



MEMORANDUM

To: Sustainable Strategies DC Clients & Associates
From: Sarah Marin, Associate & Client Services Manager
Date: March 31, 2021
Subject: President Biden's American Jobs Plan

This memorandum provides an overview of President Joe Biden's American Jobs Plan Proposal and outlines the key issues within the proposal most relevant to local governments.

On March 31, President Joe Biden released his ambitious plan to rebuild and modernize the nation's infrastructure. This roughly \$2.25 trillion plan, titled the [American Jobs Plan](#), calls for investments in roads, bridges and water systems, the electric grid, internet, quality housing, research and development, clean energy jobs, manufacturing, and more. This infrastructure spending plan is the first of a two-part proposal to help the nation's economy rebuild from the coronavirus pandemic, and shape the economic for long-term prosperity. The second part of the proposed stimulus, which will focus on education and childcare, is expected to be announced in the coming weeks. The President has proposed that the first, American Jobs Plan portion of the stimulus to be largely paid for, from revenues over 10 years from a reversal of some of the Trump tax cuts including for corporations and wealthy individuals, and by taxes on companies that offshore business and monies.

The President has asked Congress to pass the American Jobs Plan by mid-summer 2021. Sustainable Strategies DC expects that there will be much debate over this legislation in the coming weeks and months and this plan is by no means certain; however, we believe that this package will provide tremendous resources to support local government economic recovery, infrastructure development, and growth opportunities. As Congress begins to discuss the American Jobs Plan it will be critical that local governments advocate regarding the need for this legislation to your Members of Congress, and to ask for bipartisan support.

It is also important to note that Congress could earmark funding from this infrastructure package to priority local development and infrastructure projects within home districts. Sustainable Strategies DC remains ready to support you in advocating for the overall Jobs Plan package, and support your community projects. We will be working with our retainer clients to shape their projects to be fundable and competitive for these potential resources, and we will likely be holding one or more national webcasts explaining the Jobs Plan and its trek through Congress, in the coming weeks and months.

Key takeaways from the American Jobs Plan include the following proposed programs, generally proposed to be funded over the coming five years:

\$621 billion in Transportation Investments: The plan calls for \$621 billion in spending over five years to repair roads and bridges, modernize public transit, invest in reliable passenger and freight rail service, create jobs in the production of electric vehicles, improve ports, waterways, and airports, and redress historic inequities caused by previous infrastructure deployments. This includes:

- \$115 billion to modernize over 20,000 miles of bridges, highways, roads, and main streets that are in most critical need of repair.
- \$20 billion to improve road safety for all users, including increases to existing safety programs and a new “Safe Streets for All” program to fund state and local “vision zero” plans and other improvements to reduce crashes and fatalities, especially for cyclists and pedestrians.
- \$85 billion to modernize existing transit and help agencies expand their systems to meet rider demand.
- \$80 billion to address Amtrak’s repair backlog; modernize the high traffic Northeast Corridor; improve existing corridors and connect new city pairs, and enhance grant and loan programs that support passenger and freight rail safety, efficiency, and electrification.
- \$174 billion to improve electric vehicle sales and infrastructure including improving domestic supply chains, point of sales rebates and tax incentives, and grant and incentive programs for state and local governments and the private sector to build a national network of EV chargers by 2030.
- \$25 billion in airport investments, including funding for the Airport Improvement Program, upgrades to FAA assets that ensure safe and efficient air travel, and a new program to support terminal renovations and multimodal connections for affordable, convenient, car-free access to air travel.
- \$17 billion in inland waterways, coastal ports, land ports of entry, and ferries including a “Healthy Ports” program to mitigate the cumulative impacts of air pollution on neighborhoods near ports.
- \$20 billion for a new program that will reconnect neighborhoods cut off by historic infrastructure deployments, and ensure new projects increase opportunity, advance racial equity and environmental justice, and promote affordable access.
- \$25 billion in planning funds to support ambitious “shovel-worthy” projects that have tangible benefits to the regional or national economy but are too large or complex for existing funding programs.

\$50 billion to Improve Infrastructure Resilience: President Biden is proposing \$50 billion in dedicated investments to improve electric grids; food systems; urban infrastructure; community health and hospitals; and for resilience improvements for roads, rail, and other transportation assets. Investments will support a range of programs including FEMA’s Building Resilient Infrastructure and Communities (BRIC) program, HUD’s Community Development Block Grant program, new initiatives at the Department of Transportation, a bipartisan tax credit to provide incentives to low- and middle-income families and to small businesses to invest in disaster resilience, and transition and relocation assistance to support community-led transitions for the most vulnerable tribal communities. This will also include investments to protect and restore nature-based infrastructure to protect these areas from extreme wildfires, sea-level rise and hurricanes, and drought.

\$111 billion in Clean, Safe Water Systems: President Biden proposes \$111 billion in investments to improve water infrastructure including \$45 billion to eliminate all lead pipes and service lines

in the country through the Environmental Protection Agency's Drinking Water State Revolving Fund and through "Water Infrastructure Improvements for the Nation" Act (WIIN) grants. This also includes \$56 billion in grants and low-cost flexible loans to states, tribes, territories, and disadvantaged communities to upgrade and modernize drinking water, wastewater, and stormwater systems.

\$100 billion in Digital Infrastructure: The American Jobs Plan includes \$100 billion to bring affordable, reliable, high-speed broadband to every American. This includes investments to reach 100% high-speed broadband coverage by prioritizing local government, nonprofit and cooperative broadband providers. This plan also aims to reduce the cost of broadband internet service, increase adoption in both rural and urban areas, hold providers accountable, and save taxpayer money.

\$100 billion in Power Infrastructure: The President's plan aims to create a more resilient grid, lower energy bills, improve air quality and public health outcomes, create jobs, and put America on the path to achieving 100% carbon-free electricity by 2035. This includes:

- \$16 billion to plug oil and gas wells and restore and reclaim abandoned coal, hardrock, and uranium mines.
- \$5 billion investment in the remediation and redevelopment of industrial and energy Brownfields and Superfund sites.
- \$10 billion to mobilize the next generation of conservation and resilience workers to conserve our public lands and waters, bolster community resilience, and advance environmental justice through a new Civilian Climate Corps.
- The establishment of a new Grid Deployment Authority at the Department of Energy that allows for better leverage of existing rights-of-way and supports creative financing tools to spur additional high priority, high-voltage transmission lines.
- A ten-year extension and phase down of an expanded direct-pay investment tax credit and production tax credit for clean energy generation and storage.
- The establishment of an Energy Efficiency and Clean Electricity Standard (EECES) aimed at cutting electricity bills and electricity pollution, increasing competition in the market, incentivizing more efficient use of existing infrastructure, and continuing to leverage carbon pollution-free energy.
- The reformation and expansion of the bipartisan Section 45Q tax credit to the program direct pay and easier to use for hard-to-decarbonize industrial applications, direct air capture, and retrofits of existing power plants.

\$213 billion in Housing Infrastructure: Biden's plan proposes to invest \$213 billion to produce, preserve, and retrofit more than 2 million affordable and sustainable homes. Through targeted tax credits, formula funding, grants, and project-based rental assistance, President Biden's plan will extend affordable housing rental opportunities to underserved communities nationwide, including rural and tribal areas. In addition, this plan proposes to offer \$20 billion worth of Neighborhood Homes Investment Act (NHIA) tax credits over the next five years to build or rehabilitate homes, \$40 billion to improve the infrastructure of the public housing system, and \$27 billion to establish a Clean Energy and Sustainability Accelerator to mobilize private investment into distributed energy sources; retrofits of residential, commercial and municipal buildings, and clean transportation.

\$100 billion in Public School Infrastructure: The plan proposes to invest \$100 billion to upgrade and build new public schools, through \$50 billion in direct grants and an additional \$50 billion leveraged through bonds. Funds will be used to make schools safe and healthy places of learning

for children and work for teachers and build technology and labs that will help educators prepare students to be productive workers and valued students. Funds also will be provided to improve school kitchens, so they can be used to better prepare nutritious meals for students and go green by reducing or eliminating the use of paper plates and other disposable materials.

\$12 billion for Community Colleges: The American Jobs Plan includes \$12 billion to address the needs of community colleges including investments in community college facilities and technologies. States will be responsible for using the dollars to address both existing physical and technological infrastructure needs at community colleges and identifying strategies to address access to community college in education deserts.

\$25 billion in Child Care Facilities: Biden's plan proposes \$25 billion to help upgrade child care facilities and increase the supply of child care in areas that need it most. Funding would be provided through a Child Care Growth and Innovation Fund for states to build a supply of infant and toddler care in high-need areas. Employers will also receive 50% of the first \$1 million of construction costs per facility so that employees can enjoy the peace of mind and convenience that comes with on-site child care.

\$20 billion in a Community Revitalization Fund: The plan proposes to invest \$20 billion in regional innovation hubs and a Community Revitalization Fund. The Community Revitalization Fund will support innovative, community-led redevelopment projects that can spark new economic activity, provide services and amenities, build community wealth, and close the current gaps in access to the innovation economy for communities of color and rural communities that have suffered from years of disinvestment.

\$31 billion in Small Business Incubators & Innovation Hubs: The plan proposes to invest \$31 billion in programs that give small businesses access to credit, venture capital, and R&D dollars. The proposal includes funding for community-based small business incubators and innovation hubs to support the growth of entrepreneurship in communities of color and underserved communities.

\$5 billion for a Rural Partnership Program: The American Jobs Plan calls for \$5 billion for a new Rural Partnership Program to help rural regions, including Tribal Nations, build on their unique assets and realize their vision for inclusive community and economic development. This program will empower rural regions by supporting locally-led planning and capacity building efforts, and providing flexible funding to meet critical needs.

\$100 billion for Workforce Development: President Biden's plan proposes \$100 billion in proven workforce development programs targeted at underserved groups and getting students on the path to careers before they graduate from high school. This includes \$40 billion in a new Dislocated Workers Program and sector-based training, \$12 billion in targeted workforce development opportunities for underserved communities, and \$48 billion in workforce development infrastructure and worker protection.

Please contact Sarah Marin at 202.308.7125 with any questions.