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's in the Public Transit & Rail Component of the IJA?

\$22.5 million increase in Public Transit funding to Vermont over five years as compared to Federal Fiscal Year 21 levels

- Represents a sustained 35% annual average increase over FFY21 baseline.
- New eligibility for micro mobility, which will allow Vermont to undertake more on-demand microtransit initiatives to ensure rural residents have access to public transit services for access to jobs, health care and other types of trips.
- Sets Bus & Bus Facilities and Lo-No Emissions Bus competitive grant funding at \$7.5 billion – nearly three times historic funding levels.
- Sets freight and intercity passenger rail competitive grants programs at \$41 billion, which will allow Vermont to compete for funding to improve its freight railroads and intercity passenger rail services.

Public Transit Priorities (From Various Plans & Studies)

- **Existing Transit Services** - Continuation of services with a 20% increase in hourly costs (driver wages, higher gas prices).
- **Microtransit** - Expanded microtransit service across the state (maybe up to 12 communities over the next 5 years).
- **Demand Response Service** - Expanded demand response program to provide basic and essential services for the elderly, persons with a disability, in recovery, or seeking job access.
- **Transit Service Integration** - “Basic Mobility for All” pilot in Central Vermont.
- **Electric Buses** - E-buses as part of the replacement plan (capital).
- **Facilities** – New Central Vermont Transit Facility

Rail Priorities from the Vermont State Rail Plan

- **Connecticut River Division Bridge Rehabilitation and 286,000lbs Upgrades (\$45M)**
 - Rehabilitation of rail bridges between Newport and White River Junction to ensure 286,000lbs connectivity with connecting railroads.
- **Western Corridor Rail Replacement (\$42M)**
 - Replace old underweight rail with modern rail capable of supporting 286,000lbs carloads between Rutland and Hoosick, NY.
- **Green Mountain RR Bridge Rehabilitation and 286,000lbs Upgrades (\$20M)**
 - Rehabilitation of rail bridges between Bellows Falls and Rutland to ensure 286,000lbs connectivity with connecting railroads.
- **Amtrak Station Upgrades (\$10M)**
 - Various improvements to modernize the state's Amtrak stations.
- ***Available Competitive Grant Funding Sources: CRISI Rail (\$5B), INFRA Freight (\$5B)***

Aviation Priorities from Aviation Master Plans

- **Edward Knapp Airport (Berlin)** – Easement Acquisition, Obstruction Removal, Runway Reconstruction, Hangar Development Areas, Apron Rehabilitation.
- **William Morse Airport (Bennington)** – Easement Acquisition, Obstruction Removal, Construct Partial Parallel Taxiway, Fuel Farm, Apron Rehabilitation.
- **Caledonia State Airport (Lyndonville)** – Easement Acquisition, Obstruction Removal, Reconstruct Runway 2/20, Reconstruct Parallel Taxiway, Expand Apron, Construct Snow Removal Equipment Building.
- **Franklin County Airport (Swanton)** – Easement Acquisition, Obstruction Removal, Reconstruct, Widen and Extend Runway 11/19, Extend Taxiway, Apron Rehabilitation.

Aviation Priorities from Aviation Master Plans

- **Middlebury Airport** – Obstruction Removal, Terminal Building, Fuel Farm, Apron Rehabilitation.
- **Morrisville-Stowe Airport** – Land Acquisition for Development, Parallel Taxiway, Apron Rehabilitation.
- **Northeast Kingdom International Airport (Coventry)** – Taxiway Reconfiguration, Snow Removal Equipment, Hangar Development Areas.
- **Rutland-Southern Vermont Airport (Clarendon)** – Runway 1/19 Rehabilitation, Terminal Apron Rehabilitation, Aircraft Rescue and Fire Fighting Truck and Building Upgrades
- **Hartness Airport (Springfield)** – Runway Rehabilitation, Easement Acquisition, Obstruction Removal.

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	

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

Important New Policy Changes Included in the IJA

- **FHWA Emergency Repair Program** - Extends the deadline for projects to be 100% federal-share from 180 to 270 days and allows for both permanent and temporary repairs to be 100% federal during the first 270 days.
- **STPBG Off-System Bridge Set-Aside** - Increases off-system bridge set-aside from 15% to 20%.
- **Highway Safety Improvement Program** - Restores flexibility to fund certain non-infrastructure activities and behavioral safety projects, such as educational campaigns (10% cap).
- **CMAQ Transit**- Eliminates the three-year phase-out requirement for public transit routes.
- **Toll Credit Pilot** - Establishes a toll credit exchange on a pilot basis to evaluate the feasibility of and demand for a toll credit marketplace through which States could sell, transfer, or purchase toll credits (10 States maximum).
- **Amtrak Passenger Rail Car Requirement** - Requires that Amtrak use part of its appropriation to pay for the cost of replacing passenger rail cars along State-supported intercity passenger rail services (\$114 million in averted costs for Vermont)

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 IIJA

- **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 IIJA 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 IIJA

- **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 IIJA 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 IIJA.

Questions / Comments?