

# Funding Sources Primer

(Includes Infrastructure Investment Act – IIJA, also known as the Bi-Partisan Infrastructure Law – BIL, and Programs Carried Forward from Prior Transportation Laws)

---

## Roadway, Trails, and Other

### Local Distribution of Federal Transportation Assistance

Locally, the Quad Cities Area receives several types of federal transportation funding assistance. The dollars received by these various programs are distributed according to very specific procedures established by both local officials and the two state DOTs. Although there is a wide range of programs, several major programs are important for the purposes of the TIP. A few of these programs are described below.

**Surface Transportation Block Grant Program (STBG):** Each year the Quad Cities, Iowa/Illinois is designated to receive a portion of the STBG funds, which are available through the States of Illinois and Iowa for roadway improvements or non-roadway projects. STBG funds may be used on either National Highway System (NHS) or Federal-Aid roads, although bridge, safety, carpooling, and bicycle/pedestrian projects may be on any public road. The Policy Committee has directed the Transportation Technical Committee to develop and implement a process through which candidate projects for STBG funding are submitted as needed, then evaluated and prioritized in relation to each other. Project solicitations typically are on a two-year cycle for programming of funds. An evaluation manual guides this process. The resulting priority groupings assist the Policy Committee in determining which projects should be selected to receive STP funding. This program was formerly known as the **Surface Transportation Program (STP)** under previous transportation laws including Moving Ahead for Progress in the 21st Century (MAP-21).

**Transportation Alternatives Set Aside Program (TASA):** TASA provides funding for programs and projects defined as transportation alternatives, including on- and off-road pedestrian and bicycle facilities, infrastructure projects for improving non-driver access to public transportation and enhanced mobility, community improvement activities, and environmental mitigation; recreational trail program projects; safe routes to school projects; and projects for planning, designing, or constructing boulevards and other roadways largely in the right-of-way of former Interstate System routes or other divided highways. This program was formerly known as the **Transportation Alternatives Program (TAP)** under the previous transportation law MAP-21 and **Transportation Enhancement Program (TEP or ENH)** under SAFETEA-LU. Some projects funded under TAP/TEP remain programmed in the current Transportation Improvement Program. Similar to STBG, local TASA funds are evaluated and prioritized in relation to each other by the Transportation Technical Committee as outline in an evaluation manual. Project solicitations are on a two-year cycle for programming of funds.

**Carbon Reduction Program (CRP):** CRP provides funding for projects designed to reduce transportation emissions, defined as carbon dioxide (CO<sub>2</sub>) emissions from on-road highway sources.

Under the Bipartisan Infrastructure Law (BIL), FHWA is directed to apportion funding all together for each state, then divide the total among the apportioned programs. The program also requires each state, in consultation with the MPO, to create a carbon reduction strategy. Similar to STBG, CRP funds are evaluated and prioritized as outline in an evaluation manual. Project solicitations will be initiated in 2023 and will follow similar programming cycles as STBG and TASA.

## **Other Fixing America's Surface Transportation Act (FAST) and Infrastructure Investment and Jobs Act (IIJA) Programs**

**Construction of Ferry Boats and Ferry Terminal Facilities (FBP):** This program provides funding for the construction of ferry boats and ferry terminal facilities.

**Congestion Mitigation and Air Quality Improvement Program (CMAQ):** The CMAQ program is continued in IIJA to provide a flexible funding source to state and local governments for transportation projects and programs to help meet the requirements of the Clean Air Act. Funding is available to reduce congestion and improve air quality for areas that do not meet the National Ambient Air Quality Standards for ozone, carbon monoxide, or particulate matter (nonattainment areas) and for former nonattainment areas that are now in compliance (maintenance areas). The Quad Cities MPA is an attainment area for the criteria air pollutants and not eligible for CMAQ funds.

The **Iowa Clean Air Attainment Program (ICAAP)** under the Federal Congestion Mitigation and Air Quality (CMAQ) improvement program and several non-DOT federal funding programs can assist the Quad Cities Metropolitan Area and Scott County vicinity in preserving healthy levels of ozone, particulates, and other pollutants.

**Highway Safety Improvement Program (HSIP):** IIJA continues the Highway Safety Improvement Program to achieve a significant reduction in traffic fatalities and serious injuries on all public roads, including non-state-owned public roads and roads on tribal lands. The HSIP requires a data-driven, strategic approach to improving highway safety on all public roads that focuses on performance.

**Highway Infrastructure Programs (HIBP, HIP, HIP-CRRSAA):** Eligible projects for HIP funds include construction of highways, bridges and tunnels. Projects must be on a federal-aid highway system. HIBP is federal funding specifically for highway bridges. HIP-CRRSAA's purpose is to provide funding to address COVID-19 impacts related to highway infrastructure programs.

**Metropolitan Planning (PL):** The metropolitan planning process establishes a cooperative, continuous, and comprehensive framework for making transportation investment decisions in metropolitan areas. Program oversight is a joint Federal Highway Administration/Federal Transit Administration responsibility.

**National Highway Performance Program (NHPP):** The NHPP provides support for the condition and performance of the National Highway System (NHS), for the construction of new facilities on the NHS, and to ensure that investments of Federal-aid funds in highway construction are directed to support progress toward the achievement of performance targets established in a state's asset management plan for the NHS.

**Safe Streets and Roads for All (SS4A) Grant Program:** Discretionary program appropriated over 5 years (2022-2026). SS4A supports the U.S. DOT's National Roadway Safety Strategy. The program supports the development of a comprehensive safety action plan that identifies the roadways with the most safety concern.

Detailed fact sheets on IIJA programs can be found at: <https://www.fhwa.dot.gov/fastact/factsheets/>

## **Programs Carried Forward from Prior Transportation Laws**

While IIJA is in place, some projects funded through MAP-21 and Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) are still active. Below is a list of past programs helping to fund projects in our region.

**High Priority Projects (HPP):** The High Priority Projects Program provides designated funding for specific projects identified in SAFETEA-LU. A total of 5,091 projects are identified, each with a specified amount of funding over the 5 years of SAFETEA-LU.

**National Corridor Infrastructure Improvement Program (Nat'l Corridor):** A discretionary program that provides funding for construction of highway projects in corridors of national significance to promote economic growth and international or interregional trade.

**Interstate Maintenance Program (IM):** The Interstate Maintenance (IM) program provides funding for resurfacing, restoring, rehabilitating and reconstructing (4R) most routes on the Interstate System.

**National Scenic Byways Program (Scenic Byways):** This program was a grass-roots collaborative effort established to help recognize, preserve and enhance selected roads throughout the United States. These Scenic Byways were identified based on criteria set through Federal Highway Administration (FHWA) based on archaeological, cultural, historic, natural, recreational, and scenic qualities.

**National Highway System Program (NHS):** The program provides funding for improvements to rural and urban roads that are part of the NHS, including the interstate system and designated connections to major intermodal terminals. Under certain circumstances, NHS funds may also be used to fund transit improvements in NHS corridors.

**Recreational Trails Program (Federal: RTP, State: SRT):** The Recreational Trails Program provides funds to the states to develop and maintain recreational trails and trail-related facilities for both non-motorized and motorized recreational trail uses. The RTP is an assistance program of the United States Department of Transportation's FHWA. [Federal transportation funds benefit recreation](#) including hiking, bicycling, in-line skating, equestrian use, cross-country skiing, snowmobiling, off-road motorcycling, all-terrain vehicle riding, four-wheel driving, or using other off-road motorized vehicles.

**Safe Routes to School (SRTS):** At its heart, the SRTS Program empowers communities to make walking and bicycling to school a safe and routine activity. The program makes funding available for a wide variety of programs and projects, from building safer street crossings to establishing programs that encourage children and their parents to walk and bicycle safely to school.

Note: MAP-21 authorized the Transportation Alternatives Program (TAP), which replaced the funding from pre-MAP-21 programs including the Transportation Enhancement Activities, Recreational Trails Program, and Safe Routes to School Program (SRTS). MAP-21 did not provide specific funding for SRTS, but SRTS projects are eligible for TAP funds and for Surface Transportation Program (STP) funds. TAP provisions and requirements apply to projects using TAP funds. This consolidation has carried forward in the FAST Act and IIJA.

Detailed fact sheets on SAFETEA-LU can be found at: <https://www.fhwa.dot.gov/safetealu/factsheets.htm>

## Transit Programs

Funding sources dedicated to supporting transit activities include federal, state, and local sources. The national Highway Trust Fund, founded by the 1956 Highway Revenue Act, is the primary source of federal funds for public transit programs based on tax receipts on motor fuels. The fund is separated into three accounts, one of which is a Mass Transit Account to support national transit activities. This account funds the federal transit grant programs authorized under the 2005 federal reauthorization, SAFETEA-LU, MAP-21, FAST, and IIJA. Federal transit grant programs are administered by the U.S. Department of Transportation's (USDOT) Federal Transit Administration (FTA). The following list outlines FTA grant programs supporting transit services. Some variations in program administration may be seen between the States of Illinois and Iowa.

**Metropolitan Planning Program (5303/5305d):** Distributed to Metropolitan Planning Organizations (MPOs) to assist with transit and multimodal planning activities. These funds provide financial assistance to MPOs to support the cost of preparing long-range transportation plans and financially feasible transit improvement projects. Matching requirements: 80% Federal and 20% Local

**Statewide Planning Program (5304):** Distributed to states to assist with transit and multimodal planning activities. Matching requirements: 80% Federal and 20% State

**Urbanized Area Formula Program (5307):** Distributed to urbanized areas by formula to designated transit operators for operating, capital replacement, and expansion of transit services. Matching requirements: 80% Federal and 20% Local

Activities eligible under the former Job Access and Reverse Commute (JARC) program, which focused on providing services to low-income individuals to access jobs, are now eligible under the Urbanized Area Formula program. This includes operating assistance with a 50 percent local match for job access and reverse commute activities.

MAP-21 expanded eligibility for using Urbanized Area Formula funds for operating expenses. This mechanism has been preserved in FAST and subsequently IIJA. Previously, only urbanized areas with populations below 200,000 could use Federal transit funding for operating expenses. Systems operating 75 or fewer buses in fixed-route service during peak service hours may use up to 75 percent of their "attributable share" of funding for operating expenses.

**Bus and Bus Facilities Program (5339):** Distributed as formula funding for capital investments. Section 5339, replaces the previous Section 5309 discretionary Bus and Bus Facilities program. This capital program provides funding to replace, rehabilitate, and purchase buses and related equipment, and to construct bus-related facilities. 5339c refers to the Low or No Emission Vehicle Program. Eligible projects include purchase of zero-emission or low-emission transit buses and other bus facility maintenance items. Matching requirements: 80% Federal and 20% Local

**State of Good Repair Grants (5337):** Distributed as formula funding for capital projects. These projects maintain a fixed guideway or a high intensity motorbus system in a state of good repair. Projects can also replace and rehabilitate other transit needed items. Matching requirements: 80% Federal and 20% State or Local

**Enhanced Mobility of Seniors and Individuals with Disabilities (5310):** Distributed by formula to designated metropolitan areas or by state for capital transit services to support purchase of vehicles to provide transportation services for persons who are elderly or with disabilities. Purpose is to provide

increased mobility for elderly persons and persons with disabilities. Matching requirements: 80% Federal and 20% State or Local

**Rural or Non-Urbanized Area Formula Program (5311):** Distributed to non-urbanized or rural areas administered by the state for operating, capital replacement, expansion, and planning of transit services. Matching requirements: 50% Federal and 50% Local for operating expenses, and 80% Federal and 20% Local for capital expense

Detailed formulas for FTA can be found at: <https://www.transit.dot.gov/taxonomy/term/2496>