

## Federal Highway Programs: In Brief

Updated February 7, 2022

## **Contents**

Introduction	1
How Federal Highway Programs Work	1
The Highway Trust Fund (HTF)	3
Funding Federal Highways	3
Highway Formula Programs	4
Core Formula Programs	4
National Highway Performance Program (NHPP; 23 U.S.C. §119; IIJA §11105)	
Surface Transportation Block Grant Program (STBG; 23 U.S.C §133;	
IIJA §11109)	
Highway Safety Improvement Program (HSIP; 23 U.S.C. §148; IIJA §11111)	6
Railway-Highway Grade Crossing Program (23 U.S.C. 130; IIJA §11108)	6
Congestion Mitigation and Air Quality Improvement Program (CMAQ;	
23 U.S.C. §149; IIJA §11115)	
Metropolitan Planning (MP; 23 U.S.C. §134; IIJA §11201)	
National Highway Freight Program (NHFP; 23 U.S.C. §167; IIJA §11114)	
Carbon Reduction Program (CRP; 23 U.S.C. §175; IIJA §11403)	6
Promoting Resilient Operations for Transformative, Efficient, and Cost-saving	
Transportation (PROTECT; 23 U.S.C. §176; IIJA §11405)	
Transferability Among the Core Programs	
Bridge Replacement, Rehabilitation, Preservation, Protection, and Construction	/
Program (Division J, Title VIII)	7
National Electric Vehicle Formula Program (Division J, Title VIII)	
Other Highway Programs	
Nationally Significant Freight and Highway Projects (NSFHP/INFRA; 23 U.S.C.	/
§117; IIJA §11110)	7
Emergency Relief Program (ER; 23 U.S.C. §125; IIJA §§11106, 11519)	
Territorial and Puerto Rico Highway Program (23 U.S.C. §165; IIJA §11126)	
Appalachian Development Highway System Program (ADHS; IIJA Division J,	
Title VIII)	8
Construction of Ferry Boats and Ferry Facilities (23 U.S.C. §147; IIJA §11121)	
Federal Lands and Tribal Transportation Programs (IIJA §§11112-11113)	
Transportation Infrastructure Finance and Innovation Act Program (TIFIA;	
23 U.S.C. §§601-609; IIJA §§12001-12002)	9
New Competitive Discretionary Grant Programs	
Funding Beyond Highway Programs	10
Figures	
Figure 1. Federal Highway Funding: FY2021-2026	Δ
riguic 1. reaciai fiighway randing. r 12021-2020	
Tables	
Table 1. Core Apportioned Programs (HTF Contract Authority)	5

Table 2. Highway Authorizations: IIJA	. 10
Contacts	
Author Information	. 12

### Introduction

The federal government has provided some form of highway funding to the states for more than 100 years. Three major characteristics of the federal highway program have been constant since the early 1920s. First, most funds are apportioned to the states by formula, with implementation left primarily to state departments of transportation (state DOTs). Second, the states and localities are required to provide matching funds, normally including 20% of the cost of non-Interstate System road projects and 10% for Interstate System projects. Third, generally, federal money can be spent only on designated federal-aid highways, which make up roughly a quarter of U.S. public roads, with some bridge and safety improvements being the major exceptions. The majority of funding comes from the Highway Trust Fund (HTF).

On November 15, 2021, President Joe Biden signed the Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58). The IIJA made major changes to federal highway programs. It authorized \$356.5 billion for FY2022-FY2026, providing a major increase in highway spending compared with the \$225.2 billion, unadjusted for inflation, authorized under the previous five-year surface transportation act, the Fixing America's Surface Transportation Act of 2015 (FAST Act; P.L. 114-94). It increased spending from the HTF, but also provided additional funds through multiyear advance appropriations from the Treasury general fund, in effect making the IIJA both a reauthorization act and a multiyear appropriations act.

Although the IIJA retained the FAST Act highway programs, it restructured highway programs generally by creating four additional formula programs and authorizing 18 new discretionary programs.<sup>2</sup> The modified grant structure reflects an increased emphasis on bridge improvement and climate change mitigation and resilience. The Federal Highway Administration (FHWA) has issued a policy memorandum expressing its intent to encourage investments in repair or improvement of existing infrastructure prior to advancing projects that would build new general-purpose travel lanes.<sup>3</sup>

### How Federal Highway Programs Work

Traditionally, federal support for highways has come through programs administered by FHWA.<sup>4</sup> These programs are almost entirely focused on highway construction, and generally do not support operations (such as state DOT salaries or fuel costs) or routine maintenance (such as mowing roadway fringes or filling potholes). Each state is required to have a Long-Range Statewide Transportation Plan, which sets priorities for the state's use of federal highway funds, and a Statewide Transportation Improvement Plan (STIP), a four-year program of transportation projects. State DOTs largely determine which projects are funded, let the contracts, and oversee project development and construction. More recently, metropolitan planning organizations (MPOs) have played a growing role in project decisionmaking in urban areas, but most federal project funding continues to flow through state DOTs. In the cases of federal lands highways and

<sup>&</sup>lt;sup>1</sup> These programs are often referred to as the Core Formula Programs. For a current list see **Table 1**.

<sup>&</sup>lt;sup>2</sup> This program count does not include sub-programs or programs reliant on FHWA administrative funds.

<sup>&</sup>lt;sup>3</sup> Federal Highway Administration, "Policy on Using Bipartisan Infrastructure Law Resources to Build a Better America," December 16, 2021, pp. 1-6, at https://www.fhwa.dot.gov/bipartisan-infrastructure-law/building\_a\_better\_america-policy\_framework.cfm.

<sup>&</sup>lt;sup>4</sup> For purposes of this report, the Federal Highway Program refers broadly to highway programs authorized in IIJA Division A, Titles I through IV, and the Highway Infrastructure Program language of Division J. It includes programs traditionally referred to as Federal-Aid Highway programs as well as programs awarding grants to nonstate entities.

tribal highways, the FHWA's Federal Lands Highways Division works with the federal land management agencies and tribal governments, respectively.

Historically, the federal highway program, unlike most other federal programs, has not relied on appropriated budget authority. Instead, for most of the funding, FHWA exercises contract authority (see text box below) over monies in the HTF and may obligate funds for eligible projects prior to an appropriation. Once funds have been obligated, the federal government has a legal commitment to provide the funds. This approach has sheltered highway construction projects from annual decisions about appropriations.

Under the IIJA, nine FHWA programs are formula programs funded from the HTF (see **Table 1**). Each state's annual share of total spending for these programs is determined and then divided up among the programs based on mathematical calculations set forth in the law. Two more new programs are funded with multiyear appropriations and apportioned to the states based on formulas unique to those programs. The federal highway programs do not provide money in advance. Rather, a state DOT or other grantee lets bids, supervises construction, and receives bills from private contractors for work completed. It then pays those bills according to its own procedures and submits vouchers for reimbursement to FHWA. FHWA certifies each claim for payment and notifies the Department of the Treasury, which disburses money electronically, often on the same day it receives the voucher.<sup>5</sup>

#### **Highway Program Terminology**

A distinctive terminology is used to describe highway program financing:6

Distribution of funds is FHWA notification to the states of the availability of federal funds. Once a distribution is announced, the funds usually remain available to the states to obligate for four years. The states do not receive the funds prior to undertaking work.

Apportionment is the distribution of funds among the states as prescribed by a statutory formula.

Allocation is an administrative distribution of funds (often for specific projects) under programs that do not have statutory distribution formulas.

Reimbursement occurs once a project is approved, the work is started, costs are incurred, and the state or other grantee submits a voucher to FHWA. The reimbursable structure is designed to curb waste, fraud, and abuse.

Contract authority is a type of budget authority that is available for obligation even without an appropriation (although appropriators must eventually provide liquidating authority to pay the obligations).

Obligation of contract authority for a project by FHWA legally commits the federal government to reimburse the state or other grantee for the federal share of a project. With contract authority this can be done prior to an appropriation.

Limitation on obligations, known as ObLim or Oblimit, is used to control annual FHWA spending in place of an appropriation. The ObLim sets a limit on the total amount of contract authority that can be obligated in a single fiscal year. For practical purposes, the ObLim is analogous to an appropriation.

The IIJA greatly expanded the number of discretionary programs that may fund highways. Under some of these programs, grants are to be awarded by the Secretary of Transportation, not FHWA.<sup>7</sup> In many cases, local governments and certain nongovernmental entities are eligible to apply for discretionary grants. As with formula grants, federal payments to the project sponsor are made on

\_

<sup>&</sup>lt;sup>5</sup> Federal Highway Administration (FHWA), *Funding Federal-Aid Highways*, FHWA-PL-17-011, January 2017, pp. 37-39, at https://www.fhwa.dot.gov/policy/olsp/fundingfederalaid/FFAH\_2017.pdf.

<sup>&</sup>lt;sup>6</sup> Ibid., pp. 1-2, 5-14, 23-29, 31-34. To be highway contract authority, the authorization must refer to Title 23, Chapter 1 of the *U.S. Code*, and it must be funded out of the HTF.

 $<sup>^{7}\</sup> FHWA, \textit{Bipartisan Infrastructure Law: Funding}, at \ https://www.fhwa.dot.gov/bipartisan-infrastructure-law/funding.cfm.$ 

a reimbursable basis as work is completed. Like the formula programs, the discretionary programs are to be administered under the highway title of the *U.S. Code*, Title 23. This also means that these project grants are subject to Title 23's planning requirements and that the projects must be listed in the state's STIP. Depending on the program, discretionary programs may be funded with contract authority, supplemental appropriations, or a combination of these funding sources. The IIJA also authorizes additional general fund money, subject to appropriation.

## The Highway Trust Fund (HTF)

The HTF derives revenue from taxes on fuels, heavy truck tires, truck and trailer sales, and a weight-based heavy-vehicle use tax. Approximately 85%-90% of the revenue from these sources comes from excise taxes on motor fuels, 18.3 cents per gallon on gasoline and 24.3 cents per gallon on diesel. The HTF consists of two separate accounts—highway and mass transit. The highway account receives an allocation equivalent to 15.44 cents of the gasoline tax and 21.44 cents of the diesel tax. The mass transit account receives the revenue generated by 2.86 cents of the gasoline and diesel taxes. Because the fuel taxes are set in terms of cents per gallon rather than as a percentage of the sale price, their revenues do not increase with inflation or fuel price. The fuel tax rates were last raised in 1993.

Sluggish growth in vehicle travel and improved vehicle efficiency have depressed fuel consumption and therefore the growth of fuel tax revenue. Since FY2008, the revenues flowing into the highway account of the HTF have been insufficient to fund the expenditures authorized by Congress. <sup>10</sup> Congress has resolved this discrepancy by transferring money from the general fund to the HTF. As required under the IIJA, the U.S. Treasury transferred \$90 billion from the general fund to the highway account of the HTF following enactment.

## **Funding Federal Highways**

The average annual authorization of \$73.1 billion in combined contract authority, multiyear supplemental appropriations, and authorizations subject to appropriation in the IIJA compares to an average annual authorization of \$45.3 billion in the FAST Act, or a 61% increase (see **Table 2** and **Figure 1**). However, an average annual \$2.9 billion of the IIJA funds are subject to appropriations that may or may not occur. Subtracting this amount from the total still results in a 56% increase in the average annual spending under the IIJA compared to the FAST Act.

Of the total average annual authorizations under the IIJA, roughly 83% is HTF contract authority; 13% is multiyear supplemental appropriations; and 4% is authorizations subject to appropriations. Under the FAST Act the average annual authorizations were 99.5% contract authority and 0.5% authorizations subject to appropriation. Neither law included congressional earmarks.

\_

<sup>&</sup>lt;sup>8</sup> Federal Highway Administration, *Highway Statistics*, 2020: Federal Highway-User Fees, Table FE-21B, November 2021, at https://www.fhwa.dot.gov/policyinformation/statistics/2020/fe21b.cfm.

<sup>&</sup>lt;sup>9</sup> Non-fuel taxes accrue only to the highway account. A separate 0.1-cents-per-gallon tax on all fuels goes into the Leaking Underground Storage Tank Trust Fund, administered by the Environmental Protection Agency and the states.

<sup>&</sup>lt;sup>10</sup> The imbalance between revenues and outlays first emerged in FY2002, but the unexpended balances in the HTF were sufficient to cover the imbalance until FY2008.

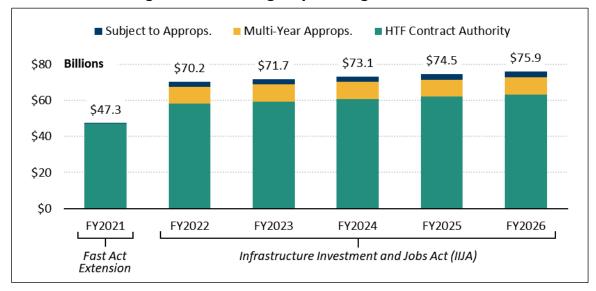


Figure 1. Federal Highway Funding: FY2021-2026

Source: Federal Highway Administration.

**Notes:** Totals are unadjusted for inflation. Amount subject to appropriation for FY2021 was \$210 million, not visible in the figure.

## **Highway Formula Programs**

Under the IIJA there are nine "core" formula programs, which are funded with contract authority from the HTF. In addition to the core programs, the IIJA created two new formula programs that also provide funding to the states but are funded via supplemental appropriations.

### **Core Formula Programs**

Each year, FHWA begins the process of distributing highway formula funds by calculating the apportionment total for each state. For the amounts available for apportionment in each year under the IIJA, see the bottom line of **Table 1**.

The base amount for each state is determined by multiplying the authorized base apportionment amount for the apportioned programs by the ratio that each state's FY2021 apportionments bore to the nationwide total. Next, the initial amounts are adjusted, if necessary, to assure that each state's aggregate amount of the base apportionment is not less than 95 cents for every dollar the state contributed to the highway account of the HTF; at least 2% greater than the apportionment for FY2021; and at least 1% greater than the apportionment received for the previous fiscal year. After the state amounts are determined, each state's amount is divided up among the core programs according to statute. **Table 1** shows the dollar amounts of the programmatic split.<sup>11</sup>

<sup>&</sup>lt;sup>11</sup> FHWA, "Infrastructure Investment and Jobs Act (Bipartisan Infrastructure Law): Funding," at https://www.fhwa.dot.gov/bipartisan-infrastructure-law/funding.cfm. The Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (P.L. 116-260), appropriated an additional \$10 billion, not included in the Table 2 total for FY2021, at https://www.fhwa.dot.gov/legsregs/directives/notices/n4510851/.

Table I. Core Apportioned Programs (HTF Contract Authority)

(in millions of dollars, IIIA FY2022-FY2026 & FY2021 under the FAST Act as extended)

Program	FY2021 FAST Act	FY2022	FY2023	FY2024	FY2025	FY2026	IIJA Total
National Highway Performance Program (NHPP)	24,239	28,439	29,008	29,588	30,180	30,784	148,000
Surface Transportation Block Grant Program (STBG)	12,139	13,835	14,112	14,394	14,682	14,975	72,000
Highway Safety Improvement Program (HSIP, excluding set- asides)	2,408	2,980	3,044	3,110	3,177	3,246	15,557
Safety-related programs (HSIP set-aside)	4	4	4	4	4	4	18
Rail-Highway Grade Crossings (HSIP set-aside)	245	245	245	245	245	245	1,225
National Highway Freight Program (NHFP)	1,487	1,374	1,401	1,429	1,458	1,487	7,150
Congestion Mitigation & Air Quality Improvement Program (CMAQ)	2,494	2,536	2,587	2,639	2,692	2,746	13,200
Metropolitan Transportation Planning	358	438	447	456	465	474	2,280
Carbon Reduction Program	_	1,234	1,258	12,83	1,309	1,335	6,420
PROTECT Formula Program	_	1,403	1,431	1,459	1,489	1,518	7,300
Total	43,374	52,488	53,538	54,609	55,701	56,815	273,150

Source: FHWA. Totals may not add due to rounding. Totals represent gross authorizations.

#### National Highway Performance Program (NHPP; 23 U.S.C. §119; IIJA §11105)

NHPP is the largest of the federal-aid highway programs, with annual authorizations averaging \$29.6 billion. The program supports improvement of the condition and performance of the National Highway System, which includes Interstate System highways and bridges as well as virtually all other major highways. NHPP funds projects to achieve national performance goals consistent with state and metropolitan planning. The IIJA broadens NHPP to permit spending for resiliency and protective features (such as raising bridges or adding drainage structures) that reduce the risk of recurring damage from extreme weather events and other natural disasters.

# Surface Transportation Block Grant Program (STBG; 23 U.S.C §133; IIJA §11109)

STBG is the federal-aid highway program with the broadest eligibility criteria. IIJA provides an annual average of \$14.4 billion for STBG. Funds can be used on any federal-aid highway and for bridge projects on any public road. Of each year's allocation, states must set aside 10% for bicycle paths, walkways, and other transportation alternatives. STBG funds may be used for Appalachian Development Highway System projects with no state match. Nearly any public transit project may be eligible for STBG funds.

#### Highway Safety Improvement Program (HSIP; 23 U.S.C. §148; IIJA §11111)

HSIP supports projects that improve the safety of road infrastructure by correcting hazardous road locations, such as dangerous intersections, or making road improvements, such as adding striping or rumble strips. <sup>12</sup> The IIJA provides an annual average of \$3.1 billion for HSIP. These funds may also be used for road safety projects not on federal-aid highways.

#### Railway-Highway Grade Crossing Program (23 U.S.C. 130; IIJA §11108)

The Railway-Highway Grade Crossing Program is funded by an HSIP set-aside of not less than \$245 million per year. The IIJA raised the federal share to 100%, eliminating the state match.

# Congestion Mitigation and Air Quality Improvement Program (CMAQ; 23 U.S.C. §149; IIJA §11115)

CMAQ was established to fund projects and programs that may reduce emissions of transportation-related air pollutants. Since FY2011, over \$1 billion of the annual CMAQ funding has been transferred to the Federal Transit Administration. <sup>13</sup> Under the IIJA, the average annual authorization for CMAQ is \$2.64 billion.

#### Metropolitan Planning (MP; 23 U.S.C. §134; IIJA §11201)

MP establishes a cooperative framework for making transportation investment decisions in metropolitan areas. The program funds metropolitan planning organizations (MPOs) and planning activities. The IIJA provides an annual average of \$456 million for this program.

### National Highway Freight Program (NHFP; 23 U.S.C. §167; IIJA §11114)

Annual apportionments for NHFP average \$1.43 billion through FY2026. This program is to help states and MPOs remove impediments to the movement of goods. The IIJA expands the road mileage eligible under the program.

#### Carbon Reduction Program (CRP; 23 U.S.C. §175; IIJA §11403)

This new formula program is funded at an average annual level of \$1.284 billion. The CRP is to reduce carbon dioxide emissions from motor vehicles. The funds may be used for traffic monitoring, management, bike and pedestrian paths, truck stop electrification, and public transportation. States have two years to develop a carbon reduction strategy. Sixty-five percent of CRP funds are distributed within the states based on urbanized area population categories.

# Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT; 23 U.S.C. §176; IIJA §11405)

The new PROTECT formula program is funded at an annual average of \$1.46 billion. PROTECT supports transportation infrastructure resilience under Title 23, under Chapter 53 of Title 49 (Public Transportation), and for certain port facilities and highway evacuation routes. Section 11405 also creates a PROTECT competitive grant program.

<sup>&</sup>lt;sup>12</sup> CRS Report R43026, Federal Traffic Safety Programs: In Brief, by David Randall Peterman.

<sup>&</sup>lt;sup>13</sup> Congressional Budget Office, *Highway Trust Fund Accounts*, at https://www.cbo.gov/about/products/baseline-projections-selected-programs#8.

#### **Transferability Among the Core Programs**

States may transfer up to 50% of any apportionment to any other apportioned program. However, no transfers are permitted of funds suballocated to areas by population (such as in STBG) or of Metropolitan Planning funds. Transportation Alternatives set-aside funds may be transferred only under specific conditions.

### **Multiyear Appropriation Formula Programs**

# Bridge Replacement, Rehabilitation, Preservation, Protection, and Construction Program (Division J, Title VIII)

The IIJA provides \$27.5 billion in equal annual amounts for FY2022-FY2026. Funds are apportioned to the states based on each state's relative cost to replace poor-condition bridges and rehabilitate fair-condition bridges, relative to the national total. At least 15% must be spent on bridges not on the federal-aid system. For public bridges owned below the state level the federal project share may be 100%. All bridges on the National Bridge Inventory (NBI) are eligible.

#### National Electric Vehicle Formula Program (Division J, Title VIII)

This new program is funded at \$5 billion per year for FY2022-FY2026, to provide funding to states to strategically deploy electric vehicle charging infrastructure, establish an interconnected network, and facilitate data collection, access, and reliability. Apportionment is based on a state's base apportionment shares, adjusted to provide funding for Puerto Rico and the territories. Alternative fuel corridors must be built out first, after which funds may be used for any public road or other publicly accessible locations.

## **Other Highway Programs**

# Nationally Significant Freight and Highway Projects (NSFHP/INFRA; 23 U.S.C. §117; IIJA §11110)

The NSFHP, also referred to as Infrastructure for Rebuilding America (INFRA), provides \$14 billion in authorizations—\$8 billion is assured contract authority and supplemental appropriations, and another \$6 billion is subject to future appropriations acts. These funds are for discretionary grants for projects of regional or national importance. States, groups of states, metropolitan planning organizations, municipal governments, special-purpose districts or transportation authorities, Indian tribes, federal land agencies, and other public entities may apply. Applicants apply directly to the Secretary of Transportation; state DOTs are not necessarily involved. Applications must emphasize improving freight movement and must involve work on the National Highway Freight Network, highway or bridge projects on the National Highway System, intermodal projects, or railway-highway grade crossing or separation projects.

<sup>&</sup>lt;sup>14</sup> The NSFHP awards are made by the National Surface Transportation and Innovation Finance Bureau, not by FHWA.

#### Emergency Relief Program (ER; 23 U.S.C. §125; IIJA §§11106, 11519)

ER funds are made available following natural disasters or catastrophic failures (from an external cause) for emergency repairs, restoration of federal-aid highway facilities to pre-disaster conditions, and addition of protective features to damaged facilities. The program is funded by a permanent annual HTF authorization of \$100 million and general fund appropriations authorized on a "such sums as necessary" basis. ER funds can be used only on federal-aid highways.<sup>15</sup>

#### Territorial and Puerto Rico Highway Program (23 U.S.C. §165; IIJA §11126)

The Puerto Rico and Territorial Highway programs are funded at an annual average of \$180.2 million and \$47.9 million, respectively, through FY2026.

# Appalachian Development Highway System Program (ADHS; IIJA Division J, Title VIII)

The ADHS is made up of designated corridors in 13 participating Appalachian states. ADHS projects are incorporated into the eligibilities of NHPP and STBG. <sup>16</sup> The IIJA, however, provides a stand-alone \$250 million per year in supplemental appropriations distributed by a cost-to-complete formula for FY2022-FY2026. Section 11506(f) also authorizes \$200 million per year, subject to appropriation, for the Appalachian Regional Commission.

#### Construction of Ferry Boats and Ferry Facilities (23 U.S.C. §147; IIJA §11121)

The Ferry Boats and Ferry Terminal Facilities Program is a formula program that distributes funds to public ferry systems. The program's funding totals \$912 million (\$570 in contract authority and \$342 in supplemental appropriations) under the IIJA, an average of \$182 million per year. The IIJA adds operating costs as eligible expenses under the program. Construction costs for ferry boats and facilities are eligible expenses under NHPP and STBG.

#### Federal Lands and Tribal Transportation Programs (IIIA §§11112-11113)

**Tribal Transportation Program (TTP; 23 U.S.C. §202).** The TTP distributes funds among tribes mainly under a statutory formula based on road mileage, tribal population, and relative need. The IIJA provides an average annual authorization of \$602 million in contract authority for the TTP. Each year, \$9 million is set aside for the Tribal High Priority Projects Program.

**Federal Lands Transportation Program (FLTP; 23 U.S.C. §203).** The IIJA funds the FLTP at an average annual authorization of \$439 million in contract authority. Of this amount, the following average annual allocations are provided: \$346 million for the National Park Service; \$36 million for the Fish and Wildlife Service; and \$26 million for the Forest Service.

Federal Lands Access Program (FLAP; 23 U.S.C. §204). The FLAP supports projects that provide access to federal lands. It is funded at an annual average of \$298 million in contract authority.

Nationally Significant Federal Lands and Tribal Projects Program (NSFLTP). This competitive grant program is to support large projects on federal and tribal lands. The IIJA

<sup>&</sup>lt;sup>15</sup> CRS Report R45298, *Emergency Relief for Disaster-Damaged Roads and Public Transportation Systems*, by Robert S. Kirk and William J. Mallett.

<sup>&</sup>lt;sup>16</sup> Federal Highway Administration, *Guide to Federal-Aid Programs: Appalachian Development Highway Program*, Washington, DC, updated April 14, 2016, at https://www.fhwa.dot.gov/federalaid/projects.pdf#page=14.

provides \$55 million per year in contract authority for the program. The act also authorized \$300 million per year subject to appropriations.

# Transportation Infrastructure Finance and Innovation Act Program (TIFIA; 23 U.S.C. §§601-609; IIJA §§12001-12002)

The TIFIA program provides secured loans, loan guarantees, and lines of credit for major surface transportation projects. For a project to be eligible, its sponsor must identify a means of repaying the loan, such as a toll on a road, bridge, or tunnel.<sup>17</sup> The IIJA provides \$250 million annually in contract authority for TIFIA.

### **New Competitive Discretionary Grant Programs**

The IIJA creates new competitive discretionary highway programs. Most of these programs make virtually all sub-state governmental entities and some nongovernmental entities eligible to compete for grants that are awarded directly by the Secretary of Transportation and not by the states. Most also allow states to apply. The nine programs discussed below are funded with either contract authority or supplemental appropriations.

- Bridge Investment Program (23 U.S.C. §124; IIJA §11118) is funded at an annual average of \$2.5 billion for projects to replace, rehabilitate, preserve or protect bridges on the NBI. Section 11101(b)(2)(A)(i) authorizes an additional average of \$653 million per year, subject to appropriation.
- Congestion Relief Program (23 U.S.C. §129(d); IIJA §11404) is funded at \$50 million per year for projects that advance innovative integrated and multimodal solutions to congestion relief.
- Charging and Fueling Infrastructure Grants (23 U.S.C. §151(f); IIJA §11401) are funded at an average of \$500 million per year. The grants are to fund contracts with private entities to acquire and install publicly accessible electric vehicle, hydrogen, propane, or natural gas charging or fueling infrastructure.
- Rural Surface Transportation Grant Program (23 U.S.C. §173; IIJA §11132) is funded at an annual average of \$400 million to improve and expand rural surface transportation infrastructure.
- PROTECT (Discretionary) Grant Program (23 U.S.C. §176(d); IIJA §11405) is funded at a \$280 million annual average. The funding is divided into four setasides for Planning Grants, Resilience Improvement grants, Community Resilience & Evacuation routes grants, and At-risk Coastal Infrastructure grants.
- Reduction of Truck Emissions at Port Facilities Program (IIJA §11402) is funded at \$80 million per year. The program is to encourage the electrification of port operations and reduce truck idling and emissions at port facilities.
- Wildlife Crossing Pilot Program (IIJA §11123(b)(1)) is funded at a \$70 million annual average. It provides grants for projects intended to reduce wildlife-vehicle collisions or increase habitat connectivity.

 $<sup>^{17}</sup>$  TIFIA is administered by the Build America Bureau within the U.S. Department of Transportation.

<sup>&</sup>lt;sup>18</sup> The process of standing up and implementing these programs is a multistep process, including writing the necessary regulations, determining criteria, writing program guidance, publishing a notice of funding opportunity, receiving the grant requests, processing the applications, and making the grant awards.

- Prioritization Process Pilot Program (IIJA §11204) is funded at \$10 million per year, to support data-driven approaches to planning that allow for an accessible and transparent prioritization process.
- Reconnecting Communities Pilot Program (IIJA §11509) is funded at an average
  of \$200 million per year for planning and construction grants for removing,
  retrofitting, or mitigating transportation facilities, such as viaducts or limited
  access highways, that create barriers to community connectivity.

The IIJA authorized nine other new programs subject to annual appropriations. These programs are included in the list in **Table 2**.

### **Funding Beyond Highway Programs**

Division B of the IIJA provides funding for multimodal, highway and motor vehicle safety, and research and innovation programs that are not treated as highway programs in Title 23, Chapter 1 of the *U.S. Code*. These include the Nationally Significant Projects Program; the Local and Regional Project Assistance Program (also referred to as RAISE grants); the National Culvert Removal, Replacement, and Restoration Grant Program; the Safe Streets and Roads for All program; and the SMART Grant Program. For these five programs, Division B of the IIJA authorizes, subject to appropriation, \$4.6 billion annually. In addition, Division J provides appropriations totaling \$3.8 billion per year. These funds are under the control of the Office of the Secretary of Transportation.

Table 2. Highway Authorizations: IIJA

(CA = contract authority from the highway account of the HTF; for general fund (GF) appropriations, SA = Multiyear Supplemental Appropriations and STA = Subject to Appropriations. In millions of dollars)

Program	FAST Act FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	Total
Title I: FAHP Core formula programs CA (see also <b>Table I</b> )	43,373	52,488	53,538	54,609	55,701	56,815	273,150
Bridge Formula Program SA	_	5,500	5,500	5,500	5,500	5,500	27,500
National Electric Vehicle Formula Program SA	_	1,000	1,000	1,000	1,000	1,000	5,000
Transportation Infrastructure Finance and Innovation Program (TIFIA) CA	300	250	250	250	250	250	1,250
Tribal Transportation Program CA	505	578	590	602	613	628	3,012
Federal Lands Transportation CA	375	422	430	439	448	456	2,195
Federal Lands Access Program CA	270	286	292	297	304	309	1,488
Territorial and Puerto Rico Highway Program CA	200	219	224	228	233	237	1,141
INFRA (NSFHP) CA, GF, STA	1,000	2,640	2,740	2,840	2,840	2,940	14,000
Bridge Investment Program CA, SA	_	2,447	2,487	2,497	2,522	2,547	12,500
Congestion Relief Program CA	_	50	50	50	50	50	250
Charging & Fueling Infra. Grants CA	_	300	400	500	600	700	2,500

	FAST						
Program	Act FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	Total
Rural Surface Trans. Grant Program CA	_	300	350	400	450	500	2,000
PROTECT Grants CA	_	250	250	300	300	300	1,400
Reduction of Truck Emissions CA SA	_	80	80	80	80	80	400
Nationally Sign. Fed/Tribal Projects CA (STA in FY2021)	100	55	55	55	55	55	275
Nationally Sign. Fed/Tribal Projects STA	_	300	300	300	300	300	1,500
Bridge Investment Program STA	_	600	640	650	675	700	3,265
Healthy Streets Program STA	_	100	100	100	100	100	500
Trans. Resilience & Adaptation Centers STA	_	100	100	100	100	100	500
Open Challenge & Research Proposal Pilot Program STA	_	15	15	15	15	15	75
Highway Res. & Dev. Program CA	125	147	147	147	147	147	735
Technology & Innovation Deployment Program CA	68	110	110	110	110	110	550
Training & Education CA	24	25	25	26	26	26	128
Intelligent Trans. Systems CA	100	110	110	110	110	110	550
University Trans. Centers CA SA	78	99	100	100	101	101	500
Bureau of Trans. Statistics CA	26	26	26	27	27	27	133
Wildlife Crossings Pilot CA	_	60	65	70	75	80	350
Prioritization Process Pilot CA	_	10	10	10	10	10	50
Reconnecting Communities Pilot CA SA	_	195	198	200	202	205	1,000
FHWA Administrative Expenses	481	491	501	511	521	531	2,555
Construction of Ferry Boats CA SA	80	178	180	182	184	186	912
Appalachian Development Highway System SA	_	250	250	250	250	250	1,250
Tribal High Priority Projects STA	_	30	30	30	30	30	150
Stopping Threats to Pedestrians STA	_	5	5	5	5	5	25
Appalachian Regional Commission STA	110	200	200	200	200	200	1,000
Denali Access System Program STA	_	20	20	20	20	20	100
Invasive Plant Elimination STA	_	50	50	50	50	50	250
Pollinator-Friendly Roadsides STA	_	2	2	2	2	2	10
Active Trans. Infra, Invest. STA	_	200	200	200	200	200	1,000
Data Integration Pilot STA	_	2.5	2.5	2.5	2.5	2.5	12.5

Emerging Tech. Res. Pilot STA	_	5	5	5	5	5	25
Bureau of Indian Affairs Road Maintenance Program STA	_	50	52	54	56	58	270
<b>Total Highway Authorizations</b>	47,214	70,246	71,679	73,123	74,468	75,938	365,455
Of Which:							
Contract and Obligational Authority	47,004	58,112	59,404	60,735	61,953	63,296	303,500
Supplemental Appropriations	0	9,454	9,454	9,454	9,454	9,454	47,272
Authorizations Subject to Annual Appropriations Acts	210	2,680	2,822	2,934	3,061	3,188	14,683

**Source:** For FY2021, the Continuing Appropriations Act, 2021, and Other Extensions Act (P.L. 116-159). For IIJA, FHWA, *Highway Authorizations under IIJA* (P.L. 117-58). See FHWA Authorization Table at https://www.fhwa.dot.gov/bipartisan-infrastructure-law/funding.cfm. Totals may not add due to rounding. For breakout of CA formula programs, see **Table 1**.

**Notes:** Table does not include \$100 million permanent exempt CA authorization for the Emergency Relief Program. FAHP = Federal-Aid Highway Program. INFRA/NSFHP = Infrastructure for Rebuilding America/Nationally Significant Freight & Highway Projects Program.

#### **Author Information**

Robert S. Kirk Specialist in Transportation Policy

#### Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.