



January 6, 2023

CITY ISSUE FACT SHEET



Minnesota can access a portion of \$225 million in grants to help the state and local governments adopt the latest building energy codes, saving an average new homeowner 9.1% on utility bills.

Infrastructure Investment and Jobs Act and Inflation Reduction Act

ABOUT THE ISSUE

The federal Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA) provided historic funding opportunities that stand to create transformative improvements to state and local infrastructure and climate resiliency.

IIJA

The \$1.2 trillion IIJA was signed into law in November 2021. It includes \$550 billion in new spending over multiple years including formula grant funding and competitive grant funding available to states.

- Minnesota is expected to receive \$7.4 billion — \$2.2 billion of which is new — over the next five years.
- A non-federal match is required for 84% of funding the state will receive.
- Many of the existing grant programs as well as more than 380 new programs across federal agencies are directed toward the infrastructure needs of local units of government.
- Funding awarded to the state that allows for local governments as eligible applicants will be run through state agencies.





Infrastructure Investment and Jobs Act and Inflation Reduction Act (Continued)

IRA

- Building on the initial climate funding opportunities authorized by the IIJA, the \$750 billion IRA was signed into law in August 2022 to address climate resiliency and clean energy.
- The IRA seeks to reduce greenhouse gas emissions and lower energy costs through a combination of rebates and tax credits.
- Minnesota can access a portion of \$225 million in grants to help the state and local governments adopt the latest building energy codes, which would save an average new homeowner in Minnesota 9.1% on utility bills.
- IRA expands tax-exempt entities including cities to take advantage of new clean energy tax incentives historically reserved for taxpaying entities.
- The \$3 billion Neighborhood Access and Equity Grant Program supports improving access to low-carbon transportation and planning to protect against flooding, extreme heat, and other weather events.

FOR MORE INFORMATION:

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OUR ASK:

- ✓ Swiftly pass the non-federal match required by most IIJA programs — \$391,594,000 for FY 2022-23 and \$399,653 for FY 2024-25. Without these matching funds, cities will not be able to access critical federal funding to improve infrastructure.
- ✓ Authorize state funding to assist cities facing cost and resource barriers to apply for federal grant funding authorized by the IIJA and IRA.
- ✓ Require collaboration between state and local governments to maximize the impact of the IIJA and IRA.
- ✓ Encourage state agencies to consolidate grant opportunities and streamline applications as much as possible while still adhering to federal guidelines.