

March 2022

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MEMORANDUM

RE: H.R. 2471, Consolidated Appropriations for FY 2022, the "omnibus package"

Summary

After months of negotiations, Congress has passed a bipartisan package to not only finally appropriate funding for Fiscal Year (FY) 2022, but to provide \$14 billion in aid for Ukraine. The \$1.5 trillion omnibus package comes five months after the fiscal year began and now unlocks the full benefits of the bipartisan infrastructure bill, which was signed into law on November 15, 2021.

The final package contains all 12 fiscal year 2022 spending bills and passed the Senate on March 10^{th} by a vote of 68-31, after passing the House as a split package the previous day. The House voted on the omnibus in two parts, the first security and law enforcement related appropriations passed by a vote of 361-69, while the remainder of the bill passed by a vote of 260-171. The final bill allows for almost equal increases in defense and nondefense spending over last year's levels, with defense spending coming in at \$782 billion and non-defense spending at \$730 billion. In a change from recent years, the final omnibus also includes \$9 billion in member designated projects, more commonly known as earmarks. Therefore, the legislation represents that first member directed spending since the House banned earmarks in 2011. In February 2021, Congress restored earmarks.

Shortly after passage, <u>ASCE commended Congress</u> for passing H.R. 2471 and finally unlocking the full influx of revenue provided by the Infrastructure Investment and Jobs Act. The IIJA is a \$1.2 trillion investment in the nation's infrastructure over the next five years, with \$550 billion standing as new revenue for the sector. This comprehensive legislation provides a major boost for improving our surface transportation network, the energy grid, drinking water and wastewater systems, ports and inland waterways, broadband expansion, and more; however, much of the spending has been delayed due to the outstanding FY 22 appropriations. In fact, due to the series of continuing resolutions, many of the new programs created under the IIJA were unable to move forward at various federal agencies. The passage of the FY 22 appropriations bill will now allow for the full impacts of the IIJA to be realized, and agencies can staff up and begin developing new grant programs as soon as possible.

Any previous legal barriers to full implementation of the IIJA's funding levels and new programs for FY 22 are now gone and full year highway and transit apportionments should be made in the next couple of weeks. Additionally, new programs like the Carbon Reduction and PROTECT programs can be implemented immediately, while new rulemakings and studies ordered by the IIJA can begin.

The final bill funds the government for fiscal year (FY) 2022, at approximately \$1.5 trillion. Congress had passed a series of short-term continuing resolutions to keep the government funded. The current omnibus will fund the government through September 30, 2022.

The final omnibus agreement contains funding for 12 appropriations bills that Congress is responsible for, including:

Transportation, Housing and Urban Development

- \$157 billion in budgetary resources for the Transportation, Housing & Urban Development (THUD) appropriations bill. This represents an increase of \$20.3 billion from FY 21 levels and includes \$81 billion in discretionary funding, as well as \$76 billion from transportation trust funds. Previously, officials at the Department of Transportation have publicly acknowledged that the delay in FY 22 appropriations has slowed efforts to implement the IIJA, with any new program on hold until the omnibus is passed. Now that the bill has been enacted, the bill has unlocked the higher authorization levels at the Department of Transportation and funding for new programs can be released.
 - \$102.9 billion in budgetary resources for the Department of Transportation, which is \$16.2 billion more than FY21 funding. Combined with an additional \$37 billion in onetime funding included in the IIJA, funding for DOT totals about \$140 billion.
 - \$57.5 billion in mandatory spending for Federal Highway Administration formula programs, of which \$2.4 billion is for the Highway Infrastructure Program, an increase of \$445 million from last fiscal year.
 - \$1.1 billion for the formula-based bridge program, which is in addition to the \$5.5 billion provided by the IIJA in 2022 for a different formula-based bridge program. The IIJA funding, which has already been distributed to states, used a formula based on the estimated cost to bring each state's poor and fair bridges into a state of good repair, while the program in the omnibus instead uses deck area to determine the formula and only refers to poor bridges (not fair condition bridges).
 - \$16.3 billion for the Federal Transit Administration., including \$13.4 billion in formula grants from the Highway Trust Fund. An additional \$250 million was provided for competitive bus grants.
 - \$18.5 billion for the Federal Aviation Administration, which is \$495 million above the FY21 level. This figure includes \$3.9 billion for Airport Improvement Program grants. For FY22, ASCE had requested \$4.35 billion for the Airport Improvement Program.
 - \$3.3 billion for the Federal Railroad Administration. Combined with \$13.2 billion included in the IIJA, total budget authority for the FRA is \$16.5 billion. Approximately \$2.3 billion in regular appropriations is for Amtrak, which is split with \$874.5 million for the Northeast Corridor and \$1.45 billion for National Network grants. While these numbers are an increase from FY 21, they are below the authorized levels for FY 22 in the IIJA.
 - \$1.3 billion for the Maritime Administration, which represents an increase of \$81
 million from FY 21 levels.

- \$2.2 billion for the Capital Investment Grant program, an increase of \$234 million from FY 21. The IIJA supplements an additional \$1.6 billion for this program, meaning the total is \$3.8 billion. ASCE's FY22 request for this program was \$2.6 billion.
- \$775 million for the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant program. This amount is \$225 million less than FY21. However, combined with the \$1.5 billion included in the IIJA, RAISE funding totals over \$2.2 billion.
- \$250 million for additional competitive resilience grants under the Promoting Resilient
 Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT)
 program. It is notable that this amount is in addition to the \$250 Million provided by IIJA
 for these grants in FY 22. PROTECT grants will be distributed with \$200 million for
 resilience improvement grants and \$50 million for at-risk coastal infrastructure grants.

The final omnibus also includes just under \$3 billion in member designated projects, or earmarks, in the THUD title, with \$1.45 billion dedicated to transportation projects. Of that total, the majority, or \$847 million is for highway projects, \$279 million is for airports, \$201 million is for transit projects, \$121 million is for rail, and \$7 million is for transportation planning and research and development. The full list can be found here.

Energy and Water Development

- \$52.9 billion in net discretionary funding for the Energy Department, Army Corps of Engineers (USACE), Bureau of Reclamation and related agencies, which is \$3.4 billion more than FY21 funding. This includes:
 - \$44.9 billion for the **Department of Energy**. This figure includes \$7.9 billion for environmental cleanup and \$3.2 billion for energy efficiency and renewable energy programs.
 - \$8.3 billion for the Army Corps of Engineers' water resources program. This amount
 marks an increase of \$547 million over FY21 levels. Combined with the \$14.9 billion
 provided for USACE in 2022 by the IIJA, total funding increases to more than \$23 billion.
 - \$2.49 billion for U.S. Army Corps of Engineers (USACE) Construction account; the FY21 level was \$2.69 billion; IIJA provided \$11.6 billion for the USACE Construction account.
 - \$7.2 million for the USACE WIFIA Program (CWIFP); the FY21 level was \$14.2 million;
 IIJA provided CWIFP with \$64 million.
 - The National Levee Safety Program did not receive additional funding; the FY 20 funding level was \$15 million and disappointingly, the bill states that the Appropriations Committees believe this is sufficient to bring the program through Phase 2. ASCE had requested \$79 million for FY22, the full authorization level.

Interior and Environment

- \$38.3 billion for the Interior & Environment appropriations bill and increase of \$2 billion from FY
 21. This includes:
 - \$9.6 billion for the Environmental Protection Agency (EPA); the FY21 level was \$9.24 billion; IIJA provided EPA with an additional \$60 billion.
 - \$1.639 billion for Clean Water State Revolving Fund (CWSRF), which is the same level as
 FY21; IIJA provided CWSRF with \$11.7 billion over five years.

- \$1.126 billion for **Drinking Water State Revolving Fund** (DWSRF), which is the same level as FY21; IIJA provided DWSRF with \$11.7 billion over five years.
- \$43 million for Combined Sewer Overflow grants; the FY21 level was \$40 million; IIJA provided \$1.4 billion for Sanitary Sewer Overflow and Stormwater Reuse municipal grants over five years.
- \$69.5 million for WIFIA; the FY21 level was \$65 million; IIJA reauthorized WIFIA at authorization level of \$50 million per year.
- \$3.26 billion for the National Park Service; the FY21 level was \$3.118; IIJA provided the National Park Service with more than \$1.7 billion to support bridge and roadway repairs, modernization of transit systems, and other priorities.

Homeland Security

- \$81.1 billion for the Homeland Security appropriations bill, an increase of \$12 billion from the previous fiscal year. This includes:
 - \$9.7 million for National Dam Safety Program; the FY21 level was \$9.25 million; IIJA provided \$148 million in grants to states for dam safety programs over five years; ASCE FY22 Request: \$60 million;
 - \$12 million for the High Hazard Potential Dam Rehabilitation Grant Program, which is the same as FY21; IIJA provided \$585 million over five years for these grants.
 - \$275.5 million for Federal Emergency Management Agency (FEMA) Flood Hazard Mapping and Risk Analysis Program; the FY21 level was \$263 million.

Commerce, Justice, and Science

- \$75.8 billion in total discretionary funding for the Commerce, Justice, and Science
 appropriations bill, up from \$71.1 billion in FY 2022. Overall, across all federal agencies, civilian
 research and development would increase by roughly 5 percent in FY 22. This amount falls far
 short of aspirational funding levels for several science agencies since Congress is still weighing
 separate legislation, including the United States Innovation and Competition Act of 2021 (USICA)
 and the America COMPETES Acts. These bills would further increase R&D levels. The FY 22
 omnibus includes:
 - \$8.84 billion for the National Science Foundation (NSF), an increase of 4.1% over the FY 2021 funding level of \$8.49 billion. The \$351 million overall increase is less than the additional \$500 million Biden had requested for new programs within a new directorate contained in both USICA and COMPETES legislation.
 - \$1.2 billion for the National Institute of Standards and Technology (NIST), an increase of 20% from the previous fiscal year. However, if earmarks are excluded the increase comes to only 3%. In total, \$163 million in earmarks are directed to twenty research projects and seven construction projects, all at universities. Like funding for NSF, the allocation does not reflect new priorities or projects in USICA or COMPETES.
 - \$373 million for the programs and administrative expenses of the Economic
 Development Administration (EDA) to support infrastructure and public-works projects,

- promote regional innovation, and spur job creation in communities. This is an increase of \$27 million over FY 2021.
- \$24 billion for National Aeronautics and Space Administration (NASA). The agency's original request sought \$24.8 billion for the agency. NASA received \$23.2 billion in fiscal year 2021.
- \$5.4 billion for the National Oceanic and Atmospheric Administration (NOAA), this
 includes \$648 million for the NOAA's main research and satellite program offices, well
 below the initial proposals
- \$7.5 billion for the Department of Energy (DOE) Office of Science, and increase of 6%, slightly above the amount requested. Each of the office's six main research programs will see funding boosts, with the nuclear physics and biological and environmental research programs receiving the largest percentage increases.
- Lastly, under the Financial Services and General Government Appropriations Title, the General Services Administration (GSA) is directed to not award or facilitate the award of any contract for the provision of architectural, engineering, and related services in a manner inconsistent with the procedures in the Brooks Act (40 U.S.C. 1101 et seq).

For questions, please contact the ASCE Government Relations team.

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