

NACo FEDERAL LEGISLATIVE UPDATE

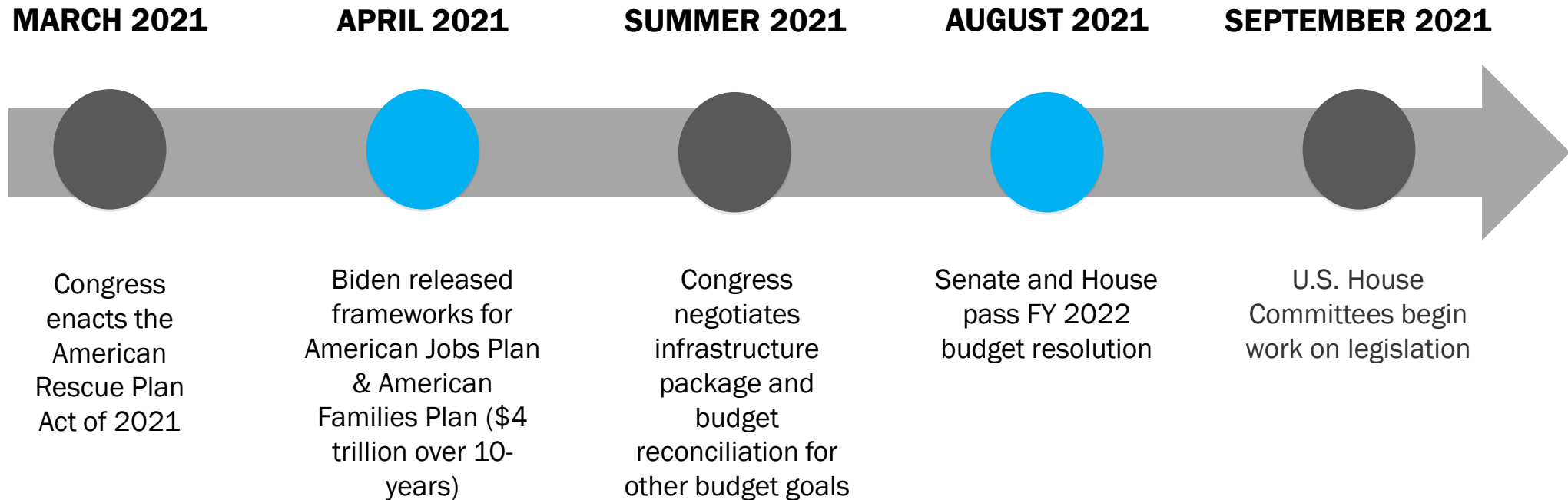
Nevada Association of Counties
SEPTEMBER 28-30 | Churchill County, Nev.



OUTLINE

- **FEDERAL PRIORITY ISSUES**
 1. Budget Reconciliation
 2. Infrastructure Package
 3. Waters of the U.S.
 4. Election Reform Legislation
 5. Fiscal Recovery Fund Implementation
- **TIMELINE AND KEY DATES**
- **LEGISLATIVE OUTLOOK**

ISSUE: BUDGET RECONCILIATION



ISSUE: BUDGET RECONCILIATION

WHAT'S IN THE RECONCILIATION PACKAGE?

- Permits Congress to add **no more than \$1.75 trillion** to the deficit over 10 years
- The bill is framed as spending \$3.5 trillion, but it will include revenue-raising provisions to offset the cost (i.e. tax increases)
- Congressional Budget Office (CBO) plays an important role in determining how much provisions will cost
- To stay within reconciliation rules, some significant changes to AFP and AJP proposals

MAXIMUM BORROWING PERMITTED PER HOUSE COMMITTEE	
Agriculture	\$89.1 B
Education and Labor	\$779.5 B
Energy and Commerce	\$486.5 B
Financial Services	\$339 B
Homeland Security	\$0.5 B
Judiciary	\$107.5 B
Natural Resources	\$25.6 B
Oversight and Reform	\$7.5 B
Science, Space, and Technology	\$45.51 B
Small Business	\$17.5 B
Transportation and Infrastructure	\$60 B
Veterans' Affairs	\$18 B
Ways and Means	At least \$1 B in savings
TOTAL	\$1.75 TRILLION

ISSUE: BUDGET RECONCILIATION

WHAT'S IN THE RECONCILIATION PACKAGE?

- Historic investments in higher education, child care and preschool
- Twelve weeks of guaranteed paid family and medical leave and income support through permanently expanded Child Tax Credit (CTC)
- Expansions to both Medicare and Medicaid
- Funds to improve VA, school and child care facilities
- Dedicated investments in wildfire mitigation, climate change mitigation and renewable energy
- Investments in affordable housing and workforce development

KEY ITEMS TO REMEMBER:

- **Most provisions will expire within 10 years in order to comply with budgetary rules**
- **Some priorities cannot use reconciliation as a vehicle**
- **Fiscal constraints make these negotiations zero-sum**

ISSUE: BUDGET RECONCILIATION

LEGISLATIVE OUTLOOK

- House and Senate must work at lightning speed to pass the bill by September 27 deadline under House rules
- All Democrats in the **Senate must support final package** and the **House cannot lose more than 3 Democratic votes**
- Competing priorities:
 - Debt limit (expires in October)
 - Funding the government (FY 2021 ends September 30)
 - National Defense Authorization Act for FY 2022
- Democrats are highly motivated to pass major package before the “window of opportunity” closes

ISSUE: INFRASTRUCTURE

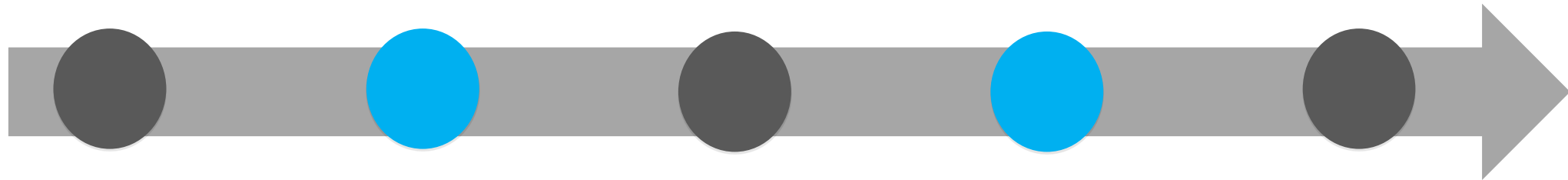
MARCH 2021

JUNE 2021

JULY 2021

AUGUST 2021

SEPTEMBER 2021



President Biden introduces American Jobs Plan

President Biden and bipartisan group of Senators agree to an infrastructure framework

Bipartisan framework clears first procedural hurdle with bipartisan support (D-50, R-17)

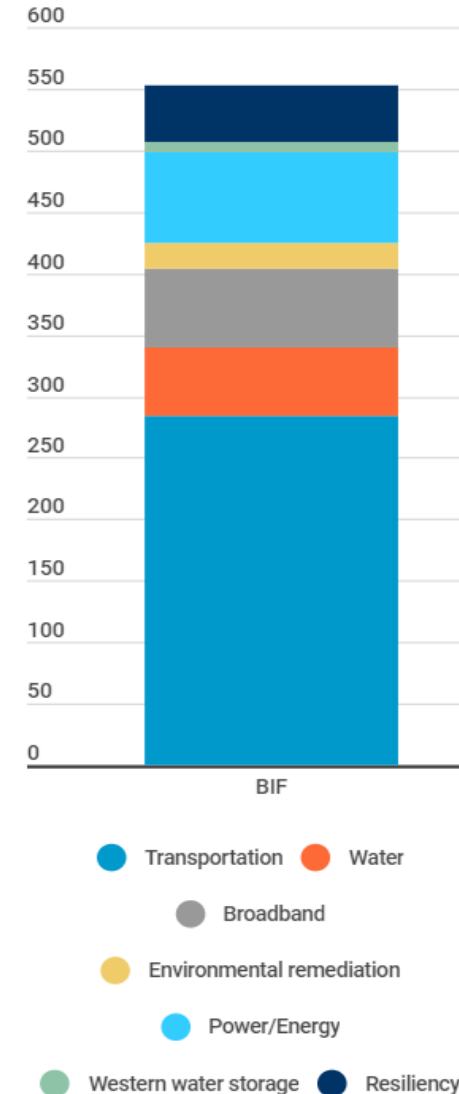
Majority Leader Schumer unveils legislative text of the Infrastructure Investments and Jobs Act

U.S. Senate passes IIJA in bipartisan vote of 69-30

ISSUE: INFRASTRUCTURE

WHAT'S IN IJA?

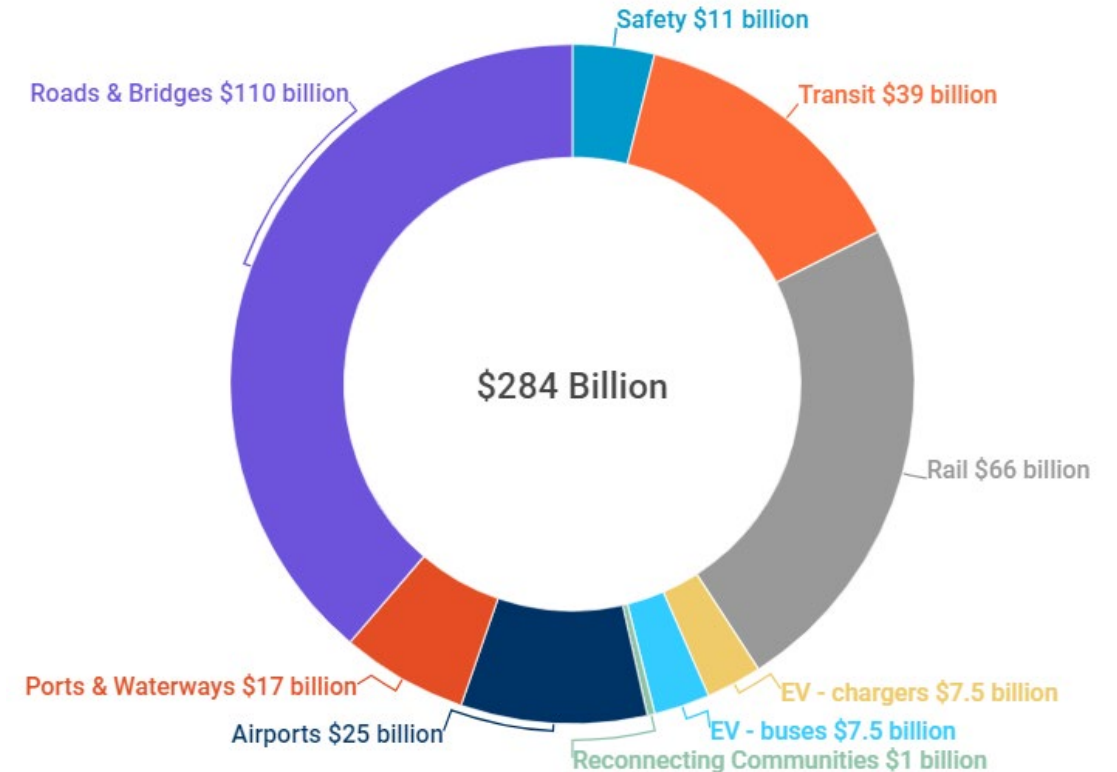
- \$550 billion in new investments over five years (FY 2022 – FY 2026):
 - **Transportation:** \$284 billion
 - **Water:** \$55 billion
 - **Broadband:** \$65 billion
 - **Energy & Power:** \$73 billion
 - **Environmental remediation:** \$21 billion
 - **Western water infrastructure:** \$8.3 billion
 - **Resiliency:** \$46 billion



ISSUE: INFRASTRUCTURE

WHAT'S IN IJA?

- Nearly 52 percent is directed towards modernizing and making improvements to transportation infrastructure:
 - Roads & bridges:** \$110 billion
 - Transit:** \$39 billion
 - Rail:** \$66 billion
 - Safety:** \$11 billion
 - Airports:** \$25 billion
 - Ports & waterways:** \$17 billion
 - Electric vehicle chargers:** \$7.5 billion
 - Electric buses:** \$7.5 billion
 - Reconnecting communities:** \$1 billion



ISSUE: INFRASTRUCTURE

LEGISLATIVE OUTLOOK

- U.S. Senate passed IIJA by a vote of 69-30, while the U.S. House has pledged to take up the legislation by September 27
- Majority Leader Schumer and House Speaker Pelosi want to move the infrastructure deal **in tandem with a larger reconciliation package**
- Both the House and Senate have taken the first step towards advancing the \$3.5 trillion reconciliation package
- Passage of the reconciliation package will require approval from all members of the Democratic caucus in the Senate, and all but three in the House. Some more **moderate Democrats in the Senate have already expressed their hesitation to pass a \$3.5 trillion reconciliation bill, while progressives in the House are likely to stand firm on their demand that infrastructure and reconciliation move forward**



NEVADA

BRIDGE INVENTORY | 2020

NUMBER OF BRIDGES	SHARE OF COUNTY-OWNED BRIDGES	SHARE OF STRUCTURALLY DEFICIENT BRIDGES	SHARE OF OFF-SYSTEM BRIDGES
2,056	19.3%	1.4%	25.6%

STRUCTURALLY DEFICIENT BRIDGES

A bridge is classified as structurally deficient if the deck, superstructure, substructure or culverts are rated in poor or worse condition.

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Share of County Owned	21.4%
Share of City/Town Owned	21.4%
Share of Other Locally Owned	3.6%
Total Locally Owned	46.4%

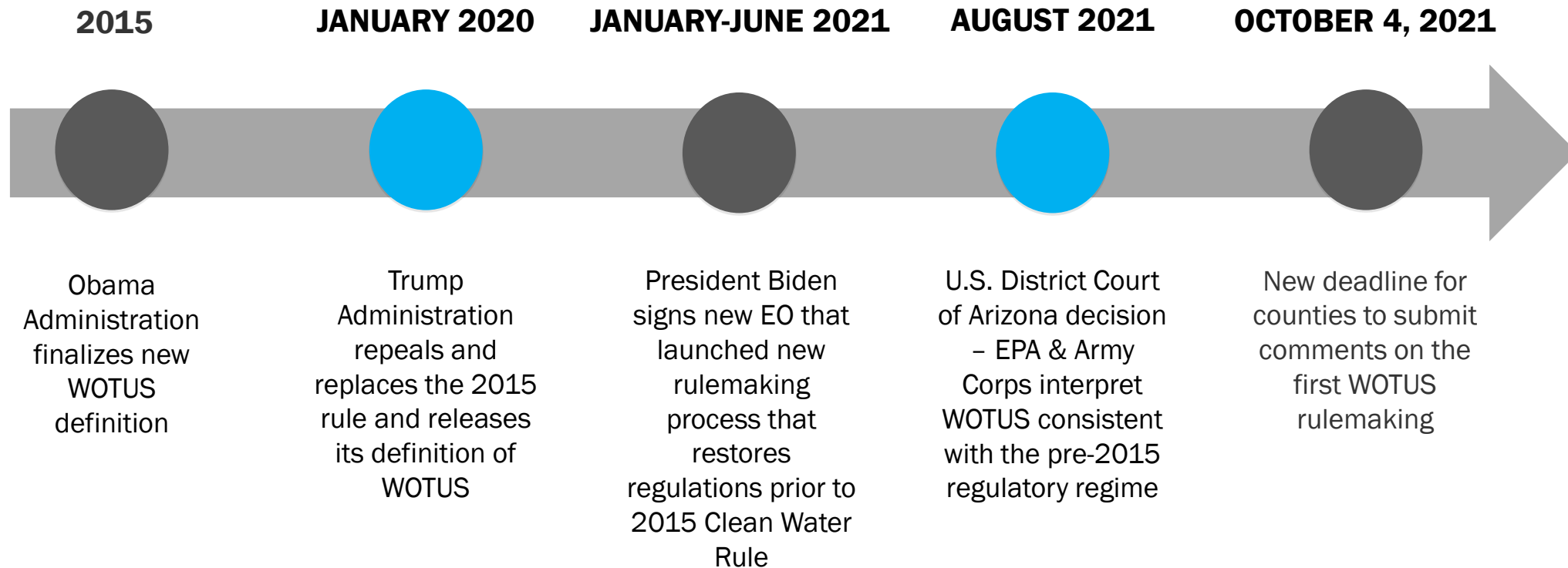
OFF-SYSTEM BRIDGES

Off-system bridges are located on a public road that is not part of the federal-aid highway system.

527

Share of County Owned	30.9%
Share of City/Town Owned	36.1%
Share of Other Locally Owned	6.5%
Total Locally Owned	73.5%

ISSUE: WATERS OF THE U.S.



ISSUE: WATERS OF THE U.S.

WHY WOTUS IMPACTS COUNTIES

- Counties own and operate flood control channels, drainage conveyances, ditches and culverts used to prevent flooding
- Depending on the final definition of WOTUS, counties may need to apply for a federal permit to maintain or build new infrastructure projects:
 - Public Safety Water Conveyances
 - Stormwater Municipal Separate Storm Sewer Systems
 - Green Infrastructure Construction and Maintenance Projects
 - Drinking Water Facilities and Infrastructure
 - Water Reuse and Infrastructure
- NACo has submitted multiple rounds of comments in response to both WOTUS rulemaking process and definitions

ISSUE: WATERS OF THE U.S.

LEGISLATIVE OUTLOOK

- There is a two rulemaking processes currently at play:
 1. **First rulemaking:** Repeal and replace the NWPR and re-implement the pre-2015 WOTUS rules, including the Supreme Court decisions (began June 9)
 2. **Second rulemaking:** Craft a durable definition based on Supreme Court precedent and drawing from the lessons learned from current and previous regulations
- The deadline to submit comments for the first rulemaking is October 4, 2021
- On August 5, the agencies met with NACo and several other state and local government associations to discuss the efforts to repeal and replace the Navigable Waters Protection Rule.
 - During this meeting, the agencies outlined what it means to revert to the pre-2015 regulations before the 2015 Clean Water Rule

ISSUE: ELECTION REFORM

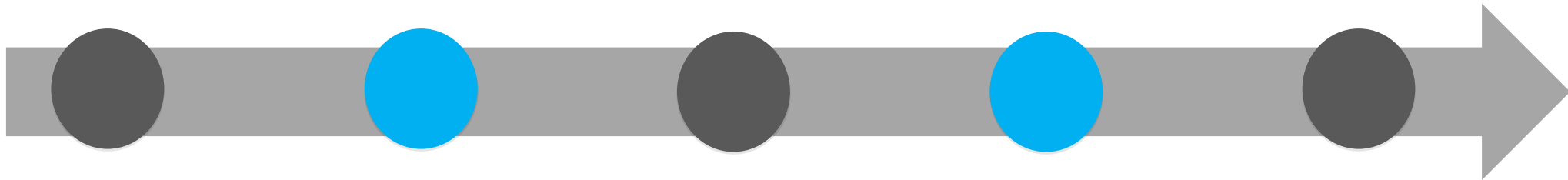
JANUARY 2021

MARCH 2021

JUNE 2021

SEPTEMBER 2021

SEPTEMBER 2021?



For the People Act of 2021 was introduced in the U.S. House

For the People Act of 2021 passed the U.S. House along a party-line vote

U.S. Senate Republicans block vote on For the People Act of 2021

Group of Senators introduce revised election reform bill, the Freedom to Vote Act of 2021

Majority Leader Schumer states that U.S. Senate will vote on the bill; path forward remains uncertain

ISSUE: ELECTION REFORM

WHAT'S IN THE FREEDOM TO VOTE ACT OF 2021?

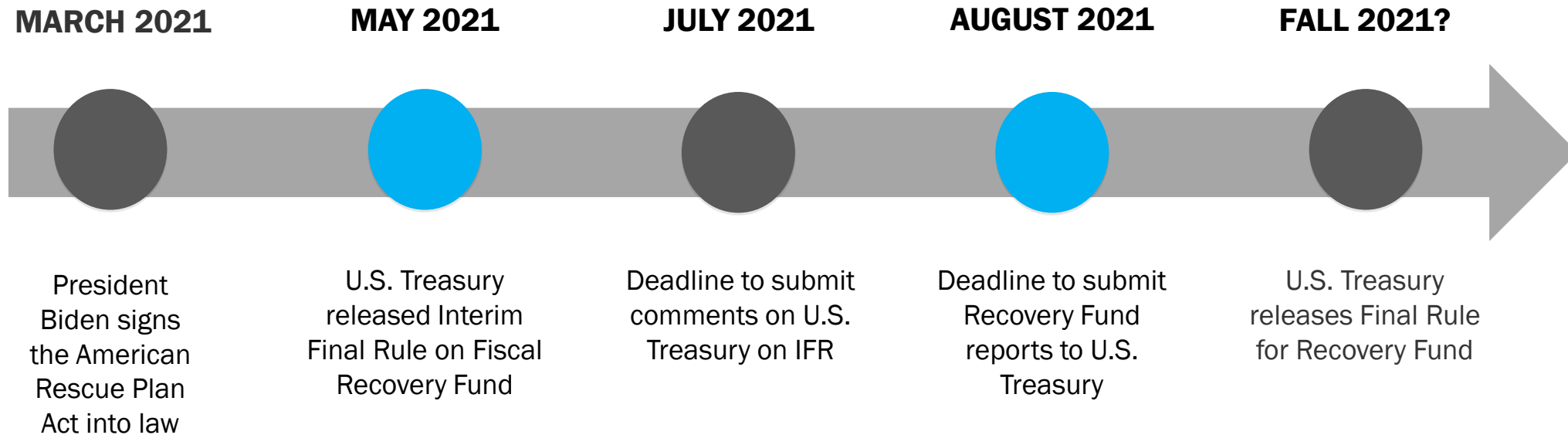
- **Voter Access and Election Administration**
 - Automatic voter registration
 - Election Day holiday
 - Uniform early voting – Provides flexibility to vote-by-mail jurisdictions and small counties
 - Same day voter registration
 - Counting of provisional ballots
 - Standard for voter identification
- **Election Integrity**
 - Protection of election workers
- **Civic Participation and Empowerment**
 - Establishes State Election Assistance and Innovation Fund

ISSUE: ELECTION REFORM

LEGISLATIVE OUTLOOK

- The new bill could come to the Senate floor for a vote as soon as next week with unified support of Democrats 50-member caucus
- The **bill needs 10 Republican Senators to help the bill clear** its first procedural hurdle
- Pressure on Democrats and the White House to try to **change Senate rules and abolish the legislative filibuster** (requiring 60 votes for legislation to advance)
- Sen. Manchin (D-W.Va.) tasked with finding 10 Republicans to support the new bill
- In order to change the 60-vote legislative filibuster, **Democrats need total unity from all 50 members of it caucus**

ISSUE: FISCAL RECOVERY FUND



SAMPLE ALLOWABLE USES OF RECOVERY FUNDS, PER U.S. TREASURY GUIDANCE



Support Public Health Response

Fund COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff



Address Negative Economic Impacts

Respond to economic harms to workers, families, small businesses, impacted industries, and the public sector



Replace Public Sector Revenue Loss

Use funds to provide government services to the extent of the reduction in revenue experienced due to the pandemic



Premium Pay for Essential Workers

Offer additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors



Water and Sewer Infrastructure

Make necessary investments to improve access to clean drinking water and invest in wastewater and stormwater infrastructure



Broadband Infrastructure

Make necessary investments to provide unserved or underserved locations with new or expanded broadband access

UPDATE FROM TREASURY ON FINALIZING IFR

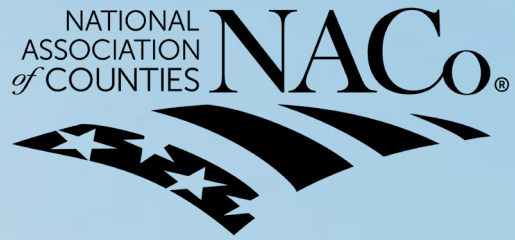
On September 10, Treasury released a statement on the progress of finalizing the Recovery Fund IFR

- Treasury is in the process of reviewing the over 1,000 public comments in response to the Interim Final Rule (IFR)
- Treasury **expects its review of comments to continue into the fall.** Therefore, the Final Rule will not be published until this fall or after.
- Until Treasury adopts a Final Rule and the Final Rule becomes effective, the **IFR is, and will remain, binding and effective**
- **Funds used in a manner consistent with the Interim Final Rule while the Interim Final Rule is effective will not be subject to recoupment**
- Counties may use the IFR to interpret whether their use of funds meet the criteria of what is eligible
- Counties may also **consider FAQs issued by Treasury to help assess whether a project or service would be an eligible use** of Coronavirus State and Local Fiscal Recovery Funds

ISSUE: ARP FISCAL RECOVERY FUND

LEGISLATIVE OUTLOOK

- 94 percent of counties have certified for Fiscal Recovery Funds
- U.S. Treasury will release a public list of recipients, including counties, that did not submit an Interim Report by the August 31 reporting deadline
- NACo continues to work with the U.S. Treasury to receive additional clarification on eligible use of funds (via FAQs)
- NACo will provide recommendations to the U.S. Treasury ahead of Project and Expenditure Report deadline to ensure reporting issues are addressed
- Final Rule released this fall?
- Resources of interest until Final Rule is released:
 - [NACo ARP Virtual Meetup Sessions](#)
 - [NACo Recovery Fund Resource Hub](#)



NACo FEDERAL LEGISLATIVE UPDATE QUESTIONS?

