

CALIFORNIA SENATE OFFICE OF RESEARCH

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Federal Update

INFRASTRUCTURE INVESTMENT AND JOBS ACT: TRANSPORTATION OVERVIEW

On November 15, President Biden signed the Infrastructure Investment and Jobs Act (IIJA), a \$1.2 trillion investment in transportation and other types of infrastructure (including energy, water, and broadband). This represents a \$550 billion increase in federal government spending above baseline funding levels. The foundation of the IIJA is a new five-year authorization of the federal Surface Transportation Program to replace the recently expired Fixing America's Surface Transportation (FAST) Act.¹

The IIJA authorizes \$567 billion in spending authority for all transportation programs over five-years, an increase of \$274 billion (more than 48 percent) above FAST Act baseline spending levels. In addition, the bill broadens eligibility criteria for many existing programs and establishes within the U.S. Department of Transportation (USDOT) alone at least two dozen new formula and discretionary (competitive) grant programs targeting key priorities, including but not limited to, resiliency, sustainability, equity, and safety.²

The dramatic expansion of discretionary funding represents a significant shift from the past two transportation authorization bills. The 2012 law, Moving Ahead for Progress in the 21st Century, had taken the opposite approach, consolidating various targeted fund into large core formula programs with broad eligibility and flexibility for states to prioritize individual needs. The 2015 FAST Act largely preserved that approach. In the coming months, USDOT will develop and issue guidance for the various programs,

¹ Congress historically authorizes spending for surface transportation (highways, rail, and public transportation) as well as ports, maritime, and aviation, on a multiyear basis. The FAST Act was enacted in December 2015 and was set to expire September 30, 2020. It was extended, first by a full year and more recently through December 3, 2021, as part of negotiations over President Biden's Build Back Better agenda.

² Source of figures: American Association of State Highway and Transportation Officials, ["Comprehensive Analysis of the Bipartisan IIJA,"](#) p. 10–16.

including selection criteria for the discretionary grants. Due to the large volume of new programs, this process likely will require several months.

Historically, the Surface Transportation Program has been funded primarily with revenue from the federal fuel excise tax deposited into the federal Highway Trust Fund (HTF). For decades, Congress periodically adjusted the tax rate to address increasing costs for system repair and improvements. However, since 1993, Congress has not enacted either a tax increase or other revenue solution, so annual HTF spending has consistently outstripped revenue for more than a decade. To fill the gap, since 2008, Congress has provided \$158 billion in HTF infusions, mostly through General Fund transfers.³

The IJA does not enact a long-term solution to the funding shortfall though it does, for the first time, establish a national mileage-based user fee pilot program.⁴ To address the current shortfall, it transfers an additional \$118 billion to the HTF. In addition, it creates a novel funding mechanism called “advance General Fund appropriations” to provide an additional \$184 billion in guaranteed future year funding for various authorized programs.⁵ Finally, for some programs the law authorizes additional General Fund spending authority subject to appropriation in future fiscal years.

The following overview highlights key funding provisions and some notable policy elements of the surface transportation (highway, transit and rail) titles of the bill. It does not address the non-surface transportation sections, nor does it attempt to provide a comprehensive summary. Links to additional resources are provided both in embedded links and at the end of the document for those seeking additional detail and analysis.

³ While increasing fuel consumption sustained the Highway Trust Fund until the 2007 recession, improving motor vehicle fuel efficiency, combined with slower growth in vehicle miles traveled, have since led to spending shortfalls. Congressional Research Service Brief, [Reauthorizing Highway and Transit Funding Programs, p 1](#).

⁴ Mileage-based user-fees, also called road-charge or vehicle-miles traveled (VMT) programs charge drivers based on the distance driven rather than the amount of fuel consumed. As fossil fuel consumption declines they are viewed by many as an option to supplement, and eventually replace the fuel tax. California has implemented multiple road charge pilot programs since 2016.

⁵ Revenue in the Highway Trust Fund (including General Fund transfers) is not subject to annual appropriation. Once authorized by Congress (typically through multiyear legislation such as the IJA), it is available for expenditure, subject to terms prescribed in the law. Similarly, advance General Fund appropriations are available for expenditure in future years as prescribed, without additional action, though technically they could be subject to rescission by a future Congress.

FEDERAL AID HIGHWAY PROGRAM

The vast majority of federal-aid highway program funds (approximately 90 percent in the IIJA) are apportioned to states by formula through various core programs. The IIJA largely preserves FAST Act core formula programs with modifications to better address sustainability, resiliency, safety, and equity. In addition, the bill establishes four programs to target resiliency, carbon reduction, electric vehicles, and bridge rehabilitation. Overall, the IIJA provides nearly \$307 billion in formula-based spending authority to states, an average of \$61.3 billion per year. The \$59.1 billion apportionment for fiscal year (FY) 2022 represents a 31 percent increase above the FY 2021 apportionment of \$45.2 billion. California will receive a total of \$29.96 billion in apportionments over the life of the bill.

Brief descriptions of each formula-funded program, including key modifications from the FAST Act and total program funding, are provided below.⁶ (*funding changes noted are relative to the FAST Act baseline*).

- **National Highway Performance Program (Section 11105) — \$148 billion**—Funds upgrades and performance improvements to National Highway System (NHS) facilities. In California, the funding is used by the California Department of Transportation (Caltrans) primarily to maintain the State Highway System. *The IIJA broadens program focus to include increasing resiliency to impacts of sea level rise, extreme weather, flooding and other natural disasters, to bury utility infrastructure and address cybersecurity. It also allows states to use 15 percent of funds to repair damage and mitigate risks on non-NHS federal-aid facilities. Provides \$28.4 billion in FY 2022 (17 percent increase).*

- **Surface Transportation Block Grant Program (Section 11109) — \$72 billion**—Funds a broad range of highway, bike/pedestrian, and transit projects on state and local federal-aid-eligible facilities with at least 55 percent of funding suballocated to localities by population. Includes set-asides for local bridges and transportation alternatives (see below.) *The IIJA adds eligibility for new project types (i.e., electric vehicle charging, vehicle-to-grid infrastructure, intelligent transportation systems, intermodal connectivity, wildlife collision mitigation, and resiliency). increases the local bridge set aside to 20 percent⁷ and the transportation alternatives set-aside to 10 percent⁸ Provides \$13.8 billion in FY 2022, including set-asides. (8 percent increase).*

⁶ State-by-state apportionments for individual formula programs have not yet been published.

⁷ FAST Act (and previous authorizations) required that at least 15 percent of a state's Surface Transportation Block Grant Program allocation be set aside for the repair of local bridges on non-federal aid facilities that would otherwise be ineligible for funding.

- **Transportation Alternatives (TA) Set-Aside — \$7.2 billion**— Funds are competitively awarded to small-scale, state, and local projects (i.e. active transportation, non-driver access to public transit, recreational trails, environmental mitigation, and historic preservation) with at least half of funds suballocated to localities. In California, TA supports the state’s Active Transportation Program. *The IIJA increases the local suballocation minimum⁹ and adds the same new project eligibilities as the overall Surface Transportation Block Grant Program. Provides \$1.38 billion in FY 2022 (62 percent increase).*

- **Highway Safety Improvement Program (Section 11111) — \$15.6 billion**— Funds projects to reduce fatalities and serious injuries on public roads, using strategic, data-driven criteria. In California, Caltrans uses funds to address safety on the State Highway System with a portion made available for local needs through periodic [calls for projects](#). *The IIJA restores flexibility to fund certain non-infrastructure and behavioral safety programs,¹⁰ includes eligibility for new traffic-control and traffic-safety measures and roadway improvements to provide separation for bikes and pedestrians from vehicles. Also establishes minimum funding requirements to address safety of “vulnerable road users.” Provides \$3 billion in FY 2022, (24 percent increase).*

- **Rail-Highway Grade Crossings Set-Aside — \$1.225 billion**— Funds elimination of rail-highway crossing hazards. *The IIJA increases state funding flexibility, allows full federal funding of some projects, emphasizes eligibility of projects to reduce pedestrian fatalities due to trespassing. Provides \$245 million in FY 2022 (no change).*

- **Congestion Management and Air Quality Program (Section 11115) — \$13.2 billion** Funds state and locally sponsored congestion reduction and air quality improvement projects in non-attainment and maintenance areas. In California, funds are apportioned, by formula, to qualifying areas.¹¹ Typical projects include transit, high-occupancy vehicle facilities, and active transportation. *The IIJA adds*

⁸ The IIJA requires a 10 percent set-aside for the Transportation Alternatives (TA) program, replacing a complex FAST Act-era Transportation Alternatives Program set-aside formula; local bridge set-aside is increased to 20 percent.

⁹ Increases minimum local suballocation to 59 percent and allows state option for up to 100 percent.

¹⁰ The FAST Act defined eligible highway safety improvement projects in such a manner that eliminated previous flexibility (Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users; Moving Ahead for Progress in the 21st Century) to fund various types of general education, outreach and enforcement activities with Highway Safety Improvement Program funds. The IIJA restores this flexibility, allowing states to spend up to 10 percent of Highway Safety Improvement Program on such activities.

¹¹ The federal Congestion Management and Air Quality formula is based on regional population and air quality severity. Caltrans apportions funds to metropolitan planning organizations in non-attainment areas, which further apportion to county commissions.

eligibility for micromobility, including bike- and scooter-share systems, purchase of heavy-duty zero-emission vehicles (ZEV) and charging equipment. Also allows states to spend up to 10 percent on certain lock, dam and marine highway corridor projects. Provides \$2.54 billion in FY 2022, (1.7 percent increase).

- **National Highway Freight Program (Section 11114) — \$7.15 billion** — Funds infrastructure and operational improvements to improve freight efficiency on the National Highway Freight Network; targets economic competitiveness, efficiency, reliability, safety and resiliency. In California, the funding supports the [Trade Corridor Enhancement Program](#). The IIJA expands the number of miles states can designate as critical freight corridors, increases the cap on funding for multimodal projects to 30 percent, and broadens eligibility for lock, dam, and marine highway projects likely to reduce on-road emissions. Provides \$1.37 billion in FY 2022, (7.6 percent decrease).
- **Metropolitan Planning Program — \$2.28 billion** — Funds state and regional planning activities. In California, the funding is sub-apportioned by Caltrans to metropolitan planning organizations (MPOs). Provides \$438 million in FY 2022, (22 percent increase).
- **NEW — Bridge Formula Program — \$27.5 billion** — Provides funding to states and tribal governments to repair and rebuild bridges classified as in poor condition. To assist local governments with costly bridge projects, includes a 15 percent set-aside for “off-system bridges,” including those not on the NHS.
- **NEW — Promoting Resilient Operations for Transformative, Efficient, and Cost Savings Transportation (PROTECT) Program (Section 11405) — \$7.3 billion** — Funds highway, transit or port projects to address vulnerabilities to current and future weather events, natural disasters and changing conditions such as sea-level rise. The IIJA also establishes a \$1.4 billion discretionary component (see below).
- **NEW — Carbon Reduction Program (Section 11403) — \$6.4 billion** — Funds projects that reduce transportation emissions, including traffic management, public transit, active transportation facilities, infrastructure-based intelligent transportation systems and advanced congestion management technology. It also funds projects to deploy ZEVs, charging infrastructure, diesel retrofits, and port emissions reduction. States must develop carbon reduction plans within two years in coordination with urban and regional governments.
- **NEW — National Electric Vehicle Program — \$5 billion** — Funds states’ efforts to strategically deploy electric vehicle charging infrastructure to build capacity and

establish an interconnected national charging network. States must provide USDOT with a plan for use of the funds, which may be used for acquisition, installation, maintenance, and operation of charging infrastructure to facilitate data collection, access, and reliability.

DISCRETIONARY GRANTS

The IIJA creates more than a dozen new discretionary grant programs targeting specific priorities and expands funding for several existing discretionary programs. USDOT has estimated that it will require up to 180 days to develop guidance and release notices of funding availability (NOFAs) for the many new programs. The descriptions below highlight key program goals and eligible grantees. Unless otherwise noted, total funding listed is allocated over five years in approximately equal amounts (*increased funding is relative to the FAST Act baseline*).

Significant discretionary programs expanded and significantly restructured under IIJA include the following:

- ***Infrastructure for Rebuilding America (INFRA) (Section 11110) — \$8 billion —*** Established under the FAST Act, INFRA funds nationally significant freight and highway projects meeting [program goals](#). *The IIJA clarifies eligibility for resiliency projects, including enhancement of freight corridors to natural hazards or disasters; triples funding cap for multimodal projects to 30 percent; requires that 15 percent of funds be used for small projects, including in rural areas; establishes a pilot program to prioritize applications with highest nonfederal funding share. Provides \$1.6 billion in FY 2022 (64 percent increase).*

- ***Rebuilding American Infrastructure with Sustainability and Equity (RAISE) — \$15 billion¹² —*** Established in 2009 as Transportation Investments Generating Economic Recovery (TIGER),¹³ [this program](#) provided funding for road, bridge, rail, transit, and port projects of national significance. The Biden administration in 2021 renamed the program RAISE, shifting project selection criteria to emphasize sustainability and equity. *The IIJA codifies these criteria and provides that the program goal is to fund projects of local and regional significance. It defines eligible grantees as states, local governments, tribes, special districts, and transit agencies, specifies a*

¹² Of this total, \$7.5 billion (\$1.5 billion per year) is authorized but subject to annual General Fund appropriation.

¹³ Transportation Investments Generating Economic Recovery (TIGER) was created as part of the 2009 American Recovery and Reinvestment Act (ARRA,) to fund innovative capital projects. The Trump administration renamed it Better Utilizing Investments to Leverage Development (BUILD.)

maximum \$25 million grant size, and requires rural/urban equity in funding. Provides \$1.5 billion in FY 2022 (50 percent increase).

Notable new discretionary grant programs include the following:

System Restoration, Mobility, and Efficiency

- ***National Infrastructure Project Assistance (Section 21201)***—\$15 billion¹⁴— Provides single or multiyear funding for projects generating national or regional economic, mobility, or safety benefits. Eligible projects can include highway, bridge, freight rail or intermodal, rail-highway grade separations, intercity passenger rail, and public transportation elements.
- ***Bridge Investment Program (Section 11118)***—\$12.5 billion— Assists state and local entities with bridge rehabilitation or replacement to reduce inventory in poor condition or that fail to meet current geometric standards or load and traffic demands. Includes a component for large projects of more than \$100 million and project benefit criteria include safety (including of active users), person and freight mobility, and resiliency considerations.
- ***Culvert Removal, Replacement and Restoration (Section 21203)***—\$5 billion— Funds state, local government and tribal efforts to address anadromous fish passage and address freshwater impacts to various species.
- ***Rural Surface Transportation (Section 11133)***—\$2 billion— Funds state and local projects to increase connectivity, improve safety and reliability of the movement of people and freight, and promote economic growth in rural areas; \$25 million minimum grant size; 15 percent set-aside for eligible projects in states with higher than average rural lane departure fatalities.
- ***Strengthening Mobility and Revolutionizing Transportation (Section 25005)***—\$1 billion¹⁵— Funds city or community demonstration projects that implement innovative technologies or uses of data, including coordinated automation, connected vehicles, and intelligent sensor-based infrastructure and systems to improve transportation efficiency and safety; projects must be selected in rural, midsize, and large communities.

¹⁴ Of this total, \$5 billion (\$1 billion per year) is authorized but subject to annual General Fund appropriation.

¹⁵ Of this total, \$500 million (\$100 million per year) is authorized but subject to annual General Fund appropriation.

Climate and Resiliency

- ***Charging and Fueling Infrastructure (Section 11401)***—***\$2.5 billion***—Funds deployment of electric vehicle charging and hydrogen propane and natural gas fueling infrastructure along designated “alternative fuel corridors.” Priority given to proposals that would accelerate development of infrastructure unlikely to be completed without federal assistance and that would support a long-term competitive market for fueling/charging. Eligible grantees include states, local governments, tribes, transit agencies, special districts, and ports. Fifty percent of funding is reserved for community grants to install charging/fueling infrastructure on public roads, schools, parks, and publicly accessible parking with priority given to rural areas and low- to moderate-income neighborhoods with low ratios of private parking or high ratios of multiunit housing.
- ***PROTECT Discretionary Program (Section 11405)***—***\$1.4 billion***—Funds planning and construction grants for development of resiliency plans and project implementation to improve the ability of infrastructure to withstand the impacts of sea level rise, severe weather, and other disasters and to address community resilience, including development of evacuation routes. Provides cost-share incentives for grantees that meet voluntary planning requirements. Eligible grantees include state, regional, and local governments, tribes, and special districts.
- ***Reduction of Truck Emissions and Port Facilities (Section 11402)***—***\$400 million***—Funds grants to reduce idling at port facilities. USDOT is required to study the benefits of electrification for ports and emerging technologies to reduce emissions from idling trucks.
- ***Wildlife Crossings Pilot (Section 11123)***—***\$350 million***—Funds state and local governments to develop projects to reduce wildlife vehicle collisions. Grantees may partner with nonprofits and foundations.
- ***Congestion Relief Program (Section 11404)***—***\$250 million***—Funds congestion reduction strategies by states, MPOs, and large cities, including high-occupancy vehicle lane implementation and enforcement, toll lanes, cordon, parking, and congestion pricing programs, operation of mobility services, and incentive programs to encourage non-highway travel.
- ***Healthy Streets Program (Section 11406)***—***\$500 million***—Assists states, local governments, and tribes to deploy cool and porous pavements and tree cover.

Program goals include air quality improvement, flood and storm water mitigation, and reduction of heat impacts to infrastructure and road users.

Safety, Active Transportation, and Equity

- *Safe Streets and Roads for All (Section 24112)*—\$6 billion¹⁶—Funds implementation of comprehensive safety action plans, called “vision zero” plans, and other improvements to prevent transportation-related fatalities and serious injuries, especially for cyclists and pedestrians. Grants can fund plan development and implementation. Eligible applicants include MPOs, local governments, and tribes.
- *Active Transportation Infrastructure Investment (Section 11529)*—\$1 billion—Funds infrastructure improvements including active transportation networks to connect people with schools, businesses, residences, public transportation facilities, and activity centers; funds construction of active transportation facilities including sidewalks, bikeways, and pedestrian trails; allows increased federal share for high-poverty communities. While this program is authorized at \$200 million per year, the entire amount is subject to annual General Fund appropriation.
- *Stopping Threats on Pedestrians Program (Section 11502)*—\$25 million—Provides funding to states and local governments for installation of bollards to prevent pedestrian injuries in areas used by large numbers of pedestrians.
- *Reconnecting Communities Pilot (Section 11509)*—\$1 billion—Funds planning grants (\$250 million) and construction grants (\$750 million) to restore community connectivity by removing, retrofitting, or mitigating barriers to mobility, access, and economic development, including freeways, viaducts, and other principal arterial facilities. Planning grants may fund feasibility studies and various public engagement activities. Eligible grantees include states, local governments, tribes, MPOs, and nonprofits.

¹⁶ Of this total, \$1 billion (\$200 million per year) is authorized but subject to annual General Fund appropriation.

PUBLIC TRANSPORTATION

Overall, the IIJA provides \$106.9 billion in funding for public transportation, an increase of \$39.2 billion above current funding.¹⁷ Approximately \$69.8 billion is allocated regionally by formula, with the remainder provided through various discretionary grant programs. For FY 2022, the law authorizes \$13.3 billion in formula grants to transit providers, a 30 percent increase above the FAST Act baseline, along with 2 percent to

3 percent annual increases through FY 2026 (*Section 30017*). In addition, the bill dramatically increases funding for existing discretionary grant programs—in particular for the Capital Investment Grant and the Low or No-Emission Bus Program. In aggregate, California transit agencies can expect to receive \$1.8 billion in formula funds for FY 2022 and \$9.45 billion over the life of the bill.¹⁸

Descriptions of existing grant programs—including funding levels and key changes to existing law—are provided below (*increased funding is relative to the FAST Act baseline*).

- **Urban Area Formula Program—\$33.5 billion**—The largest formula program provides capital, planning, and in some cases, operating revenue to transportation agencies in urbanized areas.¹⁹ *Represents \$6.4 billion in FY 2022 (30 percent increase).*
- **Rural Formula Grants—\$4.5 billion**—Provides capital, planning, and operating revenue for agencies in areas with populations of fewer than 50,000.²⁰ *Provides \$875 million in FY 2022 (30 percent increase).*
- **State of Good Repair Program—\$21.6 billion²¹**—Provides formula allocations to repair and upgrade rail and high-intensity bus systems (including bus rapid transit). Funds can be used for various capital needs, including rolling stock, track,

¹⁷ As with the highway program, most transit funding is supported by the transit account within the Highway Trust Fund. The IIJA authorizes \$74.9 billion in Highway Trust Fund-supported spending along with \$16.25 billion in advance General Fund appropriations. In addition, the bill authorizes \$15.75 billion subject to appropriation in future fiscal years. Source: [House Transportation and Infrastructure Committee, Formula Projection](#).

¹⁸ Source: [House T&I, Division C - Formula by State](#).

¹⁹ In urbanized areas with populations greater than 200,000, funding is disbursed directly to the metropolitan planning organization. In regions with multiple transit providers, suballocation decisions are made regionally by the metropolitan planning organization. For urbanized areas with populations of fewer than 200,000, funds are administered by the state (Caltrans), though urbanized areas work directly with the Federal Transit Administration to deliver projects.

²⁰ Funding is allocated to the state by formula, based on rural population. The state (Caltrans) is responsible for administering the grant program and obligating funds.

²¹ Funding total excludes new competitive program.

line equipment, structures, signal equipment, and facilities. *The IIJA adds a new \$300 million per year competitive component (see below). Provides \$4.4 billion in FY 2022 (66 percent increase).*

- ***Bus and Bus Facilities Program (Section 30018) —\$5.5 billion***—Includes formula and discretionary components to assist agencies with acquisition, replacement or rehabilitation of buses and related equipment, and a small low- or zero-emission bus set-aside (see below.) *The IIJA increases both components by 30 percent:*
 - *Formula: \$3.2 billion (\$604 million in FY 2022)*
 - *Discretionary: \$2.3 billion (\$447 million in FY 2022); also increases the rural set-aside to 15 percent and requires applicants to submit a zero-emission fleet transition plan, including a workforce transition plan.*
- ***Low or No-Emission Bus Program (Section 30018) —\$5.6 billion***—Funds discretionary grants to assist agencies with acquisition of low- or zero-emission buses and supporting facilities and infrastructure. *The IIJA increases funding by more than 550 percent (\$1.1 billion in FY 2022); requires applicants to submit a zero-emission fleet transition plan, including a workforce transition plan; and specifies that at least 25 percent of funding is available for non-zero emission equipment.*
- ***Capital Investment Grants (Section 30005) —\$23 billion***—Funds development of large-scale light, heavy, and commuter rail, streetcar, and bus rapid transit capital projects. The program supports new projects (New Starts/Small Starts) as well as core capacity expansions through a complex, multiyear process involving multiple milestones. *The IIJA doubles program funding,²² increases the funding limit for Small Starts, increases the time frame for core capacity projects to show the corridor will reach capacity, requires the Federal Transit Administration to create a public dashboard for project information, and adds a new project category. Provides \$4.6 billion in FY 2022 (100 percent increase).*

The IIJA also establishes four transit discretionary grant programs:

- ***State of Good Repair Competitive Program (Section 30016) —\$1.5 billion (\$300 million per year)***—Funds replacement of rail rolling stock

²² Under the FAST Act, Capital Investment Grants were authorized at \$2.3 billion annually (\$11.5 billion over the life of the bill).

- *All Stations Accessibility Program*—\$1.75 billion (\$350 million per year)— Provides grants to upgrade accessibility of legacy rail transit systems for people with disabilities by upgrading stations to Americans with Disabilities Act standards
- *Rural Communities Essential Ferry Service*—\$1 billion (\$200 million per year)
- *Electric/Low-Emitting Ferry Grants*—\$250 million (\$50 million per year)

FREIGHT AND INTERCITY PASSENGER RAIL

The IJA represents the most substantial federal investment in freight and intercity passenger rail in generations, providing more than \$66 billion for freight and intercity passenger rail. This is a more than six-fold increase above the \$10 billion provided in the FAST Act. Unlike the highway and transit programs, rail funding is not supported through a trust fund so while programs are authorized on a multiyear basis, funding is subject to appropriation annually. The IJA provides robust investment in Amtrak and provides dramatically increased funding for both new and existing discretionary grant programs to repair, expand, and enhance intercity passenger rail service.

In conjunction with this investment, the bill requires USDOT to establish a *Corridor Identification and Development Program (Section 25101)* to facilitate development of intercity passenger rail corridors, and to “create a pipeline of freight and intercity passenger rail projects.” Under this process, eligible project sponsors, including states, groups of states, local agencies, regional rail authorities, MPOs, and tribes may propose projects. Corridor prioritization criteria include various factors, including projected ridership, regional/interregional and intercity passenger rail and intermodal connectivity, economic benefit, and benefit to rural and historically unserved/underserved and low-income communities.

Grant programs funded in the bill include the following:

- *Amtrak (Section 22101)*—\$19 billion—Provides \$6.5 billion (\$1.3 billion per year) for the Northeast Corridor and \$12.5 billion (\$2.5 billion per year) for the national network, including California and its three state-supported routes (Capitol Corridor, San Joaquin, and the Pacific Surfliner). This more than doubles the \$1.8 billion average annual funding for Amtrak provided under the FAST Act. In addition, the bill imposes various reforms, including but not limited to, enhanced oversight of Amtrak spending and accounting procedures, more robust

disclosure requirements regarding service and asset planning, and provisions to ensure preservation of service through rural communities.

- **Federal State Partnership for Intercity Rail Grants (Section 22106)** — **\$43.5 billion**²³ — Established through the FAST Act²⁴, [this program](#) historically has provided, on average, approximately \$300 million annually for capital projects to repair or replace qualified railroad assets and improve intercity passenger rail performance. *The IIJA renames and transforms the program to include system expansion, including construction of new and extension of existing and intercity passenger rail routes. At least 45 percent of funds must be for national network projects and 20 percent of that must benefit a long-distance route. Dramatically increases funding to \$8.7 billion per year.*
- **Consolidated Rail Infrastructure and Safety Improvement (CRISI) Grants (Section 22103)** — **\$10 billion**²⁵ — Created in the FAST Act, CRISI funds safety and capital improvement projects for both intercity passenger and freight systems including congestion mitigation, safety system deployment, grade crossing improvements, and multimodal improvement projects. *Provides \$2 billion per year (400 percent increase).*
- **Restoration and Enhancement Program (Section 22304)** — **\$250 million** — Funds grants to states, local governments, tribes, rail operators, or Amtrak to provide operating support for initiation, restoration or enhancement of intercity passenger rail service. *IIJA extends the maximum period of support from three to six years. Authorized funding represents a tenfold increase above the FAST Act funding level.*
- **NEW—Railroad Crossing Elimination Program (Sections 22104 and 22305)** — **\$5.5 billion**²⁶ — Assists states, MPOs, local governments, port authorities, or tribes with projects to improve safety and mobility. Program goals include elimination of crossings frequently blocked by trains, improvement of community health and safety, and reduction of rail and freight movement impacts on underserved communities.

In addition, the IIJA enacts a number of rail safety provisions, including but not limited to, requirements that the Federal Railroad Administration update its grade crossing

²³ Of this total, \$7.5 billion (\$1.5 billion per year) is authorized but subject to annual General Fund appropriation.

²⁴ Titled the “Federal-State Partnership for State of Good Repair Grant Program.”

²⁵ Of this total, \$5 billion (\$1 billion per year) is authorized but subject to annual General Fund appropriation.

²⁶ Of this total, \$2.5 billion (\$500 million per year) is authorized but subject to annual General Fund appropriation.

accident prediction model, establish a Blocked Crossing Portal to collect information from the public, implement various safety studies (i.e., employee fatigue, positive train control system performance), and conduct safety-related research.

OTHER NOTABLE PROVISIONS

- ***Transportation Infrastructure Finance and Innovation Act Program***—Provides federal credit assistance through loans, loan guarantees, and lines of credit to assist state, regional, and local agencies in advancing large-scale projects (including highway, rail, transit, and intermodal) that would otherwise be delayed or deferred. *The IIJA streamlines the application process, improves transparency, and broadens program eligibility to include public infrastructure near transportation facilities to promote transit-oriented development and plant/wildlife habitat acquisition.*
- ***Strategic Innovation for Revenue Collection (Section 13001)***—The IIJA reauthorizes and renames an existing program (formerly [Surface Transportation System Funding Alternatives](#)), which provides grants to test the feasibility of mileage-based user fee programs to fund transportation investment. The IIJA expands eligibility from state transportation departments to include local governments, MPOs, and consortia. The bill also increases the federal funding share from 70 percent to 80 percent.
- ***National Motor Vehicle Per-Mile User Fee Pilot (Section 13002)***—Requires the transportation secretary to establish a national pilot program, including volunteer participants from all 50 states. The law requires equitable geographic representation and inclusion of both commercial and passenger vehicles. It allows the secretary to annually establish a fee structure that may vary between vehicle types and weights and reflect estimated impacts on congestion, the environment, and other social factors. The bill also establishes an advisory board to assist with recommendations regarding structure, scope, methodology, and implementation.
- ***One Federal Decision (Section 11301)***—Codifies new environmental review procedures and requirements for major projects. The law requires USDOT to develop a schedule for completion of an environmental impact statement consistent with an agency average of two years and requires accountability to the public when milestones are missed. Environmental documents are limited to a maximum of 200 pages unless a review is of “unusual scope or complexity.” The secretary also is directed to work with relevant federal agencies to adopt appropriate categorical exclusions to facilitate project delivery. The policies and

procedures were developed during the Trump administration and issued as an executive order in 2017.

- ***Federal Safe Routes to School Program (Section 11119)***— Although established in 2005,²⁷ the federal program was never codified. The IIJA codifies the 2005 law authorizing language defining eligible infrastructure and non-infrastructure projects and other provisions. This provision does not authorize dedicated funding.
- ***Vulnerable Road User Research (Section 11122)***— Requires the Federal Highway Administration to establish a research plan to prioritize roadway design and safety countermeasures to protect vulnerable road users and promote walking and biking.
- ***Traffic Operation and Safety Regulation (Section 11135)***— Requires the Federal Highway Administration to revise the Manual on Uniform Traffic Control Devices to address protections for vulnerable road users, safe integration of automated vehicles on streets, and use of variable message signs, among other updates.
- ***Flexible Use of Highway Funds for Bus Rapid Transit (Section 11130)***— Allows for use of federal highway funding to support bus rapid transit projects, including construction or installation of traffic signaling and prioritization, intersection redesign, and installation of related facilities such as depots, on-street stations, and fare collection systems.

²⁷ The Safe, Accountable, Flexible, Efficient Transportation Equity Act—A Legacy for Users created a federal Safe Routes to School program and authorized a total of \$612 million for eligible Safe Routes to School projects nationwide. It also imposed certain requirements on states, including that they employ a federally funded Safe Routes to School coordinator. However, the program was never codified. Neither Moving Ahead for Progress in the 21st Century Act (2012) nor the FAST Act (2015) included language continuing to authorize the program, although projects meeting its criteria remain eligible for certain types of federal funding (i.e., Surface Transportation Block Grant, Transportation Alternative).

ADDITIONAL RESOURCES

Additional background and analysis of the surface transportation provisions within the IIJA are available at the following online locations.

- Text of [H.R. 3684, Infrastructure Investment and Jobs Act](#).
- The Senate Committee on Commerce, Science and Transportation posted a [Section-by-Section Summary of the IIJA](#).
- American Association of State Highway and Transportation Officials' [Comprehensive Analysis of the Bipartisan IIJA](#).
- The National Association of Regional Councils, composed of MPOs, councils of governments, and other planning entities, has an [analysis of the IIJA](#).
- The National Conference of State Legislatures has posted a [short summary](#) that also highlights elements of the environmental, energy, broadband, and other sections of the bill.
- The National Association of Counties' [overview](#) includes a focus on provisions of key interest to county governments.

Written by Ted Link-Oberstar. The California Senate Office of Research is a nonpartisan office charged with serving the research needs of the California State Senate and assisting Senate members and committees with the development of effective public policy. The office was established by the Senate Rules Committee in 1969. For more information, please visit <http://sor.senate.ca.gov> or call (916) 651-1500.
