$550 billion in new investments over five years
FY 2022 – FY 2026

Above baseline investments for sectors addressed in IIJA include:

- **Transportation**: $284 billion
- **Water**: $55 billion
- **Broadband**: $65 billion
- **Energy & Power**: $73 billion
- **Environmental remediation**: $21 billion
- **Western water infrastructure**: $8.3 billion
- **Resiliency**: $46 billion
KEY HIGHLIGHTS FOR TRANSPORTATION

• New, long-term surface transportation reauthorization for FY 2022 to FY 2026
• Increases funding for STBG from $52 billion $72 billion ($36.13 billion in population-based suballocations to locals over 5 years)
• Increases the off-system bridge set-aside $775 million $1.035 billion annually
• $12 billion in competitive funds through new Bridge Investment Program
• New $2.5 billion competitive at-grade rail crossing program
• New $5 billion competitive program for airport terminal renovations
• New resources to increase access and expand transit and bus service to rural and underserved communities
• In total, over $100 billion in competitive resources for local governments
KEY HIGHLIGHTS FOR WATER

• Provides $29.3 billion for the Clean Water and Drinking Water State Revolving Funds over five years
  • Amends the DWSRF and CWSRF increase the amount of money for disadvantaged communities
• Addresses lead in drinking water by providing $15 billion to replace lead service lines
• Addresses emerging contaminants by investing $1 billion
• Provides $4 billion to address PFAS chemicals in drinking water
KEY HIGHLIGHTS FOR ENERGY & ENVIRONMENT

• Invests $5 billion in a new competitive grant program to enhance grid resiliency
• Authorizes $3.5 billion for the Weatherization Assistance Program
• New $2.5 billion revolving loan fund to replace or enhance transmission lines
• Invests $3 billion in grants to state and local governments for battery processing
• Provides $1.2 billion to fund Brownfields projects
KEY HIGHLIGHTS FOR BROADBAND

• Establishes three new broadband programs
  • The Broadband Equity, Access, and Deployment Program ($42.45 billion)
  • The Competitive Middle Mile Grant Program ($1 billion)
  • The Digital Equity Grant Programs ($2.75 billion)
• Authorizes a new State and Local Cybersecurity Grant Program ($1 billion)
• Extends the Affordability Connectivity Funds ($14.2 billion)
KEY HIGHLIGHTS FOR PUBLIC LANDS

• Extends the Secure Rural Schools (SRS) program for three years
• Provides $5.5 billion over five years for wildfire risk mitigation
• Provides $250 million over five years to addresses U.S. Forest Service Legacy Roads and Trails
• Invests in western water infrastructure
• Expands eligible uses of American Rescue Plan county relief funds
KEY HIGHLIGHTS FOR RESILIENCE

- Establishes intergovernmental wildfire mitigation commission
- Fully funds the STORM Act, providing $500 million over five years to state and local governments to create resilience revolving loan funds for mitigation projects
- Provides $1 billion over five years for the Building Resilient Infrastructure and Communities (BRIC) Program
- Provides $3.5 billion over five years for Flood Mitigation Assistance Grants
QUESTIONS ON IIJA?

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HOW WE GOT HERE

**Mar. 2021**
- Congress enacts American Rescue Plan Act of 2021 on party line vote
- Biden administration frames as a “down payment” on long-term economic recovery package

**Apr. 2021**
- Biden releases frameworks for American Jobs Plan & American Families Plan, totaling more than $4T over 10 years

**Summer 2021**
- Congress negotiates terms for “hard” bipartisan infrastructure package (IJA)
- Dems plan to utilize budget reconciliation to advance additional spending goals
- Senate passes IJA

**Aug. 2021**
- Senate and House pass FY 2022 budget resolution with social spending reconciliation instructions by party line votes

**Sep. 2021**
- House Dems introduce $3.5 T Build Back Better Act (BBBA)
- Moderate Democrats object to price tag, key provisions

**Oct. 2021**
- Negotiations begin to scale package down
- House Dems unveil $1.75 T compromise BBBA draft legislation

**Nov. 2021**
- House passes IJA
- Negotiations over BBBA continue

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### RECONCILIATION REFRESHER

<table>
<thead>
<tr>
<th>WHAT</th>
<th>HOW</th>
<th>WHEN</th>
<th>WHY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgetary process</td>
<td>Complex set of procedural and budgetary requirements</td>
<td>When Congress has a budget resolution to pass (can be twice in a calendar year)</td>
<td>Advantage: A way to accomplish major legislative goals with a simple majority in the Senate</td>
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<tr>
<td>Allows the Senate to bypass filibuster in favor of simple majority vote</td>
<td>Committees are directed to add certain amount to the deficit within a specific 10-year budget window</td>
<td>Recent Examples:</td>
<td>Drawbacks: Highly partisan process; can force substantive policy changes</td>
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<td>Must demonstrate that provisions have budgetary impact</td>
<td>• Tax Cuts and Jobs Act of 2017</td>
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THE LATEST BBBA COMPROMISE FRAMEWORK

- $1.5 T REVENUE RAISING
- $1.75 T NEW SPENDING

- Full Congressional Budget Office (CBO) score not yet available
- While some details may be released this week, others will take longer
- CBO score is a key factor for moderate Democrats
# The Latest BBBA Compromise Framework

<table>
<thead>
<tr>
<th>IN</th>
<th>OUT</th>
<th>REDUCED</th>
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<tbody>
<tr>
<td>☐ 15% minimum tax for corporations with over $1 billion in profits</td>
<td>☐ Other corporate tax rate increases</td>
<td>☐ Length of expanded refundable tax credits (from 4 years to 1)</td>
</tr>
<tr>
<td>☐ Climate provisions ($500 B)</td>
<td>☐ Clean Energy Performance Program</td>
<td>☐ Child nutrition funding: from $35 billion to $9 billion</td>
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<tr>
<td>☐ Universal pre-K + affordable child care ($400 B)</td>
<td>☐ Free community college</td>
<td>☐ Housing aid: from $300 billion to $150 billion</td>
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<td>☐ 3-year ACA subsidy extension</td>
<td>☐ Medicare dental and vision expansion</td>
<td>☐ Drug price negotiation</td>
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<td>☐ Medicare hearing benefits</td>
<td></td>
<td>☐ Paid family leave (down from 12 weeks to 4)</td>
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<tr>
<td>☐ Increased SALT cap</td>
<td></td>
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<td>☐ Medicaid Re-Entry Act</td>
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## LEGISLATIVE OUTLOOK

### POSSIBLE TIMELINE

- House has agreed to debate BBBA but no vote is scheduled
- Some moderate Democrats in the House may not vote without a CBO score
- House may vote on bill and send to Senate without agreement between chambers

### OUTSTANDING CHALLENGES

- All Democrats in the Senate must support final package and the House cannot lose more than 3 Democratic votes
- Key provisions still under debate, including revenue raisers, paid leave and SALT cap
- Compliance with budgetary rules in the Senate will also likely change key provisions
WHAT IT MEANS FOR COUNTIES

- Historic provisions would significantly impact county systems and lives of county residents
- Passage would mean certain policy wins and pose new implementation challenges/responsibilities
- NACo encourages bipartisan solutions to our nation’s pressing challenges
- Counties must have a seat at the table and a strong role in implementation if this major legislation becomes law. NACo will always advocate for:
  - Technical assistance and adequate administrative resources for counties
  - Required consultation with county governments
  - Protection from unfunded mandates
QUESTIONS ON BBBA?

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