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The *Infrastructure Investment and Jobs Act of 2021* (IIJA, P.L. 117-58) is a federal bill that addresses provisions related to federal-aid highway, transit, highway safety, motor carrier, research, hazardous materials, and rail programs of the U.S. Department of Transportation (U.S. DOT). The bill was approved by the 117<sup>th</sup> Congress (Senate passage on August 10, 2021 and House passage on November 5, 2021). On Monday November 15, 2021, President Biden signed IIJA into law.

The bill includes \$1.2 trillion in investments over five years, from Federal Fiscal Year (FFY) 2022 through FY 2026, including \$550 billion in new spending on transportation, water and power infrastructure, and pollution cleanup, in addition to regular annual spending on infrastructure projects. This memo focuses on major IIJA transportation formula (apportionment) and discretionary (competitive) funding programs, particularly in areas where California actively sought to shape the bill through engagement with Congress (climate action, equity, freight/goods movement, rail/transit, etc.). Under IIJA, California is estimated to receive the following guaranteed formula transportation funding:

- \$25.3 billion for federal-aid highway apportioned programs over five years (compared to approximately \$19.4 billion under the Fixing America's Surface Transportation Act (FAST Act), the last five-year authorization of federal-aid highway programs);
- \$4.2 billion over five years from a new bridge program;
- \$384 million over five years from a new program to support the expansion of an electric vehicle (EV) charging network; and
- \$9.45 billion over five years to improve public transportation options across the state (compared to approximately \$8.1 billion under the FAST Act, the last five-year authorization of federal-aid highway programs).

It should be noted that in the past, California - through the California Department of Transportation (Caltrans) - traditionally reached an agreement with local transportation agencies to divide federal-aid highway funding apportioned to California at 60 percent to be controlled by the state and 40 percent by local agencies.

IIJA also creates new transportation discretionary grant programs and increases funding for existing discretionary grant programs between FY 2022 and FY 2026 including:

- Existing: Local and Regional Project Assistance (formerly RAISE/BUILD/TIGER) funded at \$7.5 billion over five years (\$15 billion total including authorized funding);
- Existing: INFRA funded at \$8 billion over five years (\$14 billion total including authorized funding);
- Existing: Federal Railroad Administration's (FRA) CRISI program funded at \$5 billion over five years;
- Existing: Federal-State Partnership for Intercity Passenger Rail funded at \$36 billion over five years;
- Existing: Federal Transit Administration (FTA) Low-No Emission Vehicle Program funded at \$5.6 billion over five years;
- New: Bridge Investment Program (in addition to bridge formula program) funded at \$12.5 billion over five years;
- New: National Infrastructure Project Assistance (for megaprojects) funded at \$5 billion over five years (\$15 billion total including authorized funding);
- New: Safe Streets and Roads for All funded at \$5 billion over five years (\$6 billion total including authorized funding);
- New: Railroad Crossing Elimination Program at \$3 billion over five years;
- New: Culvert removal, replacement, and restoration funded at \$1 billion over five years; and
- New: Strengthening Mobility and Revolutionizing Transportation Grant Program funded at \$500 million over five years.
- New: Reconnecting Communities Pilot Program at \$1 billion over five years.
- New: Charging and Fueling Infrastructure Discretionary Grants at \$2.5 billion over five years.

IIJA also provides five years of National Network funding to Amtrak, totaling \$16 billion, which can be used to upgrade California Amtrak stations and related facilities to full Americans with Disabilities Act (ADA) compliance, rehabilitate and replace old Amtrak-owned fleet and conduct corridor development activities. More detail is below.

Finally, IIJA guarantees \$8 billion, and authorizes \$15 billion more in future appropriations for FTA Capital Investment Grants.

## **I. Federal Highway Administration (FHWA) Core Apportionment Programs and Bridge Funding**

### **● National Highway Performance Program (NHPP, Section 11105)**

IIJA provides \$148 billion nationally for the NHPP between FFY 2022 and FFY 2026, of which California is estimated to receive approximately \$12.8 billion during that period. Under IIJA, California's NHPP funding will increase by almost \$400 million annually between FFY 2021 and FFY 2022 and by approximately \$600 million annually by FFY 2026.

**California IIJA NHPP Apportionment (in \$ millions)**

<b>FFY 21 (actual)</b>	<b>FFY 22 (Est)</b>	<b>FFY 23 (Est)</b>	<b>FFY 24 (Est)</b>	<b>FFY 25 (Est)</b>	<b>FFY 26 (Est)</b>
2,065	2,459	2,509	2,559	2,610	2,662

The NHPP provides support for the condition and performance of the National Highway System (NHS), for the construction of new facilities on the NHS, and to ensure that investments of federal-aid funds in highway construction are directed to support progress toward performance targets established in a State's asset management plan for the NHS. IIJA augments the purpose of the NHPP to include a focus on measures that increase resiliency to the impacts of sea level rise, extreme weather events, flooding, and other natural disasters. It expands eligibility to use NHPP funds for resiliency, cybersecurity, and undergrounding utility infrastructure. It also allows a state to use up to 15 percent of its NHPP funding for protective features on a federal-aid highway or bridge that is off the NHS if the protective feature is designed to mitigate the risk of recurring damage or the cost of future repairs from extreme weather events, flooding, or other natural disasters.

- **Surface Transportation Block Grant Program (STBG, Section 11109)**

IIJA also provides \$72 billion nationally for the STBG program between FFY 2022 and FFY 2026, of which California is estimated to receive approximately \$6.3 billion during that period. Under IIJA, California's STBG funding will increase by approximately \$150 million annually between FFY 2021 and FFY 2022 and by approximately \$250 million annually by FFY 2026.

**California IIJA STBG Apportionment (in \$ millions)**

<b>FFY 21 (actual)</b>	<b>FFY 22 (Est)</b>	<b>FFY 23 (Est)</b>	<b>FFY 24 (Est)</b>	<b>FFY 25 (Est)</b>	<b>FFY 26 (Est)</b>
1,041	1,196	1,220	1,245	1,269	1,295

The STBG program provides flexible funding that may be used by states and localities for projects to preserve and improve the conditions and performance on any federal-aid highway, bridge and tunnel projects on any public road, pedestrian and bicycle infrastructure, and transit capital projects, including intercity bus terminals.

IIJA increases the amount of funding set-aside within the STBG Program for the Transportation Alternatives Program (TAP), increases the minimum percentage of TAP funding that is sub-allocated on the basis of population to 59 percent, and provides a process by which states may opt to increase that percentage to as high as 100 percent. It also allows a state to elect to use up to 5 percent of TAP funds on technical and application assistance and administration, and adds eligibilities for smaller communities to apply for TAP funding.

IIJA also adds new eligibilities to STBG including construction of wildlife crossing structures, electric vehicle charging infrastructure and vehicle-to-grid infrastructure, installation and deployment of intelligent transportation technologies, projects that facilitate intermodal connections between emerging transportation technologies,

resilience features, cybersecurity protections, and rural barge landings, docks, and waterfront infrastructure projects, and the construction of certain privately-owned ferry boats and terminals.

Additionally, IIJA increases the off-system bridge set-aside and allows low water crossing replacement projects to be eligible for use under this set-aside, and creates a new set-aside for projects in rural areas.

● **Bridge Replacement, Rehabilitation, Preservation, Protection and Construction Program (Division J – Appropriations Title VIII)**

IIJA creates a new \$27 billion needs-based apportionment / formula *Bridge Replacement, Rehabilitation, Preservation, Protection and Construction Program*.

**California is estimated to receive approximately \$4.2 billion between FFY 2022 and FFY 2026 in guaranteed bridge funding from this new apportionment formula program.**

Additionally, IIJA allows 15 percent of these funds to be used for bridges off the NHS ("off-system bridges").

● **Bridge Investment Program (Section 11118)**

IIJA also creates a new competitive Bridge Investment Program funded at \$12.5 billion over five years to assist state, local, federal and tribal entities in rehabilitating or replacing bridges, including culverts, and eligibility for large projects and bundling of smaller bridges. Under this program, at least 50 percent of program funds, in the aggregate from FFY 2022 through FFY 2026, must be used for large projects, and a total of \$100 million over five years would be set-aside for tribal bridge projects.

## **II. Freight/Goods Movement**

● **National Highway Freight Program (NHFP, Section 11114)**

IIJA provides \$7.15 billion nationally for the *National Highway Freight Program (NHFP, Section 11114)* guaranteed apportionment between FFY 2022 and FFY 2026, of which California is estimated to receive approximately \$662 million.

**California IIJA NHFP Apportionment (in \$ millions; 30 percent multimodal in parenthesis)**

<b>FFY 21 (actual)</b>	<b>FFY 22 (Est)</b>	<b>FFY 23 (Est)</b>	<b>FFY 24 (Est)</b>	<b>FFY 25 (Est)</b>	<b>FFY 26 (Est)</b>
137	127.2 (38)	129.8 (39)	132.4 (40)	135.1 (41)	137.8 (41)

NHFP exists to support projects that will improve efficient movement of freight on the National Highway Freight Network (NHFN). IIJA increases the maximum number of highway miles a state may designate as critical rural freight corridors from 150 to 300 miles, and as critical urban freight corridors from 75 to 150 miles.

It also increases the percent of program funds that may be used for eligible multimodal projects from a 10 percent cap to a 30 percent cap, and adds lock, dam, and marine highway projects as eligible if the projects are functionally connected to the NHFN and are likely to reduce on-road mobile source emissions.

- **Nationally Significant Freight and Highway Projects (INFRA, Section 11110)**

IIJA provides \$8 billion over five years (averaging \$1.6 billion a year) for the INFRA competitive grant program for freight projects (\$14 billion total including authorized funding). IIJA makes some noteworthy amendments to the INFRA program, including raising the cap on eligible multimodal projects to 30 percent of the amounts made available annually for grants. It also sets aside \$150 million annually for a pilot program that prioritizes applications offering the greatest non-federal share of project costs.

This section also adds the enhancement of freight resilience to natural hazards or disasters such as high winds, heavy snowfall, flooding, rockslides, mudslides, wildfire, or steep grades as an additional consideration by the U.S. DOT when making NSFHP grants. The section adds wildlife crossings, surface transportation improvements functionally connected to an international border crossing, and marine highway projects functionally connected to the NHFN as eligible projects. In addition, 10 percent of the funds for the NSFHP are set aside annually for multistate corridor organizations.

- **National Infrastructure Project Assistance Program (Section 21201)**

IIJA creates a new *National Infrastructure Project Assistance Program* (for megaprojects) competitive grant program. This new program provides \$5 billion for single- or multi-year grants to projects generating national or regional economic, mobility, or safety benefits (\$15 billion total including authorized funding). Eligible projects include highway or bridge projects, freight intermodal or freight rail projects, railway-highway grade separation or elimination projects, intercity passenger rail projects, and certain public transportation projects. Fifty percent of funding in this program is set aside for projects with a cost between \$100 million and \$500 million.

- **Local and Regional Project Assistance (Section 21202)**

IIJA authorizes the *Rebuilding American Infrastructure with Sustainability and Equity* program (RAISE – formerly known as “TIGER” and “BUILD” grants) as a new Local and Regional Project Assistance program that emphasizes safety, sustainability and equity criteria funded at \$7.5 billion (\$1.5 billion annually) between FFY 2022 – FFY 2026 (\$15 billion total including authorized funding). IIJA effectively doubles current funding levels for the RAISE program. Eligible projects include highway or bridge projects, passenger or freight rail projects, port infrastructure projects, and surface transportation components of airport projects, among other surface transportation projects. IIJA limits

the size of each grant to \$25 million and provides an equal split between rural and urban areas.

- **Port Infrastructure Development Program (Division J – Appropriations Title VIII)**

IIJA includes \$2.25 billion over five years, or \$450 million annually, for the Port Infrastructure Development Program (PIDP). The program provides grants to improve facilities, operations, and intermodal connections near or within seaports, inland ports, and Great Lakes ports. The PIDP program has been subject to the annual appropriations process and most recently received \$230 million in the FFY 2021 appropriations act. The program remains separate from surface transportation authorizations within IIJA, funded through multi-year direct appropriations from the General Fund at significantly increased levels to enhance maritime and intermodal transportation infrastructure.

**Note: Section 110013 of the Build Back Better Act (H.R. 5376) federal budget reconciliation now pending in Congress includes \$600 million (available through FFY 2026) for port infrastructure and supply chain resilience grants through MARAD.**

- **Reduction of Truck Emissions at Port Facilities (Section 11402)**

IIJA establishes a \$400 million program to reduce idling and emissions at port facilities. IIJA requires the U.S. DOT to study how ports would benefit from electrification and to study emerging technologies that reduce emissions from idling trucks. It also requires the U.S. DOT to coordinate and fund projects through competitive grants that reduce port-related emissions from idling trucks.

- **Office of Multimodal Freight and Infrastructure Policy (Section 21101)**

IIJA creates a new Office of Multimodal Freight and Infrastructure Policy at the U.S. DOT. The creation of this new office will elevate and focus national attention on supply chain and goods movement issues that are critical to California's and the nation's economy.

- **Freight planning and research**

As guided by the new Freight Office, IIJA calls for changes to State Freight Advisory Committees, Multi-State Freight Corridor Planning, the National Multimodal Freight Network, and the National Freight Strategic Plan to align overarching priorities, improve public and private industry collaboration, and consider emerging opportunities and challenges. IIJA also reinstates the National Cooperative Freight Transportation Research Program to study issues related to freight efficiency and resiliency, future freight trends, and workforce considerations.

### III. Rail

#### ● **National Network Grants to Amtrak (Section 22101)**

IIJA provides five years of National Network funding to Amtrak, totaling \$16 billion, which can be used to upgrade California Amtrak stations and related facilities to full Americans with Disabilities Act (ADA) compliance, rehabilitate and replace old Amtrak-owned fleet and facilities, and conduct corridor development activities.

Amtrak has conducted a thorough evaluation of stations that could be eligible for such ADA upgrades, and they span the state. A small portion of the equipment used in California is Amtrak owned and old enough to be replaced. Nearly all of the long-distance route equipment used in California is on Amtrak's near-term replacement list. While Amtrak owns relatively few facilities in California, investments may be seen in Oakland and Los Angeles. Finally, Amtrak has a strong desire to conduct corridor development, starting with the Los Angeles-Phoenix-Tucson route. It has recently begun to support efforts by Caltrans, Riverside County Transportation Commission and the LOSSAN Rail Corridor Agency to advance service extension into the Coachella Valley as a supporting project to the broader goal of increasing rail service between California and Arizona.

#### ● **Federal-State Partnership for Intercity Passenger Rail grants (Section 22307)**

IIJA provides \$36 billion over five years (\$7.2 billion annually) for the Federal-State Partnership for Intercity Passenger Rail competitive grants.

IIJA would reform the Federal-State Partnership grant program by broadening project eligibility beyond Amtrak- and state-owned assets and to allow expansion of or construction on new intercity passenger rail routes, in addition to capital projects that address state-of-good repair. The program requires:

- At least 45 percent of the funds (\$16.2 billion of total) to go to projects located on the Northeast Corridor, and
- At least 45 percent of the funds (\$16.2 billion of total) to be for projects not located on the Northeast Corridor, of which not less than 20 percent (\$3.24 billion of total) shall be for projects that benefit (in whole or in part) an Amtrak National Network long-distance route.

**Note: Section 110006 of the Build Back Better Act (H.R. 5376) federal budget reconciliation now pending in Congress includes \$10 billion (available through FFY 2026) for Passenger Rail Improvement, Modernization, and Emissions (PRIME) reduction grants for high-speed rail projects (160 miles per hour or faster on a shared use right-of-way; or 186 miles per hour or faster on a dedicated right-of-way).**

● **Consolidated Rail Infrastructure and Safety Improvement Program (CRISI, Section 22303)**

IIJA provides \$5 billion to the Federal Railroad Administration's (FRA) CRISI competitive grant program for projects that improve the safety, efficiency, and reliability of intercity passenger and freight rail. IIJA would expand CRISI's eligibility to tribes and short line associations and clarifies eligibility for projects that prevent trespassing, fund innovative rail technologies, and improve hazardous material response plans.

● **Railway-Highway Crossings (Section 11108) and Railroad Crossing Elimination Program (Section 22305)**

IIJA provides \$1.2 billion nationally for the FHWA Railway-Highway Crossings program (a.k.a., Section 130 program) over five years (FFY 2022 – FFY 2026); California is estimated to receive \$83.6 million over five years. IIJA amends the Section 130 program to increase the federal share for projects funded under the program from 90 percent to 100 percent.

**California IIJA Railway-Highway Crossings Apportionment (in \$ millions)**

FFY 21 (actual)	FFY 22 (Est)	FFY 23 (Est)	FFY 24 (Est)	FFY 25 (Est)	FFY 26 (Est)
16.7	16.6	16.6	16.6	16.6	16.6

IIJA also creates a new \$3 billion five year (\$600 million annually) competitive *Railroad Crossing Elimination* competitive grant program whereby U.S. DOT will award grants for projects that make improvements to highway and pathway rail crossings, such as eliminating highway-rail at-grade crossings that are frequently blocked by trains, adding gates or signals, relocating track, or installing a bridge. The program would improve the safety of communities and the mobility of people and goods. At least 20 percent of grant funds are reserved for projects located in rural areas or on tribal lands.

## **IV. Safety**

● **Highway Safety Improvement Program (HSIP, Section 11111)**

IIJA provides \$15.6 billion nationally between FFY 2022 and FFY 2026, of which California is estimated to receive approximately \$1.37 billion during that period. Under IIJA, California's HSIP funding will increase by approximately \$50 million annually between FFY 2021 and FFY 2022 and by approximately \$75 million annually by FFY 2026.

**California IIJA HSIP Apportionment (in \$ millions)**

FFY 21 (actual)	FFY 22 (Est)	FFY 23 (Est)	FFY 24 (Est)	FFY 25 (Est)	FFY 26 (Est)
209.2	262.3	267.9	273.6	279.4	285.3

Additionally, IIJA restores flexibility to fund certain non-infrastructure activities and behavioral safety projects, such as educational campaigns about traffic safety and



enforcement activities, and allows a state to spend up to 10 percent of its HSIP funding on such projects.

The IIJA HSIP authorization includes leading pedestrian intervals, construction or installation of features, measures, and road designs to calm traffic and reduce vehicle speeds, installation or upgrades of traffic control devices for pedestrians and bicyclists, roadway improvements that provide separation between pedestrians and motor vehicles or between bicyclists and motor vehicles, and a pedestrian security feature designed to slow or stop a motor vehicle as an eligible highway safety improvement project.

Amendments to the IIJA HSIP program define a “safe system approach” and “vulnerable road user” and requires that when total annual fatalities of vulnerable road users in a state represents not less than 15 percent of the total annual crash fatalities in the state, that state shall be required to obligate not less than 15 percent of its HSIP funds for the following fiscal year for projects to address the safety of vulnerable road users. IIJA also directs the U.S. DOT to update the study on high-risk rural roads.

- **Safe Streets and Roads for All Grant Program (Section 24112)**

IIJA creates a new *Safe Streets for All* program funded at \$5 billion between FFY 2022 and FFY 2026 (\$1 billion annual average; \$6 billion total including authorized funding). This program will provide competitive grants for metropolitan planning organizations (MPOs), local governments, and tribal governments to develop and carry out comprehensive safety plans to prevent death and injury on roads and streets, commonly known as “Vision Zero” or “Toward Zero Deaths” initiatives.

**Note: It does not appear that state departments of transportations are eligible to apply for these competitive grants, but Caltrans may need to coordinate with local governments or provide technical assistance to tribal governments.**

## **NHTSA Funding Authorization and Changes to NHTSA Grant Programs**

IIJA authorizes continued funding of NHTSA highway safety grant programs and makes various changes to specific grant programs, including eligibility criteria and allowable uses, many of which will take effect with the FFY 2024 Highway Safety Plan. These changes include:

- **Section 402 - State and Community Highway Safety Grant Program (Section 24102)**

IIJA will allow Section 402 funds to be used for programs to address driver misuse of new technology, pediatric vehicular hyperthermia education, prevent move over crashes, address unsecured vehicle loads, and increase recall awareness. States with legalized marijuana are also directed to take into consideration implementing programs to address marijuana-impaired driving.

The annual Highway Safety Plan (HSP) will be changed to a triennial HSP, beginning for FFY 2024. Triennial HSPs will be due July 1 every three years. In addition, states must produce an Annual Grant Application that includes any updates of analysis in the triennial plan, identification of projects and subrecipients to be funded, and application for any additional grants. States must continue to submit an Annual Report 120 days after the end of each Federal Fiscal Year that has a performance report.

- **Section 405 - National Priority Safety Program Grants (Sections 24105 and 4106)**

IIJA adjusts Section 405 allocations between national priority safety programs (occupant protection, traffic records, impaired driving, distracted driving, motorcyclist safety, nonmotorized safety, preventing roadside deaths (new), and driver and officer traffic stop safety education (new). It also eliminates funding for graduated driver licensing programs.

- **Section 1906 - Racial Profiling Prohibition Grants (Section 25024)**

IIJA amends allowable uses of 1906 grant program funds to include implementing programs, public outreach, and training to reduce the impact of racial profiling in traffic enforcement. Annual funding is increased from \$7.5 million to \$11.5 million per year.

- **New USDOT Grant Program for Crash Data (Section 24108)**

IIJA directs NHTSA to revise federal crash reporting databases to distinguish "personal conveyance devices", to add data elements on vulnerable road users, coordinate with the CDC on pedestrian injury health data linkage, and coordinate with states on related Model Minimum Uniform Crash Criteria (MMUCC) updates. A new competitive grant program will be available for states for data system modernization and electronic data transfer capability to NHTSA. States are eligible if they submit an e-data transfer plan; funds may be used for database updates, electronic crash reporting, and MMUCC updates.

- **Section 403 (Section 24103)**

Among other changes in this section, IIJA directs NHTSA to evaluate the effectiveness of innovative behavioral traffic safety countermeasures, other than enforcement, that are considered promising or likely to be effective in order to further enrich the "Countermeasures That Work" publication.

- **Vehicle Safety (Subtitle B)**

IIJA directs various actions by NHTSA, the Government Accountability Office (GAO), or Original Equipment Manufacturers (OEMs) related to vehicle safety, recall campaigns, and research, including:

- Advanced Impaired-Driving Technology (Section 24220): Requires the development of a new Federal Motor Vehicle Safety Standards (FMVSS) to require all new passenger motor vehicles be equipped with advanced drunk and impaired driving prevention technology that can passively monitor and accurately detect that a driver is impaired.
- Child Safety (Section 24222): Directs development of a final rule to require passenger vehicle be equipped with rear passenger awareness technologies to alert the operator to check rear-designated seating positions after the vehicle engine or motor is deactivated by the operator.

## V. Climate Action and Resilience

### ● Carbon Pollution Reduction Program (Section 11403)

IIJA creates a new *Carbon Pollution Reduction Program* that provides a five-year \$6.42 billion national apportionment to the states to fund projects that reduce transportation emissions. California is estimated to receive approximately \$555.3 million from this program (about \$110 million annually).

#### California IIJA Carbon Reduction Program Apportionment (in \$ millions)

FFY 21 (actual)	FFY 22 (Est)	FFY 23 (Est)	FFY 24 (Est)	FFY 25 (Est)	FFY 26 (Est)
N/A	106.7	108.8	111.0	113.2	115.5

Projects eligible for *Carbon Pollution Reduction* program funding include projects to establish or operate a traffic monitoring, management, and control facility or program, including advanced truck stop electrification systems, a public transportation project that is eligible for assistance under Section 142 (Public Transportation), the construction, planning, and design of on-road and off-road trail facilities for pedestrians and bicyclists, a project for advanced transportation and congestion management technologies, a project for the deployment of infrastructure-based intelligent transportation systems capital improvements and the installation of vehicle-to-infrastructure communications equipment, a project to replace street lighting and traffic control devices with energy-efficient alternatives, the development of a carbon reduction strategy, and retrofitting of DSRC technology under certain conditions.

### ● Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT, Section 11405)

IIJA creates a new *Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation* (PROTECT) competitive and formula grant program that provides a five-year \$7.3 billion national apportionment to help states improve the resiliency of transportation infrastructure. California is estimated to receive approximately \$631 million from this program over five years.

IJA also includes a PROTECT competitive grant program that provides \$1.4 billion over five years.

**California IJA PROTECT Apportionment (in \$ millions)**

<b>FFY 21 (actual)</b>	<b>FFY 22 (Est)</b>	<b>FFY 23 (Est)</b>	<b>FFY 24 (Est)</b>	<b>FFY 25 (Est)</b>	<b>FFY 26 (Est)</b>
N/A	121.3	123.8	126.2	128.8	131.3

● **Congestion Mitigation and Air Quality Improvement (CMAQ, Section 11115)**

IJA provides a five-year \$13.2 billion national apportionment for CMAQ; California is estimated to receive \$2.63 billion over five years. Under IJA, California's CMAQ funding will increase by approximately \$10 million annually between FFY 2021 and FFY 2022 and by approximately \$50 million annually by FFY 2026.

**California IJA CMAQ Apportionment (in \$ millions)**

<b>FFY 21 (actual)</b>	<b>FFY 22 (Est)</b>	<b>FFY 23 (Est)</b>	<b>FFY 24 (Est)</b>	<b>FFY 25 (Est)</b>	<b>FFY 26 (Est)</b>
494.5	505.7	515.8	526.1	536.6	547.3

The CMAQ program supports surface transportation projects and other related efforts that contribute air quality improvements and provide congestion relief. IJA adds flexibility to the CMAQ program by allowing states to spend up to 10 percent of CMAQ funds on certain lock and dam modernization or rehabilitation projects and certain marine highway corridor, connector, or crossings projects if such projects are functionally connected to the federal-aid highway system and are likely to contribute to the attainment or maintenance of a national ambient air quality standard. This section also clarifies when eligible transit operating costs are not subject to a time limitation or phase-out requirement. It also adds eligibility for shared micromobility, including bike share and shared scooter systems, as well as for the purchase of medium- or heavy-duty zero-emission vehicles and related charging equipment.

● **Congestion Relief Program (Section 11404)**

IJA establishes a \$250 million congestion relief program to provide competitive grants (\$50 million annually) to states, local governments, and MPOs, for projects in large urbanized areas to advance innovative, integrated, and multimodal solutions to congestion relief in the most congested metropolitan areas.

The goals of the congestion relief program are to reduce highway congestion, economic and environmental costs related to congestion, and to optimize existing highway capacity and usage of transit systems that provide alternatives to highways. To achieve these goals, the program allows states and MPOs to compete for grants for eligible projects within urbanized areas containing populations of more than 1 million people. Grant awards shall be not less than \$10 million.

Eligible projects consist of planning, design, implementation, and construction activities to achieve program goals, including the deployment and operation of mobility

services, integrated congestion management systems, and systems that implement or enforce high-occupancy vehicle toll lanes, cordon pricing, parking pricing, or congestion pricing. Incentive programs that encourage travelers to carpool or use non-highway travel modes are also included. When selecting grants, the U.S. DOT shall give priority to eligible projects located in urbanized areas that are experiencing high degrees of recurrent congestion. The federal cost-share shall not exceed 80 percent of the total cost of a project.

**In addition, the congestion relief program permits the U.S. DOT to allow the use of tolls on the Interstate System as part of a project carried out with a program grant, subject to certain requirements. The U.S. DOT may not approve the use of tolls on the Interstate System under the program in more than 10 urbanized areas.**

Subsection (b) of Section 11404 amends Section 129(a) of Title 23 to require toll facilities on the Interstate System constructed or converted after the date of enactment to allow high-occupancy vehicles, transit, and paratransit vehicles to use the facility at a discounted rate or without charge unless the public authority determines that the number of such discounted vehicles would reduce the travel time reliability of the facility.

- **National Culvert Removal, Replacement, and Restoration Grant Program (Section 21203)**

IIJA provides \$1 billion over five years (\$200 million annually) for a National Culvert Removal, Replacement, and Restoration Program to provide grants to states, local governments, and tribes to address anadromous fish passage as well as provide funding for certain freshwater impacts to marine fish and shellfish species.

- **Strengthening Mobility and Revolutionizing Transportation Grant Program (Section 25005)**

IIJA establishes a new \$500 million five-year (\$100 million annually) competitive grant program for city or community demonstration projects that incorporate innovative transportation technologies or uses of data, including coordinated automation, connected vehicles, and intelligent sensor-based infrastructure. The Secretary is directed to consider geographic diversity and select projects across rural, midsize, and large communities.

**Note: Section 110002 of the Build Back Better Act (H.R. 5376) federal budget reconciliation now pending in Congress includes \$4 billion (available through FFY 2026) for Community Climate Incentive Grants.**

## **VI. Zero-Emission Vehicle (ZEV) Charging Infrastructure**

- **National Electric Vehicle Formula Program (Division J – Appropriations Title VIII)**

IIJA creates a new "National Electric Vehicle Formula Program" that provides a \$5 billion apportionment for FFY 2022 through FFY2026 to states for strategic deployment of electric vehicle charging infrastructure; California is estimated to receive \$383.7 million in guaranteed apportionment funding from this program over five years. Key features of this new program:

- Eligible activities include strategically deploying electric vehicle charging infrastructure and establishing an interconnected network to facilitate data collection, access, and reliability.
- Can be used for contractor, which can cover 20 percent non-federal share.
- Federal share at 80 percent.
- Only for publicly accessible charging stations.
- Must be used on a designated alternative fuel corridor; if fuel corridor is built out, can be used on any public road or publicly-accessible parking facilities.
- State department of transportation plans required on use of funding for each FFY 2022 to FFY 2026. If actions are not taken, funds could be reallocated to localities and other states.
- \$300 million for establishment of Joint Office of Energy and Transportation at U.S. DOT and U.S. Department of Energy.
- 10 percent set-aside for "additional assistance" on deployment.

● **Grants for Charging and Fueling Infrastructure (Section 11401)**

IIJA directs the U.S. Secretary of Transportation to establish a \$2.5 billion five-year competitive grant program (FFY 2022 - \$300 million, FFY 2023 - \$400 million, FFY 2024 - \$500 million, FFY 2025 - \$600 million, FFY 2026 - \$700 million) for alternative fuel corridors, as well as a set-aside grant program for community grants. These programs are designed to strategically deploy publicly accessible electric vehicle charging infrastructure, hydrogen fueling infrastructure, propane fueling infrastructure, and natural gas fueling infrastructure along designated alternative fuel corridors or in certain other locations that will be accessible to all drivers of electric vehicles, hydrogen vehicles, propane vehicles, and natural gas vehicles. Eligible entities include a state or political subdivision of a state, a MPO, a unit of local government, a special purpose district or public authority with a transportation function, including a port authority, tribe, and a territory of the United States.

## **VII. Road Charge**

California has conducted the nation's largest VMT road charge pilot to date, which included 5,000 participating vehicles traveling more than 37 million miles. CalSTA/Caltrans and the California Transportation Commission (CTC) urged Congress to continue providing funding to states willing to research or pilot innovative transportation user-based revenue mechanisms.

● **Strategic Innovation for Revenue Collection (Section 13001)**

IIJA reauthorizes and renames the *Surface Transportation System Funding Alternatives Program* at \$15 million annually between FFY 2022 and FFY 2026, to continue the program to test the feasibility of a road usage fee and other user-based alternative revenue mechanisms to help maintain the long-term solvency of the Highway Trust Fund, through pilot projects at the state, local, and regional level.

The section expands eligible applicants from state departments of transportation to include a local government or a group of local governments, an MPO, and a group of MPOs. The section also increases the federal-share for the program to 80 percent of the total cost of a project carried out by an eligible entity that has not otherwise received a grant under this section, and 70 percent of the total cost of a project carried out by an eligible entity that has received at least one grant previously.

● **National Motor Vehicle Per-Mile User Fee Pilot (Section 13002)**

IIJA directs the U.S. Secretary of Transportation, in coordination with the Secretary of the Treasury, to establish a pilot program to demonstrate a national motor vehicle per-mile user fee. In carrying out the pilot program, the Secretary, in coordination with the Secretary of the Treasury, shall provide different methods that volunteer participants can choose from to track motor vehicle miles traveled, solicit volunteer participants from all 50 states, the District of Columbia, and Puerto Rico, ensure an equitable geographic distribution by population among volunteer participants, and include commercial vehicles and passenger motor vehicles. For the purposes of the pilot program, the Secretary of the Treasury shall establish, on an annual basis, per-mile user fees for passenger motor vehicles, light trucks, and medium- and heavy-duty trucks, the amount for which may vary between vehicle types and weight classes to reflect estimated impacts on infrastructure, safety, congestion, the environment, or other related social impacts.

IIJA also establishes a Federal System Funding Alternative Advisory Board to assist with providing the Secretary with recommendations related to the structure, scope, and methodology for developing and implementing the pilot program, carrying out the public awareness campaign, and developing a report.

**VIII. Project Delivery – NEPA Assignment (Sections 11313 and 11314)**

Caltrans has performed federal responsibilities for environmental decisions and approvals under the National Environmental Policy Act (NEPA) for highway projects in California funded by the FHWA. Through "NEPA Assignment," Caltrans has been able to cut the regulatory burden on thousands of road projects, achieving time savings of months and years in reviewing and approving environmental documents.

IIJA (Sections 11313 and 11314) include provisions that extend the statutory term of years for NEPA Assignment agreements, including for categorical exclusions. This provision will help California deliver transportation projects more efficiently.

## **IX. Equity / Reconnecting Communities (Section 11509)**

IIJA establishes a community connectivity pilot program through which eligible entities may apply for planning funds to study the feasibility and impacts of removing, retrofitting, or mitigating existing transportation facilities that create barriers to mobility, access, or economic development, and for construction funds to carry out a project to remove, retrofit or mitigate an eligible facility and, if appropriate, replace it with a new facility. An eligible facility includes a limited access highway, viaduct, or any other principal arterial facility that creates a barrier to community connectivity, including barriers to mobility, access, or economic development, due to high speeds, grade separations, or other design factors. The program is funded at \$1 billion over five years (FFY 2022 – \$195 million, FFY 2023 - \$198 million, FFY 2024 - \$200 million, FFY 2025 - \$202 million, FFY 2026 - \$205 million).

Under IIJA, the U.S. DOT will award planning grants and provide technical assistance to eligible entities. Planning grant awards may not exceed \$2 million, and the federal cost-share for a project may not exceed 80 percent. IIJA also allows the Secretary to award capital construction grants to owners of eligible facilities for eligible projects for which all necessary feasibility studies (and other planning activities) have been completed. Eligible projects include the removal and replacement of eligible facilities. Capital construction grants must be at least \$5 million. The federal cost-share for a project may not exceed 50 percent, and the maximum federal involvement shall not exceed 80 percent.

**Note: Section 110003 of the Build Back Better Act (H.R. 5376) federal budget reconciliation now pending in Congress includes \$4 billion (available through FFY 26) for Neighborhood Access and Equity Grants.**

## **X. Transit**

IIJA provides an overall \$91.1 billion funding level for Federal Transit Administration (FTA) discretionary and apportionment programs between FFY 2022 and FFY 2026. Under IIJA, California would receive approximately \$9.45 billion in FTA-apportioned federal funding over five years.

### **● Low-No Emission Vehicle Program (Section 30018; 49 U.S.C § 5339(c))**

IIJA provides \$5.6 billion nationally between FFY 2022 and FFY 2026 (approximately \$1.125 billion annually) for the FTA's Low-No Emission Bus Grants Program competitive grants. In FFY 2022, this program will be funded at \$1.12 billion, a 523 percent increase above the FFY 2021 \$180 million funding level.



- **Capital Investment Grants (Section 30005; 49 U.S.C § 5309)**

IIJA guarantees \$8 billion (\$1.6 billion annually) and authorizes \$15 billion more in future appropriations for FTA Capital Investment Grants.

**XI. Additional IIJA Non-Surface Transportation Infrastructure Funding**

- A minimum of \$100 million to help provide broadband coverage across the state;
- \$84 million over five years to protect against wildfires and \$40 million to protect against cyberattacks;
- \$3.5 billion over five years to improve water infrastructure across the state and ensure clean, safe drinking water for California communities; and
- \$1.5 billion for infrastructure development for airports over five years.