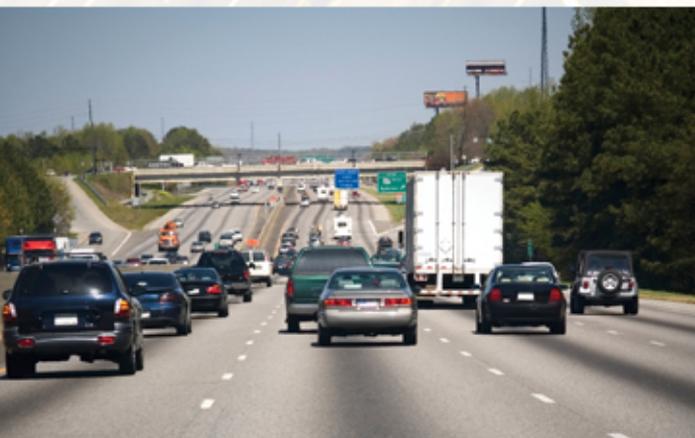


# GDOT & Federal-Aid Highway Financing

October 1, 2014



# The Federal Program

- Not a traditional grant (cash up-front) program.

- Reimbursable program.



- Authorized funding amounts are “distributed” to the states but no upfront cash is disbursed.

- Projects approved → work started,  
State pays contractor → State bills FHWA (weekly),  
FHWA reimburses federal share of costs.

# Sources of Federal Funds

## Highway Trust Funds are the source of funds for all Federal-aid Highway programs

- Gasoline Tax (18.4 cents/gallon)
  - 15.44 cents Highway account
  - 2.86 cents Mass Transit account
- Diesel tax (24.4 cents/gallon)
  - 21.44 cents Highway account
  - 2.86 cents Mass Transit account
- Special fuels
- Tires
- Truck sales

Roughly \$1.2 billion annually to Georgia in formula Obligation Authority

# Sources of Matching Funds

## State Fund Sources for Transportation

- State Motor Fuel Tax
  - 7 ½ cents per gallon
  - 4% Sales Tax (1% State General Fund)
- State General Funds
- General Obligation Bonds
- GARVEE Bonds
- Local Participation

Approx. \$1.0 billion  
annually in State  
Motor Fuel Tax

# State FY15 Budget

- Capital Construction Projects
  - State Motor Fuel Funds      \$213,393,476 or (24%)
  - Federal Funds                      \$675,252,699 or (76%)
  
- Capital Maintenance Projects
  - State Motor Fuel Funds      \$ 60,560,150 or (32%)
  - Federal Funds                      \$128,218,385 or (68%)

# Multi-Year Authorization

- **The most crucial step in financing the Federal-aid Highway Program is Legislative Authorization**
  - ISTEAA
    - Intermodal Surface Transportation Efficiency Act (1991)
  - TEA-21
    - Transportation Equity Act for the 21<sup>st</sup> Century (1998)
  - SAFETEA-LU
    - Safe Accountable Flexible Efficient Transportation Equity Act (2005)
  - MAP-21
    - Moving Ahead For Progress in the 21<sup>st</sup> Century (2013)

# MAP-21 Short Term Extension

## H.R. 5021—Highway and Transportation Funding Act of 2014 *Summary of Provisions & Offsets*

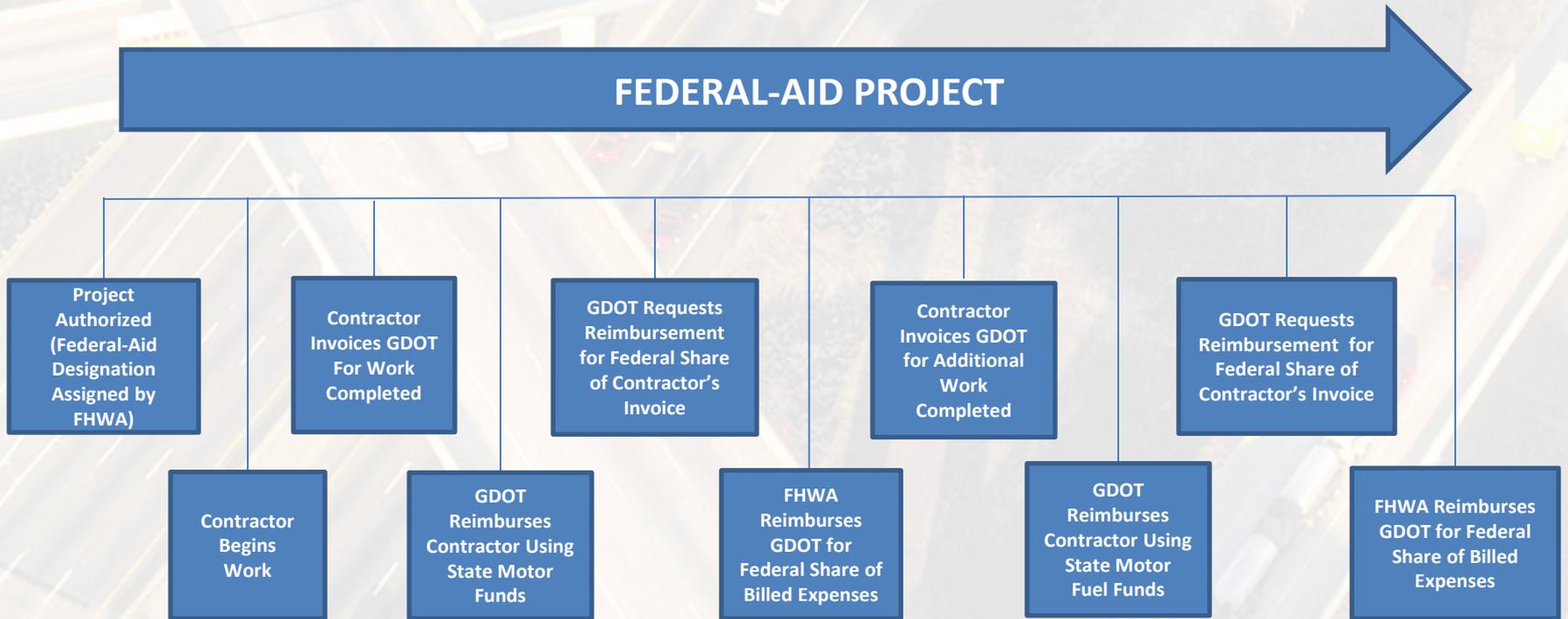
- Extends MAP-21's program authorization to **May 31, 2015**.
- Transfers \$10.8B to the Highway Trust Fund.
  - \$8.8B to the Highway Account.
  - \$2.0B to the Transit Account.
- Offsets for the \$10.8B (savings over a 10-year period).
  - \$6.3B generated from “pension” smoothing. Reduces the required level of employer pension contributions which increases tax revenue from less tax-exempt contributions.
  - \$3.5B generated from extending customs fees for one year.
  - \$1.0B generated from a transfer from the Leaking Underground Storage Tank (LUST) Trust Fund.

# Impact of Federal Uncertainty

## Schedule Milestones Prior to Project Letting

- 1 Day Prior—GDOT Board Approval
- 4 Weeks Prior—Advertisement Notices to Contractors
- 5 Weeks Prior—Receive FHWA Authorization
- 10 Weeks Prior—Completed Construction Plans
- 18 Weeks Prior—Submit Corrected Final Field Plan Review
- 24 Weeks Prior—Final Field Plan Review Held

# Federal-Aid Project Reimbursement Process



# State vs. Federal Requirements

- Impact differs by project/establishing a baseline
- Georgia Environmental Policy Act (GEPA) vs. National Environmental Policy Act (NEPA)
  - Number of Alternatives
  - Ecological
  - Cultural
  - Environmental Document Approval
- Davis-Bacon Wage Requirements/Reporting

# **Federal Transportation Resource Agencies**

**FHWA**

**US Department of Housing and Urban Development**

**National Center for Environmental Health**

**US Geological Survey**

**US Environmental Protection Agency**

**Tennessee Valley Authority**

**US Department of Agriculture, National Forest Service**

**US Department of the Interior, National Park Service**

**US Army Corps of Engineers**

**US Department of Defense**

**US Department of Agriculture, Natural Resource Conservation  
Service**

# **Federal Transportation Resource Agencies Continued**

**Federal Emergency Management Agency**

**7th Coast Guard District**

**U.S. Fish and Wildlife**

**U.S.EPA**

**National Marine Fisheries**

**The Advisory Council on Historic Preservation**

**Military Installations**

**Federal Railroad Administration (FRA)**

**Federal Transit Administration FTA**

# Estimated Savings Comparator on Environmental Document for Robinson Avenue in Columbia County

- Under GEPA, the budget for the environmental document is \$51,000.
- Under NEPA, the estimated budget for the environmental document would have been \$121,000.
- Under GEPA, 1 year to secure approval of the environmental document.
- Under NEPA, this would have taken an estimated 2 years.
- Difference of an additional \$70,000 and 1 more year.



**Thank You**