

State of Alaska

Infrastructure Investment & Jobs Act (IIJA) Overview

Southeast Conference

Transportation Symposium

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Preliminary Observations

- Not a “stimulus” bill: long-term assets and core infrastructure
- Much less discretionary than recent stimulus: *CARES, CRRSA, ARP*
 - Shovel worthy vs shovel ready
- Spending largely directed by federal agencies
- 5-year reauthorization of established federal programs (*FHWA, Transit, Safety, AIP, VSW, IHS, BIA*)
- No real “earmarks”
- State/Local capital priorities largely ineligible for funding – not CAPSIS
- Only a portion of “Alaska” funding will come through the State of Alaska
- Local governments, tribes and other entities eligible for most programs

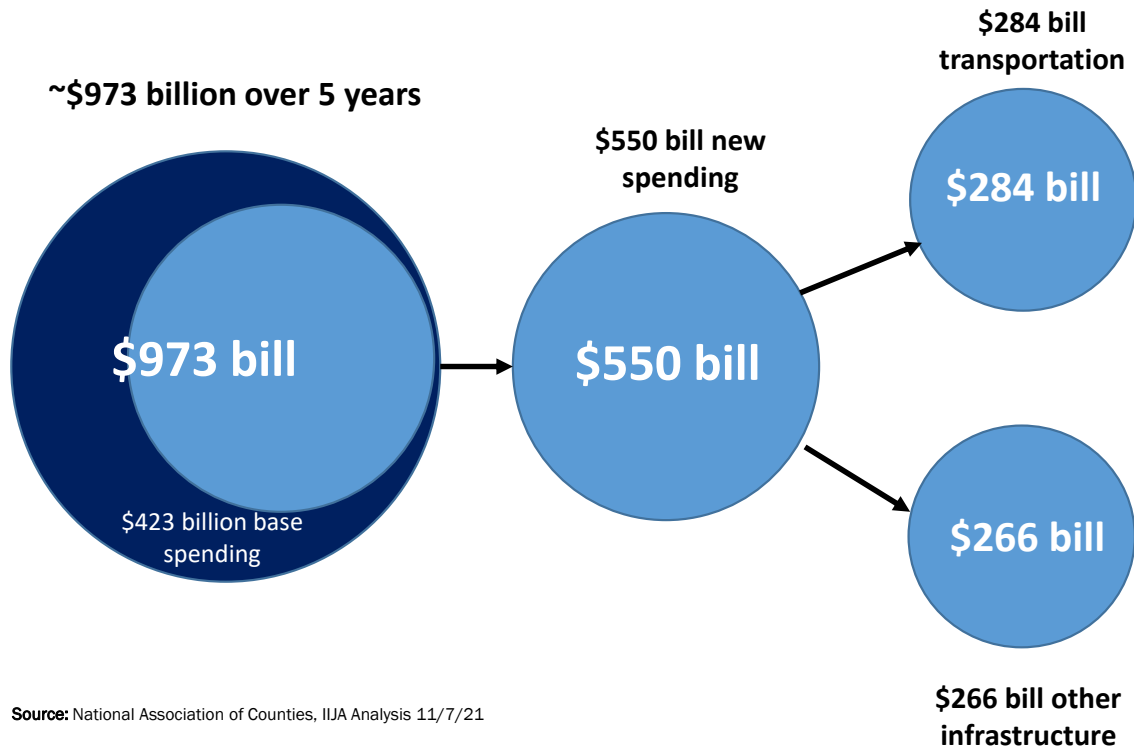
Overview

Infrastructure Investment & Jobs Act (IIJA) also referred to as Bipartisan Infrastructure Law (BIL)

- Enacted Nov 15, 2021
- ~\$973 billion over five years: FFY22-26 (*\$1.2 trill CBO 10-yr projection*)
 - \$423 billion baseline program reauthorizations (43%)
 - *Transportation (DOT/FAA) and public works (EPA)*
 - \$550 billion above the line “new spending” (57%)
 - *Broadband, Energy & Power, Electric Vehicles, Cybersecurity, etc.*
- Funds should begin arriving in 2022 and continue for 5 fiscal years

Overview

Bipartisan Infrastructure Law (BIL)



Source: National Association of Counties, IJA Analysis 11/7/21

Transportation

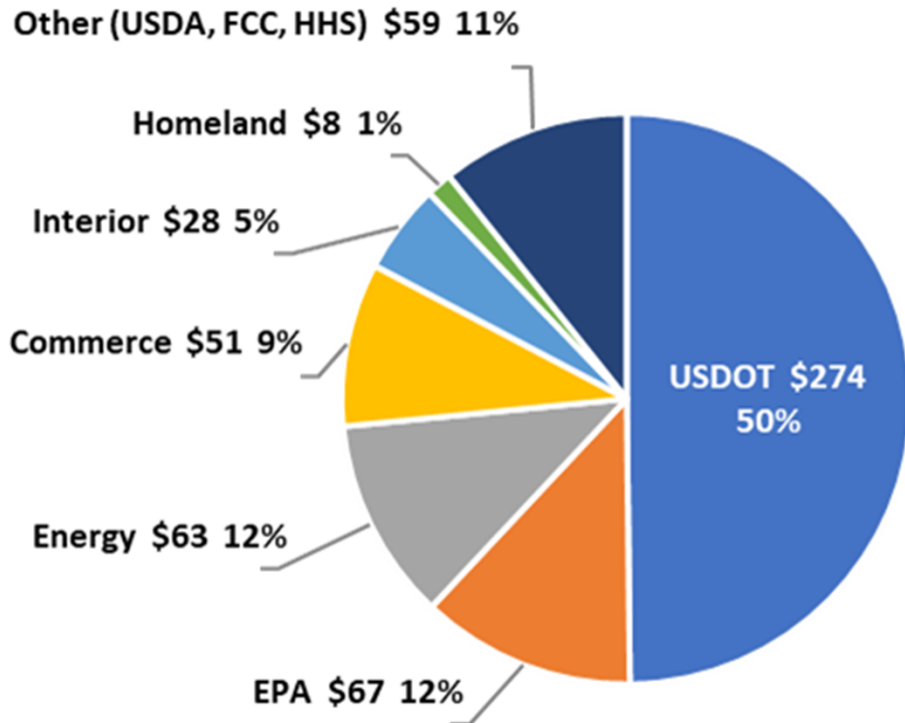
- Roads, bridges, airports, ports and waterways, rail, public transit, electric vehicles (EV), and safety programs

Other Infrastructure

- Energy, power grid, broadband, water, resiliency, and environmental remediation

Overview

By Federal Agency



\$550 billion in BIL New Spending

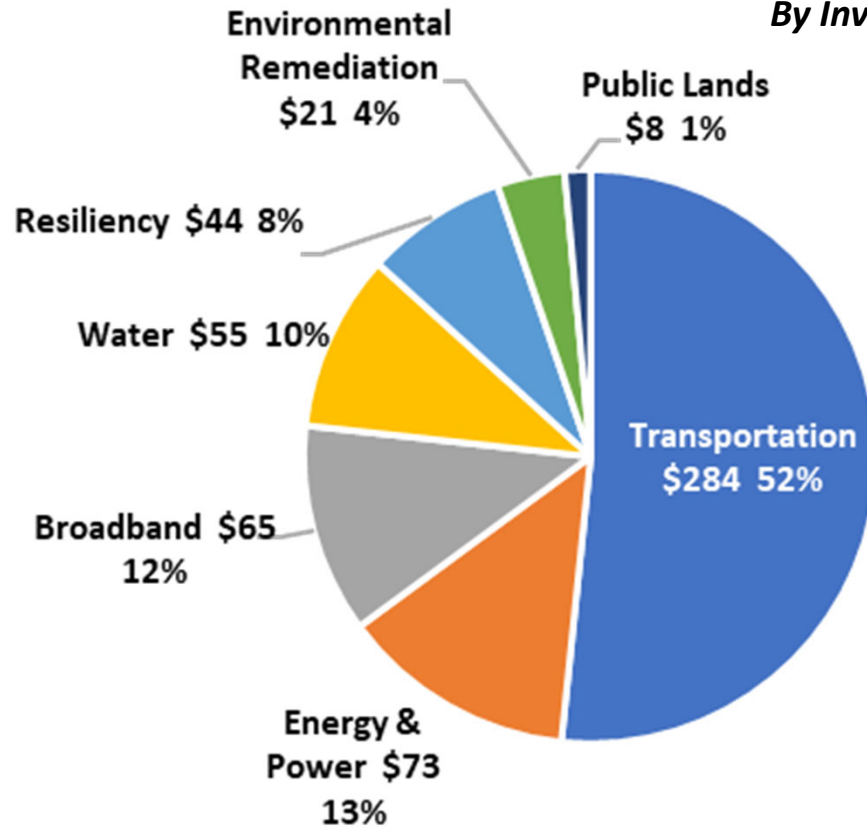
USDOT:	\$274 bill
EPA:	\$ 67 bill
Energy:	\$ 63 bill
Commerce:	\$ 51 bill
Interior:	\$ 28 bill
Homeland:	\$ 8 bill
Other (USDA, FCC, HSS, etc.):	\$ 59 bill

Source: National Association of Counties, IJA Analysis 11/7/21



Overview

By Investment Category



\$550 billion in BIL New Spending

Transportation:	\$284 billion
Energy & Power:	\$ 73 billion
Broadband:	\$ 65 billion
Water:	\$ 55 billion
Resiliency:	\$ 44 billion
Environmental Remediation:	\$ 21 billion
Public Lands:	\$ 8 billion

Source: National Association of Counties, IJA Analysis 11/7/21



Overview: Availability of Funds

- Legislation includes both spending Authorizations and Appropriations
 - *Authorization: the amount of funding Congress may approve each year*
 - *Appropriations: funding Congress has approved to implement a program*
- 5-year reauth (FFY22-26) of federal transportation (DOT/FAA) and public works (EPA) programs
- Authorized programs still subject to annual appropriation process – FFY22-26
 - *Congress currently under FY21 Continuing Resolution – Feb 18*
 - *House passed another CR extension until March 11 on Tuesday*
 - *No “new starts”*
- Division J appropriates forward funding - \$550 billion - that’s theoretically available...but
 - *New programs will require agency guidance: Broadband, Energy & Power, Electric Vehicles, Cybersecurity*
 - *Guidance may not be available before 2Qrt or 3Qrt*
 - *Plus-ups to existing programs may still be dependent on FY22 congressional appropriation*

Overview: Funding Type

Funding Type (*approximates*)

Formula: ~ 65%

Apportionment – distribution by statutory formula

Allocation – distribution by administrative determination

Grant: ~ 30%

Discretionary – awarded at discretion of program administrators

Competitive – awarded through a competitive process

Loan: ~ 5%

Many programs will require non-federal match – typically 10%-20%



Overview: Spending Categories

Over Half of New Spending is Transportation

\$284 billion over 5-years

National 5-Yr Totals

Roads & Bridges

31% increase first year, inflation adjusted after; Alaska ~20%

\$110 billion

Rail

Amtrak, Northeast corridor, intercity passenger; AKRR benefits

\$ 66 billion

Transit:

Public transit; zero-emission vehicle programs

\$ 39 billion

Airports:

35% nationally; AIP and New Terminal Facility program mostly competitive

\$ 25 billion

Ports & Waterways:

USACE rivers, harbors, flood mitigation; MARAD port infrastructure grants

\$ 17 billion

Safety:

Focus on vulnerable users (bikes, pedestrians, ADA), crash and fatality avoidance

\$ 11 billion

Electric Vehicle Infrastructure

New formula and grant program

\$ 8 billion

Electric Buses:

\$ 8 billion

Source: National Association of Counties, IJA Analysis 11/7/21



Overview: Spending Categories

Other Infrastructure Spending

\$266 billion over 5-years

National 5-Yr Totals

Energy & Power

Efficiency, grid & transmission upgrades/resiliency, carbon mitigation projects

\$ 73 billion

Broadband

\$45 construction, \$20 affordability/equity; targets underserved areas

\$ 65 billion

Water:

3x increase to revolving loan funds; lead pipe; contaminants

\$ 55 billion

Resiliency:

Storm/flood mitigation, natural disaster assistance; cybersecurity

\$ 44 billion

Environmental Remediation:

Legacy wells; superfund sites; brownfield; abandoned mines; watersheds

\$ 21 billion

Public Lands

Wildfire risk mitigation; remediation; secure rule schools; USFS roads

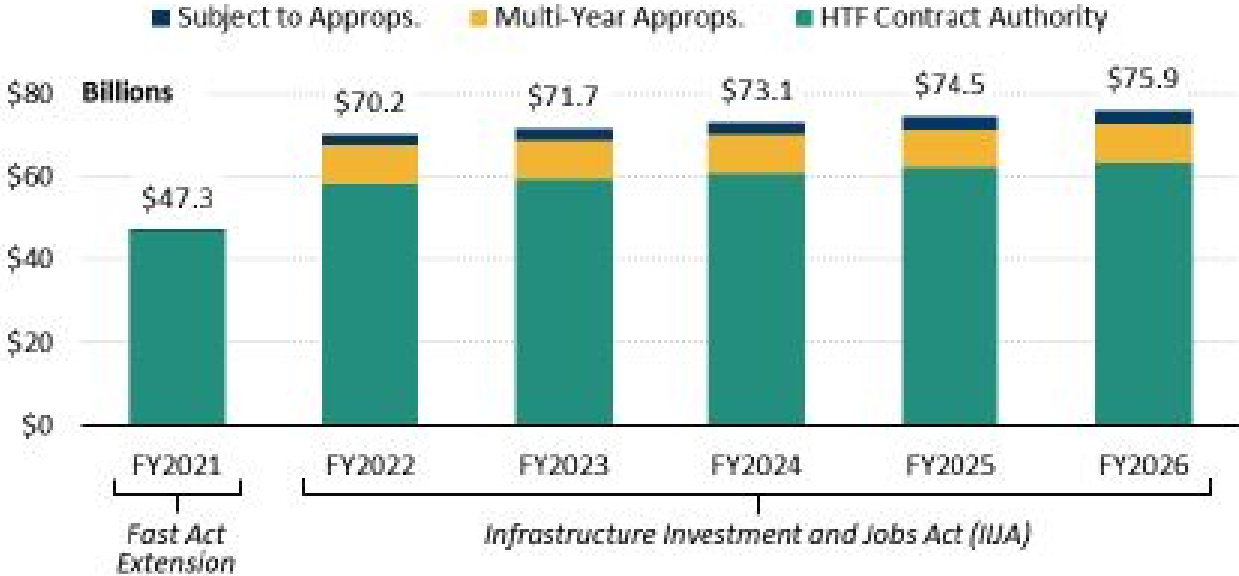
\$ 8 billion

Source: National Association of Counties, IJA Analysis 11/7/21



National Federal Highway Program Funding

Federal Highway Funding: FY21-FY26



Notes: Totals are unadjusted for inflation. Amount subject to appropriation for FY2021 was \$210 million, not visible in the figure.

Source: Congressional Research Service: Fed Highway Programs: In Brief 1/21/22

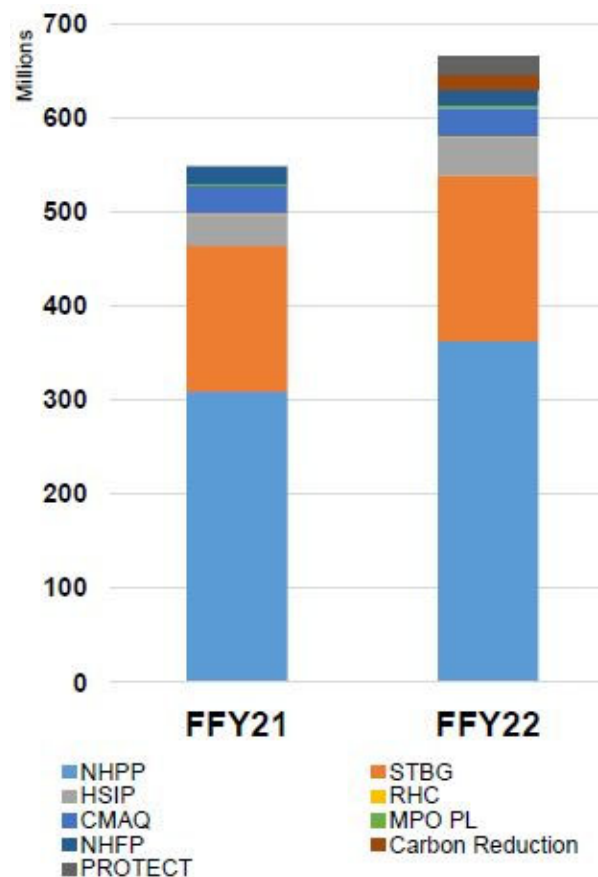


Alaska Federal Highway Program Funding

AK FHWA Highways FFY21 vs 22 (\$ mill)

	FFY21	FFY22	Δ	Δ %	% of Total
NHPP	309.5	362.7	53.2	17.2%	54.6%
STBG	154.9	176.5	21.6	13.9%	26.6%
HSIP	32.6	39.9	7.3	22.2%	6.0%
RHC	1.2	1.2	0.0	0.0%	0.2%
CMAQ	29.3	30.0	0.7	2.2%	4.5%
MPO PL	2.4	3.0	0.6	23.1%	0.5%
NHFP	18.9	17.4	-1.5	-8.0%	2.6%
Carbon Reduction	0	15.7	15.7		2.4%
PROTECT	0	17.9	17.9		2.7%
Total	555.8	664.3	108.4	19.5%	

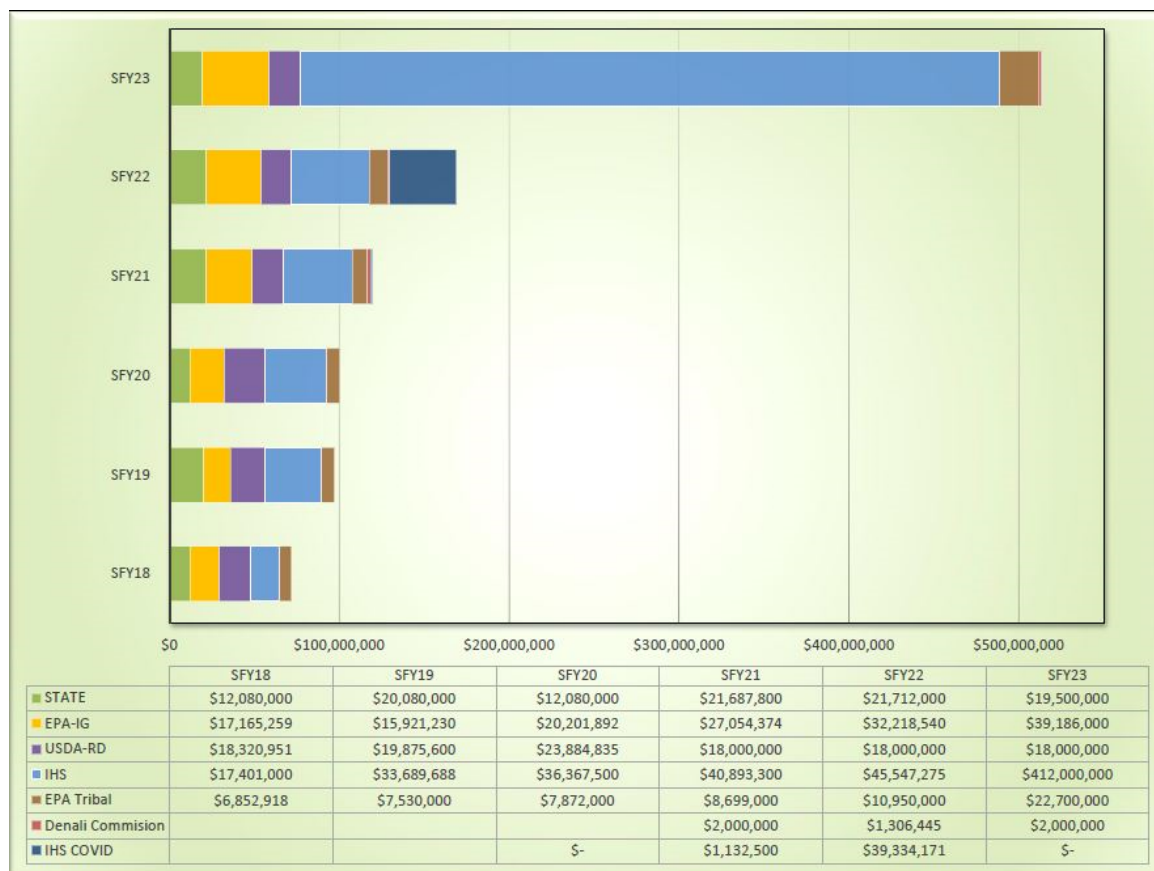
PROTECT - Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation



Source: FHWA FY22 Fed-Aid Hwy Apportionment Notice 12/14/15



Alaska Rural Water/Sanitation Funding



Alaska will see increased spending on rural water and sewer through –

Indian Health Service – Domestic and Community Sanitation

EPA – Tribal and increased grants to State Revolving Loan Programs

Infrastructure Bill Impact on GO Bond Project

Federal infrastructure bill does not negate the need for state GO Bond

- State funding allows more flexibility on project execution
- Federally eligible projects still require non-federal match: 10%-35%
- State match accelerates project timing and helps incentivize federal prioritization

Recently announced U.S. Army Corps of Engineering projects requiring non-federal match

USACE Projects in GO Bond Bill							
Project Titles	Total Project	Fed (USACE)	\$ Match	% Match	Total \$ Non-Fed	\$ GO Bond	% GO Assist
<u>FY22 Construction Financed through IJA/BIL</u>							
<i>Port of Nome Phase 1 - West Causeway Expansion*</i>	\$ 333.0	\$ 250.0	\$ 83.0	25%	\$ 147.0	\$ 10.0	7%
<i>Kenai River Bluff Erosion</i>	\$ 30.0	\$ 19.5	\$ 10.5	35%	\$ 10.5	\$ 6.5	62%
<u>Other USACE Assisted Projects</u>							
<i>Craig Harbor</i>	33.7	\$ 17.5	\$ 4.4	25%	\$ 16.2	\$ 8.3	51%

*Phase 1 Non-Federal match also includes \$64 mill for local facilities



Other Important Alaska Provisions

- AK Natural Gas Pipeline project definition for loan guarantees (Sec 40401)
 - Removed the limitation to a project that transported gas to the West Coast/Continental US for US Treasury loan guarantees
 - \$18 billion adjusted for CPI since Oct 2004 should now be ~ \$25 billion
- One Federal Decision (FAST-41 Permitting) (Sec 11301)
- Local Hiring Preference for Construction Jobs (Sec 25019)
 - Ends prohibitions on local hiring and allows recipients of federal transportation grants to implement a local hiring preference
- 3 Year Reauthorization of Secure Rural Schools Program (Sec 41202)

Programs of Interest to Alaska:

National 5-Yr Totals

Energy & Power:

- \$ 34.0 bill Carbon Capture, Sequestration, Clean Hydrogen
 - \$ 5.0 bill Electric Grid Financial Assistance Program
 - \$ 3.5 bill Weatherization Assistance Program
 - \$ 3.2 bill Advanced Reactor Demonstration Project
 - \$ 2.5 bill Grid Resilience & Reliability grants
 - \$ 1.0 bill Electric Grid Financial Assistance in Rural & Remote Areas
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- \$750 mill Hydroelectric Production & Efficiency Incentive Programs
 - \$550 mill Energy Efficiency & Conservation Block Grants
 - \$320 mill Earth Mapping Resources Initiative
 - \$ 50 mill Transmission Facilitation Program



Programs of Interest to Alaska

National 5-Yr Totals

Alaska Native & Tribal:

- \$3.5 bill Indian Health Service (IHS) sanitation facilities
 - \$2.0 bill Tribal Broadband Connectivity Program (TBCP) - NTIA
 - \$2.0 bill USDA RUS—Distance Learning, Telemedicine, and Broadband
-
- \$258 mill Bureau of Indian Affairs (BIA) road maintenance program
 - \$130 mill BIA: Community Relocation Program
 - \$ 86 mill BIA: Tribal Climate Resilience and Adaptation Projects



Programs of Interest to Alaska

National 5-Yr Totals

Federal Land:

- \$11.3 bill Abandoned Mine Reclamation
 - \$ 3.4 bill Wildfire Mitigation & Fuel Breaks
-
- \$718 mill Wildfire Risk Reduction & Ecosystem Restoration (USFS)
 - \$250 mill Legacy Road & Trail Remediation Program (USFS)
 - \$200 mill Restoring Fish & Wildlife Stream Passage (USFW)
 - \$ 88 mill State Fire Assistance (USFS)
 - \$ 20 mill Volunteer Fire Assistance (USFS)



Summary:

Congressional Priorities

Equity, resiliency, safety, climate mitigation, energy efficiency, deployment of technology and emphasis on multimodal projects

Statewide communication and coordination required

Alaska should be well positioned to be competitive:

- Tribal and Alaska Natives eligibility
- Historically underserved and hard-to-reach
- Multimodal transportation dependency
- High energy costs & microgrids
- Rural and disadvantaged communities
- Climate mitigation
- Fossil fuel industries
- Minority and low-income populations