Legislative Update

AMPO Membership
June 18, 2020

Abbreviated for June 23, 2020
BRTB Meeting
Agenda

• Welcome
• Overview of HR 2 ‘‘Investing in a New Vision for the Environment and Surface Transportation in America Act’’ or the ‘‘INVEST in America Act’’
• Appropriations
• Coronavirus Relief Legislation
• Outlook/Wrap-up
INVEST Act

• 5-year bill (2 parts)
  • Division A: one-year extension of the FAST Act (2021)
  • Division B – four-year surface transportation bill (2022-2025)
• Not Bipartisan (proposed by House Majority)
• $495 billion in total authorizations
  • $412 billion from the HTF
  • $83 billion from the General Fund of the US Treasury
• 67% increase over the FAST Act
• 88.7% of Highway funding is formula (FAST Act was 92%)
• T&I Committee Markup – June 17
• House Floor Consideration – End of June/Beginning of July
• No “Pay-For” identified (House Ways and Means Committee is active)
• The bill would require an estimated $140 billion in additional revenues
  • Tax deposits to the HTF are down compared to last year at this times
    • May 2019 - $3.9 billion
    • May 2020 - $2.1 billion
## Five-Year Funding

### FAST ACT

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highways (HTF)</td>
<td>$43,100.0B</td>
<td>$44,005.1B</td>
<td>$4,973.2B</td>
<td>$46,007.6</td>
<td>$47,104.1B</td>
<td>$225,190.0B</td>
</tr>
<tr>
<td>Transit (HTF)</td>
<td>$9,347.6B</td>
<td>$9,733.7B</td>
<td>$9,733.4B</td>
<td>$9,939.4B</td>
<td>$10,150.3B</td>
<td>$48,904.4B</td>
</tr>
<tr>
<td>Capital Investment Grants (Gen Fund)</td>
<td>$2,441.8B</td>
<td>$2,441.8B</td>
<td>$2,441.8B</td>
<td>$2,441.8B</td>
<td>$2,441.8B</td>
<td>$12,209.0B</td>
</tr>
</tbody>
</table>

### INVEST

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highways (HTF)</td>
<td>$61.8 B</td>
<td>$63 B</td>
<td>$64 B</td>
<td>$65 B</td>
<td>$66 B</td>
<td>$320,156.3 B</td>
</tr>
<tr>
<td>Transit (HTF)</td>
<td>$15,945 B</td>
<td>$16,185.8 B</td>
<td>$16,437.6</td>
<td>$16,700.6 B</td>
<td>$16,963.6 B</td>
<td>$82.2 B</td>
</tr>
<tr>
<td>Capital Investment Grants (Gen Fund)</td>
<td>$3.2 B</td>
<td>$3.5 B</td>
<td>$4.250 B</td>
<td>$5 B</td>
<td>$5.5 B</td>
<td>$21.5 B</td>
</tr>
</tbody>
</table>

### ATIA

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highways (HTF)</td>
<td>$55,127.5B</td>
<td>$56,224.4B</td>
<td>$57,405.1B</td>
<td>$58,669.3B</td>
<td>$59,842.6B</td>
<td>$287,266.9B</td>
</tr>
</tbody>
</table>
1-Year Extension – Division A

- Increases the funding from the Highway Trust Fund above 2020 levels
  - Highways - $14.7 billion flexible funding
  - Transit formula - $5.79 billion flexible funding
  - Transit Capital Investment Grants $958 million (subject to appropriations)
- Funds are distributed to the states in the same ratio as total state apportionments were made in 2020.
- Flexible funding –(including benefits and salaries of state, local, and MPOs)
  - Highway funding may be used for the broadest construction eligibilities under the Federal-aid highway program, as well as for transportation-related administrative expenses, including salaries and benefits.
  - Transit funding may be used for both capital and operating expenses, including the purchase of personal protective equipment, and paying for administrative leave costs due to reductions in service.
- All the funding is 100% Federal cost share with some exceptions (INFRA Grants, TIFIA, advanced construction).
4-Year Surface Transportation Bill – Division B

- Significant increase in funding authorizations.
  - Especially passenger rail
- Carbon Reduction programs
  - Apportioned and discretionary grants
- Pre-disaster Mitigation
  - Apportioned
- Expands the number of programs compared to past bills that consolidated programs.
- Formulas still based on 2009 formula funding shares (INVEST includes Highway Formula a modernization study and report).
MPO Planning

• As a general requirement, in developing plans and TIPs, MPOs shall consider direct and indirect emissions of GHGs.

• MPO shall consider the equitable and proportional representation of the population of the metro planning area. Does not require an MPO to be restructured unless the MPO is being redesignated.

• Encourages consultation or coordination with officials in “emergency response and evacuation, climate change adaptation and resilience.”

• MPOs in the same urbanized areas shall ensure, to the maximum extent practicable, the consistency of any data used in the planning process
  o No requirement to jointly develop planning documents, including the plan and TIP.
MPO Planning Cont.

• New Planning factors
  - Reduce GHG, improve public health, housing, sea level rise, extreme weather, and climate change, facilitate emergency management, response, and evacuation and hazard mitigation; improve the level of transportation system access.

• LRTP
  - As part of the mitigation process in developing the plan the MPO shall also include a discussion of reducing GHG emissions; the role that intercity buses play in reducing GHG; MPOs should also consult state and local agencies responsible for air quality, public health, housing, transportation, resilience, hazard mitigation, and emergency management.
  - Contain strategies to reduce GHGs; strategies to mitigate and reduce climate impacts and a vulnerability assessment of critical transportation assets, evacuation routes, and facilities repeatedly damaged by disasters.
MPO Planning

- **Predisaster Mitigation**
  - LRTP - assess strategies to mitigate and reduce climate impacts and conduct a vulnerability assessment of critical transportation assets, evacuation routes, and facilities repeatedly damaged by disasters.
  - TIP - Identify projects to address identified vulnerabilities, describe the improvements to resiliency.
  - Projects are eligible for funding under the newly established pre-disaster mitigation program apportioned to the state.

- **Transportation Access**
  - Sec. will develop a new transportation access performance measure for states and MPOs.
  - TMA plan shall address, in addition to congestion management, to the overall level of transportation system access for various modes of travel – including level of access for disadvantaged communities.
  - TMA TIP:
    - The TIP shall include a discussion on the anticipated effect of the TIP toward achieving targets in the plan; how the plan will improve level of access.
    - Adds a new clause for certification - in addition to compliance with law, and an approved TIP - the approved TIP improves the level of transportation system access, consistent with section 150(f), which is the new access measure.

- **MPOs** shall also use, to the maximum extent practicable, virtual public involvement, social media, and other web-based tools to encourage public participation.
New Programs & Requirements

• $6.250B Pre-disaster Mitigation Program
  o Funds apportioned to states; projects must meet specific criteria; projects must be on the STIP or TIP and; consistent with the state or metro plans.

• $8.3B Carbon Pollution Reduction Program
  o Funds apportioned to states; broad flexibility to the States to fund GHG reduction highway; transit; passenger rail projects; up to 10% for transit and rail operations.

• Bridge Investment
  o Creates a new minimum bridge investment requirement that ensures States spend no less than 20 percent of their total combined NHPP and STP on bridge repair and rehabilitation projects. Provides States with flexibility to meet that goal over the four-year period from FY22 through FY25. (Excludes STP suballocated funds, and TAP).

• $750 Metro Performance Program Grants
  o Direct allocations to MPOs to advance locally selected projects. Secretary to designate a high-performance tier of MPOs based on technical capacity to manage Federal-aid highway funds. Provides between $10 and $50 million per year for the MPOs designated. Funds may be for STP eligible projects. Consultation with state and transit required. MPOs may collaborate with the State. Obligation Authority is 4 years.
New Programs & Requirements Cont.

• Reestablishes Safe Routes to School program
  o STP and HSIP funds may be used for projects and programs. 100% federal share.

• $10B Project of National and Regional Significance
  o Grants for large highway, transit, and passenger and freight rail projects that reduce congestion on roadways and that cannot be funded through annual apportionments or other discretionary sources

• $2.4B Community Transportation Investment Grants
  o To support local investments in projects to improve safety, state of good repair, accessibility, and environmental quality through infrastructure investments. Sets aside a minimum of 25 percent of program funds for projects in rural communities. Highway and transit projects are eligible. The maximum amount of a grant is $25M. MPOs are eligible.

• $1.4B EV Charging/Hydrogen Fueling Infrastructure Grants
  o Program to deploy electric vehicle charging and hydrogen fueling infrastructure. Priority to projects that demonstrate the highest levels of carbon pollution reductions and that are installed on designated alternative fueling corridors.
New Programs & Requirements Cont.

• $1B Community climate innovation grants
  o To support local investments in innovative strategies to reduce greenhouse gas emissions. Highway and transit projects eligible as long as the project reduces GHG. Prioritizes projects that show the most promise in reducing greenhouse gas emissions.

• Active transportation connectivity grants
  o $250 million grant program to support infrastructure investment in connected active transportation networks. Supports the development of complete streets and the use of safe systems approaches to enhance safety for vulnerable road users.

• $250M Parking for Commercial Motor Vehicles
  o The Secretary shall make grants, on a competitive basis, to eligible entities to address the shortage of parking for commercial motor vehicles to improve the safety of commercial motor vehicle operators.

• $415M Multi-jurisdictional bus frequency and ridership competitive grants
  o To increase the frequency and ridership of public transit buses.
Transit

- FTA programs are authorized at $105.2 billion total over 5-years, a 72.2% increase over the amount authorized by the FAST Act. The FY21 authorization for transit is $19.5B, an increase of $7.0B over the FY20 level.

- Significantly increase funding for buses & bus facilities - $464M in 2021 - $1.3B in 2025.

- Focuses funding on zero emission buses.

- Doubles the urban formula low-income set aside from 3 to 6 percent.
  - It expands the formula to include an emphasis on the low-income population in urban census tracts with a poverty rate above 20 percent. The section requires transit agencies to ensure they are serving low-income individuals.
Transit Cont.

- State of Good Repair
  - Permits up to 90% of the net project cost for accessibility projects.
- Amended MPO Planning provisions in highways are reflected in transit title.
- $100 million annually for multi-jurisdictional bus frequency and ridership competitive grants to increase bus frequency, ridership and total person throughput by redesigning urban streets and corridors to efficiently move transit vehicles in congested major urban areas.
- Mobility Innovation
  - Fund made available to a recipient or subrecipient of formula grants under sections 5307, 5310, and 5311 may be used to assist in the financing of mobility as a service; mobility on demand services. 80% federal share. Federal share is reduced by 25% if a third-party contract is used.
- $5M annually for the Sec. to establish a one-stop paratransit grant program to encourage an extra stop in non-fixed route Americans with Disabilities Act of service for a para transit rider to complete essential tasks.
Transit – Capital Investment Grants

• The bill includes numerous reforms to the Capital Investment Grants (CIG) program. The provisions allow project sponsors greater flexibility in the CIG program and provide a higher commitment from federal partners. The reforms include:
  o Increasing the federal CIG share for all projects (including New Starts) to 80 percent in FY 2022 to FY 2025 (transit agencies that remain under 60 percent cost share are subject to less strenuous requirements for project approval);
  o Increasing the Small Start federal funding from $100M to $320M; and raising the total funding cap from $300M to $400M;
  o Adds “expanding station capacity” to the list of eligible core capacity project;
  o Extends the completion date deadline for “project development activities” from two to three years; and,
  o Makes reforms to certain financial requirements throughout the process.
COVID-19 Relief Legislation/Outlook

• Next coronavirus relief bill in July.
  o Transit ($15.75B) and State DOT ($15B, suballocated) funding in the Democrat bill –HEROES Act.
  o Senate has not acted. Majority Leader McConnell would like liability protection for businesses.

• FY21 Appropriations are moving forward in both chambers.
  o Likely a CR in September to keep the government open.

• Surface transportation bill.
  o Extension in September – how long will depend on amounts in the HTF, and how much progress is made in each chamber.

• President Trump has proposed a $1T infrastructure spending bill. No details.
Thank you

Levon Boyagian

levon@boyagianconsulting.com