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Infrastructure Investment and Jobs Act

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On November 15, 2021, President Biden signed into law a historic \$1.2 trillion infrastructure bill known as the Infrastructure Investment and Jobs Act ("IIJA"). The bipartisan infrastructure legislation provides funding for core infrastructure priorities in an attempt to address decades of underinvestment in America's infrastructure. These funds will go to support investments in highways, bridges, passenger and freight rail, public transit, ports, airports, waterways and water systems, broadband, energy efficiency, the power grid, and electric vehicles, as well as to fund a number of research and pilot programs. The money invested under the IIJA will help support many of the largest and most significant infrastructure projects in the United States and many additional projects.

More than \$550 billion of the \$1.2 trillion in funding is additional spending beyond current levels and will be allocated through FY 2026 for new or enhanced programs.

A substantial percentage of the bill's funding (approximately \$300 billion) will be allocated to states through formulas dictated by the bill that are based on certain criteria, such as state population or volume of usage (e.g., number of transit riders). The intent of the formulas to provide for an equitable and effective distribution of the funding.

Other programs are discretionary grant programs, and funding decisions will be made at the direction of the respective federal department or agency head. State and local governments must compete for competitive grants via an application process. Applications for funding will be solicited by the relevant federal agencies and will be evaluated based on criteria that are either identified in the IIJA or will be identified by the relevant federal agencies in program guidance that will be published in the coming months.

The funds allocated to state and local governments through formulas will allow the governments to quickly receive funding and advance projects that are ready to go. The discretionary funds will go through the application and evaluation process and will take longer to reach the state and local governments.

Vorys encourages you to evaluate the wide range of programs available for assistance and consider how IIJA funds could be utilized to support your projects.