



SAFETEA-LU Highlights

Safe, Accountable, Flexible, Efficient Transportation Equity: A Legacy for Users



November 2005

The federal surface transportation act known as SAFETEA-LU (Safe, Accountable, Flexible, Efficient Transportation Equity: A Legacy for Users) became law on August 10, 2005. SAFETEA-LU authorizes \$286 billion in spending over federal fiscal years 2004-09 for numerous transportation programs, such as highways, transit, motor carrier, freight, safety and research.

Funding and Finance

- Provides Minnesota with the second highest proportional funding increase in the nation
- Increases highway formula fund apportionments 17% (\$482 million) over the previous authorization act, TEA-21. The majority of this increase is projected to come to Minnesota in FFY 2008-09. Mn/DOT forecasted and planned for this increased formula funding, and projects are programmed for almost all of the additional funding through 2008.
- Increases highway earmark funding 162% (\$288 million) over TEA-21. There are 149 projects earmarked for Minnesota in SAFETEA-LU totaling nearly \$500 million. The record level of earmarking and reduced flexibility in spending earmark dollars will require Mn/DOT and local governments to work closely together to determine how to spend this funding as quickly and effectively as possible.
- Increases transit formula funding 66% (\$168 million). Rural transit sees a significant increase in funding, but formula funding increases for the largest transit systems, such as Metro Transit, are minimal in the first two years and only a little more significant in FFY 2008-09.
- Makes it easier for the private sector to finance public transportation projects through Private Activity Bonds and provides more opportunities for toll-related projects.
- **NOTE:** The two most important financial issues to watch under SAFETEA-LU are (1) whether the Federal Highway Trust Fund will be able to sustain the funding levels authorized in the latter years of the bill and (2) whether Minnesota will continue to see annual appropriated Obligation Authority (spending authority) levels closer to the levels received under the latter years of TEA-21 (95% of apportionments) or closer to level received in FFY 2005 (85% of apportionments).

Highway Programs

- Establishes three new highway formula programs: Highway Safety Improvement Program, Coordinated Borders Program, and Safe Routes to School
- Establishes many new highway discretionary programs, most of which are fully earmarked (e.g. Projects of Nat'l & Regional Significance, Nat'l. Corridor Infrastructure Improvement, Non-Motorized Pilot Program), and some of which will be administered as competitive grant programs (e.g. Highways for LIFE)
- Increases federal oversight and review, particularly on large federal-aid highway projects

Planning

- Continues broad requirements for public participation and consultation with interested parties in transportation planning and investment programming processes; adds requirement to consult with economic development agencies and environmental resource agencies, and requires inclusion of environmental mitigation strategies in the Statewide Transportation Plan (similar requirements for metropolitan area plans)
- Requires a four-year Statewide Transportation Improvement Program (STIP) (instead of three years); similar requirements for metropolitan area Transportation Improvement Programs (TIPs)
- Emphasizes transportation system security by making it a separate planning factor

- Emphasizes preservation of the existing system and application of operations, management, and maintenance strategies to optimize efficiency of existing transportation systems

Environmental

- Streamlines Section 4(f) environmental requirements by allowing projects that have a "*de minimis*" (minor) impact on a resource to avoid 4(f) documentation (for historic resources) and skip the alternatives analysis and go directly to minimization and compensation (for parks, etc.)
- Creates 180-day Statute of Limitations for legal challenges to federal approvals of highway and transit projects, triggered by publication of Federal Register notice announcing the decision
- Establishes new Environmental Review Process for federal EIS projects that includes some new elements and terminology. The new process is optional for non-EIS federal transportation projects.

Safety

- Creates the Highway Safety Improvement Program (HSIP) to replace the Hazard Elimination Safety (HES) set-aside program. The HSIP is a core formula program and is funded at approximately \$22 million for Minnesota—more than double the old HES funding.
- Creates a new High Risk Rural Road set-aside program funded at approximately \$1.9 million for Minnesota. This program is for any roadway classified as a Rural Major Collector, Rural Minor Collector or a Rural Local Road that has a crash rate above the statewide average for fatal and serious crashes.

Transit

- Preserves key features of the two previous authorization acts (ISTEA and TEA-21) providing flexibility for state and local decision makers and emphasizing multimodal solutions to major transportation challenges
- Increases funding for rural transit significantly, which will help systems meet escalating costs (e.g., for fuel, insurance) and allow for modest service expansion
- Provides funding for non-motorized alternative transportation, including a Safe Routes to School program
- Establishes a new Small Starts Program as part of the New Starts Program for smaller transit capital projects such as Bus Rapid Transit. However, the discretionary nature of the New Starts program, which is the second largest transit program, makes it difficult to predict the total level of transit funding the region might ultimately receive over the life of the bill.

Motor Carrier

- Increases funding for the motor carrier safety program and for eliminating rail/highway crossing hazards
- Promotes efficient freight movement by making funding available to improve the infrastructure at Minnesota's northern border and by establishing programs to address the shortage of commercial vehicle parking
- Provides opportunities and challenges in shaping and changing federal motor carrier credentialing programs -- the Unified Carrier Registration program and the Uniform Hazardous Material Registration Program

Research

- Increases transportation research funding significantly, most of which is earmarked for specific projects
- Establishes and provides funding for a National University Transportation Center (\$16 million) at the University of Minnesota's Center for Transportation Studies and a Center for Excellence in Rural Safety (\$3.5 million) at the Humphrey Institute, both of which will potentially bring more transportation research programs to the state

Contact: Brad Larsen, Mn/DOT Federal Relations Manager, 651/282-2107

<http://www.dot.state.mn.us/safetea-lu>