

## **Overview of the Bipartisan Infrastructure and Jobs Act: How do we make sure these funds benefit all Pennsylvanians?**

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The Infrastructure Investment and Jobs Act (IIJA) that passed the United States Congress on November 15, 2021, provides \$1.2 trillion in funding, including \$550 billion in new investments over five years.<sup>1</sup> The IIJA will rebuild America's infrastructure, create jobs, make investments to address climate change, and invest in urban and rural communities that have been left behind.

Funds are already being dispersed across the country, and billions more will be dispersed over the next five years. Federal agencies are writing rules and guidelines about the allocation of funds and how they are to be used. States, cities, local governments, unions, community organizations, and others are trying to understand this far-reaching legislation and how to take advantage of both formula funds and competitive grants to maximize benefits for communities.

This large federal investment is not just about infrastructure—it comes with an opportunity for communities across Pennsylvania to address inequities that have existed for years and have been made worse by the pandemic. In this overview, we paint a broad picture of what is in the bipartisan infrastructure bill, the funding structure, and strategies for how to leverage federal funds and ensure benefits reach distressed communities and diverse, low-income, and dislocated workers.

### **Overview of the buckets of money**

The IIJA is organized into 13 categories that cover a wide range of initiatives. Categories, as outlined by the White House, include the following.

- Roads, Bridges, and Major Projects
- Passenger and Freight Rail
- Airports
- Electric Vehicles, Buses, and Ferries
- Ports and Waterways
- Public Transit
- Safety
- Broadband
- Water
- Clean Energy and Power
- Resilience
- Environmental Remediation
- and Other<sup>2</sup>

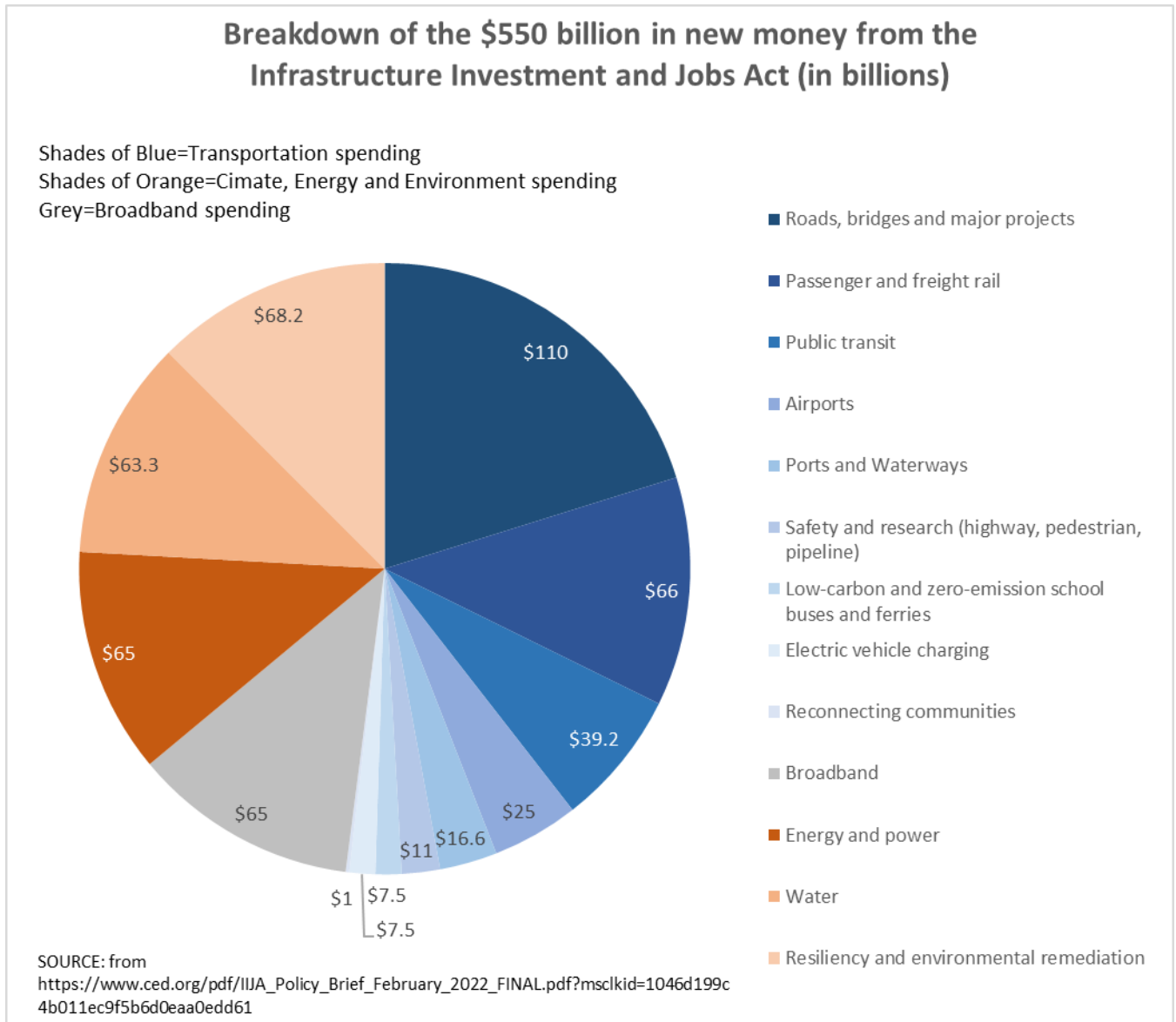
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<sup>1</sup> White House. "Updated Fact Sheet: Bipartisan Infrastructure Investment and Jobs Act." August 2, 2021. Online at: <https://www.whitehouse.gov/briefing-room/statements-releases/2021/08/02/updated-fact-sheet-bipartisan-infrastructure-investment-and-jobs-act/>

<sup>2</sup> White House. "Delivering Results from President Biden's Bipartisan Infrastructure Law. Online at: <https://www.whitehouse.gov/build/>

The infrastructure law allocates funding to over 350 distinct programs across more than a dozen federal departments and agencies.

The largest new allocations (more than half of the bill’s funding) are going towards transportation, which is shown in shades of blue on the pie chart below. This includes roads, bridges, and major projects; airports; public transportation; ports; and more, totaling more than \$283 billion in new investments. Investments in broadband and in energy and power each total \$65 billion.



### How will the IIJA benefit Pennsylvania?

Residents across Pennsylvania will benefit from the IIJA.

The legislation provides

- the largest federal investment in public transportation in history.

- the largest investment in clean drinking water and wastewater infrastructure.<sup>3</sup>
- sufficient funds to bring universal, affordable, high-speed internet access to all Pennsylvanians— if we use the resources well.
- robust funding to reclaim abandoned mine lands—Pennsylvania will receive a third of this national pot (34%), [\\$245 million in 2022](#) alone and \$3.75 billion in total.
- the expansion of the electric school and transit bus fleet.

Pennsylvania needs these funds even more than many other states. The American Society of Civil Engineers puts out an infrastructure report card for states every four years. Most recently, Pennsylvania received a C- grade.<sup>4</sup>

Pennsylvania can expect to see a minimum of \$21.3 billion just from formula funds: allocations to states based on data (e.g., our share of the U.S. population). (Note: this list is neither comprehensive nor final; there are more funds that Pennsylvania and its local governments can apply for via competitive funding.) Our population-based share of the entire \$1.2 trillion—i.e., 3.9% times \$1.2 trillion or \$47 billion—is a more accurate estimate of the funds we will ultimately receive.

<b>Expected Funding for Pennsylvania via formula funds</b>	
<i>Funding Area</i>	<i>Expected Funding</i>
Federal-aid highway apportioned programs (formula funding)	\$11,300,000,000
Bridge replacement and repairs (formula funding)	\$1,600,000,000
Public transportation (formula funding)	\$2,800,000,000
Electric vehicle chargers	\$170,000,000
Expansion of broadband (This is the minimum PA will receive.)	\$100,000,000
Protection against wildfires	\$49,000,000
Protection against cyberattacks	\$26,000,000
Weatherization to decrease energy costs for families	\$3,500,000,000
Improvement of water infrastructure to ensure clean, safe drinking water	\$1,400,000,000
Improvement of our nation’s airports	\$355,000,000
Abandoned land mine*	\$3,700,000,000
<b>TOTAL</b>	<b>\$25,000,000,000</b>
Source: From “The Infrastructure Investment and Jobs Act will Deliver for Pennsylvania” from the White House. Accessed at: <a href="https://www.whitehouse.gov/wp-content/uploads/2021/08/PENNSYLVANIA_Infrastructure-Investment-and-Jobs-Act-State-Fact-Sheet.pdf?msclid=1f619815c25911eca3953ee5940440be">https://www.whitehouse.gov/wp-content/uploads/2021/08/PENNSYLVANIA_Infrastructure-Investment-and-Jobs-Act-State-Fact-Sheet.pdf?msclid=1f619815c25911eca3953ee5940440be</a> ; *Data on abandoned land mine funding expected in PA is from Eric Dixon from the Ohio River Valley Institute.	

### *How does IJA money flow and who will it go to?*

The IJA investment in infrastructure will require significant coordination among the federal government, states, local governments, communities, and other key stakeholders. Each of the 350

<sup>3</sup> This and the previous bullet come from a White House fact sheet. The fact sheet does not make clear whether these investments are the largest ever only in nominal dollars. It seems likely that bigger investments, adjusted for inflation, may have been made in the 1950s to 1970s. See <https://www.whitehouse.gov/briefing-room/statements-releases/2021/07/28/fact-sheet-historic-bipartisan-infrastructure-deal/?msclid=4b6acda5d07311ecb631fbda1da663a8>

<sup>4</sup> American Society of Civil Engineers. “2018 Pennsylvania Infrastructure Report Card: 2018 Report Card GPA: C-.” Online at: <https://infrastructurereportcard.org/state-item/pennsylvania/>

distinct programs funded by IIJA have different recipients or potential recipients. Since most funds will run through existing programs, they will be distributed via federal agencies. The infrastructure law includes language that provides guidance to agencies about how the funding can be distributed and used. Agencies will then add their own more detailed guidance to recipients of funds.

Much of the funding will then flow to state or to local governments, which are responsible for implementation of the programs. There will also be funding that goes directly to private entities, Tribes or Tribal organizations, institutions of higher education, nonprofits, and others. See this [document](#) for more details.

#### *Recipients (Formula Funding) and Applicants (Competitive Funding)*

IIJA funding will be distributed as formula funding or as competitive funding. A simple way of thinking about formula money is that it is automatically awarded based on a fixed set of factors (such as population)—so the amount of these funds is already determined. Competitive grants require entities to apply for funding with successful grantees chosen based on meeting criteria (such as whether a state submits a plan that meets certain conditions). Thus, competitive grants are not guaranteed, and the success of Pennsylvania's proposals will impact the overall share of IIJA funds that comes to our state.

The IIJA will fund both new and existing programs. The core component of the IIJA funding structure is delivered through existing programs. Because these programs are already established, we can expect funding to be rolled out more quickly.

The IIJA will launch more than 100 new federal programs with 86 being competitive.<sup>5</sup> New programs will take longer to launch. Understanding these programs, analyzing federal guidelines as they are issued, and paying particular attention to deadlines will all factor into the amount of funding that comes to Pennsylvania.

#### **What to pay attention to:**

The IIJA has the potential to impact all of us. Large investments in roads and bridges, public transportation, clean energy, clean water, and more will upgrade our infrastructure and increase long-term economic growth. But how these investments impact your state, city, town, and community depends partially on all of us paying attention and making sure we take advantage of the opportunities IIJA presents. Public agencies, private entities, institutes for higher education, nonprofits, industry partners, and more will need to keep an eye on competitive funding streams so they do not miss out on opportunities.

These funds can provide a major economic boost to our communities. State and local officials who receive funds for subsequent disbursement need to cooperate and communicate openly with potential grantees to ensure that money reaches communities. We also need to ensure that agencies and authorities are producing required plans quickly.

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<sup>5</sup> Adie Tomer, Caroline George, Andrew Bourne and Joseph W. Kane. "Introducing the Brookings Federal Infrastructure Hub: A comprehensive guide to the infrastructure law." Brookings Institute, February 10, 2022. Online at: <https://www.brookings.edu/blog/the-avenue/2022/02/10/introducing-the-brookings-federal-infrastructure-hub-a-comprehensive-guide-to-the-infrastructure-law/>

## *How to take advantage of IJA dollars to the full benefit of workers and communities*

The IJA not only provides unprecedented funding to improve our state's infrastructure and address climate change but also gives us an opportunity to address economic and racial inequities and create good jobs. Funds flowing from the federal government to Pennsylvania will lead to the creation of new jobs and the maintenance of existing jobs, as bridges will be repaired, broadband expanded, brownfields cleaned up, electric vehicle stations installed, and more. Keystone Research Center estimates that the infrastructure bill will create about 30,000 jobs in Pennsylvania over 10 years, many of them in the construction trades. Moreover, this total includes only directly created jobs and supply chain jobs, not the additional jobs that result when workers and owners in direct and supply chain jobs spend their wages and profits.<sup>6</sup> Through thoughtful implementation, local policymakers and stakeholders could capitalize on infrastructure investment to train a new, diverse workforce and strengthen experienced workers' skills. Infrastructure spending can include more than one-time investments— it can train and prepare workers with new skills and credentials; it can pay workers family-sustaining wages, which can improve communities; and it can set up workers for good jobs moving forward.<sup>7</sup>

There are requirements baked into the federal statute to ensure creation of good jobs. For example, construction projects must abide by federal Davis-Bacon prevailing wage standards. Federal guidelines still being issued for some programs can build on the labor standards in the IJA statute by recommending, for example, that states restrict broadband funding to employers who follow labor law.<sup>8</sup> The IJA includes "Build America, Buy America" provisions to ensure investments in communities support American manufacturing and other jobs.<sup>9</sup> Several programs set aside federal funds for—and technical assistance to—disadvantaged communities to ensure funding goes to the regions and communities that need it most.<sup>10</sup>

State government and local communities, in turn, could build on the federal statute and federal guidelines to further strengthen labor standards and community benefits that ensure creation of good

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<sup>6</sup> Stephen Herzenberg and Jeff Garis, "End-of-Year Gift for PA Construction Workers: Tens of 1,000s of Jobs from the Infrastructure Bill;" Third and State blog, December 23, 2021. Online at [https://krc-pbpc.org/research\\_publication/an-end-of-year-gift-for-pa-construction-workers-tens-of-1000s-of-jobs-from-the-infrastructure-bill/](https://krc-pbpc.org/research_publication/an-end-of-year-gift-for-pa-construction-workers-tens-of-1000s-of-jobs-from-the-infrastructure-bill/).

<sup>7</sup> Kelsey Berkowitz. "How States and Local Governments Can Leverage Infrastructure Projects to Create Good Jobs." New America, February 7, 2022. Online at: <https://www.newamerica.org/education-policy/edcentral/how-states-and-local-governments-can-leverage-infrastructure-projects-to-create-good-jobs/?msclkid=e0af383bc1b011ecbcb2eeaaee15db46>

<sup>8</sup> Communications Workers of America. "Press Releases: CWA Statement on the Passage of the Infrastructure Investment and Jobs Act." CWA, November 6, 2021. Online at: <https://cwa-union.org/news/releases/cwa-statement-on-passage-of-infrastructure-investment-and-jobs-act?msclkid=9c8d60ebc1a111ec891f7056b517c874>

<sup>9</sup> CWA press release. Online at: <https://cwa-union.org/news/releases/cwa-statement-on-passage-of-infrastructure-investment-and-jobs-act?msclkid=9c8d60ebc1a111ec891f7056b517c874>; Government Finance Officers Association. Online at: <https://cwa-union.org/news/releases/cwa-statement-on-passage-of-infrastructure-investment-and-jobs-act?msclkid=9c8d60ebc1a111ec891f7056b517c874>; Government Finance Officers Association. "Infrastructure Investment and Jobs Act (IIJA) Implementation Resources." Online at: <https://www.gfoa.org/the-infrastructure-investment-and-jobs-act-iija-was?msclkid=77ff81e0c4c611ecb845ed417159527f>

<sup>10</sup> The White House. "A Guidebook to the Bipartisan Infrastructure Law for State, Local, Tribal, and Territorial Governments, and Other Partners." Online at: [https://www.whitehouse.gov/wp-content/uploads/2022/01/BUILDING-A-BETTER-AMERICA\\_FINAL.pdf](https://www.whitehouse.gov/wp-content/uploads/2022/01/BUILDING-A-BETTER-AMERICA_FINAL.pdf)

jobs including for a diverse population of workers. This could be done in a variety of ways, including the following:

- Project labor agreements (PLAs) that include first-source hiring provisions (on the latter, see below).<sup>11</sup> PLAs are project-specific agreements that require contractors to pay the wages and benefits in collective bargaining agreements for each trade while also prohibiting work stoppages; harmonizing work rules, including holidays and work hours, across all trades; and requiring/permitting contractors (including non-union ones) to access trades labor from union referral services. A Biden administration executive order requires PLAs on very large construction projects (\$35 million and above), but states and localities could use them also on smaller projects.<sup>12</sup>
- Responsible contractor provisions that would require contractors performing infrastructure work to meet standards associated with legitimate, law-abiding firms: e.g., not to have violated labor and other laws recently and to have a bona fide apprenticeship program.
- Local hire and apprenticeship utilization provisions, which could make it possible for a diverse selection of local community members to get infrastructure jobs and, in some cases, to enter apprenticeship. Local hiring provisions could target low-income workers, sometimes from specific neighborhoods.
- Aggregation of infrastructure projects into larger bid opportunities, which would attract the attention of unionized contractors. Without that, abandoned mine land reclamation, capping of uncapped oil and gas wells, and other construction funded by the IJA could end up done primarily by low-wage, non-union contractors that invest little in apprenticeship training or other workforce development.
- Community benefits agreements between developers and community groups in which the community pledges its support for the development in exchange for certain contributions by developers that would benefit the community as a whole. Creating regional community benefit advisory boards could help guide federally funded projects to ensure hiring goals and other community commitments are met.<sup>13</sup>

In the [Guidebook to the Bipartisan Infrastructure Law](#), the White House suggests recipients of infrastructure funds should look to leverage American Rescue Plan funds to help prepare for these infrastructure investments. Infrastructure funds can be leveraged by using ARP funds to train the

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<sup>11</sup> For more detail on project labor agreements and a specific example, see Amanda K. Woodrum et al., “Maximizing Value: Ensuring Community Benefits,” *Reimagine Appalachia*, May 2021, p. 6; online at [https://reimagineappalachia.org/wp-content/uploads/2021/05/Community-Benefits\\_Whitepaper\\_05-28-2021.pdf](https://reimagineappalachia.org/wp-content/uploads/2021/05/Community-Benefits_Whitepaper_05-28-2021.pdf).

<sup>12</sup> “Executive Order on Use of Project Labor Agreements For Federal Construction Projects,” February 4, 2022; <https://www.whitehouse.gov/briefing-room/presidential-actions/2022/02/04/executive-order-on-use-of-project-labor-agreements-for-federal-construction-projects/>

<sup>13</sup> Amanda Woodrum, Kathleen Mulligan-Hansel. “Maximizing Value: Ensuring community benefits from federal climate infrastructure package: White Paper #3.” *Policy Matters Ohio*, November 2021. Accessed at: <https://ceep.mit.edu/wp-content/uploads/2021/11/WP-2021-RP-IH-3-draft.pdf>; Amanda Woodrum. “Good jobs through apprenticeship readiness: Federal ARPA and Bipartisan Infrastructure Law resources to promote creation of good union jobs, career pathways for disadvantaged workers.” *Policy Matters Ohio*, April 2022.

workforce needed to implement infrastructure projects; hire the public sector workers to manage such projects; and start moving on water, sewer, and other projects that could complement infrastructure investments. When local officials think about these investments together—Infrastructure and the ARP—these funds could effectively build upon each other, maximizing benefits for communities.

### **Additional Resources**

For more detailed information on the Infrastructure Investment and Jobs Act, including areas of funding, recipients or potential applicants, the agency managing the funding, etc. please see our [spreadsheet](#), which details this funding by issue area. We will be producing and sharing additional information on a selection of funding areas over the next several months.

This is an opportunity to think big about local/regional projects, expanding what we previously thought was possible. Through these federal investments, we can create good jobs, improve our state’s crumbling infrastructure, and make our communities more equitable by expanding job opportunities and ensuring community benefits. As the country struggles to combat racial and economic inequality made worse by the COVID-19 pandemic, the IJA is an opportunity to address the interconnected crises of economic inequality, racial injustice, and climate change.<sup>14</sup>

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<sup>14</sup> Bluegreen Alliance. “A Used Guide to the Bipartisan Infrastructure Law (BIL): How New and Expanded Federal Programs Can Deliver Good Jobs and Environmental Benefits.” Online at: <https://www.bluegreenalliance.org/wp-content/uploads/2022/03/BGA-BIL-User-Guide-WEB-3922.pdf>