

Infrastructure Investment and Jobs Act (IIJA) Fix it First Team

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Kick-off Meeting
Feb 4th 2022

Agenda

CalSTA IJA Teams Overview

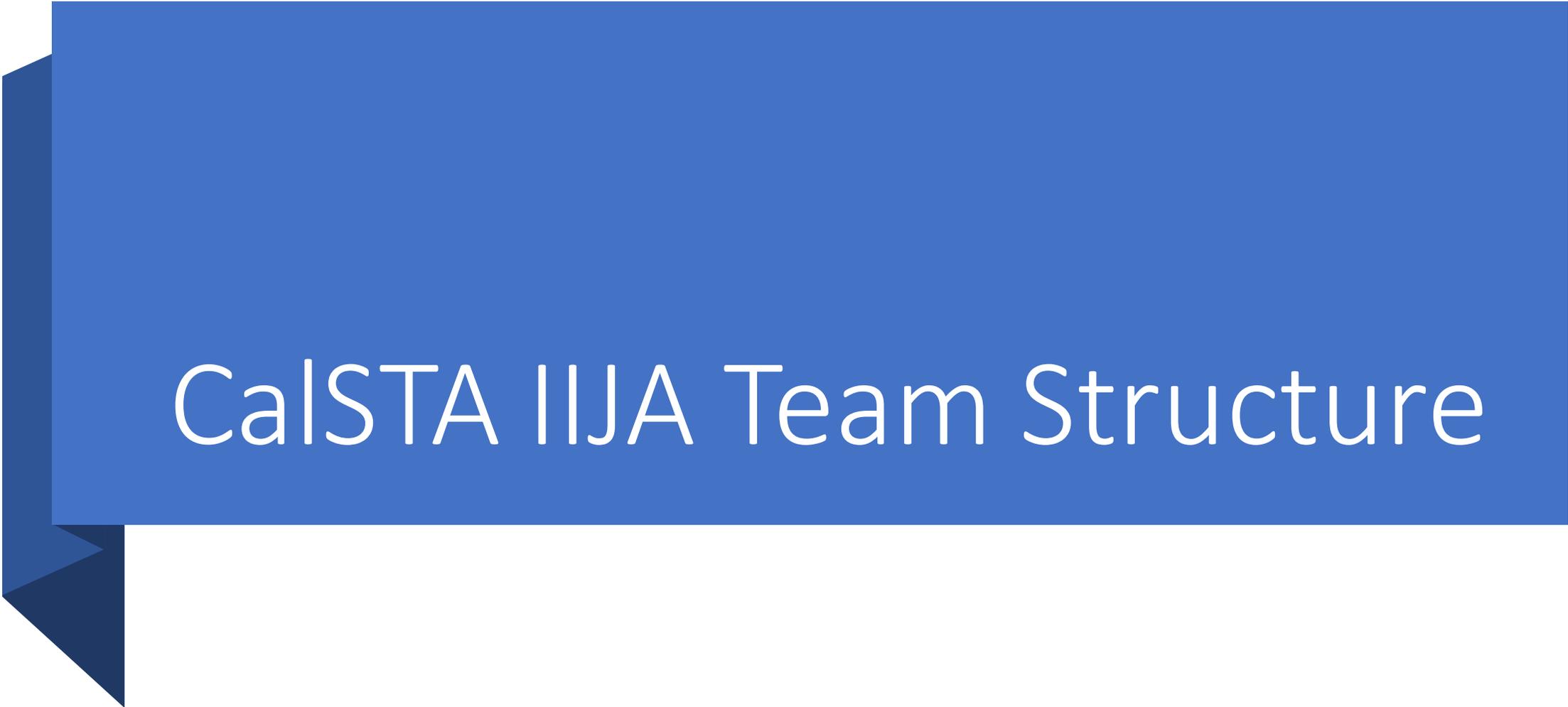
Defining the “Fix it First” Team Scope

Federal Funding Programs

High Level Budget

Establishing the Need /Open Discussion

Next Steps

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CaISTA IJJA Team Structure



SUB-WORKING GROUPS

- Meet “As Needed” – Scheduled by Caltrans Sub-Working Group Leaders
- In-Depth Analysis of Specific Issue Areas
- Develop “IIJA Transportation Implementation Action Plans”

Safety	Transit and Commuter Rail
Fix-it-First	Intercity Passenger Rail
Reimagining Highway Investments/Carbon Reduction Program	Freight/Goods Movement
Climate resilience and adaptation	Overall funding split between state/local and across programs
Active transportation	Tribal Government
Transition to Zero-Emissions	Equity
Local hire/Contracting	



CalSTA IIJA IMPLEMENTATION WEBSITE

CalSTA IIJA Implementation Website Address:

<https://calsta.ca.gov/subject-areas/infrastructure-investment-act>

- IIJA Resources and Analysis
- CalSTA IIJA Transportation Implementation Working Group Meeting Notes and Materials
- U.S. DOT Notices of Funding Opportunity and Other Federal Notices
- Caltrans' Sub-Working Group Implementation Action Plans

Fix it First Definition and Scope

According to a survey by the Rockefeller Foundation, 86 percent of respondents favor a “Fix it First” policy that maintains the existing infrastructure before considering new capacity.

Applying a 'fix it first' philosophy, Caltrans **seeks to repair and keep in good working order** the state's assets to strengthen stewardship, which minimizes long-term costs. These activities may include rehabilitation, maintenance, application of protective coatings or systems, restoration, and replacement.

Within Caltrans the “Fix it First” term is used to refer to existing transportation system assets such as pavement, bridges, culverts, lights, overhead signs, roadside rests...

The task of this team is to develop an “Action Plan” that represents our recommendation for fix it first investments

Open Discussion of “Fix it First” Scope

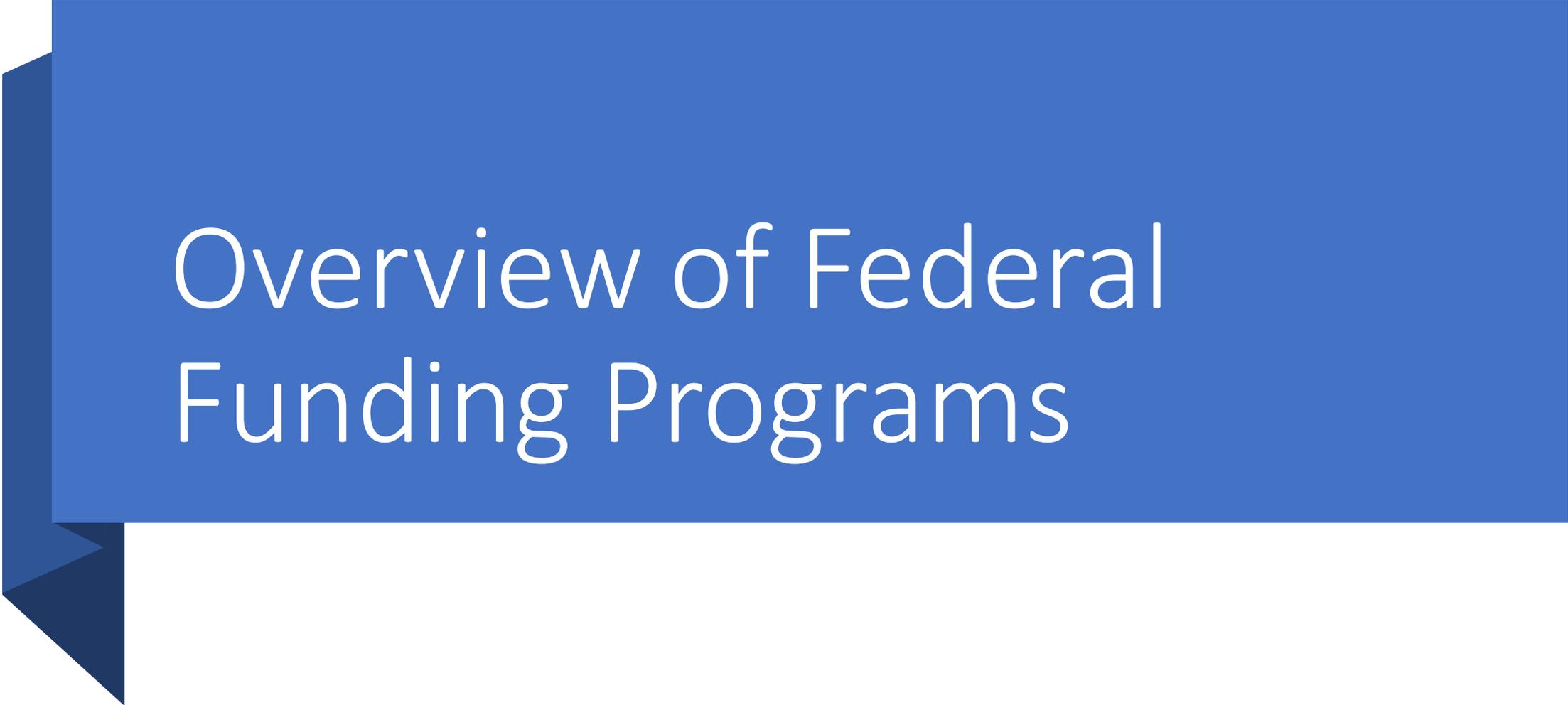
Working Definition:

“Fix it First” refers to the preservation, repair, rehabilitation and replacement of **existing transportation system assets.**

Specific asset classes include

pavement, bridges, culverts, lights, overhead signs, etc. would typically fall into this definition.

Discussion points: Asset vulnerabilities and resiliency

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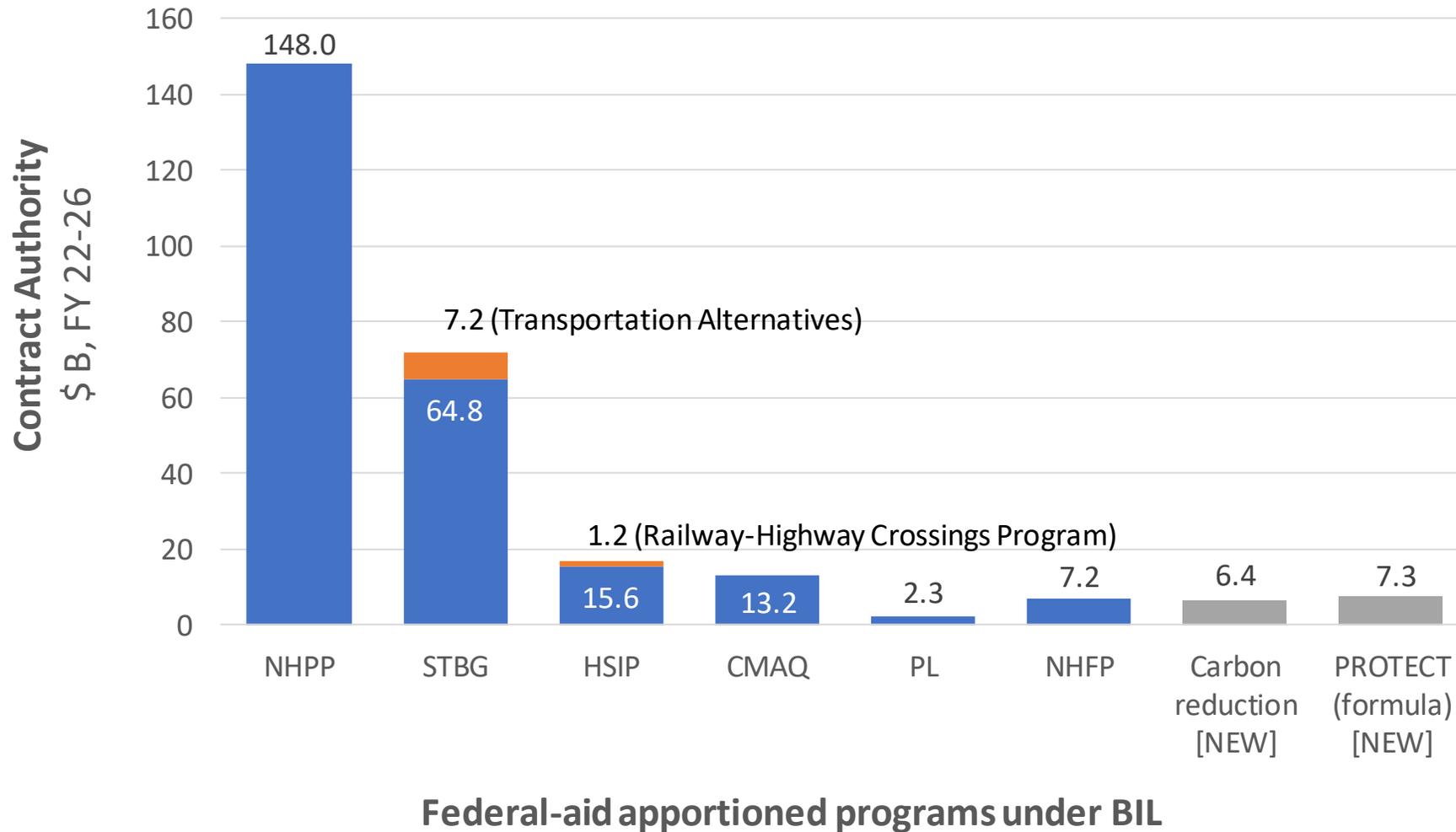
Overview of Federal Funding Programs

Overview of Federal Funding Programs

- National Highway Protection Program (NHPP)
- Surface Transportation Block Grant Program (STBGP)
- Highway Safety Improvement Program (HSIP)
- Railway-Highway Grade Crossing Program (RHCP)
- Congestion Mitigation and Air Quality Improvement Program (CMAQ)
- Metropolitan Planning Program (MPP)
- National Highway Freight Program (NHFP)
- Carbon Reduction Program – **New**
- Protect Formula Program - **New**

Relative Size of Apportioned Programs

(Current Year - National Values in Billions)



Federal Program Objectives

- National Highway Protection Program (NHPP)
 - 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 the achievement of performance targets established in a State's asset management plan for the NHS.

Changes to the National Highway Performance Program (NHPP)

Topic	Changes
Program purpose	<p>Adds as an additional program purpose:</p> <ul style="list-style-type: none">• providing support for activities to increase the resiliency of the NHS to mitigate the cost of damages from sea level rise, extreme weather events, flooding, wildfires, or other natural disasters
Eligible projects	<p>Adds new eligible projects:</p> <ul style="list-style-type: none">• undergrounding public utility infrastructure carried out in conjunction with an otherwise eligible project• resiliency improvements (including protective features) on the NHS• activities to protect NHS segments from cybersecurity threats.• protective features (related to mitigating risk of recurring damage or the cost of future repairs from extreme weather events, flooding, or other natural disasters) on Federal-aid highways/bridges off the NHS ($\leq 15\%$ of NHPP funds)
Asset management plans	<ul style="list-style-type: none">• Requires consideration of extreme weather and resilience in lifecycle cost and risk management analyses

Federal Program Objectives

- Surface Transportation Block Grant Program (STBGP)
 - The Surface Transportation Block Grant program (STBG) 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

Changes to Surface Transportation Block Grant Program (STBG)

Topics	Changes
Eligible projects	Adds several new types of eligible projects, including: <ul style="list-style-type: none"> • EV charging infrastructure • Intelligent transportation technologies for multi-modal connection • protective features to enhance system resilience • wildlife crossing projects
Off-system bridges	<ul style="list-style-type: none"> • Increases off-system bridge set-aside • Adds eligibility to include replacing a low water crossing with a bridge
Sub-allocation	<ul style="list-style-type: none"> • Population categories for sub-allocation split into smaller ranges: <ul style="list-style-type: none"> ○ < 5,000 ○ [NEW] 5,000 – 49,999 ○ [NEW] 50,000 – 200,000 ○ >200,000 • Requires States to consult with RTPOs and MPOs for urbanized areas with 50,000-200,000 pop. before using certain suballocated funding
Rural areas	<ul style="list-style-type: none"> • Permits States to use up to 15% of funds for eligible projects or maintenance on non-Federal aid highways in rural areas, and up to 5% for certain barge landing, dock and waterfront infrastructure projects

Changes to Transportation Alternatives (TA) Set-aside from STBG

Topic	Changes
Funding	<ul style="list-style-type: none"> Increases funding, setting it at 10% of total STBG funds each FY Increases from 50% to 59% the portion of TA funds that must be suballocated to areas of the State based on population Continues to permit States to transfer up to 50% of TA funds to any other apportioned program but establishes new conditions Allows States to use up to 5% of available funds (after suballocation) to fund staff to administer the TA program and assist applicants
Eligible projects	<ul style="list-style-type: none"> Reaffirms eligibility for safe routes to school projects and activities Adds activities relating to vulnerable road user safety assessments
Eligible entities	<ul style="list-style-type: none"> Adds as eligible entities MPOs representing a pop. $\leq 200,000$, any nonprofit entities, and States at the request of another eligible entity
Federal share	<p>Subject to certain requirements:</p> <ul style="list-style-type: none"> provides for a Federal share up to 100% allows HSIP funds to be used toward the non-Federal share allows non-Federal share requirements to be met on an aggregate basis instead of by project

Federal Program Objectives

- Highway Safety Improvement Program (HSIP)
 - The Highway Safety Improvement Program (HSIP) is a core Federal-aid program with the purpose to achieve a significant reduction in traffic fatalities and serious injuries on all public roads.
 - Railway-Highway Grade Crossing Program (RHCP)
 - The Railway-Highway Crossings Program provides funds for the elimination of hazards at railway-highway crossings.

Changes to Highway Safety Improvement Program (HSIP)

Topic	Changes
Eligible projects	<ul style="list-style-type: none">• Adds eligibility ($\leq 10\%$ of HSIP funds) for specified safety projects (including non-infrastructure safety projects related to education, research, enforcement, emergency services, and safe routes to school)• Modifies the HSIP definition of highway safety improvement project by adding or clarifying some project types. Some examples include:<ul style="list-style-type: none">○ railway-highway crossing grade separation projects;○ traffic control devices for pedestrians and bicyclists; and○ roadway improvements that separate motor vehicles from bicycles or pedestrians
Vulnerable road users	<ul style="list-style-type: none">• Requires States to complete vulnerable road user (VRU) safety assessments, taking into consideration a Safe System approach• Adds new special rule for States with total annual VRU fatalities comprising $\geq 15\%$ of total annual crash fatalities in State

Changes to Railway-Highway Crossings Program (RHCP)

Topic	Changes
Eligible projects	<ul style="list-style-type: none">• Clarifies funds are eligible for projects to reduce pedestrian fatalities and injuries from trespassing at grade crossings (ped safety improvements at crossings are already an eligible activity)
Uses of funding	<ul style="list-style-type: none">• Eliminates the 50% set-aside for “protective devices”• Increases the maximum incentive payment that a State may pay a local government for closing a public at-grade railway-highway crossing from \$7,500 to \$100,000, subject to certain conditions• Increases from 2% to 8% the amount a State may use for data compilation and analysis in support of its annual RHCP report
Federal share	<ul style="list-style-type: none">• Increases the Federal share for projects financed with funds set aside for this program from 90% to 100%
Reports	<ul style="list-style-type: none">• Requires FRA to summarize highway-rail grade crossing action plans and evaluate each State railway-highway crossing program and submit report to Congress on the results (§22401)• Requires FRA, in consultation with FHWA, to update the report based on State annual reports required under the program and submit it to Congress (§22403)

Federal Program Objectives

- Congestion Mitigation and Air Quality Improvement Program (CMAQ)
 - The CMAQ program supports surface transportation projects and other related efforts that contribute air quality improvements and provide congestion relief.

Changes to Congestion Mitigation and Air Quality Improvement Program (CMAQ)

Topic	Changes
Eligible projects	<ul style="list-style-type: none">• Adds eligibilities for–<ul style="list-style-type: none">○ shared micro-mobility (e.g., bikeshare, shared e-scooters)○ purchase of diesel replacements○ purchase of medium/heavy-duty zero emission vehicles and related charging equipment○ modernization/rehab of a lock and dam or a marine highway corridor, connector, or crossing, if certain criteria are met (≤10% of CMAQ funds)
Rail/transit operating assistance	<ul style="list-style-type: none">• CMAQ funds may be used for rail/transit operating assistance (w/o time limitation) in association with certain CMAQ projects located in certain areas
Equity	<ul style="list-style-type: none">• Requires, to the maximum extent practicable, prioritizing disadvantaged communities or low-income populations when obligating funds to reduce PM2.5 emissions

Federal Program Objectives

- Metropolitan Planning Program (MPP)
 - funds are available for MPOs to carry out the metropolitan transportation planning process required by 23 U.S.C. 134, including development of metropolitan area transportation plans and transportation improvement programs. Eligible activities include conducting inventories of existing routes to determine their physical condition and capacity, determining the types and volumes of vehicles using these routes...
- National Highway Freight Program (NHFP)
 - Funds may be obligated for projects that contribute to the efficient movement of freight on the National Highway Freight Network (NHFN)

Changes to National Highway Freight Program (NHFP)

Topic	Changes
Freight intermodal/ freight rail projects	<ul style="list-style-type: none">• State may use ≤30% (vs. 10% under current law) of NHFP funding on freight intermodal or freight rail projects, subject to certain restrictions
Locks, dams, marine highways	<ul style="list-style-type: none">• Adds eligibility for modernization/rehab of a lock and dam or a marine highway corridor, connector, or crossing (including an inland waterway corridor, connector, or crossing) that are:<ul style="list-style-type: none">○ functionally connected to the National Highway Freight Network; and○ likely to reduce on-road mobile source emissions
Critical freight corridors	<ul style="list-style-type: none">• Allows the designation of more miles as critical rural freight corridors and critical urban freight corridors

[NEW] Carbon Reduction Program (formula)

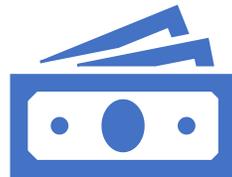
Purpose	Provide funding for projects to reduce transportation emissions or the development of carbon reduction strategies.
Funding	\$6.4 B (FY 22-26) in Contract Authority from the HTF
Recipients	<ul style="list-style-type: none">• States (including DC)
Distribution formula	<ul style="list-style-type: none">• Apportioned to States by formula• 65% of funds are suballocated (reserved for use in certain areas of the State, based on population)
Other key provisions	<ul style="list-style-type: none">• Requires State, in consultation with MPOs, to develop (and update at least every 4 years) a carbon reduction strategy and submit it to DOT for approval.• DOT must certify that a State's strategy meets the statutory requirements.

[NEW] PROTECT* Formula Program

Purpose	Planning, resilience improvements, community resilience and evacuation routes, and at-risk coastal infrastructure
Funding	\$7.3 B (FY 22-26) in Contract Authority from the HTF
Recipients	<ul style="list-style-type: none">• States (including DC)
Distribution formula	<ul style="list-style-type: none">• Apportioned to States by formula
Other key provisions	<ul style="list-style-type: none">• Highway, transit, and certain port projects are eligible• Higher Federal share if the State develops a resilience improvement plan and incorporates it into its long-range transportation plan• Of the amounts apportioned to a State for a fiscal year, the State may use:<ul style="list-style-type: none">○ not more than 40% for construction of new capacity○ not more than 10% for development phase activities

** The full name of the program is Promoting, Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) program.*

Grant Programs



[NEW] National Infrastructure Project Assistance Program (“Mega-projects”) (discretionary)

Purpose	Provide funding through single-year or multiyear grant agreements for eligible surface transportation projects
Funding	\$5 B (FY 22-26) in advance appropriations from the GF
Eligible entities	<ul style="list-style-type: none">• State• MPO• Local government• Special purpose district or public authority with transportation function• Tribal governments• Partnership between Amtrak and one or more other eligible entities
Eligible projects	<ul style="list-style-type: none">• Highway/bridge projects on National Multimodal Freight Network, NHFN, or NHS• Freight intermodal or freight rail projects that provide a public benefit• Railway-highway grade separation or elimination projects• Intercity passenger rail projects• Certain public transportation projects
Other key provisions	<ul style="list-style-type: none">• Sets aside 50% of grant funding for projects costing more than \$100 M but less than \$500 M, and 50% for projects costing \$500 M or more

[NEW] Local and Regional Project Assistance Program* (discretionary)

Purpose	Projects with a significant local or regional impact that improve transportation infrastructure
Funding	\$7.5 B (FY 22-26) in advance appropriations from the GF
Eligible entities	<ul style="list-style-type: none"> • State (and DC) • Territory • Local government • Public agency or publicly chartered authorities established by one or more States • Special purpose district or public authority with transportation function • Federally-recognized Indian Tribe • Transit agency
Eligible projects	<ul style="list-style-type: none"> • Highway/bridge projects eligible under title 23 • Public transportation projects • Passenger or freight rail projects • Port infrastructure investments • Surface transportation components of an airport • Projects for investment in surface transportation facilities on Tribal land • Projects to replace or rehabilitate a culvert or certain projects to prevent stormwater runoff • Any other surface transportation projects considered necessary to advance program goals

* Codifies the existing Rebuilding American Infrastructure with Sustainability and Equity (RAISE) program previously established through appropriations acts (and formerly known as TIGER and BUILD).

Changes to INFRA Program (discretionary)

Purpose	Multimodal freight and highway projects of national or regional significance
Funding	\$8 B (FY 22-26), including: <ul style="list-style-type: none">• \$4.8 B (FY 22-26) in Contract Authority from the HTF; and• \$3.2 B (FY 22-26) in advance appropriations from the GF
Eligible entities	Adds eligibility for: <ul style="list-style-type: none">• Multistate corridor organizations
Eligible projects	Adds eligibility for: <ul style="list-style-type: none">• A highway, bridge, or freight project on the National Multimodal Freight Network• Marine highway corridor projects functionally connected to NHFN and likely to reduce on-road emissions;• Wildlife crossing projects; and• Surface transportation projects within the boundaries of or functionally connected to an international border crossing area;
Other key provisions	<ul style="list-style-type: none">• Increases flexibility to use INFRA funds (up to 30% per FY) on non-highway freight projects• Sets aside $\geq 15\%$ (instead of 10%) of grant funding for small projects and at least 30% of the set-aside amount for projects in rural areas

[NEW] Reduction of Truck Emissions at Port Facilities Program (discretionary)

Purpose	Study and competitive grants to reduce truck idling and emissions at ports, including through the advancement of port electrification
Funding	\$400 M (FY 22-26), including— <ul style="list-style-type: none">• \$250 M (FY 22-26) in Contract Authority from the HTF; and• \$150 M (FY 22-26) in advance appropriations from the GF
Eligible entities	<ul style="list-style-type: none">• None specified
Eligible projects	<ul style="list-style-type: none">• Competitive grants are intended to test, evaluate, and deploy projects that reduce port-related emissions
Other key provisions	<ul style="list-style-type: none">• Study to address how ports and intermodal port transfer facilities would benefit from increased opportunities to reduce emissions at ports, and how emerging technologies and strategies can contribute

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Funding

IIJA Funds Basics

- The FHWA formula funding is not a "cash up-front" program, unlike other federal programs. States are reimbursed by the Federal government for those costs that are federally eligible.
- California is set to receive \$25.3 billion in formula funds over the next 5 years (A \$5.9 Billion increase over historic funding levels)
- In addition, California is set to receive \$4.2 billion over the next 5 years for a new Bridge Improvement Program and \$384 million for Electric Vehicle infrastructure program.

IIJA Formula Budget

- Caltrans and Local transportation agencies have historically agreed to a funding split of 60% of this funding to the state and 40% to local agencies (across all federal programs).
- Funding that is distributed through the Caltrans Local Assistance Program is expected to follow existing processes.

IIJA Federal Funding – California

(Current Year in millions)



Formula Funding Programs	FASTact FFY 2021	BIL/IIJA FFY 2022	Difference	Percent Change
National Highway Performance Program (NHPP)	\$2,065	\$2,460	\$395	19%
Surface Transportation Block Grant Program (STBGP)	\$1,042	\$1,197	\$155	15%
Highway Safety Improvement Program (HSIP)	\$209	\$262	\$53	25%
Railway-Highway Grade Crossings Program (RHCP)	\$17	\$17	\$0	0%
Congestion Mit. and Air Quality Imp. Program (CMAQ)	\$495	\$506	\$11	2%
Metropolitan Planning Program (MPP)	\$54	\$66	\$12	22%
National Highway Freight Program (NHFP)	\$137	\$127	(\$10)	-7%
Carbon Reduction Program ¹	\$0	\$107	\$107	-
PROTECT Formula Program ¹	\$0	\$121	\$121	-
Electric Vehicle Formula Program ^{1,2,3}	\$0	\$77	\$77	-
Bridge Replace & Rehab Program ^{1,2}	\$0	\$849	\$849	-
GRAND TOTAL	\$4,019	\$5,789	\$1,770	44%

1 - New Program

2 - General Fund Program

3 - Estimated using 5 year average - Apportionment Notice Not Yet Released

Bridge Program Formula Budget

- **What is the background information for the Bridge Formula Program?**
- The funds resulting from this apportionment are eligible to be obligated on highway bridge replacement, rehabilitation, preservation, protection, or construction projects on public roads. Such projects shall be treated as projects on a Federal-aid highway.
- The funds available for distribution to the States, as defined in 23 U.S.C. 101, have been apportioned to the States as follows:
 - (i) 75 percent by the proportion that the total cost of replacing all bridges classified in poor condition in such State bears to the sum of the total cost to replace all bridges classified in poor condition in all States; and
 - (ii) 25 percent by the proportion that the total cost of rehabilitating all bridges classified in fair condition in such State bears to the sum of the total cost to rehabilitate all bridges classified in fair condition in all States.

Bridge Program Formula Budget

- The construction of a new highway bridge on a new alignment is an eligible project under the BFP, but FHWA encourages States to first focus their BFP funding on projects that improve the condition of in-service highway bridges classified in poor condition and that preserve or improve the condition of in-service highway bridges classified in fair condition.
- California is expected to receive \$4.2 billion for bridges over the next 5 years.
- 15% of the funds must be used of “off system” bridges

Bridge Formula Breakdown

	Good		Fair		Poor		TOTALS	Option 1		Option 2	
	Count	Area (sq. ft)	Count	Area (sq. ft)	Count	Area (sq. ft)		Total Inventory Approach %	Fair Share (millions)	IIJA Weighted %	Fair Share (millions)
California Dept of Transportation (non-Toll)	6,585	120,668,209	5,374	115,696,208	491	9,597,206	245,961,623	74.34	3,155.73	66.28	2,813.77
California Dept of Transportation (Toll)	3	2,960,732	4	4,039,922	1	2,209,874	9,210,528	2.78	118.17	4.89	207.78
City/Town/County	5,129	28,800,024	6,306	37,667,255	967	7,913,509	74,380,788	22.48	954.32	28.17	1,195.86
Department of Water Resources	2	1,594	30	240,379	10	68,901	310,874	0.09	3.99	0.21	8.71
California Dept of Parks and Recreation	6	26,274	31	61,462	16	30,979	118,715	0.04	1.52	0.07	3.01
California Department of Forestry	6	4,113	19	30,430	4	2,562	37,105	0.01	0.48	0.02	0.74
Department of Fish and Game	-	-	-	-	1	549	549	0.00	0.01	0.00	0.03
Golden Gate Bridge Highway & Trans Dist.	-	-	5	727,124	-	-	727,124	0.22	9.33	0.33	14.16
College/University	8	22,163	7	20,689	-	-	42,852	0.01	0.55	0.01	0.40
California State Lands Commission	-	-	1	18,320	-	-	18,320	0.01	0.24	0.01	0.36
Bay Area Rapid Transit	1	11,388	1	5,909	-	-	17,297	0.01	0.22	0.00	0.12
CDCR - Centinela State Prison	-	-	1	3,520	-	-	3,520	0.00	0.05	0.00	0.07
California High Speed Rail Authority	5	31,937	-	-	-	-	31,937	0.01	0.41	0.00	-
TOTALS	11,745	152,526,434	11,779	158,511,218	1,490	19,823,580	330,861,232				

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Fix it First Needs

Identified Fix it First Needs

- State Highway System

- Caltrans develops a State Highway System Management Plan (SHSMP) that assess needs for major State Highway System (SHS) assets.
 - Currently identified needs are double available funding (pre-IIJA)
 - The SHS in California is the most heavily used in the nation
 - The SHS bridges represent about 77% of all bridge area in California
- Link - <https://dot.ca.gov/programs/asset-management/state-highway-system-plan>

- Local Roadways

- The Local Streets and Roads Needs Assessment identified:
 - \$3.84 billion/year need to maintain local pavement at current levels (Pre-IIJA)
 - The condition of California's local streets and roads has only improved 1 point since 2018
 - Cities and Counties own over 950 Poor condition bridges and have a \$430 million annual shortfall over the next 10 years
- Link – <https://www.savecaliforniastreet.org/read-the-report/>

Fix it First Priorities Discussion

- We need to tell the story of “fix it first” needs to ensure that an appropriate share of IJA funding is directed to these important needs.

Next Steps

- Future Meeting Structure
 - Breakouts for state and local systems?