

# NACo FEDERAL POLICY UPDATE: THE INFRASTRUCTURE INVESTMENT & JOBS ACT

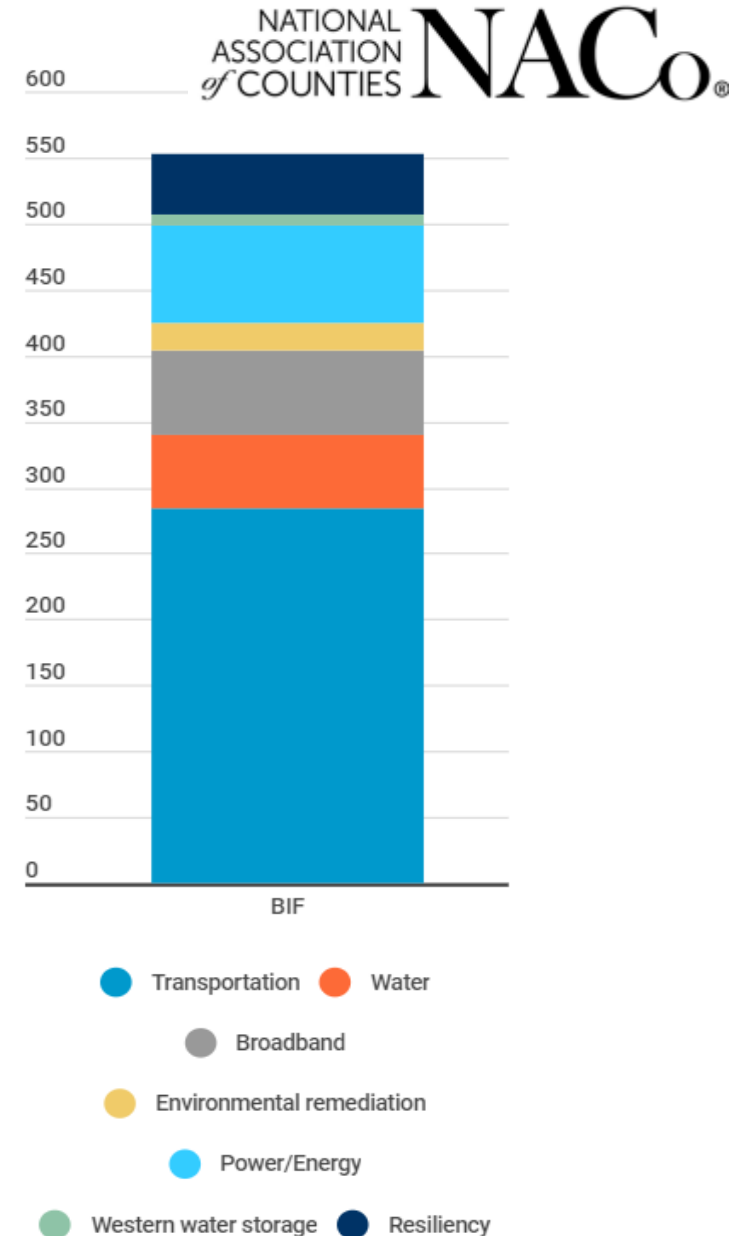
November 9, 2021



# \$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 IJA?

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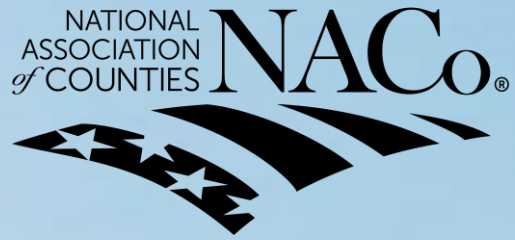
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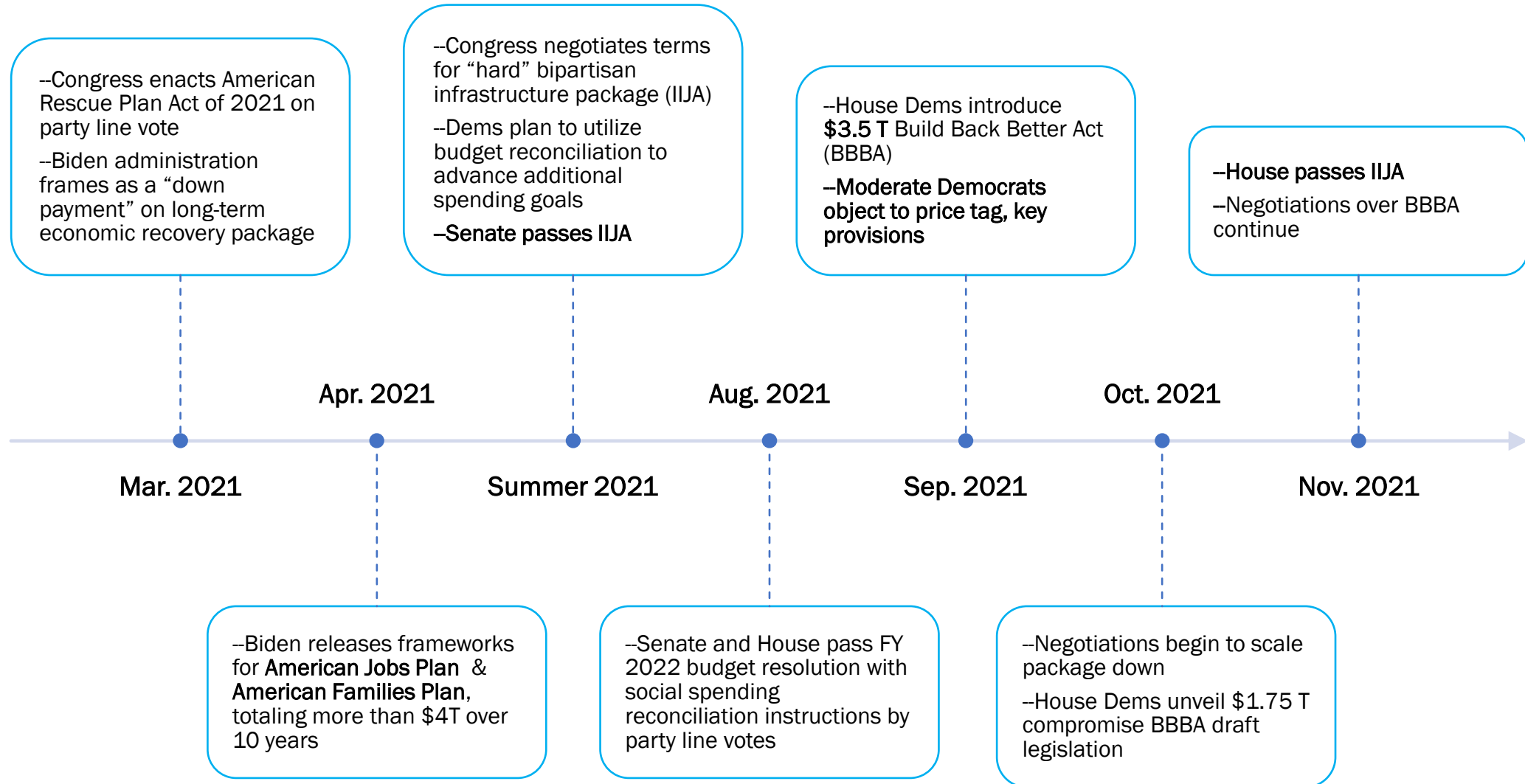


# **OVERVIEW OF BUILD BACK BETTER ACT**

**NACo MEMBERSHIP CALL**  
NOVEMBER 9, 2021



# HOW WE GOT HERE



# RECONCILIATION REFRESHER

## WHAT

Budgetary process

Allows the Senate to bypass filibuster in favor of simple majority vote

## HOW

Complex set of procedural and budgetary requirements

Committees are directed to add certain amount to the deficit within a specific 10-year budget window

Must demonstrate that provisions have budgetary impact

## WHEN

When Congress has a budget resolution to pass (can be twice in a calendar year)

Recent Examples:

- Tax Cuts and Jobs Act of 2017
- American Rescue Plan Act of 2021 (FY 2021 Budget Resolution)

## WHY

**Advantage:** A way to accomplish major legislative goals with a simple majority in the Senate

**Drawbacks:** Highly partisan process; can force substantive policy changes

# THE LATEST BBBA COMPROMISE FRAMEWORK



- 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

## IN



- 15% minimum tax for corporations with over \$1 billion in profits
- Climate provisions (\$500 B)
- Universal pre-K + affordable child care (\$400 B)
- 3-year ACA subsidy extension
- Medicare hearing benefits
- Increased SALT cap
- Medicaid Re-Entry Act

## OUT



- Other corporate tax rate increases
- Clean Energy Performance Program
- Free community college
- Medicare dental and vision expansion

## REDUCED



- Length of expanded refundable tax credits (from 4 years to 1)
- Child nutrition funding: from \$35 billion to \$9 billion
- Housing aid: from \$300 billion to \$150 billion
- Drug price negotiation
- Paid family leave (down from 12 weeks to 4)



# 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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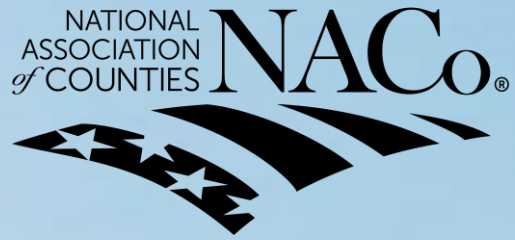
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