



# Policy Update

January 13, 2023

**US Congress** – Both the House and Senate returned to Washington to begin the 118<sup>th</sup> Congress. Now that the House has elected a Speaker, both chambers are completing the rules by which they operate, naming Committee leaders, and assigning Members to Committees. Both chambers will be out the week of January 16<sup>th</sup> and will return the following week. With a split government, the consensus is that not much legislation will be sent to the President unless there is bipartisan buy-in from both parties. With the nation's credit card reaching its maximum limit this Spring, Congress will need to pass a bill raising the debt limit or risk a government default. Battlelines are being drawn with some Members demanding spending cuts as part of any deal to raise the limit. Another challenge in a split government will be passing the budget for 2024. Again, there will be a difference of opinion on how much to spend (both defense and non-defense) that could lead to a full year continuing resolution in 2024.

On the infrastructure side Congress may pass bills to reauthorize programs for the FAA, the Army Corps of Engineers, and Pipeline Safety. There will be a focus on oversight of the implementation of the IJJA/BIL and other USDOT programs.

**End of Year Spending Bill Expands use of ARPA Funds** - The omnibus spending bill Congress passed just before Christmas included legislation (supported by AMPO in a letter) by Sens. Cornyn and Padilla to allow state, local, and tribal governments to use parts of their federal COVID aid funds for a wide variety of infrastructure projects (not just water, sewer, and broadband, as the COVID laws originally provided). The amendment allows state, local and tribal governments to spend their COVID aid on several additional programs including:

- Surface Transportation Block Grant Program projects under 23 U.S.C. §133.
- Metropolitan Planning projects under 23 U.S.C. §134.
- Congestion Mitigation and Air Quality Program projects under 23 U.S.C. §149.
- Projects under the new Carbon Reduction Program grant program under 23 U.S.C. §175.
- RAISE grants under annual DOT appropriations acts.
- Urbanized area formula grants under 49 U.S.C. §5307.
- Rural area formula grants under 49 U.S.C. §5311.
- Bus and bus facility grants under 49 U.S.C. §5339.
- HUD Community Development Fund Grants.

According to the legislation, a receiving entity can use up to 30 percent of its ARPA relief on infrastructure, or up to \$10 million, whichever is greater. For state governments, and high population cities and counties, 30 percent of the funding is highly likely to exceed \$10 million. However, how much COVID money the state and local governments still have left may impact decisions.

**USDOT** – USDOT is continuing its implementation of the IJJA/BIL through policy guidance and the on-going grant process, and we anticipate that the NOFO time-line will be similar to 2022.

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