



Southern California Association of Governments (SCAG)

Federal Update

January 2024

Holland & Knight

Copyright © 2022 Holland & Knight LLP. All Rights Reserved

Agenda

- DC Update and Policy Lookahead
- FY 2024 Appropriations Update
- Other Pending Congressional Agenda Items
- Upcoming Federal Funding Opportunities
- 2024 Federal Landscape and Political Overview

DC Update and Policy Lookahead

- Congress returned this month to resume work on several pending items, including government funding.
- **Supplemental Request:** Lawmakers remain at an impasse over supplemental assistance for Ukraine and Israel, as Republicans have demanded immigration policy changes in exchange for their support.
- **President's FY25 Budget Request:** The release of the President's FY25 budget request in Q1 2024 will kick off the annual appropriations process. Congress will begin drafting appropriations bills and gathering community project funding requests.
- **FAA Reauthorization:** On December 20, the Senate cleared a temporary FAA authorization extension, which ensures that the agency can receive funding through March 2024.
- **Other items:** Farm Bill, National Defense Authorization Act, Water Resources Development Act, among others.

Holland & Knight

FY24 Appropriations Update

- **Appropriations:** On November 15, 2023, Congress passed a two-tiered continuing resolution (CR). The CR allows the federal government to be funded at FY23 levels giving Congress more time to pass all 12 appropriations bills. The laddered CR is outlined as follows:
 - **First Deadline (Jan. 19):** Agriculture-FDA, Energy and Water, Military Construction-VA, and Transportation-HUD
 - **Second Deadline (February 2):** Commerce-Justice-Science, Defense, Financial Services, Homeland Security, Interior-Environment, Labors-HHS-Education, Legislative Branch, State-Foreign Operations

Holland & Knight

FY24 Appropriations Update Cont.

- Bipartisan negotiators reached a deal this month on FY24 top line spending levels at \$1.59 trillion (\$886 billion for defense and \$772 billion for nondefense) for the 12 spending bills.
- However, they still have limited runway, as Congress must meet key funding deadlines of **January 19** and **February 2** to prevent a government shutdown.

Holland & Knight



“While these final spending levels will not satisfy everyone...this deal does provide us a path to: **1) move the process forward; 2) reprioritize funding within the topline towards conservative objectives, instead of last year’s Schumer-Pelosi omnibus; and 3) fight for the important policy riders included in our House FY24 bills.**”

–Speaker Mike Johnson (R-LA)



“Now the Appropriations Committees...can prepare **full-year appropriations bills, free of poison pill policy changes. Both sides will need to work together in a bipartisan way and avoid a costly and disruptive shutdown.**”

-Rep. Hakeem Jefferies (D-NY), House Minority Leader

Holland & Knight

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 (Round 2) <ul style="list-style-type: none"> Planning grants for bridge projects. 	\$100 million	FY23/FY24 NOFO open until February 19, 2024
<ul style="list-style-type: none"> Bridge Investment Program – Bridge Projects (Round 2) <ul style="list-style-type: none"> Projects to replace, rehabilitate, preserve or protect bridges on the National Bridge Inventory. 	\$2.34 billion	FY23-FY24 NOFO open until March 19, 2024
<ul style="list-style-type: none"> Bridge Investment Program – Large Bridges (Round 3) <ul style="list-style-type: none"> Large bridge projects with eligible costs greater than \$100 million. Note: Round 2 closed December 2023 	\$9.62 billion	FY25 NOFO open until August 1, 2024

Holland & Knight

Key Competitive BIL Opportunities

Program	Funding level over 5 years	Status
<p>PROTECT Grant Program (Round 3)</p> <ul style="list-style-type: none"> Funding for planning, resiliency improvements, community resilience, evacuation routes and at-risk coastal infrastructure. 	\$1.4 billion	<p>FY23 awards pending</p> <p>FY24 NOFO expected Q2 2024</p>
<p>National Infrastructure Project Assistance (MEGA) (Round 3)</p> <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. 2023 awards: <ul style="list-style-type: none"> America’s Green Gateway Pier B Rail Program Buildout: 283,375,812 	\$5 billion	FY24 NOFO expected Q2 2024

Holland & Knight

Key Competitive BIL Opportunities

Program	Funding level over 5 years	Status
Nationally Significant Freight and Highway Projects (INFRA) (Round 2) <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	FY23 awards expected soon FY24 NOFO expected Q2 2024
Electric Vehicle (EV) Charging and Refueling Infrastructure Program (Round 3) <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

Holland & Knight

Key Competitive BIL Opportunities

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"> Norwalk Transit System: \$1.055M 	\$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"> City of Anaheim: \$3.609M 	\$5.5 billion	

Holland & Knight

Key Competitive BIL Opportunities

Program	Funding level over 5 years	Status
<p>Safe Streets and Roads for All (Round 3)</p> <ul style="list-style-type: none"> • Supports planning and implementation of local Vision Zero initiatives. • 2023 Awards: <ul style="list-style-type: none"> • SCAG: \$12M Planning and Development Grant • City of Fontana: \$19.8M Implementation Grant • City of Lancaster: \$19.652M Implementation Grant • City of Riverside: \$11.104M Implementation Grant 	\$5 billion	<p>FY23 awards announced December 2023</p> <p>FY24 NOFO expected January 2024</p>

Holland & Knight

Key Competitive BIL Opportunities

Program	Funding level over 5 years	Status
<p>Port Infrastructure Development Program (PIDP) (Round 3)</p> <ul style="list-style-type: none"> • Support efforts by ports and industry stakeholders to improve port and related freight infrastructure to meet the nation's freight transportation needs and ensure our port infrastructure can meet anticipated growth in freight volumes. • 2023 Awards: <ul style="list-style-type: none"> • Port of Long Beach: \$52.633M 	\$2.25 billion	<p>FY24 NOFO open until April 30, 2024</p>

Holland & Knight

Key Competitive BIL Opportunities

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"> San Bernardino County: \$25M Imperial County Transportation Commission (Calexico, CA): \$12.887M LA Housing Authority: \$6.967M City of Anaheim: \$5.066M 	\$7.5 billion	FY24 NOFO available until February 28, 2024

Holland & Knight

Key Competitive BIL Opportunities

Program	Funding level over 5 years	Status
<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 Winter 2024

Holland & Knight

Key Competitive BIL Opportunities

Program	Funding level over 5 years	Status
<p>Brownfields Assessment Grants (Community-Wide Assessment Grants)</p> <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. 	\$600 million (shared)	NOFO closed November 13, 2023
<p>Brownfields Assessment Grants (Assessment Coalition Grants)</p> <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. 		

Holland & Knight

Key Competitive BIL Opportunities

Program	Funding level over 5 years	Status
<p>Brownfields Cleanup Grants</p> <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 closed November 13, 2023
<p>Brownfields Multipurpose Grants</p> <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	

Holland & Knight

Key Competitive BIL Opportunities

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

Holland & Knight

Inflation Reduction Act (IRA) Opportunities

Program	Funding	Status
EPA Climate Pollution Reduction Grants (CPRG) <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 Planning Grants (all up to \$1M): <ul style="list-style-type: none"> County of Los Angeles Department of Public Works Ventura County San Bernardino County Transportation Authority 	\$9.85 billion	Planning Grants: NOFO closed March/April 2023 Competitive Grants: NOFO closes April 1, 2024

Holland & Knight

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 billion Clean Communities Investment Accelerator (CCIA): \$6 billion Solar 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> <p>Awards for NCIF, CCIA, and S4A expected March 2024</p>

Holland & Knight

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 	\$3 billion in total	<p>Community Change Grants: FY24 NOFO open until November 21, 2024</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>

Holland & Knight

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 SCAG'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.
 - 38 Reps. (21 Ds, 17 Rs) have announced their retirements or intent to run for another office.
 - With redistricting and tight national polls, the House forecast remains a toss up.
- **Senate: 34 of the 100 seats** in the U.S. Senate are up for election and will be contested in 2024.
 - As of January 2024, 21 Senators (14 Democrats, 6 Republicans, and 1 Independent) have announced their plans to run for re-election.
 - As of January 2024, 7 U.S. Senators are not seeking re-election in 2024 (5 Democrats, 2 Republicans).
 - Republicans are slightly favored to take control of the Senate in 2024.

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?

Holland & Knight

Thank you.

Holland & Knight