



Assessing US Government Efforts to Support Fossil Fuel-Reliant Communities

Noah Kaufman — March 2026

Background

A decline of fossil fuel production in the United States poses serious economic risks for communities that rely on fossil fuel industries for jobs and public revenues. Many of these communities lack the resources and capacity to manage those risks on their own. The absence of viable economic strategies for affected regions is a barrier to achieving an equitable national transition to cleaner energy sources.

Although the federal government has unique resources to support local economic development, the US has historically invested relatively little in struggling communities. By the early 2020s, however, persistently struggling local economies and growing regional inequality prompted a shift, at least in rhetoric, from the federal government.

President Biden touted investments into fossil fuel-reliant communities as part of the administration's broader place-based economic development and climate change strategies. A series of major federal laws—the American Rescue Plan (ARP), the CHIPS and Science Act, the Infrastructure Investments and Jobs Act (IIJA), and the Inflation Reduction Act (IRA)—included programs that aimed to support

economic resilience in these regions (see Table 1). This policy brief summarizes [a study](#) to assess those federal efforts, examining the rationale, design, and implementation of the major programs involved.

Key Findings

This assessment of these federal programs point to a series of contrasts:

Unprecedented funding, limited delivery.

Major federal legislation in the early 2020s authorized support for fossil fuel-reliant communities at a scale that dwarfs prior efforts. The Economic Development Administration's Coal Communities Commitment alone allocated about \$550 million in ARP funding to support economic development in communities with coal mines and power plants. However, our analysis of federal spending data offers scant evidence that funding has effectively targeted communities with fossil fuel infrastructure.

This finding likely reflects a combination of several factors. The programs targeting fossil fuel-reliant communities are small in the context of other federal spending, and even programs designed for these communities were sometimes weak in their targeting. In addition,

Table 1. Summary of federal place-based support for fossil fuel–reliant communities

Policy type	Examples	Status
General economic development	<ul style="list-style-type: none"> • Economic Development Administration’s cross-cutting Coal Communities Commitment (ARP): <ul style="list-style-type: none"> - Economic Adjustment Assistance Program - Good Jobs Challenge Program - Build Back Better Regional Challenge - Indigenous Communities Program - Statewide Planning, Research, and Networks Program • Recompete Pilot Program (CHIPS) • Appalachian Regional Commission funding (IIJA) 	Most funds have been allocated and the programs are ongoing; proposed budget cuts to EDA and ARC introduce uncertainty.
Fiscal support	<ul style="list-style-type: none"> • Treasury State and Local Fiscal Recovery Fund (ARP) • Local Assistance and Tribal Consistency Fund (ARP) 	Temporary pandemic-recovery programs; most funds have been spent.
Environmental remediation	<ul style="list-style-type: none"> • Abandoned Mine Land Program (IIJA) • Orphaned Oil and Gas Wells Program (IIJA) • Brownfields Program (IIJA) 	Ongoing aside from temporary funding freezes; proposed budget cuts introduce uncertainty.
Transportation infrastructure	<ul style="list-style-type: none"> • Rural Surface Transportation Grant Program, including carve-out for Appalachia (IIJA) • Bridge Investment Program (IIJA) • National Electric Vehicle Infrastructure Program (IIJA) • Charging and Fueling Infrastructure Program (IIJA) • Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grants Program (IIJA) 	Ongoing aside from temporary funding freezes; the Trump administration has removed the sustainability/equity focuses of RAISE.
Energy manufacturing	<ul style="list-style-type: none"> • Advanced Energy Manufacturing and Recycling Grant Program (IIJA) • Qualifying Advanced Energy Project Credit Program (IRA) 	Ongoing aside from temporary funding freezes; much of the grant and tax-credit authority has been allocated. Potential future project terminations introduce uncertainty.
Clean energy and climate solutions	<ul style="list-style-type: none"> • Clean Energy Demonstration Program on Current and Former Mine Land (IIJA) • Carbon Capture Demonstration and Pilot Projects programs (IIJA) • Regional Clean Hydrogen Hubs (IIJA) • Energy Infrastructure Reinvestment (EIR) Loan Program (IRA) • Energy Community Tax Credit Bonus (IRA) • Transmission Siting and Economic Development Grants Program (IRA) • Regional Direct Air Capture Hubs (IIJA) • Carbon Dioxide Transportation Infrastructure Finance and Innovation Program (IIJA) • Climate-Smart Agricultural Conservation Programs (IRA) • Industrial Demonstrations Program (IRA) 	Grant programs saw initial awards announced late in the Biden administration; the programs are experiencing disruptions, including statutory changes in OBBBA and DOE project terminations. Further spending reductions are expected.
Equity/justice-focused efforts	<ul style="list-style-type: none"> • Greenhouse Gas Reduction Fund (IRA) • Environmental and Climate Justice Block Grants Program (IRA) • Reconnecting Communities and Neighborhoods Program (IIJA) • Neighborhood Access and Equity Grants Program (IRA) 	Most programs have been discontinued, either with OBBBA rescinding remaining funds or agencies terminating awards
Other	<ul style="list-style-type: none"> • Regional Technology and Innovation Hubs (CHIPS) • NSF Regional Innovation Engines Program (CHIPS) • Travel, Tourism, and Outdoor Recreation Program (ARP) 	Ongoing; most funds have already been allocated.

actual disbursements remain a small share of authorized funding for many programs, with lengthy implementation processes under the Biden administration followed by significant policy reversals by the Trump administration, including the discontinuation of the federal programs designed to provide local technical assistance and build capacity.

Broad program portfolio, critical gaps.

Addressing the diverse set of economic challenges facing fossil fuel-reliant communities requires a range of policy solutions. The support to these communities within the major federal laws passed in the early 2020s spanned a wide portfolio of programs, including clean energy and manufacturing incentives, remediation of legacy infrastructure, public infrastructure investments, and general economic development initiatives. However, the policy portfolio was not intentionally designed as an integrated strategy to support fossil fuel-reliant communities. Programs were shaped by the objectives of their authorizing legislation—pandemic recovery for ARP, infrastructure for IIJA, innovation for CHIPS, and clean energy for IRA—rather than by a coordinated, place-based development agenda. As a result, some of the most pressing long-term community needs, such as fiscal stabilization for local governments facing revenue losses, received limited attention.

Focus on immediate distress, neglect of long-term risks. Programs largely concentrate resources in communities already experiencing economic distress, particularly those affected by coal mine and power plant closures. For example, the fossil fuel community carve-out of the IRA's energy manufacturing tax credit program applies only to areas where coal facilities have retired. This approach targets places facing the most immediate risks. It also

avoids injecting substantial federal spending into regions operating near full employment, which can raise prices or crowd out private investments. However, the energy transition poses risks for a broader set of fossil fuel-reliant areas, such as oil and gas-reliant regions, many of which remain economically stable today but face significant future risks that federal programs have largely failed to address.

Greater transparency, insufficient data.

The federal government has taken strides to improve data transparency, notably through the 2014 Data Act and the launch of USASpending.gov as the official data source for federal spending. Yet important gaps remain. No comprehensive program-level dataset exists to reliably track federal spending into localities. We also uncovered numerous major errors and inconsistencies in USASpending.gov data. The federal staff at the Department of Commerce who helped us address these issues in 2024 are no longer employed by the agency as of mid-2025. Without more granular and reliable data on both spending and economic outcomes, researchers cannot rigorously evaluate program effectiveness, compare approaches, or help policymakers scale successful models.

Policy Implications

Despite the surge of available funding in the early 2020s, the United States continues to lack a sustained federal strategy to help mitigate the substantial economic risks facing fossil fuel-reliant communities. We suggest several recommendations for future federal efforts to provide these communities with resources and capacity to build economic resilience:

Tailor strategies to specific community needs. Effective strategies should be tailored to the specific challenges and opportunities within individual communities, with the federal government providing resources and capacity to provide local technical assistance and to build capacity. Such a strategy would encompass all communities confronting acute economic pressures from the transition away from fossil fuels, while recognizing that the appropriate solutions will differ substantially between regions, including coal communities facing near-term facility closures and booming oil and gas communities facing longer-term vulnerabilities.

Improve data transparency. Given the limited track record of successful place-based economic development programs, policymakers should build programs with stronger data transparency, rigorous evaluation requirements, and commitments to iteratively adapting approaches based on what proves successful.

Focus on policy durability. Successfully boosting economic resilience in fossil fuel-

reliant communities is likely to require sustained, long-term commitments from the federal government. The policy reversals of the Trump administration underscore the critical importance of policy durability, ensuring that any strategy has enough institutional and political support to survive changes in political control. For example, programs in the bipartisan Infrastructure Investment and Jobs Act have generally experienced less disruption than programs in the Inflation Reduction Act, which passed Congress on a purely partisan basis.

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Read the **full report** here: <https://www.energypolicy.columbia.edu/publications/assessing-us-government-efforts-to-support-fossil-fuel-reliant-communities/>

About the Resilient Energy Economies Initiative

The REE Initiative was established in 2024 to develop strategies that support the economies of fossil fuel-dependent communities across the United States as the energy system transforms. In addition to supporting action-oriented research to find what works, REE has built a community of scholars, policymakers, and economic development practitioners from the local, state, tribal, and federal levels to share knowledge and build relationships across the nation's energy communities.

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