

## **2020-2023 STIP Surface Transportation Funding Sources**

Funding available to the state comes from several funding agencies, most notably the Federal Highway Administration and Federal Transit Administration. The state receives several categories of funding from each of these agencies. Each category (often referred to as fund codes) have distinctive rules for project eligibility, match ratios, and other programming factors. The following descriptions address the most significant of these categories, called apportionments.

In the project tables we've identified tentative apportionment designations for each proposed project. These apportionment assignments are estimates and are subject to change. The following paragraphs describe the apportionment categories, eligible project types, apportionment code and the ratio of federal funds. The proportion not paid by federal funds is the state, local or third party match.

### **Fund Code Descriptions**

**3PF (Third Party Funds)** – Funding contributed by parties other than the State usually to provide required matching funds.

**AC (Advance Construction)** – An innovative financing tool permitted under FHWA rules that, with approval of the FHWA, allows the state to begin a project using state funds prior to the availability of federal funds. This tool allows the state flexibility to use its resources to more efficiently schedule project start-ups.

**ACC (Advance Construction Conversion)** – Accounting tool to track the repayment of state funds used to begin a project prior to the availability of federal funds.

**BOND (Bonds)** – Funding generated by the sale of bonds by the state.

**BUILD (Better Utilizing Investments to Leverage Development)** – BUILD transportation grants are major investments in road, rail, transit, and port projects that serve as a down payment on this administration's commitment to America's infrastructure

**CMAQ-F (Congestion Mitigation/Air Quality Flexible)** – These funds are for projects that can be proven to reduce traffic congestion and/or improve air quality in federally designated non-attainment areas. Projects such as park and ride lots, transit bus replacement, vehicle inspection and maintenance program improvements, signal coordination, ride sharing, and paving for dust control qualify for these funds. The federal funds ratio varies and is either 90.97% or 100% depending upon the specific category of work.

**CMAQ-M (Congestion Mitigation/Air Quality-Mandatory)** – This fund code is very similar to the CMAQ fund code listed above, but has slightly more restrictive eligibility requirements.

**CST (Cruise Ship Tax)** – Proceeds from the state tax on cruise ship passengers available to use on projects that support cruise operations.

**DBE (Disadvantaged Business Enterprise)** – A program to ensure equal opportunity in transportation contracting markets, addresses the effects of discrimination in transportation contracting, and promotes increased participation in federally funded contracts by small, socially and economically disadvantaged businesses, including minority and women owned enterprises. The statute provides that at least 10% of the amounts made available for any Federal-aid highways, mass transit, and transportation research and technology program be expended with certified DBEs.

**ER (Emergency Relief)** – Funds available for the repair of Federal-aid highways or roads on Federal lands that have been seriously damaged by natural disasters over a wide area or by catastrophic failures from an external cause.

**FBF (Ferry Boat Formula Funds)** – Under MAP-21, Ferry Boat Formula Program funds are distributed to eligible entities based on the number of passengers carried (20%), vehicles carried (45%), and total route miles (35%). Eligible entities are determined in accordance with 23 U.S.C. 129(c). Funds are available until expended. Projects must be for the construction or improvements to ferryboats or ferry terminal facilities. The federal funds ratio is 80%.

**FLAP (Federal Lands Access Program)** – Provides funds for projects on federal lands access transportation facilities. These facilities are defined as: a public highway, road, bridge, trail, or transit system that is located on, is adjacent to, or provides access to Federal lands for which title or maintenance responsibility is vested in a state, county, town, township, tribal, municipal, or local government.

**GRANT (Competitive Grant)** – Federal grants that are awarded through a competitive process.

**ILLU (Illustrative)** – Indicates projects that would be funded and advanced if funding becomes available either through receipt of additional funds or because another project cannot be advanced; the specific source or sources of funds will be determined when and if the project is selected to be funded.

**NHFP (National Highway Freight Program)** – In FAST ACT section 1116 Congress designated the NHFP to improve efficient movement of freight on the National Highway Freight Network (NHFN). Each state is required to develop a freight plan to provide for immediate and long-range planning activities and investments of the State with respect to freight. Funds are available for obligation up to four years (year authorized plus three). The federal share is generally 80%, subject to sliding scale, with Interstate System projects at 90%, and certain types of improvements, such as safety, at 100%.

**NHPP (National Highway Performance Program)** – In MAP-21 section 1106, Congress designated the NHPP to provide support for the condition and performance of the National Highway System (NHS), for the construction of new facilities on the NHS, and to ensure that investments of Federal-aid funds in highway construction are directed to support progress toward the achievement of performance targets established in a State's asset management plan for the NHS. This funding code incorporates previous NHS, IM and some BR fund codes. The federal funds ratio is 90.97%.

**OJT (On the Job Training)** – The primary objective of the OJT Program is to train and upgrade minorities and women into higher paying skilled trades and transportation technology related careers to meet the projected labor needs. Under Section 22 of the Federal-aid Highway Act of 1968 (Public Law 90-495), State highway agencies are required to certify that there are available apprenticeship, skill improvement or other upgrading programs registered with the Department of Labor or the appropriate State agency.

**OSF (Other State Funds)** – Funding from non-federal state funds that have been appropriated.

**PLNG (State Planning)** – These funds are designated for the mandatory planning tasks the department undertakes, including preparation of the Statewide Transportation Plan and State Transportation Improvement Program (STIP), statistical measurements of the transportation system (traffic volumes, pavement condition, accident locations, causes and severity, and physical characteristics of roads and highways), mapping, and management systems. The federal funds ratio is 80%.

**RES (Research)** – These funds are designated for research tasks the department undertakes, including engineering and economic studies and applied research. The federal funds ratio is 80%.

**RHE (Rail Hazard Elimination Program)** – This purpose of this program is to reduce the number of fatalities and injuries at public highway-rail grade crossings through the elimination of hazards and/or the installation/upgrade of protective devices at crossings. This program funds the federal requirement that each state conducts and systematically maintain a survey of all highways to identify railroad crossings that may require separation, relocation, or protective devices, and establish and implement a schedule of projects for this purpose. The federal funds ratio is 90%.

**RTP (Recreational Trails Program)** – This funding category is intended to develop and maintain recreational trails and trail related facilities for both non-motorized and motorized recreational trail uses. This program is administered by the Department of Natural Resources. The federal funds ratio is 90.97%.

**S148 (Safety Sanction)** – This special category of MAP-21 safety funds addresses highway safety improvement projects similar to Safety (SA) below. New SA funding terminated following 2012 apportionment with the passage of MAP-21. The funds are made available by a sanction, or reduction, to Alaska's NHPP and STP apportionments. Each year, 2.5% of these program funds are reallocated because Alaska does not have conforming laws addressing repeat DUI and open alcoholic containers on motorcycles. The federal share is 100%.

**SA (Safety)** – Safety projects include hazard elimination, railroad crossing, and railroad protective devices. In order to qualify, the project must be identified through the Highway Safety Improvement Program, which seeks to identify hazardous locations throughout the state based on accident histories. The federal funds ratio varies and is either 90% or 100% depending upon the specific category of work.

**SFF (Special Federal Funds)** – Federal funding received outside of the regular federal transportation funding and authorization bill. For example, in 2019 Congress appropriated funds to the U. S. Department of Transportation through the Consolidated Appropriations Act of 2019. These funds were not part of the Fixing America's Surface Transportation Act, passed in 2015.

**SM (State Match)** – The State's share of project costs required to match federal program funds. Depending on the particular federal program requirements, the state's share of the costs, the state match required, will vary from as little as zero percent to as much as 50%. Most often the state's share will range from 9.03% to 20%.

**STP (Surface Transportation Program)** – Flexible funding that may be used by the state and localities for projects on any Federal-aid highway, including the NHS, bridge projects on any public road, transit capital projects, bus terminals and facilities. Unlike other states, Alaska is allowed to use these funds on any public road in Alaska, regardless of classification. The federal funds ratio varies, typically 93.4% for interstate routes or 90.97% otherwise.

**TAP (Transportation Alternatives Program)** – The Moving Ahead for Progress in the 21st Century Act (MAP-21) replaced Transportation Enhancements (TE), Recreational Trails, and Safe Routes to School programs with Transportation Alternatives (TA), a new program funded through a set-aside from Surface Transportation Program (STP). A further set-aside is taken from Transportation Alternatives to fund the Recreational Trails Program (RTP).

Transportation Alternatives provides funding for programs and projects including on-and off-road pedestrian and bicycle facilities, infrastructure projects for improving non-driver access to public transportation, community improvement activities, and environmental mitigation; safe routes to school projects; and projects for the planning, design or construction of boulevards and other roadways largely in the right-of-way of former Interstate System routes or other divided highways.

**URPL (Metropolitan Planning)** – In Alaska, these funds can be used in any urban area within the state. Planning processes and special planning studies are eligible activities within this program. The federal funds ratio is 90.97%.

### **TRANSIT AND RAIL Fund Codes**

**5307 (Urban Formula)** – The Urbanized Area Formula Funding program (49 U.S.C. 5307) makes Federal resources available to urbanized areas and to Governors for transit capital and operating assistance and for transportation related planning in urbanized areas. An urbanized area is a Census-designated area with a population of 50,000 or more as determined by the U.S. Department of Commerce, Bureau of the Census.

**5307RR (Alaska Railroad Passenger Operations)** – A portion of Section 5307 funds, Capital and Operating Funds for Urbanized Areas specifically set aside for the Alaska Railroad for costs related to passenger operations.

**5309 (Capital Program)** – This program provides capital assistance for three primary activities:

**5309BU** – New and replacement buses and facilities

**5309FG** – Modernization of existing rail and ferry systems

**5309NS** – (New Starts) New fixed-guideway systems (including ferry systems)

Congress usually fully earmarks all available funding. In SAFETEA-LU Congress set aside a portion of the New Start funds for capital improvements on Alaska and Hawaii ferry systems (the two states split the set-aside). Congress also set aside a portion of the Capital Program New Starts funds for the Denali Commission for docks, waterfront development projects, and related transportation infrastructure. On occasion, a recipient agency will apply for section 5309 funds on behalf of transit agencies throughout the state and ask DOT&PF to administer these funds. When this happens, the funds are distributed through the annual Alaska Community Transportation Grant application process. The federal funds ratio is 80%.

**5324 (FTA Emergency Relief Program)** – Emergency repairs are generally eligible for reimbursement under pre-award authority. Emergency repairs do not require inclusion in the Metropolitan Transportation Improvement Program (TIP) or the Statewide Transportation Improvement Program (STIP), unless they include substantial functional, locational, or capacity changes.

**5310 (Elderly and Persons with Disabilities Program)** – This program funds transportation services to meet the special needs of the elderly and persons with disabilities. Funds are apportioned to the states based on the number of elderly and persons with disabilities in each state. Grants are available to nonprofit organizations (and sometimes governmental entities approved by the state) for the purchase of vehicles, related equipment, and the purchase of rides. SAFETEA-LU listed Alaska as one of a select group of states to participate in a pilot program that would allow a portion of these funds to be used to cover operating costs (at a 43.14% match) of projects that meet the special needs of elderly individuals and individuals with disabilities. The federal funds ratio for the remainder of these funds is 90.97%.

**5311 (Non-urbanized Area Formula Program)** – This program provides funding to enhance public transportation in rural and small urban areas. It also assists in the maintenance, development, improvement, and use of public transportation systems. A component of this program is the Rural Transit Assistance Program (RTAP), which provides training and technical assistance to transit operators. The federal funds ratio is 90.97% for capital projects and project administration, and up to 56.86% for operating assistance. RTAP projects are 100% federally funded.

**5337GR (Section 5337 State of Good Repair)** – A new formula-based State of Good Repair program is FTA's first stand-alone initiative written into law that is dedicated to repairing and upgrading the nation's rail transit systems along with high-intensity motor bus systems that use high-occupancy vehicle lanes, including bus rapid transit (BRT). These funds reflect a commitment to ensuring that public transit operates safely, efficiently, reliably, and sustainably so that communities can offer balanced transportation choices that help to improve mobility, reduce

congestion, and encourage economic development.

**5339 (*Bus and Bus Facilities*)** – Funding for capital expenses for eligible rural public transit systems.

**PTC (*Positive Train Control*)** – Competitive discretionary grant funding for projects providing significant impacts to the nation, a region, or metropolitan area for eligible railroad safety technology projects.