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 \( \rightarrow \) work started,
  - State pays contractor \( \rightarrow \) 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%)
The most crucial step in financing the Federal-aid Highway Program is Legislative Authorization:

- ISTEA
  - Intermodal Surface Transportation Efficiency Act (1991)
- TEA-21
- SAFETEA-LU
  - Safe Accountable Flexible Efficient Transportation Equity Act (2005)
- MAP-21
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

FEDERAL-AID PROJECT

- Project Authorized (Federal-Aid Designation Assigned by FHWA)
- Contractor Begins Work
- Contractor Invoices GDOT For Work Completed
- GDOT Requests Reimbursement for Federal Share of Contractor’s Invoice
- GDOT Reimburses Contractor Using State Motor Funds
- FHWA Reimburses GDOT for Federal Share of Billed Expenses
- Contractor Invoices GDOT for Additional Work Completed
- GDOT Reimburses Contractor Using State Motor Fuel Funds
- GDOT Requests Reimbursement for Federal Share of Contractor’s Invoice
- FHWA Reimburses GDOT for Federal Share of Billed Expenses
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