



AFSCME Facts

New Climate Change and Green Energy Programs & AFSCME Members' Work Aug. 16, 2022

Signed by President Biden on Aug. 16, 2022, the Inflation Reduction Act (IRA) contains many provisions that are intended to reduce carbon emissions and jumpstart the economy-wide transition to green energy, as well as to lower health care costs and ensure corporations and the wealthy pay their fair share of taxes. Under this new law, AFSCME members and their families could benefit from lower energy costs and new subsidies associated with the installation or purchase of low- or zero-emission goods and services. In addition, the IRA includes funding for programs that could have a direct impact on the work that AFSCME members do, such as operating and maintaining heavy-duty vehicles. This fact sheet describes those programs and initiatives that are most relevant to AFSCME members in their jobs. For any further questions about program timelines or eligibility requirements, please contact Jon Haines at jhaines@afscme.org.

Clean Heavy-Duty Vehicles

The IRA appropriates \$1 billion for a new program to replace dirty (meaning any vehicle that is not zero-emissions) medium and heavy-duty vehicles with zero-emitting vehicles through grants and rebates. Of that, \$400 million is reserved for communities with poor air quality, designated as “nonattainment” areas under the Clean Air Act.

These funds can be used for up to 100% of the cost of (1) replacing eligible vehicles with zero-emission vehicles, (2) the purchase, installation, operation and maintenance of infrastructure needed to charge, fuel or maintain zero-emission vehicles, (3) workforce development and training needed to support maintenance, charging fueling and operation of zero-emission vehicles and (4) associated planning and technical activities. Vehicles classified as eligible for replacement under this program are Class 6 or Class 7 heavy-duty vehicles that could include sanitation vehicles, school buses, tow trucks and others.

These funds are available as grants or rebates to states, municipalities, Tribes and nonprofit school transportation associations. Funds are also available as rebates to contractors that sell, lease, license or contract for service those vehicles or infrastructure.

Additional information on the application process will be made available by the Environmental Protection Agency (EPA) in the future.

Impact on AFSCME members: Certain public employers may apply to this program to assist in the transition to zero-emission fleets and could specifically use program funds for workforce development and training for the operation and maintenance of these vehicles. This could reduce incentives to contract out services in public works or school transportation. The availability of these funds could also reduce capital costs for employers, which may improve local government balance sheets and therefore the collective bargaining environment.

AFSCME members and their families, particularly those living or working in communities with poor air quality, will enjoy the health benefits of cleaner air as carbon-emitting garbage trucks, school busses and other heavy trucks are replaced by zero-emission vehicles.

Diesel Emissions Reductions

The IRA appropriated an additional \$60 million to EPA through the existing Diesel Emissions Reduction Act (DERA) Program. DERA funds may be used to identify and reduce diesel emissions from vehicles and facilities in low-income and disadvantaged communities through grants, rebates or loans.

Impact on AFSCME members: DERA funds have been used by state and local governments to reduce diesel emissions since the establishment of the program in 2005. Solid waste departments often use and service large fleets of diesel-fueled trucks. Members could benefit from a transition to low- or no-emission fleets. This could both reduce the capital costs associated with the purchase of these vehicles and reduce long-term operation and maintenance costs that could be passed on through the collective bargaining process.

Grants to Reduce Air Pollution at Ports

IRA provides a total \$3 billion for competitive grants and rebates for the purchase or installation of zero-emission port equipment or technology used at or directly servicing one or more ports, in addition to associated planning or permitting costs. Of the total \$3 billion, \$750 million is reserved for communities with poor air quality, defined as nonattainment areas defined under the Clean Air Act. Eligible recipients include port authorities, states or municipalities with jurisdiction over port authorities or ports, air pollution control agencies or private entities with certain limitations.

Impact on AFSCME members: AFSCME members who operate or maintain ports could see positive health benefits from the installation and use of zero-emission facilities and equipment. Ports are major contributors to both carbon emissions and local air and noise pollution, impacting the health of both long-time employees and neighboring communities.

Climate Pollution Reduction Grants

EPA will administer this new, competitive \$5 billion grant program to distribute grants to states, local governments, tribal governments and pollution control agencies. These funds are to be used to develop and implement plans for the reduction of greenhouse gas air pollution.

Impact on AFSCME members: This program is similar to the Carbon Reduction Program established under the Infrastructure Investment and Jobs Act (IIJA) but is not limited to transportation emissions. AFSCME members in state or local governments, particularly those in planning roles, may utilize these funds.

Neighborhood Access and Equity Grant Program

A new competitive program administered by the Federal Highway Administration (FHWA) will distribute \$3 billion for projects that remove, improve or replace transportation facilities, such as roads, railways or other public works that are an obstacle to neighborhood connectivity. Eligible applicants

include state and local governments, territories and special purpose districts. These projects could improve walkability, or connectivity for bicyclists and pedestrians. Projects could also mitigate air pollution, noise pollution or stormwater runoff associated with those facilities. Of the total, \$1.1 billion is reserved for economically disadvantaged communities. Program funds can cover 100% of project costs in disadvantaged areas and up to 80% anywhere else.

Impact on AFSCME members: State DOTs and municipal public works departments are both likely recipients of these program funds. AFSCME members working in transportation planning, construction or maintenance could be tasked with performing work associated with these projects, with the federal government — depending on the nature of the project and its location — paying for up to 100% of the total cost.

This program could help transform and revitalize neighborhoods harmed by decades-old policies that resulted in the construction of urban highways, bridges or railways that devastated poor and marginalized communities.

Greenhouse Gas Reduction Fund

EPA is directed to establish a competitive program to award \$27 billion through grants to states, Tribal governments, municipalities and certain nonprofit organizations to deploy or assist in the deployment of zero emission technologies. This program is intended to leverage private investment in projects that combat climate change, with 40% of funds reserved for low-income and disadvantaged communities.

Impact on AFSCME members: This program is one of the largest single appropriations from the law and is designed to leverage private investments in projects that combat climate change. So called “Green Banks” already exist in California, Hawaii, New York and other states. This program complements those existing models and expands investment to those communities that are either most at-risk from the effects of climate change or most in-need of financing assistance for the green transition.

AFSCME members living and working in those communities will benefit from these investments through cheaper and greener energy, as well as projects focused on resilience that help to mitigate the effects of climate change.

Urban and Community Forestry Assistance Program

The law provides an additional \$1.5 billion to the competitive Urban and Community Forestry Assistance Program for technical, financial and related assistance to expand or implement forestry management programs in urban settings. Municipalities interested in these funds should contact their state forestry agency, which administers the program in partnership with the US Forest Service.

Impact on AFSCME members: Forestry workers in state or local government may benefit from increased training and technical assistance associated with this program, such as tree selection, planting, maintenance and protection. For example, these funds could be used to conduct inventories of local forest resources to identify species or tree health, in addition to direct outreach to the public on the importance of urban tree planting and protection.