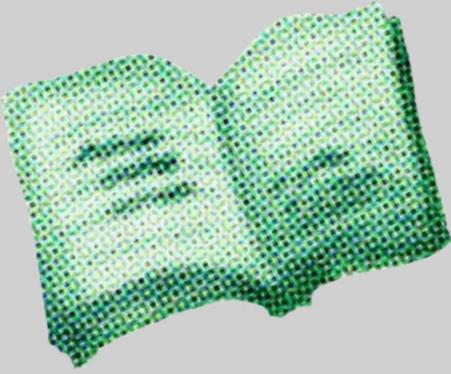


The People's JUSTICE40+ Community Benefit Playbook



Show Me the Money: Guide to Federal Spending Bills





Show Me the Money: Guide to Federal Spending Bills

The Biden-Harris Administration has an aggressive agenda to rebuild America. Several executive orders and legislative wins have advanced complementary efforts to address climate change; create good-paying, preferably union, jobs; and to ensure that low-income rural, Black, Indigenous, and people of color (BIPOC), fenceline, and frontline communities are full participants and beneficiaries of federal investments. Their agenda is forward-thinking in its recognition of the intersection where the environment, the economy, and equity meet.

The current dollars on the street, the funds approved but not yet appropriated, and the funds still going through the legislative process make for a very dynamic, and perhaps confusing, environment. It's a full-time job keeping up with executive, congressional, and federal agency actions, much less state and local actions. This is government "sausage-making" at its most hectic.

To develop a Community Benefit Plan that ensures 40% (and more) of funding goes to communities in need, you need to know where to find the money and how it can be used. Many state and local governments still have funding available from the American Rescue Plan Act (ARPA) to combat the impacts of the COVID-19 pandemic. However, this Playbook focuses primarily on the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA)—the first two pieces of legislation directly accountable for planning, documenting, and achieving the Administration's Justice40 goals. With the passing of IIJA, more funding is available to address our aging infrastructure and implement education and workforce development opportunities. Further, the IRA established programs to advance climate resilience and address the environmental harms burdening underserved communities.

This section is a primer for understanding the different federal spending bills with programs and funding opportunities available to address community priorities. Specifically, this section provides an overview of how much funding is available, how the funding will flow from the federal agencies, and how the funding can be used. But first, let's go over how the game is played.

HOW THE FEDERAL GAME IS PLAYED

Federal funds become available in standard ways. The key channels are:

Federal Projects: Each federal agency has a budget to implement programs and projects established through legislation and executive action. The agencies will directly fund programs and projects, such as improving the energy efficiency of federal buildings, and will also establish program and project rules and guidance, such as local hiring and contracting standards. Each agency is developing its own strategies to align its programs and projects with the Administration's Justice40 priorities.

Federal Formula Grants to States and Local Governments: Formula grant funding is automatically allocated to qualifying, eligible governments that apply for specific formula grant programs. They receive funding based on a funding formula that may include factors such as population, poverty levels, annual financial assistance allocations, and census data. Funding formulas will vary based on the federal program. If you want to know how much formula funding your state will be receiving for a specific program, you can typically find this information listed in the program guidance.

Federal Competitive Grants to Eligible Entities: Competitive grant funding is distributed to qualifying, eligible entities (such as state, local, and Tribal governments or third party entities like nonprofit organizations, institutions of higher education, and community based organizations) through a competitive application process. Criteria for application requirements, eligible entities, and eligible uses of funding can be found in the competitive grant program guidance.





COMMUNITY ACTION

This Playbook focuses on ways to influence and access the formula and competitive grant dollars that will come to state and local governments.

- Determine how much formula funding your state or local government has or will receive from the Infrastructure Investment and Jobs Act and the Inflation Reduction Act. This funding requires community input and needs community oversight. The White House has provided funding allocation estimates for each state for the [Infrastructure Investment and Jobs Act](#) and the [Inflation Reduction Act](#). Use these fact sheets to get a sense of how much formula funding your state will be receiving and how they can use the funding.
- Keep up with the competitive grants that will be available from the federal agencies. Much like formula funding, many of the competitive grant opportunities also have community engagement requirements. Identify competitive grant programs that can address your community needs and work with your state, local, and Tribal government officials and community based organizations to identify how your community can access these opportunities. You can learn more about the competitive grant programs by going to [grants.gov](https://www.grants.gov), a website that lists federal grant opportunities. The Administration also released an [Infrastructure Investment and Jobs Act Guidebook](#) and an [Inflation Reduction Act Guidebook](#) to provide more information about the federal investments in each spending bill.
- Applying for federal grants can be complicated work. If you're interested in applying for a competitive grant, reach out to your state and local government agency officials to collaborate on a competitive grant application. You can also work with capacity building organizations, like the [Justice40 Accelerator](#), if you are interested in directly applying for a federal grant.
- Track how your state is spending its federal formula funding and hold them accountable to meeting community needs.
- Develop your own Community Benefit Plan and advocate for funding and resources to address your community priorities.



FEDERAL SPENDING BILLS

As a result of the pandemic, the federal government has passed several COVID relief bills. Grants, contracts, and loans have been awarded to help individuals, businesses, local governments, schools, and public health systems bounce back from the devastating blows everyone experienced from the COVID-19 pandemic. Congress has also passed the Infrastructure Investment and Jobs Act and the Inflation Reduction Act to provide additional federal climate, infrastructure, and workforce development investments.

This section highlights the current Biden Administration spending bills.

- **The American Recovery Plan Act (ARPA):** ARPA provides general relief funding for cities and states to address the public health, economic, and budgetary challenges brought on by the COVID-19 pandemic. These funds have left Washington, DC and are now in the hands of your local and state officials. ARPA is included here because there may be potential untapped resources that can support a range of community needs; however, the deadline for utilizing these funds is quickly approaching. Local and state governments must allocate any remaining ARPA funding by December 31, 2024, and all funding must be spent by the end of 2026.
- **The Infrastructure Investment and Jobs Act (IIJA):** These infrastructure and workforce investments are working their way into local and state agencies. There is a longer time frame to spend this money; however, it is not as flexible as the other spending bills. Due to the prescriptive nature of this funding, communities will need to think creatively in how they access this funding.
- **The Inflation Reduction Act (IRA):** While the IRA established many new climate and clean energy programs, federal agencies are releasing program guidance and getting funding out the door. Most of these grant programs will also fall within the Justice40 Initiative, so federal agencies will need to make sure that at least 40% of program benefits are meeting the needs of disadvantaged communities.

The key message here is that your state and local government agencies are receiving additional funding that can support your community needs. Local and state government agencies can piece together a variety of revenue streams—including their own state and local resources—to fund your Community Benefit Plan. By organizing a community-wide community benefit planning process, you can help your local government officials focus their spending by naming your community priorities and identifying ways they can help fund your community needs.

The sections that follow provide more details on each of the federal spending bills identified above, including how much funding is available, how the funding can be used, and how communities can engage in the federal funding process.

AMERICAN RESCUE PLAN ACT (ARPA)

How Much: \$350 billion was distributed to state and local governments under the COVID State and Local Fiscal Recovery Funds (SLFR) Program.

When: ARPA was enacted on March 11, 2021. This funding must be obligated by December 31, 2024 and spent by December 31, 2026. You can check the National Conference of State Legislatures' ARPA State Fiscal Recovery Fund Allocations Database to track how your state is spending its ARPA allocation.

What: Of the SLFR program funding, state governments received \$195.3 billion; cities, towns, and villages received \$65 billion; and \$45.57 billion was committed to 142 metropolitan cities.

Purpose: The SLRF Program was designed to aid public health and economic recovery from the COVID-19 pandemic. Per guidance by the Department of Treasury, SLRF funding recipients can use the funding to:

- replace lost public sector revenue;
- respond to the public health and economic impacts of the COVID-19 pandemic;
- provide premium pay for essential workers;
- provide emergency relief from natural disasters; and
- support water, sewer, broadband, and transportation infrastructure.

COMMUNITY ACTION



- Track how much ARPA money is flowing into your community and how it is being used. Treasury requires [regular reporting](#) of SLFR recipients (local ARPA funds) on the use of funds, to encourage transparency and equity. This reporting is available to the public. The National Conference of State Legislatures also created the [ARPA State Fiscal Recovery Fund Allocations Database](#) which documents how states are implementing their SLRF dollars.
- State and local governments have until the end of 2024 to figure out how they will allocate their remaining ARPA money. While this deadline is quickly approaching, there's still time to meet with your local and state officials about your Community Benefit Plan; however, you should do this as soon as possible. If you don't advocate for this funding, who will?
- Many state and local governments are aggressively allocating funding for climate-related projects. Look out for funding opportunities to address your community climate justice needs.





INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA)

How much: \$1.9 trillion over 10 years.

When: IIJA was enacted on November 15, 2021 and the allocated funding is currently being distributed. If IIJA allocated funding to existing programs, that funding will flow through its current channels. However, if IIJA allocated funding to a new program, federal agencies will need to develop program guidance prior to releasing notices of funding opportunities.

What: IIJA, also known as the Bipartisan Infrastructure Law, allocates funding for traditional infrastructure projects, like highways, roads, and bridges. However, IIJA also allocates funding for workforce development, climate resilience, and community water infrastructure projects. It will take some navigating, but there are ways to align IIJA programs and funding opportunities with your community needs.

IIJA funding includes both formula and competitive grants. These grant opportunities are typically large, multi-billion, multi-year projects that can require state or local governments to provide matching funding and may use public private partnership (P3) funding structures. The formula grants will flow from federal agencies to state agencies, and from state agencies to local governments through a variety of mechanisms. Eligibility for competitive grants will vary depending on the federal agency and the federal program. While some funding is available for non-profit organizations, eligible applicants tend to be state, local, and/or Tribal governments, universities, metropolitan planning organizations, utilities, and industry.

IIJA allocated funding to the following agencies:

- **Department of Agriculture (USDA):** USDA received funding to support rural broadband, ecosystem restoration, and wildland management.
- **Department of Commerce (DOC):** DOC received funding to support broadband equity, access, and deployment; digital literacy; ecosystem and habitat restoration; and community resilience.
- **Department of Energy (DOE):** DOE received funding to support weatherization and energy efficiency, grid modernization, carbon capture, battery storage and recycling, and green technologies; however, communities should be mindful that some of this funding incentivizes [false solutions](#).
- **Department of Interior (DOI):** DOI received funding to support water infrastructure, water and energy efficiency, watershed management, wildfire management, and ecosystem restoration.
- **Department of Transportation (DOT):** DOT received funding to support surface transportation, electric vehicles, railways, and airports.
- **Environmental Protection Agency (EPA):** The EPA received funding to support drinking water and clean water infrastructure, brownfield remediation, and zero emissions school buses.
- **Federal Communications Commission (FCC):** The FCC received funding to support digital equity.

Purpose: Unlike the previous COVID spending bills, this bill is seen as a job creation and infrastructure investment bill. It is designed to fix the country's deteriorating and obsolete infrastructure and to fortify existing natural and physical structures to build climate resilience. IIJA has limited direct benefits for low-income communities and communities of color given the emphasis on large infrastructure projects. There are, however, discretionary funds and small pots of money that provide flexibility to support community-defined projects. Thus, it is imperative to find the low-hanging fruit (easily accessible funding), while also harnessing the big dollars for community needs.

ADDITIONAL RESOURCES:

- [IIJA Guidebook](#): This guidebook provides an overview of all of the programs established and funded in IIJA.
- [IIJA Website](#): This site provides an overview of some of the major infrastructure projects funded through IIJA.



COMMUNITY ACTION

It will take an organized effort of multi-stakeholder coalitions to mine and harness the IIJA funds for community needs.

The major opportunities include:

- **Economic Inclusion:** The biggest and most direct community play here is to ensure that all infrastructure projects provide funding for training, jobs, and business opportunities for community residents and businesses. While there are some grant funds for training, most of the opportunities will result from negotiating community workforce agreements with project builders and owners and labor. (See the [Economic Justice Playbook](#) for more details).
- **Energy Efficiency and Clean Energy:** Several DOE programs can provide benefits to low-income communities, including the Weatherization Assistance Program, the Energy Auditor Training Program, and the Building Training and Assessment Centers Program. States also have several pots of discretionary funding that can be used to address community needs (such as the Energy Efficiency and Conservation Block Grants). However, most funding requires muscling your priorities into the agenda of eligible (non-community) funding recipients. Utilities, for example, will get \$5 billion to modernize their grid in order to minimize disruptions due to climate change. You will have to advocate that their plan includes and prioritizes distributive energy infrastructure, such as community solar, that can build community resilience and create community wealth building opportunities. (See the [Energy Justice Playbook](#) for more details).
- **Water:** Investments are designed to improve safe drinking water, ecosystem and watershed management, wildfire management, and clean water infrastructure. Each of these programs need to prioritize the environmental harms plaguing low-income and climate-vulnerable communities. States will have revolving loan and grant funds that can be used to support your community needs, but this only happens with a strong Community Benefit Plan and advocacy effort. (See the [Water Justice Playbook](#) for more details).
- **Brownfields and Superfund Sites:** Competitive grant funding is available for superfund site clean up and brownfield remediation and revitalization. A collaborative effort with your local government officials will increase your chance of winning these grant funds. (See the [Environmental and Climate Justice Playbook](#) for more details).
- **Broadband:** The State Digital Equity Planning and Capacity Program is designed to promote digital inclusion and equity, especially among vulnerable communities, such as low income, aging, individuals who are incarcerated, and individuals with disabilities.
- **Transportation:** Reducing port emissions, implementing pedestrian and bike trails, and building electric vehicle infrastructure all offer opportunities to improve local air quality and transportation infrastructure for your community. (See the [Transportation Justice Playbook](#) for more details).



INFLATION REDUCTION ACT (IRA)

How much: \$369B in climate and clean energy investments over 10 years.

When: The IRA was signed by President Biden on August 16, 2022. While this bill established many new programs, federal agencies have established program guidance and are distributing funding. You can utilize agency websites to identify programs that address your community priorities and sign up for notifications to stay up to date on program implementation information.

What: The IRA makes substantial investments in climate and clean energy. Most of these investments will be made through federal projects, formula grants, and competitive grants, but the IRA also makes federal investments through tax credits, rebates, loans, and cooperative agreements.

- **Tax credits:** The IRA tax credits will either be refundable or nonrefundable. This means the credits will either increase the amount of your federal tax return (refundable) or reduce the amount of money you owe on your federal taxes (nonrefundable).
- **Rebates:** These rebates will require you to pay for any goods or services up front; however, they will provide reimbursement funding once the purchase or service is complete.
- **Loans:** Federal loans will provide federal funding that will need to be repaid; however, some federal programs allow for loan forgiveness if certain conditions are met.
- **Cooperative agreements:** This type of funding will still be provided in the form of a grant; however, the federal agency implementing the program will work closely with the grant recipient to implement the funded project. This type of oversight could include monitoring project implementation and ensuring the project complies with any federal requirements. It is important to note that the grant recipient will still retain control over the project.

In addition to climate and clean energy investments, the IRA also provides additional health benefits by allowing Medicare to negotiate drug prices and caps out of pocket costs at \$2000. Further, the IRA lowers Affordable Care Act health care premiums.



INFLATION REDUCTION ACT (IRA)

Purpose: Most of the federal climate and clean energy investments made within the IRA fall within the jurisdiction of the following agencies:

- **Internal Revenue Service (IRS):** The IRA extends, modifies, and establishes several tax credits housed within our tax code. The IRA tax provisions provide tax credits for purchasing new or used electric vehicles and for making energy efficiency or electrification upgrades to homes. The tax provisions also include additional tax incentives for energy facilities or manufacturers to implement prevailing wage or ensure a certain percentage of work hours for qualified apprentices. However, communities should be mindful that even though some of these tax provisions provide incentives for economic inclusion opportunities, these provisions also incentivize [false solutions](#), such as carbon capture and sequestration and hydrogen projects that utilize fossil fuels.
- **Environmental Protection Agency (EPA):** The IRA makes substantial environmental and climate justice investments. These investments include direct funding for community-led projects that reduce air pollution, create workforce development opportunities, and facilitate community engagement in government processes that develop climate and environmental policy. The IRA also establishes the Greenhouse Gas Reduction Fund to finance greenhouse gas reduction projects—of this funding, \$15B must be invested in low income and disadvantaged communities. In addition to air pollution and greenhouse gas reduction, the IRA also provides funding for air monitoring, especially in low income and fenceline communities, and provides funding to state and local air control boards to develop and implement climate pollution reduction plans.
- **Department of Energy (DOE):** The IRA provides funding for states to establish two new energy programs that provide rebates to homeowners and residential building owners who make energy efficiency and electrification upgrades to their homes and residential buildings. Both of these programs require states to set aside a certain percentage of funding for rebates that will benefit low income communities.
- **Department of Transportation (DOT):** The IRA extends the Reconnecting Communities Pilot Program (established in IIJA) by creating the Neighborhood Equity and Access Grant Program. This additional programming provides funding to improve the walkability and safety of communities and the affordability of transportation access. This program also provides funding to mitigate or remedy the negative environmental and health impacts caused by transportation infrastructure. The IRA also provides funding and rebates for state and local governments to replace their existing heavy duty vehicles with those that are clean and zero emission.

ADDITIONAL RESOURCES:

- **[IRA Guidebook:](#)** This guidebook provides an overview of all of the programs established and funded in IRA.



COMMUNITY ACTION



- **Engage your state and local government officials.** Most of the IRA funding will flow through state and local government agencies before it makes its way into communities. Identify your primary community concerns and engage these officials to collaborate on funding opportunities that will meet your community needs. Many of the funding opportunities in IRA include community engagement requirements for formula grant and competitive grant programs. Leverage these community engagement requirements to ensure your community is benefiting from these investment opportunities.
- **Prepare your community projects for implementation.** By establishing the Environmental and Climate Justice Block Grant Program (also known as the Community Change Grants), the IRA is investing \$3B into community-led and community-driven projects to reduce air pollution, create workforce development opportunities, and facilitate community engagement in government processes. Community based organizations are directly eligible for this funding. Work with your community and local community based organizations to develop projects that will address your community needs. Applications for this funding will be accepted on a rolling basis until November 2024, so you'll need to act on this opportunity now.
- **Engage in project implementation in your community.** Given the community engagement requirements in formula grant and competitive grant opportunities, communities will need to keep track of the projects being implemented in their area to ensure their community voice is represented and heard during the implementation process. Use [USAspending.gov](https://www.usaspending.gov) to track what grant projects are being implemented in your community. Through this site, you can identify what projects are being implemented in your community, as well as additional information about the project. This information includes the federal program and agency that awarded the grant, the grant recipient and how much funding the recipient received, and a description of the project being implemented using the grant funding. You can also use this site to track how much funding your state and local government agencies are receiving as well.