



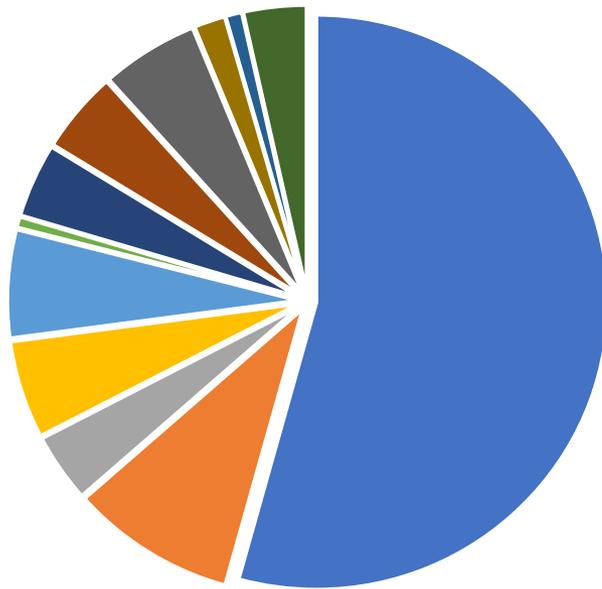
Infrastructure Investment and Jobs Act Overview

Ahna Minge | State Budget Director

1. High Level Overview of the Infrastructure Investment and Jobs Act (IIJA) in Minnesota
2. IIJA Matching Funds in the Governor's Supplemental Budget
3. Uncertainty in the IIJA
4. Questions

Infrastructure Investment and Jobs Act (IIJA) Overview

IIJA: \$1.2 Trillion in Total, \$550 Billion in New Spending



- FAST Act Reauthorization
- Transit
- Energy/Power Grid
- Climate Resilience and Adaptation
- Broadband
- Transportation Safety

- Roads and Bridges
- Rail
- Electric Vehicle Infrastructure
- Water
- Environment & Public Lands
- Airports & Ports

Formula Grants

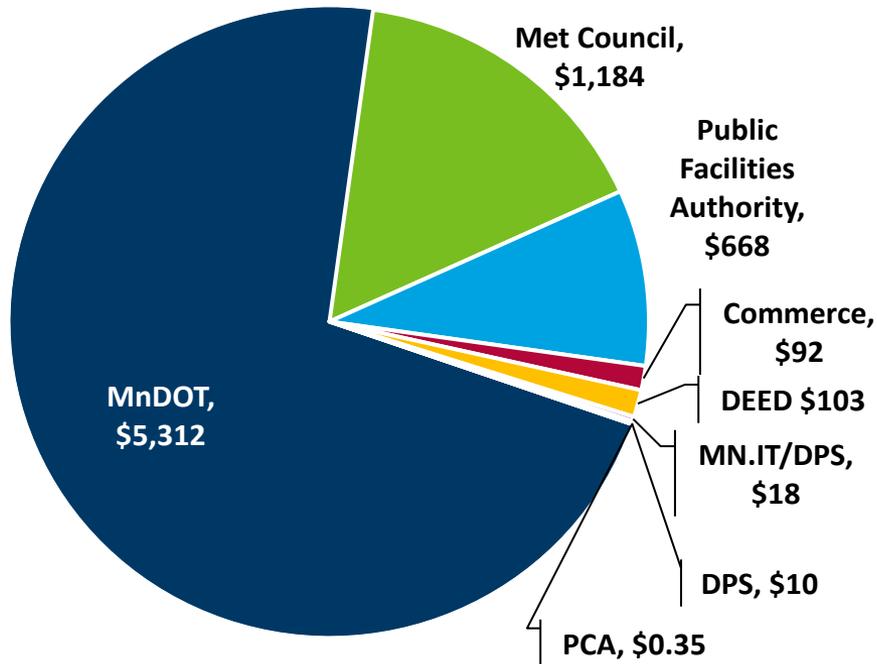
- MN expected to receive \$7.4B
- Combination of ongoing and new funding

Competitive Grants

- MN amounts unknown
- Guidance released on rolling basis

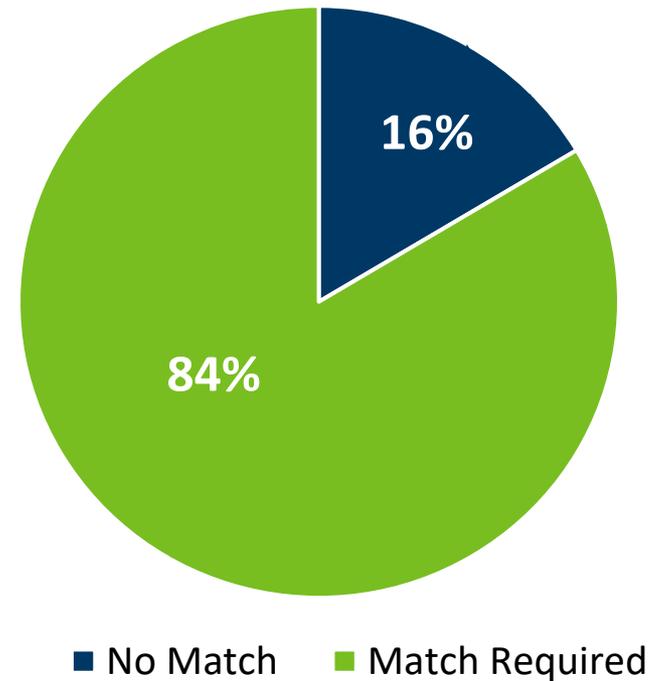
IJA Formulas Allocations for Minnesota: Over \$2.2 Billion in New Formula Funds

Allocation Estimates by State Agency: FFY
2022-26



\$ in millions

Percent of Allocations Requiring State
Match



Source: FFIS, 4/19/2022

Examples of IJA Implementation Work So Far

- RAISE Grants (MnDOT)
 - Applications and Governor's letters of support submitted for 4 projects
 - Matching funds included in Governor's supplemental budget
- INFRA, MEGA, and RURAL Grants (MnDOT)
 - Applications in progress
 - Matching fund requirements will be released in May 2023
- Broadband (DEED)
 - Notice of Funding Opportunity expected in May 2022
 - Spending authority approved through session LAC submission
- Low Emission and Bus Facilities (Met Council)
 - Applications due May 2022
 - Matching funds included in Governor's supplemental budget
- Electric Vehicles (MnDOT)
 - State plan due in August 2022
 - Matching funds in Governor's capital (formula) & supplemental (discretionary) budgets
- Emergency Preparedness (DPS)
 - Application submitted in April 2022
 - Matching funds provided through existing agency resources

Governor's Recommended Matching Funds

Infrastructure Investment and Jobs Act (IIJA): Intersections with the Governor's Budget

Category	Overview	State Match	Match Source
Roads & Bridges	<p>\$4.5 billion in total for roads (\$599 million is an increase over base funding) and \$302 million in new funding for bridge replacement and repairs.</p> <p>Additional competitive funding is also available for economically significant bridges.</p>	<p>\$113 million/year</p> <ul style="list-style-type: none"> \$60 million for formula-driven programs \$53 million for competitive programs 	Supplemental Budget: <i>Multimodal Transportation Package (MnDOT)</i>
Transit	\$236 million to improve public transportation options across the state by funding operating and capital needs.	\$17 million/year	Supplemental Budget: <i>Multimodal Transportation Package (MnDOT)</i>
Water	<p>\$668 million for clean, safe drinking water infrastructure</p> <p>Of the total amount, \$371 million requires a match</p>	\$29 million (FY22-24)	Capital Budget: <i>State Match to Federal Grants for State Revolving Fund loan programs (PFA)</i>
Airports	\$297 million for infrastructure needs at airports, such as improving runways, taxiways and airport-owned towers, terminal development projects, and noise reduction projects.	\$7 million/year	Supplemental Budget: <i>Multimodal Transportation Package (MnDOT)</i>

Infrastructure Investment and Jobs Act (IIJA): Intersections with the Governor's Budget (cont'd)

Category	Overview	State Match	Match Source
Broadband	<p>\$100 million for broadband equity, access, and deployment state grants.</p> <p>Additional funding will be distributed based on a formula that considers the number of unserved and high-cost locations in the state, based on the maps to be published by the FCC in 2022.</p>	No state match. 25% match required by subgrantees.	N/A
EV Charging Infrastructure	<p>\$68 million to expand EV charging in the state.</p> <p>Minnesota can also apply for the \$2.5 billion in grant funding dedicated to EV charging.</p>	\$3.4 million/year	<p>Capital Budget: <i>Statewide Electrical Vehicle Infrastructure Program (MPCA)</i> <i>State Fleet Electric Vehicle Charging Infrastructure (Administration)</i></p> <p>Supplemental Budget: <i>Multimodal Transportation Package (MnDOT)</i></p>

Infrastructure Investment and Jobs Act (IIJA): Intersections with the Governor's Budget (cont'd)

Category	Overview	State Match	Match Source
Climate	<p>\$568+ million in formula and competitive funding opportunities related to reducing greenhouse gas emissions and addressing climate change.</p> <p>Related agency budget requests provide matching funds, staffing capacity to apply for competitive programs, technical assistance to applicants, and implementation capacity.</p>	<p>\$2 million/year</p> <p>\$20 million - FY23</p>	<p>Supplemental Budget: <i>Maximize Federal Transportation Climate Funding (MnDOT)</i></p> <p><i>State Competitiveness Fund (Commerce)</i></p>
Cybersecurity	<p>\$18 million for grants to enhance statewide cybersecurity efforts</p> <p>MNIT expects 80% of funding will need to be used on local government projects</p>	<p>\$4.125 million</p>	<p><i>Supplemental Budget: Cybersecurity Grant Program State Match (MNIT)</i></p>

2022 Governor's Recommendations that Include IJA Matching Funds

Proposal	Agency	Source	FY 2022-23	FY 2024-25
Multimodal Transportation Package	Transportation	General Fund	\$300,000	\$393,322
Maximize Federal Transportation Climate Funding	Transportation	General Fund	\$2,000	\$4,000
State Match to Federal Grants for State Revolving Loans	Public Facilities Authority	GO Bonds	\$49,000	-
Statewide Electric Vehicle Charging Infrastructure	Pollution Control	General Fund	\$13,800	-
State Fleet Electric Vehicle Charging Infrastructure	Administration	GO Bonds	\$5,000	-
Cybersecurity Grant Program State Match	MNIT	General Fund	\$1,794	\$2,331
State Competitiveness Fund	Commerce	General Fund	\$20,000	-
	Grand Total	All Sources	\$391,594	\$399,653

\$ in thousands

Competitive Funds and Uncertainty

IIJA Unknowns for Minnesota

- There are approximately 380 separate programs in the IIJA
 - Around half of these funding opportunities are available to states (still unknown in some cases as programs are being developed).
 - Guidance is published on a rolling basis.
 - About one-third of IIJA programs expect to publish guidance and/or open to applicants before the legislature convenes in 2023.
 - There are many funding opportunities for other entities that could come to Minnesota, just not necessarily the state as an entity (e.g. Local governments, federally recognized Tribes, Army Corps, Forest Service).

Timing Challenges

2022 Legislative Session

- Supplemental Budget
- Capital Budget

Interim

- Applications open for over 100 grant programs, totaling \$52 billion in federal funds
- Matching funds may be needed in FY 2023

2023 Legislative Session

- Agencies can submit biennial budget requests for matching funds needed in FY 2024, FY 2025, and FY 2026

Examples of Programs Opening to Applicants During the Legislative Interim

- Energy Efficiency and Conservation Block Grant (Fall 2022)
- Energy Improvement in Rural and Remote Areas (Fall 2022)
- Dam Safety Program (unknown)
- Upgrading Electric Grid and Ensuring Reliability (Fall 2022)
- Brownfields Projects (Summer 2022)
- Manufacturing Leadership (Fall 2022)
- Solid Waste Infrastructure (Fall 2022)
- State Forest Action Plan (Fall 2022)
- Great Lakes Restoration Initiative (unknown)
- Healthy Streets Program (Summer 2022)



Thank you

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