

UNITED STATES CLIMATE ALLIANCE

September 13, 2021

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
1236 Longworth H.O.B.
Washington, DC 20515

The Honorable Chuck Schumer
Majority Leader
United States Senate
322 Hart Senate Office Building
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
2468 Rayburn House Office Building
Washington, DC 20515

The Honorable Mitch McConnell
Minority Leader
United States Senate
317 Russell Senate Office Building
Washington, DC 20510

The Honorable John Yarmuth
Chairman
Committee on the Budget
204-E Cannon House Office Building
Washington, DC 20515

The Honorable Bernie Sanders
Chairman
Senate Budget Committee
624 Dirksen Senate Office Building
Washington, DC 20510

Dear Colleagues:

I write to you on behalf of those member states of the bipartisan U.S. Climate Alliance that are under-resourced or have significant rural or minority communities that are themselves under-resourced. As we recover from the pandemic and economic crises of the past year and a half, we have a unique opportunity to not only provide immediate relief to our communities, but to also improve how we deploy federal funds in the years to come. With that in mind, we write to urge you to consider several common-sense changes to federal funding rules that will enable states with the greatest staffing, budgetary, and capacity constraints to effectively utilize – and therefore maximize the impact of – federal funding opportunities. Put simply: If these states succeed, then the country succeeds. The following recommendations will help ensure each and every state has a shot at achieving our shared goals of rebuilding and strengthening our infrastructure, growing our economy, and creating good jobs:

Increase equitable access to federal funds for under-resourced states by reducing or eliminating co-financing requirements.

- Prioritize federal grants over loans. Carrying debt costs governments – and taxpayers – money and loans are not always a feasible financing option. This is evident, for example, at state green banks where loan-based programs are frequently underutilized. It is critical then that a variety of funding mechanisms, including those with grant components, are considered when proposing and designing new programs, like the Clean Energy Accelerator.

Give states more flexibility regarding how and when federal funds can be deployed.

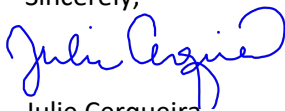
- Extend the timeframe for the full deployment of funds to at least ten years. Deploying federal funds takes time and often requires significant staffing increases and complex legislative and regulatory processes. To improve efficiency and planning, states should also receive clear, early direction regarding timelines and which programs will be funded.
- Allow funds to be repurposed multiple times. Providing an opportunity to repurpose federal funds allows states to adapt to – and achieve – more ambitious goals and outcomes. This also helps ensure states can still utilize, and maximize, funding for programs that have expired.
- Expand who can deploy federal resources. Every governor’s office should have the ability to determine which state government agencies or entities it oversees are best positioned to effectively utilize awarded federal resources consistent with a project’s proposal and goals. This ensures entities are all working towards a common purpose and optimizes for successful outcomes.

Recognize capacity constraints in smaller states and reduce administrative, application, management, and reporting burdens attached to federal funding.

- Scale application and reporting requirements based on project cost. Smaller projects warrant simplified, streamlined application and reporting requirements so they are not unnecessarily expensive to administer. Applicants should be allowed to submit concept notes or consult with grant officers to ensure proposed projects are competitive. This would facilitate the submission of better proposals – saving time for state and federal officials.
- Make grants formula-based or provide states tailored assistance for competitive grant applications. Smaller states often have fewer staff and less training to apply for competitive grants, putting them at a disadvantage. Formula-based grants allow federal resources to be more equitably distributed rather than being awarded to only the best resourced states. Where grants must be competitive, applicants should have access to focused, one-on-one training and support to help ensure submission of higher-quality proposals.
- Standardize income eligibility across assistance programs. Income eligibility varies across assistance programs like the Low-Income Household Water Assistance Program and the Supplemental Nutrition Assistance Program. This makes it difficult for applicant tracking and compliance and increases the administrative burden for state staff responsible for disbursing funding.

With the changes detailed above and greater flexibility for under-resourced states, we can be more responsive, efficient, and equitable with our resources and achieve our shared goals. Thank you for your consideration. We welcome the opportunity to discuss these recommendations in greater detail and welcome a meeting at your earliest convenience.

Sincerely,



Julie Cerqueira

Executive Director

U.S. Climate Alliance

CC:

The Honorable Frank Pallone, Chairman, Committee on Energy and Commerce

The Honorable Peter A. DeFazio, Chairman, Committee on Transportation and Infrastructure

The Honorable Joe Manchin III, Chairman, Committee on Energy and Natural Resources

The Honorable Thomas R. Carper, Chairman, Committee on Environment and Public Works