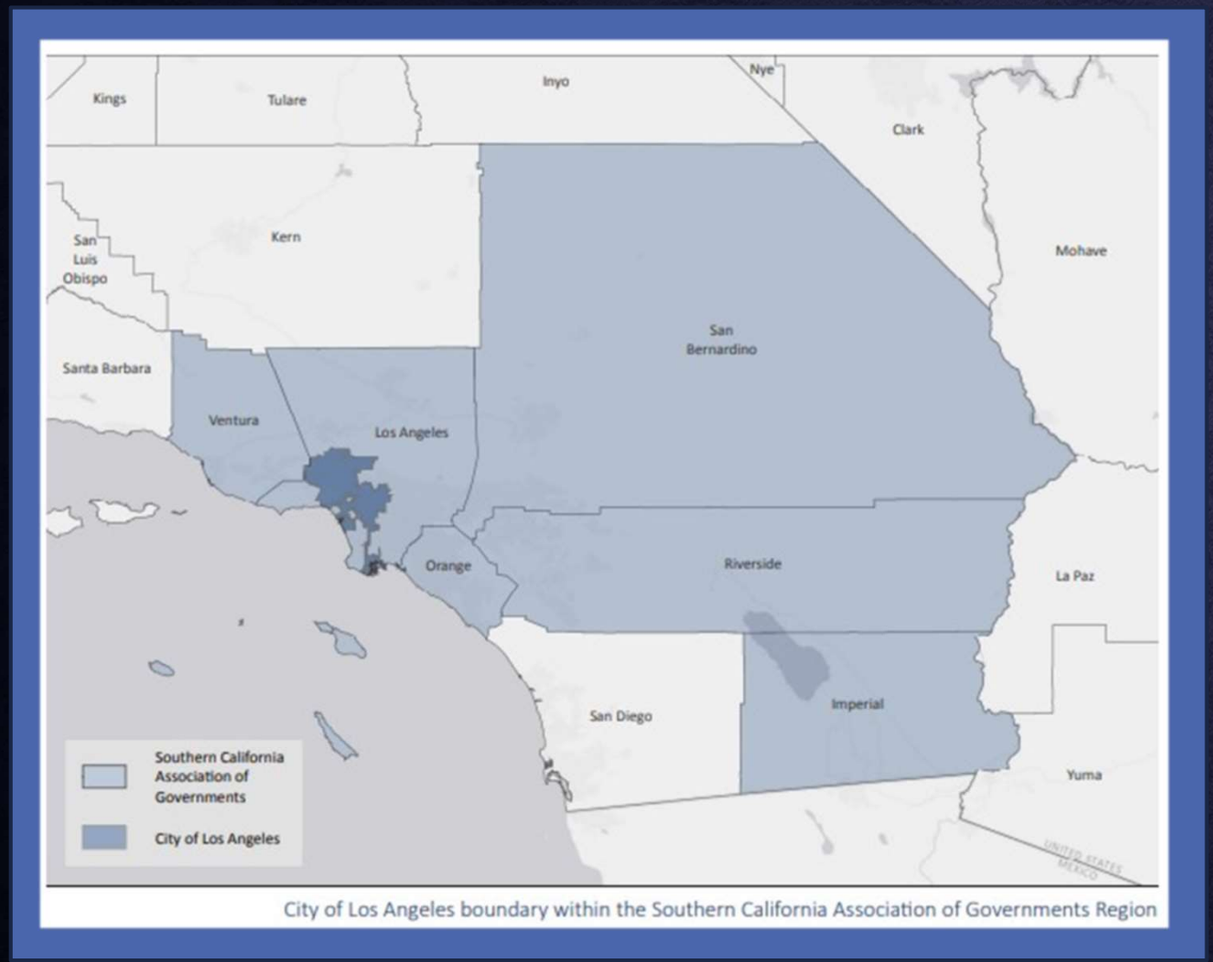


City of Los Angeles boundary within the Southern California Association of Governments Region

FEDERAL FUNDING ACTS:

REQUIREMENTS AND STRATEGIES

CITY & COUNTY ENGINEERS ASSOCIATION - LOS ANGELES

SEPTEMBER 7, 2023

Shane L. Silsby, CEO - *Silsby Strategic Advisors*

APWA Government Affairs Committee Member

FEDERAL FUNDING ACTS: RECENT HISTORY

- **CARES Act** - passed into law in March 2020 at $2.2 trillion, an economic stimulus bill in response to the economic fallout of the COVID-19 pandemic (largely operational).
- **Infrastructure, Investment & Jobs Act (IIJA)** - passed into law in November 2021 at $1.2 trillion over five years, including $550 billion in new federal spending focused on public infrastructure.
- **Inflation Reduction Act (IRA)** – passed into law August 2022 at ~$437 Billion of investment, aims to curb inflation by reducing the deficit, lowering prescription drug prices, and boosting domestic energy production while promoting clean energy.
- **CHIPS and Science Act** – passed into law August 2022 at roughly 280 billion dollars, with goals to surge domestic research and manufacturing of semiconductors in the United States (largely private development).

IIJA (*OR* BIPARTISAN INFRASTRUCTURE LAW)

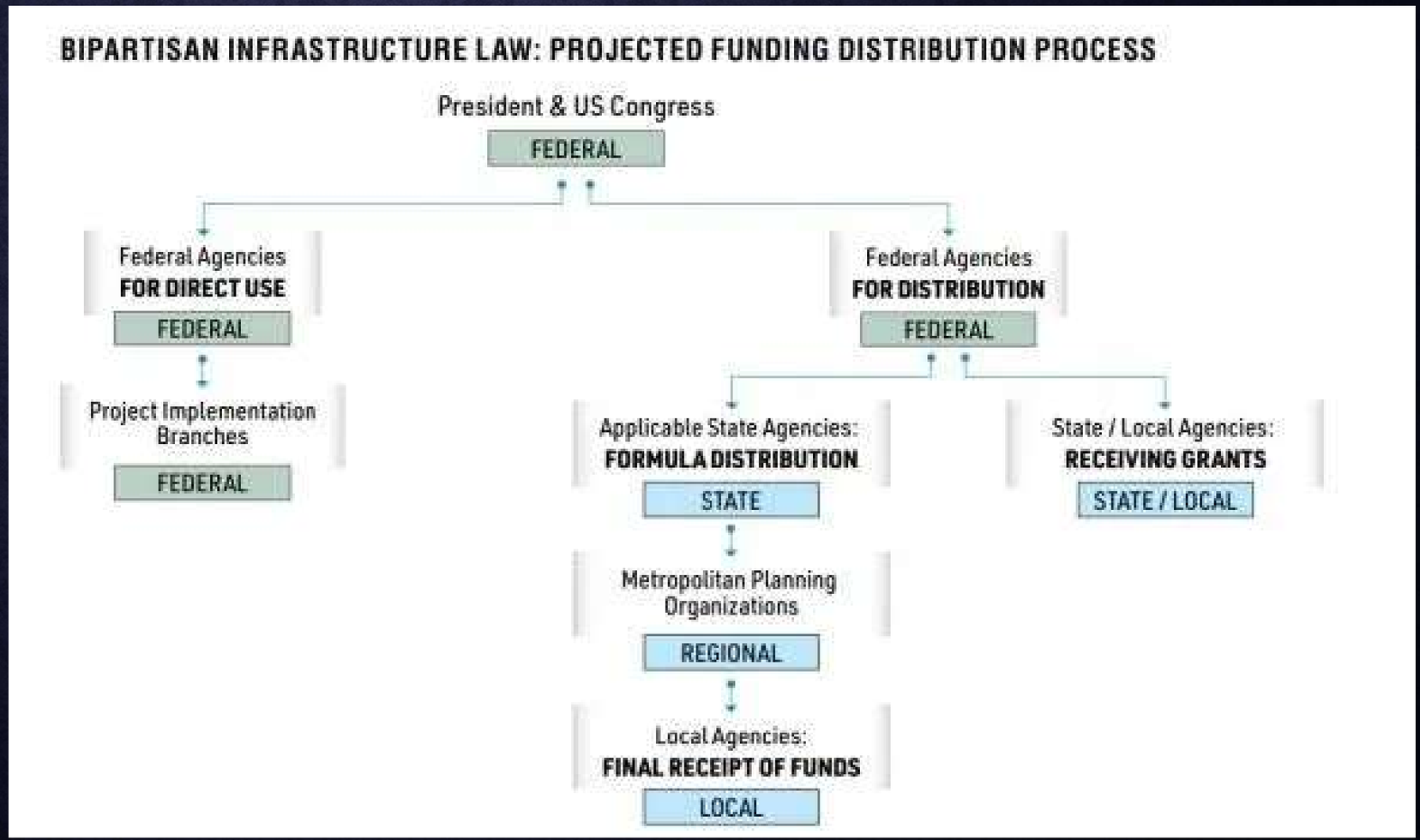
This initiative, which received congressional funding approval in March 2022, is estimated to inject more than $1 Trillion into the infrastructure industry over 5 years – with roughly $550 Billion of new funding in these categories.

$110 billion to fix roads, bridges, and major infrastructure repair needs	$25 billion for airports
$73 billion to upgrade the electric grid and power structures	$21 billion in environmental cleanup / abandoned wells mitigation
$66 billion for rail services	$17 billion for ports and waterways
$65 billion for broadband	$11 billion for transportation safety
$55 billion for water and wastewater	$7.5 billion for electric vehicles / EV charging
$50 billion for flooding, coastal, and climate resiliency	$7.5 billion in zero and low emission busses and ferries
$39 billion for public transit	$1 billion to revitalize communities

IIJA – FOCUS ON IMPLEMENTATION

Roughly **60%** of this funding is via pass-through to the states to be suballocated to public municipalities based upon formulaic breakdowns.

The other **40%** of the funds are to be distributed via discretionary grant processes.



What is your Metropolitan Planning Organization?

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

SCAG is the nation's largest metropolitan planning organization, representing six counties, 191 cities and more than 19 million residents.

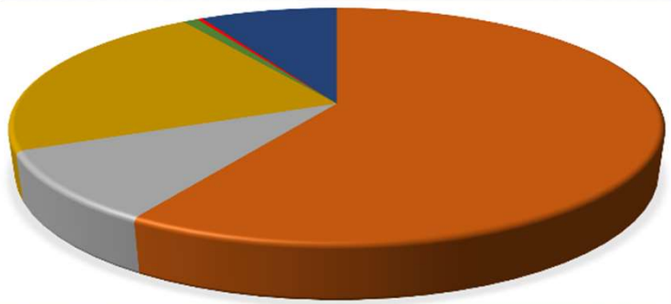
https://scag.ca.gov/our-work-funding-programming

SCAG ACTIONS?

Executive / Administration Committee – Strategic Work Plan (excerpt)

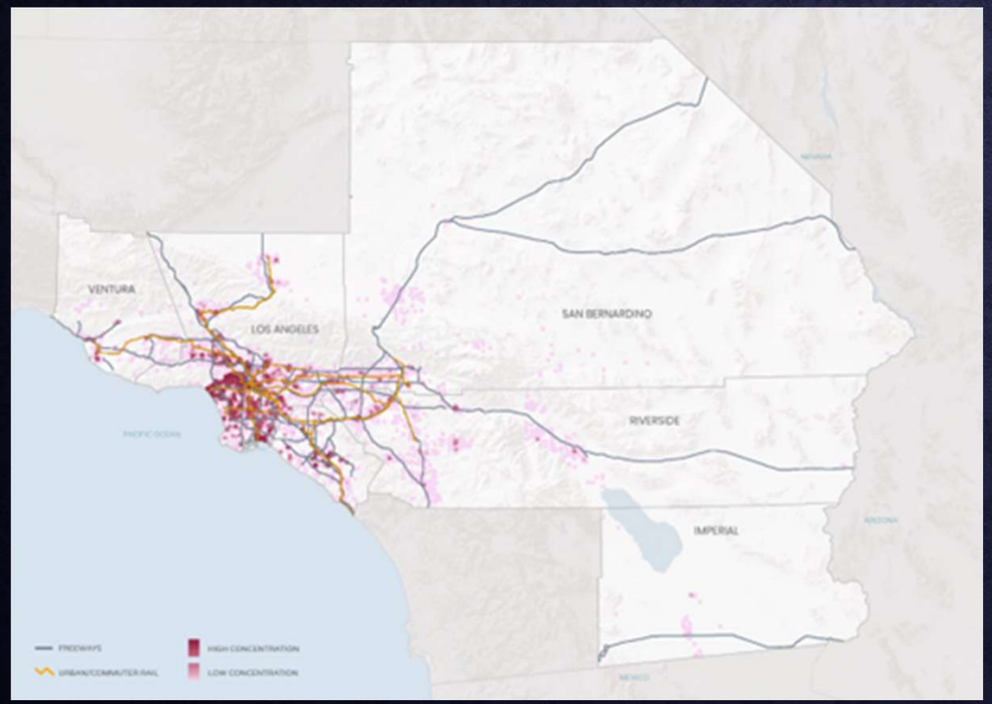
2023-2024 Objectives:

1. Review and approve REAP 2021 funding programs and project lists ensuring consistency with the strategic priorities approved in the REAP 2021 framework and resulting program-specific guidelines.
2. Approve guidelines and oversee project selection process for Federal and State funding programs administered by SCAG including the 2025 Federal Transportation Improvement Program and the Carbon Reduction Program.
3. Approve program guidelines for the 2024 Sustainable Communities Program, including identifying categories and funding sources to support a series of Calls for Projects to provide resources to meet the diverse planning needs of local communities and support implementation of regional planning policies and strategies.
4. Pursue Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA) resources for SCAG and partner led efforts to implement Connect SoCal and support regional capacity building to increase local competitiveness for federal and state grants.
5. Serve as ambassadors and champions of SCAG's local planning programs and information services to increase awareness, reach and impact of SCAG services to advance regional plans and policies.



What is your slice of the formulaic pie?

SCAG ACCESS TO FORMULAIC FUNDING



In just the categories of Roadways and Bridges, the SCAG region should have access to nearly **$5 Billion** in formulaic federal funding over 5 years from the Bipartisan Infrastructure Law.

The USDOT has already allocated 2 years' worth of funding to California totaling nearly $10 Billion in federal transportation dollars.

U.S.DOT FORMULAIC ALLOCATIONS

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

FISCAL YEAR 2022 FEDERAL-AID HIGHWAY PROGRAM APPORTIONMENTS UNDER THE BIPARTISAN INFRASTRUCTURE LAW
(before post-apportionment set-aside; before penalties; before sequestration)

State	National Highway Performance Program	Surface Transportation Block Grant Program	Highway Safety Improvement Program	Railway Highway Crossings Program	Congestion, Mitigation & Air Quality Program	Metropolitan Planning Program	National Highway Freight Program	Carbon Reduction Program	Protect Formula Program	TOTAL
ALABAMA	568,540,380	276,587,212	59,419,156	5,047,891	12,429,947	4,056,177	26,311,354	24,662,360	28,042,870	1,005,097,347
ALASKA	362,707,359	176,452,228	39,902,549	1,225,000	29,984,491	2,991,229	17,389,323	15,733,657	17,890,295	664,276,131
ARIZONA	519,732,519	252,842,847	55,748,698	3,184,003	56,525,035	7,719,478	25,374,360	22,545,154	25,635,455	969,307,549
ARKANSAS	385,367,136	187,475,904	39,684,006	4,012,944	13,417,137	2,266,543	17,955,523	16,716,601	19,007,974	685,903,768
CALIFORNIA	2,459,858,046	1,196,687,698	262,298,683	16,625,715	505,650,213	66,003,545	127,287,798	106,704,653	121,330,836	4,862,447,187

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

FY 2023 FEDERAL-AID HIGHWAY PROGRAM APPORTIONMENTS UNDER THE BIPARTISAN INFRASTRUCTURE LAW
(before post-apportionment set-asides; before penalties; before sequestration)

State	National Highway Performance Program	Surface Transportation Block Grant Program	Highway Safety Improvement Program [1]	Railway- Highway Crossings Program	Congestion Mitigation & Air Quality Improvement	Metropolitan Planning	National Highway Freight Program	Carbon Reduction Program	PROTECT Formula Program	Apportioned Total
Alabama	579,911,188	282,118,956	60,507,074	5,250,713	12,678,546	4,137,301	26,837,581	25,155,607	28,603,728	1,025,200,694
Alaska	369,961,506	179,981,273	40,725,993	1,225,000	30,584,181	3,051,054	17,737,109	16,048,330	18,248,101	677,562,547
Arizona	530,127,169	257,899,704	56,825,678	3,286,956	57,655,536	7,873,868	25,881,847	22,996,057	26,148,164	988,694,979
Arkansas	393,074,478	191,225,422	40,481,687	4,090,151	13,685,480	2,311,874	18,314,633	17,050,934	19,388,133	699,622,792
California	2,509,055,207	1,220,621,452	268,142,747	16,366,194	515,763,217	67,323,616	129,833,554	108,838,746	123,757,453	4,959,702,186

How much of this federal funding has your agency received?

IIJA - NON-FEDERAL AGENCY PROGRAMS

Several of the categories are structured to provide funding through discretionary grant or loan programs. Local agencies need to review the details to understand potential funding level authorizations and the anticipated requirements tied to the discretionary approvals.

Some of the more prominent programs for non-federal agencies are

IIJA Resources: https://silsby-sa.com/iija-resources

FUNDING PROGRAMS FOCUSED ON NON-FEDERAL AGENCIES

State and local governments can look forward to the following new and expanded competitive grant programs in the BIL anticipated to roll out over the course of the next year:

- Safe Streets for All
- Rural Ferry Program
- Infrastructure for Rebuilding America (INFRA) Grants
- FTA Low and No Emission Bus Programs
- FTA Buses + Bus Facilities Competitive Program
- Capital Investment Grants (CIG) Program
- FAA Airport Terminal Program
- MEGA Projects: National Infrastructure Project Assistance grant program for multi-modal, multi-jurisdictional projects of national or regional significance
- Reconnecting Communities Pilot Program
- FHWA Nationally Significant Federal Lands and Tribal Projects
- Port Infrastructure Development Program
- 5307 Ferry Program
- Federal Transit Administration (FTA) Low and No Emission Bus Programs
- Electric or Low Emitting Ferry Program
- Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grants
- FHWA competitive grants for nationally significant bridges and other bridges
- FTA All Station Accessibility Program
- Promoting Resilient Operations for Transformative, Efficient, and Cost saving Transportation (PROTECT) Program
- Charging and fueling infrastructure discretionary grants
- Strengthening Mobility and Revolutionizing Transportation (SMART) Grant Program

A Closer Look…

SAFE STREETS FOR ALL
[DISCRETIONARY GRANT PROGRAM]

SS4A 2022 Awards

- On Feb. 1, 2023, U.S. Transportation Secretary Pete Buttigieg announced $800 million in grant awards for 510 communities through the first round of funding for the Safe Streets and Roads for All (SS4A) grant program.
- These awards included 473 Action Plan Grants and 37 Implementation Grants. https://www.transportation.gov/sites/dot.gov/files/2023-02/SS4A-2022-Implementation-Grant-Award-Fact-Sheets.pdf

Safe Streets and Roads for All

FY22 Funding Awards by State

The following table shows the number of awards and total funding by State for the FY22 Safe Streets and Roads for All (SS4A) grant program. Awards were made in 49 States and Puerto Rico.*

State	Action Plan Awards	Total Action Plan Funding	Implementation Awards	Total Implementation Funding	Total Funding
Alabama	8	$1,789,916	0	n/a	$1,789,916
Alaska	7	$2,675,863	0	n/a	$2,675,863
Arizona	8	$4,776,090	0	n/a	$4,776,090
Arkansas	6	$2,056,241	0	n/a	$2,056,241
California	43	$29,196,377	7	$103,593,668	$132,790,046
Colorado	20	$6,088,970	0	n/a	$6,063,970
Connecticut	6	$2,408,000	0	n/a	$2,408,000
Delaware	1	$200,000	0	n/a	$200,000
Florida	34	$21,383,226	3	$45,716,000	$67,099,226

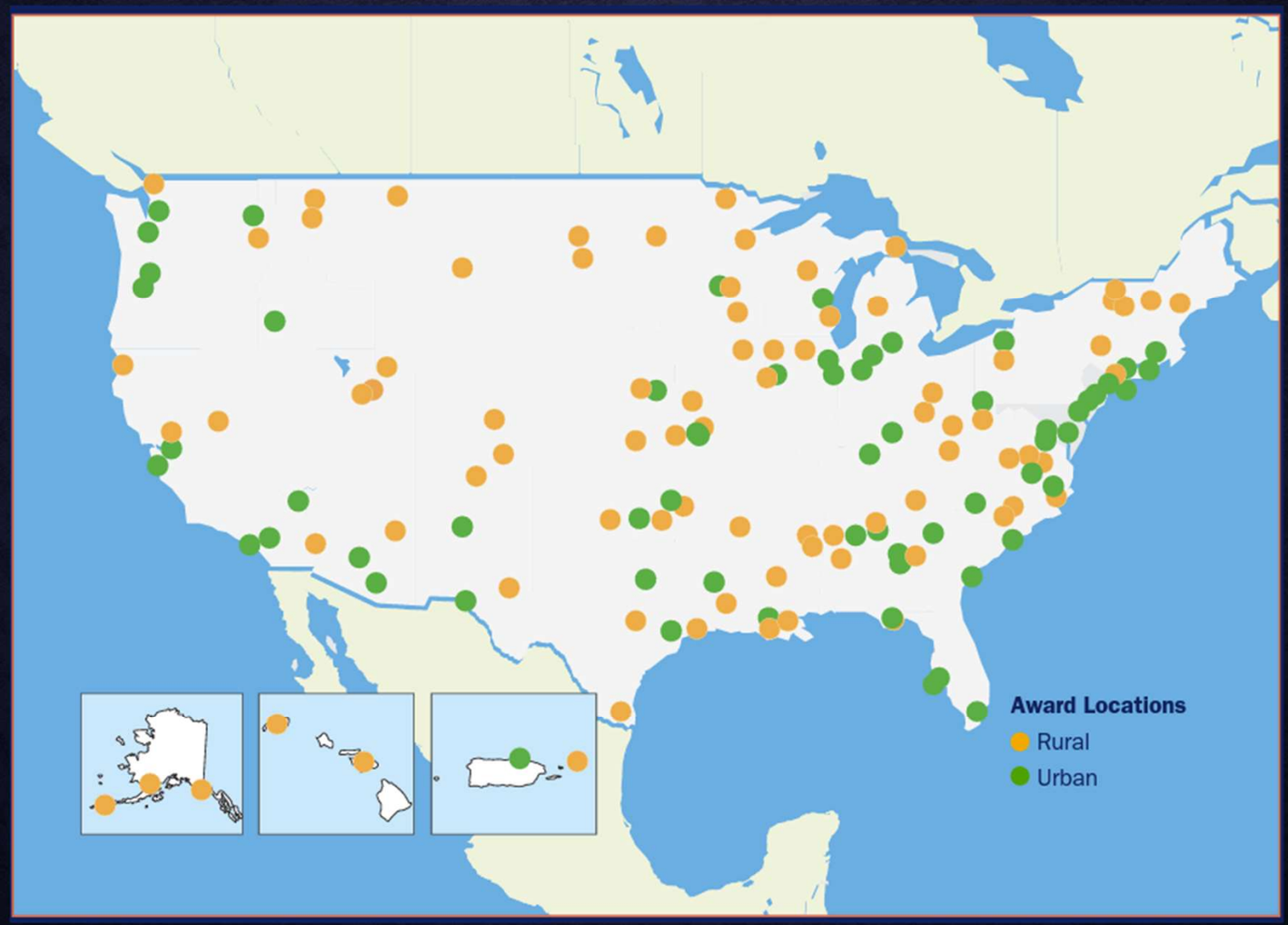
FY 22 Funding Awards

Project	Applicant	State	Award Amount	Rural or Urban
San Pablo Avenue Safety Improvements Project	Alameda County	CA	$15,000,000	Urban
La Brea Avenue Complete Streets Project	City of Los Angeles	CA	$9,000,000	Urban
Western Addition Community Safe Streets Project	City of San Francisco	CA	$17,613,284	Urban
Sedco Boulevard Roadway Safety Improvements Project	City of Wildomar	CA	$2,218,531	Urban
Bicycle and Pedestrian Safety Improvements to Improve Equity Countywide in Contra Costa County	Contra Costa Transportation Authority	CA	$28,940,010	Urban
Florence-Firestone for All: Achieving Vision Zero in South Los Angeles	Los Angeles County	CA	$21,494,665	Urban
Modoc County SS4A Implementation Grant 2022	Modoc County	CA	$12,954,400	Rural

A Closer Look…

RAISE GRANTS
[DISCRETIONARY GRANT PROGRAM]

- The Rebuilding American Infrastructure with Sustainability and Equity (RAISE) discretionary grant program provides a unique opportunity for the USDOT to invest in road, rail, transit and port projects that promise to achieve national objectives.
- Previously known as BUILD and TIGER, the program was first created in 2009. Beginning with the 2009 Recovery Act and continuing through the Fiscal Year (FY) 2021 appropriations processes, Congress has provided USDOT with 13 rounds of competitive grants totaling nearly $10 billion for National Infrastructure Investments.
- The FY22 awards 166 projects in all 50 states, the District of Columbia, Puerto Rico, the Northern Mariana Islands, and the U.S. Virgin Islands totaling $1.5 Billion.



RAISE Grants

Rebuilding America Infrastructure with Sustainablity and Equity

U.S. Department of Transportation

RAISE AWARDS

FY 2022

Project Name	State	Award Amount	Urban/ Rural	Planning/ Capital
Maritime Support Facility Access/ Terminal Island Rail System	California	$20,000,000	Urban	Capital
Mobility Zones	California	$5,000,000	Urban	Planning
Zero-Emission Bus Operations, Maintenance, and Administration Facility	California	$15,000,000	Rural	Capital
Tolowa Dee-ni' Nation Connected Communities Project	California	$1,613,600	Rural	Planning
Building A Better Connected Inland Empire	California	$15,000,000	Urban	Capital
California High-Speed Rail Merced Extension Design Project	California	$25,000,000	Rural	Planning
Inglewood Transit Connector Project	California	$15,000,000	Urban	Capital
Transforming Howard Street for Safe & Equitable Mobility	California	$23,000,000	Urban	Capital

RAISE Grants
Rebuilding America Infrastructure with Sustainablity and Equity

U.S. Department of Transportation

https://www.transportation.gov/sites/dot.gov/files/2022-09/RAISE%202022%20Award%20Fact%20Sheets_1.pdf

INFLATION REDUCTION ACT

Aimed at lowering prescription drug costs, health care costs, and energy costs. It is hailed as the most aggressive action on tackling the climate crisis in American history, and purports to support American workers and create "good-paying, union jobs" across the country.

The financial plan also builds in components to lower the deficit by levying additional taxation on the ultra-wealthy and corporations. A late revision to the bill added $4 Billion to address drought conditions in the western United States.

The full IRA bill found here www.congress.gov/bill/117th-congress/house-bill/5376/text.

IRA HIGHLIGHTS

$737 Billion in projected revenues

$437 Billion in investments

$300 Billion in deficit reduction

Amount	Source
	REVENUE
$222 billion	15% corporate minimum tax
$265 billion	Prescription drug pricing reform
$124 billion	Enhanced IRS tax enforcement
$74 billion	1% stock buyback fee
$52 billion	Loss limitation extension
$737 billion	**Total revenue raised**
	INVESTMENTS
$369 billion	Energy security and climate change investment
$64 billion	Affordable Care Act extension
$4 billion	Western drought resiliency
$437 billion	**Total investments**
$300+ billion	**DEFICIT REDUCTION**

OPPORTUNITIES FOR PUBLIC WORKS

Within the largest IRA financial allocation - **Energy Security and Climate Change Investment** - the following line items and associated funding targets may be helpful for public agencies as the law is implemented over the next 5 plus years:

- Air Pollution, Hazardous Materials, Transportation and Infrastructure **$40 billion**
- Clean Manufacturing Tax Credits **$37 billion**
- Clean Fuel and Vehicle Tax Credits **$36 billion**
- Building Efficiency, Electrification, Transmission, Grants and Loans **$27 billion**
- Other Energy and Climate Spending **$14 billion**

BUILD AMERICA, BUY AMERICA ACT (BABAA)

Requires all federal agencies to ensure **by May 14, 2022**, that no federal financial assistance for "infrastructure" projects is provided "*unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States*."

1. All iron and steel used in the project are produced in the United States.

- This means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

2. All manufactured products used in the project are produced in the United States.

- This means the manufactured product was manufactured in the United States, and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation.

3. All construction materials are manufactured in the United States.

- This means that all manufacturing processes for the construction material occurred in the United States.

BUY AMERICAN CLAUSE

The creation of waivers is ongoing, along with guidance documents from the Office of Management & Budget (as section of which can be seen here).

Every applicable federal agency is attempting to address this issue and may have unique waivers for each program.

Each CFO Act agency that administers a Federal financial assistance program for infrastructure[14] should submit to OMB a report (separate from the 60-day report required by law above) that identifies typical iron and steel items, manufactured goods, and construction materials used in projects supported by such programs.

For each item, product, or material listed, or, if appropriate, each category of items, goods, and materials listed, please identify:

- Whether the item is relevant to any of the six critical supply chains identified in Executive Order 14017, America's Supply Chains and listed in the Securing America's Critical Supply Chains Fact Sheet.
- Whether the agency is aware of limitations on the domestic manufacturing or production of such item, good, or material.
- Whether the agency has successfully worked to increase or develop domestic production of such items, goods, or materials in the past.

Agencies that lack any information responsive to this inquiry should respond in a manner indicating such. OMB will consider information received in response to this request along with information received from the public as it develops agency guidance further to section 70915 of IIJA.

On or before January 14, 2022, agencies must submit the report on Relevant Items, Manufactured Goods, and Construction Materials Used in Infrastructure Projects to OMB at MBX.OMB.MadeInAmerica@omb.eop.gov.

JUSTICE40 INITIATIVE

The Federal Government has made it a goal (according to Presidential Executive Order 14008) that **40 percent of the overall benefits of certain Federal investments flow to disadvantaged** communities that are marginalized, underserved, and overburdened by pollution.

The categories of investment that fall within the Justice40 Initiative are *climate change, clean energy and energy efficiency, clean transit, affordable and sustainable housing, training and workforce development, remediation and reduction of legacy pollution, and the development of critical clean water and wastewater infrastructure*.

In short, local public agencies - utilizing federal dollars in the identified programs - must now consider a geographic overlay of socio-demographic data to identify disadvantaged communities.

INFRASTRUCTURE PROGRAMS / PROJECT SELECTION

For a new capital construction project, the ability to meet the timelines and federal clearance requirements is burdensome and sometimes impractical for local public agencies. Agencies can undertake the development of "infrastructure programs" and enhanced project identification to increase their creativity around administration of a federal project or program.

Strategies may include:

(a) modifying an existing federal project that has already received environmental clearance approvals;

(b) selecting an existing project that was already designed and could receive an exclusion for environmental clearances; or

(c) (c) developing a number of new projects or programs that required minimal or no design phase and could receive an environmental clearance exclusion due to limited ground disturbance.

FEDERAL EXCHANGE PROGRAM

To address local agency concerns over costly and time-consuming federal funding processes, exchange programs offer a practical solution for both DOTs and local agencies by *de-federalizing* locally administered Federal-aid projects, allowing local agencies to exchange federal dollars for state dollars.

Each state identifies an exchange rate, which is the ratio of state dollars that can be exchanged for federal dollars.

Alabama	Kansas
Arizona	Nebraska
California	New Jersey
Colorado (Pilot Prog.)	Ohio
Connecticut	Oregon
Idaho	Utah
Indiana	Wisconsin
Iowa	

ADVOCACY & REGIONAL PARTNERSHIPS

In many Metropolitan Planning Organizations, the larger, and generally more sophisticated, member agencies are adept at recommending funding strategies and cost-share methodologies. These recommendations may advantage the larger agencies and become an approved strategy for implementation with limited – or no – input from smaller local agencies.

Advocating early and often for comprehensive discussions or strategy sessions on the allocation process for pending federal funds is critical to local agencies receiving their fair share. This fair share can be accomplished through proportional sub-allocations or via negotiated federal funding exchange agreements.

HAVE A PLAN

Whether focusing on formulaic funds from IIJA or grant opportunities, having a plan is critical to a local agencies ability to obtain its fair share and leverage federal funding opportunities.

- **Formulaic funds**: It is important to understand the sub-allocation process and specific projected amounts, per category, for a local agency over the next 4 – 5 years. This can also assist with fiscal year budget appropriations to prepare for projected funds.
- **Discretionary Grants**: Since the infrastructure bills are set to be funded for at least 5 years, most of the associated grant programs will also receive annual funding allocations. Calls for projects and notices of funding opportunities are already underway and local agencies are unlikely to be successful without a multi-year plan specifically targeting grants, matching them with projects, and leveraging partnerships.

"Failing to plan, is planning to fail."

USDOT Equitable Transportation Community (ETC) Explorer

ETC Explorer - Homepage | ETC Explorer - National Results | ETC Explorer - State Results | ETC Explorer- Add Your Data (National and State Results) | Transportation Ins

For Instructions:

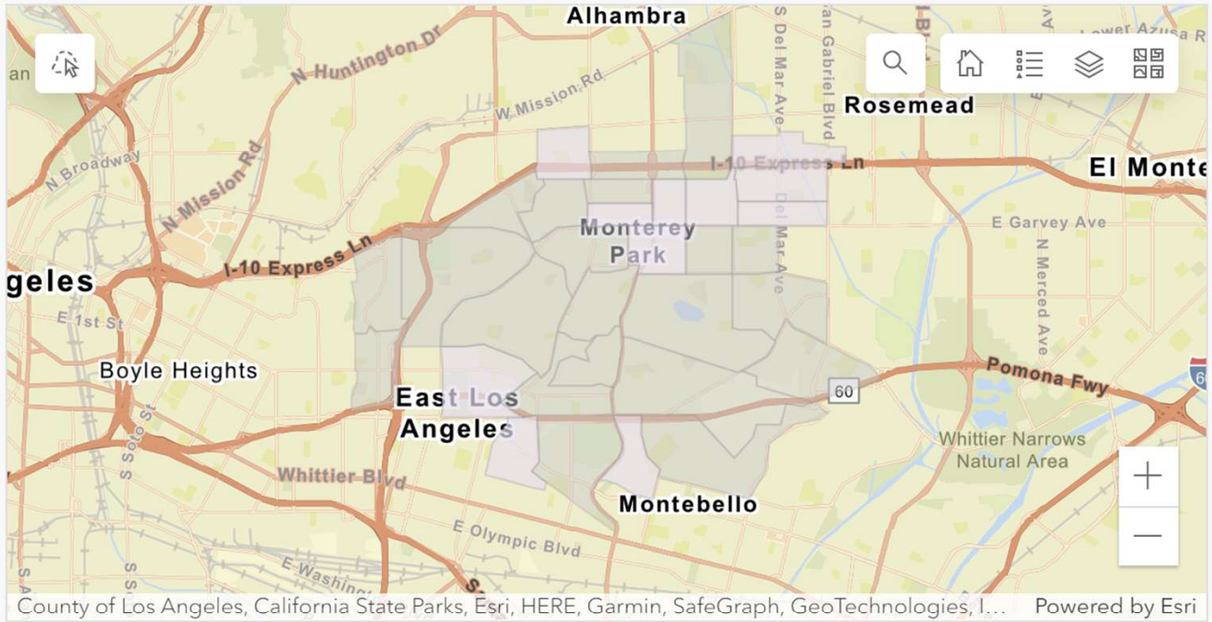
Click on the arrow on the left side of the page for instructions on using the features in …

State Sel…
California

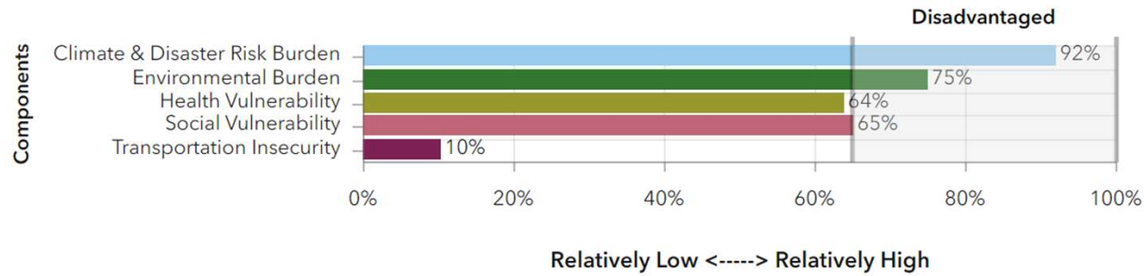
County Selector
Los Angeles County, Cal…

Community Selector
Monterey Park, City o…

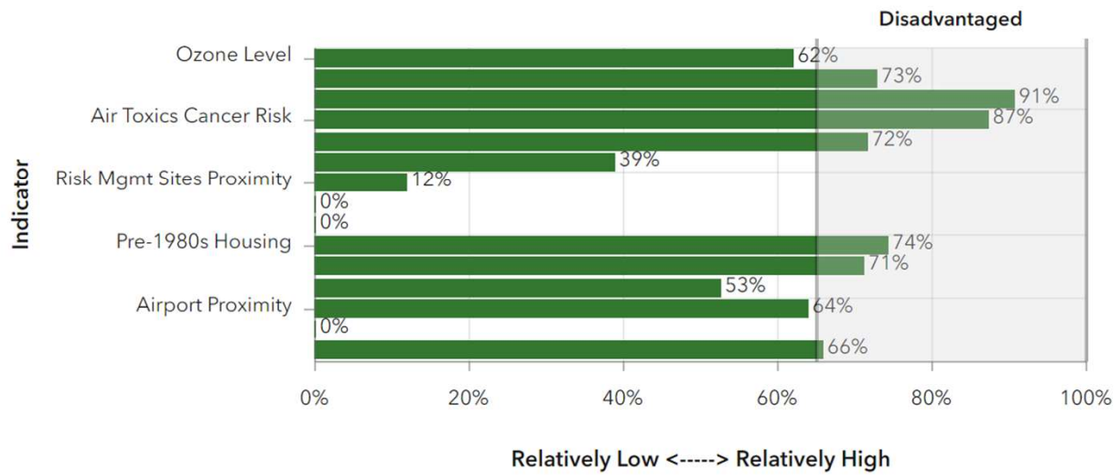
MPO Sel…
All MPOs



Overall Disadvantage Component Scores - Percentile Ranked



Environmental Burden - Percentile Rank



Environmental

Total Population Living

147k

Total Population Living in Disadvantaged Census Tracts

49.7k

% of Disadvantaged Census Tracts in the

34%

- Component Scores are distinct from Indicator Scores. For more information please see - Understanding the

https://experience.arcgis.com/experience/0920984aa80a4362b8778d779b090723/page/ETC-Explorer---State-Results/

AS A REMINDER…

Help is available, but don't wait!!!

Newly elected officials are onboarding at cities and counties across the country – some will want to know your agency's plan for accessing the highly publicized federal funding programs.

FACTORS IMPACTING INFRASTRUCTURE FUNDING IMPLEMENTATION

- Government agency human resources
- Inflation & availability of materials / logistics
- Need for new procedures at Federal / State level
- Local workforce development / retention / attraction
- Virtual work environments and work-from-home requests
- Rebalancing of local agency finances post ARPA / CARES Act
- Reduced staffing levels lingering from pandemic hold over effects
- Limited capacity / skills of local engineering and construction services

THE LATEST FROM CAPITOL HILL

- Split Congress is negatively impacting the ability to progress key initiatives on the infrastructure implementation / streamlining fronts
- New focus on energy and permitting reform may have momentum (i.e., *Debt Limit Deal*)
- Federal agencies are experiencing staff challenges – retirements, attraction, transfers, & promotions
- Congressional members (staff) are generally accessible but pulled in several directions
- Varied levels of empathy for the plight of local agencies

APWA'S POLICY PRIORITIES FOR THE 118TH CONGRESS

Available at: https://www.apwa.org/government-affairs/us-government-affairs/

- Emergency Management
- Transportation
- Water Resiliency

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My goal is to help local governments deliver quality infrastructure and services.

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