



SCWA Legislative Update

March 14, 2022



Congress Passes Omnibus Appropriations Bill for Fiscal Year 2022, Infrastructure Funded

On March 10th, Congress passed the 2,741 page, fiscal year 2022 omnibus appropriations bill with approximately \$1.5 trillion in funding including over \$100 billion in transportation resources.

H.R. 2471 releases funds to run the government for the remainder of Fiscal Year 2022, that is, till September 30th, 2022.

The government has been funded since October under a series of stopgap spending extensions, highway and transit formula programs have had to operate under fiscal 2021 levels and only at a pro-rated sum for the length of the stopgaps.

Appropriations Committee leaders say they have already begun writing the next omnibus appropriations bill, for Fiscal Year 2023, which must be passed by September 30th of this year.

The omnibus will finally fully fund the Infrastructure Investment and Jobs Act, specifically programs funded by the Highway Trust Fund for 2022.

The omnibus includes obligation limitations that are consistent with the levels established by the IIJA and will allow for utilization of the fiscal year 2022 contract authority; this includes \$58.2 billion for the Federal Highway Administration, provided under the legislation.

This includes over 20% increase in highway funding for fiscal year 2022 will finally come to pass especially in light of construction season just beginning.

The omnibus also ends the “no new starts” provision under the continuing resolution which prevented implementing new policies and programs under the IIJA.

The omnibus also includes some additional highway funding for FY 2022 from the General Fund, over and above the IIJA levels.

Small business owners will continue this year’s fight by working to enact, by September 30th, the Employee Retention Tax Credit for the last calendar quarter of 2022 and first half of 2023; the enhanced Work Opportunity Tax Credit for fiscal years 2023 and 2024; and new WOTC target groups and other improvements we set forth when the 117th Congress began last year.

Should the White House propose a bill to enact, for example, climate change, energy

programs, and the now-expired refundable Child Credit, we'll work to include our own set of policy goals in such bill if it engenders support.

Similarly, if an American Competitiveness Act or supplemental appropriations bill are introduced, we'll look to include our goals in these measures if opportunity allows.

To Review:

The omnibus bill allows all \$58.2 billion in IIJA contract authority for the Federal Highway Administration to be used in 2022 – it provides an obligation limitation of \$57.5 billion, and an additional \$739 million is available outside of the control of the annual appropriations process. In addition, the bill appropriates \$2.8 billion from the general fund, and this is added to the \$9.5 billion in advance general fund appropriations from the IIJA. In total, FHWA gets \$70.5 billion in 2022, a 44 percent increase over 2021.

The \$1.1 billion for a formula-based bridge program is in addition to the \$5.5 billion provided by the IIJA in 2022 for a different formula-based bridge program. The IIJA money (which has already been distributed to states) used a formula based on the estimated cost to bring each state's sub-optimal bridges up to snuff – the formula was 75 percent the state's share of cost to replace poor-condition bridges, and 25 percent the state's share of the cost to rehabilitate all fair-condition bridges. The program had a \$45 million per year state minimum.

The program funded by the omnibus instead uses deck area of bridges (not cost) as its formula and refers only to poor-condition bridges (not fair-condition). First, the \$1.1 billion is distributed to "qualifying states" that have at least 5 percent of their total bridge deck area in poor condition, and has a \$6 million state minimum and a \$40 million qualifying state maximum, and then any leftover goes to the non-qualifying states.

The omnibus bill also provides \$250 million for additional competitive resilience grants under the new PROTECT program (in addition to the \$250 million provided by IIJA for those competitive grants). \$200 million is for resilience improvement grants and the other \$50 million is for at-risk coastal infrastructure grants.

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