

Briefing: Governor's Deployment Plan for IIJA Funds

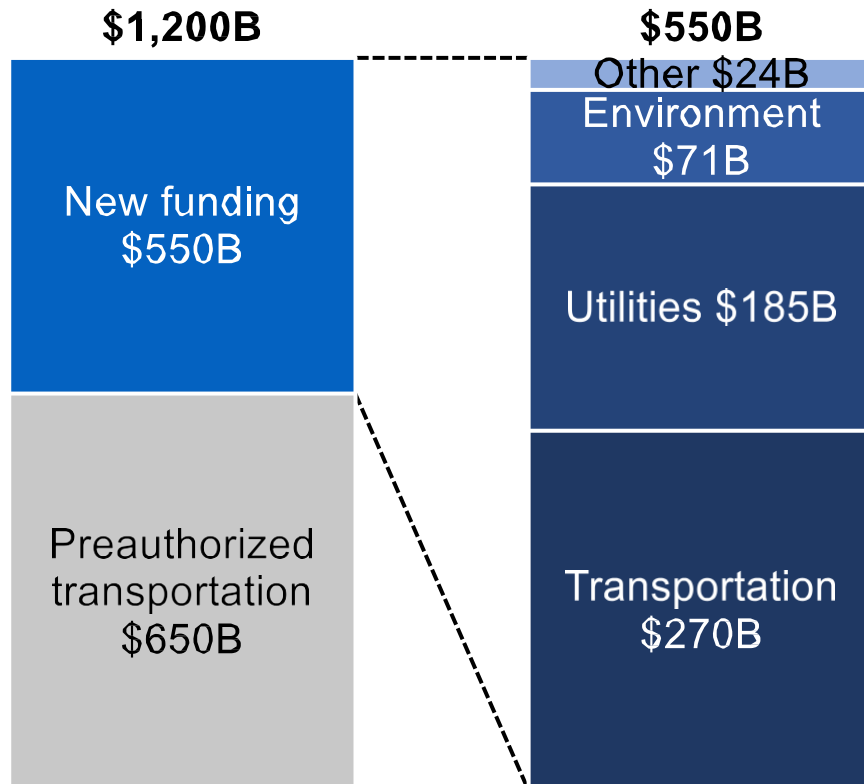
February 8, 2022

COST's Connecticut Town Meeting 2022

Agenda

- Welcome and IIJA overview
- Estimated CT allocations and deployment plan
- Update from Washington
- DOT, DEEP allocations and deep dive on select grants
- Q&A

IIJA overview



- Historic investments in the nation's core infrastructure needs
- Combines incremental funding for existing programs with many net-new opportunities
- Mix of formula funding & competitive grants
- Implementation timelines will vary significantly by program

Over 5 years, CT will receive ~\$6 billion

This includes:

- **\$3.5 billion for highway programs and \$561 million for bridge replacement & repair** with a focus on climate change mitigation, resilience, equity, and safety for cyclists and pedestrians*
- **\$1.3 billion to improve public transportation** further developing healthy and sustainable transportation options in CT
- **\$445 million to improve water infrastructure** across the state and ensure that clean, safe drinking water is a right in all communities by eliminating Connecticut's lead service lines and pipes
- **\$100 million to provide broadband coverage across state**, helping connect every citizen to reliable high-speed internet
- **\$62 million for airport infrastructure development**, improving and modernizing Connecticut's airports
- **\$53 million to support expansion of EV charging network**, building a network of EV chargers to facilitate long-distance travel and provide convenient charging options
- **\$6.4 million to protect against wildfires and \$13 million to protect against cyberattacks** and prepare our infrastructure for the impacts of climate change and extreme weather events

Source: [CONNECTICUT The-Infrastructure-Investment-and-Jobs-Act-State-Fact-Sheet.pdf \(whitehouse.gov\)](#); Includes values that are estimates and subject to change

*In total, DOT will receive \$1.6B in incremental formula funds over 5 years (\$1.3B FHWA, \$0.3B FTA)



Our objectives

- Drive **long-term gains** for Connecticut through focus on climate mitigation & resilience, workforce & economic development, and smart growth
- Ensure **equitable** benefit from infrastructure investments
- **Rapidly** apply for and deploy funds
- Maximize **funding impact** through matching funds and partnerships
- Facilitate **innovation** through robust stakeholder engagement
- Effectively **coordinate** across agencies on shared opportunities and challenges

Collaborative, cross-agency approach

| | AGENCIES WITH DIRECT FUNDING ALLOCATIONS | COORDINATING TEAM | ADVISORS |
|------|--|---|--|
| Who | <ul style="list-style-type: none">• DOT, DEEP, DPH, DESPP, CAA, CPA | <ul style="list-style-type: none">• Senior Advisor to the Governor for Infrastructure and DRS Comm. Mark Boughton• Small supporting team | <ul style="list-style-type: none">• OTG, OPM, DECD, OWS, DAS |
| What | <ul style="list-style-type: none">• Design, plan for, and execute all IIJA-funded projects, including existing and new funding streams• Apply for national competitive grants | <ul style="list-style-type: none">• Coordinate efforts across agencies• Serve as the administration's senior public voice and point of contact• Advise the Governor by elevating interdependencies and shared risks and opportunities | <ul style="list-style-type: none">• Advise on areas of expertise (e.g., workforce development, bonding, procurement) |

Many competitive grants will require in-depth analysis and strategic plans

Example IIJA competitive grants & requirements

State and Local Cybersecurity Grant Program (\$1B)

In order to apply for these funds, CT must submit a comprehensive plan which includes:

- Existing plans to protect against cybersecurity risks and threats to information systems owned/ operated by or on behalf of CT
- Consultation and feedback from local governments
- Description of management, monitoring & tracking of information systems/ applications/user accounts
- IT deployed on those systems
- Information on monitoring, auditing & tracking of network traffic and activity
- Identification and plan to mitigate any gaps in the cyber security workforce

Broadband Equity, Access and Deployment Program (\$42.4B)

To apply for funding, CT must provide a 5-year broadband action plan which includes:

- Solutions for the deployment of affordable broadband service
- Localized data with respect to the deployment of broadband service, including by identifying locations that should be prioritized
- Analysis on how to best to serve unserved locations in the eligible entity, whether through the establishment of cooperatives or public-private partnerships
- Description of technical assistance needed and the amount of time it would take to build out universal broadband service in the eligible entity

State Digital Equity Capacity Grant Program (\$1.5B)

To apply for this funding, CT must provide a plan that does the following:

- Identify local barriers to digital equity
- Provide measurable objectives for documenting and promoting the availability of and affordability of access to wireless broadband and online public resources and services, as well as digital literacy
- Provide measures to secure online privacy
- Provide measures to increase the availability and affordability of consumer devices and technical support
- Assess how objectives will impact the state's economy, workforce, health, and education, civic / social engagement goals

Update from Washington

2021

- IIJA signed – 11/15/21
- White House appoints Mitch Landrieu as Infrastructure Coordinator; launches Infrastructure Implementation Task Force
- Guidance released for small number of formula-based, existing programs

2022 and beyond

- White House and OMB releasing formal guidance to federal agencies on financial oversight and reporting, labor, sourcing, equity, climate and resilience, and environmental justice
- Funding to be released when FY22 budget is passed (February deadline)
- *S. 3011*: Allows ARPA funds to be used for non-federal IIJA match
- Federal agencies have 6-12 months to establish competitive grant programs. Likely several additional months until states can apply

Department of Transportation

Overview of Anticipated Federal Formula Funding

| FHWA | Yearly Total | Program Size Relative to 2021 Program | Increase over 2021 Program |
|-------------|----------------|---------------------------------------|----------------------------|
| 2021 | \$ 549,841,415 | | |
| 2022 | \$ 788,243,862 | 143% | \$ 238,402,447 |
| 2023 | \$ 801,552,715 | 146% | \$ 251,711,300 |
| 2024 | \$ 815,127,746 | 148% | \$ 265,286,331 |
| 2025 | \$ 828,974,277 | 151% | \$ 279,132,862 |
| 2026 | \$ 843,097,737 | 153% | \$ 293,256,322 |

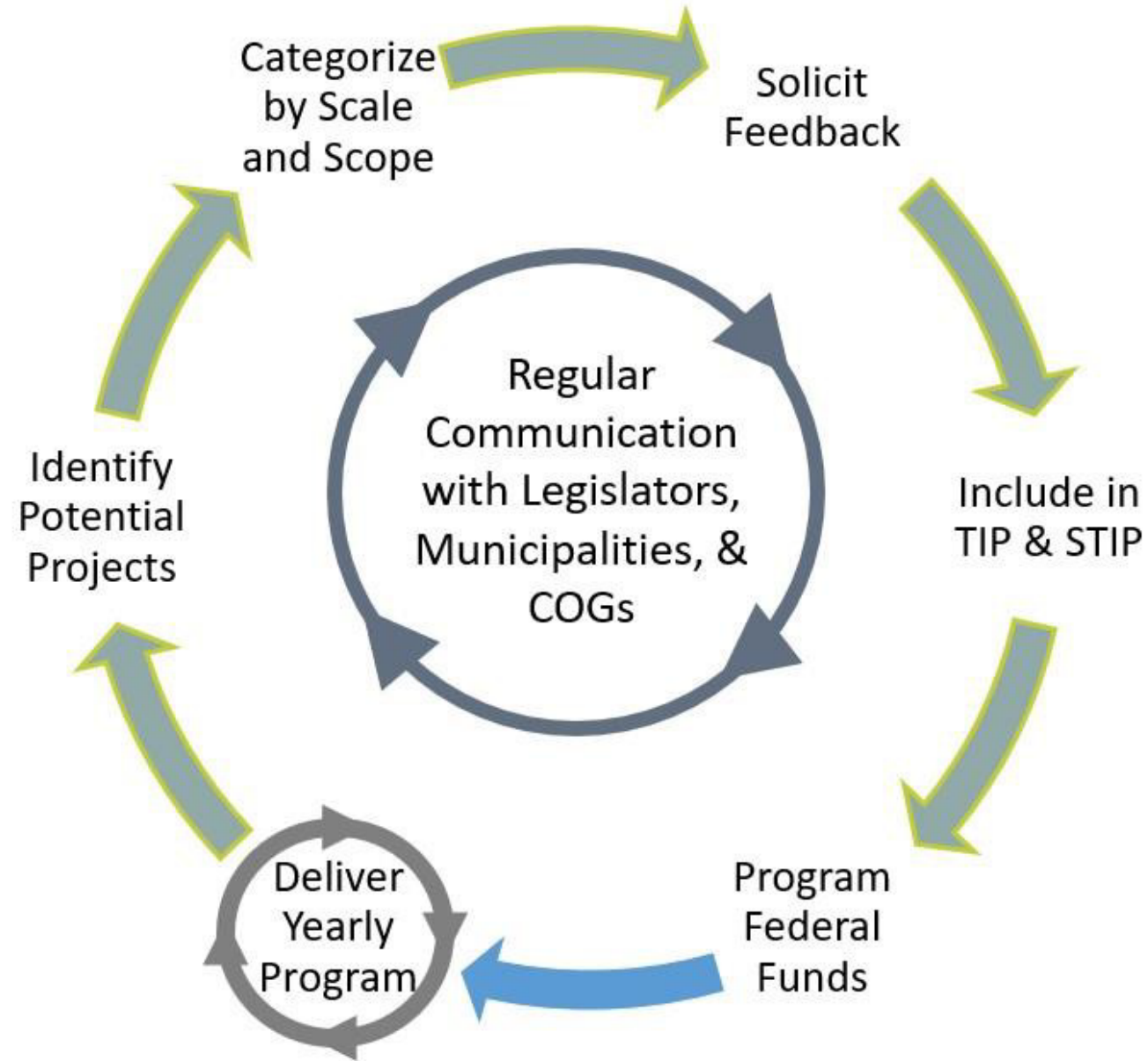
| FTA | Yearly Total | Program Size Relative to 2021 Program | Increase over 2021 Program |
|-------------|----------------|---------------------------------------|----------------------------|
| 2021 | \$ 200,684,201 | | |
| 2022 | \$ 249,586,741 | 124% | \$ 48,902,540 |
| 2023 | \$ 254,675,083 | 127% | \$ 53,990,882 |
| 2024 | \$ 261,505,210 | 130% | \$ 60,821,009 |
| 2025 | \$ 267,029,567 | 133% | \$ 66,345,366 |
| 2026 | \$ 273,990,153 | 137% | \$ 73,305,952 |

| FHWA + FTA Formula Funding | Grand Total by Year | Program Size Relative to 2021 Program | Increase over 2021 Program |
|----------------------------|---------------------|---------------------------------------|----------------------------|
| 2021 | \$ 750,525,616 | | |
| 2022 | \$ 1,037,830,603 | 138% | \$ 287,304,987 |
| 2023 | \$ 1,056,227,798 | 141% | \$ 305,702,182 |
| 2024 | \$ 1,076,632,956 | 143% | \$ 326,107,340 |
| 2025 | \$ 1,096,003,844 | 146% | \$ 345,478,228 |
| 2026 | \$ 1,117,087,890 | 149% | \$ 366,562,274 |





Note: These values do not include matching State funds.



How Projects Advance with Federal Formula Funds




Overview of New Federal Formula Programs

| CT SHARE OF NEW FORMULA FUNDING | | |
|--|----------|---|
|  Bridge | \$561 M | *NEW* Bridge Program <ul style="list-style-type: none"> New formula funding to repair, replace and rehab aging bridges and bring them into a state of good repair. This is the single largest dedicated bridge investment since the construction of the interstate highway system. |
|  EV | \$52.5 M | *NEW* EV Charging formula funding <ul style="list-style-type: none"> Allows the state to build out CT's publicly accessible charging stations for the national EV charging network on highway corridors and in communities. |
|  Carbon Reduction | \$79 M | *NEW* Carbon Reduction formula funding <ul style="list-style-type: none"> Establishes a carbon reduction program to reduce transportation emissions in Connecticut, with broad eligibility. Also requires the state DOT develop a carbon reduction strategy. |
|  Resiliency PROTECT | \$90 M | *NEW* PROTECT formula funding <ul style="list-style-type: none"> Will help make transportation assets in CT more resilient to weather and natural disasters and allow our state to rapidly recover/continue operations. |
| <u>\$782.5 Million</u> | | PLUS <u>\$837.5 Million</u> additional for existing formula programs over the next 5 years means Connecticut will receive <u>\$1.62 Billion MORE</u> than the previous 5 years |

Overview of Discretionary Federal Grant Opportunities

NEC COMPETITIVE GRANTS





| | | |
|---|--------|--|
|  | \$30 B | <ul style="list-style-type: none"> • Make <u>Time for CT</u> and <u>Northeast Corridor's C35</u> a reality <ul style="list-style-type: none"> • Northeast Corridor grants to procure & address deferred maintenance backlog on Amtrak's Northeast Corridor (\$6 B) • Intercity Passenger Rail Fed-State Partnership grants to repair/replace/ rehabilitate qualified railroad assets to improve state of good & performance (\$24 B) |
|---|--------|--|

NATIONAL COMPETITIVE GRANTS

| | | |
|---|----------|---|
|  | \$6 B | <ul style="list-style-type: none"> • *NEW* Safe Streets for All grants for local governments to improve safety and reduce crashes in local communities (\$5 B) • *NEW* SMART grants for innovative transportation technologies or use of data to improve transportation efficiency & safety (\$500 M) • *NEW* Reconnecting Communities grants for planning, design, demolition, and reconstruction of street grids/parks divided by transportation infrastructure (\$500 M) |
|  | \$9.24 B | <ul style="list-style-type: none"> • *NEW* Bridge grants to repair, replace and rehab bridges <i>(grants to supplement CT's \$561 M in formula funding)</i> |
|  | \$15.7 B | <ul style="list-style-type: none"> • RAISE grants for projects of local or regional significance (\$7.5 B) • *NEW* Megaproject grants for multi-modal, multi-jurisdictional projects of national or regional significance (\$5 B) • INFRA grants for highway/rail projects of regional & national economic significance (\$3.2 B) |

Overview of Discretionary Federal Grant Opportunities

NATIONAL COMPETITIVE GRANTS

| | | |
|---|----------------|---|
|  Rail Bus | \$8 B | <ul style="list-style-type: none"> • Capital Investment Grants for new or expanded commuter rail and bus rapid transit service |
|  Rail | \$9.75 B | <ul style="list-style-type: none"> • CRISI Grants to improve safety, efficiency, and reliability of intercity passenger rail (\$5 B) • Railroad Crossing Elimination grants to eliminate railway-highway crossing hazards (\$3 B) • ADA Upgrades to Rail Transit grants to eliminate access barriers (\$1.75 B) |
|  Bus | \$5.25 B | <ul style="list-style-type: none"> • Low-No Emissions Bus grants for low and no emissions buses and the facilities that support them <i>(grants to supplement formula funding for the conversion of CT bus transit fleet)</i> |
|  Culverts | \$1 B | <ul style="list-style-type: none"> • *NEW* Culvert grants to remove/replace/restore culverts & address the flow of water through roads, bridges, railroads, tracks and trails <i>(related to flooding, many of CT's culverts are +50 years old & at the end of their service life)</i> |
| | \$100 B | Competitive transportation grants over the next 5 years for CTDOT to pursue <i>(above outlines a targeted list of competitive grants not all grant programs in bill)</i> |

Implementation Approach

- Guidance not yet issued on new programs, and no new funding has been distributed yet.
- CTDOT will take a phased approach to implementation:
 - Focus on Existing Formula Funds Programs
 - Develop Concepts for New Formula Funds Programs
 - Identify Projects in FY23+ for Competitive Grant Programs
- CTDOT has started recruitment for 206 additional positions and back-filling pending retirements.
- CTDOT is establishing a new Grants and Socio-Economic Unit with staff dedicated to equity analysis, as well as a new Sustainability & Resilience Unit, to align with USDOT and better compete for grants.



Department of Energy and Environmental Protection

Clean Transportation

- **Clean School Bus Program** – **NEW** \$5bn nationwide for clean school buses, with \$2.5bn available exclusively for electric school buses. Competitive program, guidance forthcoming from EPA, match requirements not yet determined.



Clean Energy, Grid Resilience

- **Preventing Outages & Enhancing Grid Resilience** - **NEW** ~\$ 100M (part **competitive, formula**, and demonstration projects) for undergrounding, utility pole management, microgrids, storage, hardening, vegetation management, transmission.
- **Smart Grid Investment Matching Grant Program** - ~30M Smart meters, grid modernization
- **Transmission Facilitation Program** – **NEW** Enables DOE to serve as “anchor tenant” for transmission
- **Civil Nuclear Credit Program** – **NEW** Potential to provide support for at-risk nuclear resources under contract (ie., Millstone); \$6bn nationwide, competitive.
- **Hydropower** – Incentives for efficiency and upgrades at certain hydroelectric facilities.
- **Clean Hydrogen** – Authorizes four regional hydrogen hubs, grants for innovative clean hydrogen production; \$9.5bn nationwide



Clean Energy, Grid Resilience

- **State Energy Program** – +\$6.88M total (current level \$770M annually) Promote energy security, efficiency, state-led energy initiatives.
- **Weatherization Assistance Program (WAP)** - \$42.21M total (current level \$3.4M annually) Weatherization program for low-income residents.
- **Energy Efficiency and Conservation Block Grant** - \$1.6M for energy efficiency, renewable energy, zero-emission transportation and associated infrastructure.
- **Energy Efficiency Revolving Loan Fund** – Approx \$2M to \$15M in capitalization for CT to support commercial/residential revolving loans for energy audits or upgrades and retrofits.
- **Grants for Efficiency & Clean Energy Improvements at Public Schools** – **NEW** Approx \$5M, competitive
- **Training, R&D** – **NEW** Multiple competitive grants for training energy auditors, building code officials, building performance professionals, smart manufacturing



Clean Water & Land

- **Clean Water State Revolving Loan Fund** - \$38.5M (31% increase) to support municipal investments in wastewater infrastructure. Some portion may be set aside for grants addressing PFAS.
- **Emerging Contaminants/PFAS** - **NEW** \$10.2M to address emerging contaminants (including PFAS) through any project eligible under the Clean Water Act
- **Wastewater Efficiency Grant Program** – **NEW** ~\$1M for AD, sludge & methane capture – grants directly to municipalities
- **Sewer Overflow & Stormwater Reuse Muni Grants** – **NEW** ~\$14M for planning, construction & design grants to municipalities through DEEP for combined sewer overflow projects
- **Clean Water Infrastructure Resiliency** – **NEW** \$1.25M Planning, designing, and constructing projects to increase resiliency
- **Long Island Sound Study** – \$106M for projects within the LIS watershed to supports the goals of the LIS Comprehensive Conservation and Management Plan
- **Brownfields Response Grant** – ~\$12M in competitive grants and revolving loan funds to investigate and remediate Brownfield properties and complete Brownfield job training programs



Broadband

- **Grants for Broadband Deployment** - Broadband Equity, Access and Deployment Program ("BEAD"), supports grants to States to bridge the digital divide. \$42bn nationwide; \$100M minimum allocation to each state.
- **State Digital Equity Capacity Program** - Supports digital equity, capacity building for greater broadband adoption. Minimum award of \$8M.
- **Enabling Middle Mile Broadband Infrastructure** – ~\$10M to reduce the cost of connecting unserved and underserved areas to the last mile infrastructure, create alternative network connection paths.
- **Broadband Affordability Fund** - \$14.2 bn nationwide, provides a \$30 discount on service for qualifying households, on any internet plan they choose.
- **Rural E-Connectivity Broadband Pilot**, Broadband Loans - \$1.9bn nationwide for USDA ReConnect program



Community Resilience

- **NOAA Coastal Resilience Fund** ~\$17M Grants for NGOs, Academic, State and Municipal applicants to create and restore natural systems for community resilience, while improving habitats for fish and wildlife species.
- **NOAA Community-based Restoration** ~\$10M grants for coastal habitat restoration.
- **FEMA Building Resilient Infrastructure in Communities (BRIC)** \$5M in formula & ~\$10M competitive grants for state & municipalities to protect critical infrastructure (IIJA only). Additional ~\$35M competitive through previous authorizations for FEMA BRIC.
- **FEMA Dam Safety** ~\$7.3M in grants for state to enhance dam safety and rehabilitate or remove aging dams.
- **FEMA Flood Mitigation Assistance** ~\$35M to reduce or eliminate the risk of repetitive flood damage to buildings insured under the National Flood Insurance Program.
- **FEMA STORM Act** **NEW** ~\$25M federal funds to capitalize state revolving loan fund for hazard mitigation and climate resilience projects.
- **WILDFIRE Risk Reduction** **NEW** ~\$5.0M to implement wildfire protection for communities.
- **US Army Corps Coastal and Inland Flood Risk.** **NEW** ~\$50M in agreements with USACE for flood protection projects.



DEEP Implementation Approach

- Seeking 70+ additional FTEs and move P-4 employees to 40hrs to support both execution of DEEP-related programs, increased permitting activity, and technical assistance (e.g., on resilience) associated with other agency, muni investments. 40hr shift puts DEEP on par with other employers, including other state agencies, for attracting and retaining employees.
- Other aspects of our approach:
 - "Braiding" together dollars to achieve co-benefits
 - Local/municipal engagement
 - Equity & environmental justice (CEEJAC est'd under EO 21-3)
 - Workforce & economic opportunity



Q&A