

Federal Grants Overview/Allston Example

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Core Highway Formula Funding

Highway Trust Fund Apportionments

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- The Bipartisan Infrastructure Law apportioned \$4.2 billion to Massachusetts over a five-year period (FY22–FY26) in nine distinct funding programs. The FY24 total for these programs is \$837.1 million.
- This funding, which is provided from the Highway Trust Fund, is subject to an annual obligation authority (OA), generally 90%–95% of apportioned amounts. For planning purposes, our assumed OA for FY 24 is 90%, or \$753.4 million.
- Unlike apportionments, OA is a lump sum which allows states to manage priorities by funding different categories at different amounts.
- OA is “use it or lose it” and must be obligated in the year provided.

Other Highway Formula Funding

General Fund Allocations

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- The Bipartisan Infrastructure Law provided advance appropriations of \$9.5 billion from the General Fund.
- Of this funding, \$6.5 billion is set aside for two new formula programs – \$5.5 billion for the Bridge Formula Program (BFP) and \$1.0 billion for the National Electric Vehicle Infrastructure (NEVI) Program.
- Massachusetts five-year estimate for the BFP is \$1.1 billion and our FY24 amount is \$243.5 million. The five-year estimate for NEVI is \$63.5 million and our FY24 amount is \$13.5 million.
- Because these programs are appropriated from the General Fund, they are not subject to obligation authority. BFP funds are available for obligation for a period of four years, while NEVI funds are available until expended.

Discretionary Funding

Competitive Programs

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- The Bipartisan Infrastructure Law authorized over 35 discretionary (competitive) programs administered by USDOT, with total funding exceeding \$110 billion.
- 18 existing programs were reauthorized for \$77.3 billion.
- 19 new programs were authorized for \$36.1 billion.
- Each of these programs has its own eligibility requirements, selection criteria and funding parameters.

Discretionary Project Example

The Allston Multimodal Project

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- The I-90 Allston Multimodal Project will rebuild and modernize a deficient stretch of critical highway, open up land for new neighborhood growth, support that growth with improved transit, walking and biking infrastructure, and create new access to expanded waterfront parks and open space in an Environmental Justice community.
- To-date, MassDOT has applied for three discretionary grants to fund the project:
- In FY22, we applied for \$1.2 billion (60% of project costs) under the Mega Program and did not receive a grant.
- In FY23, we applied for \$200 million (10% of project costs) under the Mega Program and \$500 million (26% of project costs) under the Reconnecting Communities Program. Those applications are currently under review by USDOT.



Determining Grant-Fit

The Allston Multimodal Project Example

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- In determining which grants to apply under for a given project, MassDOT considers several factors, including:
- The purpose of the grant compared to the project's elements and goals. Given its multimodal character and ability to redress infrastructure mistakes of the past, the Allston Project is uniquely situated to satisfy the goals and purposes of several discretionary grant programs.
- The size of the grant request compared to funding availability. MassDOT and our partners have identified \$1.4 billion in funding for the Allston Project and are seeking federal discretionary grant(s) totaling \$500 million to close the funding gap. That level of need limits the discretionary programs under consideration.
- Other Commonwealth projects that are being considered for the particular grant opportunity.

Determining Grant-Fit

Allston as a Mega Project

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- “The Mega Program (the National Infrastructure Project Assistance program) supports large, complex projects that are difficult to fund by other means and likely to generate national or regional economic, mobility, or safety benefits.”
- In FY 22, there were 128 eligible applications competing for Mega awards; nine were awarded funding and most got less than they asked for, with the individual grants ranging from \$30 million to \$292.2 million.
- In FY22, the overall percentage of award to project costs was 19%, ranging from a low of 9% to a high of 58%.
- In FY22, we applied for \$1.2 billion (60% of project costs and slightly more than was awarded nationally) under the Mega Program and did not receive a grant.
- This year, we have applied for \$200 million (10.4% of project costs and within the funding range of last year’s grants). The application is currently under review by USDOT.

Determining Grant-Fit

Allston as a Reconnecting Communities and Neighborhoods Project

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- The RCN Program goals are to: prioritize disadvantaged communities, improve access to daily needs (work, education, healthcare, food and recreation), foster equitable development, and reconnect communities by removing, retrofitting or mitigating highways or other transportation infrastructure that act as a barrier to community connectivity.
- In FY 22, the amount of funding available nationwide for Reconnecting Communities construction grants was \$145 million. We did not seek funds for the Allston Project under this program.
- In FY23, an additional program was created under the Inflation Reduction Act. The Neighborhood Access and Equity Program shares the overall goals of the Reconnecting Communities Program but is funded at a much larger level – \$1.0 billion in construction grants for FY 23.
- The RCN and NAE funding levels in FY 23 have been supplemented with unexpended COVID relief funds so that the total available for construction grants this year is \$2.7 billion.
- We have applied for a grant of \$500 million under the combined RCN Program..

Thank You

