

The Bipartisan Infrastructure Bill Is an Imperfect Credit-Positive for the Muni Market



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Key Takeaways

- *The Senate-approved \$1 trillion Infrastructure Investment and Jobs Act (IIJA) is likely to improve near-term municipal credit fundamentals, if enacted into law.*
- *However, the IIJA*
 - » *Is unlikely to induce enough new money issuance to address the nation's deferred maintenance backlog.*
 - » *Leaves unresolved how to finance a transportation system that will feature more electric vehicles and remote workers, and*
 - » *Addresses none of several tax provisions important to municipal investors and capital formation for U.S. infrastructure, generally.*
- *A budget reconciliation bill in the Fall may address some (but probably not all) of the IIJA's flaws.*



On August 10, the U.S. Senate passed the bipartisan Infrastructure Investment and Jobs Act (IIJA). The bill authorizes \$1 trillion in federal infrastructure spending over five years, an increase of \$550 billion compared to current levels.

If enacted, the IIJA is likely to improve near-term municipal credit fundamentals. However, it is unlikely to induce enough new money issuance to address the nation's deferred maintenance backlog, and it leaves unresolved how to finance a transportation system that will feature more electric vehicles (EVs) and remote workers. It also addresses none of the several tax provisions important to municipal investors and capital formation for U.S. infrastructure, generally.

A budget reconciliation bill in the Fall may address some (but probably not all) of the IIJA's flaws. Investors should cheer the bill's passage for its near-term credit impact, acknowledge that it may not lead to a significant increase in supply, and understand that it could leave the muni market even more beholden to Congress' fiscal whims in just a few years.

A Brief Summary of Key Provisions in the IIJA

Spending

The IIJA includes \$550 billion in *additional* federal infrastructure spending from fiscal year (FY) 2022 through FY 26.¹ Roughly \$340 billion (62percent) of the increase would flow to traditional muni issuers (Figure 1).² This includes a \$110 billion increase for roads, highways, and bridges, \$55 billion in additional drinking/wastewater spending, \$39 billion for public transit, and \$41 billion for airports and ports, among other priorities.³ The IIJA also includes over \$40 billion for a new rural broadband program, \$7.5 billion for a new low- and zero-emission school bus and ferry program, and \$7.5 billion for EV charging stations.

Revenue

The remaining \$210 billion in new funding mostly flows to entities that do not issue tax-free bonds. This includes \$66 billion for rail, \$73 billion for the power sector, and \$50 billion for resiliency. Rail spending largely benefits Amtrak, a federally owned entity. Power and resiliency funding will predominantly flow to the private sector or federal agencies.⁴

The IIJA is financed largely with one-time revenue. Major one-time funding sources include repurposing unobligated COVID-relief aid (\$205 billion), auctioning 5G wireless and other spectrum (\$87 billion), repurposing unspent enhanced unemployment insurance benefits (\$53 billion), and delaying a Medicare Part D rebate rule (\$49 billion).⁵

Ongoing sources of revenue include an assumed boost to long-term growth from better infrastructure (\$56 billion of dynamic scoring), better cryptocurrency tax enforcement (\$28 billion), and extending certain fees on government-sponsored entities, superfund sites, and customs (\$40 billion).

The Congressional Budget Office (CBO) estimates that the IIJA will add \$256 billion to deficits over the next ten years.⁶

Private activity bonds

The IIJA's only muni market tax changes involve private activity bonds (PABs). This includes the authorization of PABs for qualified broadband and carbon capture projects. The bill also increases the national limit on PABs for certain highway and surface transportation projects from \$15 million to \$30 million.⁷ These provisions would apply to a small portion of annual issuance. New money financings exceeded \$200 billion each year from 2017 through 2020.⁸



FIGURE 1: PROPOSED INCREASES IN SPENDING AND REVENUE UNDER THE INFRASTRUCTURE INVESTMENT AND JOBS ACT (AUGUST 2021)

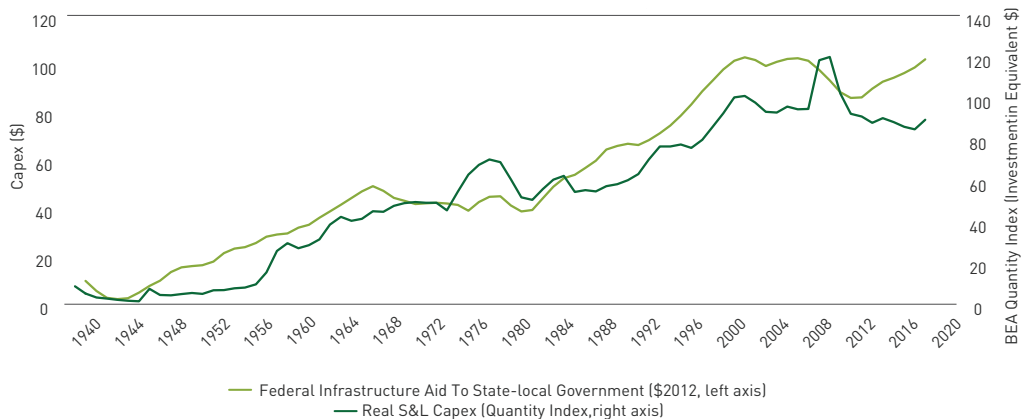
Spending	(\$ Billions)	Revenue	(\$ Billions)
Roads & bridges*	110	Repurpose unused pandemic aid	205
Power	73	Auction of 5G wireless frequencies, other spectrum	87
Rail	66	Assume faster economic growth	56
Broadband*	65	Repurpose enhanced UI benefits	53
Drinking & wastewater*	55	Delay Medicare Part D rebate rule	49
Resiliency & western water storage	50	IRS reporting requirements for cryptocurrency	28
Airports & ports*	42	Extend fees on GSEs (which would otherwise sunset)	21
Public transit*	39	Reinstate superfund fees	13
Environmental remediation*	21	Mandatory sequester of certain Medicare payments	9
Safety*	11	Extend customs user fees	6
EV charging stations*	7.5	Sales from strategic petroleum reserve	6
Low- or zero-emission school buses/ferries*	7.5	Reduce medicare spending on discarded medications	3
Reconnecting Communities*	1	Adjust corporate pension fund interest-rate smoothing	3
		Other (unscored by CBO)	?
Total	548	Total, excluding unscored	539

* Funding delivered to "traditional" muni issuers or programs, as defined by Breckinridge. Source: White House "fact sheet" and Bipartisan Infrastructure Investment and Jobs Act (IIJA), 57-page summary release (July 2021).

The IIJA Is a Near-Term Credit Positive for the Market

The IIJA would improve near-term municipal credit fundamentals by inducing more capital spending. There is a long-standing positive correlation between more federal capital aid and state and local capital expenditures (capex) (Figure 2). This relationship weakened a bit in the mid-2010s during a period of federal austerity when state and local governments increased local gas taxes to offset weaker federal highway support.⁹ But the relationship is likely to return in force if the IIJA becomes law. The IIJA provides for large funding-increases and creates some predictability for capital planners given its five-year duration (Figure 3).

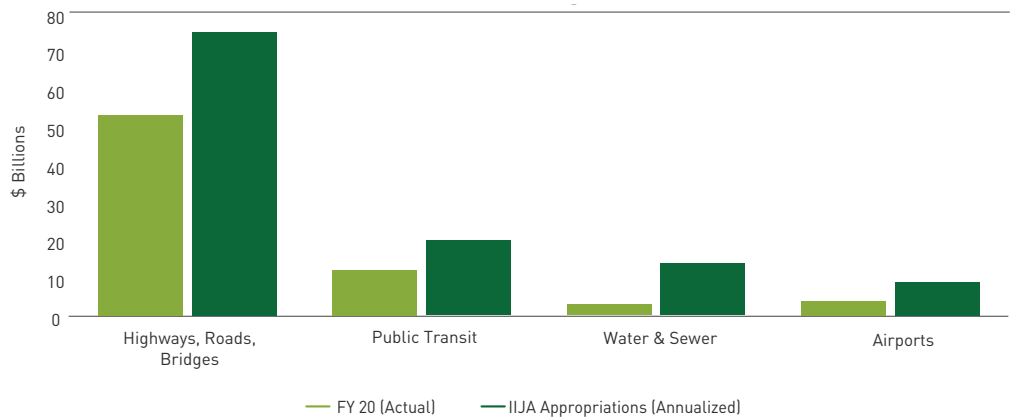
FIGURE 2: FEDERAL CAPITAL AID AND STATE & LOCAL CAPEX TEND TO RISE AND FALL TOGETHER...



Source: FY 22 federal budget, Bureau of Economic Analysis, and Breckinridge Capital Advisors, Inc. (August 12, 2021)



FIGURE 3: ... AND THE IIJA WOULD SUBSTANTIALLY INCREASE FEDERAL FUNDING IN SEVERAL SECTORS



Source: : FY 21 Federal Budget, Infrastructure Investment & Jobs Act, and Breckinridge Capital Advisors, Inc. (August 12, 2021)

Issuers will benefit from more capex in different ways depending on their needs. Some are likely to apply IIJA funds to deferred maintenance. Others may prioritize debt reduction and will opt to fund more of their capital budget on a pay-as-you-go basis. The CBO estimates that each dollar of federal infrastructure aid results in only 85% of state-local capital spending.¹⁰

Struggling mass transit or airport issuers might use IIJA aid for cashflow needs by diverting planned capex to operating budgets and replacing it with federal aid. The pandemic continues to stress transportation issuers. Airline passenger traffic remains 20 percent below pre-COVID norms and public transit ridership is down 44 percent.¹¹ Notably, the still-pressured New York MTA anticipates receiving \$10 billion from the deal.¹²

Still other issuers are likely to borrow against the multi-year increase in federal aid. The IIJA's \$110 billion increase in federal highway, road, and bridge aid is likely to induce more grant anticipation revenue vehicle bonds (GARVEEs) issuance. An uptick in state-level highway-related financings also seems likely as many states commingle federal gas taxes with state-level taxes to finance improvements.¹³

A new federal-state broadband program may also help spur economic development in under-wired regions of the country.¹⁴ Expanding broadband to rural areas is associated with increased job growth, higher rates of new business formation, and lower unemployment, among other benefits.¹⁵

Capital spending induced by the IIJA would build on March 2021's American Rescue Plan Act (ARPA). That bill delivered \$360 billion in aid to state and local governments, some of which is likely to be used for capital projects.¹⁶

Federal support for capital projects promulgated under the IIJA and ARPA remains unlikely to trigger the new money supply necessary to address the muni market's significant infrastructure needs.

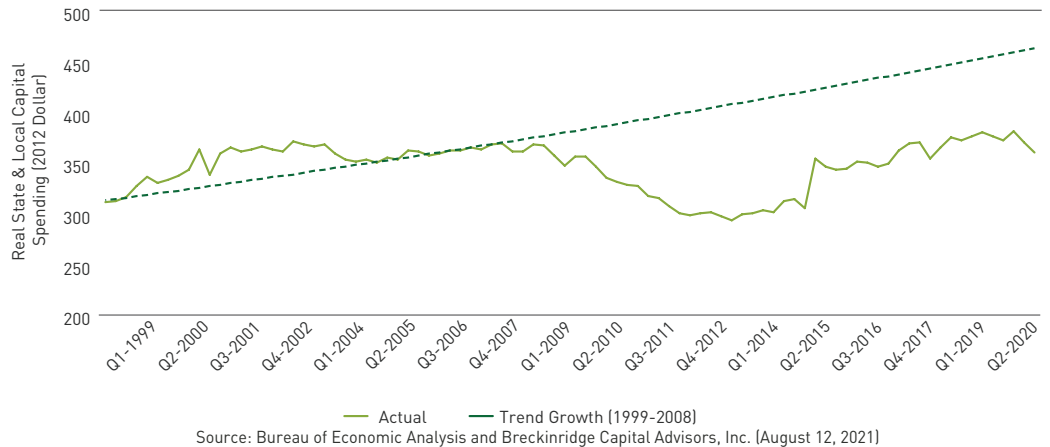
As we have outlined in previous work, state and local issuers' infrastructure-funding challenges span sectors, geographic regions, and decades (See *Asset Monetization in the Muni Market: It's More Likely Than You Think*, November 2018). We estimate the cumulative funding gap is just under \$1 trillion, represented by area between the dotted and solid lines in Figure 4. The IIJA's \$340 billion in new funding for traditional muni issuers and programs is almost enough to cover the *annual* gap through FY 26. However, this funding doesn't address the *accumulated* shortfall, and after five years, it expires.¹⁷

The IIJA May Not Induce Enough Supply To Tackle the Nation's Deferred Maintenance Backlog



FIGURE 4: THE INFRASTRUCTURE BILL WILL MAKE ONLY A SMALL DENT IN THE OVERALL FUNDING GAP

Likewise, ARPA funds can be used solely through 2024.¹⁸ The IJA also provides no additional capital aid for the second-largest category of state and local capex: k-12 public schools.¹⁹ This sector comprised 18 percent of state-local capex in the 12 months through June 2021.²⁰



Source: Bureau of Economic Analysis and Breckinridge Capital Advisors, Inc. (August 12, 2021)

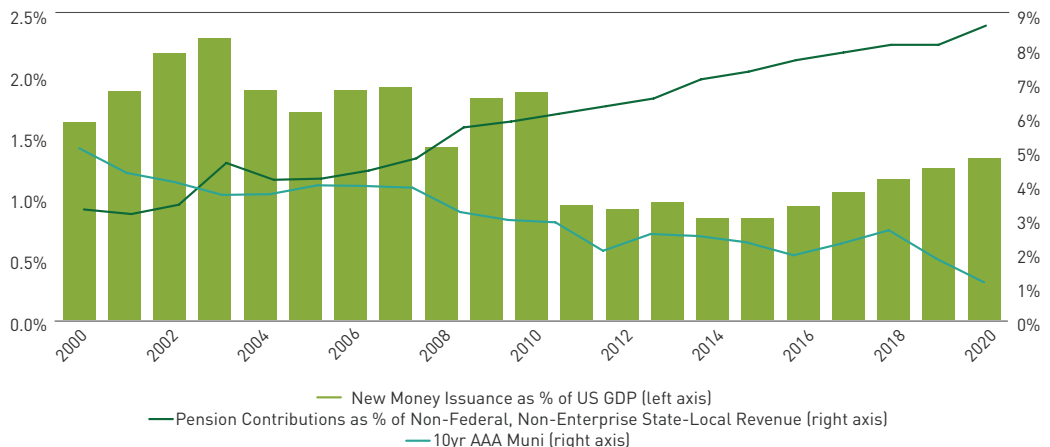
Finally, the IJA's large increase in water and sewer funding mostly flows to state revolving loan (SRFs) funds under the federal Clean Water and Drinking Water programs.²¹ Many SRFs do not meaningfully leverage their programs, so additional funding is likely to take the form of grants for capital spending.²²

Tackling the deferred maintenance gap will likely require a new reliable, long-term funding source that can be leveraged for infrastructure. Absent borrowing against new user fees or taxes, governments are unlikely to raise sufficient capital to meet today's – and yesterday's – infrastructure obligations.

In theory, state and local governments could finance more borrowing by raising their own fees or taxes, but that approach probably has limits, even if the pace of growth and employment ticks up over the next few years. We believe ratepayers and taxpayers have displayed a generalized unwillingness to raise funds for new infrastructure projects for over a decade.

New money issuance declined between 2010 and 2020 as a percentage of the economy, even as municipal borrowing costs fell (Figure 5). Rising contributions for pension and retiree healthcare obligations continue to pressure some issuers' budgets.²³

FIGURE 5: NEW MONEY ISSUANCE SLOWED AS INTEREST RATES FELL AND BUDGET STRESSES GREW



Source: US Census Bureau, Bureau of Economic Analysis and Breckinridge Capital Advisors, Inc. (August 12, 2021)

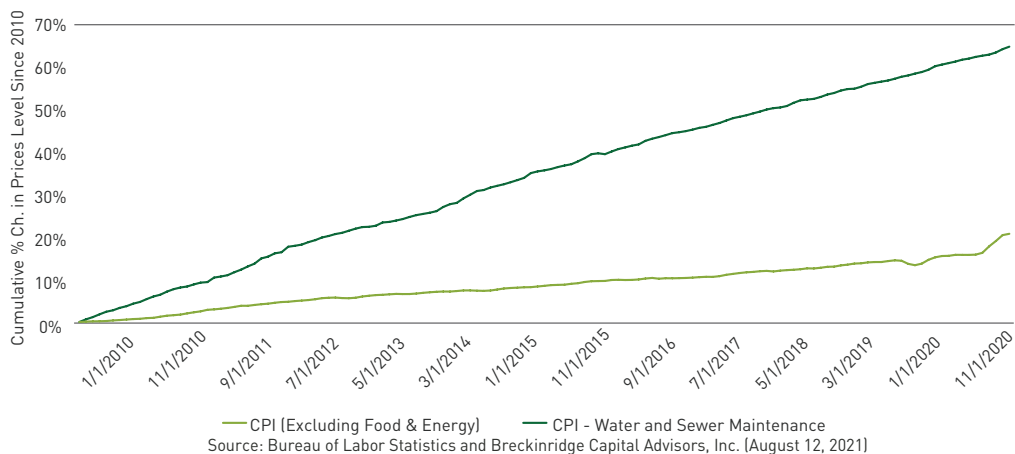


More recently, the U.S. working-age population has begun to shrink, a pattern that is associated with weaker revenue growth (See *Exploring the Relationship Between an Aging Population and State and local Credit Risk*).

Additionally, Gen Z and millennial voters, who are coming of age as approvers of muni debt issuances, are more debt-averse than prior generations, given their large student loan liabilities.²⁴

Lastly, there is nascent momentum for curtailing fee-based public services, generally. Residents in some parts of the country are beginning to push back against high water and sewer maintenance inflation (Figure 6).²⁵ Transit agencies are exploring the idea of free public bus and subway passes.²⁶ Courts and the legal profession are considering limits on fines and fees imposed by the criminal justice system.²⁷ Across the country, states have begun to reduce professional licensing fees and reconsider how they contribute to economic growth.²⁸ The IIJA's broadband provisions include subsidies for low-income residents to ensure that Internet-access fees remain affordable.²⁹

FIGURE 6: WATER AND SEWER FEES ARE RISING FASTER THAN BROAD INFLATION



All of these trends will remain in place over the next decade.

The Bill's Funding Structure Is Poorly Aligned with an EV and Remote Work Future

The IIJA's lack of a new, ongoing funding source is a bit surprising given its incentives for EVs and remote work. The bill spends \$15 billion on EV charging stations and low-carbon school buses and \$40 billion on a national broadband program. However, it proposes only to study "the feasibility of a road usage fee and other user-based alternative mechanisms to help maintain the long-term solvency of the Highway Trust Fund" (HTF).³⁰

The Secretary of Transportation would brief Congress on the conclusions of these studies in three years.³¹ The HTF is currently funded via the federal gas tax and supports highway and mass transit grants.³² It has run deficits since 2008, in large part, because cars have become more fuel efficient.³³ If EVs become more popular, as intended by the bill, and if pandemic-induced remote work norms permanently alter mass transit and suburban road-usage patterns, the HTF's deficit will likely grow while mass transit and road maintenance needs increase. Meanwhile, the IIJA's one-time funding sources will expire in 2026, and there is little reason to believe that the political environment will be more palatable for tolls, gas tax hikes, or vehicle-miles-traveled fees at that time.



The IIJA Is Silent on Tax-Exempt Advance Refundings, Direct-Pay Bonds, and the SALT Deduction

The IIJA also does not address several tax provisions important to municipal investors and capital formation for U.S. infrastructure, generally. This includes tax-exempt advance refundings, direct-pay bonds, and the state and local tax (SALT) deduction cap.

The muni market would likely benefit if tax-exempt advance refundings were restored. Tax-exempt advance refundings were prohibited by the 2017 Tax Cuts and Jobs Act (TCJA). These securities enabled municipal issuers to refinance bonds before their call date for savings which were often recycled toward additional infrastructure projects.³⁴

The Joint Committee on Taxation estimates that tax-exempt advance refundings cost the federal government less than \$2 billion, annually, in lost revenue.³⁵ Since 2017, interest rates have declined sufficiently to enable *taxable* advance refundings for savings, but the prohibition on tax-exempt advance refundings plainly has contributed to a smaller pool of tax-free bonds.³⁶ Reinstating advance refundings would liquefy the market and reduce the cost of funding projects for muni issuers.

Likewise, the market would benefit from a new direct-pay bond program, akin to 2009-2010s Build America Bonds Program. Direct-pay bonds are taxable municipal bonds for which the issuer receives a direct subsidy from the U.S. Treasury. Direct-pay bonds for school financings were featured in the Senate's initial bipartisan infrastructure plan in June 2021.³⁷ They also have been featured in recent House and Senate bills.³⁸

Reinstating a direct pay bond program would deepen the muni market's buyer base and likely improve liquidity by allowing untaxed buyers like pension funds, endowments, and foreign investors to participate in the funding of U.S. infrastructure. Some estimates suggest that as much as half of the municipal bond market could become taxable if such a program were introduced given the potential demand.³⁹

The IIJA also left the SALT cap untouched. While the SALT cap deduction is less important to infrastructure capital formation than advance refundings and direct-pay bonds, it is highly relevant for investors. The 2017 TCJA imposed a \$10,000 limit on the federal deduction for state and local taxes paid.⁴⁰ For high-income muni investors in high-tax states, the deduction cap created bigger incentives to buy in-state muni bonds, as most states do not tax residents on their in-state muni interest.

The Budget Reconciliation Bill May Address Some of the IIJA's Shortcomings

Having passed the Senate, the IIJA now moves to the House for consideration, alongside a soon-to-be completed budget resolution. Speaker Pelosi has indicated the IIJA will not be considered for a vote until the Senate passes a budget resolution, as well. However, the IIJA seems likely to pass, eventually, as it is a signature achievement of the President and has bipartisan support in the House as well as the Senate.⁴¹

It's possible that the budget reconciliation process, which is kickstarted by the budget resolution process, results in some additional infrastructure provisions and tax changes. House Transportation and Infrastructure Chairman Peter DeFazio (D-OR) would prefer changes to increase transit funding and limit carbon emissions, among other things.⁴² House Ways and Means Chairman Richard Neal (D-MA) and Senate Finance Committee Chairman Ron Wyden (D-OR) are long-time supporters of direct pay bonds and may seek to include them in the final legislation.⁴³ The final document may also include tax-exempt advance refundings and an increase to the SALT deduction limit. Notably, Senate leaders have specified "SALT-cap relief" in their reconciliation instructions.⁴⁴



Implications for Investors

Muni high-grade municipal investors should feel comfortable with marginally more credit risk in the very near-term, given the support for capital spending and liquidity boost in IIJA and ARPA. However, the new infrastructure legislation is unlikely to substantially increase the supply of municipal bonds or have a meaningful impact on Municipal/Treasury ratios or credit spreads.

A budget bill this Fall is more likely to influence supply and ratios. The reinstatement of advance refundings could bias supply higher. The reintroduction of direct pay bonds could bias ratios lower. Higher marginal corporate, individual, and investment income tax rates outlined in budget proposal would also bias ratios lower. Changes to the SALT deduction could alter the in-state, out-of-state calculus for some municipal participants.

Finally, investors should remain wary of the municipal sector's growing entanglement with the federal government's fiscal health. The Senate's initial budget resolution envisions deficits rising from \$1.3 trillion to \$1.8 trillion, annually, over the FY 22 to FY 31 period.⁴⁵ These deficits are likely affordable at today's low interest rates, especially if ARPA, the IIJA, and the FY 22 budget spur healthy growth. But an economic slowdown or rapid rise in interest rates could make it more difficult for the federal government to maintain its commitments to muni issuers. Likewise, the higher federal tax rates envisioned in the budget resolution could crowd out public support for new taxes and revenue at the state and local level. We continue to favor issuers whose credit profiles should prove resilient if the federal government's fiscal posture becomes more austere.

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FOOTNOTES:

1. Bipartisan *Infrastructure Investment and Jobs Act* Summary, "A Road to Stronger Economic Growth," p. 3 and sec. 11101 of the *Infrastructure Investment and Jobs Act*.
2. The 62% estimate is based on a Breckinridge analysis of the Bipartisan *Infrastructure Investment and Jobs Act* Summary and White House "fact sheet", as well as the bill language, itself. For example, most of the increase in road, highway, and bridge funding would flow through the Federal Highway Aid, Bridge Investment, and RAISE programs. Most of the increase in airport funding would flow through Airport Improvement Grants or the Airport Terminal Program. Nearly all of the increase in water-sewer funding would come from increased funding for the EPA's clean and drinking water programs (see p. 2,583 of the bill, Division J). The broadband appropriations would total \$65 billion but only \$40 billion would flow to states in a formula-based grant program (for simplicity, we have included all \$65 billion in the "traditional" category, see p. 18 of the bipartisan summary). Most of the electric vehicle charging funding would flow to states through the National Electric Vehicle Formula Program (see p. 2,642 of the bill, Division J). By contrast, appropriations for "resiliency" and power often flow to private entities or are financed through federal programs.
3. Ibid.
4. For example, power-related appropriations include those for grid reliability, cyber risk mitigation, clean energy supply chains, carbon capture technology, and clean hydrogen research. "Resiliency" refers to various programs to restore ecosystems, reduce wildfire risks, droughts, and flood; appropriations would flow mostly to federal offices or the Army Corps of Engineers. Again, see the Bipartisan *Infrastructure Investment and Jobs Act* Summary and White House "fact sheet", as well as the bill language, itself.
5. For the delay of the Medicare part D rebate rule, see Sec. 90006 of the bill.
6. Congressional Budget Office analysis of the IIJA, available at: <https://www.cbo.gov/publication/57406>. Note that the CBO estimate assumes that the IIJA's spending levels remain unchanged after FY 26 per the Balanced Budget and Emergency Deficit Control Act of 1985. The bill, itself, does not authorize spending after FY 26.
7. Sections 80401 through 80403.
8. New money supply data from *Bond Buyer* market data.
9. Sophie Quinton, "Reluctant States Raise Gas Taxes to Repair Roads," *Stateline.com*, July 26, 2017. Available at: <https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2017/07/26/reliant-states-raise-gas-taxes-to-repair-roads>.
10. "Effects of Physical Infrastructure Spending on the Economy and the Budget Under Two Illustrative Scenarios," CBO, August 2021. Available at: <https://www.cbo.gov/publication/57327>.
11. Transportation Security Administration data, through August 6, 2021 (85% figures represents the seven-day average from 7/25 through 7/31). Public transportation data per weekly figure through 7/25/21 published by the American Public Transportation Association.
12. Patrick McGeehan, "N.Y.'s Transit System Could Receive \$10 billion in Infrastructure Deal," *New York Times*, July 30, 2021. Available at: <https://www.nytimes.com/2021/07/30/nyregion/nyc-mta-infrastructure-bill.html>.
13. For example, Connecticut's Special Transportation Fund
14. Most of the Broadband provisions are outlined in Sections 801102 through 80502 of the IIJA. For nice summary of proposed legislation, see: <https://www.natlawreview.com/article/overview-broadband-provisions-infrastructure-bill-july-30-2021>.
15. Alexander Marre, "Bringing Broadband to Rural America," Community Scope, *Federal Reserve Bank of Richmond*, December 2020. Available at: https://www.richmondfed.org/publications/community_development/community_scope/2020/comm_scope_vol8_no1.
16. The \$360 billion figure represents \$350 billion for state, local, tribal, and territorial governments in the State and Local Fiscal Recovery Fund (SLFRF). The other \$10 billion is earmarked in a Coronavirus Capital Projects Fund (CCPF). Eligible issuers can use SLFRF aid solely for designated purposes, including broadband and water and sewer infrastructure projects. CCPF funds can be used for any infrastructure project. Although the SLFRF funds are largely intended for spending other than capital projects, in practice, money is fungible. Many issuers are likely to use SLFRF aid for operating needs and will redirect these funds for one-time capital projects. Information re: the SLFRF and CCPF can be found here: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds> and here: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/capital-projects-fund>.



9 / PERSPECTIVES / The Bipartisan Infrastructure Bill Is an Imperfect Credit-Positive for the Muni Market

17. Breckinridge estimates that the annual funding gap is between \$70 and \$100 billion based on the latest four quarters of data from the Bureau of Economic Analysis. The *IJA*'s \$340 billion in additional funding averages to \$68 billion per year in new aid, which is close to the low-end (\$70 billion) of that range. Certainly, some of this \$340 billion will be leveraged, but probably not enough to make a meaningful dent in the accumulated deferred maintenance gap. Note that, in a recent analyses of infrastructure spending, the CBO assumed that each dollar of federal infrastructure aid would be offset by a 15% reduction in state-local infrastructure spending. See: "Effects of Physical Infrastructure Spending on the Economy and the Budget Under Two Illustrative Scenarios," *CBO*, August 2021. Available at: <https://www.cbo.gov/publication/57327>.
18. See Interim Final Rule re: State and Local Fiscal Recovery Funds, available at: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>.
19. The largest category is funding for highways and streets (30%). These figures are based on a Breckinridge analysis of U.S. Census data.
20. We acknowledge that *American Rescue Plan* aid may find its way toward some k-12 projects, indirectly. *American Rescue Plan* funds cannot be used for k-12 schools' capital needs. Nor can states or local governments downstream the *American Rescue Plan*'s Coronavirus State and Local Fiscal Recovery funds to schools. However, money is fungible. We expect that some aid will be offset expenditures elsewhere in local and school district budgets. Some of the savings is likely to be used for capital needs. For detail on Coronavirus State and Local Fiscal Recovery funds, see: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>.
21. See Division J of the *IJA*, beginning on p. 2584 and Scott Berry, "bipartisan Infrastructure Package Achieves Historic Investments, But More is Needed," *US Water Alliance*, August 20, 2021.
22. Katy Hansen, Sridhar Vedachalam, and John Ryan, "Increasing State Revolving Fund Capacity through Leveraging," *Water Finance & Management*, July 9, 2021. Available at: <https://waterfm.com/increasing-state-revolving-fund-capacity-through-leveraging/>.
23. Rich Ciccarone, "Age-Old Infrastructure Problem Worsens," p.13, *Merritt Research Services*, July 2021; see also: "State and local governments set to invest in infrastructure and address gaining assets," *Moody's Investors Service*, July 26, 2021. We agree that there will be more capex in the coming years because of federal aid and an improving economy. But we are less sanguine about the possibility of robust new money borrowing.
24. "The Complex Story of American Debt," Pew Research Center, p. 10, June 2, 2015 and "The Emerging Millennial Wealth Gap," New America Foundation, October 2019.
25. <https://apnews.com/article/business-0122d662ec2817d322d47043dbe40557>
26. Thomas Day and Andy Wakefield, "Is it Time to Rip Out the Farebox?," *Governing.com*, September 28, 2020.
27. "Privatization of Services in the Criminal Justice System," American Bar Association [June 2020]. Available at: https://www.americanbar.org/groups/legal_aid_indigent_defense/indigent_defense_systems_improvement/publications/privatization-of-services-in-the-criminal-justice-system/.
28. National Conference of State Legislatures, "Occupational Licensing Final Report: Assessing State Policies and Practices," December 4, 2020. Available at: <https://www.ncsl.org/research/labor-and-employment/occupational-licensing-final-report-assessing-state-policies-and-practices637425196.aspx>.
29. Jacob M. Schelsinger and Ryan Tracy, "U.S. Government Wants a Greater Role in How Americans Access Internet," *Wall Street Journal*, August 11, 2021. Available at: https://www.wsj.com/articles/u-s-government-set-for-greater-role-in-how-americans-access-internet-11628674423?mod=searchresults_pos1&page=1.
30. See sections 13001 and 13002 of the *IJA*.
31. *Ibid*.
32. <https://fas.org/sgp/crs/misc/R45350.pdf>.
33. "The Highway Trust Fund Explained," Peter G. Peterson Foundation, August 14, 2020. Available at: <https://www.pgpf.org/budget-basics/budget-explainer-highway-trust-fund>, and "What is the Highway Trust Fund, and how it is financed," Tax Policy Center, Briefing Book. Available at: <https://www.taxpolicycenter.org/briefing-book/what-highway-trust-fund-and-how-it-financed>.
34. National Association of State Treasurer's 2019 policy brief. Available at: <https://nast.org/public-finance/>.
35. Joint Committee on Taxation, Estimated Budget Effects of the Conference Agreement for HR 1, The Tax Cuts and Jobs Act, December 18, 2017.
36. <https://www.gfoa.org/materials/refunding-municipal-bonds>.
37. Bipartisan Infrastructure Plan two-page fact sheet, released on Jun 24, 2021.
38. American Infrastructure Bonds Act of 2021 [S. 1308] and Moving Forward Act of 2020 [H.R. 2].
39. Samantha Favis, Micheal Zezas, and Barbara Boakye, "BABs to the Future – Part 1 (Supply)," *Morgan Stanley*, July 22, 2021.
40. <https://www.taxpolicycenter.org/briefing-book/how-did-tcja-change-standard-deduction-and-itemized-deductions>.
41. Mike Lillis and Scott Wong, "It's now Pelosi's move on bipartisan roads bill," *The Hill*, August 11, 2021.
42. Tanya Synder, "Democrats' infrastructure visions take a bipartisan detour," *Politico*, August 10, 2021. Available at: <https://www.politico.com/news/2021/08/10/transportation-bipartisan-democrats-infrastructure-plan-503055>.
43. Aaron Lorenzo, "Supporters hope for Build America Bonds revival in infrastructure plan," *Politico*, April 21, 2021. Available at: <https://www.politico.com/news/2021/04/21/supporters-build-america-bonds-infrastructure-483964>.
44. Memorandum to Democratic Senators re: Budget Resolution Agreement Framework, August 9, 2021.
45. Initial copy of the Senate Budget Resolution, p.5. Available at: <https://www.budget.senate.gov/chairman/newsroom/press/news-senate-budget-chairman-sanders-and-majority-leader-schumer-introduce-historic-budget-resolution>.



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