NACo EXECUTIVE SUMMARY OF

THE INFRASTRUCTURE INVESTMENT & JOBS ACT:

OVERVIEW OF KEY PROVISIONS & COUNTY IMPLEMENTATION EFFORTS

On November 15, President Biden signed the Infrastructure Investment and Jobs Act (IIJA), enacting the legislation into law following a vote in the U.S. House of Representatives, where the bipartisan infrastructure package passed 228-206 earlier this month. These final steps follow the August 10 U.S. Senate passage of the bill in a strongly bipartisan 69-30 vote.

The IIJA provides $973 billion over five years from Fiscal Year (FY) 2022 through FY 2026, including $550 billion in new investments for all modes of transportation, water, power and energy, environmental remediation, public lands, broadband and resilience.

Counties play a major role in America's transportation and infrastructure network, owning and operating 44 percent of public roads and 38 percent of bridges– more than any other level of government.

IMPLEMENTATION OF IIJA AT THE COUNTY LEVEL

The IIJA is a major victory for counties, who worked closely with our partners in Congress throughout the legislative process to ensure county priorities were included. The next step for IIJA is implementation at the federal, state and local levels.

As Congress works to implement IIJA, counties will be able to access transportation funds in the three ways:

1. MEETING CERTAIN ELIGIBILITY CRITERIA FOR FORMULA FUNDS TO PUBLIC TRANSIT SYSTEMS AND AIRPORTS

Example: U.S. Department of Transportation (USDOT) transit formula grant programs, like Formula Grants for Rural Areas (5311) and Urbanized Area Formula Grants (5307), require public transit operators to meet certain criteria, certify that criteria is met and publicly disclose project information before funding is distributed via formulas based on population and other factors.

The Airport Improvement Program (AIP) is another example of a program that distributes funding based on formulas to airport sponsors. In the case of AIP, formulas are based on the number of passenger enplanements.

2. RECEIVING SUBALLOCATIONS FROM STATE GOVERNMENTS

Example: The Surface Transportation Block Grant (STBG) Program is the most flexible of the transportation formula programs for counties. While the funding flows directly to state departments of transportation (DOT) through federal formulas, state DOTs must suballocate funding – and in some cases, project selection authority – to local communities, often through Metropolitan Planning Organizations.

The below table compares funding for STBG authorized under IIJA compared to previous funding authorized under the Fixing America's Surface Transportation Act (FAST Act/ P.L. 114-94).

SURFACE TRANSPORTATION BLOCK GRANT (STBG) PROGRAM

(numbers over five years)

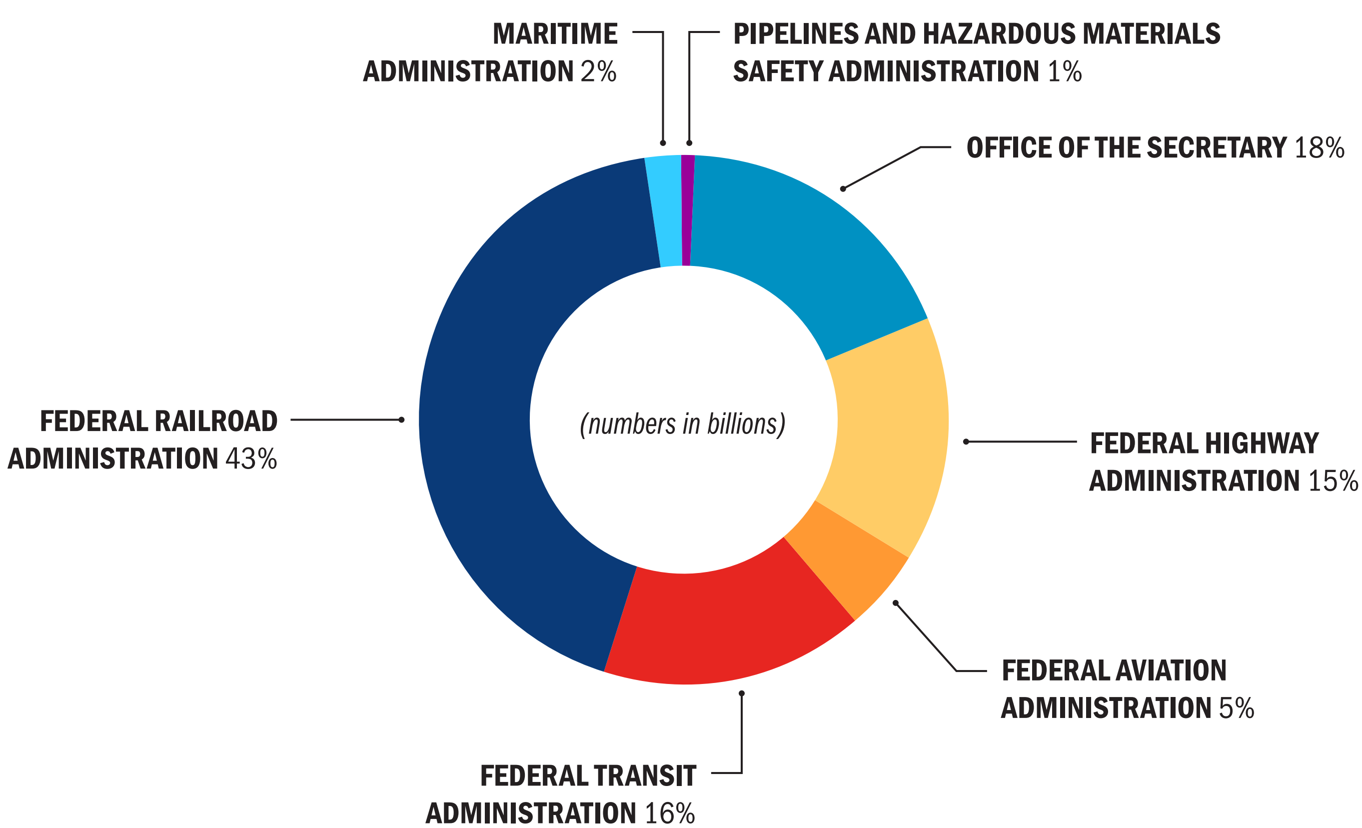
STBG PROVISION	FAST ACT	IIJA	% CHANGE
Overall program funding	$52 billion	$72 billion	38.5% increase
Suballocation to local governments based on population	$28.05 billion	$36.13 billion	29% increase
Off-system bridge set-aside	$3.88 billion	$5.18 billion	33.5% increase
Transportation Alternative suballocation to local governments based on population	$2.11 billion	$4.25 billion	101% increase

3. APPLYING DIRECTLY TO USDOT OR A STATE DOT FOR COMPETITIVE GRANT OPPORTUNITIES

The IIJA provides just over $100 billion in direct, competitive grant opportunities through USDOT to state and local governments over the life of the bill.

The chart below demonstrates the breakdown of IIJA's competitive resources for transportation by USDOT sub-administrations.

IIJA COMPETITIVE RESOURCES BY USDOT SUB-ADMINISTRATION



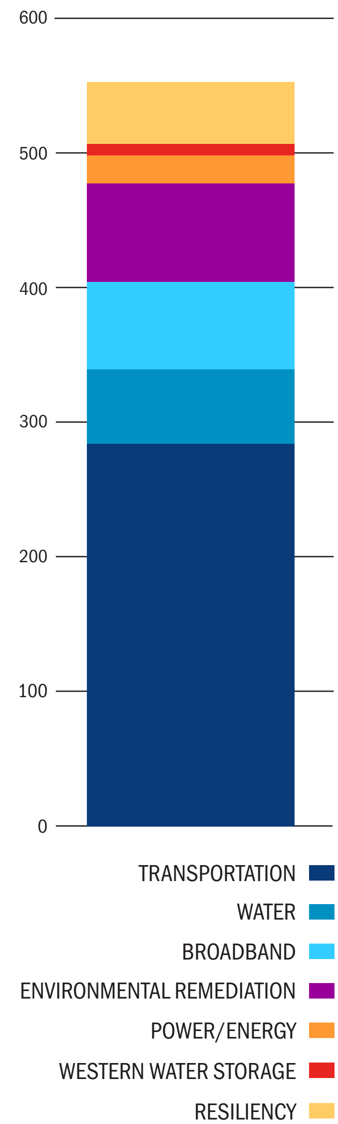
IIJA BY THE NUMBERS

The $550 billion in new investments includes:

- Transportation: $284 billion (U.S. Department of Transportation)
- Water: $55 billion (U.S. Environmental Protection Agency)
- Broadband: $65 billion (U.S. Department of Commerce)
- Energy & Power: $73 billion (U.S. Department of Energy)
- Environmental remediation: $21 billion (U.S. Environmental Protection Agency)
- Western water infrastructure: $8.3 billion (U.S. Department of the Interior; U.S. Department of Agriculture)
- Resiliency: $46 billion (U.S. Department of Homeland Security)

Of the new investments, $284 billion will go toward all modes of transportation, with the remaining $266 billion directed to other physical infrastructure sectors. Nearly 52 percent of IIJA's new resources are dedicated to modernizing and making improvements to transportation infrastructure, with the majority of these funds reserved for highways, roads and bridges:

- Roads & Bridges: $110 billion
- Transit: $39 billion
- Rail: $66 billion
- Safety: $11 billion
- Airports: $25 billion
- Ports & Waterways: $17 billion
- Electric vehicle chargers: $7.5 billion
- Electric buses: $7.5 billion
- Reconnecting Communities: $1 billion



NEXT STEPS FOR THE IIJA AND COUNTIES

While we are doing our part at the local level, we must rely on the intergovernmental partnership to meet our many public infrastructure responsibilities, as well as to reach our federal, state and local shared goal of improving the nation's infrastructure. NACo is working closely with USDOT and other federal agencies impacted by the legislation to ensure America's counties have the information and guidance necessary to successfully execute the policies and programs in the IIJA.

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In addition to our considerable road and bridge responsibilities, counties also directly support 78 percent of public transit systems and 34 percent of airports that keep our residents connected in every corner of the country. Each year, counties invest $134 billion in the construction of infrastructure and the maintenance and operation of public works.

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