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HOW STATE AND LOCAL LEADERS CAN HARNESS NEW INFRASTRUCTURE FUNDING TO BUILD A STRONGER, MORE INCLUSIVE WORKFORCE

EXECUTIVE SUMMARY

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Read the [full report:](#) "How state and local leaders can harness new infrastructure funding to build a stronger, more inclusive workforce."

The U.S. currently faces a once-in-a-generation window to invest in infrastructure and expand economic opportunity. With the Infrastructure Investment and Jobs Act (IIJA) of 2021, the federal government directed unprecedented levels of funding to improve the country's transportation, water, energy, and broadband systems, in addition to addressing a variety of climate needs. Now, attention shifts to state and local leaders, who hold the most control over how infrastructure projects will ultimately be planned, designed, and implemented.

Whether they realize it or not, a key task for these leaders is to ensure that when infrastructure jobs open up, there will be workers ready to fill them. The infrastructure field has long faced challenges in finding and retaining workers, and it does not have a strong track record of inclusion and diversity. If state and local leaders act strategically, they can harness IIJA funding to make both short- and long-term investments in the next generation of infrastructure talent. But if leaders and employers continue to treat recruitment, hiring, and training practices as an afterthought, the country will likely miss out on this legislation's transformative potential to drive inclusive growth, make a just climate transition, and spur innovation and global competitiveness.

The Brookings Federal Infrastructure Hub estimates that the IIJA will fund $864 billion in spending over five years. The law authorizes 400-plus programs across multiple federal agencies that channel funds to various state and local entities, and these programs have varying guidelines, timelines, and eligibility requirements. Congress did not directly channel any IIJA funding into the public workforce development system, nor does the legislation provide much explicit funding dedicated to workforce activities. Rather, workforce activities are allowable or embedded within a subset of the IIJA's multitude of programs. In practical terms, this makes it more difficult for state and local leaders to clearly identify which federal infrastructure funding is available to support workforce investments—which in turn could make it less likely they will prioritize workforce development and integrate it into infrastructure plans and projects.

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The IIJA's sheer size and complexity pose real challenges around implementation. The state and local leaders making decisions about infrastructure projects and investments are often not familiar with existing education and workforce assets that can support more strategic recruitment, training, and retention activities, while local and state workforce programs may not know how to focus their outreach and partnership efforts. This report attempts to fill these knowledge gaps by equipping state and local leaders with more information and guidance on how to use expanded federal infrastructure funding to invest strategically in workforce development activities. We conducted an extensive analysis of the law and found that:

- **Overall, the IIJA offers state and local leaders a high level of discretion on whether and how they incorporate workforce development activities into infrastructure investments.** This is both an opportunity and a challenge. It allows for creativity and flexibility to reach more and different types of workers, but also requires leaders to overcome the inertia of status quo practices that do not typically prioritize strategic investments in workforce development.

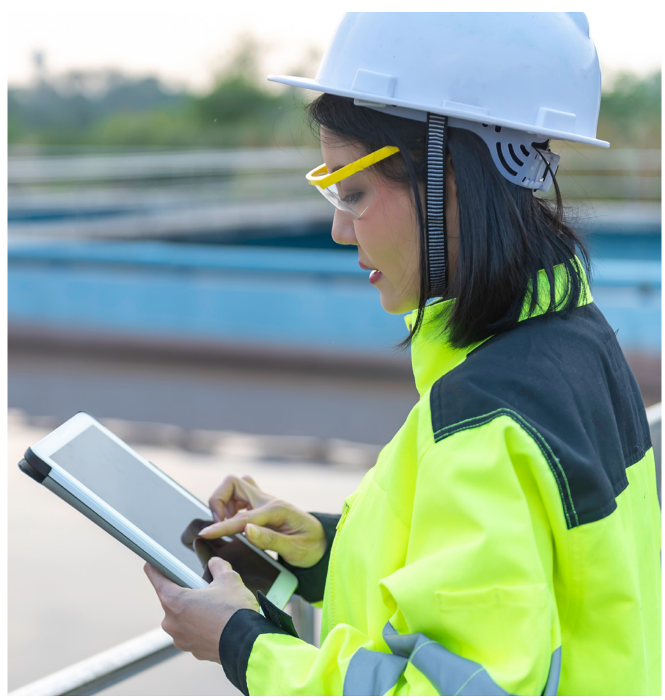
- **Out of the IIJA's 400-plus programs, we identified 72 that emphasize or allow workforce development, totaling $490 billion.** Most of that $490 billion will not go to workforce development activities, but even a small share would be a sizable amount. State and local leaders ultimately have a great deal of control to shape the amount of funding and types of activities that are directed toward workforce development. Only six of the 72 programs (totaling $281 million, or less than 1% of the funding we identified) solely focus on workforce activities such as recruitment and training.

- **More than 70% of the funding allowing workforce development activities will flow through the Department of Transportation (DOT).** Other agencies that received significant funding for programs that emphasize or allow workforce activities include the Environmental Protection Agency (EPA), the Department of Commerce (DOC), and the Department of Energy (DOE).

- **Most of the funding we identified (79%) will go directly to states through formula programs, which means that state agencies such as transportation and energy departments are key actors.** Because formula programs represent so much money, they are a major lever to improve recruiting, hiring, and training practices. However, integrating workforce activities into formula programs may be challenging; agencies administering them have well-established processes and priorities in place, and they typically have not considered workforce development a primary consideration. This is especially true for highway formula programs, which include some of the largest pots of money that allow workforce development activities. If governors, mayors, county executives, and agency directors do not provide clear and consistent direction that investing in the infrastructure workforce is a top priority, it is likely to be overlooked.

- **A smaller but still sizable share of federal dollars (21%) will be disbursed through competitive programs, in which state and local entities apply for funds based on specific criteria.** These offer possibilities for additional collaboration and workforce development activities outside the confines of formula programs. Federal agency officials have much greater leeway to specify requirements and select awards within competitive programs—including the range of eligible state and local entities—compared to the more rigid requirements and narrower list of entities within formula programs.

Building off this analysis, we share a set of action items to guide planning and strategy development. To maximize the IIJA's impact, state and local leaders must shift from short-term, business-as-usual approaches and instead focus on longer-term strategies to boost inclusive economic development and greater opportunities for workers. Just because the IIJA allows states and local areas the flexibility to invest in workforce development activities does not mean it will be used for that purpose or guarantee better outcomes for workers and employers. This could lead to delays, increased costs, and inequitable employment outcomes down the line. Infrastructure agencies and employers need to collaborate more closely with existing workforce and education partners rather than create new programs from scratch, especially if they want to enhance their capacity in outreach, support services, reskilling, and retention.



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