Federal-Aid Financing For Transportation Facilities

Federal Highway Administration
Georgia Division

Max Azizi
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Source of Funds

Highway Trust Funds are the source of funds for all Federal-Aid Highway Programs

- Gas Tax (18.4 cents/gallon)
  - 15.44 cents Highway account
  - 2.86 cents Mass Transit account
- Diesel Tax (24.4 cents/gallon)
  - 21.44 cents Highway account
  - 2.86 cents Mass Transit account
- Truck Sales
Authorization

The most crucial step in financing the Federal-Aid Highway Program is Authorization.

- Intermodal Surface Transportation Efficiency Act (1991)
- SAFETEA-LU (2005)
Authorization

Authorization is upper limit of funding.
- ISTEA: $155 billion
- TEA-21: $218 billion
- SAFETEA-LU: $284 billion
Obligation Authority

- A legislative process to control Federal spending.
- Establishes the total amount of funds that may be obligated in one year.
- Revenue Aligned Budget Authority (RABA)
Federal Highway Administration Programs

- Interstate Maintenance
- National Highway System
- Surface Transportation Program
- Congestion Mitigation Air Quality Program
- Bridge Program
- Safety Program
- Earmarks
Interstate Maintenance (IM)

- Provides funding for resurfacing, restoring, rehabilitation and reconstruction on Interstate routes.
- May be used for construction of HOV lanes.
- May not be used on toll roads, or construction of additional Single Occupant Vehicle lanes.
National Highway System (NHS)

- Provides funding for improvements to rural and urban roads that are part of the NHS including the Interstate System and connections to major Intermodal terminals.
Surface Transportation Program (STP)

- Provides funding that may be used by states or locals for projects on Federal Aid highways.

- Transportation Enhancement (TE)
  - 10% of the State’s STP funds.
  - Provides funding to state and localities for transportation related improvements on all public roads, regardless of functional classifications and for cultural, aesthetic and environmental aspects of transportation system.

- Livable Community Initiatives (LCI)
Congestion Mitigation Air Quality Improvement Program (CMAQ)

- Provides funding for projects and programs in air quality non-attainment areas for ozone, carbon monoxide, and particulate mater (PM 10 and PN 2.5) that reduce transportation emissions.
Bridge Program

- Provides funding to states and localities for bridge improvements on all public roads, regardless of functional classifications.
Safety Program

- New core program introduced by SAFETEA-LU.
- Provides funding for projects and programs that improve traffic safety on all public roads.
- Funds may be used on any public road and publicly owned bicycle and pedestrian pathway or trail.
Earmarks

- Transportation projects identified by Congress.
- Two types: Authorization earmarks and Appropriation earmarks
- High priority projects included in these groups.
SAFTEA-LU Earmarks

- **High Priority Projects**
  - 232 Projects in Georgia ($345 million)
  - Secured by all 15 members of Georgia delegation

- **Transportation Improvement Projects**
  - 18 Projects in Georgia ($55 million)
  - Secured by Senators
    - 11 Recommended by the Governor

- Most projects locally sponsored
- Require 20% local match funds
- Only 20% of funds available each year
- GDOT/FHWA regional informational meetings
Federal Share

- Funds provided under Title 23 require state or local matching funds
- The ratio of Federal to state/local is 80/20
Reimbursable Program

- Not a grant program
- No cash up front
- Reimbursable program
Federal Functional Classification

- Roads classified as local and minor rural collector are eligible for Transportation Enhancement funds.
Federal Requirements

- Utilizing FHWA funds in any phase of a project requires meeting the provisions of Title 23 in all aspects of the project.
Questions?