

TOP 10 BGA PRIORITIES IN THE BUILD BACK BETTER ACT

February 2022

Building back better is America's path toward a clean, prosperous, and equitable future. We need a recovery **For America**, **By America**, that addresses the intersecting crises of climate change, income inequality, and racial injustice while creating high-quality, good-paying jobs, and delivering a more equitable and cleaner economy.

Voters do not want to wait. In six key states (MI, MN, OH, PA, WV, and WI), Democratic, Republican, and independent voters overwhelmingly (90%) said repairing and modernizing the nation's physical infrastructure, rebuilding and retooling American manufacturing, and modernizing our factories to build products and technology in the United States is very or fairly important to them.¹ These voters also placed a high priority on strengthening America's social infrastructure, public services, and human service workforce (84%). Increasing the production of clean energy and investing in innovative clean technologies was widely supported (72%).

The time to act is now. The bipartisan deal is a start, not the end, of what we need to build back better. Congress must act boldly and invest in America to build a clean, prosperous, and equitable economy.

KEY INVESTMENTS IN THE BUILD BACK BETTER ACT

- 1. Clean Energy Projects that Deliver Good Jobs: We need strong investment in the clean energy economy in order to reach net zero carbon emissions by 2050. These federal investments must also support high-quality, union jobs while also accomplishing our climate goals. The Build Back Better Act (BBBA) provides \$320 billion for clean energy projects built with high-road labor standards and domestic content, specifically through clean energy and EV tax credits with labor standards and domestic content, in order to achieve our climate and economic recovery goals. The bill also makes these credits temporarily refundable, which is important to ensure companies can fully take advantage and lower income consumers can fully gain the benefits of these credits.
- 2. Manufacturing & Industrial Transformation: The Build Back Better Act also makes a major investment in modernizing our energy-intensive industrial sector, including

¹ BlueGreen Alliance, Voters Across Six Key States Support Investments in Infrastructure, Manufacturing, Clean Energy, and Care Economy to Rebuild Economy, May 21, 2021. Available online: https://www.bluegreenalliance.org/survey

\$4 billion for widespread deployment of industrial efficiency and emissions reduction projects at energy-intensive industrial facilities. It also includes \$250 million for a grant program to support small and medium-sized manufacturers to develop environmental product declarations.

The inclusion of robust clean technology manufacturing provisions will also be critical to securing and creating good manufacturing jobs in the United States. BBBA includes \$25 billion for the 48C tax credit for targeted clean technology manufacturing and industrial emissions reduction, \$3 billion for the Advanced Technology Vehicles Manufacturing (ATVM) loan program, and establishes new manufacturing production tax credits to fill critical clean technology supply chain gaps and for urgently needed manufacturing conversion grants to reopen, retool, and expand existing factories to build the clean vehicle technology of the future. For more information, see our Manufacturing and Industrial Factsheet.

- 3. Water: In the BBBA, Congress helps address the \$45 billion in funding needed to replace every lead service line in the U.S. The Bipartisan Infrastructure Law (BIL)—formerly known as the Infrastructure Investment and Jobs Act (IIJA)—provided \$15 billion, the BBBA provides an additional \$10 billion. The \$25 billion for lead service line replacement in both the BIL and BBBA would result in 131,250 direct, 84,500 indirect, and 118,750 induced jobs, a total of 334,500 jobs over 10 years. BBBA also includes a number of other water provisions, including \$125 million for alternative water source projects, \$1.85 billion for combined sewer overflow (CSO)/stormwater reuse grants, \$150 million for low-income decentralized wastewater grants, \$97 million for rural water and wastewater grants, and \$225 million for permanent low-income water assistance program at EPA. Additional water infrastructure investments will boost our economy andcreate and sustain thousands of jobs, while ensuring communities have safe water and water systems resilient to climate change.
- **4. Schools and Buildings:** The BBBA includes \$500 million for energy efficiency, resiliency, and renewable energy upgrades for MUSH and other public and non-profit buildings. These investments—combined with building retrofit investments from the BIL—would result in 19,687 direct, 12,675 indirect, and 17,812 induced jobs, a total of 50,174 jobs over 10 years. These totals assume federal investments cover 20% of the project costs, with local and private spending

making up the rest.² The BBBA also includes funding for residential buildings, largely to improve energy efficiency, safety, and affordability. For example, it includes \$12 billion for in-home retrofits and electrification rebates, \$27.75 billion in tax credits for residential energy efficiency, and \$150 billion for affordable housing. It also includes \$750 million to retrofit federal buildings and \$525 million in investments to upgrade building codes. Unfortunately, the final bill dropped an important provision to fund \$130 billion over 10 years for school retrofits, consistent with the Reopen and Rebuild America's Schools Act (RRASA).

- transition is well underway, but a transition that is fair for workers and communities isn't something that will happen organically. Prioritizing and targeting federal resources to workers and communities in places impacted by this shift must be a deliberate choice. The BBBA includes major investments in workers and communities experiencing the economic impacts of energy transition, including over \$15 billion in economic development, growing renewable energy and energy efficiency in impacted communities, and targeting new jobs to dislocated workers. This includes significant funding to the Economic Development Administration, DOE, and USDA. Additionally, the BBBA extends the black lung excise tax to maintain the funding that provides critical benefits to miners and families. These investments are crucial to support workers and communities who have borne and will continue to bear the brunt of job loss in this energy transition. A critical element was dropped from the bill to provide support to dislocated energy workers. For more information, see our Workers and Communities Factsheet.
- 6. Care Economy: The BBBA contains \$130 million in grant funding for states to create Home and Community Based Services (HCBS) Improvement Plans to strengthen the HCBS workforce and assess availability and barriers to accessing home and community-based services, including a description of direct care workforce wages, benefits, and turnover rates. The BBBA would also provide a permanent 6% point increase in federal Medicaid funding for HCBS to states that implement an HCBS Improvement Plan. In addition, the BBBA includes \$1 billion for a new grant program that would provide direct care workers with competitive wages, benefits, education, training, and supportive services such as transportation, child care, dependent care, and workplace accommodations. The bill also provides \$2 billion in Health Center Capital Grants, \$7 billion in Public

² This is based on the Energy Savings Performance Contracts model that leverages federal dollars; every \$1 of federal investment generates, at minimum, \$4 of additional investment.

Health Preparedness Grants, \$778 million to the Pathways to Health Careers program, and \$1.3 billion for Public Health and Preparedness R&D.

- 7. Community and Worker Resilience: The BBBA includes \$145 million for FEMA's Building Resilient Infrastructure and Communities (BRIC) program and \$6 billion over five years in NOAA grants to increase climate resilience in coastal communities. It also contains an investment of \$30 billion for a reinvigorated Civilian Climate Corps to work on projects building climate resilience, ensuring partnerships with unions, labor representation, and strong protections against private and public sector job displacement. The \$36.145 billion investment in FEMA, NOAA, and CCC programs in the BBBA would result in an additional 266,389 direct, 124,339 indirect, and 212,171 induced jobs, a total of 602,899 jobs over 10 years.
- 8. Transportation: While transit funding received a significant investment of \$39 billion in the BIL, more is needed to meet the current backlog in transit needs. The BBBA contains an additional \$10 billion in supplemental funding for transit needs in communities, \$10 billion for rail service, and an additional \$4 billion for a pilot program to support reconnecting communities. These investments will continue to spur regional economic development and create good jobs in operations and American transit manufacturing.³ The bill also revamps the Electric Vehicle Tax Credit EV bonus tax credit to speed the deployment of electric vehicles while securing a high standard of wages by incentivizing the purchase of domestically manufactured and union-made electric vehicles. Additionally, the BBBA includes the 30C EV charging tax credit, which supports the build-out of a nationwide EV charging infrastructure through a private sector incentive. Finally, the \$3 billion in Heavy Duty Vehicle Electrification Grants would accelerate the deployment of zero emissions vehicles.
- 9. **Energy Infrastructure:** The IIJA included only \$2.5 billion for transmission build out, which is far below what is needed to build and upkeep new and existing lines. The BBBA helps address that inadequacy, providing an additional \$2 billion dollars to update and modernize our transmission infrastructure—leveraging \$2 billion private for \$4 billion total—which would create 24,680 direct, 8,120 indirect, and 18,760 induced jobs, a total of 52,000 jobs over the next 10 years. Coupled with the \$2.5 billion in the IIJA that total increases to 55,530 direct, 18,270 indirect, and 42,210 induced jobs-years, a total of 117,000 job-years. The BBBA contains

³ BlueGreen Alliance, "Visualizing the Clean Economy: The Transit and Rail Sector," Interactive mapping and data available at: https://www.bgafoundation.org/programs/transit-and-rail-manufacturing-database/

4

- another \$800 million in grants to facilitate the siting of interstate transmission lines, and \$100 million for offshore wind project planning.
- 10. **Protecting Workers' Rights:** The BBBA contains an important provision, similar to provisions in the PRO Act, authorizing civil monetary penalties for employers that violate existing labor practice under the National Labor Relations Act. Penalties are up to \$50,000 for each violation and can be doubled up to \$100,000 for any violation resulting in termination and serious economic harm, and where the employer has previously committed such violation in the preceding five years.

BUILDING BACK BETTER JOBS

All spending under the Build Back Better agenda should include labor standards, domestic content requirements, community benefit standards, and a commitment to directing at least 40% of investments to disadvantaged communities. This should include prevailing wage and Buy America standards as well as protections for organized labor, similar to the PRO Act, to ensure working people have opportunities for high-quality jobs. This includes restoring and enhancing tax deduction for union dues, reducing worker misclassification, and establishing civil penalties for unfair labor practices.