



MIDWEST ECONOMIC POLICY INSTITUTE

INFRASTRUCTURE INVESTMENT AND JOBS ACT TRANSPORTATION FUNDING SUMMARY FOR INDIANA

The Infrastructure Investment and Jobs Act (IIJA) was signed into law by President Biden on November 15, 2021. The IIJA makes \$1.2 trillion in funding available over five years (FY22-FY26) for a variety of infrastructure improvements, including transportation, energy, water, and broadband systems. The bill includes \$550 billion in new federal funding, in addition to reauthorizing highway, public transportation, and rail programs for five years (Akin Gump Strauss Hauer & Feld LLP, 2021). This document will solely focus on transportation funding and the share Indiana is estimated to receive.

Specifically, new funding for transportation totals \$284 billion. As summarized in the table below, roads and bridges, rail, and airport, port, and waterway programs receive the bulk of the new funding, totaling \$110 billion, \$66 billion, and \$42 billion, respectively. Public transit will receive \$39 billion of total new transportation funding. Electric vehicle infrastructure, safety, and reconnecting communities programs total \$27 billion all together. This funding will be distributed by formulas to states, in addition to competitive grants, which are expanded upon below.

Figure 1: New Transportation Funding Under the IIJA

Infrastructure Type	Amount (billions)	Percent
Roads, Bridges, Major Projects	\$110	39%
Passenger and Freight Rail	\$66	23%
Airports, Ports, and Waterways	\$42	15%
Public Transit	\$39	14%
Electric-Vehicle Infrastructure, Buses, and Transit	\$15	5%
Safety	\$11	4%
Reconnecting Communities	\$1	0.4%
Total	\$284	100%

Source: McKinsey & Company, 2021

TRANSPORTATION FORMULA FUNDING OVERVIEW – INDIANA

Indiana will receive more than \$7.92 billion in transportation focused funding, as summarized below. The following document goes into additional detail on this funding, specifying distribution by programs, years, and FY 2022 amounts above baseline FY 2021.

- \$6.569 billion in road and bridge formula funding, including two new programs
- \$401 million in new Bridge Replacement, Rehabilitation, Preservation, Protection, and Construction Formula Program
- \$100 million in new National Electric Vehicle Formula Program
- \$680 million in transit formula funding
- \$170 million to fund improvements to Indiana airports

SURFACE TRANSPORTATION FORMULA FUNDING PROGRAMS

The IIJA reauthorized surface transportation funding for FY 2022 through FY 2026. Existing surface transportation funding is distributed to states through seven separate programs. The IIJA increases

funding under these programs, in addition to adding two new programs – the Carbon Reduction Program and PROTECT Program. These programs are summarized in the table below.

Figure 2: Surface Transportation Program Descriptions

Program	Description
National Highway Performance Program (NHPP)	Improvements and construction on the National Highway System (NHS)
Surface Transportation Block Grant Program (STBGP)	Flexible funds to preserve and improve on any public road, pedestrian and bicycle facility, and transit capital projects; set-asides from each state’s portion for Transportation Alternatives Program funding and off-system bridge funding
Highway Safety Improvement Program (HSIP)	Projects that reduce traffic fatalities and serious injuries on all public roads
Railway-Highway Crossings Program	Safety improvements to reduce the number of fatalities, injuries, and crashes at public railway-highway grade crossings
Congestion Mitigation & Air Quality Improvement Program (CMAQ)	Flexible funding source for projects and programs to help meet the requirements of the Clean Air Act; funding is provided for areas that do not meet national air quality standards and for former nonattainment areas
Metropolitan Planning Program (MPP)	Funding to metropolitan planning organizations (MPOs)
National Highway Freight Program (NHFP)	Funds to support movement of freight on the National Highway Freight Network (NHFN)
Carbon Reduction Program - NEW	Projects that reduce transportation emissions, including traffic management, public transportation, trails and paths, intelligent transportation systems, alternative fuel vehicles and infrastructure, and others; states must develop carbon reduction plans
Promoting Resilient Operations for Transformative, Efficient, and Cost Savings Transportation (PROTECT) Program - NEW	Projects that make resilience improvements to address vulnerabilities to current and future weather events and natural disasters; funds can be used for highway, transit, and port projects

Sources: FHWA, 2016; Akin Gump Strauss Hauer & Feld LLP, 2021; NACO, 2021

SURFACE TRANSPORTATION FORMULA FUNDING – INDIANA

Figure 3 summarizes surface transportation formula apportionments Indiana is expected to receive, a combination of both new funding and the reauthorization of existing programs. Indiana will receive \$6.6 billion over the five-year period, totaling an average of \$1.3 billion per year. 55% of this funding will come under the NHPP and 27% under the STBG.

Figure 3: Indiana’s Surface Transportation Formula Funding Under IIJA

	FY22	FY23	FY24	FY25	FY26	Total FY22-26
NHPP	\$691,872,473	\$705,709,922	\$719,824,122	\$734,220,604	\$748,905,014	\$3,600,532,135
STBG	\$336,586,609	\$343,318,341	\$350,184,708	\$357,188,402	\$364,332,169	\$1,751,610,229
HSIP	\$70,520,881	\$72,091,619	\$73,693,771	\$75,327,966	\$76,994,845	\$368,629,082
Railway-Hwy Crossings	\$7,930,846	\$7,930,846	\$7,930,846	\$7,930,846	\$7,930,846	\$39,654,230
CMAQ	\$51,336,381	\$52,363,109	\$53,410,371	\$54,478,579	\$55,568,150	\$267,156,590
Metro Planning	\$6,904,797	\$7,042,893	\$7,183,750	\$7,327,425	\$7,473,974	\$35,932,839
NHFP	\$33,045,246	\$33,706,151	\$34,380,274	\$35,067,879	\$35,769,237	\$171,968,787
Carbon Reduction	\$30,012,306	\$30,612,552	\$31,224,803	\$31,849,299	\$32,486,285	\$156,185,245
PROTECT Formula	\$34,126,142	\$34,808,665	\$35,504,838	\$36,214,935	\$36,939,234	\$177,593,814
Total	\$1,262,335,681	\$1,287,584,098	\$1,313,337,483	\$1,339,605,935	\$1,366,399,754	\$6,569,262,951

Sources: U.S. Senate Committee on Environment and Public Works, 2021

New Funding Under IIJA

While this is a substantial amount of money, it is not all new funding. Much of this is annual funding that would have been expected under a continuation of the previous surface transportation bill. As an example of the increase in funding as a result of IIJA, Figure 4 compares actual FY21 apportionments to the new funding amounts for FY22 under the IIJA.

Figure 4: Indiana’s Surface Transportation Formula Funding, Comparing Existing FY21 to FY22 under IIJA

	FY21 (actual)	FY22	Difference	% Increase
NHPP	\$591,059,647	\$691,872,473	\$100,812,826	17%
STBG	\$295,664,705	\$336,586,609	\$40,921,904	14%
HSIP	\$56,759,078	\$70,520,881	\$13,761,803	24%
Railway-Hwy Crossings	\$7,930,846	\$7,930,846	\$0	0%
CMAQ	\$50,209,180	\$51,336,381	\$1,127,201	2%
Metro Planning	\$5,610,157	\$6,904,797	\$1,294,640	23%
NHFP	\$35,878,403	\$33,045,246	-\$2,833,157	-8%
Carbon Reduction	-	\$30,012,306	-	-
PROTECT Formula	-	\$34,126,142	-	-
Total	\$1,043,112,016	\$1,262,335,681	\$155,085,217	21%

Sources: FHWA, 2021; U.S. Senate Committee on Environment and Public Works, 2021

As a result of the IIJA, Indiana is expected to receive an increase of 21% in formula surface transportation funding. This represents an increase of \$155 million in FY21 over baseline funding in FY22. \$64 million can be attributed to the two new programs created under the IIJA – Carbon Reduction and PROTECT. Overall, the NHPP and STBG programs will receive the most, an additional \$101 million and \$41 million, respectively, representing a 17% and 14% increase between FY21 and FY22.

Bridge Replacement, Rehabilitation, Preservation, Protection, and Construction Program

In addition to these standard formula programs, the IIJA also dedicates \$27.5 billion to a bridge replacement, rehabilitation, preservation, protection, and construction program. These funds will be distributed to states by formula to provide additional funding to support bridge projects. The funds will be distributed using a formula that takes into account the proportion of the total cost of replacing all bridges in poor and fair condition in a state compared to other states. It is estimated that Indiana will receive \$401 million over five years under this program (IIJA of 2021; The White House, 2021).

National Electric Vehicle Formula Program

The IIJA provides \$5 billion for a new formula program for states to install electric vehicle charging infrastructure and establish an interconnected network to facilitate data collection, access, and reliability. The program will use existing formulas to distribute funds nationwide. Indiana is expected to receive \$100 million over five years (IIJA of 2021; The White House, 2021).

TRANSIT FORMULA FUNDING – INDIANA

The IIJA also reauthorized formula funding under transit programs. Existing transit funding is distributed to states through a variety of formula programs, including urbanized area formula, state of good repair, rural area formula, and enhanced mobility of seniors and individuals with disabilities. Figure 5 (next page) summarizes Indiana’s estimated share of transit formula funding and funding by urbanized area.

As a result of the IIJA, Indiana is expected to receive \$682 million in transit formula funding for the five-year period of FY2022 to FY2026, receiving approximately \$136 million on average per year. Looking specifically at formula funding as distributed to urbanized areas, the Indianapolis region will receive the largest amount within Indiana, totaling \$128 million for the five years. While other urbanized areas have larger totals, they span multiple states, thus some of this funding will not directly serve Indiana. Additionally, South Bend, Lafayette, and Fort Wayne will receive \$50.8 million, \$29.7 million, and \$25.8 million, respectively.

Figure 5: Indiana’s Transit Formula Funding under IIJA

	FY22	FY23	FY24	FY25	FY26	Total FY22-26
Indiana	\$130,479,936	\$133,019,799	\$136,510,414	\$139,343,147	\$142,902,219	\$682,255,515
Urbanized Area Amounts						
	FY22	FY23	FY24	FY25	FY26	Total FY22-26
Anderson	\$1,959,626	\$2,002,084	\$2,056,259	\$2,100,238	\$2,155,478	\$10,273,685
Bloomington	\$4,006,042	\$4,092,328	\$4,202,428	\$4,291,807	\$4,404,071	\$20,996,676
Chicago, IL-IN*	\$675,584,299	\$690,386,731	\$709,367,848	\$724,691,315	\$744,029,525	\$3,544,059,718
Cincinnati, OH-KY-IN*	\$29,794,346	\$30,442,430	\$31,269,379	\$31,940,691	\$32,783,900	\$156,230,746
Columbus	\$1,359,330	\$1,388,866	\$1,426,553	\$1,457,148	\$1,495,576	\$7,127,473
Elkhart, IN-MI*	\$3,262,216	\$3,333,010	\$3,423,341	\$3,496,672	\$3,588,780	\$17,104,019
Evansville, IN-KY*	\$3,967,270	\$4,053,456	\$4,163,428	\$4,252,703	\$4,364,837	\$20,801,694
Fort Wayne	\$4,923,711	\$5,030,628	\$5,167,052	\$5,277,801	\$5,416,908	\$25,816,100
Indianapolis	\$24,480,213	\$25,011,667	\$25,689,794	\$26,240,297	\$26,931,758	\$128,353,729
Kokomo	\$1,856,270	\$1,896,278	\$1,947,328	\$1,988,770	\$2,040,824	\$9,729,470
Lafayette	\$5,672,101	\$5,794,064	\$5,949,687	\$6,076,022	\$6,234,705	\$29,726,579
Louisville/Jefferson County, KY-IN*	\$22,428,385	\$22,916,982	\$23,540,425	\$24,046,535	\$24,682,237	\$117,614,564
Michigan City-La Porte, IN-MI*	\$1,566,704	\$1,600,696	\$1,644,069	\$1,679,279	\$1,723,504	\$8,214,252
Muncie	\$2,999,436	\$3,064,016	\$3,146,419	\$3,213,314	\$3,297,337	\$15,720,522
South Bend, IN-MI*	\$9,690,241	\$9,902,034	\$10,173,308	\$10,392,587	\$10,669,018	\$50,827,188
Terre Haute	\$2,249,942	\$2,298,738	\$2,361,000	\$2,411,545	\$2,475,032	\$11,796,257

* These urbanized areas span more than one state, thus all of this funding is not solely dedicated to Indiana

Source: U.S. Senate Committee on Banking, Housing, and Urban Affairs, 2021a; U.S. Senate Committee on Banking, Housing, and Urban Affairs, 2021b

Similar to the road funding described above, all of these funds do not represent new funding. Much of this is annual funding that would have been expected under a continuation of the previous surface transportation bill. Figure 6 (next page) compares actual FY21 apportionments to the new transit funding amounts for FY22 under the IIJA.

As a result of the IIJA, Indiana is expected to receive an increase of 28% in formula transit funding. This represents an increase of \$30 million in FY22 over baseline FY21 funding. Looking at urbanized areas, the Indianapolis region is set to receive an additional \$5 million in FY22 compared to FY21, a 28% increase. Most other urbanized areas in Indiana will receive an increase of 28% in funding for FY22, with South Bend receiving an additional \$1.9 million, Lafayette receiving an additional \$1.3 million, and Terre Haute receiving an additional \$493,000.

Figure 6: Indiana’s Transit Apportionments, Comparing Existing FY21 to FY22 under IJA

	FY21 (actual)	FY22	Difference	% Increase
Indiana	\$100,114,798	\$130,479,936	\$30,365,138	30%
Urbanized Area Amounts				
	FY21 (actual)	FY22	Difference	% Increase
Anderson	\$1,529,931	\$1,959,626	\$429,695	28%
Bloomington	\$3,119,583	\$4,006,042	\$886,459	28%
Chicago, IL-IN*	\$542,993,532	\$675,584,299	\$132,590,767	24%
Cincinnati, OH-KY-IN*	\$23,300,157	\$29,794,346	\$6,494,189	28%
Columbus	\$1,062,595	\$1,359,330	\$296,735	28%
Elkhart, IN-MI*	\$2,548,657	\$3,262,216	\$713,559	28%
Evansville, IN-KY*	\$3,100,694	\$3,967,270	\$866,576	28%
Fort Wayne	\$3,847,355	\$4,923,711	\$1,076,356	28%
Indianapolis	\$19,126,774	\$24,480,213	\$5,353,439	28%
Kokomo	\$1,445,949	\$1,856,270	\$410,321	28%
Lafayette	\$4,413,696	\$5,672,101	\$1,258,405	29%
Louisville/Jefferson County, KY-IN*	\$17,551,679	\$22,428,385	\$4,876,706	28%
Michigan City-La Porte, IN-MI*	\$1,223,904	\$1,566,704	\$342,800	28%
Muncie	\$2,335,350	\$2,999,436	\$664,086	28%
South Bend, IN-MI*	\$7,736,657	\$9,690,241	\$1,953,584	25%
Terre Haute	\$1,757,357	\$2,249,942	\$492,585	28%

* These urbanized areas span more than one state, thus all of this funding is not solely dedicated to Indiana.

Source: U.S. Senate Committee on Banking, Housing, and Urban Affairs, 2021a; U.S. Senate Committee on Banking, Housing, and Urban Affairs, 2021b

COMPETITIVE GRANTS

In addition to formula funding, Indiana state and local governments and transportation agencies will be able to apply to the many competitive grant programs that were either created or given additional funding under the IJA. Figure 7 summarizes major grant programs funding made available under the IJA. In total, there is approximately \$160 billion in grants available to the state and local governments. Additional information on these grants, including eligible recipients and program descriptions can be found [here](#).

Figure 7: Competitive Grant Programs

Category	Program Name	Funding (in millions)
Roads, Bridges and Major Projects	Bridge Investment Program	\$12,300
	Congestion Relief Program	\$250
	Local and Regional Project Assistance Grants (RAISE)	\$7,500
	National Culvert Removal, Replacement, & Restoration Grant	\$1,000
	National Infrastructure Project Assistance (Megaprojects)	\$5,000
	Nationally Significant Federal Lands and Tribal Projects	\$275
	Nationally Significant Freight & Highway Projects (INFRA)	\$8,000
	Reconnecting Communities Pilot Program	\$1,000
	Rural Surface Transportation Grant Program	\$1,000
	Highway Use Tax Evasion Projects	\$20
	On-the-Job Training Program	\$50
	Advanced Transportation Technologies & Innovative Mobility Deployment	\$900
Disadvantaged Business Enterprises	\$50	

	National Motor Vehicle Per-Mile User Fee Pilot	\$50
	Strategic Innovation for Revenue Collection	\$75
Public Transportation	Bus and Bus Facilities Competitive Grants	\$1,966
	Capital Investment Grants	\$8,000
	Pilot Program for Enhanced Mobility	\$24
	Pilot Program for Transit Oriented Development	\$69
	Rail Vehicle Replacement Grants	\$1,500
	Strengthening Mobility and Revolutionizing Transportation (SMART)	\$500
	All Stations Accessibility Program	\$1,750
Electric Vehicles, Buses and Ferries	Corridor Charging Grants	\$1,250
	Community Charging Grants	\$1,250
	Low or No Emission (Bus) Grants	\$5,625
	Safety-Related Activities	\$18
	Clean School Bus Program	\$5,000
Airports and Federal Aviation Administration Facilities	Airport Infrastructure Grants	\$15,000
	Airport Terminal Program	\$5,000
Passenger and Freight Rail	Consolidated Rail Infrastructure and Safety Improvement Grants	\$5,000
	Federal-State Partnership for Intercity Passenger Rail Grants	\$36,000
	Railroad Crossing Elimination Program	\$3,000
	Restoration & Enhancement Grant Program	\$250
Ports and Waterways	Reduction of Truck Emissions at Port Facilities	\$400
	America's Marine Highway Program Grants	\$25
	Port Infrastructure Development Program Grants	\$2,250
Safety	Natural Gas Distribution Infrastructure Safety and Modernization Grants	\$1,000
	Railroad Crossing Elimination Grants	\$3,000
	Safe Streets and Roads for All	\$5,000
	Crash Data	\$750
	Highway Safety Improvement Program	\$15,557
	Racial Profiling Data Collection Grants	\$58
	Wildlife Crossings Pilot Program	\$350
	Commercial Driver's License Implementation Program	\$298
	High Priority Activities Program	\$433
	Highway Safety Research & Development	\$970
Vehicle Safety and Behavioral Research	\$549	
	TOTAL	\$159,312
	New Program	

Sources: IJIA of 2021; The White House, 2022

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