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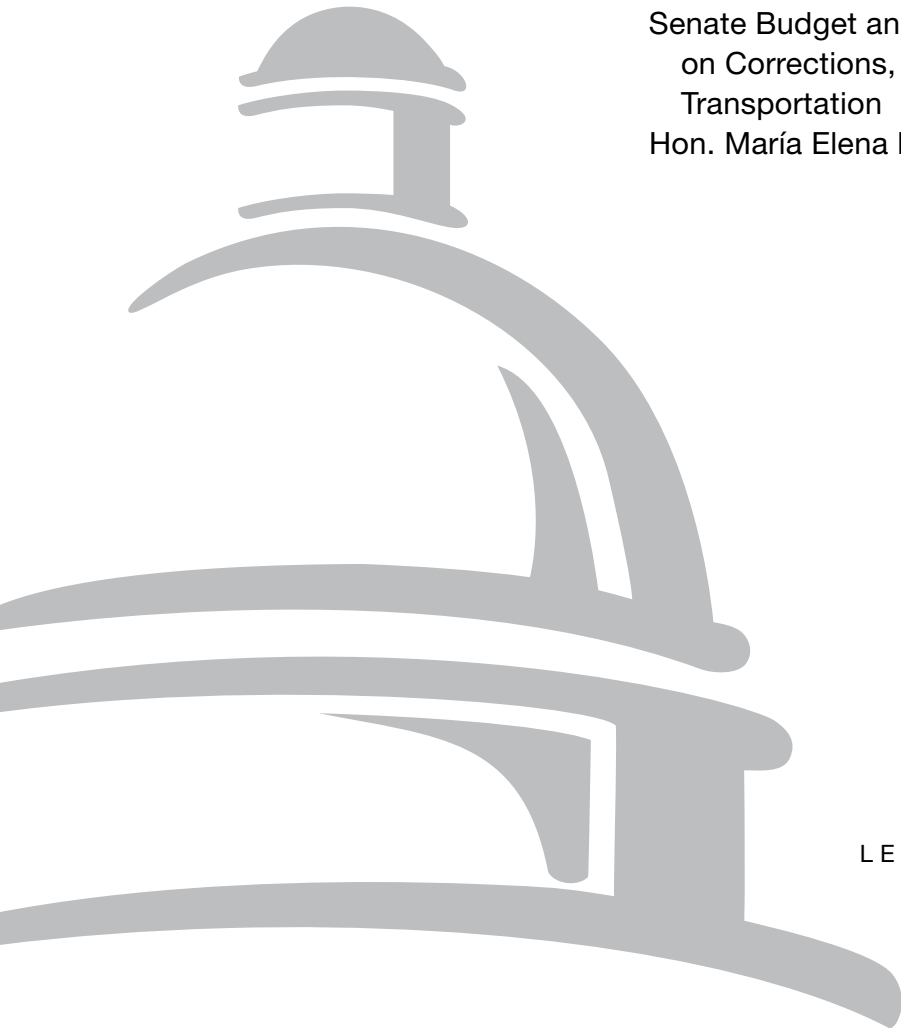
# Transportation Funding From the Infrastructure Investment and Jobs Act

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PRESENTED TO:

Senate Committee on Transportation  
Hon. Lena A. Gonzalez, Chair

Senate Budget and Fiscal Review Subcommittee No. 5  
on Corrections, Public Safety, Judiciary, Labor and  
Transportation  
Hon. María Elena Durazo, Chair



LEGISLATIVE ANALYST'S OFFICE

# Overview of Infrastructure Investment and Jobs Act (IIJA)

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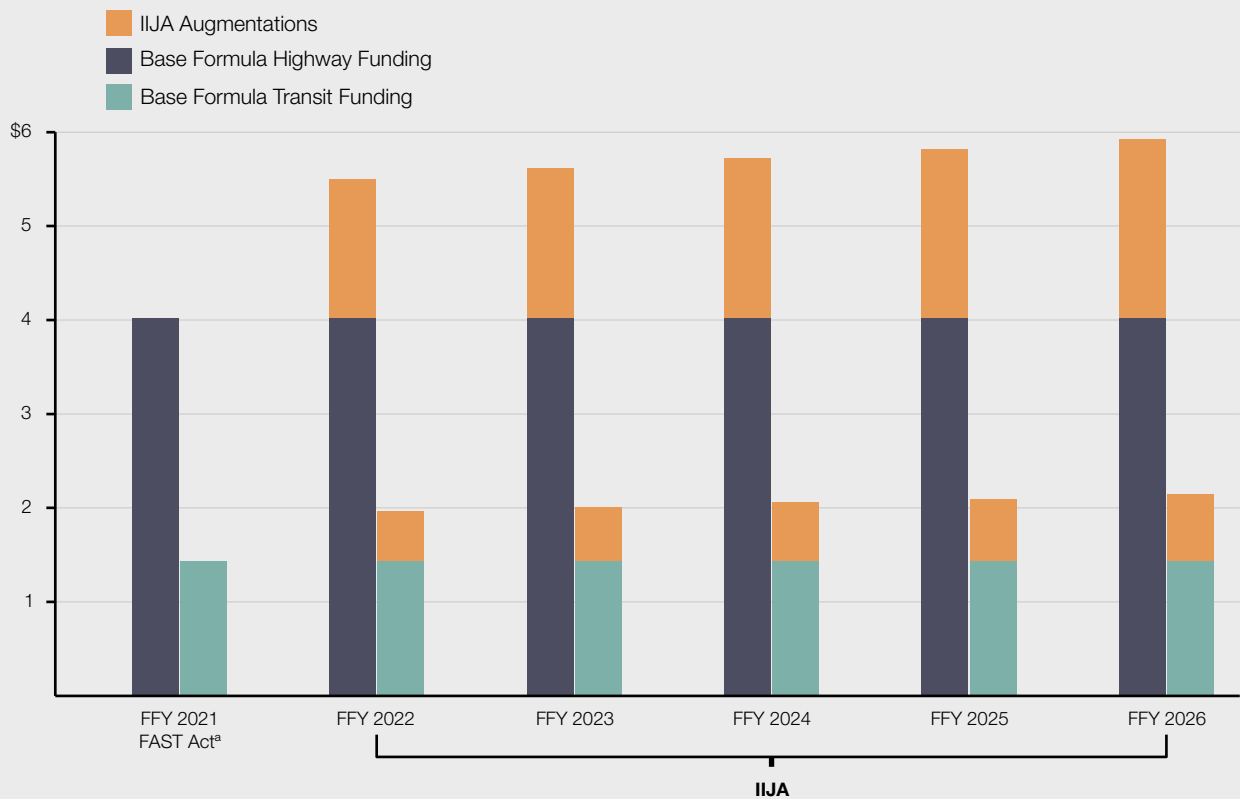
- In November 2021, the federal government enacted IIJA, which authorized \$1.2 trillion across federal fiscal years 2022 through 2026 for various types of infrastructure, such as transportation, water, energy, and broadband.
- In total, IIJA authorized \$567 billion over the five-year period for formula and competitive federal transportation programs.



# IIJA Formula Funding Increases

## Federal IIJA Increases Formula Highway and Transit Funding to California

(In Billions)



<sup>a</sup> Amount provided under the last year of the FAST Act.

IIJA = Infrastructure Investment and Jobs Act; FFY = federal fiscal year; and FAST = Fixing America's Surface Transportation.

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- Increases formula highway funding by an average of \$1.7 billion annually, or \$8.5 billion more across the five years, compared to Fixing America's Surface Transportation (FAST) Act levels.
- Increases formula transit funding by an average of \$620 million annually, or \$3.1 billion more across the five years, compared to FAST Act levels.



# Federal Formula Highway Funding

## Federal Formula Highway Programs Split Between State and Local Agencies

Federal Fiscal Year 2022 (In Millions)

Program	State	Local	Totals
National Highway Performance Program	\$2,226	\$231	\$2,457
Surface Transportation Block Grant Program	360	837	1,197
Bridge Formula Program	322	253	575
Highway Safety Improvement Program	142	120	262
PROTECT Formula Program	73	49	122
National Electric Vehicle Infrastructure Formula Program	57	—	57
Carbon Reduction Program	37	69	106
Congestion Mitigation and Air Quality Improvement Program	—	506	506
Metropolitan Planning Program	—	66	66
Railway-Highway Grade Crossings Program	—	17	17
National Highway Freight Program	— <sup>a</sup>	— <sup>a</sup>	127
<b>Totals</b>	<b>\$3,217</b>	<b>\$2,148</b>	<b>\$5,492</b>
<b>Percent Split Between State and Local</b>	<b>60%</b>	<b>40%</b>	

<sup>a</sup> The California Transportation Commission awards funds on a competitive basis between state and local applicants through the Trade Corridor Enhancement Program.

PROTECT = Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation.

- The state reserves 60 percent for state-level activities—such as highway maintenance and rehabilitation—and apportions 40 percent to local agencies for local system needs.

## IIJA Includes Funding for Several New Programs

- **Bridge Formula Program** to support bridge replacement, rehabilitation, preservation, protection, or construction projects.
- **Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT) Formula Program** to support transportation projects that address vulnerabilities to current and future weather events, natural disasters, and changing conditions such as sea-level rise.
- **Carbon Reduction Program** to support transportation projects that reduce emissions, including traffic management, public transit, and active transportation facilities.
- **National Electric Vehicle Infrastructure Formula Program** to support the deployment of electric vehicle charging infrastructure.



# Federal Formula Transit Funding

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## Major Federal Formula Transit Programs

Federal Fiscal Year 2022 (In Millions)

Program	Amounts
Urbanized Area Formula Program	\$1,138
State of Good Repair Program	641
Bus and Bus Facilities Program	76
Enhanced Mobility of Seniors and Individuals with Disabilities Program	47
Rural Area Formula Program	39
Metropolitan Transportation Planning Program	23
Statewide Transportation Planning Program	5
<b>Totals</b>	<b>\$1,969</b>

## Federal Formula Transit Funding Provided Through Several Programs

- Funding largely is provided directly to local agencies across the state.
- Programs primarily focus on capital improvements, but funding can be used to support operational expenses in certain circumstances.



## Other IIJA Transportation Funding

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### Increased Funding for Intercity Rail

- Includes \$13.2 billion annually over the five-year period for intercity rail programs that support Amtrak rail routes and competitive grants.
- This represents an average annual increase of \$10.8 billion nationwide, or \$53.9 billion more across the five years, compared to FAST Act levels.

### Significant Amount of Competitive Funding

- IIJA includes a significant amount of funding for new and existing competitive programs.
- Over the five-year period, IIJA is anticipated to provide over \$100 billion in competitive funding across programs that support highways, transit, rail, and freight.
- Some key programs include:
  - **Infrastructure for Rebuilding America Program** to support multimodal freight and highway projects of national or regional significance to improve the safety, efficiency, and reliability of the movement of people and goods.
  - **Capital Investment Grants Program** to support the construction of new rail, bus rapid transit, and ferry systems as well as the expansion of existing systems.
  - **Charging and Fueling Infrastructure Grant Program** to support the deployment of publicly accessible electric vehicle charging infrastructure and other alternative fueling infrastructure along designated alternative fuel corridors.



## Suggested Questions for Legislative Oversight

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- **Outcomes and Accountability.** What are the key outcomes the state intends to achieve with the additional funding made available from IIJA? How is the state tracking its progress on meeting these goals?
- **Discretion and Decision-Making.** To what extent does the state have discretion in determining which types of activities are funded? How will the state utilize this discretion? To what extent is legislative direction needed to further align spending with state goals?
- **Prioritization.** What criteria will the state use to ensure that funding is targeted towards the highest-priority projects? How will the state target funding to populations and areas where it may be most needed? How can the state structure spending in a way that allows federal and state programs to best complement one another?
- **Competitiveness.** How successful has the state been in receiving competitive funding thus far? Are there steps the state could take to better position California and its local agencies to compete for IIJA funding?
- **Transit Funding Issues.** To what extent will the additional transit funding help agencies that are facing operational shortfalls?
- **Climate Change.** How should the state balance supporting the goals of improving transportation systems while also increasing resiliency from the current and future impacts of climate change, such as sea-level rise and more extreme weather? How will the state ensure that funding supports projects that align with its greenhouse gas reduction goals?

