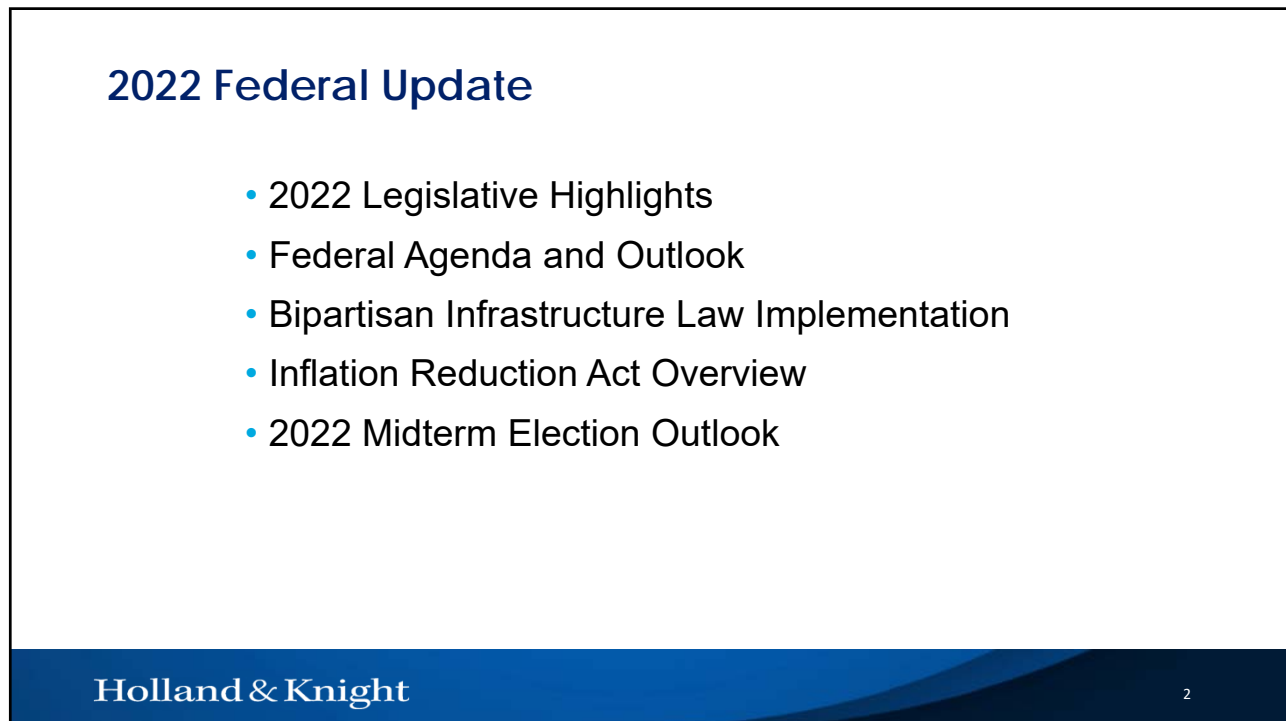


AGENDA ITEM 4 - PowerPoint Presentation



1



2

2022 Legislative Highlights

- **Bipartisan Infrastructure Law** – In late 2021, President Biden signed new legislation that allocated billions towards infrastructure, broadband, and energy projects.
- **FY 2022 Omnibus** – On March 10, the Senate passed the \$1.5 trillion Fiscal Year (FY) 2022 spending bill.
- **Safer Communities Act** – Legislation closing loopholes in firearms procurement and makes investments in mental health services, red flag laws, and school safety.
- **Chips and Science Act** – \$52 billion investment in semiconductor manufacturing in the United States and authorizes several science programs.
- **Inflation Reduction Act** – Landmark reconciliation package allocating billions towards clean energy, allows Medicare to negotiate the price of prescription drugs, and changes the tax code.

2022 Congressional Agenda and Outlook

- **Government Funding** – Congress continues to negotiate over FY 2023 appropriations bills. To ensure the government is funded after the end of the fiscal year, members will need to pass a short-term continuing resolution.
- **National Defense Authorization** – Providing funding for the Department of Defense.
- **Same-Sex Marriage** – Legislation that would enshrine protections for same-sex marriage. Democrats have pushed to pass a law after the Supreme Court's *Dobbs* decision.
- **Electoral Count Act** – Legislation to clarify the Vice President's role in certifying presidential elections and make other revisions to the electoral count process.
- **Tax Extenders** – Annual tax extender bill, which could include expansion of the Low Income Housing Tax Credit.

Infrastructure Investment and Jobs Act

- On November 15, 2021, President Biden signed the bipartisan “Infrastructure Investment and Jobs Act” (H.R. 3684) into law to invest in the nation’s infrastructure, including funding for roads and bridges, rail, transit, airports, energy, sustainability, water, and broadband, among other priorities.
 - The House passed the measure on Nov. 5 on a 228-206 vote.
 - The Senate had passed the measure in August on a bipartisan 69-30 vote.
- The legislation provides \$1.2 trillion in total spending over 5 years, including \$550 billion in *new spending*. The legislation includes the transportation authorization bills:
 - Surface Transportation Reauthorization Act of 2021 ([S. 1931](#))
 - Surface Transportation Investment Act ([S. 2016](#))

Existing Transportation Formula Programs

Program	Funding Level	Status
Transportation Alternatives Program (TAP) <ul style="list-style-type: none"> • <i>Existing formula program; funding through Caltrans</i> • Increases the minimum percentage of TAP funding that is sub-allocated on the basis of population from 50% to 59% 	\$7.2 billion over 5 years; 330% increase over FAST Act	FHWA Released Apportionments to state DOTs on 12/15/21
National Highway Freight Program <ul style="list-style-type: none"> • <i>Existing formula program; funding through Caltrans</i> • Increases critical urban freight corridors from 75 to 150 miles 	\$7.15 billion over 5 years; 14.46% increase over FAST Act	FHWA Released Apportionments to state DOTs on 12/15/21
Congestion Mitigation and Air Quality Improvement Program (CMAQ) <ul style="list-style-type: none"> • <i>Existing formula program; funding through Caltrans</i> 	\$13.2 billion over 5 years; 9.79% increase over FAST Act	FHWA Released Apportionments to state DOTs on 12/15/21

Closed Competitive Transportation Grants

Program	Funding level over 5 years	Status
RAISE Grant Program <ul style="list-style-type: none"> Supports the development of road, rail, transit, and port projects that promise to achieve national objectives. 	\$7.5 billion	Awards announced
INFRA Grant Program <ul style="list-style-type: none"> Supports highway and rail projects of regional and national economic significance. 	\$8 billion	Awards announced
MEGA Grant Program <ul style="list-style-type: none"> Supports large, complex projects that will generate national or regional economic, mobility, or safety benefits. 	\$15 billion	Awards announced
Safe Streets and Roads for All <ul style="list-style-type: none"> Supports local Vision Zero initiatives 	\$5 billion	Closed

Holland & Knight

7

7

Open Transportation Opportunities

Program	Funding level over 5 years	Status
Reconnecting Communities Program <ul style="list-style-type: none"> To remove, retrofit, or mitigate highways or other transportation facilities that create barriers to community connectivity. 	\$500 million	Due Oct. 13
FRA Consolidated Rail Infrastructure and Safety Improvement (CRISI) <ul style="list-style-type: none"> <i>Existing competitive grant program</i> Funding for capital projects that improve passenger and freight rail transportation systems for safety, efficiency, or reliability. 	\$5 billion over 5 years	NOFO out on 7/6/22; NOFO deadline is 10/4/22
Railroad Crossing Elimination Grants <ul style="list-style-type: none"> To fund highway-rail or pathway-rail grade crossing improvement projects that focus on improving the safety and mobility of people and goods. 	\$3 billion	Due Oct. 4

Holland & Knight

8

8

Bridge Opportunities

Program	Funding Level	Status
Bridge Investment Program <ul style="list-style-type: none"> • <i>New competitive grant program</i> • Large grants (at least \$100 million) allocated through a FFGA like process. • Minimum grant amount for large projects not less than \$50 million. • At least 50% of funds over 5 years must be used for large projects. • Grant amounts should be of a size sufficient to enable the project to proceed through completion. 	\$12.5 billion over 5 years	Closed
Bridge Replacement, Rehabilitation, Preservation, Protection, and Construction <ul style="list-style-type: none"> • <i>Modeled after existing FHWA bridge formula program; funding through Caltrans</i> • Federal share is 100%. • 75% distributed by number of bridges in poor condition. • 25% distributed by number of bridges in fair condition. 	\$27.5 billion over 5 years	State DOTs received funding on 1/14/22 but are still allocating funds.

Upcoming Transportation Opportunities

Program	Funding Level	Status
Congestion Relief Program <ul style="list-style-type: none"> • <i>New competitive grant program</i> • Grants to projects in large urbanized areas (more than 1 million people) to advance innovative, integrated, and multimodal solutions to congestion relief. 	\$250 million over 5 years	TBD
Active Transportation Infrastructure Investment Program <ul style="list-style-type: none"> • <i>New competitive grant program</i> • Grants for safe and connected active transportation projects that connect destinations within or between communities -- including schools, workplaces, residences, businesses, recreation areas, and other community areas – or to create active transportation spines connecting communities and metropolitan regions or states. 	\$1 billion over 5 years (subject to appropriations)	TBD
Healthy Streets Program <ul style="list-style-type: none"> • <i>New competitive grant program</i> • Grants to deploy cool pavements and porous pavements and to expand tree cover 	\$500 million over 5 years (subject to appropriations)	TBD

Upcoming Transportation Opportunities

Program	Funding Level	Status
Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) Grant Program <ul style="list-style-type: none"> • <i>New formula and competitive grant program; Caltrans will allocate formula; transportation agencies eligible for competitive grants.</i> • Funding for planning, resilience improvements, community resilience and evacuation routes, and at-risk coastal infrastructure. 	\$7.3 billion in formula funding; \$1.4 billion in competitive set-aside grants over 5 years	State DOTs received implementation guidance for formula funding on 7/29/22. TBD on competitive grants
Carbon Reduction Program <ul style="list-style-type: none"> • <i>New formula program; funding through Caltrans</i> • Funds projects to reduce transportation emissions or for the development of carbon reduction strategies. • 65% of funds are suballocated to urbanized areas. 	\$6.42 billion over 5 years	State DOTs received implementation guidance for formula funding on 4/21/22.

Electric Vehicles (EV) Programs

Program	Funding Level	Status
Electric Vehicle (EV) Charging and Refueling Infrastructure Program <ul style="list-style-type: none"> • <i>New competitive grant program</i> • New grant program to deploy electric vehicle (EV) charging and hydrogen/propane/natural gas fueling infrastructure along designated alternative fuel corridors and in communities. 	\$2.5 billion over 5 years	TBD
EV Charging Formula Program <ul style="list-style-type: none"> • <i>New formula program; funding through Caltrans</i> • National EV Formula Program to provide funding to states to deploy EV charging infrastructure. 	\$5 billion over 5 years	State DOTs received guidance for formula funds on 2/10/22. Deadline for state DOTs to submit was 8/1/22. FHWA must approve plans by 9/30/22.

Aviation Programs

Program	Funding Level	Status
Airport Infrastructure Grants <ul style="list-style-type: none"> Local match mirrors Airport Improvement Program (AIP). \$2.48 billion annually for primary airports. \$500 million annually for general aviation and non-primary airports. \$20 million annually for competitive grants to construct, rehabilitate or relocate airport-owned contract towers. No local match. FAA will prioritize projects that enhance aviation safety, and improve air traffic efficiency. 	\$15 billion over 5 years	Closed
New Airport Terminal Competitive Grant Program <ul style="list-style-type: none"> 55% of the grants are required to be distributed to large hub airports, 20% for small hubs, 15% for medium hubs, and 10% for non-primary airports. 	\$5 billion over 5 years	Closed
FAA Facilities and Equipment <ul style="list-style-type: none"> Eligible uses include: replacing terminal and Air Traffic Control (ATC) facilities, fuel storage tank replacement, electrical power system support, and hazardous materials management and environmental cleanup. 	\$5 billion over 5 years	Closed

Broadband Programs

Program	Funding Level	Status
Broadband Equity, Access, and Deployment (BEAD) Program <ul style="list-style-type: none"> To be distributed among states for projects that support broadband infrastructure deployment and adoption. 	\$42.45 billion to be distributed among states	Letter of Intent due 7/15; Planning grant applications due 8/15
Enabling Middle Mile Broadband Infrastructure Program <ul style="list-style-type: none"> To expand and extend middle mile infrastructure to reduce the cost of connecting unserved and underserved areas to the internet backbone. 	\$1 billion	Applications due 9/30; Awards expected February 2023
State Digital Equity Planning Grants <ul style="list-style-type: none"> Program for states and territories to develop digital equity plans. 	\$60 million	Closed
State Digital Equity Capacity Grant Program <ul style="list-style-type: none"> 5 year program to support of digital equity projects and the implementation of digital equity plans 	\$1.4 billion	Expected late Q4/Early 2023
Digital Equity Competitive Grant Program <ul style="list-style-type: none"> 5 year program for local governments to implement digital equity projects. 	\$1.25 billion	Expected Q1/Q2 2023

Inflation Reduction Act

- On August 16, President Biden signed the “Inflation Reduction Act”, a \$739 billion reconciliation package that includes tax, healthcare, and climate provisions.
- The new package provides approximately \$370 billion in new climate and energy tax incentives. The prescription drug pricing provisions would allow Medicare to negotiate some drug prices, estimated to save the government nearly \$300 billion.
- Federal agencies have significant authority and will be responsible for the success of the IRA; implementation will include the promulgation of many new rules and decisions on how to deploy funding.

Inflation Reduction Act Implementation

Program Name	Description	Funding
State and Private Forestry Conservation Programs	\$700 million for the Forest Legacy Program to provide grants to states to acquire land and interests in land. \$1.5 billion for the Urban and Community Forestry Assistance program, providing multiyear grants to state agencies, local governments, tribes or nonprofits for tree planting.	\$2.2 billion
Greenhouse Gas Reduction Fund	The new Greenhouse Gas Reduction (GHG) Fund will invest in nonprofit, state and local financing institutions designed to rapidly deploy low- and zero-emission technologies by leveraging investment from the private sector.	\$27 billion
Clean Heavy-Duty Vehicles	A program to award grants and rebates to replace Class 6 and Class 7 heavy-duty vehicles with zero-emission vehicles.	\$1 billion
Grants to Reduce Air Pollution at Ports	A program to award grants and rebates to states for the purchase and installation of zero-emission equipment and technology at ports, as well as the development of climate action plans at ports.	\$3 billion
NOAA - Investing in Coastal Communities and Climate Resilience	\$2.6 billion for NOAA for conservation, restoration and protection of coastal and marine habitats and resources, to prepare for extreme storms and climate change.	\$2.6 billion

Inflation Reduction Act Implementation

Program Name	Description	Funding
Climate Pollution Reduction Grants	Section 137 provides \$250 million for grants for the costs of developing plans to reduce GHG air pollution, and directs the EPA to make such a grant to at least one state, air pollution control agency, municipality, or Indian tribe in each state.	\$5 billion
Low-Emissions Electricity Program	\$17 million to educate and provide technical assistance to state, tribal and local governments on GHG emissions that result from domestic electricity generation and use	\$87 million
Environmental and Climate Justice Block Grants	A program to invest in community-led projects in disadvantaged communities and community capacity building centers to address disproportionate environmental and public health harms related to pollution and climate change.	\$3 billion
Assistance of Latest and Zero Building Energy Code Adoption	\$1 billion total for support to state and local governments to adopt updated building codes	\$1 billion
Improving Energy Efficiency or Water Efficiency or Climate Resilience of Affordable Housing	A program to fund projects that will improve energy and water efficiency in affordable housing.	\$1 billion

Holland & Knight

17

17

Inflation Reduction Act Implementation

Program Name	Description	Funding
Neighborhood Access and Equity Grant Program	Competitive grant program to reconnect communities divided by existing infrastructure barriers, mitigate negative impacts of transportation facilities or construction projects on disadvantaged or underserved communities, and support equitable transportation planning and community engagement activities.	\$3 billion
Low-Carbon Transportation Materials Grants	A program to reimburse or provide incentives to state, local governments and metropolitan planning organizations for the use of low-embodied carbon construction materials and products in projects, and for the operations and administration FHWA.	\$2 billion
Alternative Fuel and Low-Emission Aviation Technology Program	Competitive grant program for projects that develop, demonstrate or apply low-emission aviation technologies or produce, transport, blend or store sustainable aviation fuels (SAF).	\$300 million
Environmental Review Implementation Funds	Program to facilitate the development and review of documents for the environmental review process for proposed projects for state, local governments and metropolitan planning organizations.	\$100 million

Holland & Knight

18

18

2022 Midterm Election Outlook

Well into President Joe Biden's second year in office, Democrats are fighting to maintain control of their House and Senate majorities.

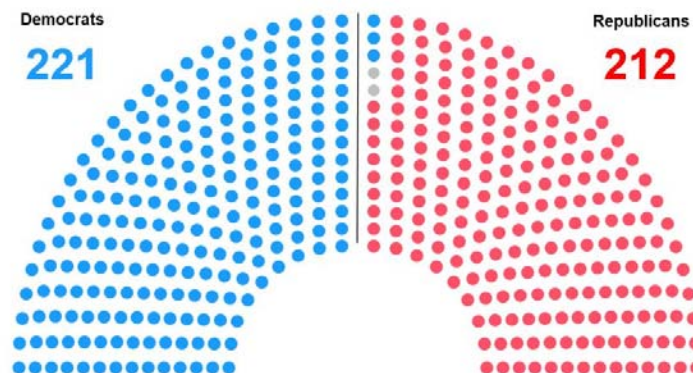
House

- A shift of only five seats would transfer control of the chamber to Republicans.
- Redistricting is a variable, as both parties have used their respective power in the states to draw district lines and have filed lawsuits to challenge maps.
- Biden's low approval rating and inflation are likely to be anchors on Democratic incumbents.

Senate

- Democrats control the 50-50 chamber by virtue of Vice President Kamala Harris' tie-breaking vote and are defending four competitive seats.
- Republicans are defending more seats overall but only five are competitive.
- A net change of one seat in either direction alters the balance of the chamber, giving Democrats a clear majority or handing control to Republicans.

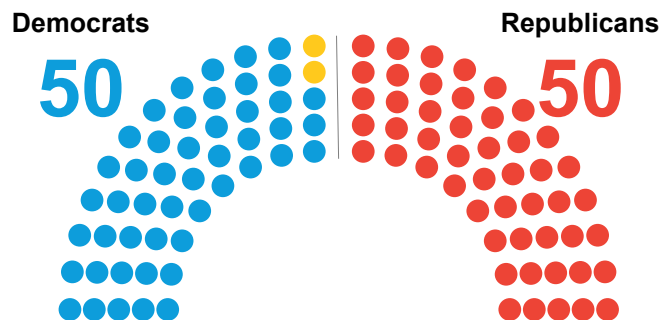
House Balance of Power



House Outlook

- **Republicans** need a net gain of five seats to win control of the House.
- **Democrats**' historically small margin and the tendency for the president's party to lose seats in midterms gives GOP the advantage.
- **Redistricting** plays a significant factor: new lines have altered the competitiveness of numerous districts; the number of competitive seats declined; some incumbents running for re-election in new territory; 6 incumbent vs. incumbent races.
- The Biden administration's politics, policies, and polling will shape the national atmosphere, as midterms are generally viewed as a referendum on the president.
- The *Dobbs* decision shifted the national landscape, making the Republicans' prospects of winning a 20+ seat majority unlikely.

Senate Balance of Power



Note: Yellow indicates independents who caucus with Democrats

Senate Outlook

- **Republican Advantages**

- Need to net only one seat to take control of 50-50 chamber.
- Biden's approval rating remains below 50%.
- Targeting two seats that flipped to Democrats narrowly in 2020 special elections in traditionally GOP-leaning states that Biden also won.
- Campaign committee, aligned super PAC began 2022 with far more cash on hand than Democratic counterparts.

- **Democratic Advantages**

- Not defending any competitive open seats or seats in states Trump won in 2020.
- Targeting three GOP seats where the incumbent is retiring.
- Races for the Senate are less susceptible to election waves than for the House. It is possible good campaigns overcome the bad environment
- The Supreme Court overturning *Roe v. Wade* means abortion rights could drive turnout among Democratic voters.

Departing Senators

AL – Richard Shelby (R)

MO – Roy Blunt (R)

NC – Richard Burr (R)

OH – Rob Portman (R)

OK – Jim Inhofe (R)

PA – Pat Toomey (R)

VT – Patrick Leahy (D)

Questions?