



## NAVIGATING THE INTRICACIES OF FEDERAL FUNDING – HOW TO MASTER THE APPLICATION PROCESS

With the introduction of the American Rescue Plan Act (ARPA) funding and the Bipartisan Infrastructure Law (BIL), federal investment in infrastructure is the highest it has been in decades. This is especially important now when municipalities are facing challenges due to aging infrastructure, population growth and greater impacts from storms.

While billions of dollars are available, the competition is fierce and municipalities seeking funding are finding that navigating the intricacies of the application process can be daunting and time consuming.

**So, what are the reviewing agencies looking for in a high-ranking funding application?**

CTI recently added two engineers to the team with specialized expertise and training in State Revolving Funds (SRF) who have experience evaluating funding applications from the State side.

Their advice for mastering the application process comes down to strategic planning.

### Strategic Planning

The success of the infrastructure improvement movement, while federally funded, will be determined at the state and local level. Communities who are organized, deliberate and purposeful in their planning efforts have the potential to be more economically resilient and environmentally conscious.

Most municipalities have a general list of projects on their “to-do” lists. However, the new infrastructure funding available may not necessarily apply to those projects. In addition, the funding as part of the BIL must be allocated by 2026, giving a tight deadline to accomplish projects that typically take years to get from planning through to construction.

Strategic planning is going to help refine those to-do lists into a priority ranking of well-qualified projects with the BIL and ARPA requirements in mind.

Implementing a Capital Improvement Plan will help a community identify projects that fall into a larger goal of overall infrastructure improvements to drive growth and resiliency in their communities.

### Creating a High-Ranking Application

In both the legislation itself and various program guidance documents, the federal government has outlined the major priorities it seeks to fund, and the competitive nature of this new funding means the application process is less formula-based than previous programs.

To craft a high-ranking application a community must provide a **project description** clearly linking projects to the tangible benefits they create for residents.

When using federal funds, communities must keep in mind that the **project description and scope provided in the application will define that project through the entire lifecycle.**

With the new requirements tied to the BIL and ARPA funds, the State is going to require all funding follows detailed reporting guidelines. These reports will culminate in the State’s Intended Use Plan (IUP) that will track priority projects for reporting where federal funds are allocated and used.

**A Facilities Plan** or a project feasibility study is going to provide the most direction to defining project scopes and understanding the residential benefits for the project. The planning stage is where a municipality can consider several alternatives and run through various scenarios while not committing too much capital towards the project, this phase can more closely define a project’s scope and potential construction costs involved. **A thoroughly detailed Facilities Plan can expedite the SRF process**, and the State can push the funding application through the process faster.

The project description and defined scope of services will also **feature the specific key words the funding agencies are looking for to qualify the project for any potential principle forgiveness or low interest rates.**

The competitive nature of the programs will now come down to which project ranked higher in the application process. If two projects are equal in the process, the project with the higher-ranking score would receive the funding.

### What types of Projects Should Municipalities Consider?

Storm Water and Green Infrastructure have not typically been an SRF priority, however, these types of projects account for a new area of funding that states are now prioritizing. For example, the State of Tennessee is designating that 18% of the State’s projects are reserved for Green Infrastructure.

These storm water projects are intended to strengthen a municipality’s resiliency against increasing storm damage or flood mitigation, but at the same time could also apply to a broader goal of downtown or industrial center revitalization.

Under the BIL, small and disadvantaged communities will qualify for a large percentage of principle forgiveness on projects with a large focus of the water infrastructure funding aimed at **removing lead service lines or emerging contaminants** such as PFAS.

In general, high-scoring applications will come down to projects that can show how infrastructure improvements will benefit residents and position the community for growth, revitalization and resiliency.

CTI understands the imperative nature of obtaining funding to assist with alleviating the capital costs involved in projects of magnitude. Throughout the years we have helped numerous municipalities apply for and secure funding through low interest loans and principal forgiveness. We feel it is important to stay advised of the changing funding options and requirements in order to offer our clients a comprehensive look at the funding that may be available.

Turn to the experts at CTI if you need help identifying projects in your Capital Improvements Plan with the highest potential and let us help you craft your own high-ranking funding application.