



Oregon

Kate Brown, Governor

Oregon Transportation Commission

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DATE: March 22, 2022

TO: Oregon Transportation Commission

FROM: Kristopher W. Strickler
Director

SUBJECT: **Agenda Item A** – Approval of Infrastructure Investment and Jobs Act Funding

Requested Action:

Approve allocation of IIJA flexible funds.

Background:

The Infrastructure Investment and Jobs Act of 2021 will provide Oregon about \$1.2 billion in additional federal highway and transit formula funding, as well as opportunities to apply for billions of dollars in competitive grants from the U.S. Department of Transportation. Of this formula funding, approximately \$412 million is flexible and can be used for a variety of purposes.

At its March 2022 regular meeting, the Commission discussed [ODOT's proposal for investment of IIJA flexible highway funds](#) and provided the following input.

- Commissioners supported the proposed allocations for ADA Accessibility, Local Climate Planning, Match for Competitive Grants, and Operations & Maintenance.
- Commissioners wanted to provide additional funding for Business & Workforce Development.
- ODOT should develop a proposal for an Innovative Mobility Pilot Program for grants to improve transportation options.
- ODOT should develop a hybrid scenario that focuses on Fix-It and Public and Active Transportation, based on specific proposals provided in the meeting.
- ODOT should develop a proposal for supplementing electric vehicle charging infrastructure formula funding with other federal, state and private sources.
- ODOT should develop a plan to aggressively pursue federal competitive grant funding.

Flexible Highway Funding

Based on the discussion and direction provided in the March 10 meeting, ODOT proposes the Commission consider the following consensus hybrid scenario for allocation of \$412 million of flexible funding. This proposal keeps the off-the-top allocations for four programs while increasing funding for Business & Workforce Development. Funding for the new Innovative Mobility Pilot Program is set at \$5 million, with an additional \$5 million coming from funds outside the IIJA, for a total base funding of \$10 million. Funding for other programs are based on the numbers suggested by Commissioners Brown and Smith.

Program Area	Funding (Millions)
Enhance Highway	\$50
Fix-It	\$75
Great Streets	\$50
Safe Routes to School	\$30
Innovative Mobility Pilot	\$5
Local Climate Planning	\$15
Maintenance & Operations	\$40
ADA	\$100
Match for Competitive Grants	\$40
Business & Workforce Development	\$7
Total	\$412

At this funding level for Enhance Highway, ODOT would focus on projects that need additional funding to complete the totality of a project, including US 97 Bend North Corridor and the I-5 Aurora-Donald interchange.

Innovative Mobility Pilot Program

Based on direction from Commissioner Simpson, ODOT proposes using \$5 million in IJJA flexible highway funding and \$5 million from the Transportation Operating Fund for an Innovative Mobility Pilot Program (IMPP). The IMPP will provide grants to community-based organizations and government agencies for innovative public and active transportation programs and projects that enhance sustainable and equitable mobility.

Dedicating both federal funds and state funds will allow ODOT to assign the appropriate fund types to recipients. For example, many governmental entities are familiar with the strings that come with federal funds, while community-based organizations might struggle to meet all federal requirements but could more effectively use state dollars.

Bridge Funding

ODOT has long shared federal funding with cities and counties by providing a set percentage of federal highway program funds to the Local Bridge Program. With the IJJA's infusion of \$268.2 million in special one-time bridge funding, ODOT has worked with the League of Oregon Cities and the Association of Oregon Counties to develop a proposal to fairly split these funds between ODOT and local governments based on need.

ODOT developed a proposal for a needs-based allocation of funding that uses a traditional measure of need (total deck area of bridges in poor condition) as a base and then adjusts that to account for a number of factors, including:

- the higher traffic volume of bridges on the state highway system;
- the higher cost of rehabilitating and replacing large bridges, which are primarily owned by ODOT;
- the priority placed in federal law on bridges on the National Highway System; and
- the need to follow an asset management strategy that prevents bridges in fair condition from falling into poor condition rather than just fixing poor bridges.

Under this proposed allocation, the Local Bridge Program will receive a total of \$110.7 million in additional funding over the course of the IJA (federal FY 2022-2026). This consists of approximately \$34.7 million in base federal funding and \$76 million in IJA Special Bridge funding. The Local Bridge Program is currently funded at \$133,624,660 over this period, so this represents an increase of 82.9%. Local governments will receive 36.5% of total IJA bridge funding of \$302.9 million. This will allow local governments to make significant improvements to local bridges.

Bridge Funding 2022-2026

	Local	ODOT
Pre-IJA	\$ 133,624,660	\$ 569,204,585
Additional IJA	\$ 110,710,273	\$ 192,198,017
Total	\$ 244,334,933	\$ 761,402,602
Increase	82.9%	33.8%
Percent of IJA Bridge*	36.5%	63.5%

*Includes IJA Special Bridge and Local Bridge share of base IJA funding.

ODOT will receive \$192.2 million in additional IJA Special Bridge funding over the 2022-2026 period. This will supplement the existing State Bridge Program, which currently receives no federal funding and is funded exclusively through ODOT’s portion of HB 2017 State Highway Fund revenue. This will increase State Bridge Program funding by 33.8%. The additional investment will allow ODOT to replace a few more bridges and make important investments to preserve existing bridges. ODOT is considering the following investments:

- I-405 Freemont Bridge - West Ramp Painting
- Columbia Slough Bridge Replacement (Portland)
- Center Street Bridge (Salem) Seismic Retrofit
- US97 South Central Oregon Bridge Overlays

To allow for an opportunity for public input on this proposed bridge funding allocation, ODOT will return in May for Commission action on directing the IJA Special Bridge funding.

Electric Vehicle Charging Funding

The OTC directed ODOT to develop a plan to supplement the \$52 million in EV charging formula grant funding with money from other federal, state and private sources.

Using a variety of funding sources, ODOT proposes a commitment of over \$100 million in total dedicated EV charging funding. The funding sources to support such increased investments will include funding required to match federal formula funds, Transportation Operating Fund resources, some Carbon Reduction Program dollars, and other state and federal sources. These additional funds will nearly double the federal formula funds for expansion of electric vehicle charging infrastructure within and outside federally designated corridors. In addition ODOT will actively pursue federal discretionary grants, and is well-positioned to bring in even more investments to help make Oregon the lead state in transportation electrification infrastructure investments. An investment of over \$100 million in electric vehicle charging infrastructure will help to propel the market and transition to electric micromobility, medium- and heavy-duty vehicles, and electric cars and trucks, as well as to further achievement towards Oregon's climate goals.

Attachments:

- Attachment 01 – Infrastructure Investment and Jobs Act STIP Update Public Input Summary
- Attachment 02 – Written public comments submitted to the Commission
- Attachment 03 – IJA Directed and Flexible Funding Summary
- Attachment 04 – Innovative Mobility Pilot Program