



Policy Update

March 31, 2022

President's FY23 Budget Request to Congress. President Biden sent his budget priorities to Congress this week, specifically detailing how the Administration wants to invest federal resources across the Federal government. The US Department of Transportation's FY 2023 Budget Request is \$105 billion (this does not include the \$36.8 billion in advanced appropriations included in the IIJA/BIL which would make the total amount in FY23 slightly over \$142 billion). While the overall amount in 2023 is an increase of \$1.5 billion from 2022, most of the increase resulted from the contract authority from the HTF provided in the IIJA/BIL. Compared to the appropriations bill that was enacted for FY22 earlier this month, the budget request cuts \$4 billion from last year by not requesting funding that Congress enacted to pay for earmarks and plus-up for several modes under USDOT. Congress is just beginning the FY23 appropriations process now.

	2022	2023
Federal-Aid Highways (Obligation Limitation)	\$57,473,430,072	\$58,764,510,674
FTA Formula	\$13,355,000,000	\$13,634,000,000

USDOT Budget Highlights can be found [here](#).

USDOT Posts Transportation Alternatives Program (TAP) Guidance. USDOT is working hard to develop the necessary guidance and funding amounts for the programs in the IIJA/BIL. We expect to see much more in the coming weeks and months. As AMPO has reported, Congress increased the size of the TA Set-Aside from \$850 million annually in the last years of the FAST Act to 10% of STBG each fiscal year (which is how the Transportation Enhancement Program was funded many years ago). In 2022, this amounts to \$1.38 billion nationally. The IIJA/BIL increased the percentage of suballocated funding for the TA Set-Aside from 50% to 59% to areas based on their relative share of the total State population. Suballocated funds are not available to be transferred to other Federal aid programs. For most TAP projects, the Federal share is 80% with a 20% State or local match, but States can use a number of flexibilities to increase the Federal share for specific projects to 100%. All TAP funded projects must be selected through a competitive process conducted at the State level or after suballocation. MPOs representing the urbanized area are responsible for selecting projects through a competitive process, in consultation with the State. MPOs may use up to 50% of its suballocated funds for any project eligible under STBGP.

The IIJA included new authorities for the TAP program, including a certification by the Secretary before funds from the TA Set-Aside may be transferred to other apportioned programs (FHWA is in the process of updating the Federal-aid Highway Program Delegations of Authority to require review and concurrence from the Associate Administrator for Planning, Environment, and Realty before a Division Office may authorize a transfer of funds from the TA Set-Aside to other apportioned programs) and, allowing States to develop a process to suballocate up to 100% of funds. Consistent with the Administration's policy objectives, FHWA is encouraging recipients of TAP funds for focus projects on safety improvements, the adoption and implementation of complete streets policies, improve accessibility, addressing the impacts of climate change and, ensure

consideration of using funds for projects and inclusion of project elements that proactively address racial equity. The IIJA/BIL added a provision to the TAP requiring that the competitive process used by a State or MPO include prioritization of project location and impact in high-need areas as defined by the State, such as low-income, transit-dependent, rural, or other areas.

We strongly recommend that you read the guidance in its entirety which can be found [here](#).

USDOT Provides Information on Safe Streets for All Grant Program. Congress established in the IIJA a new Safe Streets and Roads for All discretionary grant program that will provide \$5 billion in guaranteed funding over the next 5 years through advanced appropriations and another \$1 billion should Congress decide to add more funding to the program. This program targets MPOs and local governments. According to the law, funds are to support local initiatives to prevent death and serious injury on roads and streets, commonly referred to as “Vision Zero” or “Toward Zero Deaths” initiatives.

- No more than 15% of the funding may be awarded in a single state.
- Not less than 40% of the funds shall be awarded to develop a comprehensive safety action plan.
- The Secretary has 180 days from when funds are made available to solicit applications.
- The Federal share is 80%.
- Recipients have 5 years to spend the grant.

According to the [Fact Sheet](#), A Notice of Funding Opportunity (NOFO) is anticipated to be released in the spring of 2022, likely in May. Award announcements are expected to be made by the end of 2022 or early 2023.

FY23 Congressional Appropriations.

[Appropriations Requests 2023 | House Committee on Appropriations](#)

[Appropriations Requests Website1.pdf \(senate.gov\)](#)

[Grants | US Department of Transportation](#)

[Bipartisan Infrastructure Law | FTA \(dot.gov\)](#)

[Bipartisan Infrastructure Law - FHWA | Federal Highway Administration \(dot.gov\)](#)