

WHAT'S IN IT FOR RURAL?

ANALYZING THE OPPORTUNITIES FOR RURAL AMERICA IN IJJA, CHIPS, AND IRA

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By passing the Infrastructure Investment and Jobs Act (IJJA), the CHIPS and Science Act (CHIPS), and the Inflation Reduction Act (IRA), the 117th Congress approved over a trillion dollars in immediate appropriations and nearly \$600 billion more in authorizations to invest in infrastructure, clean energy, climate resilience, and industrial policy.

This analysis identified programs specifically relevant to rural community and economic development, based on three key classifications:

- **Rural Exclusive:** The funding is available only to rural communities.
- **Rural Stipulated:** The authorizing, appropriating, or Notice of Funding Opportunity (NOFO) language stipulates a set-aside, minimum inclusion requirement, or a priority consideration for rural communities.
- **Rural Relevant:** The geographic distribution of the program is anticipated to be disproportionately rural, or the program objective addresses an issue of significant importance to rural places, as they may be disproportionately affected.

We use “rural-significant” to denote the combination of these classifications. Our monetary baseline is based on appropriations made in each law. The opportunity and impact may greatly exceed this amount when considering congressionally funded authorizations, direct-to-consumer benefits, and tax credits.

SELECTED TAKEAWAYS

- More than \$464 billion, or about 45% of the combined appropriations, presents a significant opportunity for rural America to advance their community and economic development.
- An estimated \$24 billion, or 2% of the combined appropriations, is exclusively for rural places.
- The Department of Transportation (DOT), Environmental Protection Agency, and Department of Commerce combine for almost three-quarters of the rural-significant appropriations. The majority of the appropriations exclusive to rural will be distributed by USDA (59%), followed by DOT (33%), Department of the Interior (4%), and Department of Energy (4%).
- There are 66 new rural-significant programs receiving appropriations, adding to an ecosystem that earlier estimates put at more than 400 programs.
- More than 50% of rural-significant programs require or prefer matching funds.
- Almost 95% of the rural-exclusive funds are being distributed through programs that require or prefer a match.

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- Less than a third of the combined rural-exclusive and rural-stipulated programs offer waivers or flexibility to the implementing agency to reduce the match requirement.
- By mid-October 2023, close to one-quarter of the rural-significant programs that were appropriated funds in the laws had already fully allocated their funding.
- State governments will decide how to spend the funds for over half of the rural-significant resources appropriated in the three laws.
- About 85% of the appropriated rural-significant programs are grant-only, with an additional 7% offering a combination of loans or grants, good news for rural places that are fiscally constrained from taking on more debt.
- Of the rural-significant programs, 43% are part of Justice40, offering an additional entry point for many rural communities.

RECOMMENDATIONS FOR FEDERAL POLICYMAKERS

- Ensure transparent, accessible, and timely reporting of funds and the location of their intended impact.
- Review the applicability and use of match requirements.
- Expand resources for capacity and technical assistance.

The opportunities in the IIJA, CHIPS, and IRA to support and strengthen rural communities are significant, yet almost all of these resources are just that: opportunities. Only a small fraction of the resources appropriated in the combined laws were exclusively set aside for rural places. The extent to which rural communities are able to take advantage of these opportunities will depend in part on the sensitivity of federal agencies to the specific and unique constraints of rural places, which are generally governed by volunteer elected officials and have limited staff. This will be especially important in reaching the most marginalized and vulnerable rural places and turning this baseline of opportunity into reality.

** This report utilizes data from the Rural-Relevant IIJA CHIPS IRA Funding Database, created by the authors. The database is available for [download](#) with methodology located [here](#). The full online report is available [here](#).*

Visit the [Reimagine Rural Policy initiative](#) at Brookings to access additional insights and analysis on improving the effectiveness, coherence, and relevance of U.S. federal rural policy.

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