

# INFRASTRUCTURE INVESTMENT AND JOBS ACT OVERVIEW FOR CITIES

## Background

On November 15, President Biden signed the Infrastructure Investment and Jobs Act into law. The \$1.2 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 between FY 2022 and FY 2026. The IIJA contains language from S.1913 or the Surface Transportation Reauthorization Act (SRTA), consisting of the EPW Committee's highway title and the Commerce Committee's rail title, to reauthorize the federal surface transportation program.

The majority of funding in the bill will flow directly to state transportation departments with a significant portion reserved for new, USDOT-administered discretionary grant programs.

## Major Policy Changes

- **Local Control:** In a step forward for cities seeking to streamline design and complete streets processes, the IIJA contains a new provision granting cities authority to apply an approved design guide of their choice to federally-funded projects on locally-owned streets. This language establishes that when states administer Federal funds to cities, they are neither required nor permitted to require cities to comply with state design standards or safety policy. (Section 11129)
- **MUTCD:** Under this bill, USDOT must consider recommendations from the National Committee on Uniform Traffic Control Devices (NCUTCD), a non-governmental body, when updating the Manual. The language also directs USDOT to consider the protection of vulnerable road users and autonomous vehicles in its update. (Section 11135)
- **Complete Streets:** 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. Similarly, states must reserve 2.5 percent of State Planning and Research funds for the same purposes. However, these policies do not have to be included in state or MPO spending plans. (Section 11206)
- **NEPA Reform:** The IIJA streamlines 4(f) reviews by limiting the allowable number of pages for a decision and requiring a single federal agency to be responsible for issuing a decision resulting from a NEPA review. (Section 11316)
- **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.](#)
- **Local Hiring:** The IIJA ends prohibitions on local hiring and allows recipients of federal transportation grants to implement a local hiring preference for construction work. (Section 25019)

## Funding Opportunities

The IIJA creates over \$150 billion worth of discretionary grant programs, giving USDOT an extraordinary opportunity to direct these new funds to projects that will advance safety, equity, and climate goals. The chart below outlines the grant programs open to cities.

Program Name	Amount	Section	Agency	Additional Info
Railway-Highway Grade Crossings	\$3B	11108	FHWA	Grants for local governments to improve safety and operations by removing or relocating at-grade crossings. Up to 100% federal share.
INFRA	\$8B	11110	OST	\$4.8 billion from HTF, \$3.2 billion from one-time appropriations
Bridge Discretionary Grant Program	\$12.5B	11118	FHWA	50% federal share for projects above \$100 million in total cost, 80% otherwise
Wildlife Crossings Pilot Program	\$350m	11123	FHWA	60% of funds reserved for grants to rural areas.
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 \$10 million. 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. Four categories of subgrants available: <ul style="list-style-type: none"> <li>• Planning Grants (\$140 million)</li> <li>• Resilience Improvement Grants (\$980 million)</li> <li>• Community Resilience and Evacuation Route Grants (\$140 million)</li> <li>• At-Risk Coastal Infrastructure Grants (\$140 million)</li> </ul> Federal cost share ranges from 80% to 100%.
Healthy Streets	\$500m	11406	FHWA	Grants of up to \$15 million to create cool pavements and porous pavements and to expand tree cover. Funds can be used to hire staff to plan and implement eligible projects. 80 percent federal share, with 80 percent reserved for urbanized areas.

Reconnecting Communities	\$1B	11509	FHWA	Planning grants of up to \$2 million available, capital construction grants of at least \$5 million. 80% federal share
Projects of National Significance (Megaprojects)	\$10B	21201	FHWA	80% federal share Multi-year grants available
RAISE (formerly BUILD)	\$7.5B	21202	OST	Formerly BUILD/TIGER Grants in amounts between \$5 million and \$25 million available to urbanized areas. 50 percent of funds reserved for projects in urbanized areas. 80% federal share with the exception of areas of persistent poverty or rural areas, at the Secretary's discretionary.
Culvert Removal, Replacement, and Restoration grants	\$4B	21203	FHWA	80% federal share
Safe Streets and Roads for All	\$6B	24112	FHWA	80% federal share Grants open only to local government entities. No more than 15% of any year's grants can go towards grants in any one state
Strengthening Mobility and Revolutionizing Transportation (SMART) grant program	\$500m	25005	OST	Expansion of the Smart City Challenge 40% of funds reserved for large communities, 30% for mid-sized communities, and 30% for small communities.
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 <u>Starts</u> Projects raised from \$300 million to \$400 million, with total federal funding capped at \$150 million.
Transit State of Good Repair grants	\$4.75B	30016	FTA	\$950m/year
Rail Vehicle Replacement grants	\$1.5B	30016	FTA	80% federal share
Low- and No Emissions Bus Grants	\$5.6B	30018	FTA	\$375 million in reauthorization and \$5.25 billion in supplemental appropriations
All Stations Accessibility Program	\$1.75B	Division J, Title VIII	FTA	States, local governments, and transit agencies are eligible to apply for grants to upgrade the accessibility of legacy rail fixed guideway public transportation systems. 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	Section	IIJA	FAST Act	Additional Info
NHPP	11105	\$148B	\$116.4B	Program purpose expanded to include resilience and mitigation of sea level rise and extreme weather
STBGP	11109	\$64.8B	\$58B	55% suballocation, adds a new population category for 50,000 to 200,000 for suballocation.
Transportation Alternatives (TAP)	11109	\$7.2B	\$4.2B	Can be suballocated up to 100%.
CMAQ	11115	\$13.2B	\$12B	Expanded eligibility to cover transit operating expenses, shared <u>micromobility</u> (bikes and scooters), and electric vehicles/charging infrastructure.
HSIP	11111	\$15.5B	\$11.58B	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	11403	\$6.4B	0	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	IIJA	Section	FAST Act
Urbanized Area formula grants	\$33.68B	30015/ 30017	\$25B
State of Good Repair formula grants	\$23B	30016	\$12B
Rural formula grants	\$4.58B	30006	\$3.1B
Bus formula grants	\$3.1B	30018	\$2.3B
Growth/Density formula grants	\$3.8B	30017	\$2.8B
Elderly/Disabled formula grants	\$2.19B	30017	\$1.4B
Planning Programs	\$966m	30002	\$700m

## OTHER RESOURCES

- [NACTO's statement on the IIJA](#)
- [Making Federal Funding Work for Cities](#)
- [Full text of the Infrastructure Investment and Jobs Act](#)