Understanding How Infrastructure Bill Dollars Affect Your Community

Nikhita Airi

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The federal government will spend $1.2 trillion on transportation, infrastructure, energy, and climate resilience projects over the next five years through the Infrastructure Investment and Jobs Act, or IIJA, also known as the Bipartisan Infrastructure Law, or BIL. State and local governments will deploy up to $984 billion of the total funds.

The IIJA stands apart from previous infrastructure spending bills because of its focus on remedying past inequities and directing funds to historically underserved communities. To help local policymakers align their infrastructure spending with an inclusive recovery, this fact sheet explains how federal infrastructure dollars flow to local communities. It further shows how community-based organizations, stakeholders, and advocates can learn about funding opportunities, amounts, and eligible uses.

HOW FUNDS FLOW FROM THE FEDERAL GOVERNMENT TO YOUR COMMUNITY

After Congress funds federal grant programs, several steps must occur before local projects receive that funding. Those steps vary according to the type of grant (figure 1).

FIGURE 1

Federal Grant Process

<table>
<thead>
<tr>
<th>Budget</th>
<th>Plan</th>
<th>Fund</th>
<th>Complete and report</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Congress passes IIJA bill, authorizing funding for agencies</td>
<td>• F: Agencies determine allocations of formula grants</td>
<td>• F: Agencies distribute funding to eligible recipients. Recipients choose projects</td>
<td>• Recipients begin projects</td>
</tr>
<tr>
<td></td>
<td>• C: Agencies solicit proposals for competitive funding</td>
<td>• C: Agencies award funds to successful proposals</td>
<td>• Recipients report on project status and expenditures</td>
</tr>
</tbody>
</table>

Source: Adapted from "Bipartisan Infrastructure Law Six-Month Anniversary," build.gov, accessed August 26, 2022.

Note: F = formula funding; C = competitive funding.

WHAT FUNDING IS AVAILABLE TO LOCAL GOVERNMENTS?

Local governments are eligible for $287 billion in direct infrastructure funding through IIJA. They may also receive some “pass-through” funding from programs administered by state governments. State governments are directly eligible for $697 billion in funding.

Public transportation, water, and intercity passenger and freight rail programs are the largest categories of local government IIJA funds (figure 2). Almost all of this spending will be through programs that existed before IIJA or that were modified by IIJA. Overall, a quarter of local government funding will come from newly established programs, particularly in clean energy, electric vehicles, and roads and bridges.
Overall, more than 70 percent of IIJA funds directly available to local governments are competitive opportunities. The remaining funds, largely in transit, will be distributed to eligible cities according to formulas based on population. These processes are described further below.

**FIGURE 2**
Infrastructure Funds Directly Available to Local Governments

![Graph showing distribution of IIJA funds](https://www.whitehouse.gov/wp-content/uploads/2022/05/BUILDING-A-BETTER-AMERICA-V2.pdf)

WHEN AND HOW DO FUNDING OPPORTUNITIES BECOME AVAILABLE TO LOCAL COMMUNITIES?

The infrastructure bill increases funding for existing programs and creates new programs. In both cases, federal agencies are responsible for distributing IIJA dollars and publishing guidance about how to apply for funds and spend funds on eligible uses. To distribute funds, agencies must calculate formula funding allocations and solicit and review proposals for competitive funding.

**Formula Grant Programs**

IIJA reauthorized and increased funding for several existing formula grant programs, and implementing agencies announced allocations to eligible recipients for fiscal year 2022 starting in December 2021. Annual allocations to local communities will continue to be announced for each fiscal year on dates determined by each agency, likely toward the beginning of each calendar year.

None of IIJA’s newly established formula grant programs are directly available to local governments, instead being distributed to states, which may “pass-through” some funds to localities. Most allocations of newly established formula funding programs are complete. Allocation information can be found on agency websites, such as

- fiscal year 2022 allocations for federal-aid highway programs ("Apportionment of Federal-Aid Highway Program Funds for Fiscal Year 2022," FHWA Notice 4510.858, December 2021); and

**Competitive Grants**

Competitive grant opportunities will continue to open through the end of 2022, and federal grantmaking agencies will announce requests for proposals multiple times in the coming years. All federal grant opportunities, known as Notices of Funding Opportunity or NOFOs, are posted on grants.gov and feature details about program eligibility and application guidelines (box 1).

- Bridge Investment Program Notice of Funding Opportunity ("Grant Opportunity 693JJ322NF00009, Bridge Investment Program - Planning, Bridge Projects, and Large Bridge Projects," accessed August 26, 2022)
BOX 1
How to Find Competitive Grant Opportunities

1. Identify a program in the searchable list of infrastructure bill programs at build.gov

<table>
<thead>
<tr>
<th>PROGRAM NAME</th>
<th>CATEGORY</th>
<th>AGENCY NAME</th>
<th>BUREAU NAME</th>
<th>FUNDING AMOUNT</th>
<th>FUNDING MECHANISM</th>
<th>NEW?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local and Regional Project Assistance Grants (RAISE)</td>
<td>Roads, Bridges and Major Projects</td>
<td>Department of Transportation</td>
<td>Office of the Secretary</td>
<td>$7,500,000,000</td>
<td>Competitive Grant</td>
<td>No</td>
</tr>
</tbody>
</table>

2. Open the SAM.gov listing for that program

3. Search for opportunities on Grants.gov under the Assistance Listing number, using the link highlighted in yellow.


WHAT FUNDING DECISIONS HAVE GRANTMAKING AGENCIES MADE?
The first rounds of competitive funding opportunities began in early 2022, starting with RAISE grants for infrastructure programs that improve quality of life followed by funding for freight and highways, rural surface transportation, and other megaprojects. Over the next several years, federal agencies will announce requests for proposals for other competitive grant programs, with specifics that vary by program and federal agency and according to funding availability.

- RAISE NOFO: https://www.grants.gov/web/grants/search-grants.html
As of July 2022, IIJA had funded over 7,200 projects totaling $110 billion. Approximately $18 billion of this total went directly to projects in local communities, though that may include projects administered by federal or state governments. The remaining funds went to grants to state and tribal governments, direct spending by federal agencies, and other forms of assistance such as loans. Projects in local communities are searchable on the interactive map published to mark the six-month anniversary of the infrastructure bill.4

HOW CAN COMMUNITY MEMBERS TRACK THE PROGRESS OF PROJECTS?

Once federal agencies distribute funds to local communities and projects, recipients must report back on the progress of the grant-funded projects. Select information from those reports is aggregated and displayed on usaspending.gov. Importantly, however, USAspending.gov only tracks payment agreements (obligations) and transactions (outlays) made by the federal government. Recipient spending is not included unless recipients have used grant funds to award a grant or contract to another recipient (called subawards, subgrants, or subcontracts.) Because of varying reporting deadlines, it can take between two days and one month for transactions to be displayed on usaspending.gov. Table 1 shows how to interpret key pieces of information available on usaspending.gov.

**TABLE 1**

Selected Data Available on USAspending.gov

*Examples, definitions, and data quality notes*

<table>
<thead>
<tr>
<th>Field name</th>
<th>Sample value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prime Recipient</td>
<td>State Department of Transportation</td>
</tr>
<tr>
<td>Recipient Location</td>
<td>123 State Street, Capital City, State</td>
</tr>
<tr>
<td>Primary Place of Performance</td>
<td>State; Congressional District 00</td>
</tr>
<tr>
<td>Assistance Listing number</td>
<td>20.205 Highway Planning and Construction</td>
</tr>
<tr>
<td>Obligated Amount</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Outlayed Amount</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Subawards</td>
<td></td>
</tr>
<tr>
<td>Subrecipient 1</td>
<td>City Department of Transportation</td>
</tr>
<tr>
<td>Amount 1</td>
<td>$150,000</td>
</tr>
<tr>
<td>Description 1</td>
<td>Specific transportation project</td>
</tr>
</tbody>
</table>

Source: USAspending.gov glossary.
Note: Does not represent full set of variables available on USAspending.gov and related federal data sources.

The Infrastructure Implementation Task Force has been charged with developing more extensive data reporting on project implementation.5 Some recipients have also opted to provide updates on the status of IIJA-funded projects.
or to publish information submitted to the federal government. For instance, the New Mexico Department for Finance & Administration’s dashboard displays estimated state funding allocations and competitive grant opportunities from both the federal and state government. This is a promising model for information sharing in the early stages of IIJA implementation.

ADDITIONAL READING

**Federal Grants Information**

- Infrastructure programs database: [https://www.whitehouse.gov/build/?utm_source=build.gov](https://www.whitehouse.gov/build/?utm_source=build.gov)
- Notices of Funding Opportunity: [https://www.grants.gov/](https://www.grants.gov/)
- System for Award Management (program profiles): [https://sam.gov/content/home](https://sam.gov/content/home)

**Federal Agency Infrastructure Implementation**

- **Department of Transportation**
  - BIL home page: [https://www.transportation.gov/bipartisan-infrastructure-law](https://www.transportation.gov/bipartisan-infrastructure-law)
  - Federal Transit Administration allocations: [https://www.transit.dot.gov/funding/apportionments](https://www.transit.dot.gov/funding/apportionments)

- **Department of Energy**

- **Environmental Protection Agency:** BIL home page: [https://www.epa.gov/infrastructure](https://www.epa.gov/infrastructure)


- **National Telecommunications and Information Administration:** Broadband Equity, Access, and Deployment information: [https://broadbandusa.ntia.doc.gov/broadband-equity-access-and-deployment-bead-program](https://broadbandusa.ntia.doc.gov/broadband-equity-access-and-deployment-bead-program)

- **Department of Agriculture** BIL home page: [https://www.usda.gov/infrastructure](https://www.usda.gov/infrastructure)
NOTES

1 See “Implementing Infrastructure Investments at the County Level,” National Association of Counties, accessed August 26, 2022.
3 See “President Biden, U.S. DOT Announce $2.9 Billion of Bipartisan Infrastructure Law Funding for Major Infrastructure Projects of Regional or National Significance,” US Department of Transportation, March 22, 2022.

REFERENCE


ABOUT THE AUTHOR

Nikhita Airi is a research analyst in the Urban-Brookings Tax Policy Center and a contributor to the Urban Institute’s State and Local Finance Initiative. Her research focuses on the earned-income tax credit and child tax credit, state income and sales taxes, and federal grants to state and local governments. Airi holds a BA in economics from Reed College.

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