



Association of
Metropolitan
Planning
Organizations

Charlottesville- Albemarle MPO Technical Committee Meeting

July 26, 2022

IIJA Recap

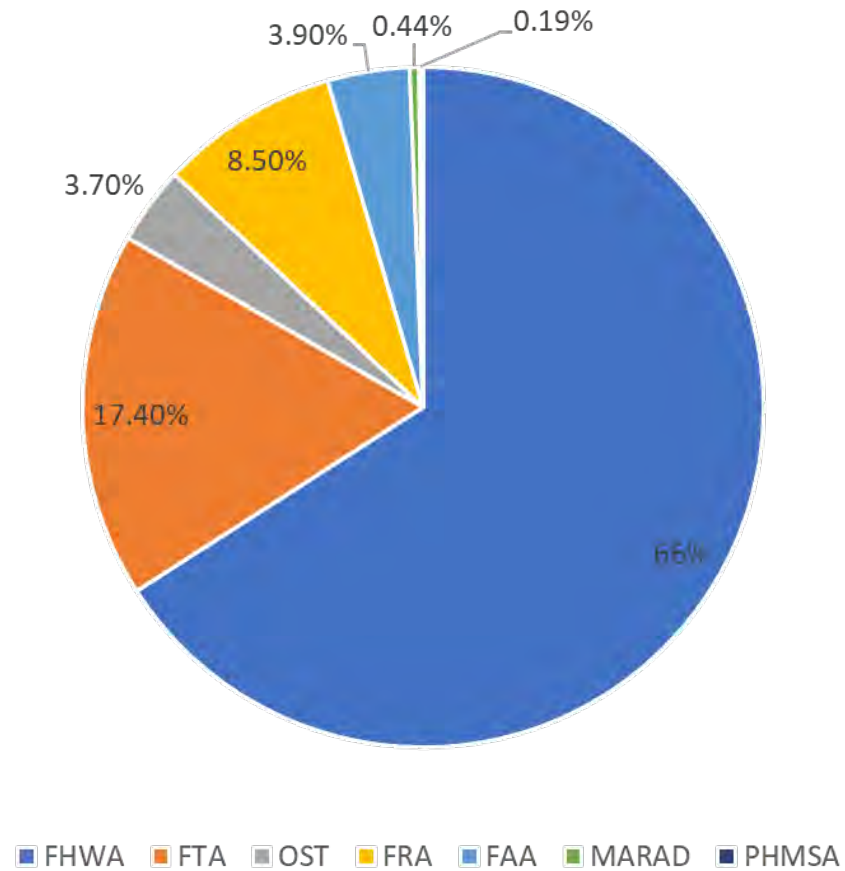
- Largest Federal investment in surface transportation infrastructure in history - **\$567 billion**
- Reauthorizes and establishes new grant programs – Over **\$100 billion** over five years – increased opportunities for MPOs and local government
- Creates **new formula** programs to address the impacts of climate change and reduce carbon emissions from transportation
- Invests heavily in **electrification**
- **Incentivizes planning** – Example: higher federal match for projects under PROTECT formula

IJA Funding by Modal Administration Includes \$567.1 B (All USDOT Modes) Over FY 22-26

Program	Contract Authority (CA) (\$ B, FY 22-26)	Advance appropriations (\$ B, FY 22-26)
Federal Aviation Administration	---	\$25.0
Federal Highway Administration	\$303.5	\$47.3
Federal Motor Carrier Safety Administration	\$4.5	\$0.7
Federal Railroad Administration / Amtrak	---	\$66.0
Federal Transit Administration	\$69.9	\$21.3
Maritime Administration	---	\$2.3
National Highway Traffic Safety Administration	\$5.1	\$1.6
Office of the Secretary	---	\$19.0
Pipeline & Hazardous Materials Safety Admin.	---	\$1.0
Total	\$383.0	\$184.1

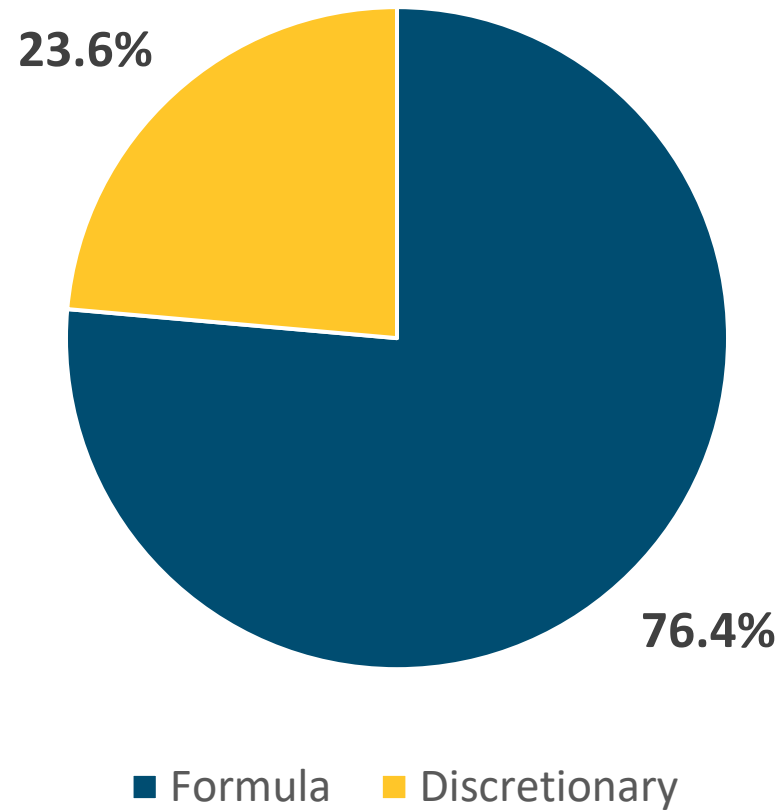
Note: Table does not include amounts that BIL authorizes subject to [future] appropriations

Distribution by Mode



IIJA Formula v. Discretionary

[Does not include NHTSA or FMCSA]



Administration Priorities

The USDOT
Secretary's
Priorities
to Improve our
Transportation
System



Administration Priorities

- ✓ **Safety** – USDOT focused on investments that address safety concerns;
- ✓ **Invest efficiently** – USDOT focused on avoiding waste, fraud and abuse;
- ✓ **Transformational Investments** – USDOT focused on funding projects aligned with bold visions and plans;
- ✓ **Invest equitably** – USDOT focused and committed to Justice 40 Initiative and ensuring that 40% of benefits from Federal investments go to disadvantaged communities;
- ✓ **Address Climate Change** – USDOT focused on investing in infrastructure that can combat and withstand climate change and its effects; and
- ✓ **Collaboration** – USDOT focused on ensuring that projects have adequate stakeholder engagement and the broad support that comes with collaboration at all levels (Federal, State, Tribal and Local governments).

IIJA Provisions and Programs

Required	Permissive	Programs
<ul style="list-style-type: none">• Representation• Coordination• Planning Factor• Participation• Complete Streets	<ul style="list-style-type: none">• Housing Process/Plan• PROTECT – Resiliency Plan• Social Media	<ul style="list-style-type: none">• Carbon Reduction (formula; suballocated)• PROTECT (formula; discretionary)• EV Charging (formula; discretionary)• Bridge Program (formula; discretionary)

Required Regulatory Change (Section 11202 IIJA)

The IIJA **requires** the Secretary to update regulations to ensure that the outer years of the plan are defined as “beyond the first 4 years.” This would retain fiscal constraint on the first four years but provide more fiscal flexibility beyond those years.

(450.324(f)(11)(v) 23 CFR)

AMPO expects a broad planning rule to be noticed in the Federal Register, likely early 2023.

IIJA – 23 USC Sec. 134 MPO Planning Requirements (Section 11201 IIJA)

Representation – When designating representatives on MPOs for the first time, consider the equitable and proportional representation of the population of the metropolitan planning area.

Coordination - MPOs designated in the same urbanized area shall to the maximum extent practicable ensure the consistency of any data used in the planning process.

The IIJA changes an existing requirement such that more than one MPO may be designated within an ***existing urbanized area*** (as opposed to within a metropolitan planning area under the FAST Act) only if the Governor and the existing MPO determine that the size and complexity of the area make such a designation for the area appropriate.

Planning Factor – MPOs will provide for consideration of projects and strategies that will promote consistency between transportation improvements and State and local planned growth, housing, and economic development patterns.

Participation by Interested Parties - representatives of affordable housing organizations are added to the list of organizations that shall be provided a reasonable opportunity to comment on the transportation plan and TIP.

Funding Requirement under Complete Streets (Section 11206 IIJA) – Increasing Safe & Accessible Transportation

- **Complete Streets Funding Requirement** – not less than 2.5% of PL funds to increase safe and accessible options for multiple travel modes for people of all ages and abilities. May include CS standards or policies, CS prioritization plan identifying projects, and other planning features.
- MPOs **may** opt out with approval from the Secretary, **if** the MPO demonstrates to the Secretary, by not later than 30 days before the Secretary apportion funds, that it has CS standards and policies in place and has developed an up-to-date CS prioritization plan as described in the IIJA.

STBGP CONSULTATION

IIJA includes a provision requiring States to consult with non-TMA MPOs in the allocation of STBGP funds over the five years

Sec. 11109 a(3)(B) - *LOCAL CONSULTATION.*—

“(A) CONSULTATION WITH METROPOLITAN PLANNING ORGANIZATIONS.—For purposes of clause (ii) of paragraph (1)(A), a State shall—

“(i) establish a process to consult with all metropolitan planning organizations in the State that represent an urbanized area described in that clause; and

“(ii) describe how funds allocated for areas described in that clause will be allocated equitably among the applicable urbanized areas during the period of fiscal years 2022 through 2026.

Additional Provisions

- Develop a **housing coordination process/plan** that provides for effective integration of new and existing transportation facilities that are eligible for funding. (TMA only)
- Use **social media and other web-based tools** to further encourage public participation and to solicit public feedback.
- Develop a **Resiliency Improvement Plan** under PROTECT (Sec. 11405 IIJA).
 - Reduced non-Federal share of project costs:
 - -7% if the RIP is developed and a priority project is on the plan
 - -3% if the RIP is incorporated into the plan

NEW Formula - CRP

Carbon Reduction Program (CRP)

- Average annual apportionment - \$1.28b
- 65% of a State CRP is suballocated by same population bands as STBGP
- Requires each State, over the period of FY22-26, to make available to each urbanized area with a population of at least 50,000 obligation authority. States are required to divide the funding to urbanized areas with a population of at least 50,000 based on the relative population of the areas
- Requires each State, in consultation with any MPO to develop a carbon reduction strategy not later than 2 years after enactment and update that strategy at least every four years

NEW Formula - PROTECT

Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) Program

- Average annual apportionment \$1.460b
- Funding for resiliency improvement projects to better anticipate, prepare for, and adapt to changing weather events and natural disasters for the expected life of a project
- Funds planning and construction grants
- Funds highways, transit, ports

NEW Formula - Bridge

Bridge Formula Program

- \$5.5b annually in advanced appropriation (not subject to the ob lim)
- Replace, rehabilitate, preserve, protect, and construct highway bridges
- Formula based on the relative costs of replacing a State's bridges classified as in poor condition and rehabilitating a State's bridges classified as in fair condition
- 15% of each State's BFP apportionment for use on "off-system" bridges (highway bridges located on public roads, other than bridges located on Federal-aid highways (100% federal share))

NEW Formula - NEVI

National Electric Vehicle Infrastructure Formula Program (NEVI)

- \$1b annually in advanced appropriation (not subject to the ob lim)
- Funding to States to deploy electric vehicle (EV) charging infrastructure and to establish an interconnected network to facilitate data collection, access, and reliability
- NEVI Formula funds will not be made available to a State for obligation until the State has submitted its plan to the Joint Office of Energy and Transportation, and FHWA has approved, the State's Electric Vehicle Infrastructure Deployment Plan (due Aug 1, 2022)

Collaborate to be Competitive

MPO Eligible Grant Programs	Combined Applications	Coordination at ALL levels
<ul style="list-style-type: none">• 17 programs• Over \$100B in discretionary programs• Schedule of NOFOs on USDOT website	<ul style="list-style-type: none">• Multimodal Projects Discretionary Grant (MPDG)	<ul style="list-style-type: none">• Emphasis on joint applications in coordination with local partners

Competitive Grants

MPO Eligibility & NOFOs

- Nation Infrastructure Project Assistance (MEGA) – **Due May 23**
- INFRA – **Due May 23**
- RAISE – **Due April 14**
- SMART – **NOFO September**
- Safe Streets & Roads for All – **Due September 15 - House Appropriations included an additional \$100M**
- Bridge Investment – **NOFO May**
 - \$20M Planning Project Application Due: July 25, 2022**
 - \$2.36B for bridges**
 - Large Bridge Project Application Due: August 9, 2022 - Projects greater than \$100M**
 - Large Bridge Projects that receive an award of not less than \$100 million are eligible for multiyear grants**
 - Bridge Project Application Due: September 8, 2022 - Projects less than \$100M**
- Congestion Relief (MPOs over 1M) **TBD**

Competitive Grants

MPO Eligibility & NOFOs

- Charging & Refueling – **TBD**
- PROTECT – **TBD**
- Healthy Streets – **Not funded in FY22, AMPO requested funding in FY23 – House Appropriations included \$55M for FY23**
- Wildlife Crossing – **TBD**
- Project Prioritization Process – **TBD**
- Reconnecting Communities – **Due Oct 13**
- Active Transportation Infrastructure Investment – **Not funded in FY22, AMPO requested funding in FY23 – House Appropriations included \$55M for FY23**
- RR Crossing Elimination - **Due Oct 4**

Competitive Grants

Evaluation Criteria & Requirements

Evaluation Criteria/Benefits (not all grants will require the same/not all are listed)

- Climate/Environment/Carbon Reduction
- Equity
- Access to Union jobs
- Safety
- Resiliency
- Environmental Sustainability
- Quality of Life
- Mobility (people/freight) and Community Connectivity/Congestion Reduction/Reliability of the transportation system
- Economic Competitiveness
- State of Good Repair
- Partnership/Collaboration/Private Investment
- Innovation/Technology
- Contribution towards national goals
- Project requires Federal funding to complete
- Benefits to non-vehicular users

Competitive Grants Evaluation Criteria & Requirements

What to know before applying...

Not all grants will have the exact same evaluation criteria or requirements (important to read the entire NOFO)

Project Readiness, Likelihood of success:

- **Environmental** – NEPA (approvals and timing of approvals)
- **Financial Completeness** – availability of match/complete funding package/stability of the funding
- **Technical Assessment** – Capacity to successfully deliver the project in compliance with all federal requirements, obligate funds on time
- **Cost Effective (BCA)** – most programs that require this want greater than 1 (if required)
- Compliance with **Buy America**
- Compliance with **Davis Bacon** (prevailing wage)
- Is the project based on the results of **preliminary engineering**

Competitive Grants Evaluation Criteria & Requirements

What to consider before applying...

- Can you reasonably write a grant application for a project that meets every requirement and addresses every criteria and that receives a highly recommended (or recommended) score?
- Do you have the personnel?
- Do you have to use consultants?
- Should you partner with a State or other entity if permitted?
- Can you administer the grant?

Factors Impacting Implementation

- USDOT slowly rolling out guidance and grants – **lots of work and not enough people**
- **Inflation** effect on the full potential of the IIJA Funding increases
 - Construction costs increases on material and labor
 - Timing of grants – Project costs post application/award may be higher than when application is submitted
- **Labor shortage**
- **Trucking shortages**
- **Gas tax holiday** in some states
- **Supply chain** disruptions and the impact to costs and project delivery
- IIJA **Buy America** changes escalating costs

National Performance Management Measures: Assessing Performance of the National Highway System, Greenhouse Gas Emissions Measure

- FHWA is proposing a new regulation to establish a national performance management measure **requiring State DOTs and MPOs to establish declining CO2 targets and establish a method for the measurement and reporting of GHG emissions from transportation.**
- The proposed rule would not mandate the level of the targets. State DOTs and MPOs would have flexibility to set targets that are appropriate for their communities and that work for their respective climate change and other policy priorities, **as long as the targets would reduce emissions over time.**
- Comments must be received on or before October 13, 2022.
 - **AMPO will be submitting comments.**
 - AMPO members are encouraged to send their own comments.

Thriving Communities Initiative

- USDOT will provide technical assistance and capacity building resources to improve and foster thriving communities through transportation improvements.
- As a partner in the program HUD will provide complementary technical assistance as part of the program to improve the coordination of housing and transportation planning.
- In FY22 Congress provided \$25 million to launch the program and an additional \$5 million for HUD.
- The President's FY2023 budget requested an additional \$110M.
 - The FY23 HOUSE appropriation bill included \$100M.
- USDOT and HUD plan to separately issue their notices of funding opportunities in the Fall.
- DOT will collaborate with those selected to provide technical assistance, planning and capacity building to develop the process for delivering technical assistance and capacity building in communities seeking support through the program.

Federal Update – FY23 Appropriations

House Appropriations Committee approved all 12 FY23 bills

- US House of Representatives passed "mini-bus" including FY23 THUD
- Funding in the FY23 THUD bill is consistent with IIJA
- Includes earmarks for highways, transit, and aviation

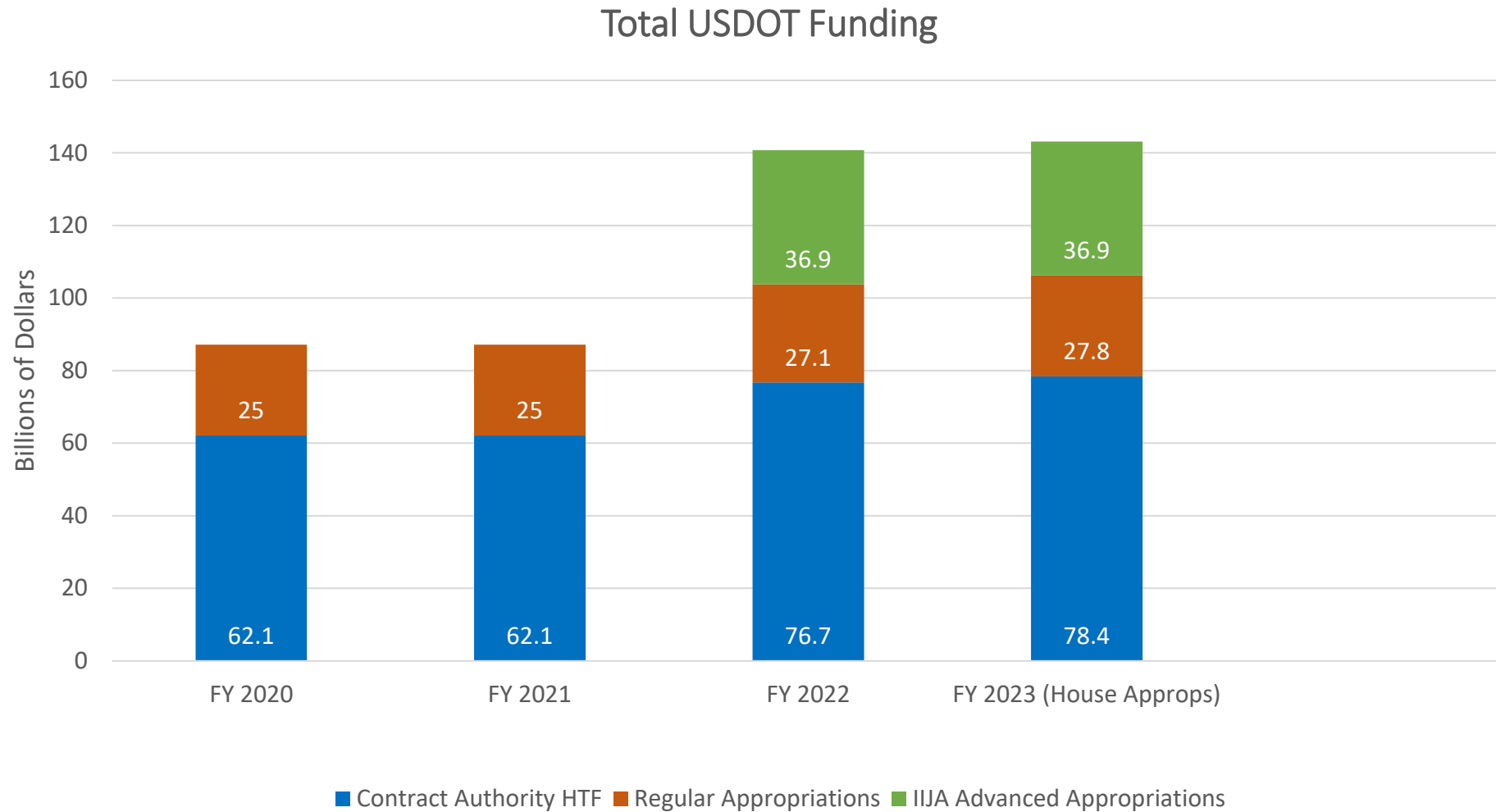
Senate Appropriations Committee has not acted on any bills

- Conducted hearings

Current fiscal year expires September 30

- Expect a Continuing (CR) Resolution extending federal funding at 2022 levels pro-rated for the duration of the CR
- CR only affects appropriations or limitations that are extended by the CR itself
- IIJA Advance Appropriations that are already enacted and on the books are not affected by the CR

Federal Update – FY23 Appropriations



Remainder of 2022

ARPA Uses

- Sen. Cornyn S. 3011 - State, Local, Tribal, and Territorial Fiscal Recovery, Infrastructure, and Disaster Relief Flexibility Act
 - Included a cap—the greater of \$10 million or 30% of the funds—on how much of the ARP COVID money could have been spent on new purposes including transportation
 - Passed in the Senate. No action in the House.
- Treasury is maintaining the approach in its final rule that general infrastructure projects, including roads, streets, and surface transportation infrastructure, would generally not be eligible, unless the project responded to a specific pandemic public health need or a specific negative economic impact.
- US Treasury accomplished half of the goals of the Cornyn bill by adding the \$10 million lost revenue assumption into the final rule - under the revenue loss eligible use category transportation infrastructure projects are generally ineligible as a response to the public health and negative economic impacts of the pandemic - however, a recipient could fund these projects as a government service up to its amount of revenue loss
- Recipients may use ARPA funds for road repairs and upgrades that interact directly with an eligible stormwater infrastructure project

2022 Mid-Term Elections

- Mid-term elections in November
- 100% of the House of Representatives up for reelection
 - 220 Democrats
 - 210 Republican
 - 5 Vacancies
 - Political prognostication – House majority changes to Republican
- 1/3 of the Senate of up for reelection
 - 50 Democrats (including 2 independents who caucus with the Dems)
 - 14 seats up for election
 - VP Harris gives Dems majority
 - 50 Republicans
 - 21 seats up for reelection
 - According to the Cook Political Report – 5 races are toss ups, 19 favor R's and 11 favor D's

Election Outcome Scenarios?

Republicans take House and Senate

- More over-sight and scrutiny of the IIJA implementation
 - How is the funding being allocated particularly the discretionary grants programs
 - Is the USDOT “holding up” projects that don’t meet the Administration policies – new capacity projects
 - Speculation that Advanced Appropriations are in jeopardy
 - President Biden would likely veto any reduction in IIJA spending – so for the next two years funding should be maintained at IIJA levels
 - Can Amtrak spend the huge increases in funding?
 - Implementation of IIJA funding in 2025 & 2026 would be under the next President and next Congress
- Split Congress
 - Increased oversight but likely no significant changes in implementation of the IIJA
- Democrats keep majority in both chambers
 - Democrats will continue to pursue legislation the President could sign into law that address Democrats priorities



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