

# Infrastructure Investment and Jobs Act Frequently Asked Questions

ODOT has received dozens of questions about the Infrastructure Investment and Jobs Act, or IIJA, over the course of multiple webinars and discussions with stakeholders. This document responds to frequently asked questions based on information available to date. Key decisions must be made by ODOT, the Oregon Transportation Commission, and the US Department of Transportation before we can definitively answer many of these questions.

This document organizes questions into a number of categories, in the following order:	
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### FLEXIBLE FUNDS

What amount of IIJA funds are truly flexible and are not already allocated to one bucket or program? Approximately \$400 million—about one-third of the total IIJA highway and transit formula funding—is not specifically dedicated by Congress to particular purposes. These highway program funds can be used for many surface transportation projects, from roads and bridges to public and active transportation.

### What can IIJA flexible surface transportation funds be used for? Can they be used for aviation and fiber optic/broadband projects?

Federal highway and transit formula funds can generally be used for roads, public transportation, and bicycle and pedestrian facilities and cannot be used for aviation or installation of general purpose broadband.

#### Can the IIJA flexible funds be used for port or freight rail?

While ODOT can use a small portion of funding (less than \$2 million for year) under the National Highway Freight Program for port and freight rail projects, ODOT has chosen to fund these projects from Connect Oregon rather than federal highway funds. Moreover, the IIJA actually reduced funding for the NHFP, so there is no additional money to invest in multimodal freight projects.

#### Will ODOT consider using IIJA flexible funds to complete underfunded HB 2017 earmarked projects?

It's possible. ODOT has a number of projects named by the Legislature in HB 2017 that need some additional funding to complete the project, rather than just completing a phase. ODOT is identifying these needs, and the Oregon Transportation Commission may choose to allocate funding for this purpose.

### ODOT recently indicated that funding to pave state highways will fall in the 2024-2027 STIP. Will ODOT now shore up the Fix-It program?

It's possible. In the 2024-2027 STIP, the Fix-It program funding was held essentially flat. Most of these funds are dedicated by HB 2017 to bridges, so pavement preservation on state highways is experiencing reduced funding. As a result, state highways will continue to deteriorate over time. ODOT will identify needs to preserve pavement and other assets, and the Oregon Transportation Commission may choose to allocate funding for this purpose.

### LOCAL PROGRAMS

#### What funding will go to local governments?

Local governments will receive funding from a number of programs, including the All Roads Transportation Safety Program for safety improvements; the Local Bridge program to repair and replace bridges; the Transportation Alternatives Program for bicycle and pedestrian facilities; the Congestion Mitigation and Air Quality Improvement program for air quality improvement projects; Metropolitan Planning for the state's metropolitan planning organizations (MPOs); the new Carbon Reduction program to reduce greenhouse gas emissions from transportation; and the Surface Transportation Block Grant for flexible funding. Additional funding may come from other programs as well, depending on decisions made by the Oregon Transportation Commission. In total, local governments will likely receive around \$250-300 million of the \$1 billion in additional IIJA highway program funds. This 25-30% share is in line with historical federal funding amounts going to local governments.

#### What additional funding does the IIJA provide to the large MPOs?

Large MPOs (those over 200,000 population) have traditionally received direct suballocations from the Surface Transportation Block Grant (STBG) and Transportation Alternatives Program by formula set in statute. These suballocations will increase under the IIJA, and large MPOs will also receive a share of the new Carbon Reduction Program. All told, these programs should provide Oregon's three large MPOs about \$68 million in additional suballocated funding. In addition, these MPOs will receive additional funding under the MPO planning and CMAQ programs.

#### Will the smaller MPOs (those with populations under 200,000) get any additional funding?

Yes. Small MPOs receive MPO planning funding and also receive an allocation of STBG funds through the ODOT/city/county fund share agreement. Small MPOs will see additional funding under both of these programs.

### Is ODOT going to hire additional staff to assist local agencies that are not certified apply for and deliver federal-aid projects?

Most likely. With over \$250 million in additional funding provided to local governments over the 5 years of the IIJA, ODOT anticipates hiring additional staff to assist local agencies in delivering federal-aid highway projects. ODOT anticipates requesting additional positions in the 2023 Legislative session.

### How do local agencies go about applying for funding through ODOT and are those applications accessible once they are submitted?

Funding will be made available through a number of statewide competitive grant programs, including All Roads Transportation Safety (ARTS), Community Paths, and Local Bridge program. Each program has a different application process and timeline. For example, the ARTS program is currently selecting projects and intends to use the IIJA funding to fund additional applications in the current round rather than reopening the application process. Watch for application opportunities in the future.

#### Is it possible that a portion of the flexible funding could go towards local projects?

Yes, it's possible. Flexible highway funding can be used for projects on local roads. It will be up to the Oregon Transportation Commission to decide how to allocate the state's flexible funding.

### Would ODOT now consider delaying the changes to the Fund Exchange Program, specifically the change in the allocation exchange rate from \$0.94 to \$0.90?

It's not likely. ODOT has a long-term deficit in its operations and maintenance budget—which provides the state dollars for fund exchange—that required reducing the fund exchange rate. Unfortunately, the IIJA will exacerbate this shortfall due to the need to shift more Operations and Maintenance funding to match federal funds and cover the additional staff needed to deliver projects. As a result, ODOT will need to find ways to continue limiting the amount of dollars exchanged with local governments.

#### Can additional funding go toward the smaller communities such as to the Small Cities program?

It's possible. The Small Cities program is funded through the State Highway Fund as most of these small projects cannot be efficiently delivered using federal funds. ODOT will consult with the League of Oregon Cities to determine whether any of the additional funding flowing to cities through the ODOT/city/county federal fund share agreement should go into the Small Cities program.

### What can local governments do to get potential projects prepared to compete for funding if they are not certified local agencies?

Local agencies can use local funding to begin to design a project to better prepare for a federal construction grant. For those agencies that receive STBG allocations from the AOC/LOC federal fund sharing agreement, the agency can keep the funding federal instead of exchanging the funding to also start the design. In both cases, coordination with ODOT will be needed to ensure federal requirements are met, and if federal money is used ODOT would lead the effort for a non-certified agency.

#### BRIDGES

# How will the \$250 million allocated to bridge repair and replacement be prioritized? Will the focus be on repair or replacement? Will additional bridge maintenance funds be included in the bridge program, separate from bridge replacement?

ODOT will continue to repair or maintain some bridges while replacing others. Bridges are inspected routinely, and a combination of different types of work on bridges—including painting, deck

rehabilitations, other repairs and full replacements-- allows ODOT to stretch limited funding as ODOT manages the gradual decline in the condition of our aging bridges.

#### How much funding will be available to local bridge projects?

ODOT has historically provided federal funding for local bridge projects under an agreement between ODOT, cities and counties. Under this agreement, funding for local bridges automatically increases as overall federal funding increases. ODOT estimates that local governments will receive about \$34 million under this agreement. In addition, the IIJA provided Oregon \$268 million in a one-time special allocation for bridges. Over time about a quarter of federal funding for bridges has gone to city and county bridges. ODOT will work with AOC and LOC to develop a distribution of this special bridge funding based on these historical shares of funding.

### Oregon is vulnerable to the Cascadia subduction earthquake. Are there plans to meet the goals outlined in the Oregon Resiliency Report with these funds?

Yes. ODOT has been implementing a <u>seismic resilience plan focused on key corridors</u> for some years now, and HB 2017 funding has accelerated progress on the plan. The needs remain much larger than the funding, but ODOT is steadily progressing through the priorities laid out in the plan. The IIJA special bridge funds will allow ODOT to make additional progress on this plan. Currently, bridge seismic retrofit projects are being programmed along I-5, just north of Eugene. The overall plan is expected to take decades to complete even with additional IIJA funding.

### Can we use both bridge and PROTECT funding on a project to stretch the \$94 million in PROTECT funding further?

Yes. Multiple fund types can be applied to a single project, particularly if it achieves multiple objectives, so both bridge and PROTECT funding could be used on a single project.

#### CLIMATE, TRANSIT AND ACTIVE TRANSPORTATION

### How is ODOT prioritizing equity and climate change? Will every investment be climate-friendly and address greenhouse gas emissions?

ODOT is committed to delivering a modern and reliable transportation system that serves all Oregonians in an efficient, environmentally responsible, and safe manner. ODOT funds projects for many reasons, including maintenance, safety and congestion relief along with mobility, equity and climate action. In making investment decisions, the OTC will consider climate and equity and other outcomes tied to the agency's <u>Strategic Action Plan</u>. This review will inform the Commission's investment decisions, and whether and how different funding scenarios can advance agency priorities. While some projects will have no or even negative impact on GHG emissions, ODOT is committed to reducing emissions across transportation investments as a whole.

#### How does ODOT measure progress on GHG emission goals for the transportation sector?

Oregon Governor Kate Brown's Executive Order 20-04 set a goal of reducing greenhouse gas emissions by 80% from 1990 levels by 2050. ODOT provides <u>annual progress reports</u>, and Oregon's Department of Environmental Quality reports <u>GHG emissions across all sectors</u> annually. In addition, the 2013 <u>Statewide</u> <u>Transportation Strategy</u> (STS) established a transportation GHG reduction roadmap, including milestones on their implementation (see <u>STS Technical Appendix 5</u>). ODOT published a <u>2018 STS Monitoring Report</u> and is developing a performance dashboard to provide the public with more frequent progress updates.

### Is ODOT using this money to establish the new programs and add staffing capacity for existing public and active transportation programs to make progress toward climate goals?

Yes. About one quarter of the total of \$1.2 billion in additional IIJA highway and transit formula funds will go directly into sustainable transportation programs, including climate, electric vehicle, transit, and active transportation programs. The Oregon Transportation Commission will determine whether to invest additional resources in public and active transportation projects that can't be covered from the State Highway Fund.

### In spending this federal money, is ODOT prioritizing investments that the State Highway Fund can't be used for?

The Oregon Transportation Commission will determine whether to invest flexible IIJA funds in public and active transportation projects that can't be covered from the State Highway Fund. The Oregon Constitution prohibits ODOT and local governments from using the State Highway Fund for non-highway purposes, which includes most public transportation and off-road bicycle and pedestrian paths. As a result, ODOT often uses federal highway program flexible funds for these purposes; in fact, Oregon transfers more federal highway funding to transit than almost any other state.

### What can the new Carbon Reduction Program be used for, and how does ODOT anticipate the money will be distributed?

The Carbon Reduction Program funds projects that reduce greenhouse gas (GHG) emissions. Eligible projects may include public transit and active transportation; street light and traffic control device energy efficiency; tolling, pricing and transportation demand management that shift travel to cleaner modes; freight and port projects; alternative fuels; and congestion management technologies. Oregon's largest metropolitan areas (Portland, Eugene, and Salem) will receive about one-third of the funding directly based on population. ODOT expects to coordinate with smaller cities and rural communities on a competitive grant program and to fund state projects.

### How much of the \$52 million in funding for EV charging stations will be available to local communities? Will there be funding allocated for electric charging stations and infrastructure specifically for trucks?

The IIJA electric vehicle (EV) charging formula funds must be used on Oregon's seven FHWA-approved EV Alternative Fuel corridors: Interstates 5, 84 and 82, and U.S. 26, 101, 20 and 97. ODOT expects to contract these funds to providers who will build, own and operate stations on these corridors. Specific locations will be based on ODOT's recent study of EV charging needs, equity, public engagement, available properties, site host agreements, and further guidance from FHWA. Funds will not be sub-awarded to other government agencies. Investment in medium and heavy-duty truck charging appears to be eligible, and US DOT will provide further guidance to clarify specifics. US DOT will be identifying national EV charging corridors to support freight and goods movement at strategic locations. The IIJA also offers competitive grant opportunities for corridors and communities that can be pursued to address targeted needs.

### Is it possible to use some of the IIJA funds for more catalytic and expensive ped/bike projects (like bridges) that don't fit with other grant programs?

There are two avenues in which the agency can pursue building larger and more expensive pedestrian and bicycle projects. The first is to allocate funds ODOT receives directly from the IIJA legislation, where pedestrian and bicycle projects are an eligible use. The OTC will determine in spring of 2022 how to use

over \$400 million in flexible highway program funds from IIJA. ODOT is aiming to best utilize these flexible funds to address unmet needs. An example of a priority unmet need is urban corridors that do not have a dedicated funding source to address comprehensive improvements such as improved access to transit, pedestrian crossings, bicycle facilities and pavement condition. Secondly, ODOT and partners can submit grant applications for pedestrian and bicycle projects to one of the numerous competitive grant programs defined in IIJA. Projects like pedestrian and bicycle bridges are highly visible and impactful but generally expensive. Many of the federal grant programs are intended to address expensive and impactful projects such as these.

# ODOT appears to be constructing more recreational trails. Will ODOT be pursuing more of these projects with IIJA?

ODOT builds multiuse path projects that often serve both a transportation and recreation function through our <u>Oregon Community Paths</u> (OCP) grant program that provides grants to local agencies. OCP is partially funded by a dedicated amount of Transportation Alternatives (TA) funds from FHWA. IIJA includes approximately \$30 million in additional TA funding split between a direct allocation to MPOs and the OCP program. The additional TA funds will be added to \$36 million dedicated to the OCP by the OTC in the 2024-2027 STIP and will be distributed to communities via a competitive grant program.

### PASSENGER RAIL AND RAIL

# How will IIJA allow Oregon to improve the Cascades service? Will it allow for dedicated right of way and/or electrification?

The FRA will be able to award grant funds for projects that are included in a federally reviewed and approved passenger rail plan. ODOT will look for opportunities to fund improvements on the Cascades service that are included in the selected alternative from the <u>Oregon Passenger Rail</u> <u>Tier 1 Combined Final Environmental Impact Statement and Record of Decision</u>, completed in 2021. This includes infrastructure improvements that could reduce travel times and increase reliability. This plan did not include dedicated ROW or electrification, so Oregon is unable to secure federal funds for these types of projects on the Amtrak Cascades Portland to Eugene segment.

# What funding is provided for Amtrak, specifically Coast Starlight running between Los Angeles & Eugene? Are there any plans for rail in southern Oregon?

No funding has been specifically targeted for the Coast Starlight. However, the \$16 billion in National Network funding will allow Amtrak to initiate a procurement process to replace long-distance passenger cars of the type used for the Coast Starlight that have reached the end of their useful lives, and exercise options to acquire additional Amtrak Long-Distance Charger 4,200 horsepower locomotives, beyond 75 already ordered, to replace 20- to 30-year old Genesis diesel locomotives that now power Amtrak's long-distance trains. ODOT doesn't have any plans for expanding passenger rail in southern Oregon at this time.

#### How will IIJA funding help Amtrak improve infrastructure and service?

IIJA funding will allow Amtrak to advance station state-of-good-repair and improvement projects at more than 500 stations throughout the country. In particular, it will enable Amtrak to

accelerate work to bring stations and platforms, such as facilities at Klamath Falls, into full compliance with the Americans with Disabilities Act (ADA). During federal FY 2022 and 2023 Amtrak expects to complete projects to make 96 stations fully compliant with the ADA.

# Will there be any focus on highway rail grade crossing improvements including grade separation initiatives?

Oregon's formula funding for the roadway rail grade crossings program is flat under IIJA at \$3.3 million per year. ODOT will continue to prioritize for preservation with an emphasis on improving safety for all modes at public crossings and moving from passive to active crossings where there is a high crash risk. The funding for an overcrossing significantly exceeds the funds available to the rail crossing program. If a community wanted to partner with the railroad and all road authorities impacted, it would require a variety of funding sources to make that happen. One opportunity to fund these larger projects is the new \$3 billion Railroad Crossing Elimination competitive grant program. The Federal Railroad Administration will administer this new program that is intended to award grants to highway-rail or pathway-rail grade crossing improvements that focus on improving the safety and mobility of people and goods. States, local governments, tribes, ports, and MPOs are all eligible to apply. Commuter and freight rail crossings are eligible. ODOT will likely identify potential project applications for this program.

### GENERAL

# Will the IIJA funds distributed through the state be considered Federal or State funds from a grant matching perspective?

All formula funds will be considered federal from a matching funds perspective. In specialized cases ODOT may swap out federal funds provided to local governments for state funds, but match requirements will remain.

#### What does the requirement to obligate funds by the end of the federal fiscal year mean?

This requirement means that ODOT must obligate all of its annual federal highway funds to specific projects that are ready to go to design or construction by September of each year. While ODOT is held to this overall requirement, individual projects may be allowed to move from their original year. A different requirement applies to the special bridge and electric vehicle charging funds; these funds are available for three years before they must be obligated.

#### Who at ODOT should we send public comment letters to?

All letters should be sent to the Oregon Transportation Commission by way of its online public comment form at <u>www.oregon.gov/odot/Get-Involved/Pages/OTC-Comments.aspx</u>. Letters can also be mailed to the OTC at 355 Capitol St NE MS 11 Salem, OR 97301.

# What is ODOT's plan to implement delivery of the new projects given limited resources inside and outside the agency?

ODOT is reviewing its internal capability to deliver a significantly increased volume of federal projects and will likely request additional positions in the 2023 Legislative Session to ensure we can deliver effectively

these programs and projects. ODOT will determine the most appropriate way to deliver projects through a mix of internal staff and outsourcing.

#### Is it possible for a project to receive funding from multiple funding categories?

Yes, both state and local projects regularly receive funding from multiple state and federal programs.

### Is there any consideration for participatory budgeting for communities to influence ODOT projects to address historical inequities?

Yes. ODOT will be specifically reaching out to groups representing marginalized communities to engage in dialogue and get their input on how to ensure investments benefit all Oregonians. ODOT is engaging in extensive stakeholder outreach and engagement, including conversations with advisory committees, multiple webinars, and an upcoming online open house, to seek input from Oregonians from all walks of life about how best to allocate the IIJA funding to meet the state's transportation goals.

### How is ODOT prioritizing projects that meet multiple objectives (infrastructure, fish passage, climate resilience, equity, etc.?)

ODOT continually seeks to fund projects that provide benefits across multiple areas. While ODOT dedicates funding to programs that typically focus on a particular outcome or element of the system (for example, safety or pavement condition), these programs often take into account multiple benefits during the selection process. For example, the Enhance Highway Discretionary Program in the 2024-2027 STIP focuses on projects that address congestion and enhance freight mobility but also considers safety, multimodal accessibility, climate, and equity benefits.

#### Does ODOT have plans to support Oregon's Byways in the future?

ODOT ended its dedicated Scenic Byways program after Congress eliminated the Scenic Byways grant program in 2012. ODOT continues to make infrastructure investments in designated Scenic Byways but does not anticipate future investments in promoting these routes.

#### Are funds available for concrete sound walls and or alternate sound walls using plants?

Yes. When ODOT uses federal funds for highway improvements, certain types of projects must complete an analysis of noise impacts. When these studies identify noise impacts, there's a process to consider placing noise barriers such as sound walls or vegetated earthen berms between the highway and the affected location to reduce the noise. Noise barriers that meet certain criteria are constructed as part of the highway project. More information can be found in the <u>ODOT Noise Manual</u>.

### FISH, WILDLIFE, AND ENVIRONMENTAL PROJECTS

#### Under what programs can ODOT fund wildlife crossings?

ODOT has funded wildlife crossings from a variety of funding sources in the past, primarily federal funds allocated to a larger project and private funds for fencing and long-term maintenance. Wildlife crossing infrastructure is an eligible use within most federal transportation programs, including the Federal Lands Access Program (FLAP), but non-federal matching funds are required. The Federal Highway Safety Improvement Program (HSIP), which is focused on reducing fatalities and serious injuries through a data-driven process, permits the use of funding for wildlife crossings. Oregon directs its HSIP funds into the All Road Transportation Safety (ARTS) Program, which uses data-driven safety methods to select the best projects to reduce fatalities and serious injuries on all public roads in the state through a competitive

process. With the announcement of the new IIJA Wildlife Crossing Pilot Program, ODOT intends to apply for funds through this federal competitive grant program.

### Please give information on the new USDOT Wildlife Crossing Grant Program. When do you expect the grants to go live?

The IIJA's Wildlife Crossing Pilot Program will make \$350 million available to all states, over the five years of the bill, to invest in projects that reduce vehicle/wildlife collisions and improve habitat connectivity for aquatic and terrestrial species. Given the huge amount of competitive grant funding in the bill, it is difficult to know for certain when USDOT will make funding available through the new grant programs in the IIJA, including Wildlife Crossings. USDOT is currently staffing up to administer these programs and the best guess at this point is that new programs will begin announcing funding opportunities in the summer of 2022.

When will ODOT include green infrastructure, urban forestry, and pollinator habitat in its projects?

ODOT currently incorporates green infrastructure and urban forestry into our projects where possible. Examples include protecting riparian zones, replanting riparian trees impacted by project construction, developing vegetated bioswales for stormwater treatment and restoring wetlands. Opportunities to improve pollinator habitat are considered during the design phase for construction projects and in ODOT's Integrated Vegetation Management Plan that guides maintenance of ODOT's highway corridors. ODOT has developed a brochure explaining how we protect and enhance pollinator habitat.

#### Under what programs can ODOT fund fish passage culverts?

ODOT has a specific program aimed at improving fish passage by addressing culverts and other barriers to fish passage. It is funded at \$4.6 million per year and to date has improved or restored access to over 500 miles of native migratory fish habitat statewide. ODOT also replaces culverts blocking or impeding fish passage as part of projects that are not funded by the Fish Passage Program, such as the Culvert, Bridge, Maintenance and Modernization Programs.

### COMPETITIVE GRANTS FROM US DOT

### What is the anticipated timeline for federal rulemaking and when they will be providing further instructions for the grant process and qualifications?

US DOT has not yet provided information about federal rulemaking across all the various IIJA programs. It's likely that instructions for grant programs will roll out over the course of the next year.

# For the Interstate Bridge Replacement (IBR), what is ODOT's current available funding and what are ODOT's plans for applying for the nationally competitive funds?

The Oregon Transportation Commission has dedicated \$45 million to IBR, and Washington State has provided \$35 million. ODOT is reviewing the competitive grant programs to determine where best to focus efforts to secure funding. It's likely Oregon and Washington will apply for the new competitive bridge program (funded at \$12.5 billion over the 5 years of the IIJA) or the multimodal megaprojects program (funded at \$5 billion) as well as the FTA Capital Investment Grants (funded at \$4.4 billion for New Starts projects). ODOT may also seek a TIFIA loan to maximize funding from toll revenues.

#### Who in ODOT will be responsible for writing grant applications and applying for grants?

ODOT is developing a plan to maximize opportunities to bring home federal competitive grant funding. Given the large volume of grant applications, it is likely that ODOT will enlist a wide variety of people in developing grants, from staff in headquarters functions to staff in the regions as well as grant writing consultants.