



Puget Sound Regional Council

Puget Sound Regional Council (PSRC)

Federal Policy Update

October 26, 2023

Holland & Knight

Agenda

- DC Update
- FY 2024 Appropriations Update: Debt Ceiling Impact, Status of Appropriations Bills
- Upcoming Federal Funding Opportunities
- 2024 Federal Landscape and Political Overview

DC Update

- **Appropriations:** On September 30, 2023, Congress passed a 45-day, short-term continuing resolution (CR). The CR allows the federal government to be funded giving Congress more time to pass all 12 appropriations bills. If Congress does not pass these appropriations bills or another short-term CR by November 17, the government will shutdown.
- **FAA Reauthorization:** The short-term CR also extends the FAA's authorization to give Congress more time to pass a reauthorization bill.

DC Update Cont. – House Speakership

October 10:

House votes 218 – 208 to depose Kevin McCarthy (R-CA) as House Speaker. Rep. Patrick McHenry (R-NC) designated Speaker Pro Tem.

October 10-18:

House Republicans work to nominate new Speaker. House conducts two votes on Speaker of the House; House GOP selects Jim Jordan (R-OH).

October 20:

After Rep. Jordan loses three rounds, House GOP removes him as Speaker designate in secret ballot.

October 24:

There were nine House GOP nominees, including House Majority Whip Tom Emmer (R-MN). Emmer appeared to be the Speaker designate, but dropped out hours later.

- This is the first time in U.S. history a House Speaker has been successfully removed.
- House Republicans initially nominated House Majority Leader Steve Scalise (R-LA). However, Scalise withdrew due to not having enough votes within the Republican Caucus.

FY24 Appropriations Update

- **Outcome of Debt Ceiling Negotiations:** In June, President Biden signed legislation into law to avert a U.S. debt default. The law limits federal spending for two years and suspends the debt ceiling through the 2024 election. ***If all 12 appropriations bills are not enacted by January 1 of the following year, discretionary spending will receive a 1% cut across the board.***
- **Status of FY24 Appropriations:** As of October 2023, 4 of 12 appropriations bills have passed at least one chamber, as listed below:
 - House: Defense, Homeland Security, Military Construction-Veterans Affairs, State-Foreign Operations
 - The Senate is working to pass their appropriations bills in a series of smaller packages, known as “minibuses”. This week, the Senate is hoping to pass the first minibus that includes the Agriculture-FDA, Military Construction-VA and Transportation-HUD measures.

Key Competitive Bipartisan Infrastructure Law (BIL) Opportunities

Program	Funding level over 5 years	Status
<ul style="list-style-type: none"> • Bridge Investment Program – Planning Grants (<i>Round 2</i>) <ul style="list-style-type: none"> • Planning grants for bridge projects. • 2022 Awards – No PSRC recipients 	\$20 million	FY24 NOFO expected Q1 2024
<ul style="list-style-type: none"> • Bridge Investment Program – Bridge Projects (<i>Round 2</i>) <ul style="list-style-type: none"> • Projects to replace, rehabilitate, preserve or protect bridges on the National Bridge Inventory. • 2022 Awards – City of Seattle (\$2.4M) 	\$2.34 billion	
<ul style="list-style-type: none"> • Bridge Investment Program – Large Bridges (<i>Round 2</i>) <ul style="list-style-type: none"> • Large bridge projects with eligible costs greater than \$100 million. • 2022 Awards – No PSRC recipients 	\$9.62 billion	FY23/24 NOFO closes 11/27/2023

Key Competitive BIL Opportunities – Cont.

Program	Funding level over 5 years	Status
PROTECT Grant Program (Round 2) <ul style="list-style-type: none">Funding for planning, resiliency improvements, community resilience, evacuation routes and at-risk coastal infrastructure.	\$1.4 billion	FY23 awards pending; FY24 NOFO expected Q2 2024
National Infrastructure Project Assistance (Mega) (Round 3) <ul style="list-style-type: none">Supports large, complex projects that are difficult to fund by other means and will generate national or regional economic, mobility or safety benefits.	\$5 billion	FY24 NOFO expected Q2 2024

Key Competitive BIL Opportunities – Cont.

Program	Funding level over 5 years	Status
Nationally Significant Freight and Highway Projects (INFRA) (Round 3) <ul style="list-style-type: none">Awards competitive grants for multimodal freight and highway projects of national or regional significance to improve the safety, efficiency and reliability of the movement of freight and people in and across rural and urban areas.	\$8 billion	FY24 NOFO expected Q2 2024
Electric Vehicle (EV) Charging and Refueling Infrastructure Program (round 2) <ul style="list-style-type: none">Funding to deploy EV charging and alternative fueling infrastructure along designated alternative fuel corridors in communities.	\$2.5 billion	FY24 NOFO expected Q2 2024

Key Competitive BIL Opportunities – Cont.

Program	Funding level over 5 years	Status
Bus and Bus Facilities <ul style="list-style-type: none">Existing program that provides capital funding to replace, rehabilitate, purchase or lease buses and bus related equipment.2023 Awards:<ul style="list-style-type: none">WSDOT - \$7.52M	\$1.9 billion	FY 2024 NOFO expected Q1 2024.
Low-No Emission Buses <ul style="list-style-type: none">Existing program that supports the purchase or lease of zero-emission and low-emission transit buses as well as acquisition, construction and leasing of required supporting facilities.2023 Awards:<ul style="list-style-type: none">King County Metro Transit - \$33.5M	\$5.5 billion	

Key Competitive BIL Opportunities – Cont.

Program	Funding level over 5 years	Status
<p>Safe Streets and Roads for All (Round 2)</p> <ul style="list-style-type: none">• Supports planning and implementation of local Vision Zero initiatives.• 2022 Awards:<ul style="list-style-type: none">• PSRC - \$4.86M action planning grant• City of Seattle - \$25.65M implementation grant	\$5 billion	FY23 awards expected Fall/Winter 2023 FY24 NOFO expected Spring 2024

Key Competitive BIL Opportunities – Cont.

Program	Funding level over 5 years	Status
<p>RAISE Grant Program (Round 3)</p> <ul style="list-style-type: none"> Existing program that supports construction and planning for road, rail, transit and port projects that achieve national objectives. 2023 Awards: <ul style="list-style-type: none"> Jamestown S’Klallum Tribe - \$25M City of Shoreline, WA - \$20M City of Port Angeles - \$16.13M Port of Bremerton - \$9.4M City of Seattle - \$1.2M 	\$7.5 billion	FY24 NOFO expected October/ November 2023.
<p>Active Transportation Infrastructure Investment Program</p> <ul style="list-style-type: none"> Funds projects that connect walking and biking infrastructure into accessible, affordable and safe active transportation networks that allow people to reach destinations within a community, as well as travel between communities, without needing a car. 	\$1 billion	First NOFO for the program expected November/ December 2023

Key Competitive BIL Opportunities – Cont.

Program	Funding level over 5 years	Status
Passenger Ferry Program <ul style="list-style-type: none">• Funding for passenger ferry capital projects in urbanized areas.• 2022 Awards:<ul style="list-style-type: none">• WSDOT - \$5M (Construction of Southworth Ferry Terminal)• WSDOT - \$1M (Upgrading of ferry payment system)	\$150 million	NOFO closed July 17, 2023
Electric or Low-Emitting Ferry Program <ul style="list-style-type: none">• Grants for the purchase of electric or low-emitting ferries and the electrification of or other reduction of emissions from existing ferries.• 2022 Awards:<ul style="list-style-type: none">• WSDOT - \$4.9M (Construction of EV charging facility at Clinton Ferry Terminal)	\$250 million	

Key Competitive BIL Opportunities – Cont.

Program	Funding level over 5 years	Status
Brownfields Assessment Grants (Community-Wide Assessment Grants) <ul style="list-style-type: none">Funding for communities that are beginning to address Brownfield challenges, as well as for communities that have ongoing efforts to bring sites into productive reuse.		
Brownfields Assessment Grants (Assessment Coalition Grants) <ul style="list-style-type: none">Allows one “lead” entity to partner with two to four eligible entities that do not have the capacity to apply for and manage their own EPA cooperative agreement and otherwise would not have access to Brownfields grant resources.	\$600 million (shared)	NOFO closes November 13, 2023

Key Competitive BIL Opportunities – Cont.

Program	Funding level over 5 years	Status
Brownfields Cleanup Grants <ul style="list-style-type: none">Grants to carry out cleanup activities at Brownfield sites. An applicant may request funding to address hazardous substances and/or petroleum contamination at one or more Brownfield sites.	\$160 million	NOFO closes November 13, 2023
Brownfields Multipurpose Grants <ul style="list-style-type: none">Cleanup grants to carry out cleanup activities at Brownfield sites owned by the applicant. An applicant may request funding to address hazardous substances and/or petroleum contamination at one or more Brownfield sites.	\$150 million	

Key Competitive BIL Opportunities – Cont.

Program	Funding level over 5 years	Status
Broadband, Equity, Access, and Deployment Program <ul style="list-style-type: none">• Formula funding to assist States in the deployment, mapping and adoption of broadband.	\$42.5 billion	FY24 allocations expected Q2 2024
Digital Equity Competitive Grants <ul style="list-style-type: none">• Grants to support digital equity, promote digital inclusion activities and spur greater adoption of broadband among underserved populations.	\$1.25 billion	FY24 NOFO expected Q1 2024

Inflation Reduction Act (IRA) Opportunities

Program	Funding	Status
<p>EPA Climate Pollution Reduction Grants (CPRG)</p> <ul style="list-style-type: none">• The CPRG program provides grants to states, local governments, tribes and territories to develop and implement ambitious plans for reducing greenhouse gas emissions and other harmful air pollution.• 2023 awards:<ul style="list-style-type: none">• Puget Sound Clean Air Agency (planning grant) (up to \$1 million)	<p>\$9.85 billion</p>	<p>Planning Grants: NOFO closed March/April 2023</p> <p>Competitive Grants: NOFO closes April 1, 2024</p>

IRA Opportunities – Cont.

Program	Funding	Status
<p>EPA Greenhouse Gas Reduction Fund</p> <ul style="list-style-type: none">This program provide competitive grants to mobilize financing and leverage private capital for clean energy and climate projects that reduce greenhouse gas emissions, with an emphasis on projects that benefit low-income and disadvantaged communities.<ul style="list-style-type: none">National Clean Investment Fund (NCIF): \$14 billionClean Communities Investment Accelerator (CCIA): \$6 billionSolar for All: \$7 billion	\$27 billion in total	<p>NCIF: NOFO closed on 10/12/2023</p> <p>CCIA: NOFO closed on 10/12/2023</p> <p>Solar for All: NOFO closed on 9/26/2023</p>

IRA Opportunities - Cont.

Program	Funding	Status
<p>EPA Environmental and Climate Justice Program (ECJ)</p> <ul style="list-style-type: none"> The ECJ Program provides funding for financial and technical assistance to carry out environmental and climate justice activities to benefit underserved and overburdened communities. <ul style="list-style-type: none"> Community Change Grants Program: \$2 billion Thriving Communities Grantmaking Program (EJ TCGM): \$550 million EJ Government-to-Government Program (EJ G2G): \$70 million Environmental Justice Collaborative Problem-Solving Cooperative Agreement Program (EJ CPS): \$30 million Technical Assistance: \$200 million 	<p>\$3 billion in total</p>	<p>Community Change Grants: NOFO expected October 2023</p> <p>EJ TCGM: NOFO closed 6/30/2023</p> <p>EJ G2G: NOFO closed 4/14/2023</p> <p>EJ CPS: NOFO closed 4/13/2023</p>

IRA Opportunities - Cont.

Program	Funding	Status
NOAA Coastal Habitat Restoration and Resilience Grants for Underserved Communities <ul style="list-style-type: none">Supports capacity building and restoration project activities that have the greatest potential to lead to habitat restoration that enhances resilience of underserved communities in marine, estuarine, coastal, and Great Lakes areas.	\$10 million	NOFO closes 12/19/2023
NOAA Transformational Habitat Restoration and Coastal Resilience Grants <ul style="list-style-type: none">Funding will prioritize habitat restoration actions that rebuild productive and sustainable fisheries, contribute to the recovery and conservation of threatened and endangered species, use natural infrastructure to reduce damage from flooding and storms, promote resilient ecosystems and communities and yield socioeconomic benefits.	\$85 million	NOFO closes 11/17/2023

IRA Tax Credits Available to Local Governments

- Section 30C- Alternative Fuel Refueling Property
- Section 45(a) – Production Tax Credit for Electricity Produced by Certain Renewable Resources
- Section 45Q – Carbon Oxide Sequestration
- Section 45U – Zero-Emission Nuclear Power Production Credit
- Section 45V – Credit for Production of Clean Hydrogen
- Section 45W – Credit for Purchase of Commercial Clean Vehicles
- Section 45X – Advanced Manufacturing Production Credit
- Section 45Y and 48E – Clean Energy Production Credit and Clean Energy Investment Tax Credit
- Section 45Z – Clean Fuel Production Credit
- Section 48 – Energy Credit (Investment Tax Credit)
- Section 48C – Advanced Energy Production Credit

Direct Pay Option for Tax-Exempt Organizations (IRA Tax Credits)

- Prior to IRA, many tax-exempt organizations (including local governments) could not fully benefit from tax credits, such as those that incentivize clean energy infrastructure/deployment.
- Within IRA, the direct pay (also known as “elective pay”) feature allows tax-exempt and governmental entities to receive elective payments for 12 clean energy tax credits.
- **Direct pay is a game changer in how local governments can maximize their earning potential in federal funds to expand clean energy infrastructure.**

Surface Transportation Reauthorization 2025

- Every 5 years, Congress passes legislation to authorize Federal surface transportation programs for improving infrastructure including highways, bridges, mass transit, rail, and transportation safety.
- **The current surface transportation authorization, within the BIL, authorizes funding for surface transportation programs from 2021 to 2026.**
- Congressional committees are beginning to think about the next surface transportation authorization package — collecting ideas, holding hearings, etc. ***Holland & Knight will continue to provide updates as this legislation develops, as well as strategy for advocating for language that is aligned with PSRC's interests in surface transportation.***

2024 Political Lookahead: Congress

- **House:** Elections for representatives of **all 435 congressional districts**, as well as 6 non-voting delegates from the District of Columbia and the inhabited U.S. territories, will take place in 2024.
 - 15 Reps. + 1 Non-Voting Delegate (11 Ds, 5 Rs) have announced their retirements. 13 of the 15 are retiring to run for other offices.
- **Senate: 34 of the 100 seats** in the U.S. Senate are up for election and will be contested in in 2024.
 - As of October 2023, 21 Senators (14 Democrats, 6 Republicans, and 1 Independent) have announced their plans to run for re-election.

Competitive House Races

Likely Democrat	Lean Democrat	Democrat-held toss up	Republican-held toss up	Lean Republican	Likely Republican
AL-02 Moore CA-09 Harder CA-49 Levin FL-09 Soto FL-23 Moskowitz KS-03 Davids MD-06 Open (Trone) MI-03 Scholten MI-08 Kildee MN-02 Craig NH-01 Pappas NH-02 Kuster NJ-03 Open (Kim) NV-01 Titus NV-04 Horsford OR-04 Hoyle TX-28 Cuellar VA-07 Spanberger VA-10 Open (Wexton) WA-08 Schrier	AK-At Large Peltola CA-47 Open (Porter) CT-05 Hayes IL-17 Sorensen IN-01 Mrvan ME-02 Golden NC-01 Davis NV-03 Lee NY-03 Santos NY-18 Ryan OH-01 Landsman OH-09 Kaptur OR-06 Salinas PA-17 Deluzio TX-34 Gonzalez	CO-08 Caraveo MI-07 Open (Slotkin) NC-06 Manning NC-13 Nickel NC-14 Jackson NM-02 Vasquez OH-13 Sykes PA-07 Wild PA-08 Cartwright WA-03 Perez	AZ-01 Schweikert AZ-06 Ciscomani CA-13 Duarte CA-27 Garcia CA-41 Calvert CO-03 Boebert FL-05 Rutherford LA-05 Letlow NJ-07 Kean Jr. NY-04 D'Esposito NY-17 Lawler NY-19 Molinaro NY-22 Williams OR-05 Chavez-DeRemer	CA-22 Valadao CA-45 Steel IA-03 Nunn MI-10 James NE-02 Bacon VA-02 Kiggans	CA-03 Kiley CA-40 Kim FL-13 Luna IA-01 Miller-Meeks LA-06 Graves MT-01 Zinke NY-01 LaLota PA-01 Fitzpatrick PA-10 Perry SC-01 Mace TX-15 De La Cruz WI-03 Van Orden

Competitive Senate Races

Likely Democrat	Lean Democrat	Democrat-held toss up	Republican-held toss up	Lean Republican	Likely Republican
NJ-Menendez	MI-Open MT-Tester NV-Rosen PA-Casey WI-Baldwin	AZ-Sinema (I) OH-Brown WV-Manchin		FL-Scott TX-Cruz	IN-Open MO-Hawley MS-Wicker ND-Cramer NE-Fischer NE-Ricketts TN-Blackburn UT-Open WY-Barrasso

Questions?

Thank you.