

Rural Surface Transportation Grant Program

	FAST Act (extension)	Bipartisan Infrastructure Law (BIL)				
Fiscal year (FY)	2021	2022	2023	2024	2025	2026
Contract authority	---	\$300 M	\$350 M	\$400 M	\$450 M	\$500 M

Note: Except as indicated, all references in this document are to the Bipartisan Infrastructure Law (BIL), enacted as the Infrastructure Investment and Jobs Act, Pub. L. 117-58 (Nov. 15, 2021).

Program Purpose

The BIL establishes the Rural Surface Transportation Grant Program which provides funds for projects to improve and expand the surface transportation infrastructure in rural areas, defined as areas that are outside of urbanized areas with a population of over 200,000. The goals of the program are to increase connectivity, improve the safety and reliability of the movement of people and freight, and generate regional economic growth and improve quality of life.

Statutory Citation

- § 11132; 23 U.S.C. 173

Funding Features

Type of Budget Authority or Authorization of Appropriations

- Contract authority from the Highway Account of the Highway Trust Fund, subject to the overall Federal-aid obligation limitation.

Minimum Grant Size

- A grant under the program shall be in an amount that is not less than \$25 M except as noted under the set-aside for small projects. [§ 11132; 23 U.S.C. 173(i)]

Set-asides

Administrative:

- Up to 2.0% of the funds may be made available to carry out the program may be retained by the Secretary to review applications for grants under the program.
- Those funds retained may be transferred to the relevant Administrators to fund the award and oversight of grants provided under the program. [§ 11132; 23 U.S.C. 173(b)(3)]

Grants:

- Small Projects: For each fiscal year, the Secretary shall use not more than 10% of the amounts available for the program to provide grants for eligible projects in an amount less than \$25 M. [§ 11132; 23 U.S.C. 173(k)(1)]

- Appalachian Development Highway System: For each fiscal year, the Secretary shall reserve 25% of the amounts available for the program for eligible projects that further the completion of designated routes of the Appalachian Development Highway System. [§ 11132; 23 U.S.C. 173(k)(2)]
- Rural Roadway Lane Departures: For each fiscal year, the Secretary shall reserve 15% of the funds made available for the program to provide grants for eligible projects in States that, based on the latest data available, have rural roadway fatalities, because of lane departures, that are greater than the average of rural roadway fatalities from lane departures in the United States. [§ 11132; 23 U.S.C. 173(k)(3)]
- In any fiscal year in which qualified applications for grants under the program do not fully utilize the amounts set-aside under the small projects, Appalachian Development Highway System, and rural roadway lane departures set-asides described above, the unutilized amounts shall be used to make other grants under the program. [§ 11132; 23 U.S.C. 173(k)(4)]

Eligible Activities

- Eligible projects include:
 - a highway, bridge, or tunnel project eligible under 23 U.S.C. 119(d) or 133(b)
 - a project eligible under 23 U.S.C 202(a)
 - a highway freight project eligible under 23 U.S.C 167(h)(5)
 - a highway safety improvement project, including projects to improve high-risk rural roads, as defined in 23 U.S.C 148(a)
 - a project on a publicly owned highway or bridge that provides or increases access to agricultural, commercial, energy, or intermodal facilities that support the economies of rural areas
 - a project to develop, establish, or maintain integrated mobility management systems, transportation demand management systems, or on-demand mobility services [§ 11132; 23 U.S.C. 173(e)(1)]
- Eligible entities may bundle two or more similar, eligible projects under the program that are:
 - included as a bundled project in a statewide transportation improvement program under 23 U.S.C 135; and
 - awarded to a single contractor or consultant pursuant to a contract for engineering and design or construction between the contractor and the eligible entity. [§ 11132; 23 U.S.C. 173(e)(2)(A)]
 - A bundling of eligible projects may be considered to be a single project, including for purposes of 23 U.S.C. 135. [§ 11132; 23 U.S.C. 173(e)(2)(B)]

Federal Share

- The Federal share of the cost of a project carried out with a grant under the program may not exceed 80% except that the Federal share [of the cost of an eligible project] shall be up to 100 percent, as determined by the State, if the eligible project:
 - furthers the completion of a designated segment of the Appalachian Development Highway System under 40 U.S.C. 14501; or
 - addresses a surface transportation infrastructure need identified for the Denali access system program under section 309 of the Denali Commission Act of 1998. [§ 11132; 23 U.S.C. 173(j)]
- Federal funds other than a grant under the program may be used to satisfy the non-Federal share. [§ 11132; 23 U.S.C. 173(j)(3)]

Program Features

This is a new program under the BIL.

Eligible Entities

- A State (including D.C. and Puerto Rico)
- A regional transportation planning organization
- A unit of local government
- A Tribal government or consortium of Tribal governments
- A multijurisdictional group of entities consisting of any eligible applicants listed above [§ 11132; 23 U.S.C. 173(c)]

Eligible Project Costs

An eligible entity may use funds from a grant under the program for:

- Development phase activities, including planning, feasibility analysis, revenue forecasting, environmental review, preliminary engineering and design work, and other preconstruction activities; and
- Construction, 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. [§ 11132; 23 U.S.C. 173(f)]

Project Requirements

To be selected, projects must meet all the following:

- Generate regional economic, mobility, or safety benefits
- Be cost effective
- Contribute to the accomplishment of one or more of the national goals under 23 U.S.C 150
- Be based on the results of preliminary engineering
- Be reasonably expected to begin construction not later than 18 months after the date of obligation of funds [§ 11132; 23 U.S.C. 173(g)]

Additional Considerations

When selecting projects, the Secretary shall consider the extent to which a project will:

- Improve the state of good repair of existing highway, bridge, and tunnel facilities;
- Increase the capacity or connectivity of the surface transportation system and improve mobility for residents of rural areas;
- Address economic development and job creation challenges, including energy sector job losses in energy communities as identified in the report released in April 2021 by the interagency working group established by section 218 of Executive Order 14008 (86 Fed. Reg. 7628 (February 1, 2021));
- Enhance recreational and tourism opportunities by providing access to Federal land, national parks, national forests, national recreation areas, national wildlife refuges, wilderness areas, or State parks;
- Contribute to geographic diversity among grant recipients;
- Utilize innovative project delivery approaches or incorporate transportation technologies;
- Coordinate with projects to address broadband infrastructure needs; or
- Improve access to emergency care, essential services, healthcare providers, or drug and alcohol treatment and rehabilitation resources. [§ 11132; 23 U.S.C. 173(h)]

Treatment of Projects

- Treats every project funded under the program as if it were located on a Federal-aid highway. This ensures applicability of Davis-Bacon wage requirements that apply to other projects on Federal-aid highways. [§ 11132; 23 U.S.C. 173(o)]

Additional Information and Assistance

- For more information about the Rural Surface Transportation Grant Program, visit: <https://www.transportation.gov/grants/rural-surface-transportation-grant>
- FHWA can connect you with your local FHWA office and support you with technical assistance for planning, design, construction, preserving, and improving public roads and in the stewardship of Federal funds. For assistance, visit: https://www.fhwa.dot.gov/bipartisan-infrastructure-law/technical_support.cfm.