

INFRASTRUCTURE INVESTMENT AND JOBS ACT OVERVIEW FOR CITIES

Background

On August 10, the Senate passed the Infrastructure Investment and Jobs Act. The \$1 trillion bill covers many aspects of infrastructure, from transportation to water to broadband to electricity, with over \$567 billion going to discretionary and formula programs under USDOT’s jurisdiction. Regarding surface transportation, the IIJA contains the Senate’s five-year Surface Transportation Reauthorization Act (STRA), made up of the EPW Committee’s highway title and the Commerce Committee’s rail title. Overviews of the highway and transit portions of the bill are below, with a focus on programs relevant to cities.

After passing the Senate, the IIJA faces a still-developing path in the House. Speaker Pelosi publicly committed to holding a vote on the physical infrastructure bill only after receiving a \$3.5 trillion dollar supplemental reconciliation package from the Senate, which would fund healthcare, education, climate, and housing priorities. The Senate is currently considering a \$3.5 trillion budget blueprint—the first step toward a bill.

Policy Overview

URGENT PROBLEMS

- **Highway Maintenance:** The IIJA, drawing from the STRA, does not include a [“fix it first”](#) provision despite attempts to include one via amendments. The nation faces a road repair backlog of \$435 billion, yet this bill misses an opportunity to prioritize highway maintenance and safety upgrades over expansion or adding new lane miles. A new bridge repair program (Section 11118) represents the sole source of funding dedicated to maintenance.
- **Safety:**
 - This bill contains several new safety programs and provisions but stops short of preventing states from setting [regressive safety targets](#)—states could still plan for traffic deaths to increase.
 - Under this bill, recommendations from the National Committee on Uniform Traffic Control Devices (NCUTCD), a non-governmental body, must be incorporated into the updated Manual on Uniform Traffic Control Devices (MUTCD), circumventing the public comment process and tying FHWA’s hands.
- **Climate:** The IIJA opts not to institute a greenhouse gas emissions performance measure, the single most powerful policy tool to set targets and track progress towards decarbonizing the transportation sector.
- **Local Control:** The IIJA does little to give local governments a voice in what projects are built in their communities or make it easier for cities to access and use federal funds, except for a new provision clarifying cities’ pre-existing right to apply an approved design guide of their choice to local projects (Section 11129).

WINS AND INCREMENTAL IMPROVEMENTS

- **Complete Streets:** States and MPOs must use 2.5 percent of their overall funding to develop and adopt complete streets policies, active transportation plans, transit access plans, transit-oriented development plans, or regional intercity rail plans. However, these policies do not have to be included in state or MPO spending plans. (Section 11206)
- **Vision Zero:** The new Safe Streets and Roads for All program contains funding for states, MPOs, and local entities to carry out Vision Zero plans—see the tables below. (Section 24112)
- **Crash Data:** The IIJA requires new crash data systems to distinguish between bicycles, electric scooters, and wheelchairs. (Section 24108)
- **Vehicle Safety:** This bill requires the Secretary to update NCAP, hood, and bumper safety standards to consider the safety of people outside a vehicle, with an emphasis on crash avoidance technologies. (Section 24214). [NACTO called for this change and further action.](#)
- **MUTCD:** The IIJA mandates that revisions to the Manual must account for the safety and mobility of all road users and protect vulnerable road users.
- **Climate:** The IIJA addresses climate priorities through the introduction of several new grant and formula programs dedicated to funding electrification, resilience, and other potential low- or no-carbon solutions. The details of these dedicated programs are described in the charts below.

ISSUES TO WATCH

- **MUTCD** (Sections 11129 and 11135): The IIJA mandates that the updated Manual must support the “safe testing” of automated vehicles and “any preparation necessary” for their integration onto public streets. The bill also mandates the implementation of minimum retroreflectivity standards and pavement markings to support AV technology.
- **Transit Investment:** Despite nearly doubling transit funding from levels authorized by the FAST Act, the IIJA exacerbates the funding imbalance between transit and highways and further embeds an anti-transit bias into federal transportation policy. We should be increasing federal investment in transit at this time to win back riders, expand sustainable transportation options, and improve equity outcomes. NACTO will be closely watching the IIJA’s progress in the House as well as the proposed reconciliation bill for further support for transit.

Competitive Grant Programs

The IIJA creates over \$150 billion worth of discretionary grant programs, giving USDOT an extraordinary amount of power over where to direct these new funds. The chart below outlines the grant programs cities are eligible to apply for that align with NACTO policy priorities.

Program Name	Amount	Section	Agency	Additional Info
RAISE (formerly BUILD)	\$7.5B	21202	OST	
INFRA	\$8B	11110	OST	\$4.8 billion from HTF, \$3.2 billion from one-time appropriations
Strengthening Mobility and Revolutionizing Transportation (SMART) grant program	\$500M	25005	OST	Expansion of the Smart City Challenge
Bridge Discretionary Grant Program	\$12.5B	11118	FHWA	50% federal share for large projects, 80% otherwise
Projects of National Significance (Megaprojects)	\$5B	21201	FHWA	80% federal share
Safe Streets and Roads for All	\$5B	24112	FHWA	80% federal share
Reconnecting Communities	\$1B	11509	FHWA	Planning grants up to \$2M, capital construction grants of at least \$5M. 80% federal share
Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) grants	\$1.4B	11405	FHWA	Additional \$7.3 billion available in formula funding
Electric Vehicle Charging	\$2.5B	11401	FHWA	Maximum grant amount of \$15M, 80% federal share Additional \$5B available in formula funding

Congestion Relief Program	\$250M	11404	FHWA	Cities with an urbanized area population over 1 million are eligible for grants of at least \$10M, 80% federal share
Fixed Guideway Capital Investment Grants	\$23B	30005	FTA	\$8 billion in one-time upfront funding plus \$15 billion subject to annual appropriations Total cost of Small Starts Projects raised from \$300 million to \$400 million, with total federal funding capped at \$150 million
Low- and No Emissions Bus Grants	\$5.6B	30018	FTA	\$375 million in reauthorization and \$5.25 billion in supplemental appropriations
Transit State of Good Repair grants	\$4.75B	30016	FTA	\$950M/year
All Stations Accessibility Program	\$1.75B	Division J, Title VIII	FTA	80% federal share
Rail Vehicle Replacement grants	\$1.5B	30016	FTA	80% federal share

FHWA FORMULA PROGRAMS

Overall funding levels for core highway formula programs are:

- \$52,238,065,375 for fiscal year 2022;
- \$53,237,826,683 for fiscal year 2023;
- \$54,308,583,217 for fiscal year 2024;
- \$55,400,754,881 for fiscal year 2025;
- \$56,514,769,844 for fiscal year 2026.

Program Name	Amount	Section	Additional Info
NHPP	\$148B	11105	Program purpose expanded to include resilience and mitigation of sea level rise and extreme weather
STBGP	\$64.8B	11109	55% suballocation, adds a new population category for 50,000 to 200,000 for suballocation
Transportation Alternatives (TAP)	\$7.2B	11109	Can be suballocated up to 100%.

CMAQ	\$13.2B	11115	Expanded eligibility to cover transit operating expenses, shared micromobility (bikes and scooters), and electric vehicles/charging infrastructure
HSIP	\$15.5B	11111	Expanded eligibility to cover leading pedestrian intervals. If 15%+ of road deaths are pedestrians, cyclists, or people using mobility-assistive devices, the state must spend 15% of its HSIP funds to address vulnerable user safety
Carbon Reduction Program	\$6.4B	11403	New program, 65% suballocation

FTA FORMULA PROGRAMS

The infrastructure package contains \$39 billion in new funding for transit. This is a \$10 billion decrease from the amount in the original bipartisan framework but ultimately increases funding by \$19 billion (43 percent) from levels authorized under the FAST Act. The IIJA largely continues policies enacted by the FAST Act, as the Senate Banking Committee did not put forward a new transit title this year. Overall funding levels for core transit formula programs are as follows:

Program Name	Amount	Section
Urbanized Area formula grants	\$33.68B	30015/30017
State of Good Repair formula grants	\$23B	30016
Rural formula grants	\$4.58B	30006
Bus formula grants	\$3.1B	30018
Growth/Density formula grants	\$3.8B	30017
Elderly/Disabled formula grants	\$2.19B	30017
Planning Programs	\$966M	30002

OTHER RESOURCES

- [NACTO’s statement on the IIJA](#)
- [Full text of the IIJA](#) (unrevised)
- [Eno’s Rapid Response Webinar](#)
- [Making Federal Funding Work for Cities](#)
- [City Priorities for the 2021 Surface Transportation Bill](#)