

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE: December 3, 2021

TO: Supervisor Marcelia Nicholson, Chair, County Board of Supervisors

FROM: Joe Lamers, Department of Administrative Services, Budget Director

SUBJECT: Infrastructure Investment and Jobs Act – Informational Report

OVERVIEW:

This report is being provided as an informational update pertaining to the Infrastructure Investment and Jobs Act (IIJA) and its impacts on Milwaukee County. This bill is estimated to provide \$973 billion over five years nationally with \$5,187,482,870 of federal funds directed to Wisconsin. IIJA makes investments in transportation, water, power and energy, environmental remediation, public lands, broadband, and resilience. This report provides information pertaining to these allocations.

Guidance has not been provided on how and to what level IIJA funds will flow to Milwaukee County. It is anticipated that IIJA funds will be more restrictive and less flexible as compared to the American Rescue Plan Act State and Local Fiscal Recovery Fund. Milwaukee County awaits further guidance on how much discretion jurisdictions will have to spend IIJA funds.

BACKGROUND:

On November 15, 2021, President Biden signed the Infrastructure Investment and Jobs Act (IIJA), enacting the legislation into law. The IIJA provides \$973 billion over five years from Fiscal Year (FY) 2022 through FY 2026, including \$550 billion in new investments for transportation, water, power and energy, environmental remediation, public lands, broadband and resilience. The \$550 billion is new spending, or additional funding, over the course of five years added to already allocated funding for highways and infrastructure projects, totaling \$1.2 trillion. Of the \$550 billion, \$284 billion will go toward all modes of transportation, with the remaining \$266 billion invested in other physical infrastructure sectors, as outlined in Table A.

For a full list of major provisions for counties, please visit the National Association of Counties (NACo)¹. Below is a summary of the major provisions:

- Establishes a new, long-term surface transportation reauthorization for highway, bridge, and transit systems
- Creates meaningful commitments to transportation safety and project streamlining
- Provides critical new investments in water, stormwater, and broadband projects
- Increases investments in off-system bridges – including county owned bridges that are not part of the federal-aid highway system.
- Raises the cap on Private Activity Bonds from \$15 billion to \$30 billion
- Authorizes \$3.5 billion for the Weatherization Assistance Program in FY 2022
- Establishes a new State and Local Cybersecurity grant program

¹ [Legislative Analysis for Counties: The Infrastructure Investment & Jobs Act \(naco.org\)](https://www.naco.org/legislative-analysis-for-counties-the-infrastructure-investment-jobs-act)

Table A: New Federal IIJA Investments

Investment	Anticipated Federal Allocation	Federal Agency
Transportation	\$284 billion	Department of Transportation (USDOT)
Water	\$55 billion	Environmental Protection Agency
Broadband	\$65 billion	Department of Commerce
Energy & Power	\$73 billion	Department of Energy
Environmental Remediation	\$21 billion	Environmental Protection Agency
Western Water Infrastructure	\$8.3 billion	Department of the Interior Department of Agriculture
Resiliency	\$46 billion	Department of Homeland Security

Transportation

Transportation funds represent roughly 52 percent of all new resources provided for in the bill to modernize and improve transportation infrastructure, with most funding reserved for highways, roads, and bridges. Counties play a major role in maintaining critical transportation and infrastructure owning and operating 44 percent of public roads and 38 percent of bridges -- more than any other level of government. Simultaneously, counties directly support 78 percent of public transit systems and 34 percent of airports that keep our residents connected in every corner of the country, per the National Association of Counties.

Table B: Federal Transportation Infrastructure Investments

Investment	Anticipated Federal Allocation
Roads & Bridges	\$10 billion
Transit	\$39 billion
Safety	\$11 billion
Airports	\$25 billion
Ports & Waterways	\$17 billion
Electric Vehicle Charging	\$7.5 billion
Electric Buses	\$7.5 billion
Reconnecting Communities	\$1 billion

Funding Impacts on Wisconsin

Based on formula funding, Wisconsin will receive \$5,187,482,870 in federal funding through the IIJA as outlined in Table C below. Funds will be apportioned to states through nine federal-aid highway formula programs, including two new programs, shown in Table D.

Note: Federal funds are appropriated to the state. State Legislators provide full authority to the state to use full apportioned amount for any one program.

Table C: Wisconsin's Total Investments & Jobs Act Allocation²

Fiscal Year (FY)	Anticipated State of WI Allocation
Actual FY 2021:	\$823,704,210
Estimated FY 2022:	\$996,815,713
Estimated FY 2023:	\$1,016,753,387
Estimated FY 2024:	\$1,037,089,814
Estimated FY 2025:	\$1,057,832,970
Estimated FY 2026:	\$1,078,990,986
Total Allocation:	\$5,187,482,870

Table D: Wisconsin's Estimated Program-by-Program Apportionments³

Program Description	Anticipated State of WI Appropriation Amount
National Highway Performance Program	\$2,874,271,871
Surface Transportation Block Grant Program	\$1,398,294,381
Highway Safety Improvement	\$294,331,419
Railway-highway Crossing Program	\$31,567,405
Congestion Mitigation & Air Quality Improvement (CMAQ) Program	\$155,350,863
Metropolitan Planning	\$31,387,325
National Highway Freight Program	\$135,796,933
Carbon Reduction Program*	\$124,681,249
Promoting Resilient Operations for Transformative, Efficient & Cost Saving Transportation (PROTECT)*	\$141,771,514
Appropriation Total:	\$5,187,482

* Denotes new programs

Wisconsin⁴ recently released state-level data that demonstrates how the IIJA will impact Wisconsin. For decades, infrastructure in Wisconsin has suffered from a systemic lack of investment, leading to a C grade on its infrastructure report card from the American Society of Civil Engineers. Specifically, the IIJA will impact Wisconsin in the following areas.

- I. Repair and rebuild roads and bridges with a focus on climate change mitigation, resilience, equity, and safety for all users, including cyclists and pedestrians.
 - a) Based on formula funding, Wisconsin would expect \$5.2 billion for federal-aid highway apportioned programs and \$225 million for bridge replacement and repairs over five years⁵.

² [FY 2021 ACTUAL STATE-BY-STATE APPORTIONMENTS UNDER THE CONTINUING APPROPRIATIONS ACT](#)

³ [FY 2021 ACTUAL STATE-BY-STATE APPORTIONMENTS UNDER THE CONTINUING APPROPRIATIONS ACT](#)

⁴ [WISCONSIN Infrastructure Investment and Jobs Act State Fact Sheet.pdf \(whitehouse.gov\)](#)

⁵ These values are estimates and may change based on updated factor data each fiscal year.

- b) Wisconsin can also compete for the \$12.5 billion Bridge Investment Program for economically significant bridges and nearly \$16 billion of national funding dedicated to replace, rehabilitate, preserve, or protect one or more bridges on the national bridge inventory that will deliver substantial economic benefits to communities.
- II. Improve healthy, sustainable transportation options. Based on formula funding, Wisconsin would expect \$592 million over five years to improve public transportation options across the state⁶.
- III. Build a network of Electric Vehicle chargers to facilitate long-distance travel and provide convenient charging options.
 - a) Wisconsin would expect \$79 million over five years to support the expansion of an EV charging network in the state⁷.
 - b) Wisconsin will also have the opportunity to apply for the \$2.5 billion in grant funding dedicated to EV charging in the bill.
- IV. Help connect to reliable high-speed internet.
 - a) Wisconsin will receive a minimum allocation of \$100 million to help provide broadband coverage across the state, including providing access to the at least 318,000 Wisconsin residents who currently lack it.
 - b) Approximately 1,246,000 or 22% of people in Wisconsin will be eligible for the Affordability Connectivity Benefit, which will help low-income families afford internet access.
- V. Prepare infrastructure for the impacts of climate change, cyber-attacks, and extreme weather events.
 - a) Based on historical formula funding levels, Wisconsin will expect to receive \$20 million over five years to protect against wildfires and \$18 million to protect against cyberattacks.
 - b) Wisconsin residents will also benefit from the bill's historic \$3.5 billion national investment in weatherization which will reduce energy costs for families.
- VI. Deliver clean drinking water and eliminate the nation's lead service lines and pipes. Based on the traditional state revolving fund formula, Wisconsin will expect to receive \$841 million over five years to improve water infrastructure across the state and ensure that clean, safe drinking water is a right in all communities.
- VII. Improve airports. Airports in Wisconsin would receive approximately \$198 million for infrastructure development for airports over five years⁸.

Note: Federal funds are appropriated to the state. State Legislators provide full authority to the state to use full apportioned amount for any one program.

⁶ Transit formula funding amounts are subject to changes resulting from the 2020 census or from annual transit service data reported to FTA's National Transit Database.

⁷ These values are estimates and may change based on updated factor data each fiscal year

⁸ Precise allocations would change each year because the formulas use current passenger boarding and cargo data, and this estimate is based on 2019 data.

Funding Impacts on Milwaukee County

Different from the Coronavirus Aid, Relief, and Economic Security Act and American Rescue Plan Act, counties can access IIJA funds in three general ways:

1. Meeting certain eligibility criteria for formula funds;
2. Receiving suballocations from state governments; and/or
3. Applying to the U.S. Department of Transportation (USDOT) or a state department of transportation for competitive grant opportunities.⁹

The IIJA provides just over \$100 billion in direct, competitive grant opportunities through USDOT to local governments over the life of the bill, as detailed in Appendix B.

The Milwaukee County Department of Strategy, Budget & Performance, Department of Transportation, and County Executive's Office will monitor state and federal announcements on formulaic and competitive opportunities. State and county officials anticipate the release of competitive funding solicitations starting in 2022 by federal agencies.

SUMMARY

This report is provided for informational purposes. Additional reports will be provided to the County Board regarding the pursuit of funds.

Prepared By:

Bess Earl

Senior Grants Analyst, Pandemic Relief,
Department of Administrative Services

Joe Lamers

Budget Director

Department of Administrative Services

Cc: David Crowley, Milwaukee County Executive
Scott Manske, County Comptroller
Steven Cady, Research and Policy Director, Office of the Comptroller

⁹ [Legislative Analysis for Counties: The Infrastructure Investment & Jobs Act \(naco.org\)](https://www.naco.org/legislative-analysis-for-counties-the-infrastructure-investment-jobs-act)

MaryJo Myers, Chief of Staff, Office of the County Executive
Donna Brown-Martin, Director, Department of Transportation
Kelly Bablitch, Chief of Staff, County Board
Aaron Hertzberg, Interim Director, Department of Administrative Service
Alec Knutson, Government Affairs
Emily Peterson, Government Affairs
Ashley Adsit, Director of Grants & Special Projects

APPENDIX A: NACo Analysis of Changes to Federal Programs

The National Association of Counties (NACo) provides a legislative analysis¹⁰ for counties of the IJA. Included in this analysis are funding changes to federal programs for Milwaukee County to consider.

- I. **Changes to the surface transportation block grant (STBG)** and increases the off-system bridge set-aside from 15 percent to 20 percent of state's FY 2008 share of the no-longer existent Highway Bridge Program, resulting in an increase of \$258 million annually from current law. Low-water crossings will become eligible. New projects will become eligible for STBG Funds, including the:

- Installation of electric vehicle (EV) charging infrastructure
- Installation of measures to protect a transportation facility from cyber threats
- Projects to increase tourism
- Wildlife collisions mitigation
- Resiliency improvements

Counties can use Transportation Alternatives Program funds to carry out eligible projects that include planning, design and construction of trails, environmental mitigation activities to address stormwater management, and the construction of overlooks, among others, approved uses.

- II. **Significantly increases the cap on state incentive payments to local governments to address at-grade crossings.** The cap established by the Section 130 program will increase from \$7,500 to 100,000. The federal cost share will also increase to 100 percent for projects eliminating at-grade rail-highway crossings.
- III. **Authorizes additional funding for the National Significant Freight and Highway Projects (INFRA) Grant Program.** \$750 million is set-aside to establish a pilot program and may not exceed 50 percent federal share. Counties can apply directly to USDOT for INFRA grants, awarded on a competitive basis, have a variety of eligible uses under current law.
- IV. **Allows local public authorities to enter into multi-state freight compacts.** Counties and other local public authorities can enter into multi-state compacts to improve the movement of goods and performing capital improvements.
- V. **Expands eligibilities under the consolidated rail infrastructure and safety improvements (CRISI) grant program.** Eligibilities will include:
- Development and implementation of measures to prevent trespassing
 - Research and development to advance innovative rail projects
 - Preparation of emergency plans for communities through which hazardous materials are transported by rail

¹⁰ [Legislative Analysis for Counties: The Infrastructure Investment & Jobs Act \(naco.org\)](https://www.naco.org/legislative-analysis-for-counties-the-infrastructure-investment-jobs-act)

- VI. Extend restoration and enhancement (REG) program project timelines.** The amount of time the REG can provide funds to support a route will be extended to six years. Counties can utilize REG funds to expand or enhance intercity passenger rail.
- VII. Increase funding for port infrastructure development program.** \$2.25 billion over five years \$450 million from the general fund of the U.S. Treasury and remain available for the following ten years. Improvements to address sea-level rise, flooding and/or extreme weather, port electrification, procuring new equipment, installing electric vehicle/alternative refueling infrastructure.
- VIII. Establishes a carbon dioxide transportation infrastructure finance and innovation (CIFIA) Program.** CIFIA loan program will provide flexible, low-interest loans for carbon dioxide transportation infrastructure projects and grants for new infrastructure.
- IX. Expands energy efficiency and conservation block grant program eligibilities.** \$550 million for five years. Funds will remain until expended. New eligibilities include: programs for financing energy, capital investments, projects and programs that leverage public-private partnerships and programs allowing rebates, grants or other incentives for the purchase and installation of renewable energy technologies.
- X. Amends state revolving loan funds for water.** \$29.3 billion over five years. Counties are eligible for grants under both state revolving funds. Investments levels for both the drinking water and clean water.
- XI. Creates a new competitive grant program for broadband.** 1.25 billion over five years. A county is an eligible recipient of a subgrant, in addition to being eligible to serve as an “administering entity” for a state seeking funding under the newly established State Digital Equity Capacity Grant Program.
- XII. Fully funds the Safeguarding Tomorrow Through Ongoing Risk Mitigation (STORM) Act.** \$500 million over five years. The STORM Act will provide state and local governments with the ability to create resilience revolving loan funds for infrastructure projects.
- XIII. Funds the Building Resilient Infrastructure and Communities (BRIC) Program.** \$1 billion over five years. BRIC, which replaced the FEMA Pre-Disaster Mitigation Program, provides funding to states and local governments to strengthen the resilience of critical infrastructure, such as transportation, energy, water supply and communications.

APPENDIX B: NACo Analysis of Competitive Opportunities

The National Association of Counties (NACo) provides a legislative analysis¹¹ for counties of the IIJA. Included in this analysis are select competitive opportunities for counties to apply directly to the U.S. Department of Transportation in which Milwaukee County may apply to. A full analysis is provided on the National Association of Counties (NACo) website.

I. Bridge Investment Program (BIP)

Eligible use of funds:	Small and large bridge projects	Total Funds Available:	\$40 billion over five years
Federal Share:	50 percent for large projects (defined as those costing more than \$100 million) and no more than 80 percent for any other project	Notes:	While states will receive the BIP formula funds, the bill will create a 15 percent set-aside within the program to address off-system bridges.

II. Reconnecting Communities Pilot Program

Eligible use of funds:	Planning: Feasibility studies on the impacting of removing or mitigating physical infrastructure barriers Capital: At-grade crossings, limited access highways, viaducts and other principal arterial facilities	Total Funds Available:	Planning Grant: \$150 million over five years & Capital Construction Grants: \$350 million over five years Total: \$1 billion over five years
Federal Share:	80 percent	Notes:	N/A

III. Wildlife Crossings Pilot Program

Eligible use of funds:	Reduce collisions and/or improve habitat connectivity.	Total Funds Available:	\$350 million over five years
Federal Share:	N/A	Notes:	N/A

IV. Grant Program to Address Threats to Pedestrians

¹¹ [Legislative Analysis for Counties: The Infrastructure Investment & Jobs Act \(naco.org\)](https://www.naco.org/legislative-analysis-for-counties-the-infrastructure-investment-jobs-act)

Eligible use of funds:	Bollard installation	Total Funds Available:	\$25 million over five years
Federal Share:	100 percent	Notes:	N/A

V. Charging and Fueling Infrastructure Grants

Eligible use of funds:	promote the deployment of infrastructure for EVs and hydrogen, propane and natural gas in designated areas	Total Funds Available:	\$2.5 billion over five years
Federal Share:	80 percent, with an additional requirement that – as a condition of contracting with an eligible entity to carry out a project under this section – a private entity is responsible for the local match.	Notes:	50 percent of total program funds will be distributed annually through Community Grants for the installation of EV and alternative fueling infrastructure on public roads, schools and in other publicly accessible locations.

VI. Reduction of Truck Emissions at Port Facilities

Eligible use of funds:	Reduce port emissions, including the advancement of port electrification	Total Funds Available:	\$250 million over five years
Federal Share:	80 percent	Notes:	USDOT will be required to issue a Notice of Funding Opportunity to solicit applications by no later than April 1 each year.

VII. PROTECT Grant Program

Eligible use of funds:	Enhance the resiliency of infrastructure assets	Total Funds Available:	\$8.7 billion over five years. The program creates four subgrants to distribute funds: 1) Planning (\$140M) 2) Resilience Improvements (\$980M)
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			3) Community Resilience & Evacuation Route (\$140M) 4) At-Risk Coastal Infrastructure (\$140 million)
Federal Share:	80 to 100 percent.	Notes:	There are also opportunities to reduce the local match requirements by meeting a voluntary resiliency planning requirement.

VIII. Healthy Streets Program

Eligible use of funds:	Installation of cool and/or porous pavements and the expansion of tree cover with the goal of reducing urban heat centers and improving air quality	Total Funds Available:	\$500 million over five years
Federal Share:	80 percent, with a waiver of up to 100 percent available	Notes:	Counties with a disproportionate number of communities of color, defined in the legislation as, in a state, a Census block where the total percentage of residents who identify as nonwhite is more than 50 percent, or USDOT determines it to be eligible for funding under this program

IX. Grant Program for Infrastructure

Eligible use of funds:	Generate national or regional economic mobility or safety benefits	Total Funds Available:	\$10 billion over five years
Federal Share:	80 percent	Notes:	Certain projects can be bundled. USDOT is required to ensure geographical diversity, 50 percent of the funding is reserved for projects

			between \$100 million and \$500 million. Projects can receive technical assistance
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X. Grant Program to Eliminate At-Grade Rail-Highway Crossings

Eligible use of funds:	Eliminate frequently blocked at-grade crossings, improve the health and safety of communities, reduce impacts of rail operations on underserved communities, improve mobility and commerce	Total Funds Available:	\$3 billion over five years
Federal Share:	80 percent	Notes:	\$600 million will be provided annually for: closing or separating at-grade crossings, track relocation, installing protective devices and other technological solutions that improve safety and planning, environmental review and design activities

XI. Rebuilding American Infrastructure with Sustainability and Equity (RAISE) formerly (BUILD/TIGER) Program

Eligible use of funds:	Variety of infrastructure projects	Total Funds Available:	\$7.5 billion over five years
Federal Share:	80 percent	Notes:	USDOT must publish a Notice of Funding Opportunity for the next round of RAISE awards no later than 270 days following the date that FY 2022 appropriations are made available, the timing of which is currently unclear.

XII. Culvert Removal, Replacement and Restoration Grant Program

Eligible use of funds:	Replace, remove or repair culverts that would improve or restore fish passage or address fresh-water runoff that impacts certain marine life	Total Funds Available:	\$1 billion over five years
Federal Share:	No more than 80 percent	Notes:	USDOT will be required to provide technical assistance

XIII. Strengthening Mobility and Revolutionizing Transportation (SMART) Grant Program

Eligible use of funds:	Prevent death and serious injury on roads and streets (known as Vision Zero and Toward Zero Death national strategies)	Total Funds Available:	\$5 billion over five years
Federal Share:	N/A	Notes:	N/A

XIV. Airport Improvement Program

Eligible use of funds:	Airport improvement	Total Funds Available:	\$15 billion over five years. \$3 billion will be provided annually from the general fund of U.S. Treasury and remain available for the following three years
Federal Share:	N/A	Notes:	No more than \$2.4 billion through formulas to primary airports. No more than \$500 million apportioned for general aviation and commercial service airports. \$20 million for recipients of contract tower program competitive awards.

XV. "Groundside" Competitive Grant for Airport Improvements

Eligible use of funds:	Aging infrastructure of airport terminals: on-airport rail access to projects and relocating, reconstructing, repairing	Total Funds Available:	\$5 billion over five years. \$1 billion annually
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	or improving an airport-owned traffic control tower		
Federal Share:	80 percent	Notes:	No more than 55 percent for larger hubs and 15 percent for medium hubs.

XVI. Weatherization Assistance Program

Eligible use of funds:	Reduce energy costs for low-income households by improving efficiency	Total Funds Available:	\$3.5 billion in FY 2022
Federal Share:	N/A	Notes:	N/A

XIV. Carbon Utilization Grant Program

Eligible use of funds:	Procure and use products derived from captured carbon oxides	Total Funds Available:	\$310.14 million over five years
Federal Share:	N/A	Notes:	U.S. Department of Energy (USDOE) Carbon Utilization Program

XVII. Modernizing Energy Infrastructure

Eligible use of funds:	Focus on advancing smart community technologies (planning activities and environmental reviews, pre-engineering and design work, procurement of real property, construction phase activities)	Total Funds Available:	\$3 billion over five years
Federal Share:	N/A	Notes:	USDOE can provide technical assistance. Applicant will be required to submit to USDOE two years after the date of award a report containing a cost benefit-cost analysis

XVIII. State and Local Governments for Battery Processing

Eligible use of funds:	Demonstration projects for advanced battery component manufacturing and recycling, construction of new commercial-scale advanced battery component manufacturing or recycling facility and/or retooling, retrofitting or expanding existing battery processing facilities	Total Funds Available:	\$3 billion over five years
Federal Share:	N/A	Notes:	Remain available until expended to carry out eligible projects

XIX. Energy Efficiency in Public Schools

Eligible use of funds:	Renovations to schools that directly decrease energy costs, improves teach and student health, installation of alternative fueling, and procurement of alternative fueled vehicles	Total Funds Available:	\$500 million over five years
Federal Share:	N/A	Notes:	N/A

XX. Brownfield Restoration Projects

Eligible use of funds:	Multipurpose grants, assessment grants, revolving loan fund grants, cleanup and job training grants, technical assistance, training and research grants	Total Funds Available:	\$1.2 billion over five years
Federal Share:	N/A	Notes:	This is NOT a USDOT application, but through the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). Available in grants, interagency agreements

			and program support costs.
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XXI. “Middle Mile” Competitive Grants to Facilitate Broadband Deployment

Eligible use of funds:	Construct, improve or acquire middle-mile infrastructure.	Total Funds Available:	\$1 billion over five years
Federal Share:	N/A	Notes:	This is NOT a USDOT application, but through the National Telecommunications and Information Administration (NTIA)

XXII. Funds Flood Mitigation Assistance Grants

Eligible use of funds:	Reduce or eliminate the risk of repetitive flood damage to buildings insured by the National Flood Insurance Program	Total Funds Available:	\$3.5 billion over five years
Federal Share:	N/A	Notes:	N/A