

# State of Alaska

## Infrastructure Investment & Jobs Act (IIJA) Overview

### House Finance Committee

Feb 3, 2022

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Office of Governor  
**MIKE DUNLEAVY**

## 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 directed by federal agencies, not Alaska
- 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

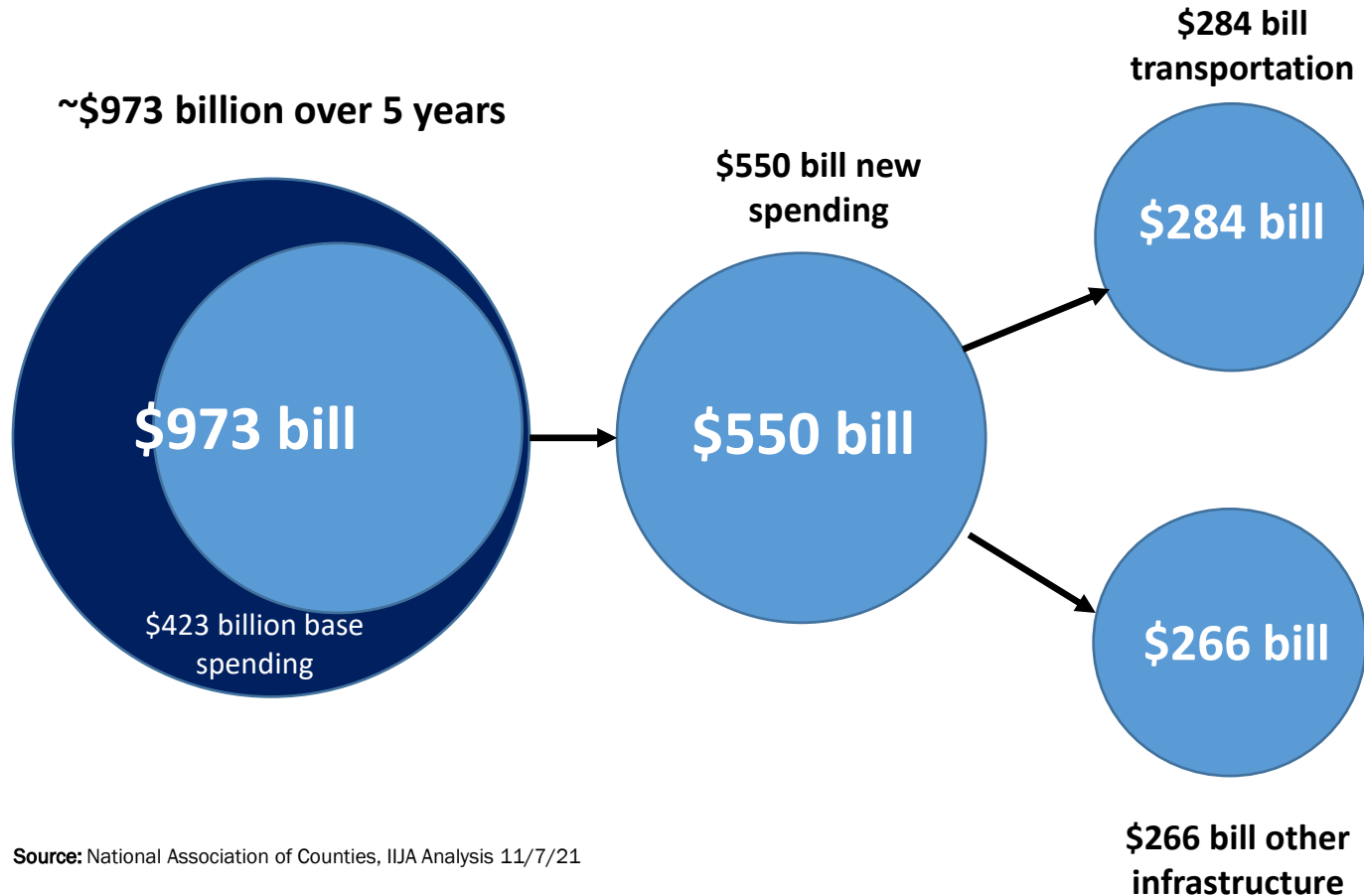
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### Infrastructure Investment & Jobs Act (IIJA) also referred to as Bipartisan Infrastructure Law (BIL)

- 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

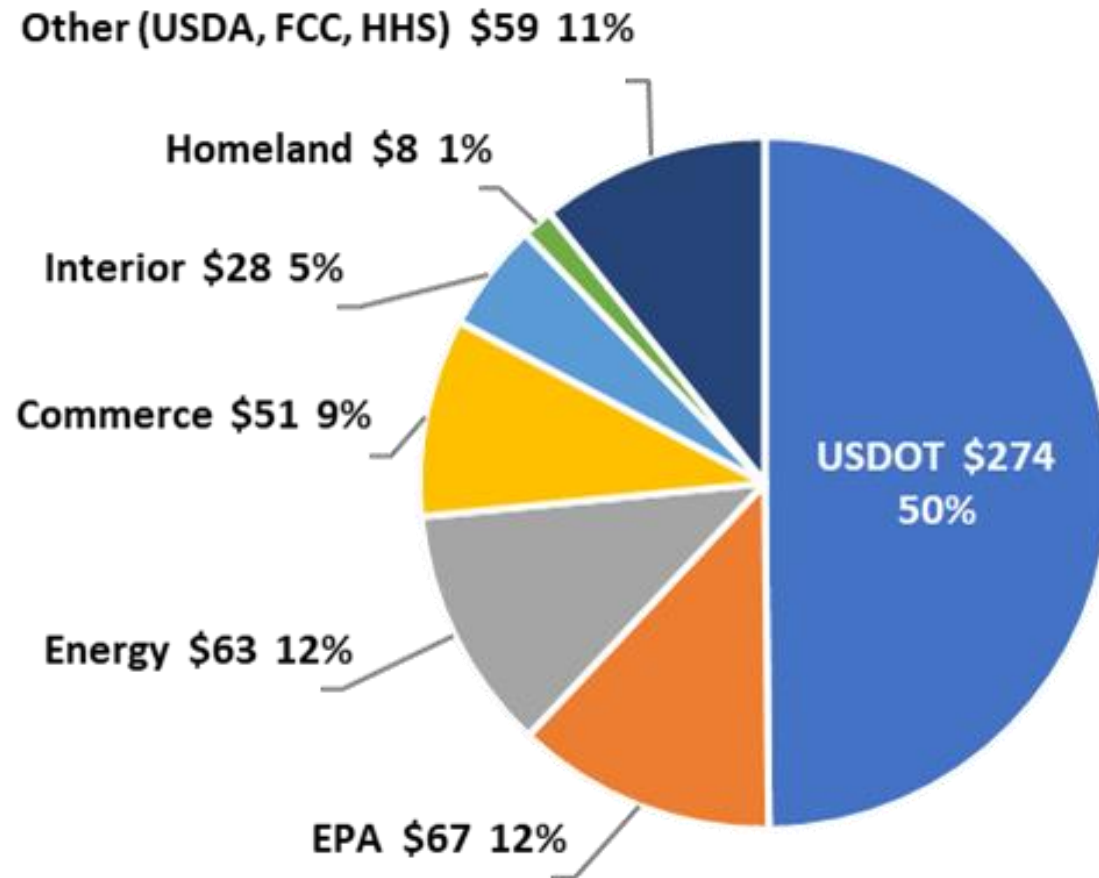
- Roads, bridges, airports, ports and waterways, rail, public transit, electric vehicles (EV), and safety programs

## Other Infrastructure

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

# Overview

## By Federal Agency

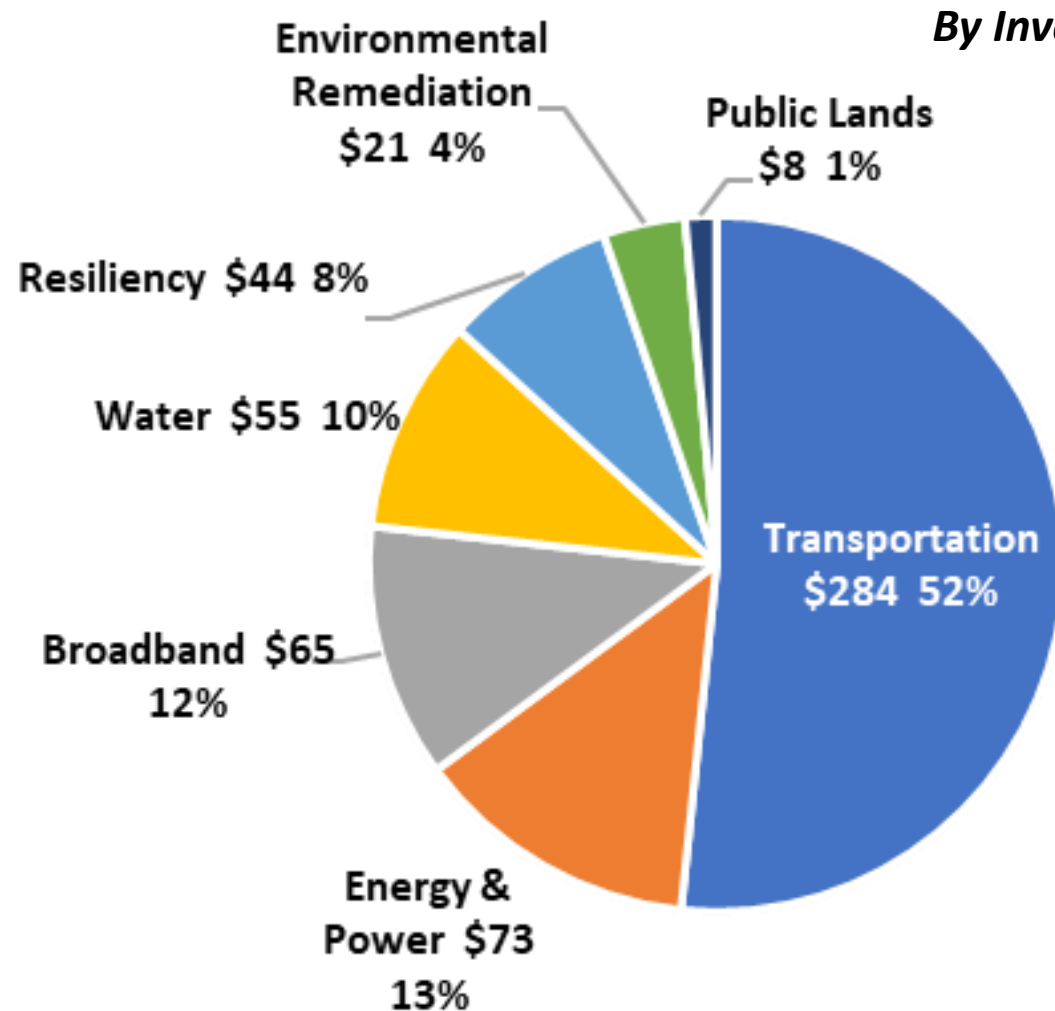


## \$550 billion in BIL New Spending

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, IJJA Analysis 11/7/21

# Overview



## \$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, IJIA 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
  - 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
- Additional complication: Highway Trust Fund – spending has been authorized, but is also considered discretionary so is subject to annual change during Congressional budget process



## 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

**\$110 billion**

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

#### Rail

**\$ 66 billion**

*Amtrak, Northeast corridor, intercity passenger; AKRR no big benefit*

#### Transit:

**\$ 39 billion**

*Public transit; zero-emission vehicle programs*

#### Airports:

**\$ 25 billion**

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

#### Ports & Waterways:

**\$ 17 billion**

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

#### Safety:

**\$ 11 billion**

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

#### Electric Vehicle Infrastructure

**\$ 8 billion**

*New formula and grant program*

#### 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

**\$ 73 billion**

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

#### Broadband

**\$ 65 billion**

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

#### Water:

**\$ 55 billion**

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

#### Resiliency:

**\$ 44 billion**

*Storm/flood mitigation, natural disaster assistance; cybersecurity*

#### Environmental Remediation:

**\$ 21 billion**

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

#### Public Lands

**\$ 8 billion**

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

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

# Preliminary List of State Budget Items

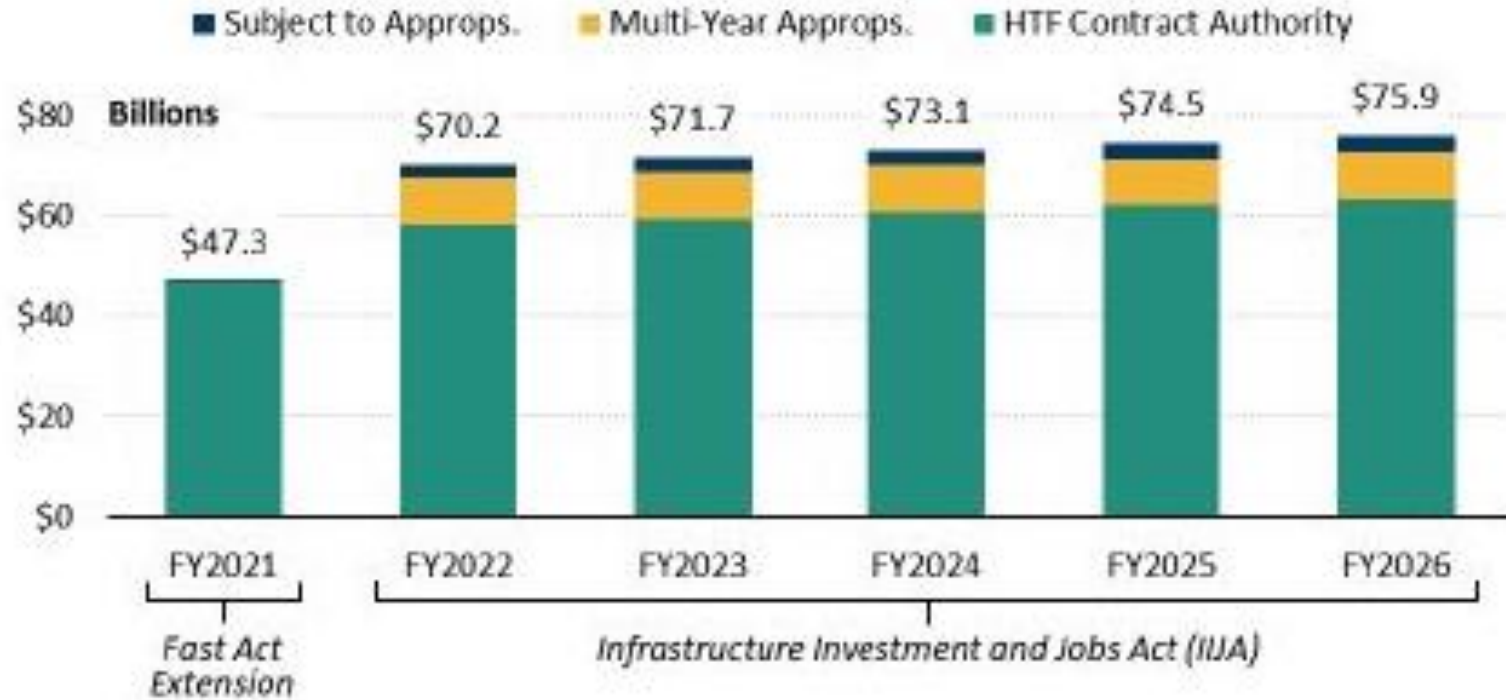
Federal-Aid Highways			
	DOT	FHWA	National Highway Performance Program (NHPP)
	DOT	FHWA	Surface Transportation Block Grant Program (STBG)
	DOT	FHWA	Highway Safety Improvement Program (HSIP)
	DOT	FHWA	Railway-Highway Grade Crossings Program
	DOT	FHWA	Congestion Mitigation and Air Quality (CMAQ) Improvement Program
	DOT	FHWA	National Highway Freight Program (NHFP)
	DOT	FHWA	Metropolitan Planning Program (MPO)
	DOT	FHWA	NEW: Carbon Reduction Program
	DOT	FHWA	NEW: PROTECT Formula Program
Bridge			
	DOT	FHWA	NEW: Bridge Formula Program
Ferry			
	DOT	FTA	NEW: Ferry Service for Rural Communities (Sec 71103)
Airports			
	DOT	FAA	Airport Improvement Program

# Preliminary List of State Budget Items

<b>Broadband</b>			
	CED	NTIA	NEW: BEAD (Broadband Equity, Access, and Deployment) Program - Initial Planning Grant
<b>Water Infrastructure</b>			
	DEC	EPA	Clean Water State Revolving Funds (CWSRF): Program
	DEC	EPA	NEW: CWSRF - Emerging Contaminants (PFAS)
	DEC	EPA	Drinking Water State Revolving Funds (DWSRF): Program
	DEC	EPA	DWSRF Lead Service Line Projects
	DEC	EPA	DWSRF Emerging Contaminants (PFAS)
	DEC	EPA	Brownfield Projects Under CERCLA of 1980
	DEC	IHS	Domestic and Community Sanitation Facilities for Indians - DEC Admin
<b>Cybersecurity</b>			
	MVA	DHS	NEW: State and Local Cybersecurity Grant Program
<b>Energy &amp; Resources</b>			
	AEA	FHWA	NEW: National Electric Vehicle Formula Program (Div J)
	AEA	DOE	State Energy Program (Sec 40109)
	AEA	DOE	New: Energy Auditor Training Grant (Sec 40503)
	AEA	DOE	New: Energy Efficiency Revolving Loan Fund Capitalization Grant Program (Sec 40502)
	HHS	HHS	Low-Income Heating Assistance Program (LIHEAP)
	DNR	DOI	NEW: Earth Mapping Resources Initiative (MRI) (Sec 40201)
	DNR	DOI	Abandoned Mine Lands Reclamation
<b>Methane Reduction Infrastructure</b>			
	DOI	AOGCC	NEW: Orphaned Well Site Plugging/Remediation: State Land Program
<b>Schools</b>			
	CED	USFS	Secure Rural Schools Program Reauthorization (Sec 41202)

# 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.

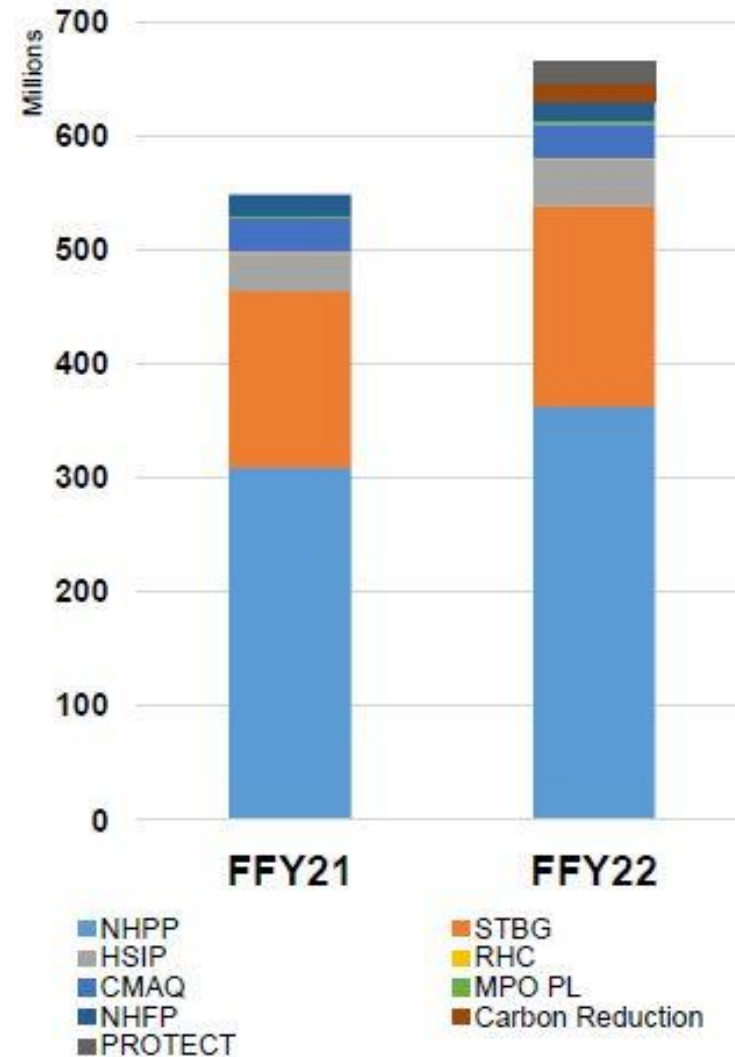
Source: Congressional Research Service: Fed Highway Programs: In Brief 1/21/22

# 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%
<b>Total</b>	<b>555.8</b>	<b>664.3</b>	<b>108.4</b>	<b>19.5%</b>	

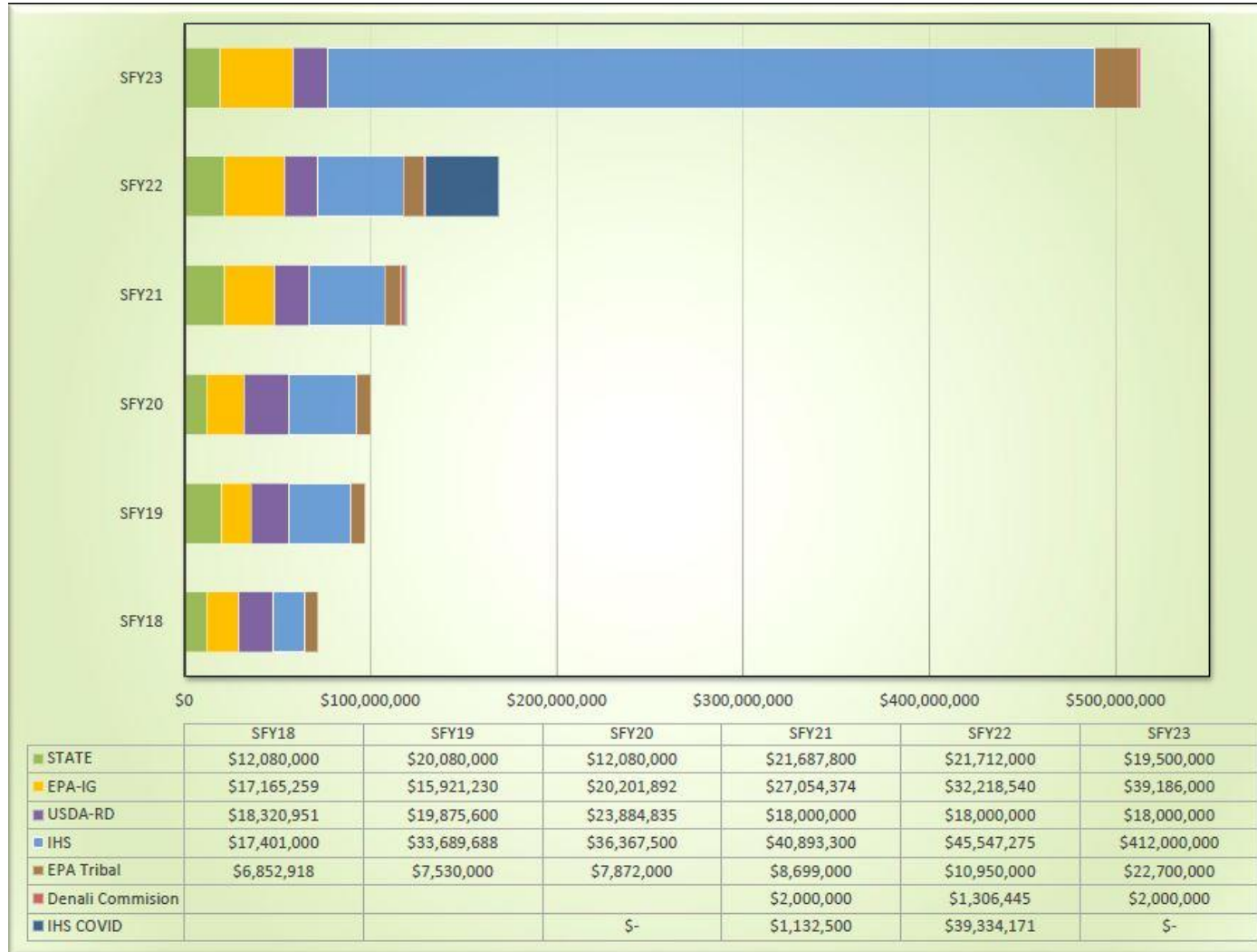
PROTECT - Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation



Year 1- 20% increase  
Years 2-5 - 2% inflation

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	
<b><u>FY22 Construction Financed through IJA/BIL</u></b>								
Port of Nome Phase 1 - West Causeway Expansion*	\$ 333.0	\$ 250.0	\$ 83.0	25%	\$ 147.0	\$ 10.0	7%	
Kenai River Bluff Erosion	\$ 30.0	\$ 19.5	\$ 10.5	35%	\$ 10.5	\$ 6.5	62%	
<b><u>Other USACE Assisted Projects</u></b>								
Craig Harbor	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
- 
- \$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:

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### 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