IIJA/BIL Implementation Sub-Working Group for Transit and Commuter Rail

January 28, 2022
Agenda

- Welcome and Introductions, Background/Purpose
- Cal-STA Infrastructure Investment and Jobs Act Implementation – Transit and Commuter Rail Overview
- Sub-Working Group Objectives and Discussion
- Upcoming Meeting Dates and Action Items
Welcome & Introduction

• Kyle Gradinger, Division Chief, Rail and Mass Transportation – Directs Caltrans’ efforts on the Transit and Commuter Rail Sub-Working Group and Intercity Passenger Rail Sub-Working Group.

• Momoko Tamaoki, Assistant Division Chief, Rail and Mass Transportation – Lead for Transit and Commuter Rail Sub-Working Group

• Wendy King, Office Chief, Transit Grants and Contracts – Lead for Transit and Commuter Rail Sub-Working Group

• Chad Riding, Chief, Strategic Management Branch – Coordinator for Transit and Commuter Rail Sub-Working Group

• Andy Furillo – Administrator for Transit and Commuter Rail Sub-Working Group
Background

• The Infrastructure Investment and Jobs Act of 2021 (IIJA) was signed into law on November 15, 2021.

• The bill includes $1.2 trillion in investments, including $550 billion in new spending on transportation, water and power infrastructure, and pollution cleanup.

• CalSTA established IIJA Transportation Implementation Working Group

• Caltrans’ IIJA internal policy team developed Sub-Working Groups
Purpose

Sub-Working Groups will:

1. Meet as often as necessary to discuss implementation issues in the respective issue areas
2. Determine whether new state implementing legislation is necessary
3. Develop a description of what the Sub-Working Group will be discussing
4. Develop an Action Plan for the Sub-Working group
5. Provide recommendations for implementing the federal programs and policy within the respective issue areas
IIJA – Transit and Commuter Rail Programs

• U.S. Department of Transportation (U.S. DOT) Discretionary/Competitive Programs - **EXISTING**
  
  • Local and Regional Project Assistance (formerly RAISE/BUILD/TIGER) funded at $7.5 billion over five years ($15 billion total including authorized funding).

  • INFRA funded at $8 billion over five years ($14 billion total including authorized funding).

  • FRA’s Consolidated Rail Infrastructure and Safety Improvement Program (CRISI) program funded at $5 billion over five years.

  • FTA’s Low-No Emission Vehicle Program funded at $5.6 billion over five years.

  • FTA’s Capital Investment Grant program $8 billion guaranteed and $15 billion more authorized for potential future appropriations.
IIJA – Transit and Commuter Rail Programs

• U.S. Department of Transportation (U.S. DOT) Discretionary/Competitive Programs – **NEW under IIJA**

  • **National Infrastructure Project Assistance** (for megaprojects) funded at $5 billion over five years ($15 billion total including authorized funding).

  • **Safe Streets and Roads for All** funded at $5 billion over five years ($6 billion total including authorized funding)

  • **Railroad Crossing Elimination Program** at $3 billion over five years.

  • **Strengthening Mobility and Revolutionizing Transportation Grant Program** funded at $500 million over five years.

  • **Rail Vehicle Replacement Program, All Station Accessibility Program, Electric or Low-Emitting Ferry Program, and Ferry Service for Rural Communities**
Bipartisan Infrastructure Law

Significant Funding Increases
- Up to $108 billion for public transit over five years
  - $69.9 B from Highway Trust Fund
  - $21.25 B in Advance Appropriations
  - $17 B in Authorized Appropriations
- New and increased funding for State of Good Repair, Low or No Emission, and CIG Grants
- Continues existing structure for FTA programs focused on urban, rural, and targeted populations

New Grant Programs
- Rail Vehicle Replacement Program
- All Station Accessibility Program
- Electric or Low-Emitting Ferry Pilot Program
- Ferry Service for Rural Communities
Increased Funding for Public Transportation

An additional $45 Billion authorized over 5 years

2016: $11.79
2017: $12.18
2018: $12.18
2019: $12.36
2020: $12.59
2021: $12.96
2022: $21.01
2023: $21.28
2024: $21.64
2025: $21.93
2026: $22.29
Increased Formula and Competitive Funding

Note: Total funding shown includes authorized trust fund contract authority, authorized annual appropriations for FY22 and certain advance appropriations for FY22 enacted as a part of the Bipartisan Infrastructure Law. Annual appropriations are subject to Congressional action.
Apportionments and Funding Competitions

Full year funding not yet available – Continuing Resolution through Feb. 18, 2022

- FY22 Apportionment Tables
  - FTA plans to post a partial year apportionment based on Continuing Resolution levels by the end of January 2022

- FY22 Apportionment Notice with Interim Guidance
  - Guidance for transit agencies, applicants, and funding recipients

- Notices of Funding Opportunity for 10 competitive programs
  - Will be issued on a rolling basis; will combine to extent possible
  - NOFOs will contain program guidance for new programs
  - Buses & Bus Facilities and Low or No Emission Vehicle Program likely first to be issued
  - Schedule for some programs depends on timing of a full year appropriation
Federal and State Goals/Priorities

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<tr>
<th>Federal Priorities</th>
<th>State Goals</th>
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<tr>
<td>Safety</td>
<td>Safety first</td>
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<tr>
<td>Modernization</td>
<td>Enhance and connect the multimodal transportation network</td>
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<tr>
<td>Climate</td>
<td>Lead climate action</td>
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<tr>
<td>Equity</td>
<td>Advance equity and livability in all communities</td>
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<tr>
<td></td>
<td>Cultivate Excellence</td>
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<td>Strengthen stewardship and drive efficiency</td>
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Program Areas Changed by the Law

- Formula Programs
- Competitive Programs
- Planning
- Environment
- Capital Investment Grants Program
- Safety
- Research, Innovation, and Administration
Formula Programs

Urbanized Area Formula
- 30% increase to program funding levels from FY21 to FY22 ($4.88 to $6.3B)
- Increases the set-aside for Small Transit Intensive Cities from 2% to 3%
- Requires recipients in large UZAs to use at least 0.75% of their funds for safety-related projects eligible under the Urbanized Area Formula program (Section 5307)

Formula Grants for Rural Areas
- 30% increase to program funding levels from FY21 to FY22 ($601M to $781M)
- Provides $229 million for Public Transportation on Indian Reservations over five years
- 20% of the Public Transportation on Indian Reservations funds must be distributed on a competitive basis, while the remainder must be apportioned by formula
- 3% of Rural Formula funding is available for the Appalachian Development Public Transportation Assistance program

Buses and Bus Facilities
- 30% increase to program funding levels from FY21 to FY22 ($461M to $599M)
- The Formula National Distribution is increased to $4 million for each State and $1 million for each territory
- Encourages use of Innovative Procurement tools, such as cooperative procurement contracts or state cooperative procurement schedules

CalSTA
California State Transportation Agency
Competitive Programs: Changes to Existing

- 30% increase to authorized funding levels, plus additional $1.1 billion per year for Low or No Emissions Competitive Grants.
- Requires a Notice of Funding Opportunity (NOFO) be issued no more than 30 days after the passage of a full-year appropriation, and awards be announced 75 days after the NOFO closes or the end of the fiscal year the NOFO was issued, whichever is earlier.
- An applicant that is submitting a project to both Low-No and Bus, or only Low-No, may propose partnerships with TVMs to satisfy the competitive procurement requirements.
- Both require that for projects related to zero-emission buses, a zero-emission fleet transition plan must also be submitted with the application.
- Not less than 25% of Low-No funding must be made available for low emission vehicles and related facilities.
- 5% of funds used to purchase zero-emission vehicles or infrastructure must be utilized for workforce development unless the applicant certifies that less is needed to carry out their transition plan.
- Minimum amount of rural funding has increased from 10% to 15% for the Buses and Bus Facilities Competitive Program.
**Competitive Programs: New Programs**

- **Rail Vehicle Replacement Program**
  - $300M Per Year
  - Eligible Recipients: States and local government authorities
  - Eligible Activities: Replacement of rail rolling stock

- **Electric or Low-Emitting Ferry Pilot Program**
  - $100M Per Year
  - ($50M of which subject to appropriations)
  - Eligible Recipients: Will be identified in a NOFO
  - Eligible Activities: Electric or low-emitting ferries that use alternative fuel or onboard energy storage systems, related charging infrastructure

- **Ferry Service for Rural Communities**
  - $400M Per Year
  - ($200M of which subject to appropriations)
  - Eligible Recipients: States for ferry service that operated a regular schedule at any time during five-year period ending March 1, 2020 and served at least 2 rural areas located more than 50 sailing miles apart
  - Eligible Activities: Capital and operating assistance

- **All Stations Accessibility Program**
  - $350M Per Year
  - Eligible Recipients: States and local government authorities
  - Eligible Activities: Upgrade legacy rail transit stations that remain inaccessible to individuals with disabilities
California Apportionments

- California is slated to receive $10.3B through IIJA.
  - The numbers below reflect the best breakdown available.

| FTA Highway Trust Fund Authorization Apportionments for California for the IIJA |
|---------------------------------|---|---|---|---|---|---|---|
| FY 2021                         | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Grand Total FY 22-26 |
| $1,417,700,550                   | $1,803,268,791 | $1,841,180,788 | $1,890,522,212 | $1,930,440,759 | $1,980,726,543 | $9,446,139,093 |
Transit

- Implementation Goals and Objectives from the State & Local
  - CAPTI
  - CTP 2050
  - State Rail Plan
  - CIBS

- Potential Implementation Risks/Challenges

- Top Priority for the Working Group
Next Steps

- Develop priority themes and implementation strategies
- Schedule theme focused meetings and decide meeting frequency and duration
- Coordination with relevant sub-working group(s)
- Start developing the activity description and action plan
Thank you