



# MAKING INROADS

## Infrastructure Funds Coming to Indiana

By Matt Ottinger

The Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law, was enacted two years ago. Its amended version included approximately \$1.2 trillion in spending, with \$550 billion being newly authorized spending on top of what Congress was planning to authorize.

Despite its moniker, it was passed largely with support of Democrats in Congress. And while Senate Majority Leader Mitch McConnell (R-Kentucky) did support the measure, most Senate Republicans did not. Indiana's Republican Senators Mike Braun and Todd Young, for instance, ultimately voted against.

"The (IIJA) drew more support from Democrats not only because of its substantial price tag, but also due to major climate

change provisions," explains David Ober, Indiana Chamber vice president of taxation and public finance. "While we understand the reservations of some, the Chamber believes that a long-term investment in our infrastructure can lead to positive outcomes, even when balanced against the costs."

### Improving Indiana

When asked how Indiana can maximize leverage from incoming funds, Ober lays out the Hoosier state's points of emphasis.

"Indiana stands to benefit greatly, especially in areas like transportation, broadband connectivity and water infrastructure," he submits. "Given our state's interconnectedness via major air, road and waterways, reinforcing our infrastructure through further investment will undoubtedly bolster our reputation as the Crossroads of America."

Ober points out that infrastructure enhancements will have a direct impact on the state's business community as well.

"Improved infrastructure directly supports a more robust business environment," he states. "Better roads improve logistics and enhanced broadband connectivity aids in the expansion of technology and service industries."

"Overall, the business community stands to benefit through increased efficiency, potential growth and the ability to attract new enterprises to Indiana," Ober adds.

The White House announced that as of August, more than 200 specific projects had been identified for funding in Indiana. On the transportation front, the administration notes that 1,040 Indiana bridges and over 4,118 miles of the state's highways were classified as being in poor condition.

The Indiana Department of Transportation (INDOT) made a presentation to the state Legislature's Funding Indiana's Roads for a Stronger, Safer Tomorrow (FIRSST) Task Force in late September. INDOT mentioned that while the IIJA increased its federal funding, the increases have not kept up with

inflation. Officials shared that departments of transportation across the country had hoped the law would allow them to expand their programs, but increasing costs are forcing states to instead help sustain the level of existing programs.

Regardless, the state hopes to maximize the impact. Based on formula funding alone, Indiana is expected to receive nearly \$7 billion over five years in federal funding for highways and bridges. To clarify, some incoming funds are formula-driven, while some are competitive.

“The competitive nature of other funds means Indiana must actively identify state and local projects that align with the goals of the IIJA,” Ober asserts. “With our strategic location and transportation significance, our state should be in a strong position to compete for these funds.”

To date, \$2.8 billion has been announced in Indiana for roads, bridges, roadway safety and major projects. This includes \$2.6 billion in highway formula funding, \$149.1 million in dedicated formula funding for bridges and \$81 million through the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) program (in 2022 and 2023).

### Water watch

Water access and quality have long been emphases for the Indiana Chamber – now more than ever as the organization prepares to update its 2014 study on water supply and economic development. Greg Ellis, the Indiana Chamber’s vice president of energy, environmental affairs and federal relations asserts, “Safe, affordable and reliable water supplies are critical for the health, safety and economic development of the state.”

The White House calls the IIJA “the largest investment in clean drinking water in American history” and notes it’s the first-ever dedicated federal funding to replace lead service lines and address dangerous PFAS chemicals – also known as “forever chemicals.”

Thus far, \$298 million has been announced for fiscal years 2022 and 2023 to provide clean and safe water across the state through the Environmental Protection Agency. Of this funding, \$108.5 million is dedicated to lead pipe and service line replacement, with another \$63.6 million for safe drinking water investments that can also support lead pipe replacement.

Also, on the water front, the IIJA supports strengthening Indiana’s supply chains, addressing maintenance backlogs and reducing congestion and emissions near ports. Thus far, Indiana has received roughly \$8 million for ports and waterways.

### Broad appeal

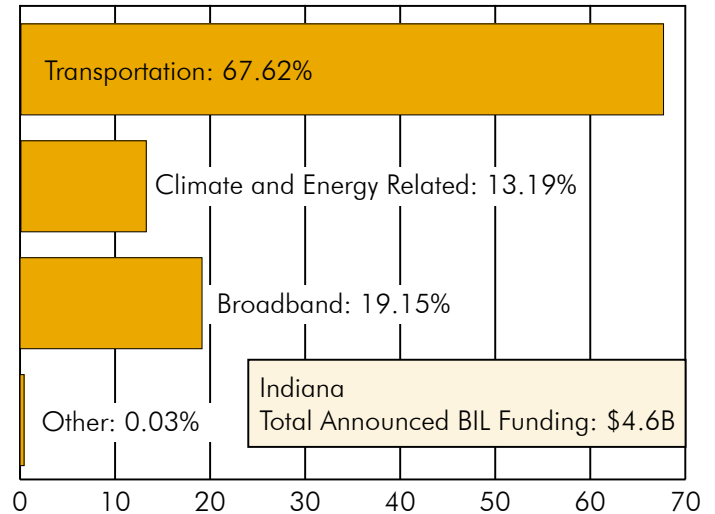
Expanding broadband access is a common goal among many stakeholders across the state, including the Indiana Chamber. The Bipartisan Infrastructure Law invests \$65 billion to provide affordable, high-speed internet to everyone in America, and the Biden administration asserts that over 200,000 homes and small businesses in Indiana do not have access to high-speed internet infrastructure.

To combat this, Indiana had received north of \$868 million as of August through the Broadband Equity, Access and Deployment Program (BEAD) to provide access to high-speed internet to everyone in Indiana.

Indiana also received \$11.7 million in funding to expand “middle mile infrastructure” – defined as broadband that does not connect to an end user but bridges the gap between where information is stored and local networks. In addition, about 376,000 households in Indiana are enrolled in the Affordable Connectivity Program, according to Indiana Broadband (a division of the state government).

“It’s been estimated that as many as one million households may be eligible to enroll in the program,” Ober shares.

### Percent of Funding per Bipartisan Infrastructure Law (BIL) Category



### Increase in Core Federal Transportation Funding Compared to FY 2021

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
INDOT	\$156 M	\$175 M	\$194 M	\$213 M	\$233 M
Locals	\$52 M	\$58 M	\$64 M	\$71 M	\$77 M

Indiana Department of Transportation

### The down and not so dirty

Among other infusions of money are those in the clean energy space, which encompasses more than \$10 billion for “clean” public transit and school buses. (This includes a \$5 billion investment over the next five years to replace existing school buses with zero-emission and low-emission models.)

Furthermore, other allocations to Indiana in 2022 and 2023 include: \$36 million to build out a network of electric vehicle chargers across the state; over \$121 million for clean energy, energy efficiency and power; more than \$53 million for capping orphaned oil and gas wells and reclaiming abandoned mine land; and \$26.4 million-plus has been designated to clean up brownfield sites.

Ober points out that, broadly, while the goal is to have equitable distribution of funds across the state, regions with more pressing infrastructure needs or those with larger economic potential might see more immediate benefits.

“Areas like central Indiana and the state’s industrial northwest, given their extensive infrastructure networks, might experience more immediate impacts,” he anticipates.

“Additionally, these infrastructure investments can speed efforts to develop new and existing corridors to better connect communities in our state.”

Implementation will be key to maximizing the benefits of incoming funds. One major challenge, according to Ober, is ensuring that funding is used promptly and efficiently. Coordinating among different agencies, navigating bureaucratic hurdles and striking a balance between immediate needs and long-term planning will require foresight.

“Proper oversight, judicious allocation and a focus on projects with the highest return on investment will be key to ensuring Indiana maximizes the benefits of the IIJA,” Ober concludes.

**RESOURCE:** David Ober, Indiana Chamber of Commerce, at [www.indianachamber.com](http://www.indianachamber.com).