

**Frequently Asked Questions**  
**Strategic Innovation for Revenue Collection (SIRC) Program**  
**Notice of Funding Opportunity (NOFO) 693JJ324NF00014**

*Except for the statutes and regulations cited, the contents of this document do not have the force and effect of law and are not meant to bind the public in any way. This document is intended only to provide information to the public regarding existing requirements under the law or agency policies.*

**Q1. Is this a new program?**

A1. Yes. Section 13001 of the Bipartisan Infrastructure Law (BIL), enacted as the Infrastructure Investment and Jobs Act (Pub. L. 117-58), created the SIRC Program.

**Q2. What is the purpose of the SIRC Program?**

A2. The purpose of the SIRC Program is “to test the feasibility of a road usage fee and other user-based alternative revenue mechanisms... to help maintain the long-term solvency of the Highway Trust Fund, through pilot projects at the State, local, and regional level.” (BIL Section 13001(a))

**Q3. Is there other outreach or information on the SIRC Program beyond these FAQs?**

A3. An informational Webinar (and presentation) about the SIRC Program will be scheduled during the solicitation period and a recording will be made available. Details for the Fiscal Year (FY) 2022 – 2023 Webinar will be determined and posted to Grants.gov via an amendment. To join this Webinar, follow the instructions posted on <https://ops.fhwa.dot.gov/stsfa/index.htm> and <https://ops.fhwa.dot.gov/bipartisan-infrastructure-law/index.htm>. Questions asked during the Webinar will be posted with their answers on Grants.gov. Details for the FY 2024 Webinar: Access information for the FY 2024 informational Webinar will be provided via an amendment to this NOFO and posted to Grants.gov.

**Q4. Are SIRC grants to develop alternative revenue mechanisms solely to test for collection of Federal revenue (i.e., Highway Trust Fund) or can revenue collection for other purposes be included too?**

A4. The mechanism should be designed to demonstrate effective collection of Federal user fee revenue, but it could also be used to collect State or local user fee revenue. It should be noted that during the pilot project, Federal user fee revenue would not actually be collected; rather, the pilot project would demonstrate how the mechanism could be used to collect Federal user fee revenue.

**Q5. Will the SIRC Program continue beyond this solicitation?**

A5. Yes, \$15 million has been made available for each of fiscal years (FY) 2022 through 2026 for pilot projects under this program (BIL Section 13001(e)). This NOFO announces funding for FY 2022 – 2024.

**Q6. Who is an eligible entity under the SIRC Program?**

A6. A State or a group of States; local government or group of local governments; a metropolitan planning organization (as defined in section 134(b) of title 23, United States Code (U.S.C.)) or a group of metropolitan planning organizations (BIL Section 13001(b)(4)); and multi-jurisdictional groups are eligible to apply. A multi-jurisdictional group is any combination of States, local governments, or Metropolitan Planning Organizations with one entity in the group serving as the fiscal agent to administer the Federal funding. Other entities are not eligible to apply as lead applicants but may pursue partnerships with the eligible entities mentioned above. Those partnerships would represent either contractor or subrecipient relationships, as defined in [2 Code of Federal Regulations \(CFR\) 200.1](#).

**Q7. How much is available per grant each year?**

A7. This will depend on the number of grants awarded. FHWA anticipates awarding at least five—and possibly more—grants for each fiscal year that funds have been made available for this program. (See NOFO Section B).

**Q8. What is the Federal share under the SIRC Program?**

A8. The Federal share of the cost of a SIRC pilot project may not exceed:

- (A) 80 percent of the total cost of a project carried out by an eligible entity that has not otherwise received a grant under this section; and
- (B) 70 percent of the total cost of a project carried out by an eligible entity that has received at least 1 grant under this section.

(See BIL Section 13001(b)).

**Q9. Can the required non-Federal cost share (or match) be non-monetary?**

A9. Yes, provided that the non-monetary match complies with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards specified in [2 CFR Part 200](#), including [section 200.306](#) on Cost Sharing or matching. (See NOFO Section C.2.)

**Q10. Does SIRC funding need to be used within a single year?**

A10. No. The estimated period of performance for SIRC awards is up to five (5) years. The time period will be determined based on the proposed work tasks outlined in the work plan. FHWA recommends that an applicant include in its submission an estimated schedule of expenditure.

**Q11. Can a proposal include multi-year phases, some of which would require additional funding in future years?**

A11. Yes, but each phase must have independent utility to be considered, and future phases must apply for a new SIRC grant in future years. An award in year one of a multi-year phased plan does not guarantee funding for all phases.

**Q12. Can other Federal funds be used in conjunction with SIRC funds for the same proposed project?**

A12. Other Federal funds using the appropriate matching share and eligibility requirements may be leveraged for the deployment of a SIRC pilot project but cannot be considered as part of the match for the SIRC funds, unless otherwise authorized by statute. (See 2 CFR 200.306(b)(5) and NOFO Section C.2.).

**Q13. Can an eligible applicant apply simultaneously both for a SIRC grant and another Federal grant, such as DOT's Infrastructure for Rebuilding America or Rebuilding American Infrastructure with Sustainability and Equity programs?**

A13. Yes. There is no restriction on submitting applications to multiple Federal funding opportunities, assuming all applicable program requirements are addressed. A single project, however, cannot receive Federal funding under multiple Federal grant programs. Please also note the following language from Section D.2 of the NOFO:

An applicant may seek the same award amounts from multiple DOT discretionary opportunities or seek a combination of funding from multiple DOT opportunities. The applicant should indicate, within the Federal funding description, details about other potential DOT programs and opportunities from which they intend to solicit funds and what award amounts they will be seeking.

**Q14. If there are not enough qualified proposals to use all SIRC funds for a fiscal year, what happens to the unused funds authorized for the SIRC Program?**

A14. If, by August 1 of each fiscal year, the Secretary determines that there are not enough grant applications to meet the requirements of the program for the fiscal year, the Secretary must transfer the excess funding to the national pilot program established under BIL Section 13002 or to the highway research and development program under 23 U.S.C. 503(b). (BIL Section 13001(e)(2)).

**Q15. What are the requirements for an eligible proposal to receive SIRC funding?**

A15. The proposed pilot projects must address one or more of the following objectives:

1. To test the design, acceptance, equity, and implementation of user-based alternative revenue mechanisms, including among—
  - a. differing income groups; and
  - b. rural and urban drivers, as applicable.
2. To provide recommendations regarding adoption and implementation of user-based alternative revenue mechanisms.

3. To quantify and minimize the administrative costs of any potential user-based alternative revenue mechanisms.
4. To test a variety of solutions, including the use of independent and private third-party vendors, for the collection of data and fees from user-based alternative revenue mechanisms, including the reliability and security of those solutions and vendors.
5. To test solutions to ensure the privacy and security of data collected for the purpose of implementing a user-based alternative revenue mechanism.
6. To conduct public education and outreach to increase public awareness regarding the need for user-based alternative revenue mechanisms for surface transportation programs.
7. To evaluate the ease of compliance and enforcement of a variety of implementation approaches for different users of the surface transportation system.
8. To ensure, to the greatest extent practicable, the use of innovation.
9. To consider, to the greatest extent practicable, the potential for revenue collection along a network of alternative fueling stations.
10. To evaluate the impacts of the imposition of a user-based alternative revenue mechanism on—
  - a. transportation revenues;
  - b. personal mobility, driving patterns, congestion, and transportation costs; and
  - c. freight movement and costs.
11. To evaluate options for the integration of a user based alternative revenue mechanism with—
  - a. nationwide transportation revenue collections and regulations;
  - b. toll revenue collection platforms;
  - c. transportation network company fees; and
  - d. any other relevant transportation revenue mechanisms.

(BIL Section 13001(b)(3).)

**Q16. Are proposals for national fuel sales, value added, or other indirect tax mechanisms eligible for SIRC grants?**

A16. Eligible revenue mechanisms are restricted to user-based mechanisms as described in Section B.3 of the NOFO. Applications that propose these types of revenue mechanisms will be evaluated to determine if they meet the statutory requirements. Note that these revenue mechanisms are generally considered consumption-based and not user-based fee strategies.

**Q17. How should proprietary or business sensitive information be noted in any response to the Notice of Funding Opportunity?**

A17. If the application includes information the applicant considers to be a trade secret or confidential commercial or financial information, the applicant should do the following: (1) Note on the front cover that the submission “Contains Confidential Business Information (CBI),” (2) mark each affected page “CBI,” and (3) highlight or otherwise denote the CBI portions. This will provide FHWA with a clear request not to release the information on that page or section of the application without prior notice and coordination with your organization. Please note that FHWA is required to comply with the Freedom of Information Act. (See NOFO Section D.7.c and [49 CFR part 7.](#))

**Q18. Is the type of user-based alternative revenue mechanism proposed for SIRC grants limited in any way?**

A18. No. Any type of user-based alternative revenue mechanism can be proposed under the SIRC Program, including vehicle-miles traveled and road user charges. However, as explained in Section A.4. of the NOFO, the proposed mechanism needs ultimately to be a broad-based alternative revenue mechanism that could ultimately be scaled to a national level to help maintain the long-term solvency of the Highway Trust. All grant applications should demonstrate how the mechanism would operate and how it would meet the objectives of the SIRC Program including to help maintain the long-term solvency of the Highway Trust Fund.

**Q19. Is there an advantage given to multi-State applications?**

A19. No, but FHWA encourages multi-State applications. All applications received will be evaluated in accordance with the criteria included in Section E of the NOFO.

**Q20. Is there a preference for grant applications that involve converting free roads to toll facilities?**

A20. No. The SIRC grants are awarded to eligible entities (see Q6) to test the feasibility of a road usage fee and other user-based alternative revenue mechanisms to help maintain the long-term solvency of the Highway Trust Fund. Simply converting roads into tolled facilities may not satisfy the statutory objectives and requirements for the use of SIRC funds. All applications received will be evaluated in accordance with the criteria included in Section E of the NOFO.

**Q21. Are State Planning and Research (SPR) funds eligible to satisfy the required non-Federal match?**

A21. No. The SPR funds are Federal funds and may not be used as matching funds for this program.

**Q22. Do selected SIRC grant recipients have to be from different geographic areas?**

A22. No, however, FHWA must consider geographic diversity in awarding the SIRC grants. (BIL Section 13001(b)(6).)

**Q23. If an applicant has already spent State or local funds on a user-based alternative revenue mechanism project, can those funds be used as part of the non-Federal match?**

A23. No. Funds already expended prior to execution of the grant agreement or project agreement (or otherwise encumbered) cannot be used as a non-Federal match. (See NOFO Section C.)

**Q24. Can SIRC funds be used to support initial program-related costs for development, data collection, implementation, program administration, evaluation, and reporting?**

A24. Yes. The SIRC Program objectives support the adoption and implementation of user-based alternative revenue mechanisms, and pilot projects are encouraged to quantify and minimize the administrative costs related to development, deployment, and testing of any potential user-based alternative revenue mechanisms. (See NOFO Section A.4.)

**Q25. What is the relative weight given to each of the criteria listed in the SIRC Program NOFO?**

A25. FHWA will evaluate applications based on the following merit criteria: technical merit, staffing, and cost. The technical merit criterion has the most importance, while the staffing and cost criteria are approximately equally important. (See NOFO Section E.1.)

The Technical Evaluation Panel members will also independently evaluate each eligible application received based on the Additional Selection Considerations in NOFO Section E.2. The evaluations from the Technical Evaluation Panel, which will be appraised by the Senior Review Team, will place all eligible projects into one of three rating categories: Highly Recommended, Recommended, and Not Recommended. (See NOFO Section E.3.)

**Q26. When will SIRC grant award announcements be made?**

A26. FHWA anticipates, but does not guarantee, awarding funds for FY 2022 and 2023 SIRC grants on or before September 2024. FHWA anticipates, but does not guarantee, awarding funds for FY 2024 SIRC grants on or before September 2025.

**Q27. Is a proposed project required to be listed in the State Transportation Improvement Plan (STIP)?**

A27. No, a proposed project does not have to be listed in the STIP, Transportation Improvement Program, or Metropolitan Planning Organizations long range plan; however, if it is listed in any plans, please note that in your SIRC application.

**Q28. Can “in kind” services, such as those that might be provided by technology providers, be considered part of the non-Federal match?**

A28. Yes. However, those services or any costs incurred that are being proposed as a portion of the non-Federal share must not have been performed/incurred prior to execution of a grant award. All forms of cost sharing will be treated in accordance with [2 CFR Part 200](#) including section [200.306](#) on Cost Sharing or Matching. (See NOFO Section C.2.)

**Q29. Can applicants include less mature user-based alternative revenue mechanisms in SIRC grant applications?**

A29. Yes. Applicants should identify and rate what User-Based Alternative Revenue Mechanism (UB-ARM) Technology Readiness Maturity Scale level the proposed pilot project will be rated at the beginning of the project and the rating upon completion, using the scale

provided in the NOFO Section D. 2., Volume 1. Technical Application. The UB-ARM maturity level scale is a systematic way to assess the readiness of a technology for implementation or deployment.

**Q30. Do proposed user-based alternative revenue mechanisms need to collect Federal revenue in an amount greater than what is collected today?**

A30. No. While FHWA would like to see the mechanism's impacts on the collection of Federal revenue (i.e., the net collection of fees), such mechanism need not show that it would collect Federal revenues beyond what is collected today.

**Q31. Is there preference for user-based alternative revenue mechanism proposals that may test a larger number of vehicles?**

A31. No. FHWA interprets the focus of the SIRC Program to be on broad-based alternative revenue mechanisms that could ultimately be scaled to a national level to help maintain the long-term solvency of the Highway Trust Fund, as opposed to localized solutions that are not scalable. While FHWA suggests including such numbers in a SIRC grant application, there is no preference.

**Q32. Is there any expectation as to the magnitude of new Federal user-based revenue generation that a SIRC grant awarded proposal should generate?**

A32. No. While there is no expectation, the SIRC application may state, if known, the applicant's estimate for revenue generation.

**Q33. Can SIRC applications be sent by email?**

A33. No. Applications must be submitted through [www.grants.gov](http://www.grants.gov). Late applications may be considered in conformance with NOFO section D.4.

**Q34. Will there be debrief sessions for applicants not selected for a SIRC grant to improve their applications in future years?**

A34. Upon request, FHWA will make reasonable efforts to schedule meetings to provide feedback on applications after selections are made. Requests for debriefs should be sent to [SIRCFHWA@dot.gov](mailto:SIRCFHWA@dot.gov).

**Q35. Are toll credits allowable as part of the required non-Federal cost share?**

A35. Yes. When a State is the recipient of SIRC grant funds, toll credits may be used for the non-Federal share for SIRC projects as allowed for Federal-aid projects under [23 U.S.C. 120\(i\)](#) and the authorities described in the Federal Highway Administration's "Updated Toll Credit Guidance" (dated September 14, 2021) (available at [https://www.fhwa.dot.gov/ipd/finance/tools\\_programs/federal\\_aid/matching\\_strategies/HOP-210910-001-HCF-001\\_Action%20Memo-Tol\\_Credit\\_for\\_NonFederal\\_Share\\_HCF.pdf](https://www.fhwa.dot.gov/ipd/finance/tools_programs/federal_aid/matching_strategies/HOP-210910-001-HCF-001_Action%20Memo-Tol_Credit_for_NonFederal_Share_HCF.pdf)).

If a State intends to use toll credits toward the non-Federal share, the amount of such credits should be specified in the State's SIRC application and should be based on balances that have been approved by the State's FHWA Division Office at the time of application.