

September 15, 2022

Delivered via email

To: IIJA Work Group Members:

Thank you for your participation on the IIJA Work Group. We appreciate your thoughtful input and your continuing commitment to providing a transportation system that works for every Washingtonian. The purpose of this memo is to document the decisions that we have made based upon the information we all received and the input from the Work Group. A summary of these decisions is provided below. Additional background information on the IIJA and the Work Group is available here: <https://leg.wa.gov/JTC/Pages/IIJAWorkgroup.aspx>.

### **Background**

In November 2021, Congress passed, and the President signed the Infrastructure Investment and Jobs Act (IIJA), which included a five-year authorization of federal-aid highway formula program funding. Washington is expected to receive approximately \$5.433 billion in apportioned funds over the life of the Act. In addition to the reauthorization of several surface transportation programs, IIJA creates four new federal-aid highway formula programs and provides \$1.7 billion more in federal-aid funding for Washington state than was included in the Fixing America's Surface Transportation (FAST) Act.

When new federal transportation authorization laws are enacted, Washington state has a tradition of convening a work group to make recommendations on future distributions of federal-aid highway formula program funding to state and local governments. This year, the 2022 Supplemental Transportation Budget directed the Joint Transportation Committee to convene this Work Group. The Work Group met three times in June and July 2022.

### **Summary of funding split decisions for the five-year IIJA authorization**

Attached to this memo is a chart summarizing the five-year average split percentages for the five-year authorization of the IIJA (FFY 2022-2026). Those splits are described in more detail below.

#### **National Highway Performance Program -**

- Retain similar splits as FAST Act which was also assumed in the Move Ahead Washington allocation— 87% state/13% local
- The local share is to be administered through the NHS Asset Management Program administered through the WSDOT Local Programs Office

#### **Surface Transportation Block Grant program –**

- Maintain FFY 2022 and FFY 2023 at the Move Ahead Washington identified split (28% state/72% local)

- For FFY 2024 – FFY 2026, the split is revised to 16% state/84% local to effectively provide the historic split of 21% state/79% local, over the course of the five years.

#### **Highway Safety Improvement Program -**

No change from FAST Act distribution – continue to allocate funds based on updated crash data to support the Target Zero statewide safety plan – FFY 2022 data reflects split 30% state/70% local.

#### **Congestion Mitigation & Air Quality (CMAQ) Program -**

No change from FAST Act – continue to allocate funds to the five eligible Metropolitan Planning Organizations to help meet the requirements of the federal Clean Air Act– 100% local.

#### **Bridge Replacement Program (NEW) –**

- Maintain FFY 2022 and FFY 2023 at the Move Ahead Washington identified splits (85% state/15% local).
- For FFY 2024 – FFY 2026, the split is revised to 46% state/54% local to effectively provide an average split of 61% state/39% local, over the course of the five years.
- The local share is to be administered through the Local Bridge grant program administered by the WSDOT Local Programs Office
- The maximum funding cap for local bridges is raised to \$25M
- Non-federal match for local off-system bridges will not be required by the state

#### **National Highway Freight Program –**

- Retain current splits (50% state/50% local) as identified in Move Ahead Washington to ensure that Washington’s Freight System Plan can be submitted to the Federal Highway Administration for approval by the federal October 2022 deadline.

#### **Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation Program (PROTECT) –**

- For FFY 2022 no change to Move Ahead Washington allocation (100% state).
- For FFY 2023-2026, \$25m set aside for tribal resiliency projects.
- Remaining \$75m shall be directed to local fish passage projects (over 4 years).
  - The Brian Abbot Fish Barrier Removal Board shall facilitate the project selection process. The Board shall work with WSDOT Local Programs to ensure that project selection criteria is consistent with federal requirements.
- WSDOT Local Programs shall administer funding for all projects awarded PROTECT funds.

#### **National Electric Vehicle Program -**

New IIJA program – funds are provided 100% to the state.

#### **Carbon Reduction Program -**

New IIJA program funds are split 35% state/65% local

#### **NOTE:**

If a Federal Continuing Resolution occurs in FFY 2027, the intent is to

- continue the overall five-year split ratios for all programs (not the final/5th year split ratios) for that FFY, and
- reconvene a work group to reevaluate the splits for subsequent years and progress toward upholding Move Ahead Washington principles and goals.

**Other decisions:**

In response to the input from the IJJA Work Group, members of the JTC Executive Committee support the following:

**Pilot federal fund exchange program**

WSDOT shall work with the Governor’s office and the legislature to establish in the 2023-25 biennial budget a federal fund exchange pilot program. Local governments should anticipate less than a full dollar-for-dollar swap to account for the additional administrative costs for WSDOT. We encourage WSDOT to engage with local government representatives when establishing the program and setting the exchange rate. The primary purpose of the swap is to reduce administrative burden on smaller cities and counties.

**Federal grants coordination**

To maximize the federal funding coming to Washington state, the JTC Executive Committee encourages more federal grants coordination between state and local governments. The existing WSDOT/MPO/RTPO Coordinating Committee, may be a good home for this effort. Beyond coordination, we encourage the Coordinating Committee to share recommendations with us on other strategies and resources that could increase the level of federal transportation grants coming to our state.

**Maximizing local transportation investments**

To maximize local transportation investments the legislature intends to require a maintenance of effort by counties, to ensure that new state and federal transportation monies distributed to counties result in a corresponding increased investment in local transportation infrastructure.

**Truck parking**

The JTC Executive Committee shares work group members concern about the need to address truck parking issues in Washington state and is committed to identifying appropriate funds in an upcoming budget.

Thank you for your participation on the IJJA Workgroup. If you have questions about this memo, please direct them to Dave Catterson, JTC Coordinator, [dave.catterson@leg.wa.gov](mailto:dave.catterson@leg.wa.gov).

Sincerely,

JTC Executive Committee



Sen. Marko Liias



Sen. Curtis King



Rep. Jake Fey



Rep. Andrew Barkis

## IIJA Work Group 2022 – Summary of State/Local Distributions

| Program   | FFY 2015 (MAP-21) |            | FFY 2020 (FAST Act) |            | FFY 2022-26 - (IIJA) <sup>1</sup> |                  |
|---|-------------------|------------|---------------------|------------|-----------------------------------|------------------|
|   | State             | Local      | State               | Local      | State                             | Local            |
| <b>National Highway Performance Program (NHPP)</b>        | 94%               | 6%         | 87%                 | 13%        | 87%                               | 13%              |
| <b>Surface Transportation Block Grant Program (STBGP)</b> | <b>25%</b>        | <b>75%</b> | <b>21%</b>          | <b>79%</b> | <b>21%</b>                        | <b>79%</b>       |
| Off-system Bridge (set-aside)                             | 0%                | 100%       | 0%                  | 100%       | 0%                                | 100%             |
| Population Distribution                                   | 0%                | 100%       | 0%                  | 100%       | 0%                                | 100%             |
| Any area of the state                                     | 67%               | 33%        | 79%                 | 21%        | 52%                               | 48%              |
| Transportation Alternatives                               | 0%                | 100%       | 0%                  | 100%       | 0%                                | 100%             |
| Recreational Trails                                       | 100%              | 0%         | 100%                | 0%         | 100%                              | 0%               |
| <b>Highway Safety Improvement Program (HSIP)</b>          |                   |            |                     |            |                                   |                  |
| Highway Safety Component of HSIP                          | 30%               | 70%        | 30%                 | 70%        | 30%                               | 70%              |
| Rail Crossing Safety Component of HSIP                    | 100%              | 0%         | 0%                  | 100%       | 0%                                | 100%             |
| <b>Congestion Mitigation and Air Quality (CMAQ)</b>       | 0%                | 100%       | 0%                  | 100%       | 0%                                | 100%             |
| <b>Metropolitan Planning (MPO)</b>                        | 0%                | 100%       | 0%                  | 100%       | 0%                                | 100%             |
| <b>Statewide Planning and Research (SPR)</b>              | 100%              | 0%         | 100%                | 0%         | 100%                              | 0%               |
| <b>National Highway Freight Program (NHFP)</b>            | -                 | -          | 14%                 | 86%        | 50%                               | 50%              |
|   |                   |            |                     |            |                                   |                  |
| <b>Formula Bridge Program</b>                             |                   |            |                     |            | 61%                               | 39%              |
| <b>National Electric Vehicle Program</b>                  |                   |            |                     |            | 100%                              | 0%               |
| <b>PROTECT</b>  |                   |            |                     |            | 19%                               | 81% <sup>2</sup> |
| <b>Carbon Reduction</b>                                   |                   |            |                     |            | 35%                               | 65%              |
|   |                   |            |                     |            |                                   |                  |
| <b>Overall</b>  | <b>66%</b>        | <b>34%</b> | <b>61%</b>          | <b>39%</b> | <b>59%</b>                        | <b>41%</b>       |

<sup>1</sup> Five-year average split for IIJA

<sup>2</sup> Includes \$25 million set-aside for tribal resiliency projects