"Strive To Thrive" with Funding from the Bipartisan Infrastructure Law

The array of funding programs under the BIL offers a generational chance for communities to modernize and thrive. | BY SHANE L. SILSBY

As the United States embarks on a transformative journey to revitalize its infrastructure, local governments stand at the forefront of this endeavor. Created as the Infrastructure Investment and Jobs Act and signed into law in November 2021, the Bipartisan Infrastructure Law (BIL) represents a monumental opportunity for cities and counties across the nation to access billions of dollars in formulaic and competitive funding aimed at addressing critical infrastructure needs. From transportation and climate resilience to broadband expansion and cybersecurity, the array of funding programs under the BIL offers a generational chance for communities to modernize and thrive in the 21st century.

If annual appropriations continue to be funded by the U.S. Congress, the BIL will make available more than $1 trillion in funding for infrastructure programs across the transportation, energy, and water sectors through a combination of grants, loans, and tax incentives. Of the total spending plan, roughly $550 billion is new federal funding not previously authorized, and the BIL also reauthorizes the existing highway, public transportation, and rail programs for five years. At this point, three years—out of the total five years of the BIL—have already been funded through the annual congressional budgeting process.

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BIL High-level Funding Elements

Basic Overall Funding Categories and Planned Allocations

The BIL investments are organized within the high-level categories shown in Figure 1, along with the allocations of the nearly $550 billion in new funding.

Funding Allocation Processes

No major adjustments were introduced via the BIL to assist local agencies with direct federal funding other than increasing the total available for discretionary grant funding. Thus, the primary allocation methods are (1) formulaic distribution to the states, and (2) grants and loans directly accessible by local governments. Funding distribution is roughly 60% formulaic and 40% through grants and loans. Further representation of the funding allocation process is represented in Figure 2.

Figure 1. Funding Categories and Planned Allocations

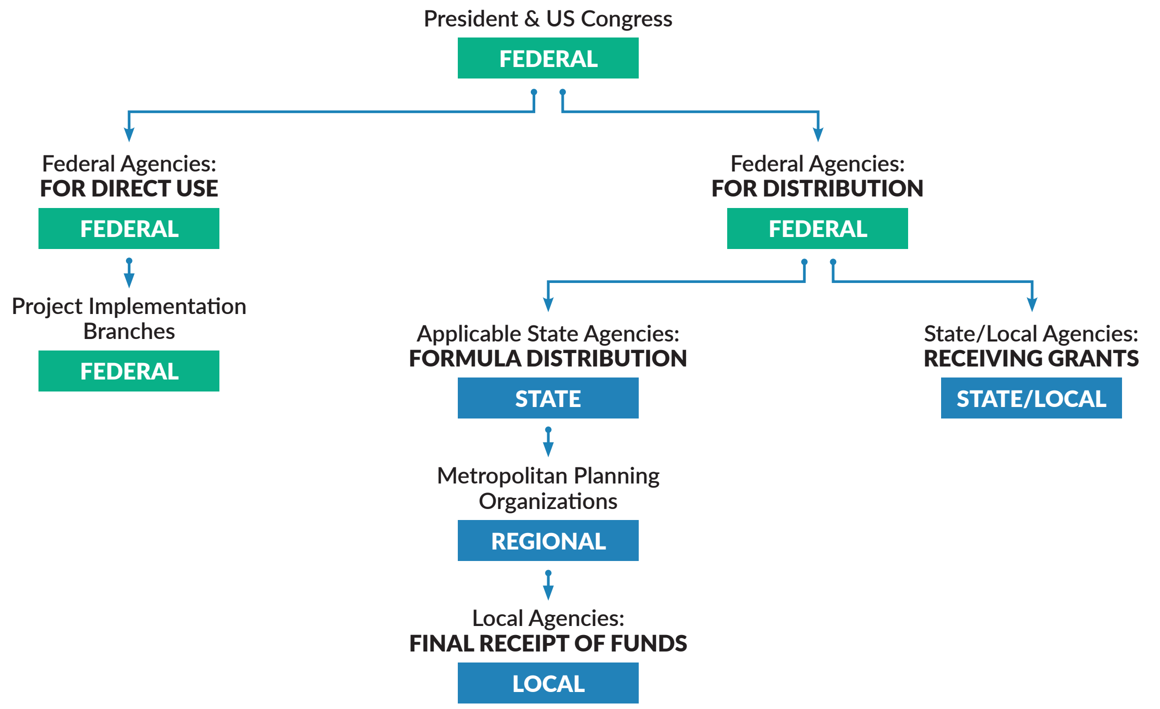
$110 billion to fix roads, bridges, and major infrastructure repair needs
$73 billion to upgrade the electric grid and power structures
$66 billion for rail services
$65 billion for broadband
$55 billion for water and wastewater
$50 billion for flooding, coastal, and climate resiliency
$39 billion for public transit
$25 billion for airports
$21 billion in environmental cleanup/abandoned wells mitigation
$17 billion for ports and waterways
$11 billion for transportation safety
$7.5 billion for electric vehicles and charging
$7.5 billion in zero- and low-emission buses and ferries
$1 billion to revitalize communities

Note: There are more detailed breakdowns within each of these categories. The full text is available at congress.gov by searching either HR 3684 or Public Law 117-58.

More Grant Programs for Local Governments

The discretionary funds from the BIL have been assigned to more than 120 grant programs proposed to be administered by various federal agencies. Many of the grant programs are derived from former popular programs, such as RAISE and PROTECT, while others represent new initiatives or pilot programs, such as broadband and electric vehicle charging infrastructure. Most of these grant programs split funding between urban and rural areas, and planning and implementation project phases, and include a focus on improving disadvantaged communities. Information on competitive discretionary federal funding opportunities can be found on each available grant at grants.gov. Additionally,

Figure 2: Bipartisan infrastructure Law: Projected Funding Distribution Process



nonprofit sources for tracking grant opportunities and associated funding amounts can be researched through the Bipartisan Policy Center and the National Association of Counties.

As local governments gear up to harness the potential of the Bipartisan Infrastructure Law, strategic planning is paramount. Combining funding streams, aligning priorities, and garnering local support are essential steps toward maximizing the impact of infrastructure investments, especially for discretionary grants. State and local leaders must serve as champions to effectively guide communities through the intricacies of applying for and utilizing these funds. With a multi-year effort still ahead, the foundation laid today will shape the trajectory of future infrastructure delivery and community improvements. Waiting to act until a Notice of Funding Opportunity is released rarely allows adequate time to prepare local resources, solidify regional partnerships, initiate community engagement, authorize local match funding, and complete clearance processes to support a successful grant application. Local governments can implement strategies like establishing a multi-year capital improvement program and advanced targeting of applicable federal grant programs to increase preparedness and improve success rates. Finally, with only two to three cycles remaining for most of the grant programs, those agencies that are better prepared are more likely to win a competitive discretionary federal grant.

Formulaic Dollars Taking the Scenic Route

Unlike the grant programs described, which can provide direct funding to local agencies, most of the nation's formulaic dollars are still working their way through the allocation process. After being apportioned by Congress to each applicable federal agency, those agencies then pass through the formulaic funds to states based upon populations from prior census data. This is especially true of transportation dollars, and follows a longstanding trend in running the majority of federal dollars through state agencies. Then the states retain their portion (up to 60% in California) and suballocate the remainder of the funding to applicable technical agencies or to metropolitan planning organizations (MPOs). In some cases, state agencies and MPOs are leveraging all of the formulaic dollars with almost no funding getting directly to cities and counties. Instead, this funding is used for regional projects or initiatives, establishment of regional grant programs, or to plus-up legacy funding programs. To access formulaic dollars, local governments will need to be vigilant in advocacy efforts at regional and state levels to receive their fair share of funding. After all, it is the populations of the cities and counties that are used in the formulaic calculations determining the amount of funds received by each state.

Looking to the Future

The Bipartisan Infrastructure Law heralds a new era of opportunity for local governments across the United States. With billions of dollars in competitive funding at their disposal, cities, towns, and municipalities have the chance to address long-standing infrastructure needs, foster economic growth, and enhance community resilience. By preparing diligently, aligning priorities, and engaging stakeholders, local governments can lay the groundwork for a sustainable and prosperous future. As they embark on this journey, the support of elected officials and community leaders will be indispensable in realizing the shared vision of rebuilding America's infrastructure, equitably and sustainably, for generations to come. PM

ENDNOTES AND RESOURCES

https://bipartisanpolicy.org/blog/tracking-competitive-grants-in-the-infrastructure-investment-and-jobs-act/

https://www.naco.org/resources/implementing-infrastructure-investments-county-level