

INFRASTRUCTURE INVESTMENT AND JOBS ACT

A guide to applying for and administering federal infrastructure funding.

OVERVIEW

The Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law (BIL) (P.L. 117-58), at its core is a Surface Transportation Reauthorization Bill. Every five years, Congress pays State Departments of Transportation to maintain surface transportation assets across the nation. BIL was a moderate increase to existing programs and created new programs, including the largest federal investment in broadband, lead service line replacement, and electric vehicle charging.

Federal funding comes in two forms: Formula and Discretionary.

Formula funds are decided by a mathematical formula. Projects funded by formula funds are decided by the State Agency that receives that funding. Discretionary funds are granted to specific projects through competitive grant solicitations. This bill appropriated five years of funds, meaning discretionary programs will be available every year through 2026.

TRANSPORTATION AND TRANSIT

Transportation funds apportioned to the State will flow as they have under the authorization of other surface transportation bills. To receive funding, projects must be a part of the [Statewide Transportation Improvement Program \(STIP\)](#). This begins with counties and Metropolitan Planning Organizations. Local governments should begin by contacting their Metropolitan Planning Organization to better understand the current long-range transportation planning and how to get your project included. **To learn more about Statewide Transportation Funding, contact the [Local Aid Resource Center](#).**

There are three Metropolitan Planning Organizations in New Jersey: [North Jersey Transportation Planning Authority \(NJTPA\)](#) (which serves Bergen, Essex, Hudson, Hunterdon, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, Union, and Warren counties), the Delaware River Valley Regional Planning Commission (DRVRPC) (which serves Mercer, Burlington, Camden, and Gloucester) and [the South Jersey Transportation Planning Organization \(SJTPO\)](#) (which serves Atlantic, Salem, Cumberland, and Cape May). These organizations create Transportation Improvement Programs, which feed into the STIP. This is an ongoing and iterative process. **Federal funds can only be spent on projects that are currently on the STIP, and thus contact with your MPO is the most important first step for a mayoral team looking to fund projects with IIJA money.**

WATER INFRASTRUCTURE

Funds for water infrastructure will be distributed as loans from the Infrastructure Bank and administered as subgrants from the Department of Environmental Protection. This Revolving Loan Fund will help replace New Jersey's dangerous lead service lines. Information can be found at the [DEP Website](#). **To learn more about water funding, contact the [Department of Environmental Protection's Water Team](#).**

BROADBAND EXPANSION

Broadband expansion is handled by the Board of Public Utilities (BPU). In the summer, BPU will begin a stakeholder process as it creates the rollout plan. In the meantime, you can encourage eligible residents to apply for the [Affordable Connectivity Program](#).

DISCRETIONARY GRANTS: ARE THEY THE RIGHT FIT FOR YOUR COMMUNITY?

Discretionary grants are awarded competitively to individual projects and will often help advance the Federal Administration's priorities. There are nearly 100 different grant opportunities authorized under the Infrastructure Investment and Jobs Act, all of which have varying eligibility and goals.

These large pots of funding can complete projects that otherwise would not be achievable for local budgets. However, they can come with administrative requirements that are burdensome to localities and make the grant award not worth pursuing. It's important to consider the following questions before applying for funding:

1. **Is my project on a relevant federal or statewide planning document?** Many federal grants require a level of readiness that are reflected by the project's inclusion in a planning document. Procedures like National Environmental Policy Act (NEPA) review can require projects to undergo thorough environmental impact reviews before they can be approved. This is an expensive administrative hurdle that may or may not be reimbursed by the federal government.
2. **Do I have the budget capacity for a local match?** Most federal grants require a cost-share agreement between the awarding agency and the awardee. Additionally, many federal grants are reimbursed rather than pre-awarded, meaning the awardee must cover the costs of the award at the outset.
3. **Is there a state, local, or non-profit program that matches the requirements of my project better?** In many cases, a State-funded program will be more applicable and manageable for local governments. Some programs are federally funded but managed by the state, which can decrease the burden on local applicants. State programs such as the Local Transportation Projects Fund are often a better fit for local projects. Contact the Department of Transportation's Local Aid Resource Center to find out more.

TECHNICAL ASSISTANCE LINKS AND POINTS OF CONTACT

Overall:

www.nj.gov/iija

Transportation Planning:

NJDOT [Local Aid Resource Center](#)

NJTPA:

www.njtpa.org/iija

[Lois Goldman](#), Director of Long Range Transportation Planning

DVRPC:

www.dvrpc.org/iija

[Sean Greene](#), IJJA Coordinator

SJTPO:

www.sjtpo.org/

[Jennifer Marandino](#), Executive Director and [Taylor Waymire](#), Capital Programming and Project Development.

Water:

LocalGov@nj.dep.gov

WaterBankInfo@dep.nj.gov

Broadband:

Broadband@nj.bpu.gov

Build America Bureau:

<https://www.transportation.gov/buildamerica/>

CHECKLIST FOR FEDERAL GRANT PROGRAMMING (ADAPTED FROM THE USDOT NAVIGATOR):

- ✓ **Familiarize yourself with federal grant opportunities.** All active opportunities can be found on [Grants.gov](https://www.grants.gov). A complete list of grants funded by the Bipartisan Infrastructure Law can be found at [Build.gov](https://www.build.gov). Federal Departments will often list their own grant opportunities on their own websites, along with helpful resources and technical assistance opportunities.
- ✓ **Coordinate Between Agencies and Stakeholders.** Federal grants typically require proof of community engagement to be considered competitive grant opportunities. Ensuring that finance, procurement, planning, and public works departments are in alignment for grant opportunities is key to winning grants and delivering results.
- ✓ **Budget and secure your nonfederal match.** Grants typically require 10-20 percent in matching funds. Securing these funds or commitments early will be key to ensuring that applications can be completed and projects funded competitively.
- ✓ **Ensure your project is on a statewide planning document.** Federally funded projects are typically involved in a planning document. Work with your MPO or another relevant statewide group to get your project approved for this document. These documents include the Statewide Transportation Improvement Program, which is managed by NJDOT and the MPOs.
- ✓ **Ensure that your organization is ready to apply for funding.** There are administrative hurdles to applying for grants. Make sure your organization is registered with Grants.gov and the System for Award Management (SAM) and has a Unique Entity Identifier (UEI). Approval for these systems can take up to a month, so should be a priority for an applicant.
- ✓ **Ensure your application is as competitive as possible.** It costs money to submit a grant application, and you can follow these tips to make your application as competitive as possible. USDOT has highlighted the following as important additional steps to take:
 - **Know your Justice40 Census Tracts.** To ensure that funding under the infrastructure law is equitable, projects that benefit J40 census tracts are given additional consideration. Justice40 Census Tracts can be found [here](#).
 - **Budget for meaningful public engagement.** Because the Biden-Harris administration is looking for grant proposals that are informed and contain public engagement throughout the project delivery phase, budgeting this is key to a competitive application
 - **Build a Strong Workforce Development and Labor Plan.** The Biden-Harris Administration is focused on creating good-paying union jobs. Projects that will support that goal will be more competitive.

UNDERSTANDING THE LIFECYCLE OF A FEDERAL GRANT

Pre-Award Phase (60+ days):

Once Congress has approved funding for a grant award program, the relevant Federal Agency will work out the nuts and bolts of that opportunity, ensuring that it aligns with congressional intention, the goals of the Administration, and the grant's mission. All communications regarding grants will be posted on Grants.gov, listed in the Federal Register, and posted on the relevant agency's site. The grant making agency may choose to gather information from relevant stakeholders through a **Request for Information (RFI)**.

Once the grant is ready, the grant making agency will formally announce through a **Notice of Funding Opportunity (NOFO)** or a **Request for Proposals (RFP)**. This document will lay out the evaluative criteria and the timeline for submissions. Grants can remain open for anywhere from 60 days to multiple years, however the grants funded by the Infrastructure Investment and Jobs Act tend to be open for 60-90 days.

When the application closes, federal agencies screen applications for compliance. If a submission passes this initial screening, the funding agency will begin the review process. This can take time.

Applicant actions during the pre-award phase:

- Make sure the applicant is registered with Grants.gov and any additional registration requirements of the federal grant. This process can take up to a month, so it should be an early priority of an applicant.
- Complete the application. Applications can be lengthy and will require basic information regarding the organization as well as explanations of the proposed work and financial data.
- Secure commitments for any needed match. Most federal grants require a federal match, a split which can range from below 50/50 to as high as 90/10. Sometimes in-kind contributions including labor can be considered matching funds. Some grants have flexibility on the match if it is a rural or historically disadvantaged area that is applying for the funding. Matching information can be found in the NOFO.
- Ensure the project is included in any state plans, as necessary. Some federal agencies will only fund projects that are currently part of long-range state plans. Most of these programs are refreshed and amended throughout the year. Work with the relevant MPO and state agency to ensure compliance.
- Gather local feedback on the project. Many grants have a requirement to conduct some local feedback to ensure that a project has support in that community. Some awards can reimburse costs incurred to gather this input. This information can be found in the NOFO.

Award Phase:

When the federal agency has completed the review process, it will notify the applicants whether or not the project has been selected and begin to work with the applicants to finalize the legal framework for the funding agreement. This **Notice of Award** process will unlock the spending of federal funds. Some grants will give funds upfront while others will reimburse entities for funds expended during the lifespan of the project. The Notice of Award may also list an obligation limitation and a spending limitation: the timeline for which the funds must be obligated and a later date at which point the funds will be spent.

Applicant actions during the award phase:

- Meet all the administrative, financial, and programmatic reporting requirements for the award.
- Complete the NEPA process, ensuring environmental review of the project meets the standards of the federal agency.

Post Award Phase:

During the project, a grants management office at the funding agency will conduct oversight and ensure that the awardee complies with all reporting requirements. This may include audits and on-site visits. Following expenditure and

completion of the project, the federal agency will review the final financial and technical reports, complete the **Closeout** requirements, and bring the grant lifecycle to an end.

Applicant actions during the Post Award Phase:

- Applicants will conduct two types of reporting: **Financial** and **Programmatic**. These reports will provide information about financial status and program performance.
- Applicants are required to comply with all audit requests made pertaining to the grant.

CLOSING

The Infrastructure Investment and Jobs Act is a sprawling bill with many competing priorities and programs. This guide has attempted to simplify the process of receiving federal funding to help municipalities maximize their grants wins, whether that is from federal or state sources. Do not hesitate to reach out to the IIJA team at IIJA@nj.gov with any additional questions you may have. We look forward to working with you.