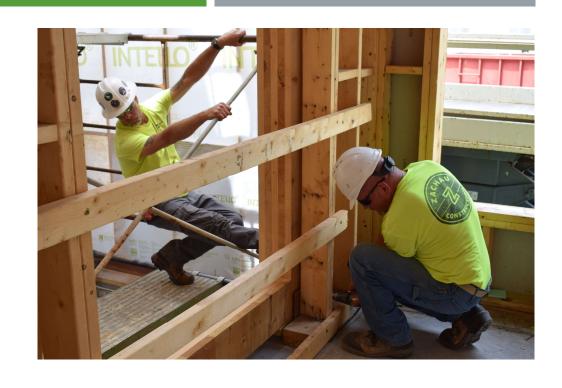
FEDERAL INFRASTRUCTURE FUNDING IN MAINE

ARPA/MJRP, BIL, IRA, and CHIPS



Presentation to Consensus Economic Forecasting Committee

October 23, 2023

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HANNAH PINGREE

Director, Governor's Office of Policy Innovation and the Future



RECENT MAJOR FEDERAL INFRASTRUCTURE FUNDING LAWS

2021: American Rescue Plan Act (ARPA)

\$1.9 trillion

~\$1b for the Maine Jobs & Recovery Plan (MJRP)

Workforce Development, Business Supports, Infrastructure Upgrades

Economic recovery funding that includes infrastructure upgrades

2021: Bipartisan Infrastructure Law (BIL)



Transportation, Environment & Resiliency, Energy,
Broadband

Many initiatives targeting community infrastructure

2022: Inflation Reduction Act (IRA)



Clean Energy

Much in form of incentives for individuals and private firms (tax credits, loans, grants)

2022: CHIPS & Science Act (CHIPS)



Semiconductors manufacturing & Science R&D

Incentives for semiconductor
manufacturers, plus
significant funding for
research and workforce
institutions

THE MAINE JOBS & RECOVERY PLAN



- Governor Janet Mills' plan to invest nearly \$1 billion to help Maine people, businesses, and communities recover from the COVID-19 pandemic
- Draws on recommendations from Governor's Economic Recovery Committee and State's 10-Year Economic Development Strategy to address systemic challenges that have constrained Maine's ability to grow and thrive
- Went into effect October 18, 2021

1 st

in New England, and among the first 4 nationally, to allocate 100% of SLFRF funds

1st

in New England and 21st
nationally in % of SLFRF funds
committed/spent

99%

of SLFRF funds have been approved through internal state eligibility process

75%

of SLFRF funds have been spent or committed to deliver results on behalf of Mainers

MAINE JOBS & RECOVERY PLAN - PROGRESS TO DATE

Business Supports

\$175 MILLION

IN DIRECT ECONOMIC RELIEF TO THOUSANDS OF MAINE SMALL BUSINESSES



and growth financing







RECOVERY INVESTMENTS: More than 1,390 Maine small businesses received over \$131 million in recovery

ENERGY COST RELIEF: Over 2,900 small businesses received electric utility credits to reduce burden of elevated energy costs

HEALTH INSURANCE SUPPORT: More than 5,700 small businesses were able to more affordably offer health insurance to over 45,700 employees and dependents

Job & Career Programs

WORKFORCE OPPORTUNITIES FOR 25,000 MAINE PEOPLE

















SKILL DEVELOPMENT: Neary 3,400 workers enrolled in a job credential or training program

CAREER EXPLORATION: Over 3,200 young people participated in an internship, apprenticeship, or career exploration experience

WORKFORCE OUTREACH: Over 3,900 Mainers received career advancement or navigation assistance

TECHNICAL EDUCATION: 23 schools built out new career and technical education facilities or job training equipment

Communities

Investments in Maine People &

400+ INFRASTRUCTURE PROJECTS TO SUPPORT MAINE PEOPLE, FAMILIES AND COMMUNITIES







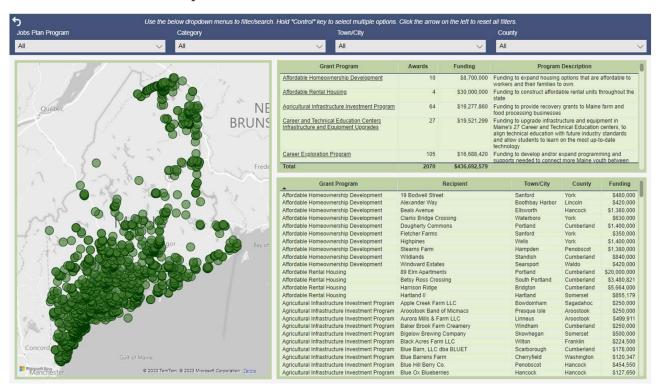
HOUSING: 528 units under development across 18 projects

EARLY CHILDHOOD: 2,476 new or newly full-time child care and pre-kindergarten slots at 104 programs

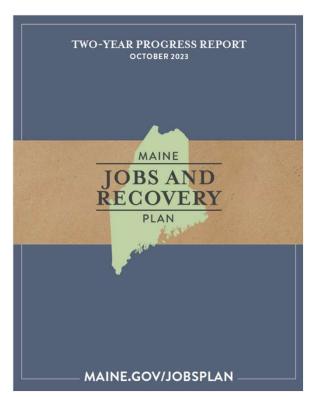
WATER AND CLIMATE: 158 investments to upgrade drinking and wastewater systems, or increase infrastructure resilience to climate change

ENERGY EFFICIENCY: 1,187 energy efficiency upgrades to businesses, communities, and low-income homeowners

MAINE.GOV/JOBSPLAN



Visit <u>maine.gov/jobsplan</u> to find news and updates, sign up for GOPIF's regular email newsletter, search Jobs Plan programs, and see where the Jobs Plan is making investments across the state.



Read more about the Jobs Plan's investments and outcomes during its first two years in our two-year progress report.

GOVERNOR'S INFRASTRUCTURE IMPLEMENTATION COMMITTEE

Governor Mills <u>signed Executive Order 2 on April 25, 2022, to mobilize a cross-agency effort</u> to coordinate the Bipartisan Infrastructure Law (BIL) implementation among the state, municipal, tribal, county and other government entities in Maine. The ongoing coordination has expanded to include focus on multi-agency IRA and CHIPS opportunities.

Members of the Committee includes leadership and staff from:

- Department of Administrative and Financial Services (DAFS)
- Department of Economic and Community Development (DECD)
- Department of Environmental Protection (DEP)
- Department of Health and Human Services (DHHS)
- Department of Transportation (DOT)
- Governors Energy Office (GEO)
- Staff from the Governor's Office and the Governor's Office of Policy Innovation and the Future will provide Committee Leadership and staffing support (GO & GOPIF)
- Department of Labor, the Maine Connectivity Authority, Maine Housing, and the Efficiency Maine Trust collaborate with the Committee and working groups as needed

Justice40 Staff Working Group – established to align agencies around the federal requirement of delivering and tracking at least 40% of benefits to Priority and Disadvantaged Communities

Resilience Working Group – Coordinating funding of natural resource and resilience projects, led by GOPIF and DOT staff. Other agencies include:

- Department of Marine Resources
- Department of Agriculture, Conservation, & Forestry
- Department of Inland Fisheries and Wildlife (DIF&W)
- Maine Emergency Management Agency

Broadband Working Group – established to align broadband infrastructure needs and plans with other projects and Agencies

Workforce Working Group – Led by DOL and established to identify and address cross-agency infrastructure workforce needs and funding opportunities

THE BIPARTISAN INFRASTRUCTURE LAW

- On November 15, 2021, President Biden signed the Infrastructure Investment and Jobs Act (IIJA), also referred to as the Bipartisan Infrastructure Law (BIL)
 - All members of Maine's bipartisan Congressional delegation supported the legislation
- BIL will invest \$1.2 trillion in infrastructure across the country over the next 10 years, \$550 billion of which will be spending on new programs over the next five years:

Transportation: \$284 billion

Energy \$73 billion

Broadband: \$65 billion

Water: \$55 billion

Resiliency: \$46 billion

Environmental Remediation: \$21 billion

Western Water Infrastructure: \$8.3 billion



No More Lead Pipes

Investment in

Passenger Rail



High-Speed Internet Access



Network of Electric
Vehicle Chargers



Better Roads and Bridges



Upgrade Power Infrastructure



Investments in Public Transit



Resilient Infrastructure



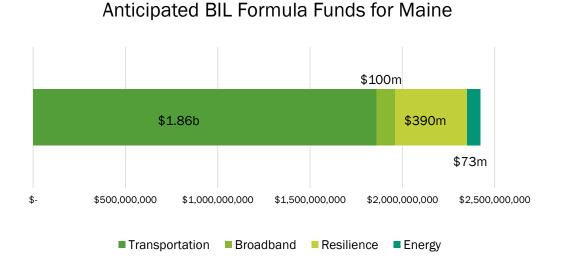
Upgrade Airports and Ports

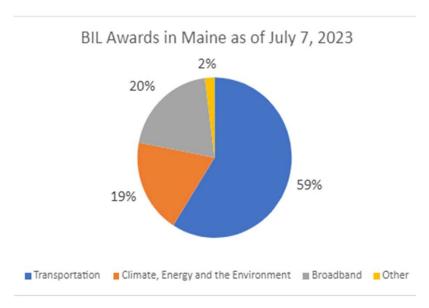


Investment in Environmental Remediation

 It is estimated that Maine will receive \$2.5 billion in formula funds, with extensive opportunity to compete for other grant programs.

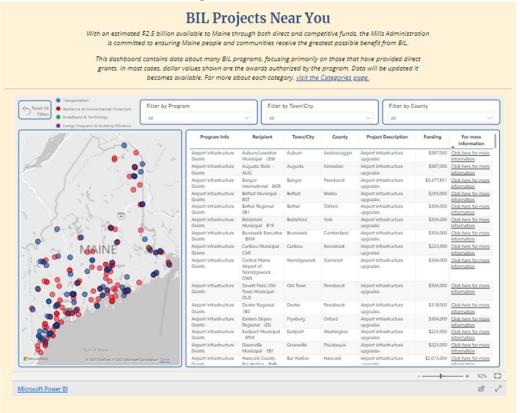
BIPARTISAN INFRASTRUCTURE LAW - PROGRESS TO DATE





As of July 2023, \$1.5 billion from BIL has been awarded to 161 specific projects in Maine

MAINE.GOV/BIL



Visit maine.gov/bil to find news and updates, sign up for GOPIF's regular email newsletter, search BIL programs, and see where BIL is making investments across the state.



BIL News & Announcements

- . August 24, 2023: Penguis, KVCAP Awarded Funding from the Federal Transit Administration
- August 16, 2023: Biden-Harris Administration Announces First-Ever Grants to Fix More Than 160 Fish Culverts Across the Country, Supporting Jobs, the onment, Tribal communities, and Commercial Fishing
- July 5, 2023: Biden-Harris Administration Announces New. Streamlined Funding Application Process for Infrastructure Projects That Reconnect Communities
- June 28, 2023: Biden-Harris Administration Announces Funding for 162 Community-Led Infrastructure Projects as Part of the Investing in America Agenda
- June 21, 2023: U.S. Department of Transportation Announces Technical Assistance Grants for Transportation Projects in Rural and Tribal Communities
- . June 1, 2023: Biden-Harris Administration Announces Motor Carrier Safety Awards Funding to 56 States, Territories for Safer Roads May 18, 2023: Biden-Harris Administration Announces Availability of \$220 Million to Modernize Ferry Service and Better Connect Rural Communities
- April 27, 2023: Biden-Harris Administration Opens Apolications for First Year of \$400M Competitive Grant Program to Reduce Truck Air Pollution at America's
- April 21, 2023: Biden-Harris Administration Opens Applications for \$848 Million in Competitive Grant Funding to Make Roads, Bridges, Transit, Rall, and Ports More Resilient to Climate Change
- March 21, 2023: Biden-Harris Administration Funds Innovative Projects to Create Safer, More Equitable, Transportation Systems
- . March 16, 2023: Collins, King, Pingree Announce Nearly \$1.7 Million for Knox County Regional Airport
- March 14, 2023: Biden-Harris Administration Opens Applications for First Round of \$2.5 Billion Program to Build EV Charging in Communities & Neighborhoods
- February 27, 2023: Biden-Harris Administration Announces Nearly, 51B in Bipartisan Infrastructure Law Airport Funding Awarded to Meet Surging Air Travel
- February 3, 2023: Collins, King Announce Over \$48 Million for Maine Public Transit from Bipartisan Infrastructure Law
- . February 1, 2023: Biden-Harris Administration Announces Historic \$800 Million for More than 500 Projects to Improve Roads at the Local Level and Tackle National Traffic Fatalities

BIL Investment Categories



Transportation



Resilience & Environmental Protection



Energy Programs & Building Efficiency



rograms to expand the interconnection and economic viability of Maine communities through impro ffordable and universally available high speed internet (broadband) and secure information systems

TRANSPORTATION

PROGRAM SPOTLIGHT - INFRA

INFRA (the Nationally Significant Multimodal Freight & Highway Projects program) awards competitive grants for multimodal freight and highway projects of national or regional significance to improve the safety, efficiency, and reliability of the movement of freight and people in and across rural and urban areas.

In FY22, Maine received two awards from this highly competitive program, one of only three states to win awards for multiple projects:

- \$44.1m to complete Phase II of a commercial two-lane bypass route of Presque Isle's Main Street (US Route 1), constructing an approximately 6.3mile-long, two-lane highway that will connect US Route 1 south of the city to the current bypass section already in service
- \$33m to rehabilitate approximately
 68 miles of US 1 in Washington Co.

Transportation Funding in the Bipartisan Infrastructure Law

MaineDOT will receive \$1.5b in formula funding for highways and bridges over five-year life of BIL (FY22-26)

- Est. \$66m more on average per year (~28% increase over existing levels)
- ~\$883m received to date (FY22, 23, and 24)

Transit formula funding for operations increased 33%, and airports may receive funding increases from 30% to 100%

• \$46.3m received to date to make upgrades at 68 airports

Bipartisan Infrastructure Law - Example Projects

- \$78.6m for 4 projects through the RAISE Grant Program, which invests in road, rail, transit and port projects that promise to achieve national objectives
- \$77.1m for 2 projects through the INFRA Program, which provides funding to improve the safety, efficiency, and reliability of roads and bridges
- \$35m to upgrade Maine's ferry services, including \$28m to purchase electric of low-emitting ferries
- \$13.3m in rebates to purchase 34 electric school buses, which will service 13 Maine school districts
- \$11m in formula funding to expand electric vehicle charging infrastructure through the National Electric Vehicle Infrastructure (NEVI) program

BROADBAND

- "I pledge to you tonight that every person in Maine who wants high-speed internet will have it."
- Governor Mills, State of the State 2022

Total federal funding coming to Maine - ~\$465m

- MJRP: \$21m
- Capital Projects Fund (ARPA, non-MJRP): \$129m
- BEAD (BIL): \$272m
- Middle Mile (BIL): \$30m

Progress to Date

Since 2021:

• 53,370 connections have been enabled (50% funded in the last 10 months)

Since April 2023:

 18,000 new households have enrolled in the Affordable Connectivity Program in Maine (ACP4ME - 38.7% of eligible households - 25% are firsttime internet subscribers)

Looking Forward

- All "No-Connection" locations (service under 25/3 Mbps) will have funding allocated, construction initiated, and/or service deployed by 2024
 - Approx. 42,000 (6.6%) locations
- Approximately 50,000 locations (7.8%) have slow / unreliable service (Maine Unserved).

BROADBAND - FEDERAL FUNDING SPENT/RECEIVED TO DATE

"Today's historic announcement of BEAD funding is a testament to how critical these investments are to connecting Mainers today and creating a place where we can thrive long into the future," said Andrew Butcher, President of the Maine Connectivity Authority. "This allocation is tens of millions more than anticipated due directly to our state's readiness, from the smallest volunteer broadband committee to our numerous private partners to the Governor's bold leadership and Congressional Delegation's steadfast commitment."

- June 26, 2023

Maine Jobs & Recovery Plan

Get Ready: Community Support Program \$200k from the Jobs Plan awarded to 12 communities to help make progress on community-driven broadband planning

Jumpstart Connectivity Initiative

\$925k from the Jobs Plan awarded to 3 wireless partners to provide accelerated low-cost internet access to communities across 5 counties by trialing the deployment of wireless technology deployments

Regional & Tribal Broadband Partners Program

\$2.9m for 13 community-level partners to build/lead digital inclusion in their region

Bipartisan Infrastructure Law

Broadband Equity, Access, and Deployment (BEAD)

MCA submitted its 5-year Broadband Action Plan on August 11th, the second state to do so, unlocking \$272 million in BEAD Program implementation funds

Middle Mile Infrastructure Grant Program \$30m awarded to MCA to connect local networks to major networks

State Digital Equity Planning Grant Program

MCA combined the state digital equity plan and the 5-year Broadband Action Plan, which has resulted in a stand-alone State Digital Equity Plan, unlocking an estimated \$13 million in Digital Equity funds

RESILIENCE & ENVIRONMENTAL PROTECTION

Maine Jobs & Recovery Plan

- \$26m in zero-interest subsidies for 77 drinking water infrastructure projects
- \$20m to make wastewater treatment upgrades in 22 communities
- \$20m to pilot the Infrastructure Adaptation Fund in 12 communities to address flooding, protect stormwater and wastewater systems, and increase energy resilience

Bipartisan Infrastructure Law

- \$35m to replace, remove, and repair culverts or weirs that meaningfully improve or restore fish passage for sea-run fish
- \$22.7m to help clean up legacy pollution and rehabilitate Brownfields sites
- \$22.4m to address fish passage barriers at two sites
- \$15.5m to fund drinking water infrastructure upgrades through the Drinking Water State Revolving Fund
- \$9.4m for the city of Saco to build a new wastewater treatment process at higher elevation, mitigating the impacts of sea level rise through FEMA's Building Resilient Infrastructure and Communities program
- \$5m from the America the Beautiful Challenge to improve habitat connectivity for sea-run fish on the St. Croix River

PROGRAM SPOTLIGHT – Culvert AOP Program

Resilience Working Group facilitated а series three collaborative applications to the Federal Highway Culvert Aquatic Organism Passage program with Maine DOT as the lead agency in partnership with the Department of Marine Resources for \$27.8 million in requests for funding, strategically and aggressively asking for more than the maximum award size of \$20 million. Maine competed extremely well nationally, receiving the 3rd highest award. The collaborative approach between Maine DOT and combined priorities between vulnerable state infrastructure and fish habitat to propose three distinct, watershed-scale projects. All three competed extremely well nationally and were awarded \$27.3 million. Additionally, DMR collaborated with the Passamaguoddy Tribe at Sipayik on a project to replace three municipal culverts that will benefit fish passage and the drinking water supply that was awarded \$7.7 million.

ENERGY PROGRAMS & BUILDING EFFICIENCY



Governor Mills, joined by White House National Climate Advisor Ali Zaidi, Hannah Pingree and Maine Community College System President David Daigler watch a demonstration by Dave Whittemore in the heat pump workforce lab at Kennebec Valley Community College on July 21, 2023. The governor announced a new heat pump installation goal after the state surpassed the original 100,000 installed by 2025 goal a full two years early.

Maine Jobs & Recovery Plan

\$50m allocated to weatherize homes, businesses, and public buildings. To date, Efficiency Maine has helped low-income Mainers weatherize more than 1,000 homes and enabled the installation of over 115 heat pump systems at businesses and community facilities.

Bipartisan Infrastructure Law

Energy Efficiency & Conservation Block Grant (EECBG) -

GEO/GOPIF awarded \$1.67m to help implement strategies to reduce energy use, to reduce fossil fuel emissions, and to improve energy efficiency

State Energy Program -

GEO awarded \$3.69m from this DOE program, which supports a nationwide infrastructure of state energy offices

Grid Resilience State/Tribal Formula Grant Program -

GEO awarded \$4.4m to strengthen and modernize America's power grid against wildfires, extreme weather, and other natural disasters that are exacerbated by the climate crisis

Grid Resilience and Innovation Partnerships (GRIP) Program -

CMP awarded \$30m for a project to modernize the electric grid to reduce the impacts of natural disasters and extreme weather worsened by climate change; increase the flexibility, efficiency, and reliability of the electric power system with a particular focus on unlocking more solar, wind, and other clean energy and reducing faults that may lead to wildfires; and improve reliability by deploying innovative approaches to electricity transmission, storage, and distribution

Weatherization Assistance Program -

MaineHousing awarded \$30m to contract with local community action agencies and non-profits to install weatherization improvements in low-income households throughout the state.

INFLATION REDUCTION ACT

- Signed by President Biden in Aug. 2022 largest investment in clean energy/climate in American history
- ~\$400b for energy security and climate change investments, with the goal of substantially lowering the nation's carbon emissions by the end of this decade
 - Roughly half will be in the form of tax incentives for businesses to invest in clean energy technologies, but also many one-time competitive grant and loan programs

While many IRA programs have not yet opened, the State of Maine is developing applications for several:

Climate Pollution Reduction Grants

- \$5b in grants to states, local governments, tribes, and territories to develop and implement ambitious plans for reducing greenhouse gas emissions and other harmful air pollution
- In Aug 2023, GOPIF received a \$3m planning grant to fund climate planning
- Implementation Grant application is open now

Solar for All

- \$7b in grants to states, territories, Tribal governments, municipalities, and nonprofits to expand the number of low-income and disadvantaged communities primed for residential solar investment
- Application closed Oct 12, 2023 GEO applied on behalf of the State of Maine

CHIPS & SCIENCE ACT

- In July 2022, Congress passed the CHIPS & Science Act, a \$280 billion bill that aims to build a domestic U.S. supply chain for semiconductor chips in the face of foreign competition, while also spending billions on scientific and technological research to keep U.S. industries competitive globally.
 - Today, the U.S. makes 12% of the world's semiconductors, down from 37% in the 1990s.
- Most CHIPS & Science Act funding falls into one of two categories:
 - Manufacturing Incentives for Businesses
 - Research & Innovation Grants

Programs of note for Maine:

Regional Technology & Innovation Hubs

- \$500m EDA program that will designate ~20
 Tech Hubs across the nation to strengthen a
 region's capacity to manufacture,
 commercialize, and deploy critical technologies
- Maine Technology Institute applied to establish the Maine Forest Bioproducts Advanced Manufacturing Technology Hub – decisions are expected Fall 2023

Distressed Area Recompete Pilot Program

- \$200m EDA program that is aimed at creating renewed economic opportunities in communities with persistently high prime-age unemployment
- 3 Maine-based organizations applied decisions are expected Winter 2023

THANK YOU

Learn more about the Maine Jobs & Recovery Plan maine.gov/jobsplan

Sign up for the GOPIF regular MJRP email newsletter maine.gov/jobsplan/contact-us

Learn more about the Bipartisan Infrastructure Law in Maine maine.gov/bil

Sign up for the GOPIF regular BIL email newsletter maine.gov/bil/contact-us