



# TTAA Legislative Update

August 2, 2021



## Looking Ahead To Government Funding As September Nears And Senate Advances Bipartisan Infrastructure Act

### The Bipartisan Infrastructure Investment And Jobs Act

On July 28th, the Senate voted 67-32 to take up the bi-partisan “Infrastructure Investment and Jobs Act (IIJA)” which was negotiated by a group of 11 Democratic senators and 11 Republican senators. All 50 Democratic senators and 17 Republicans voted for the bill, which required 60 votes to succeed.

Senate GOP Leader Mitch McConnell voted for the bill, indicating his intention to take charge of Republicans’ fight to amend the bill and use as much floor time as possible to hold off Democrats from passing an all-important Joint Resolution on the Budget for FY 2022.

A member of GOP leadership, Senator John Cornyn, said on the floor that the 33 Republicans who voted against the bill would have many amendments to offer. Sixty votes are required for passage of an amendment to IIJA.

Final action on the infrastructure bill will likely consume this week, but it’s Senator Schumer’s decision when to call a halt with time running out on his more important goal of enacting a joint budget resolution essential to opening the door to passage of Democrats’ \$3.5 trillion budget plan.

### Significance For WOTC Advocates

Any delay passing the bipartisan infrastructure bill also delays passage of the Joint Budget Resolution, FY 2022 and it’s follow-on Omnibus Budget Reconciliation, FY 2022 containing our proposals to expand and improve WOTC, as well as some of President Biden’s proposals like hiking the corporate tax. The powerful interests in this \$3.5 trillion contest are so large we must prepare for a long fight.

### The Joint Budget Resolution For Fiscal Year 2022

Democratic leaders plan to enact this month, by majority vote of both houses of Congress, a Joint Budget Resolution for FY 2022, and Republicans are planning to counter with any number of amendments or points of order to block passage of the joint resolution as long as possible.

Senator Schumer is writing the joint budget resolution in coordination with Speaker Pelosi and President Biden. It’s entirely a Democrat product, Republicans will deploy all their power to defeat or forestall it. The battle begins anytime Senator Schumer brings the

joint resolution to the floor, and he plans to do this month.

The joint resolution dictates spending levels to House and Senate appropriations committees, as well as tax policy requirements to Ways and Means and Finance Committees. At the moment, Ways and Means and Finance are writing the tax provisions to be included in the joint resolution.

Assuming Leader Schumer doesn't keep the Senate in session for the summer, the Senate may work a few days this month on passage of the bipartisan infrastructure (IIJA) bill, but Senator Schumer will likely move immediately to pass the Joint Budget Resolution for FY 2022 as soon as written—only a simple majority is required.

Democrats have a narrow majority in both houses: they can use Vice President Harris' vote in the Senate, and count on Speaker Pelosi to not lose more than three Democratic votes in the House.

If the Joint Resolution passes as planned this month, its instructions to appropriations and tax-writing committees will be converted to a bill by these committees—let's call it Omnibus Budget Reconciliation, FY 2022—a comprehensive tax and spending bill to be passed identically by both houses, and if passed, signed into law by the President.

If Senator Schumer elects to adjourn around August 12, when senators reconvene on September 9<sup>th</sup> they'll focus on passing Omnibus Budget Reconciliation, FY 2022. But here they'll run into powerful interests nationwide, moderates in Congress may balk, the public aroused. In sum, they could stall, their slim majorities may not hold in either house. In this scenario, President Biden weighs in and salvages a deal far below \$3.5 trillion.

#### Significance For WOTC Advocates

Continue working with Ways and Means and Finance to shape Democrats' budget reconciliation instructions being written now. Work with the tax-writing committees to ensure bills WOTC Coalition supports are part of Omnibus Budget Reconciliation, FY 2022, including the Suozzi bill to accelerate return to work, and separate bills we've advanced to enhance WOTC for people with disabilities, veterans' spouses, youth, foster youth, and seniors.

In addition, small business owners are working to eliminate the BEAT tax as President Biden has proposed; we want employers to be able to claim WOTC by allowing the credit against the employer part of the payroll tax when there's insufficient income to claim against; and we believe it's time to make private non-profit employers eligible for WOTC, opening millions of good jobs in health care and education.

NONE OF THE BILLS INTRODUCED FOR OUR CAUSES can be enacted this year unless passed as part of the Omnibus Budget Reconciliation for FY 2022. It's a must-do bill, but the political climate is such that it may not pass at all in FY 2022 unless President Biden and congressional Democrats compromise significantly.



**Senate Votes to Advance Bipartisan Infrastructure Plan**

On July 28, the U.S. Senate voted 67 to 32 with 17 Republicans voting in favor of moving forward with consideration of the bipartisan infrastructure framework after an agreement was reached on the scope and details. The text of the plan is still being drafted. The package will provide \$550 billion in spending above budget baseline over 5 years. The White House issued the attached fact sheet on the agreement on the bipartisan infrastructure framework.

Below is the list of the 17 Senate Republicans that voted in favor of moving forward with the debate (Note: Senator Rounds (R-SD) announced his support but was unable to be there to vote.):

- Blunt (R-MO)
- Burr (R-NC)
- Capito (R-WV)
- Cassidy (R-LA)
- Collins (R-ME)
- Cramer (R-ND)
- Crapo (R-ID)
- Graham (R-SC)
- Grassley (R-IA)
- Hoeven (R-ND)
- McConnell (R-KY)
- Murkowski (R-AK)
- Portman (R-OH)
- Risch (R-ID)
- Romney (R-UT)
- Tillis (R-NC)
- Young (R-IN)

It appears the bill will include the Senate Committee on Environment and Public Works (EPW) bill, the “Surface Transportation Reauthorization Act,” S. 1931 passed by the Committee at the end of May which the Highway Users strongly supports. Additionally, it will include the Senate Commerce bill S. 2016, the drinking water infrastructure bills, passed by the EPW Committee and the energy infrastructure bill passed by the Committee on Energy and Natural Resources.

The proposal includes \$110 billion in spending above baseline to address the aging infrastructure needs of the nation’s roads and bridges. \$55.48 billion will be for Federal Highway Administration contract authority and \$55.52 billion will be for one-time general fund guaranteed appropriations.

Additionally, the summaries leaked yesterday include the following 5-year amounts:

- \$40 billion – New funding for bridge repair, replacement, and rehabilitation.
- \$7.5 billion – Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grants
- \$5 billion – National Infrastructure Project Assistance Grant Program
- \$3.2 billion – Infrastructure for Rebuilding America (INFRA) Grant Program
- \$1.2 billion – Appalachian Development Highway System Formula Program
- \$500 million – Surface Transportation Private Activity Bonds
- 95 million – University Transportation Centers
- \$1 billion – Culvert Removal, Replacement, and Restoration

Additional Sections outlined in the summaries:

- \$66 billion – Passenger and Freight Rail

- \$11 billion – Safety (Funds highway & pedestrian safety programs, including a significant investment in a Safe Streets program that prevent death and serious injury on roads and streets.)
- \$39.2 billion – Public Transit
- \$65 billion – Broadband
- \$17.3 billion – Ports and Waterways
- \$25 billion – Airports
- \$55 billion Water Infrastructure
- \$73 billion – Power and Grid
- \$46 billion – Resiliency
- \$7.5 billion – Low-Carbon and Zero Emissions School Buses & Ferries
- \$7.5 billion – EV Chargers
- \$1 billion – Reconnecting Communities

Pay-fors (These raise about \$537.6 of the \$550 billion):

- \$205 billion – Redirecting COVID Relief
- Unknown – UI Fraud Recoupment
- \$49 billion – Medicare Rebates
- \$53 billion – Reclaim unused COVID UI Supplement
- \$20 billion – Sales of Future Spectrum Auctions
- \$67 billion – Proceeds of February 2021 C-Band Auction
- \$56 billion – Dynamic Scoring
- \$28 billion – Cryptocurrency Reporting
- \$21 billion – Extending Fees on GSEs
- \$13 billion – Superfund Fee Extension
- \$8.7 billion – Mandatory Sequester
- \$6 billion – Customs User Fees
- \$5 billion – Sales from Strategic Petroleum Reserve
- \$3 billion – Medicare Drug Trials
- \$2.9 billion – Pension Smoothing

While the vote was a very positive step forward there is still a long way to go to get the bipartisan infrastructure legislation signed into law by the September 30 deadline. It could still be a week or more before the bill can clear the Senate. Also, everything noted from the summary is subject to change until the final text is written, released, and amended.

Of the funding elements described above, keep in mind that various elements may be addressed partially through the HTF, appropriations, formula dollars or by grants. This will become clearer as text is released.

Additionally, the House Democrats are really vocalizing their concerns with this process and potentially having their surface transportation reauthorization bill shut out of the process as things unfold. Not to mention it will be difficult to keep the progressives in both the House and Senate satisfied and retain Republican support for this proposal.

