



Appendix M Funding Sources Memo

I-84 Danbury PEL Study

Prepared for: The Connecticut Department of Transportation

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I-84 Danbury Project

PEL Assessment

Funding Sources Memo

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Overview

The I-84 Danbury Project PEL Assessment Funding Sources Memo outlines potential funding and financing options for the proposed projects identified for implementation in the plan. This report will analyze funding opportunities from the Bipartisan Infrastructure Law (BIL, also known as Infrastructure Investment and Jobs Act or IIJA) as well as the Inflation Reduction Act (IRA).

This memo includes five chapters. The first chapter covers competitive grants from the BIL and IRA, the second chapter explores formula programs, the third chapter details federal financial options, the fourth evaluates state funding options, and the last chapter examines other funding options such as congressional earmarks.

All information included in this memo is based on publicly available data as of December 2022. Since new funding opportunities are available on an annual basis, this information will be updated on an annual basis or, as needed by the project .

Chapter 1

Federal Competitive Grant Funding Opportunities

The purpose of this section is to document and describe competitive federal funding sources for which the I-84 Danbury Project could be eligible. Funding programs covered in this section include discretionary grant opportunities administered by the US Department of Transportation (USDOT), Federal Highway Administration (FHWA), and Federal Transit Administration (FTA). For certain projects involving other types of infrastructure or non-transportation investments, federal funding from non-transportation specific agencies could be available, e.g., Federal Emergency Management Agency (FEMA), Environmental Protection Agency (EPA), and/or Army Corps of Engineers, based on the specific requirements for these organizations' grant programs. These sources are not discussed in detail in this report.

This chapter is split into two sections: one dedicated to competitive programs included in the Bipartisan Infrastructure Law (BIL) and another dedicated to programs created by the Inflation Reduction Act (IRA).

1.1. BIL Competitive Grant Funding Programs

1.1.1. US Department of Transportation

National Infrastructure Project Assistance Program (MEGA)

The National Infrastructure Project Assistance Grant Program, also commonly referred to as MEGA, was created to support large projects that are difficult to fund even though they provide national or regional economic, mobility, or safety benefits. This is a new program that was enacted as part of the BIL. USDOT announced that \$5 billion will be made available from FFY22 – FFY26; \$1 billion has been made available in FFY22. 50% of funds are made available for projects with costs greater than \$500 million and 50% for projects with costs between \$100 million and \$500 million. Examples of MEGA grant eligible projects include:

- A highway or bridge project on the National Multimodal Freight Network, the National Highway Freight Network, or the National Highway System;
- A freight rail project that provides public benefits;
- A railway highway grade separation or elimination project;
- An intercity passenger rail; or
- A public transportation project included in the scope of any of the other project types listed above.

MEGA is now part of the Multimodal Project Discretionary Grant (MPDG) Opportunity which is a combined solicitation. The other grant programs included in the MPDG are the Nationally Significant Multimodal Freight & Highway Projects grant program (INFRA) and the Rural Surface Transportation Grant program. MPDG allows applicants to apply to one, two, or all three of these funding opportunities by submitting only one application.

To be eligible for a MEGA grant, CTDOT will have to determine if the project will meet the following project requirements. Projects must:

1. Generate national or regional economic, mobility, or safety benefits,

2. Demonstrate a significant need of Federal funding,
3. Be cost-effective,
4. Have a stable and dependable funding or financing source available to pay for O&M through the project life, and
5. Show that the applicant has sufficient legal, financial, and technical capacity to carry out the project

USDOT released the MPDG NOFO on March 25, 2022. Proposals were due on May 23, 2022. While INFRA has already released its award notice, MEGA expects to release its award notice at a later date. Eligible uses, funding available, and matching requirements are summarized in the table below.

Table 1-1. National Infrastructure Project Assistance Grants Funding Source Overview

Funding Program	Funding Available	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./Des.	Const.	Hwy.	Transit	Bike/Ped.
USDOT National Infrastructure Project Assistance Program	\$1B in FFY22 awards; half of funding reserved for projects with between \$100 - \$500 million in cost (FFY22)	Federal share may not exceed 60% of total project costs; total federal assistance not to exceed 80%	✓	✓	✓	✓	✓*	✓

*Transit projects can only qualify if they are incorporated with another eligible project type.

Infrastructure for Rebuilding America (INFRA)

The Nationally Significant Multimodal Freight & Highway Projects grant program (also known as “INFRA”) is dedicated to rebuilding the nation’s aging infrastructure. INFRA utilizes selection criteria that promote projects with national and regional economic vitality as well as environmental justice goals towards highway and intercity/freight rail projects. The program also incentivizes project sponsors to pursue innovative delivery strategies, including public-private partnerships.

In March 2022, USDOT announced the MPDG would provide up to \$8 billion in funds available for awards from FFY22 – FFY26, of which approximately \$1.55 billion was made available in FFY22. The deadline for applications for FFY22 funding was May 23, 2022, and it is anticipated that USDOT will issue a NOFO again in Spring 2023. FFY22 awards were announced on September 19, 2022¹.

INFRA is now part of the Multimodal Project Discretionary Grant (MPDG) Opportunity which is a combined solicitation. The other grant programs included in the MPDG are the National Infrastructure Project Assistance grants program (MEGA) and the Rural Surface Transportation Grant program. MPDG allows applicants to apply to one, two, or all three of these funding opportunities by submitting only one application.

Certain projects within the I-84 Danbury Project may be eligible for funding under the INFRA program. CTDOT would need to determine the highest priority project(s) and/or the project(s) most in alignment with the program’s merit criteria such as the following goals for the grant:

- Support national and regional activity;
- Focus on climate change and environmental justice impacts;

¹ INFRA awards: <https://www.transportation.gov/grants/infra-2022-fact-sheets>

- Advance racial equity;
- Engage more non-Federal sources of infrastructure investment; and
- Use innovative solutions for all aspects of the project

Eligible projects include highway freight projects, bridge projects, intermodal rail projects, and port projects. INFRA grants can cover up to 60% of future eligible project costs. While INFRA grants are intended to provide funding to projects that are “shovel ready” and result in construction, eligible activities include planning, feasibility analysis, and revenue forecasting. Eligible uses, funding available, and matching requirements are summarized in the table below.

Table 1-2. Infrastructure for Rebuilding America Grants Funding Source Overview

Funding Program	Funding Available	Matching Req.'s.	Eligible Phases			Eligible Project Types		
			Pla n.	Env./ Des.	Const.	Hwy.	Transit	Bike/ Ped.
USDOT INFRA Grants	\$1.55B in FFY22 awards; Minimum of \$25M for large projects and \$5M for small projects (FFY22)	Federal share may not exceed 60% of total project costs; total federal assistance not to exceed 80%	✓	✓	✓	✓		

Rural Surface Transportation Grant Program

The Rural Surface Transportation Grant program supports projects that increase connectivity, improve safety, and reliability of the infrastructure in rural areas. The Danbury area is considered a rural area by USDOT as its population is less than 200,000. A full list of urbanized areas can be found on USDOT’s website².

In March 2022, USDOT announced the MPDG would provide up to \$2 billion in funds available for awards from FFY22 – FFY26, of which approximately \$300 million was made available in FFY22. The deadline for applications for FFY22 funding was May 23, 2022, and it is anticipated that USDOT will issue a NOFO again in Spring 2023. While INFRA has already released its award notice, the Rural Surface Transportation Grant program expects to release its award notice at a later date.

This competitive program is part of the Multimodal Project Discretionary Grant (MPDG) Opportunity which is a combined solicitation. The other grant programs included in the MPDG are the National Infrastructure Project Assistance grants program (MEGA) and the Nationally Significant Multimodal Freight & Highway Projects grant program (INFRA). MPDG allows applicants to apply to one, two, or all three of these funding opportunities by submitting only one application.

Eligible projects include:

- Surface transportation projects eligible under the National Highway Performance Program or Surface Transportation Block Grant Program
- Freight projects eligible under the National Highway Performance Program; highway safety projects;
- Projects that increase or improve access to support rural economies; or

² USDOT’s list of urbanized areas: <https://www.transportation.gov/grants/rural-areas-defined>

- ITS services

The Rural Surface Transportation Grant program can only cover 80% of eligible project costs. However, other federal sources can be used for the non-rural match. This means projects can be funded 100% through federal funds if using multiple federal funding sources. Eligible uses, funding available, and matching requirements are summarized in the table below.

Table 1-3. Rural Surface Transportation Grant Program Funding Source Overview

Funding Program	Funding Available	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./Des.	Const.	Hwy.	Transit	Bike/Ped.
Rural Surface Transportation Grant Program	\$2 Billion total available FFY22 – FFY26	Rural Grants can be used for up to 80% of project costs; Other Federal assistance may satisfy non-rural share requirements for up to 100% of project costs	✓	✓	✓	✓		

Rebuilding American Infrastructure with Sustainability and Equity (RAISE)

The Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant program (formerly known as BUILD and previously as TIGER) is a highly competitive USDOT grant program that supports the capital costs of road, rail, transit, and multimodal projects that have a significant impact on the nation, a region, or a metropolitan area. The total available funds in FFY22 were \$2.275 billion. The deadline for applications for FFY22 funding was April 14, 2022. USDOT issued a NOFO for FFY23 on November 30, 2022. Application for the latest round of RAISE grants will be due on February 28, 2023.

Certain projects within the I-84 Danbury program may be eligible for funding under the RAISE program. CTDOT would need to determine the highest priority project(s) and/or the project(s) most in alignment with the program's merit criteria to position for these funds since most states only receive one grant each year. Eligible uses, funding available, and matching requirements are summarized in the table below.

Table 1-4. Rebuilding American Infrastructure with Sustainability and Equity Grants Funding Source Overview

Funding Program	Funding Available	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./Des.	Const.	Hwy.	Transit	Bike/Ped.
USDOT RAISE Grants	\$2.275 B appropriated in FFY22; Max. award = \$25 M	For urban projects, federal share may not exceed 80% of total project costs; minimum 20% non-federal match	✓	✓	✓	✓	✓	✓

Bridge Investment Discretionary Grant Program (BIP)

The Bridge Investment Program (BIP) was created by the BIL to improve the safety, efficiency, and reliability of the movement of people and freight over bridges and to improve the condition of bridges in the United States. The program will target projects that reduce the number of bridges that meet the following criteria, as well as the number of total person miles traveled over such bridges:

- Bridges in poor condition;
- Bridges in fair condition and at risk of falling into poor condition within the next three years;
- Bridges that do not meet current geometric design; or
- Bridges that cannot meet the load and traffic requirements typical of the regional transportation network.

USDOT announced that \$12.2 billion will be made available for the program from FFY22 – FFY26; \$2.36 billion has been made available in FFY22 for discretionary grant awards, with \$2.34 billion available for Bridge Projects and Large Bridge Projects, and \$20 million available for Planning Projects. The FFY22 Notice of Funding Opportunity indicated that the BIP Program includes three types of eligible projects:

1. Planning Projects:
 - Projects for planning, feasibility analyses, and revenue forecasting associated with the development of a project that would subsequently be eligible to apply for assistance under the BIP.
 - No local match requirements and no maximum or minimum award amount.
 - FFY22 Application deadline: July 25, 2022.
2. Bridge Projects:
 - Projects to replace, rehabilitate, preserve, or protect one or more bridges on the National Bridge Inventory.
 - Total eligible project costs must be \$100 million or less; minimum \$2.5 million per award; bundling of projects is allowable; maximum federal cost share is 80% for most projects.
 - FFY22 Application deadline: September 8, 2022.
3. Large Bridge Projects:
 - Projects to replace, rehabilitate, preserve, or protect one or more bridges on the National Bridge Inventory, including bridge bundling and culverts.
 - Total eligible project costs must be \$100 million or more; minimum \$50 million per award; bundling of projects is allowable; maximum federal cost share is 50%.
 - FFY22 Application deadline: August 9, 2022.

USDOT will award each state that submits an eligible project no fewer than one Large Bridge Project or two Bridge Projects from FFY22 through FFY26. As a result, each state is likely to receive one or two awards during the period. Eligible activities for Bridge Projects and Large Bridge Projects include:

- Development phase activities, including planning, feasibility analyses, revenue forecasting, environmental review, preliminary engineering and design work, and other preconstruction activities;
- Construction, which includes replacement and preservation, reconstruction, rehabilitation, acquisition of real property (including land related to the project and improvements to the land), environmental mitigation, construction contingencies, acquisition of equipment, and operational improvements directly related to improving system performance; and
- Expenses related to the protection of a bridge, including seismic or scour protection.

Applications for Bridge Projects and Large Bridge Projects must include a benefit-cost analysis and will be evaluated on six key criteria:

1. Contribution to a state of good repair;
2. Impact on safety;

3. Reduction in surface transportation greenhouse emissions;
4. Increase in resilience to climate change;
5. Equitable transportation options and access
6. Ability to promote competitiveness of the U.S. economy, improve job opportunities, and accommodate new emerging technologies.

Eligible uses, funding available, and matching requirements are summarized in the table below.

Table 1-5. Bridge Investment Program Grants (BIP) Funding Source Overview

Funding Program	Funding Available	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./ Des.	Const.	Hwy.	Transit	Bike/ Ped.
Planning Grants	\$20M in FFY22 for awards	No requirement	✓	✓				✓*
Bridge Project Grants	\$2.34B in FFY22 for awards	Federal share may not exceed 80% of project costs (90% for off-system bridges)		✓	✓	✓		✓*
Large Bridge Project Grants		Federal share may not exceed 50% of project costs		✓	✓	✓		✓*

*Statutory language in the BIL cited in the BIP NOFO contains requirements for bike and pedestrian accommodation on highway bridge replacement and/or rehabilitation projects.

Reconnecting Communities Pilot Program

The Reconnecting Communities Pilot Program is a discretionary grant program funded with a cumulative total of \$1 billion over the next 5 years. The program's funds can support planning, capital construction, and technical assistance to equitably and safely restore community connectivity through the removal, retrofit, mitigation, or replacement of eligible transportation infrastructure facilities that create barriers to mobility, access, or economic development. This is a new program that was enacted as part of the BIL. USDOT announced that \$195 million will be made available in FFY22.

Eligible projects include a highway, including a road, street, or parkway or other transportation facility, such as a railroad track, that creates a barrier to community connectivity, including barriers to mobility, access, or economic development, due to high speeds, grade separations, or other design factors.

Funding is split between two categories:

- Planning grants
 - Planning studies of current traffic patterns on the eligible facility proposed for removal, retrofit, or mitigation and the surrounding street network; transportation network capacity; alternative roadway designs or other uses for the right-of-way; impacts to the mobility of freight and people; impacts to the safety of the traveling public; cost; anticipated economic impacts and environmental impacts both human and natural.
 - Public engagement activities to provide the public with opportunities to provide input into a plan to remove and convert an eligible facility.
 - Other transportation planning activities required in advance of a project to remove, retrofit, or mitigate an existing eligible facility to restore community connectivity, as determined by DOT

- Capital Construction
 - Removal, retrofit, or mitigation of an existing eligible facility.
 - Replacement of an eligible facility with a new facility that restores community connectivity and is sensitive to the context of the surrounding community.

To ensure access to funds, CTDOT should work with local and regional stakeholders to determine eligible projects. USDOT advises grant applicants to identify community challenges related to connectivity and barriers to mobility. USDOT emphasizes transportation barriers that impact safety in traveling to daily destinations.

Further, USDOT emphasizes that applicants should consider eligible facilities located in underserved, overburdened, or disadvantaged communities. These communities may bear a greater burden from transportation infrastructure such as fatal and serious injury crashes, air and noise pollution or other public health impacts, broader community safety issues, or sustained community disinvestment.

Applicants should also consider whether the infrastructure facility contributed to past community hardship including displacing historic populations, contributing to racial or economic segregation, or negatively impacting important cultural, historical, or sacred community assets.

USDOT released the NOFO on June 30, 2022. Proposals were due on October 13, 2022. Awards are not anticipated till the spring of 2023. Eligible uses, funding available, and matching requirements are summarized in the table below.

Table 1-6. Reconnecting Communities Pilot Program Funding Source Overview

Funding Program	Funding Available	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./ Des.	Const.	Hwy.	Transit	Bike/ Ped.
Reconnecting Communities Pilot Program	\$195M in FFY22; \$50M for Planning; \$145M for Capital Construction	Typically, 80% federal and 20% non-federal.	✓	✓	✓	✓		✓

Strengthening Mobility and Revolutionizing Transportation (SMART) Grant Program

The Strengthening Mobility and Revolutionizing Transportation (SMART) Grant Program is a discretionary grant program that helps drive technology innovations in transportation. This is a new program that was enacted as part of the BIL, which authorized \$500M in competitive grants over the next five years.

Eligible projects include coordinated automation, connected vehicles, intelligent sensor-based infrastructure, systems integration, commerce delivery and logistics, innovative aviation technology, smart grid, and/or smart technology traffic signals. USDOT notes priority will be given to projects focused on advanced smart city or community technologies and systems to improve transportation efficiency and safety.

The SMART program began asking for proposals on September 19, 2022. The deadline to submit an application was November 18, 2022. USDOT estimates that \$100 million will be available for award during this cycle with an award ceiling of \$2 million. It is expected SMART will follow a similar schedule for 2023. Eligible uses, funding available, and matching requirements are summarized in the table below.

Table 1-7. Strengthening Mobility and Revolutionizing Transportation (SMART) Grant Program Funding Source Overview

Funding Program	Funding Available	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./Des.	Const.	Hwy.	Transit	Bike/Ped.
Strengthening Mobility and Revolutionizing Transportation (SMART) Grant Program	\$500M in competitive funding for next five years	No non-federal cost share required	✓	✓	✓	✓		✓

Safe Streets and Roads for All (SS4A)

The Safe Streets and Roads for All Grant (SS4A) Program is a discretionary grant program to improve roadway safety by significantly reducing or eliminating roadway fatalities and serious injuries through safety action plan development and implementation focused on all users, including pedestrians, bicyclists, public transportation users, motorists, personal conveyance and micromobility users, and commercial vehicle operators.

The SS4A program provides funding for two types of grants:

- Action Plan Grants (for comprehensive safety action plans)
 - Used to develop, complete, or supplement a comprehensive safety action plan
- Implementation Grants
 - Used to implement strategies or projects that are consistent with an existing action plan
 - Implementation activities could include:
 - Applying low-cost roadway safety treatments system-wide
 - Identifying and correcting common risks across a network
 - Installing pedestrian safety enhancements
 - Supporting the development of bikeway networks with bicycle lanes
 - Carrying out speed management strategies such as implementing traffic calming road design changes
 - Creating safe routes to school
 - Supporting complete streets by improving accessibility and multimodal network for all users outside of a motor vehicle
 - Promoting the adoption of innovative technologies or strategies to promote safety
 - Conducting education campaigns
 - Implementing standard and novel data collection and analysis technologies
 - Deploying advanced transportation technologies
 - Combating roadway departure crashes
 - Improving first responder services
 - Unifying and integrating safety data

The priorities of the program are:

- Promote safety;
- Employ low-cost, high-impact strategies that can improve safety over a wider geographic area;
- Ensure equitable investment in the safety needs of underserved communities, which includes both underserved urban and rural communities;
- Incorporate evidence-based projects and strategies; and
- Align with the USDOT’s mission and with priorities such as equity, climate and sustainability, quality job creation, economic strength, and global competitiveness.

This new program was enacted as part of the BIL, which authorized \$1 billion in competitive grants per year over the next five years in advanced appropriations. The FFY22 NOFO for this program was posted on May 16, 2022. The due date for all applications was September 15, 2022. Action Grants expect to receive awards of \$200,000 to \$1 million. Implementation Grants expect to receive between \$5 million and \$30 million in funds. Eligible uses, funding available, and matching requirements are summarized in the table below.

Table 1-8. Safe Streets and Roads for All Grant Program Funding Source Overview

Funding Program	Funding Available	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./Des.	Const.	Hwy.	Transit	Bike/Ped.
Safe Streets and Roads for All (SS4A) Grant Program	\$1B in FFY22	Typically, 80% federal and 20% non-federal.	✓	✓	✓	✓	✓	✓

1.1.2. Federal Highway Administration

Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT)

The Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT) Grant Program is a formula and discretionary grant program that helps support resilience improvements. This is a new program that was enacted as part of the BIL, which authorized a total of \$8.7 billion for this program over the next five years. The program includes \$7.3 billion in formula funding that will be distributed to States while \$1.4 billion will be available in competitive grants. Connecticut is estimated to receive \$17.3 million in formula funding in FFY22.

Eligible projects include the use of natural infrastructure or construction, or modification of storm surge, flood protection, or aquatic ecosystem restoration elements related to highway projects, public transportation facilities, intercity rail facilities or service, or port facilities. The federal share is 80% but can be modified based on certain criteria.

Federal share can be increased by seven percent if the recipient state or Metropolitan Planning Organization (MPO) has developed a resilience improvement plan and prioritized the funded project on that plan. Federal share can be increased by three percent for MPOs that have incorporated their resilience improvement plan into the metropolitan transportation plan. States may not use more than 40% for new capacity and not more than 10% for development phase activities. These limits apply to both the formula program and the discretionary grant program.

The BIL authorized \$250 million in competitive grants for FFY22. The competitive grant program will split into 2 categories: planning grants and resiliency grants. Resiliency grants will further break-down to include the following categories:

- Resiliency Improvement Grants – making surface transportation infrastructure more resilient to extreme weather
- Community Resilience and Evacuation Route Grants – introducing resiliency efforts to critical evacuation routes to keep communities operating or to recover quickly.
- At-Risk Coastal Infrastructure Grants – to enhance the resiliency of highway infrastructure from natural disasters including coastal flooding.

Applications that demonstrate alignment between any state- or regional-level climate adaptation and/or resilience planning and the state or regional Long-Range Transportation Plan can increase the federal funding share for projects significantly. A NOFO for the competitive grant will be released in 2023.

Both the formula program and discretionary grant program can be utilized to increase resilience of existing infrastructure from the impacts of changing weather conditions, such as flooding, extreme weather events, and other natural disasters. Eligible uses, funding available, and matching requirements are summarized in the table below.

Table 1-9. Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT) Funding Source Overview

Funding Program	Funding Available	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./Des.	Const.	Hwy.	Transit	Bike/Ped.
Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT)	\$17.3M for Connecticut in FFY22; \$250M in competitive funding for FFY22	Typically, 80% federal and 20% non-federal. For interstate projects – 90% federal and 10% non-Federal.	✓	✓	✓	✓	✓	✓

Advanced Transportation Technologies and Innovative Mobility Deployment (ATTIMD)

The FHWA uses the Advanced Transportation Technologies & Innovative Mobility Deployment (ATTIMD) program to provide funding for the deployment, installation, and implementation of advanced transportation technologies including the integration of intelligent transportation systems with the Smart Grid and other energy distribution and charging systems. Projects awarded ATTIMD funds should improve safety, mobility, efficiency, system performance, and intermodal connectivity. This program offers \$900 million in funds and is available until fully expended. Of the \$900 million, at least 20% will be set aside for rural projects. FHWA plans to award 5 – 10 projects each year.

The maximum award for a project is \$12 million. FHWA began accepting applications for the program on September 19, 2022. Applications were due on November 18, 2022. Eligible uses, funding available, and matching requirements are summarized in the table below.

Table 1-10. Advanced Transportation Technologies and Innovative Mobility Deployment Funding Source Overview

Funding Program	Funding Available	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./Des.	Const.	Hwy.	Transit	Bike/Ped.

FHWA ATTIMD Grants	\$900M available until expended	Federal share may not exceed 50% of the cost of the project			✓	✓		
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Accelerated Innovation Deployment (AID)

FHWA uses the Accelerated Innovation Deployment (AID) program to provide funding to accelerate the deployment and adoption of proven innovative practices and technologies in highway transportation projects. CTDOT was awarded \$950,000 in AID funds to pilot a Road Weather Management system in 2018.

The amount of each award may be up to a maximum of \$1 million. AID awards are limited per fiscal year of up to two per State DOT applicant, with up to one award for a State DOT and up to one award for a subrecipient applying through the State DOT. As of now, FHWA has not released a NOFO for FFY22.

The FHWA notes a variety of forward-thinking funded projects through AID, such as geospatial data collaboration, intelligent systems technology, e-construction, as well as business process management systems. Projects must be ready to initiate within six months of applying for funding. Eligible uses, funding available, and matching requirements are summarized in the table below.

Table 1-11. Accelerated Innovation Deployment Grants Funding Source Overview

Funding Program	Funding Available	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./Des.	Const.	Hwy.	Transit	Bike/Ped.
FHWA AID Grants	Approx. \$10M in FFY22 awards; Max project award = \$1M	Federal share may not exceed 80% of the cost of the project	✓	✓	✓	✓		✓

1.1.3. Federal Transit Administration

Capital Investment Grants (CIG)

The Capital Investment Grant (CIG) program provides federal grants for major transit capital investments. This program will provide up to \$15 billion in grant funds for transit projects for the next five years. The CIG Program includes three types of eligible projects relevant to the I-84 Danbury Project:

- New Starts
 - Total project cost is equal to or greater than \$400 million or total New Starts funding sought equals or exceeds \$150 million
 - New fixed guideway system (e.g., light rail, commuter rail)
- Small Starts
 - Total project cost is less than \$400 million and total Small Starts funding sought is less than \$150 million
 - New fixed guideway systems (e.g., bus rapid transit, light rail)
- Core Capacity
 - Substantial corridor-based investment in existing fixed guideway system
 - Project must be in a corridor that is at or over capacity or will be in 10 years and increase capacity by not less than 10%

The CIG program provides funding for fixed guideway capital improvements such as new and expanded rapid rail, commuter rail, light rail, streetcars, bus rapid transit, and ferries, as well as corridor-based bus rapid transit investments. FTA requires projects to go through a pre-defined process and demonstrate benefits for mobility, environmental, congestion relief, economic development, land use as well as trip cost effectiveness. Eligible uses, funding available, and matching requirements are summarized in the table below.

Table 1-12. Capital Investment Grants Funding Source Overview

Funding Program	Funding Available*	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./Des.	Const.	Hwy.	Transit	Bike/Ped.
FTA New Starts Grants	\$1.26B recommended funding for projects in the pipeline in FFY22; Minimum request of \$100M (FFY22)	Federal share may not exceed 60% of project costs	✓	✓	✓		✓	
FTA Small Starts Grants	\$303M recommended funding for projects in the pipeline in FFY22; Max project award = \$150M	Federal share may not exceed 80% of project costs	✓	✓	✓		✓	
FTA Core Capacity Grants	\$442M recommended funding for projects in the pipeline in FFY22	Federal share may not exceed 80% of project costs	✓	✓	✓		✓	

*The BIL provides \$1.6B per year in advanced appropriations plus an additional \$3.0B per year in authorized funding subject to appropriation for the CIG program over the next five years (FFY22-26). This funding supports these three programs and the Expedited Project Delivery Pilot Program as well.

Grants for Buses and Bus Facilities Formula Program

The Grants for Buses and Bus Facilities Program provides funding for states and transit agencies to purchase buses and replace, rehabilitate, and construct bus-related facilities, including technological changes or innovations to modify low or no-emission vehicles or facilities. It focuses on assisting bus operators, states, or local governmental authorities that operate fixed route in the financing of buses and bus facilities.

The BIL reauthorized the 5339 (a) and 5339 (b) programs through FFY 2026 at significantly higher funding levels than the FAST Act. The two programs now have \$5.1 billion in authorized funding over the next five years, with \$3.1 billion in formula funding and \$1.9 billion in competitive grants.

Applications for the competitive discretionary program, Section 5339 (b), are evaluated based on demonstration of need, or the quality and extent to which they demonstrate how the proposed project will address the need for capital investment in bus vehicles and/or supporting facilities. Applications are also assessed based on the demonstration of benefits, or how well they describe how the proposed project will improve the condition of the transit system, improve the reliability of transit service for its riders, and enhance access and mobility within the service area. While the maximum federal share of net project costs is 80% under this program, grants directed to helping individuals with disabilities (ADA) may be able to secure a higher federal share for certain projects. Eligible uses, funding available, and matching requirements are summarized in the table below.

Table 1-13. Grants for Buses and Bus Facilities Formula Program Funding Source Overview

Funding Program	Funding Available	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./Des.	Const.	Hwy.	Transit	Bike/Ped.
Grants for Buses and Bus Facilities (formula)	\$601M in FFY22; Project funding amount ranges from \$40M to \$168K	Federal share is generally limited to 80% of total project costs; may exceed for projects related to disabilities	✓	✓	✓		✓	✓
Grants for Buses and Bus Facilities (competitive)	\$372M in FFY22; Max Project Award = \$37.2M				✓		✓	

Low or No Emission Vehicles Program (LoNo)

The Low or No Emission Vehicle Program provides funding to state and local governmental authorities for the purchase or lease of zero-emission and low-emission transit buses as well as the acquisition, construction, and leasing of required supporting facilities, as part of the Section 5339 Grants for Buses and Bus Facilities Program. The BIL includes increases in funding for the 5339(c) discretionary funding, with \$5.6 billion in authorized funds over the next five years.

Eligible projects include:

- Purchasing or leasing low- or no-emission buses;
- Acquiring low- or no-emission buses with a leased power source;
- Constructing or leasing facilities and related equipment (including intelligent technology and software) for low- or no-emission buses;
- Constructing new public transportation facilities to accommodate low- or no-emission buses; and
- Rehabilitating or improving existing public transportation facilities to accommodate low- or no-emission buses

All applicants requesting funding for zero-emissions vehicle-related projects must include a single Zero-Emission Transition plan document containing the following information, at a minimum:

- Demonstrate a long-term fleet management plan with a strategy for how the applicant intends to use the current request for resources and future acquisitions.
- Address the availability of current and future resources to meet costs for the transition and implementation.
- Consider policy and legislation impacting relevant technologies.
- Include an evaluation of existing and future facilities and their relationship to the technology transition.
- Describe the partnership of the applicant with the utility or alternative fuel provider.
- Examine the impact of the transition on the applicant's current workforce by identifying skill gaps, training needs, and retraining needs of the existing workers of the applicant to operate and maintain zero-emission vehicles and related infrastructure and avoid displacement of the existing workforce.

The deadline for applications for 5339 (c) discretionary grants was May 31, 2022, and it is anticipated that FTA will issue a NOFO again in Spring 2023. For the FFY22 application cycle, FTA announced on August 18, 2022 that 150 projects totaling \$1.1 billion in funds were awarded. The maximum funding awarded to a single project was \$116 million. In FFY22, the FTA provided CTDOT with \$20.3 million on behalf of the Connecticut Southeast Area Transit District to aid in the transition to a zero-emission fleet. Eligible uses, funding available, and matching requirements are summarized in the table below.

Table 1-14: Low or No Emissions Vehicle Program Funding Source Overview

Funding Program	Funding Available	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./Des.	Const.	Hwy.	Transit	Bike/Ped.
Low or No Emission Vehicles	\$1.1B in FFY22	Federal share is generally limited to 80% of total project costs; may exceed for projects related to disabilities			✓		✓	

Innovative Coordinated Access and Mobility Grants

The Innovative Coordinated Access and Mobility Grants program promotes funding for capital expenditures towards non-emergency medical transportation services.

The FTA requires that applicants document the source(s) of the 20% local-match project cost. Eligible sources include revenues generated from advertising and concessions, value-capture financing mechanisms, undistributed cash surplus, or new capital. Successful grant applications included projects such as mobile applications and web portals to manage paratransit trips. Grantees have 24 months from the award date to complete the project. Within the first year, grantees must demonstrate impacts related to the described outcome in the application.

The BIL authorized \$25 million in funding from FFY22 – FFY26; \$5 million of which will be available in FFY22. FTA last accepted applications for the program on October 7, 2021. Applications were due on December 6, 2021. Eligible uses, funding available, and matching requirements are summarized in the table below.

Table 1-15: Innovative Coordinated Access and Mobility Grants Funding Source Overview

Funding Program	Funding Available	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./Des.	Const.	Hwy.	Transit	Bike/Ped.
FTA ICAM Pilot Program	\$5M in FFY22	Maximum federal share of project costs is 80%			✓		✓	

1.2. IRA Competitive Programs

On August 16, 2022, the Inflation Reduction Act of 2022 (IRA) was signed into law. The IRA includes \$733 billion for programs that focus on climate change and other equity initiatives. Based on the IRA's text, the following monies may be of interest to the I-84 Danbury Project. Please note, USDOT has not officially announced or provided any additional guidance on any of these programs. It is unknown when USDOT will provide more information.

1.2.1. Federal Highway Administration

Neighborhood Access and Equity Grant Program

The Neighborhood Access and Equity Grant Program is a competitive program that has been authorized to award \$1.9 billion in funds from FFY22 to FFY26. The program promotes walkability and safety through measures that are context sensitive as well as to mitigate impacts from facilities that have a negative impact on the residents or the natural environment. The program also awards funds for projects that focus on planning or capacity-building activities in disadvantaged or underserved communities.

There will be an additional \$1.3 billion in competitive funds from FFY22 to FFY26 for projects located in economically disadvantaged communities. In total, the program will offer \$3.2 billion in competitive funds from FFY22 to FFY26.

Table 1-16. Neighborhood Access and Equity Grant Program Funding Source Overview

Funding Program	Funding Available	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./Des.	Const.	Hwy.	Transit	Bike/Ped.
Neighborhood Access and Equity Grant Program	\$3.2B from FFY22 – FFY26; \$1.3B for projects in economically disadvantaged communities	Maximum federal share of project costs is 80%	✓	✓	✓			✓

Low-Carbon Transportation Materials Grants

The Low-Carbon Transportation Materials Grant is a competitive program that has been authorized to award \$2 billion in funds from FFY22 to FFY26. The program promotes the use of products that have lower levels of greenhouse gasses during the life of the product. This includes the production, use, and disposal of the material. FHWA will reimburse or provide incentives to eligible projects. The amount reimbursed will be the difference between using the low-carbon material and the cost of the traditional material. If an incentive is provided, the amount shall be equal to 2 percent of the cost of using the low-carbon material. Reimbursements or incentives are only eligible on federal-aid highways. In addition, these funds cannot be used for capacity increase projects. There is no match requirement for this program. Eligible uses, funding available, and matching requirements are summarized in the table below.

Table 1-17. Low-Carbon Transportation Materials Grants Funding Source Overview

Funding Program	Funding Available	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./Des.	Const.	Hwy.	Transit	Bike/Ped.
Low-Carbon Transportation Materials Grants	\$2B from FFY22 – FFY26	N/A			✓	✓		

Chapter 2

Federal Formula Funding Options

This section outlines formula funding programs that distribute funding to CTDOT, MPOs, or transit agencies within Connecticut on an annual basis. These programs are administered by FHWA or FTA. This document primarily focuses on capital funding, however, a limited number of federal funding programs support operations and maintenance costs of transportation systems and public transit networks, such as the Congestion Mitigation and Air Quality program. FTA formula grants for urbanized areas (5307) and state-of-good-repair (5337) can be used to support maintenance costs (preventive maintenance) in addition to capital projects.

The section is split into two sub-sections: programs created by the Bipartisan Infrastructure Law (BIL) and legacy programs continued by the federal legislation.

2.1. New Federal Formula Funding Programs

Federal Highway Administration

Carbon Reduction Program

The Carbon Reduction Program will provide formula grants to States to reduce transportation emissions or aid in the development of carbon reduction strategies. This is a new program that was enacted as part of the BIL. USDOT announced that \$6.4 billion will be made available from FFY22 – FFY26. Connecticut is estimated to receive \$79.2 million over the 5-year program.

Eligible projects include on- and off-road trail facilities for pedestrians, bicyclists, and other nonmotorized forms of transportation and projects that support the deployment of alternative fuel vehicles. These types of projects, which are determined at the state and local level but could be supported with federal funding, include zero-emission vehicles and facilities, projects that support congestion pricing and travel demand strategies, truck stop and port electrification systems to reduce the environmental impacts of freight movement and carbon dioxide emissions at port facilities, and/or public transportation projects such as the construction of bus rapid transit corridors or dedicated bus lanes. Micro-mobility and electric bike projects, including charging infrastructure, may also be eligible.

To ensure access to funds, CTDOT should work to include projects as part of the state's carbon reduction strategy. Per statute, the strategy must be updated every four years.

Before obligating Carbon Reduction Program funds for an eligible project, the state must coordinate with the representative MPO to determine which activities should be carried out under the project. For these funds, a project must be in an area that is urbanized but not part of a transportation management area. Eligible uses, funding available, and matching requirements are summarized in the table below.

Table 2-1. Carbon Reduction Program Funding Source Overview

Funding Program	Funding Available	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./Des.	Const.	Hwy.	Transit	Bike/Ped.
Carbon Reduction Program	\$1.234B in FFY22; \$15.2M in FFY22 for Connecticut	Typically, 80% federal and 20% non-federal. For interstate projects – 90% federal and 10% non-Federal.	✓	✓	✓	✓	✓	✓

National Electric Vehicle Infrastructure Formula Program

The National Electric Vehicle Infrastructure (NEVI) Formula Program will provide formula grants to States to strategically deploy electric vehicle (EV) charging infrastructure and to establish an interconnected network to facilitate data collection, access, and reliability. This is a new program that was enacted as part of the BIL. USDOT announced that \$5 billion will be made available from FFY22 – FFY26. While the program is primarily formula, it sets aside 10% of funding for discretionary grants to assist state and local governments in strategically deploying electric vehicle charging infrastructure. Following approval of its NEVI state plan, Connecticut will receive \$7.77 million in funding in FFY22.

Eligible projects include:

- Acquisition and installation of EV charging infrastructure;
- Assistance with operations and maintenance of infrastructure previously acquired through the NEVI program (for up to 5 years);
- Traffic control devices to provide directions to acquired EV charging infrastructure;
- Analysis activities to evaluate the demand for EV charging infrastructure; and
- Data sharing about EV charging infrastructure

Connecticut's 2022-2023 NEVI plan was approved by FHWA on September 14, 2022. The plan provides detailed information regarding locations for charging infrastructure on the state's designated alternative fuel corridor. Eligible uses, funding available, and matching requirements are summarized in the table below.

Table 2-2. National Electric Vehicle Infrastructure Program Funding Source Overview

Funding Program	Funding Available	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./Des.	Const.	Hwy.	Transit	Bike/Ped.
National Electric Vehicle Infrastructure Program	\$7.77 million for Connecticut in FFY22	Typically, 80% federal and 20% non-federal	✓	✓	✓	✓		

2.2. Existing Federal Formula Funding Programs

Federal Highway Administration

Congestion Mitigation and Air Quality

The Congestion Mitigation and Air Quality (CMAQ) program provides funding to transportation projects and programs to reduce congestion and improve air quality in designated air quality maintenance or non-attainment areas for carbon monoxide and/or ozone. The BIL expanded the eligible

projects for the CMAQ program to also include:

- Bike-sharing and shared scooter systems;
- Diesel retrofit replacements;
- Purchase of medium- or heavy-duty zero emissions vehicles and related charging equipment; and,
- Purchase of construction vehicles to support alternative fuel projects, including port-related freight operations.

Connecticut receives CMAQ funds based on the population in the non-attainment and maintenance areas of the state and the severity of air quality problems. According to CTDOT guidance on CMAQ, the state is split into two different areas for funding from the program. FHWA regards counties in the North and East parts of the state (i.e., Litchfield, Hartford, Toland, Windham, and New London Counties) as having “marginal” air quality per 2015 National Ambient Air Quality Standards (NAAQS) for ozone. Counties in the South and West parts of the state (i.e., Fairfield, New Haven, and Middlesex counties) receive a worse air quality rating of “moderate”.³ By formula, CMAQ funding levels increase to address worsening regional air quality ratings. CMAQ formula funds are distributed by CTDOT based on a reimbursement of costs. In FFY22, Connecticut received \$48.2 million in CMAQ funds.

CMAQ funds are a flexible funding source. Projects outlined in the I-84 Danbury Project that can quantifiably be shown to reduce congestion and improve air quality in the region could qualify to leverage CMAQ funding. Eligible uses, funding available, and matching requirements are summarized in the table below.

Table 2-3. Congestion Mitigation and Air Quality Funding Source Overview

Funding Program	Funding Available	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./ Des.	Const.	Hwy.	Transit	Bike/ Ped.
FHWA CMAQ Grants	\$48M/year in CT (FFY22)	Federal share may not exceed 80% of total project costs; minimum 20% non-federal match	✓	✓	✓	✓	✓	✓

Surface Transportation Block Grants (STBG) / Surface Transportation Program (STP)

Surface Transportation Block Grants (STBG), also known as the Surface Transportation Program (STP), are distributed by FHWA to states and MPOs using a highway-based funding formula. It is a flexible funding source for a range of transportation projects including transit safety infrastructure improvements for existing services and transit capital funding for new projects. In FFY22, FHWA apportioned \$170 million for Connecticut through the STBG program. The BIL expanded STBG funding eligible uses to include the installation of EV charging infrastructure.

STBG funding can be used for projects to preserve as well as improve conditions and performance on highways, bridges, tunnel projects, pedestrian and bicycle infrastructure, and transit capital projects, including intercity bus terminals. It is one of the most flexible transportation funding options and could be applied in a wide variety of ways for the I-84 Danbury Project. Eligible uses, funding available, and matching requirements are summarized in the table below.

³ The 2015 National Ambient Air Quality Standards (NAAQS) establishes ranges the following ranges based on air quality levels of parts per billion ozone standards ranging from low to high: Marginal; Moderate; Serious; Severe; and Extreme.

Table 2-4. Surface Transportation Block Grants Funding Source Overview

Funding Program	Funding Available	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./Des.	Const.	Hwy.	Transit	Bike/Ped.
FHWA STBG Grants	\$170M/year in CT (FFY22)	Federal share may not exceed 80% of total project costs (90% for projects on the Interstate system)	✓	✓	✓	✓	✓	✓

National Highway Performance Program (NHPP)

The National Highway Performance Program (NHPP) provides funding for the condition and performance of the National Highway System. In FFY22, the NHPP program apportioned \$350 million for Connecticut. With the BIL, the CTDOT received an additional \$53 million when compared to FFY21.

NHPP funding is primarily directed toward the construction, reconstruction, resurfacing, restoration, and rehabilitation of NHS segments and assets, such as bridges, within a state. Funding can be directed towards the development and implementation of an asset management plan for the NHS within the state, as well as infrastructure-based intelligent transportation systems, including vehicle-to-infrastructure communication equipment.

Table 2-5. National Highway Performance Program Grants Funding Source Overview

Funding Program	Funding Available	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./Des.	Const.	Hwy.	Transit	Bike / Ped.
FHWA NHPP Grants	\$350M/year in CT (FFY22)	Federal share is generally 80% of total project costs (90% for projects on the Interstate system)	✓	✓	✓	✓		✓

Highway Safety Improvement Program (HSIP)

The Highway Safety Improvement Program (HSIP) provides funding for the reduction of traffic fatalities and serious injuries on all public roads. In FFY22, the HSIP program apportioned \$39.8 million for Connecticut, an \$8 million increase compared to FFY21. HSIP includes an annual set-aside for railway-highway crossing improvements, the Railway-Highway Crossings (Section 130) program.

The principal requirement for HSIP funding is a safety project consistent or identified within a state's strategic highway system safety plan. However, FHWA notes eligible activities could include the following: installation of vehicle-to-infrastructure communication equipment, pedestrian hybrid beacons, as well as roadway improvements that provide separation between pedestrian and motor vehicles. Eligible uses, funding available, and matching requirements are summarized in the table below.

Table 2-6. Highway Safety Improvement Program Funding Source Overview

Funding Program	Funding Available	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./Des.	Const.	Hwy.	Transit	Bike/Ped.
FHWA HSIP Grants	\$39.8M/year in CT (FFY22)	Federal share is generally 90% of total project costs	✓	✓	✓	✓		✓

Other FHWA Formula Funding Programs

FHWA also administers several research-based funding sources that could potentially be leveraged for the I-84 Danbury Project. These include:

- State Planning & Research (SP&R),
- National Cooperative Highway Research Program (NCHRP),
- Transportation Research Board (TRB), and
- University Transportation Center (UTC) Program

Federal Transit Administration

Metropolitan & Statewide Planning and Non-Metropolitan Transportation Planning

The Metropolitan & Statewide Planning and Non-Metropolitan Transportation Planning program provides formula-based federal grants for multimodal transportation planning. Funding is apportioned to state DOTs who then allocate funding to MPOs. The funds should result in long-range plans as well as short-range programs that reflect a state's transportation priorities.

For FFY22, FTA apportioned \$1.58M in Metropolitan & Statewide Planning and Non-Metropolitan Transportation Planning program funds to the state of Connecticut.

The Metropolitan & Statewide Planning and Non-Metropolitan Transportation Planning program is aimed toward planning activities that support economic vitality, increase safety, increase security of the transportation system, increase accessibility and mobility, as well as enhance connectivity and preserve existing transportation systems. CTDOT could use funding for planning both short-term and long-term transportation goals. Eligible uses, funding available, and matching requirements are summarized in the table below.

Table 2-7. Metropolitan & Statewide Planning and Non-Metropolitan Transportation Planning Funding Source Overview

Funding Program	Funding Available	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./Des.	Const.	Hwy.	Transit	Bike/Ped.
FTA Planning Program Grants	\$1.6M in FFY22	Federal share is limited to 80% of total project costs	✓			✓	✓	✓

Chapter 3

Federal Financing Options

While funding is a monetary resource that is available to pay for capital investments when needed, such as grants, financing is a tool that facilitates borrowing against future revenues to convert them into current funding when needed. The borrowed funds must then be repaid with interest in the future.

Potential federal financing options for the I-84 Danbury Project include a program administered by USDOT.

US Department of Transportation

Transportation Infrastructure Finance and Innovation Act (TIFIA)

The Transportation Infrastructure Finance and Innovation Act (TIFIA) provides federal credit assistance in the form of direct loans, loan guarantees, and standby lines of credit to finance surface transportation projects of national and regional significance. In addition, the BIL has expanded the eligibility of TIFIA funds for transit-oriented development projects and relaxed the requirements for investment-grade ratings. The BIL has also increased the loan terms from 35 years to 75 years for projects with an estimated life greater than 50 years. Credit assistance is generally limited to 33% of reasonably anticipated eligible project costs but can be up to 49% for transit projects including transit oriented development. TIFIA will provide up to \$1.25B in financing over the next four years.

Eligible projects must be included in the applicable State Transportation Improvement Program (STIP). USDOT provides a streamlined application process for projects with a cost of less than \$100 million and dedicated revenue sources. Eligible uses, funding available, and matching requirements are summarized in the table below.

Table 3-1. Transportation Infrastructure Finance and Innovation Act Financing Overview

Financing Program	Financing Available	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./Des.	Const.	Hwy.	Transit	Bike/Ped.
USDOT TIFIA Credit Program	\$1.25B over next four years	May not exceed 33% of the reasonably anticipated eligible project costs	✓	✓	✓	✓	✓	✓

Chapter 4

State Funding Options

This section outlines state funding programs that could contribute to the I-84 Danbury Project. State funding for transportation capital projects and operating needs in Connecticut is mostly sourced from the Special Transportation Fund (STF), which draws revenues from motor fuel taxes, motor vehicle receipts, a DMV sales tax, a tax on oil companies in the state, and a few other sources.

Although not detailed in this report, additional state funding may include non-traditional transportation sources, such as the state's Department of Energy and Environmental Protection (DEEP), Department of Economic and Community Development (DECD), Department of Housing, Department of Public Health, and the Department of Veterans Affairs.

Local Transportation Capital Improvement Program (LOTICIP)

The Local Transportation Capital Improvement Program (LOTICIP) is a state-funded program through the Connecticut Department of Transportation. The program aims to provide state funding to regional council of governments (COG) in the absence of available federal funds for capital projects, rather than maintenance-type work. The program's goal is to be flexible and mirror the Federal STBG eligibility requirements.

Typical projects include capital improvements (e.g., road reconstruction; intersection improvements, traffic signals) on roads and streets functionally classified as collectors or arterials, bicycle/pedestrian improvement, or bridge rehabilitation/replacement. Eligible projects must have a minimum construction cost of \$300,000 to qualify for LOTICIP funding. Pavement/sidewalk projects should be limited to approximately 15% of the COG's annual LOTICIP funds, or \$500,000 total project cost, whichever is greater.

While planning studies may be eligible to utilize LOTICIP funding, the guidelines note that all design and preliminary engineering to advance the project is the responsibility of the COG. More information can be found in the most recent LOTICIP Guidelines manual which was published in November 2021⁴.

Table 4-1. Local Transportation Capital Improvement Program Funding Source Overview

Financing Program	Financing Available	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./Des.	Const.	Hwy.	Transit	Bike/Ped.
CTDOT LOTICIP	\$67M budgeted for FY22	Not eligible to be used as local matching funds for receipt of other Federal funds	✓		✓	✓		✓

Community Connectivity Grant Program (CCGP)

The Community Connectivity Grant Program is an infrastructure improvement program that seeks to provide construction funding for local initiatives that will improve the safety and accessibility of bicyclists and pedestrians in urban, suburban, and rural community centers. This program strives to

⁴ LOTICIP Guidelines: <https://portal.ct.gov/-/media/DOT/documents/dhigh-waydesign/LOTICIP-Guidelines-November-2021-Final-Web.pdf>

provide social and economic opportunities to underserved communities by providing access to transportation options. In February of 2022, CTDOT awarded \$8.2M to 17 projects across the state. Project awards ranged from \$125,000 to \$600,000. Municipalities must complete selected projects within three years of receiving these grant funds. This timeline requires the program to prioritize “shovel-ready” bike and pedestrian projects.

Table 4-2. Community Connectivity Grant Program Funding Source Overview

Financing Program	Financing Available	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./ Des.	Const.	Hwy.	Transit	Bike/ Ped.
CTDOT Community Connectivity Grants	\$8.2M in FY22; project awards ranged from \$125k to \$600k	N/A			✓			✓

Local Capital Improvement Program (LoCIP)

The Local Capital Improvement Program (LoCIP) distributes formula-based entitlement funds to municipalities to reimburse the cost of eligible local capital improvement projects such as road, bridge, or public building construction activities. Each municipality must request and be granted project authorization by the state's Office of Policy Management (OPM) to be eligible for reimbursement for allowable project costs. Danbury received \$580,000 of the \$30M in statewide LoCIP entitlements in FY2022.

Eligible projects include:

- Roads, as well as sidewalk and pavement improvements;
- Capital Improvement Plans;
- Technology upgrades;
- Various utility improvements such as sewage, solid waste, water treatment, and landfill projects; and
- Conservation and development plans.

LoCIP guidelines note that the costs of architectural as well as engineering planning and design are reimbursable only if the funding for the construction phase of the project has been approved. LoCIP funding can be used as a source of local match portion related to a federal grant provided no other state assistance program is being used to fund the project. LoCIP funding cannot be used with projects that receive other state funds except for the Local Bridge Program.

Table 4-3. Local Capital Improvement Program Funding Source Overview

Financing Program	Financing Available	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./ Des.	Const.	Hwy.	Transit	Bike/ Ped.
CTDOT LoCIP	\$30M in FY22 entitlements statewide (\$578K in Danbury)	N/A; Specific funding allocated to municipalities	✓	✓	✓	✓		✓

Local Bridge Program

The Local Bridge Program provides grant funding to agencies for the replacement, reconstruction, or removal of local bridges that are “structurally deficient” or “operationally deficient”. Bridges can also qualify if the project cost is expected to be greater than \$500,000. CTDOT maintains a database of bridges that are eligible for this program. According to the most recent database that was released on March 1, 2022, Danbury has 43 bridges that are eligible for the program. The program can cover up to 50% of eligible costs. To receive funds, the bridge cannot have any LOTCIP funds committed to the project.

Table 4-4. Local Bridge Program Funding Source Overview

Financing Program	Financing Available	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./ Des.	Const.	Hwy.	Transit	Bike/ Ped.
CTDOT Local Bridge Program	\$10M in FY22	50% match of eligible project costs		✓	✓	✓		

Town Aid Road Grants

The Town Aid Road Grants (TAR) are formula funds that are distributed to 169 towns and five boroughs across Connecticut. Funds are distributed based on multiple factors including population, miles of improved roads, and miles of unimproved roads. These funds can be used for capital highway projects (construction, reconstruction, etc.), for operations and maintenance of highways (snow removal, sanding icy pavement, etc.), or for any other project that supports the operation of essential public transportation services.

Table 4-5. Town Aid Road Grants Funding Source Overview

Financing Program	Financing Available	Matching Req's.	Eligible Phases			Eligible Project Types		
			Plan.	Env./ Des.	Const.	Hwy.	Transit	Bike/ Ped.
CTDOT Town Aid Road Grants	\$30M in FY22; Danbury received \$876,000	50% match of eligible project costs			✓	✓		

Other Potential State Funding Opportunities

The following represent other state funding options that may be able to support the I-84 Danbury Project:

- Connecticut Emergency Relief (ER) funding
- Social Impact Bonds (SIBs)

Chapter 5

Other Funding Options

With the passage of the BIL, there have been additional funding alternatives opportunities, like Congressional Earmarks.

Congressional Earmarks

Congressional Earmarks are funds that are directed by congress to a specific project. These funds bypass the merit-based or competitive allocation process. These funds are administered by the House Appropriations Committee. A member of congress may submit up to 15 requests to the committee for review. Entities that can receive funds include local hospitals, schools, municipal authorities, and other nonprofit organizations.

Originally banned in 2011, the passage of the FFY22 Omnibus Bill reintroduced Congressional Earmarks. In FFY22, \$1.5 billion were earmarked with a transportation focus. CTDOT received \$17.5 million of these funds.