Executive Summary

The Federal Funding Primer on Climate Justice
A Complete Guide for Understanding Justice40, the Inflation Reduction Act, and the Bipartisan Infrastructure Law

By Tara Steckler, Meghan Walker, and Nina Schlegel, with Daniel Faber

Designed by Nikki McCullough

April 2024
First Edition
A week after assuming office in 2021, the Biden administration issued Executive Order 14008, *Tackling the Climate Crisis at Home and Abroad*, establishing the *Justice40 Initiative*. In the year and a half that followed, two additional major pieces of federal legislation were also passed: (1) the *Inflation Reduction Act (IRA)*, and (2) the *Infrastructure Investment and Jobs Act (IIJA)*, also known as the “*Bipartisan Infrastructure Law*(BIL). Cumulatively, these once-in-a-generation federal investments provide trillions of dollars for needed infrastructure improvements, clean energy projects, climate resilience, transit upgrades, and much more.

We created this funding primer because we believe in helping our communities leverage these funding opportunities to advance justice.

Time is of the essence. The rollout of Justice40, the IRA, and BIL by the federal government has been swift and somewhat chaotic as a result of the all-out effort by the Biden administration to fund critical investments as soon as possible, especially before the 2024 elections. An unprecedented level of opportunity exists to leverage these federal investments for climate justice, to transition our workforce towards clean energy, and to build more sustainable communities. But there is also significant risk that this funding could entrench our dependence on fossil fuels if our cities, Tribes, community-based nonprofits, and other entities eligible to participate in programs are left out of the process.

This Federal Funding Primer on Climate Justice provides an invaluable roadmap for navigating the maze of funding opportunities provided by Justice40, the IRA, and BIL. We created this document because we believe that by explaining these programs in more easily understood forms, and by addressing key questions and concerns, we can help direct community officials and activists alike to the funding resources best suited to their needs. In so doing, we will be enabling advocates to leverage these funding opportunities to advance critically important climate, environmental, and economic justice goals.
In order to elevate a shared understanding of the climate compromises baked into these investments, we also explore specific criticisms of each law, sharing concerns raised by the climate and environmental justice movements. We have summarized many of the most helpful resources for staying up-to-date on the latest federal funding developments and opportunities, and collected examples from across the nation of model funded programs. We share tips on how to access federal funding, where to find technical assistance, and how to assess the potential impact of the US political environment on future funding opportunities. In the final pages of this report, you will find our takeaways as we evaluate the rollout of these historic funding opportunities.

Report Sections in Brief

The Justice40 Initiative

The Justice40 Initiative is a requirement of Executive Order 14008 and mandates that 40 percent of the benefits from environmental and climate justice related federal investments go to communities that are disadvantaged, underserved, or overburdened by pollution. Its goal is to ensure that communities disproportionately impacted by climate change and pollution receive an equitable share of funding from major federal grants and programs.

Justice40 encompasses over 500 programs across 14 federal departments. About $2.2 trillion is available for these programs through a combination of funds from the IRA, the BIL, and funds from each department’s annual budget.

The best way to ensure that the Justice40 funding opportunities advance climate justice is by ensuring that any projects being funded are justice oriented, community powered, and both transparent and accountable to the public.

Seven Funding Categories Under Justice40

- Climate Change
- Clean Energy and Energy Efficiency
- Clean Transit
- Affordable and Sustainable Housing
- Workforce Development
- Remediation and Reduction of Legacy Pollution
- Development of Clean Water and Wastewater Infrastructure

It is also important to recognize the challenges that governments and organizations face when applying for this funding. Common issues include navigating the maze of government bureaucratic institutions and information to find and apply for the relevant funding, as well as the lack of capacity (whether it be for staff or for resources) for many organizations to carry out these tasks. This is especially true for many environmental justice (EJ) organizations. To address these
and other shared barriers, we aim to provide a roadmap for potential applicants to navigate these barriers.

Some criticisms have come along with the rollout of Justice40. One consistent criticism of Justice40 is that although it seeks to address racial inequality, it does not mention race in either its language or in the screening tools created to designate disadvantaged communities. The Biden Administration decided to leave out any explicit mention of race from the Initiative’s language to avoid potential legal issues in light of the Supreme Court’s decision to dismantle Affirmative Action. Environmental justice advocates also suggest that more nuance is needed within the screening tools.

Throughout this section, you will also find tables that can help community advocates integrate Justice40 into their work. The “Implementation Guides” table showcases resource hubs that detail how a range of audiences can best put Justice40 goals into action. Two more tables – “Cities Advancing Justice” and “States Advancing Justice” – provide real world success stories of where Justice40 has already shaped government planning.

The Inflation Reduction Act

The IRA, which was signed into law in August 2022, includes $369 billion in clean energy and climate investments that will go towards a multitude of policy sectors. It is intended to build on the initial funding opportunities that were introduced in the BIL. The funding coming from the IRA will either go directly to states and then redistributed to local governments, communities, or private entities; or it can go directly to public and private community-based institutions and individuals.

This money will be given through a number of different funding categories which allows cities, tribal governments, and states the ability to tailor the use of funds to projects that will aid their unique climate goals. However, in order to maximize the effective use of these funds, local authorities will have to carefully guide planning, siting, and regulatory decision-making to ensure that disadvantaged communities are protected.

**Five Funding Categories Under the IRA**

- Air Quality Improvements and GHG Reduction
- Housing
- Resilience
- Clean Vehicles
- Workforce Development

Many of these investments come in the form of tax credits for individuals and businesses, and direct payment options for non tax-paying entities. Tribes also have specific funding opportunities and program set-asides within the IRA.
The Bipartisan Infrastructure Law

The Bipartisan Infrastructure Law (BIL) was signed into law by the Biden administration on November 15, 2021. It allocates $1.2 trillion to transportation and infrastructure projects.

Money from the BIL is being distributed to 17 federal agencies, departments and commissions to manage over 350 distinct programs. It is estimated that local governments are eligible for approximately $287 billion in direct funding (they are also eligible for pass-through funds from the states), while states will be eligible for about $697 billion of the BIL pie. Tribal governments are earmarked to receive more than $13 billion directly, and are eligible for many other programs. Many of these project funds are available to multiple entities, such as Tribal governments, nonprofits and local governments, all at once.

About half of the projects being funded by the BIL focus on roads, bridges, and other transportation projects. The Department of Transportation is working specifically on electric vehicle infrastructure, highway safety improvements, and the development of new bridges as well as improving existing ones. Other funds are going towards fighting legacy pollution, cleaning up drinking water, and expanding access to public transit.

We also provide a list of practical tips for BIL grant applicants, which includes: knowing exactly what funds your state was allocated; forming a centralized delivery team that can focus on equitable fund deployment and interagency partnership; leaning into local-level power despite state-level priorities; focusing on equitably developing workforces...
to carry out new capital projects; learning from successful models from past grant recipients; and tapping into the abundance of technical assistance providers.

Critics have argued that the BIL provides insufficient funds to address the full social and economic legacy of disinvestment in communities of color and low-income communities. Like the IRA, it has also been criticized for including billions of dollars in subsidies for carbon capture and hydrogen fuel. It also invests heavily in upgrades to roads and highways. The BIL is an enormous set of funding priorities, and there is a long way to go before its full potential is realized. Instead of funding business-as-usual projects, new and existing BIL funding programs need to be consciously harnessed to capitalize on this unique opportunity so that project funds will create green jobs, ensure long term resiliency, and advance justice.

Accessing Funds and Evaluating Impact

In our final section, we assess implementation of the IRA, BIL, and Justice40 Initiative thus far and look down the road at what could impact their efficacy in the future. Now empowered with an in-depth understanding of these opportunities, we leave our readers with a list of funding trackers, and share tips for accessing grants through technical assistance and funding from intermediary organizations.

The current political moment, the 2024 presidential elections, the debt ceiling debate, and the looming threat of the Heritage Foundation’s Project 2025 conservative policy playbook could all impact the future of federal funding. These are a few of the political uncertainties the movement should be on the lookout for as this funding is rolled out over the next decade.

The success of the BIL, IRA, and Justice40 covered programs in advancing justice will come down to how accessible they are to our communities, and what implementation really looks like on the ground.

Ultimately, the success of the BIL, IRA, and Justice40 covered programs in advancing justice will come down to how accessible they are to our communities, and what implementation really looks like on the ground. We sincerely hope that this Primer helps our readers better grasp the complicated world of federal funding, and that they take advantage of the many wonderful resources and organizations that we have highlighted.