

FEDERAL PROGRAM: SURFACE TRANSPORTATION BLOCK GRANT PROGRAM (STBG)

FEDERAL AGENCY: U.S. Department of Transportation

PROGRAM DESCRIPTION:

The FAST Act renamed the long-standing Surface Transportation Program (STP) into the Surface Transportation Block Grant (STBG) Program. The STBG Program continues to promote flexibility in state and local transportation decisions and will work largely the same as STP. The STBG Program continues all prior STP eligibilities and adds new eligibilities.

*Apportionment Levels**

\$ in millions	IIJA Estimated Apportionments						
	FAST Act (2016-2020) Total	2022	2023	2024	2025	2026	IIJA Total
WA	923.0	211.2	215.5	219.8	224.2	228.8	1,099.5

*FAST Act total includes \$126,420,331 Highway Infrastructure Program (HIP) Funds. These funds were distributed in FFY 2018-2020, were sub-allocated and had similar characteristics as STBG funds.

The amounts for FFY2022 come from FHWA apportionment notice N4510.858 found at https://www.fhwa.dot.gov/legisregs/directives/notices/n4510858/n4510858_t1.cfm. The numbers above include a 2% reduction from the federal notices to reflect the SPR set aside.

The amounts for FFY2023 – FFY2026 come from FHWA Estimated Highway Apportionments under the IIJA (before post-apportionment set-asides; penalties, and sequestration) found at https://transportation.house.gov/download/ta_est-fy-2022-2026-apportionments_ans-as-passed-by-senate-infrastructure-investment-and-jobs-act. Estimates increase 2% annually based on the data shown in the highway authorizations estimates document found at https://www.fhwa.dot.gov/bipartisan-infrastructure-law/docs/highway_authorizations_nov302021.pdf

BACKGROUND

STBG provides flexible funding to improve and preserve the transportation system. Eligible uses include:

- Highway/Roadway Improvements
- Bridge Improvements
- Capital Improvements for Transit
- Highway and Transit Safety Improvements
- Planning
- Transportation Demand Management
- Transportation Alternatives

The federal share is generally 80%, (subject to the sliding scale adjustment). The IIJA allows states to transfer up to 50% of the STBG Any Area (flexible) funds to other formula federal-aid highway programs. This flexibility allows the State to make investment choices based on the most pressing preservation needs.

Under the IIJA, STBG funds are required to be distributed as follows: 55% distributed to benefit communities within certain population categories (“distribution by population”); and 45% available to any area of the state in accordance with a state’s discretionary rules of distribution (“state flexible”).

- Distribution by population:
 - Areas Over 200,000 population – In Washington, STBG funds are divided between the four largest MPO’s: Puget Sound, Spokane, Tri-Cities, and Vancouver. The shares are based on the MPO’s respective levels of urbanized population per the 2010 census. Project selections are

- made by the MPOs in consultation with the State. Funds may be used anywhere within the planning area boundary of the MPO.
- Areas between 50,000 and 200,000 population – Funds are distributed based on the 2010 census for areas of this size. These funds can only be used in areas encompassed by adjusted urban or urbanized area boundaries and cannot be used in any rural areas. In Washington, funds are distributed to MPO/County lead agencies based on relative population.
- Areas between 5,000 and 49,999 population - Funds are distributed based on the 2010 census for areas of this size. These funds can only be used in areas encompassed by adjusted urban or urbanized area boundaries and cannot be used in any rural areas. In Washington, funds are distributed to MPO/County lead agencies based on relative population.
- Areas Less than 5,000 population – Funds are distributed based on the 2010 census for the rural population areas of the state. These rural funds may be used anywhere that is outside of an adjusted urban or urbanized area boundaries. These funds can be used in rural areas including those encompassed by a MPO’s planning area. In Washington, funds are distributed to MPO/County lead agencies.
- State flexible funds in Washington are split between the State and Locals at \$42.2 M State and all remaining to Locals (\$20.9 M in FFY 2021.) The local share is distributed to MPO/County lead agencies based on relative population and total county lane miles.

Fund Distribution

In Washington, the overall current distribution of STBG Program funds between the State and Locals in federal fiscal year 2021 is the State 22.1% and Locals 77.9%. Although federal law states selections can be made by the State for areas outside of Transportation Management Areas (areas over 200,000 population) in cooperation with the MPO, WSDOT has a practice dating back to ISTEA in 1991, for the selection and prioritization process to reside within the MPO/County lead agencies.

Off-System Highway Bridges – The IIJA continues the off-system bridge set-aside established under MAP-21. Under this set-aside, funds for off-system bridges (a bridge that is not located on a Federal-aid highway) are set-aside from the state’s overall STBG funding. This set-aside provides funds for the replacement, rehabilitation and systematic preventive maintenance of deteriorated or deficient bridges off the federal-aid highway system. This funding is provided to the Locals. The State maintains an inventory of all bridges, classified according to serviceability, safety, and importance for public use. Bridges are selected by WSDOT Local Programs based upon the structural integrity and/or correcting major safety defects through replacement, rehabilitation, or maximizing the life expectancy of the structure through systematic preventive maintenance. Through the MAP-21 and FAST work groups, the recommendation to combine the STBG off-system bridge set-aside funds with funding from the National Highway Performance Program to create a \$45 million Local Bridge program was continued.

Transportation Alternatives – IIJA continues the Transportation Alternative program by requiring a set aside of 10% of STBG funds – see additional details on the Transportation Alternatives paper. In addition, the State provides \$5.3 million/biennium of their share of the STBG State flexible to the Safe Routes to School program.

IIJA CHANGES:

Under the IIJA, STBG Program changes include:

- The percentage of STBG funds distributed to benefit communities within certain population categories remains constant at 55% each year.
- STBG revises the sub-allocation apportionments:
 - **NEW** – urbanized areas with population of 50,000 - 200,000
 - **NEW** – urbanized areas with population of 5,000 - 49,999
 - **CANCELLED** – areas with population of 5,000 – 200,000
- Adds several new eligibilities including:

- Privately-owned, or majority-privately owned, ferry boats and terminal facilities that, as determined by the Secretary, provide a substantial public transportation benefit, or otherwise meet the foremost needs of the surface transportation system.
- Wildlife crossing structures, and projects and strategies designed to reduce the number of wildlife-vehicle collisions.
- The addition or retrofitting of structures or other measures to eliminate or reduce crashes involving vehicles and wildlife.
- Installation of electric vehicle (EV) charging infrastructure and vehicle-to-grid infrastructure.
- Installation and deployment of current and emerging intelligent transportation.
- Capital projects for the construction of a bus rapid transit corridor or dedicated bus lane.
- Allows States to use up to 15% of certain categories of suballocated STBG funds for projects on certain roadways. Under the IIJA a State may obligate up to 15% of the STBG amounts suballocated for a fiscal year for use in areas with a population of not more than 49,999 on:
 - roads functionally classified as rural minor collectors or local roads; or
 - critical rural freight corridors designated under 23 U.S.C. 167