



## **NORTH CAROLINA** Department of Transportation



# Federal Funding Update – 2021 Infrastructure

H. Tasaico, PE

9/28/2022

# Outline

Transportation Funding

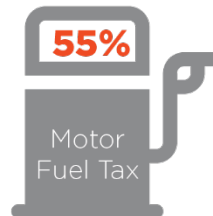
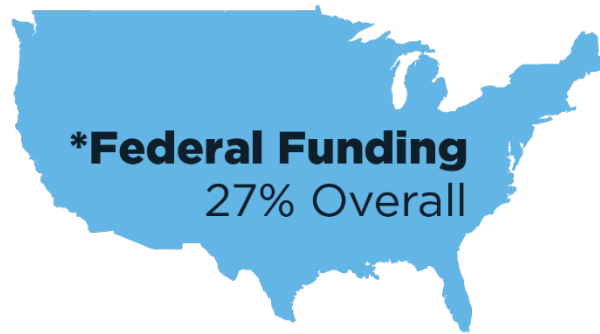
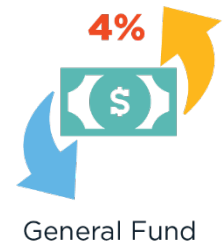
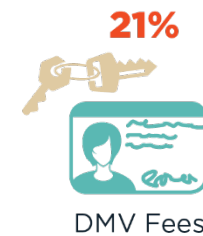
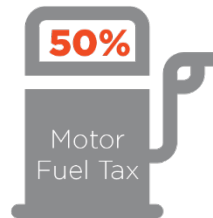
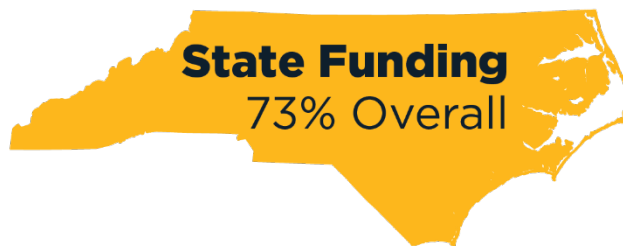
State Revenues

Federal Revenues

Federal Infrastructure Bill

North Carolina Project Prioritization

# Primary Funding Sources – SFY 2023



SFY – State Fiscal Year (July to June)

IIJA – Infrastructure Investment and Jobs Act

USDOT – United States Department of Transportation

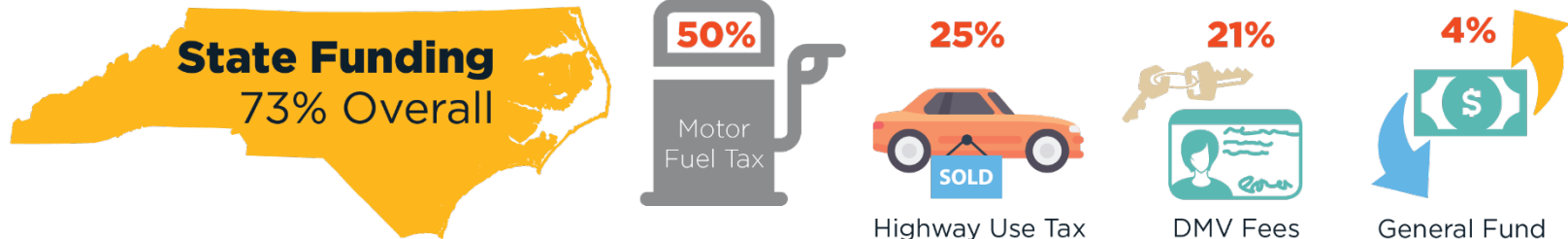
FHWA – Federal Highway Administration

FTA – Federal Transit Administration

FFY – Federal Fiscal Year (October to September)

\* IIJA's USDOT FHWA and FTA FFY 2022-23 Allocations

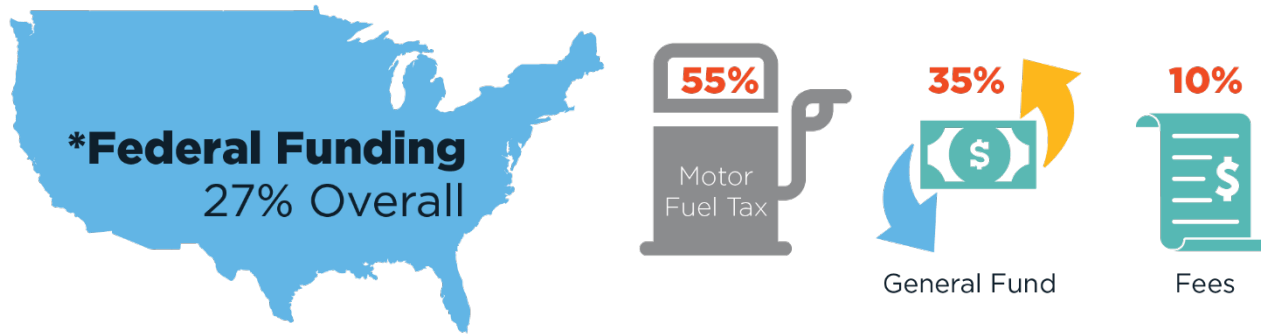
# State Revenue Sources – SFY 2023



Motor Fuel Tax	Gasoline and Diesel 38.5 cents/gallon (effective 1/1/2022)
	$\text{Rate}_x = \text{Rate}_{x-1} \times \frac{75\% \Delta(\text{Population}_{x \text{ and } x-1})}{25\% \Delta(\text{CPI} - E_{x \text{ and } x-1})}$
DMV Fees	20+ Driver and Vehicle fees Most fees adjusted Quadrennially based on CPI*
Highway Use Tax	3% of vehicle sale transaction net of trade-in
General Fund Transfers	Use Sales Tax      2% - SFY 2023 4% - SFY 2024 6% - SFY 2025

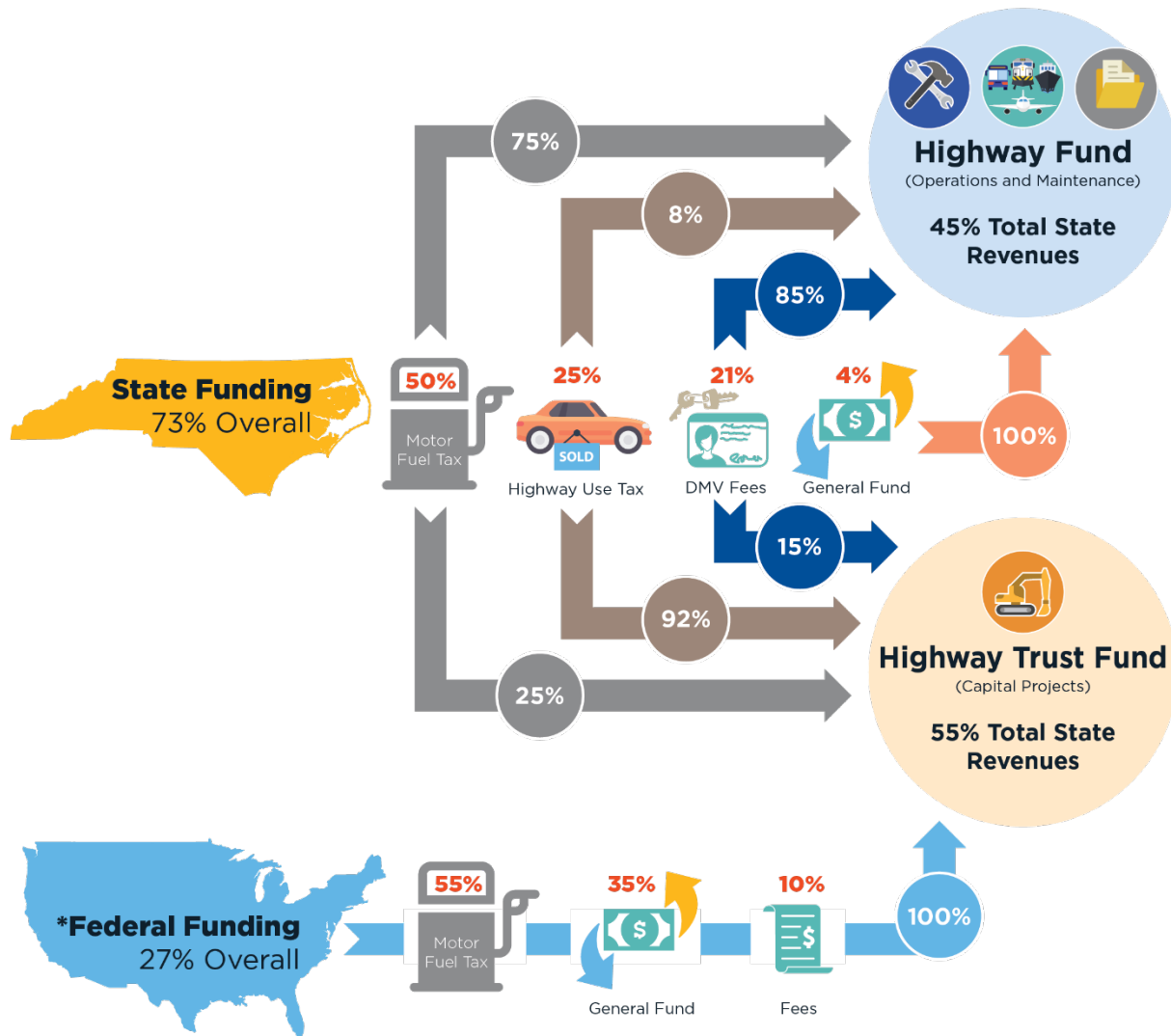
\* Consumer Price Index

# Federal Aid Revenue Sources



Motor Fuel Tax:	<ul style="list-style-type: none"> <li>Gasoline 18.4 cents/gallon</li> <li>Diesel 24.4 cents/gallon</li> </ul>
Truck Sales:	12% of retail price for trucks over 33,000 lbs. or trailers over 26,000 lbs. (pound) - Gross Vehicle Weight (GVW)
Truck Use:	<ul style="list-style-type: none"> <li>Up to 55,000 lbs. No Tax</li> <li>Over 55,000 lbs. \$100 + \$22/1,000 lbs. over 55,000 lbs. (\$550 maximum)</li> </ul>
Tires:	<ul style="list-style-type: none"> <li>9.45 cents/10 pounds over 3,500 lbs. maximum rated load capacity</li> <li>4.725 cents for bias-ply or super single tire</li> </ul>
General Fund Transfers:	\$275 billion since 2008 (through 12/2021)

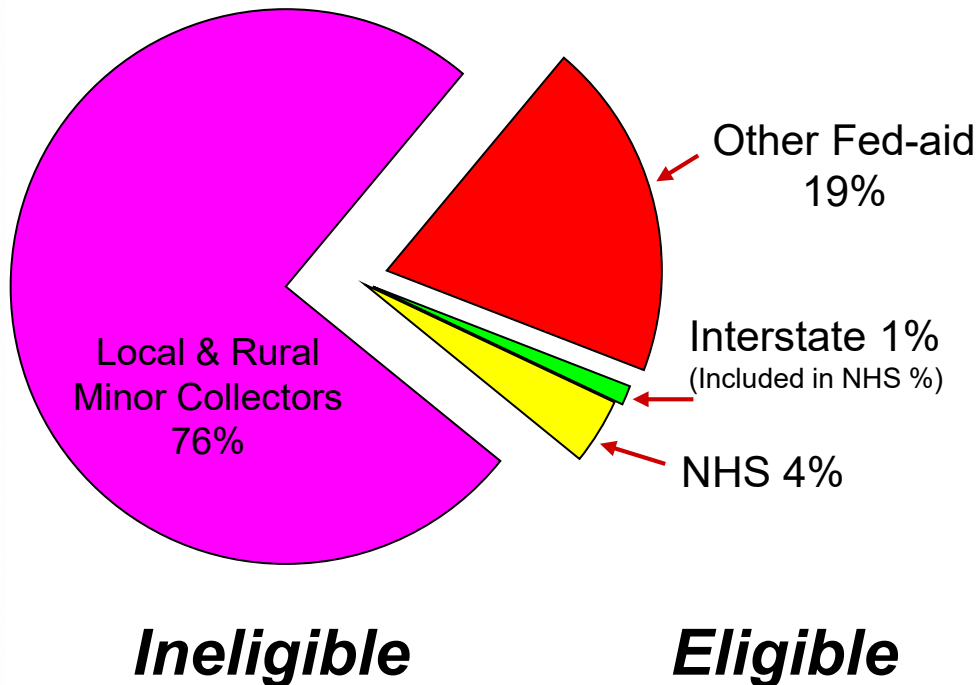
# FY 2022-23 Funding Distribution



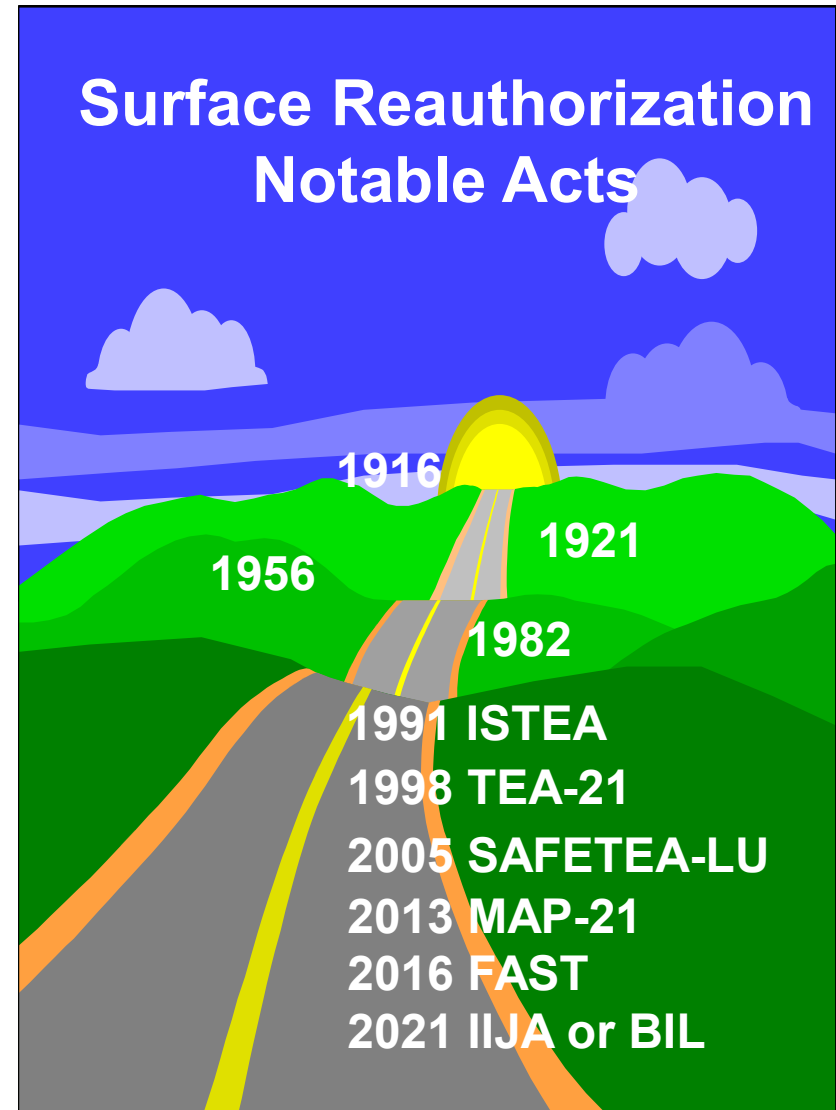
\* IJJA's USDOT FHWA and FTA FFY 2022-23 Allocations

# Federal-aid Highway Program

- ✓ Reimbursement Program
- ✓ Matching requirements
- ✓ Specific Systems Funding



Nationally - 4 million miles of public roads total





# Infrastructure Investment and Jobs Act (IIJA)

## **BIPARTISAN INFRASTRUCTURE LAW**

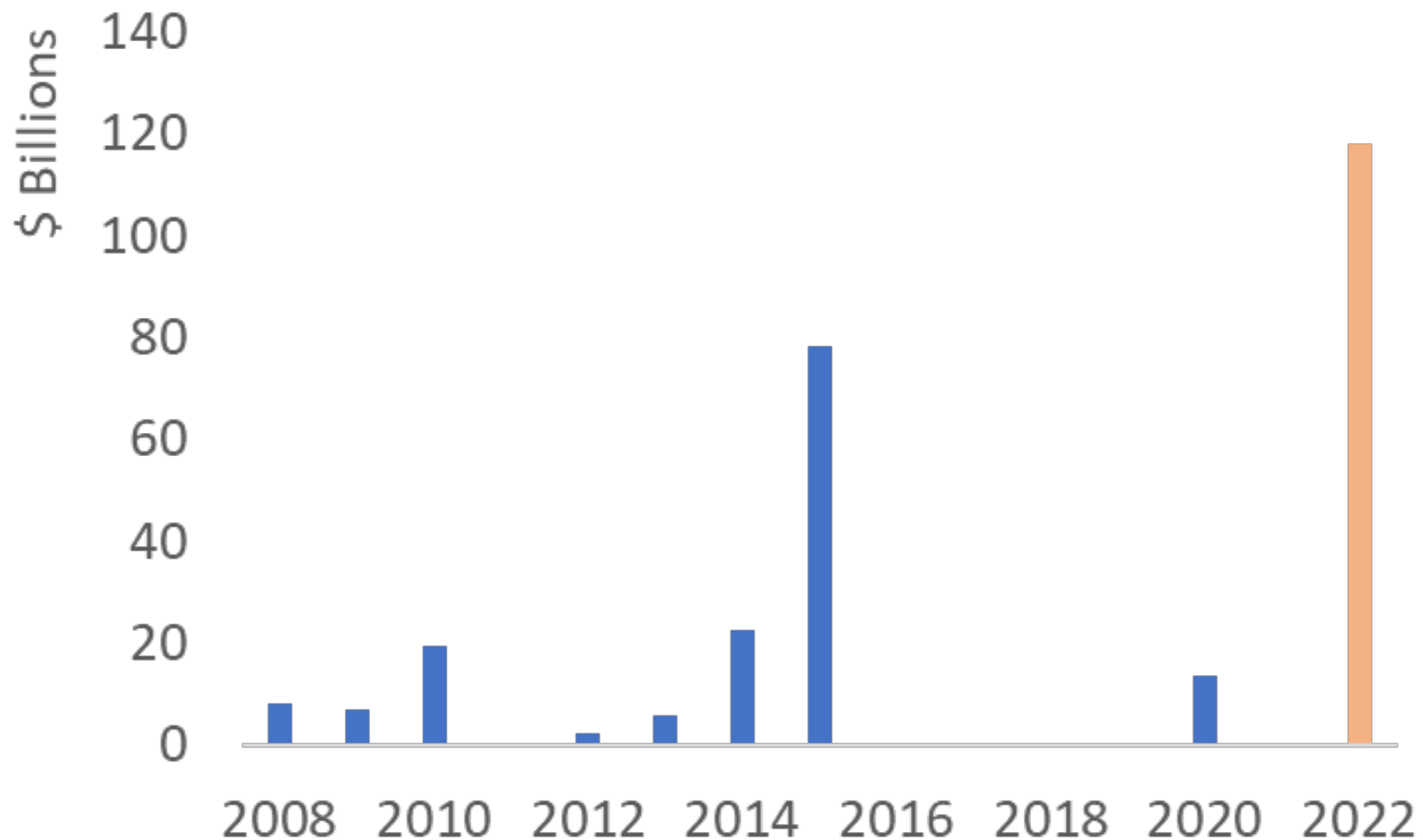


- Effective - November 15, 2021
- Public Law 117-58 - 1,039 pages
- First Bill
  - Surface transportation reauthorization and
  - Infrastructure Legislation
- Total ~\$1 trillion - 2022 to 2026
- Funding
  - \$118B GF Transfer
  - Advance Appropriations



# Highway Trust Fund (HTF) Transfer

Total to date - \$275.2B



# Highway Trust Fund (HTF) Status



## IIJA Transfers

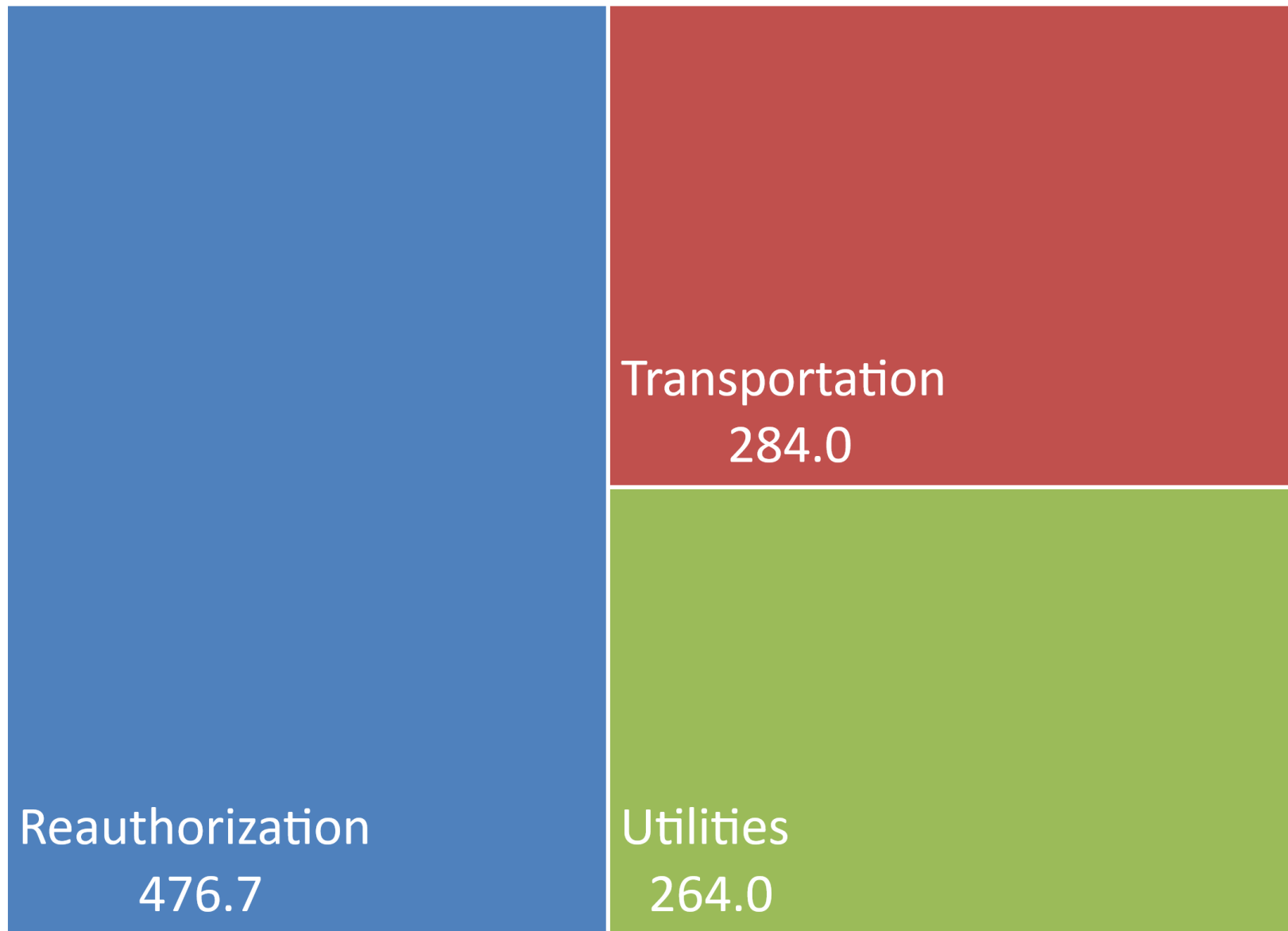
**Highway \$90B**  
**Transit \$28B**

Transfers required due to

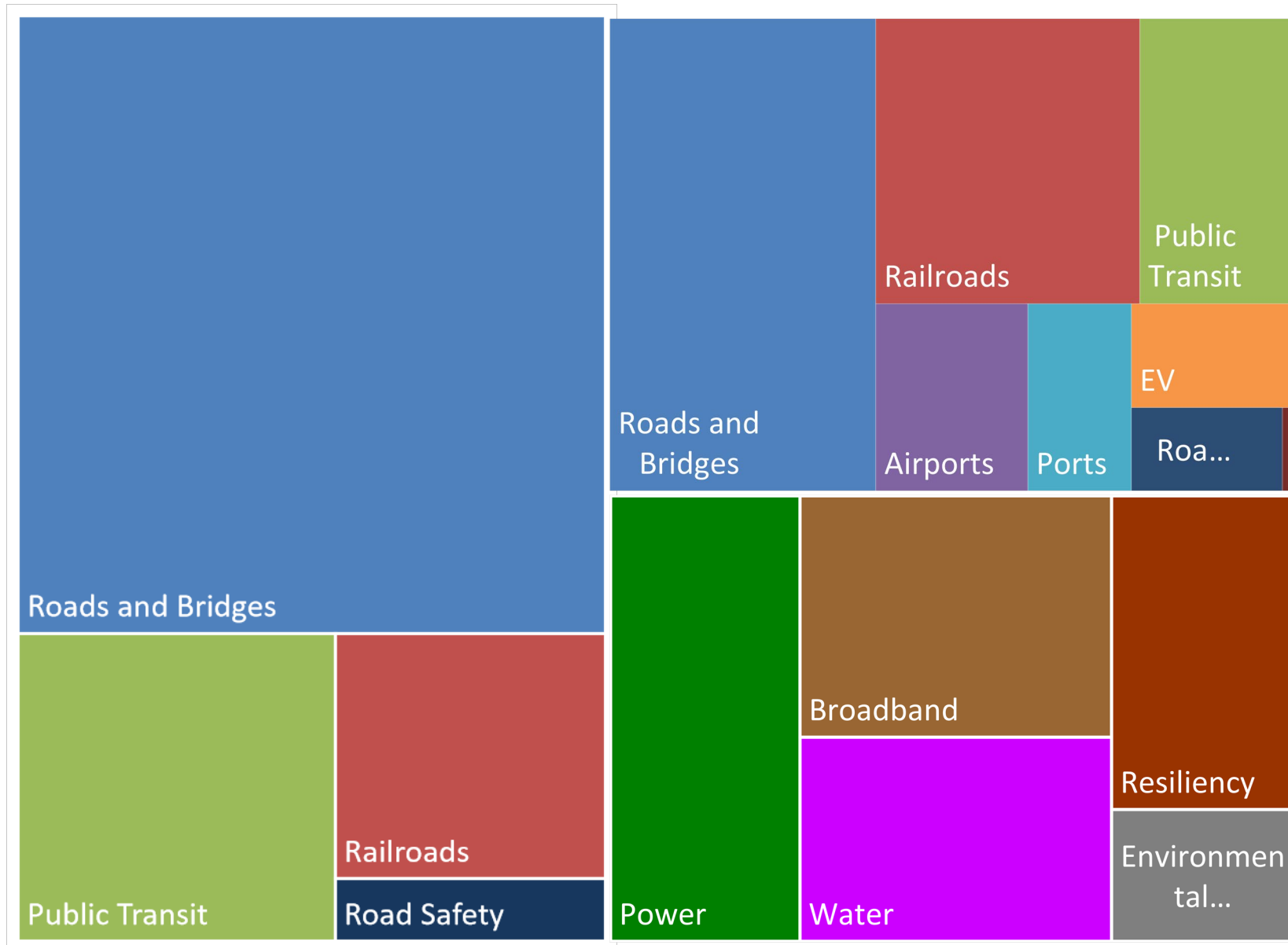
- Increases in program spending
- No revenue growth in HTF Outlook

Both Accounts projected to be solvent through IIJA period

## IIJA ~1 Trillion



## IIJA ~1 Trillion - Breakdown



## Involves Other Federal Agencies

- U.S. Department of Agriculture
- U.S. Department of Commerce
- U.S. Department of Energy
- U.S. Department of Homeland Security
- U.S. Department of the Interior
- U.S. Environmental Protection Agency
- U.S. Department of Health and Human Services

In-house preliminary estimate ~\$230B in grants

# Funding Available to a Range of Recipients

Program Examples	State	MPO	Local	Tribe	PA*	Territory	FLMA*
Apportioned programs (formula)	✓						
Bridge Program (formula)	✓			✓			
National Electric Vehicle Formula Program	✓		✓				
Safe Streets and Roads for All program		✓	✓	✓			
PROTECT Grants (discretionary)	✓	✓	✓	✓	✓		✓
Charging and Fueling Infrastructure Program	✓	✓	✓	✓	✓	✓	
Congestion Relief Program	✓	✓	✓				
Bridge Investment Program (discretionary)	✓	✓	✓	✓	✓		✓
Reconnecting Communities Pilot Program	✓	✓	✓	✓			
Rural Surface Transportation Grants	✓		✓	✓			
INFRA	✓	✓	✓	✓	✓		✓
Nat'l Infra. Project Assistance	✓	✓	✓	✓	✓		
Local and Regional Project Assistance	✓	✓	✓	✓	✓	✓	

**Note:** This table does not include all BIL programs or eligible entities, and there are additional nuances not represented in this table. Additional programmatic information is provided in later slides. FHWA will administer most, but not all, programs listed.

\* "PA" means a special purpose district or public authority with a transportation function; FLMA means Federal Land Management Agency

# Fixing America's Surface Transportation (FAST) Act

\$ in Millions

70,000

60,000

50,000

40,000

30,000

20,000

10,000

0

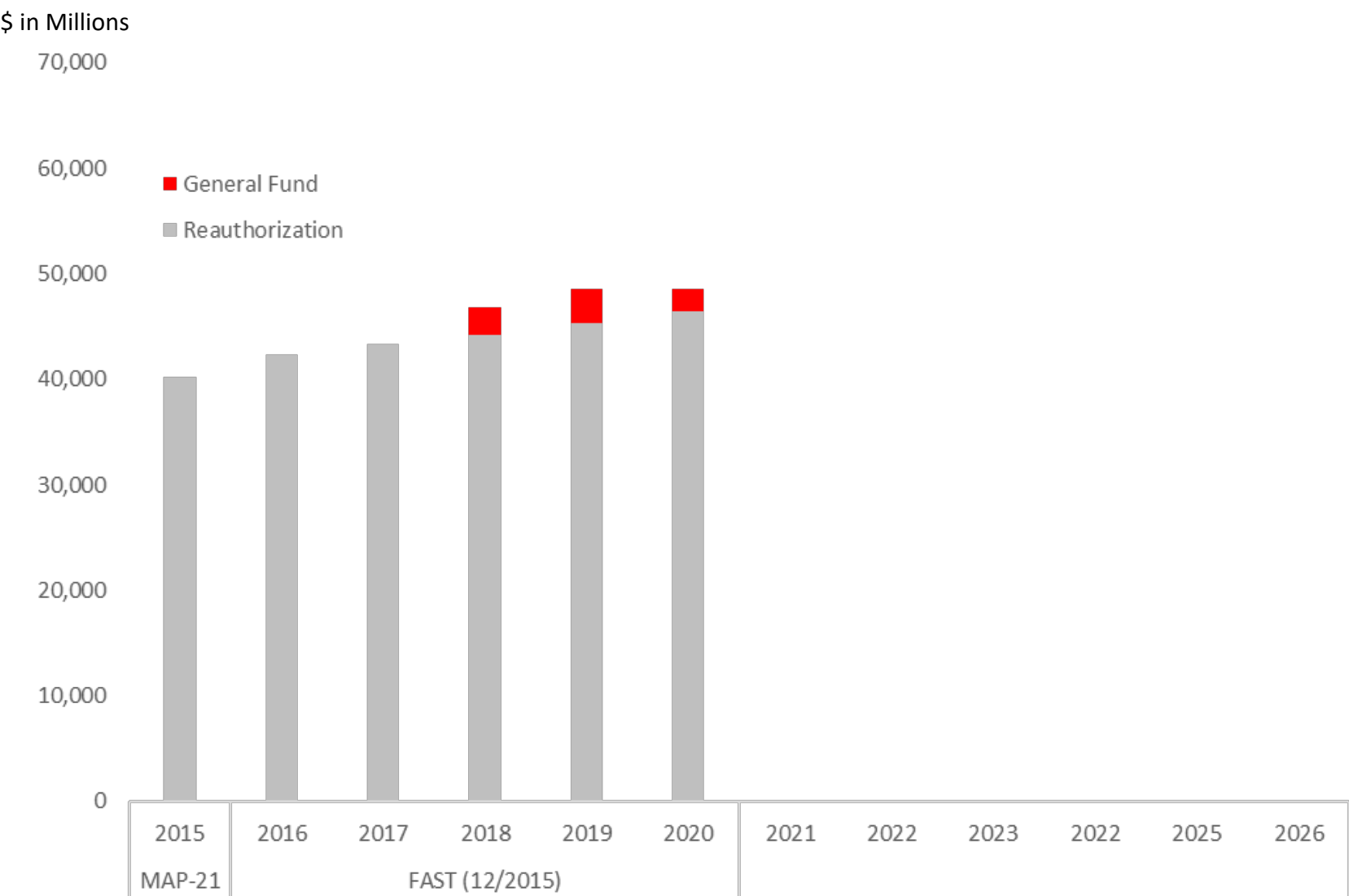
■ Reauthorization



MAP-21 – Moving Ahead for Progress in the 21<sup>st</sup> Century



# FAST Act – Plus



# FAST Act – Plus + COVID

\$ in Millions

70,000

60,000

50,000

40,000

30,000

20,000

10,000

0

COVID  
General Fund  
Reauthorization

2015

2016

2017

2018

2019

2020

2021

2022

2023

2022

2025

2026

MAP-21

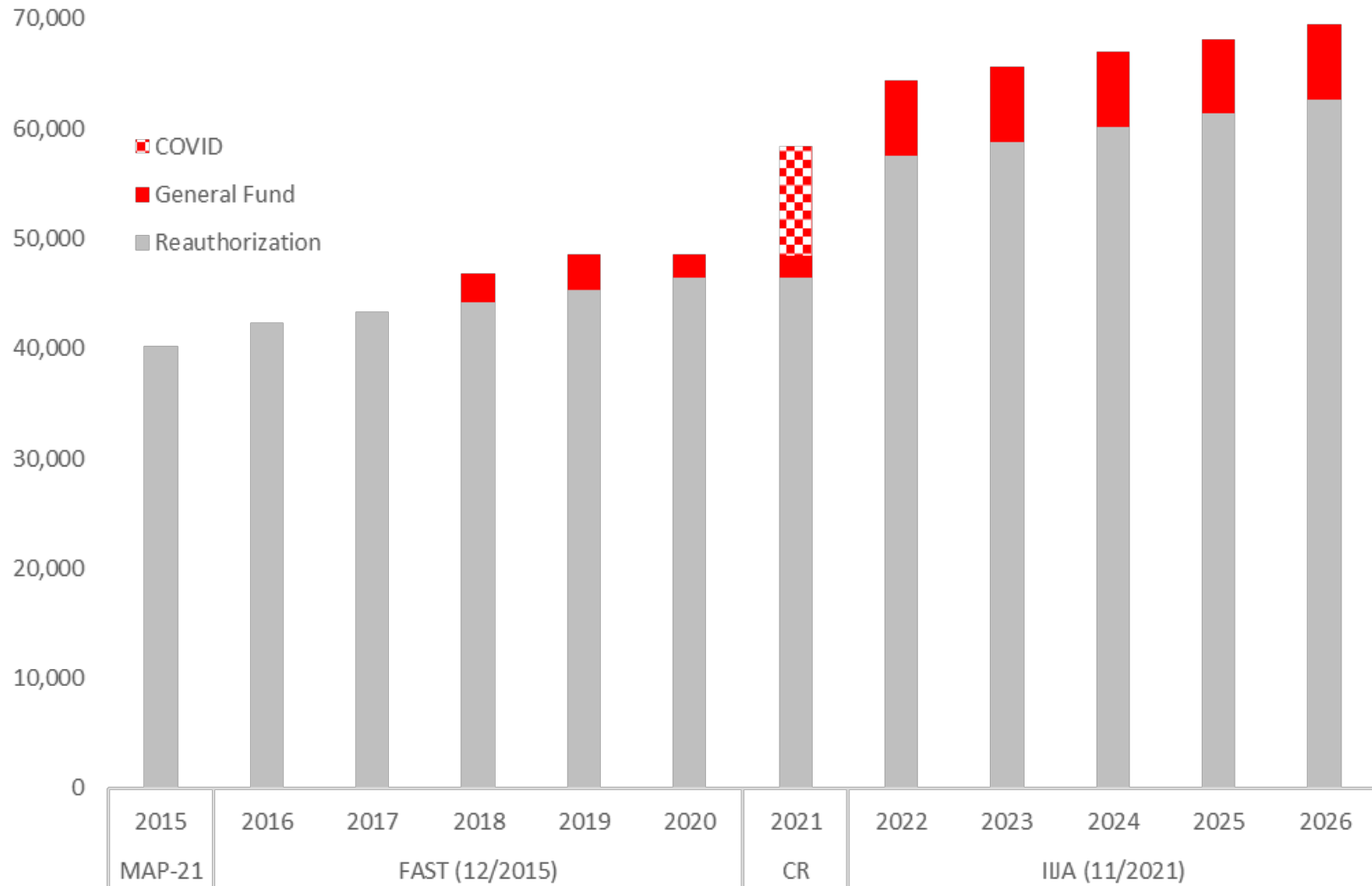
FAST (12/2015)

CR



# Comparison FAST Act and IJA

\$ in Millions



# FFY 2022 IIJA Summary

## Infrastructure Bill (2022 to 2026)

- IIJA Signed into Law November 15/2021
- Reauthorization + Infrastructure
- Full increase held up due to no FFY 2022 Appropriation

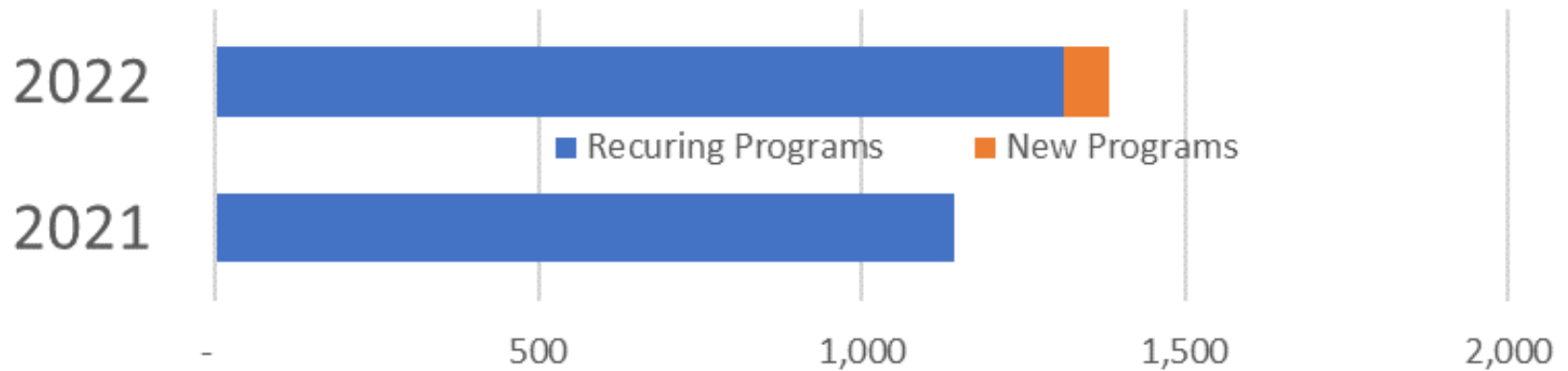
## Apportionment Notices - Full FFY 2022 (NC Portion FFY 2022)

- \$52.5B Recurring and New Programs (\$1,381.7M)
- \$5.5B Formula Bridge Program (\$91.3M)
- \$250M Appalachian Development Funds (\$16.1M)
- \$5.0B Formula EV Program (\$16.1M)

## Obligation Authority Notices - Full FFY 2022 (NC Portion FFY 2022)

- \$17.9B total per 3<sup>rd</sup> Continuing Resolution (\$377.8M)
- \$57.4B total per IIJA Section 11102

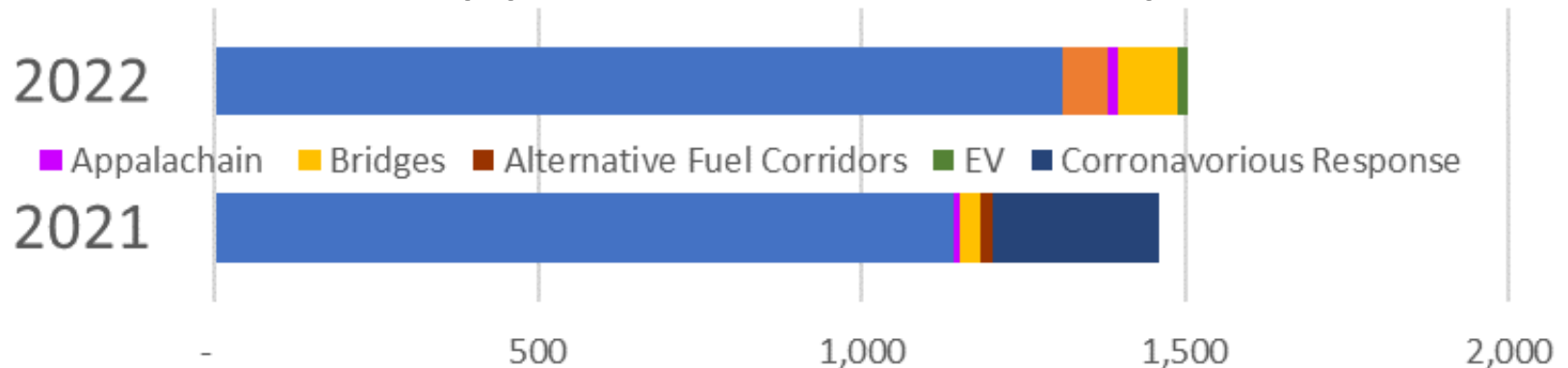
# FFY 2022 IIJA Apportionment\* Comparison (\$M)



All Figures shown in \$Millions	2021	2022	% Change
National Highway Performance Program	647.1	757.4	17.0%
Surface Transportation Block Grant Program	323.7	368.5	13.8%
Highway Safety Improvement Program	63.6	78.6	23.6%
Railway- Highway Crossings Program	7.2	7.3	0.4%
Congestion Mitigation & Air Quality Improvement	54.6	55.8	2.2%
Metropolitan Planning	6.2	7.7	23.1%
National Highway Freight Program	39.3	36.2	(7.9%)
Carbon Reduction Program	-	32.9	0.0%
PROTECT Formula Program	-	37.4	0.0%
<b>Total</b>	<b>1,141.7</b>	<b>1,381.7</b>	<b>21.0%</b>

\* Reauthorization Programs

# FFY 2022 IIJA Apportionment\* Comparison (\$M)



All Figures shown in \$Millions		2021	2022
<b>Contract Authority</b>			
Recurring Programs		1,141.7	1,311.5
New Programs		-	70.2
<b>General Fund</b>			
Appalachain		10.9	16.1
Bridges		32.1	91.4
Alternative Fuel Corridors		16.9	-
EV		-	16.1
Coronavirus Response		258.7	-
Total		1,460.4	1,505.4

Note: Based on FHWA notices to date. Ferries is missing.

\*Formula Programs

# Federal Outlook

## Immediate (< 1 year)

- FFY 2022 Appropriation and Obligation Authority
- August Redistribution

## Near Term (5 Year)

- New Programs Implementation
- Navigating Grants

## Mid Term (>5 Years)

- Revenue Assumptions



# USDOT IIGA References

White House Website

<https://www.whitehouse.gov/build/>

FHWA Website

<https://www.fhwa.dot.gov/bipartisan-infrastructure-law/>

FTA Website

<https://www.transit.dot.gov/BID>

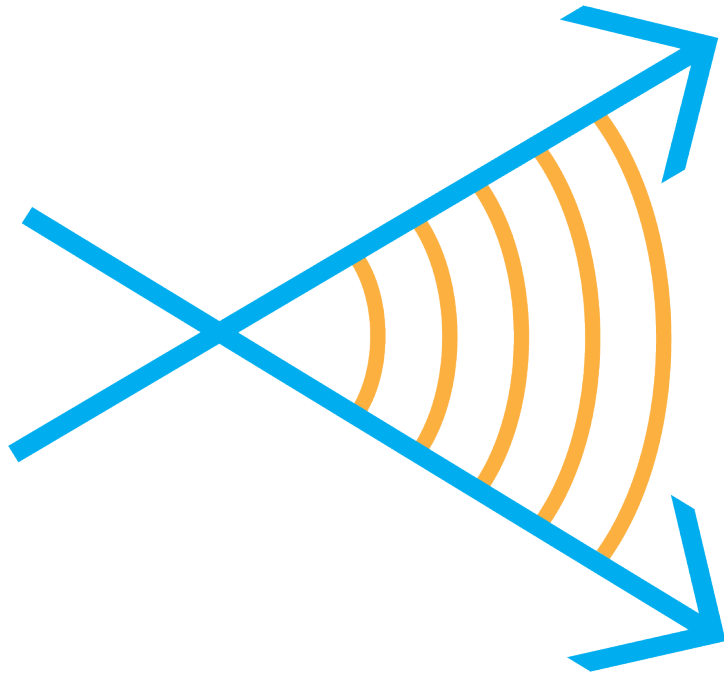
USDOT – Upcoming Notice of Funding Opportunity

<https://www.transportation.gov/bipartisan-infrastructure-law/upcoming-notice-funding-opportunity-announcements-2022>

GSA - Bipartisan Infrastructure Law (BIL) Maps Dashboard

<https://d2d.gsa.gov/report/bipartisan-infrastructure-law-bil-maps-dashboard>

# Transportation Problem



## **Growing**

population wanting safe, affordable, eco-friendly logical mobility that is seamless

## **Transportation Disruptors**

Automation, Connectivity Shared mobility, CAFÉ\* standards, Demographics, Electric/Hybrids

## **Declining Revenues**

Motor fuel, highway use and driver and vehicle fees

\*CAFÉ – Corporate Average Fuel Efficiency

# Strategic Transportation Investment (STI) Law

STI establishes the Strategic Mobility Formula, which allocates available revenues based on data-driven scoring and local input

## STI Law (§ 136-189.11) defines:

- Funding Categories and Percentages
- Project Eligibility
- Highway Scoring Criteria Names
- Funding Constraints

## Recommendations developed by Workgroup and NCDOT BOT adopts:

- Scoring Process (timeframe, submittals, carryovers, etc.)
- Highway Measures and Weights
- Non-Highway Criteria, Measures, and Weights
- Normalization (funding allocation between modes)
- Local Input Points

# Scoring Process

Projects Submitted by MPOs, RPOs, & Divisions

SPOT Review

1. Reviewed for category eligibility
2. Data screened
3. Quantitative scores calculated

**Statewide Mobility**  
40% of Funds

1. Total scores calculated
2. Projects programmed
3. Projects not programmed cascaded to next category

**Statewide Mobility Score =**  
**100% Quantitative**

**Regional Impact**  
30% of Funds

1. Local input points assigned
2. Total scores calculated
3. Projects programmed
4. Projects not programmed cascaded to next category

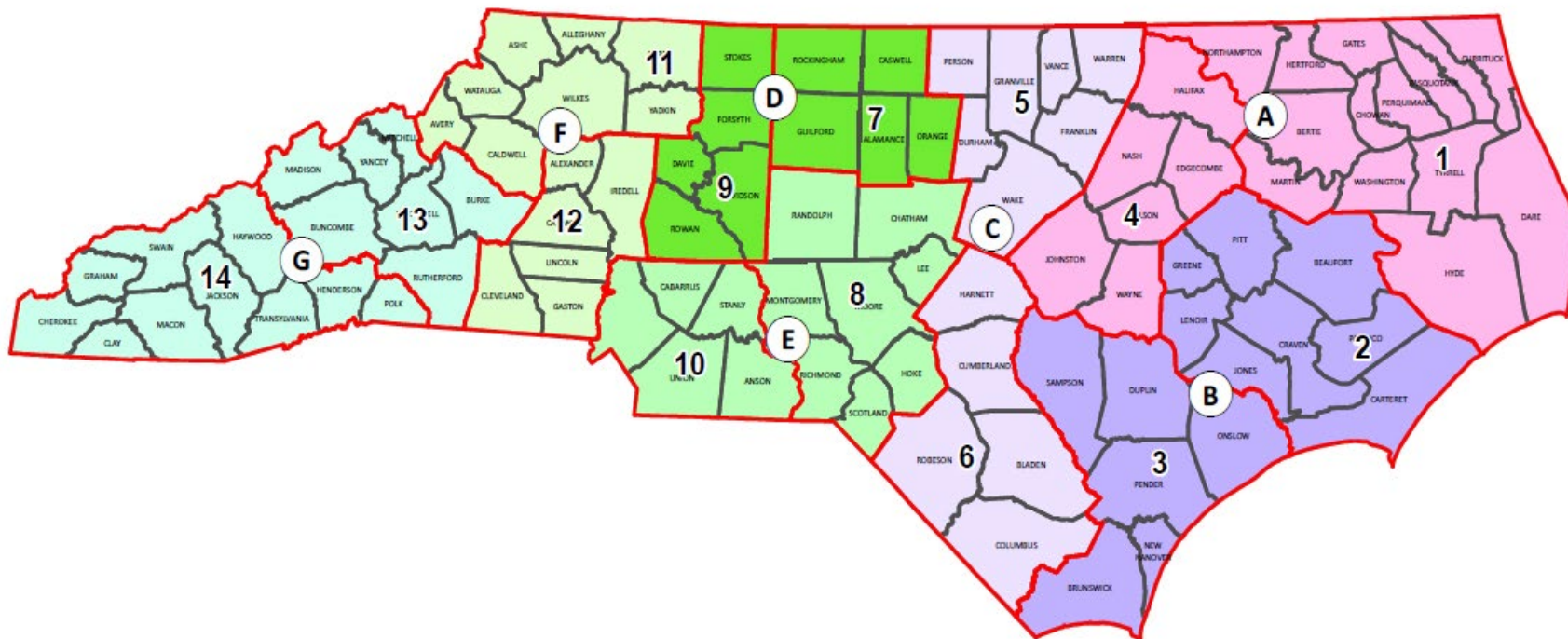
**Regional Impact Score =**  
**70% Quantitative +**  
**30% Local Input**

**Division Needs**  
30% of Funds

1. Local input points assigned
2. Total scores calculated
3. Projects programmed

**Division Needs Score =**  
**50% Quantitative +**  
**50% Local Input**

# Regions and Divisions



Thank You!

Questions?