



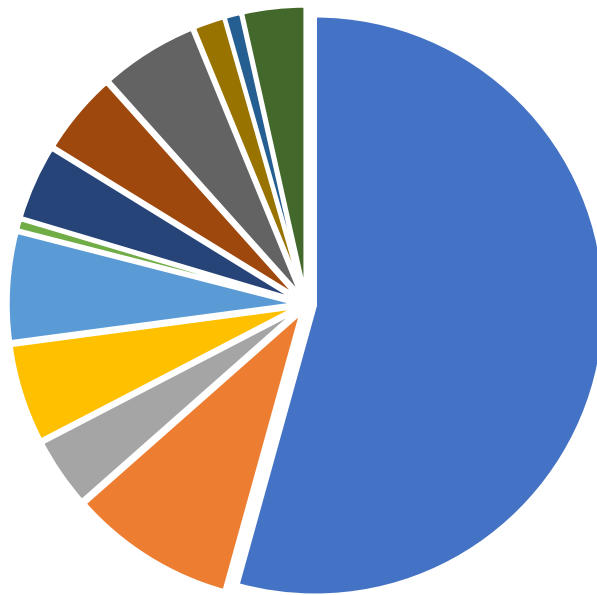
Infrastructure Investment and Jobs Act Update

House Capital Investment Committee

January 9, 2023

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

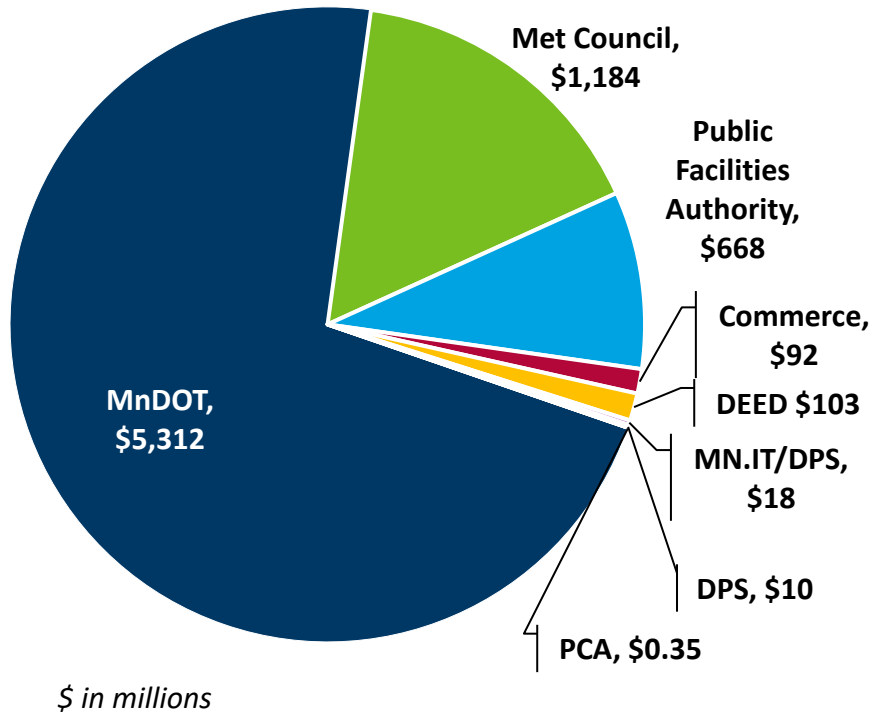
- MN expected to receive \$7.4B+
- Combination of ongoing and new funding

Competitive Grants

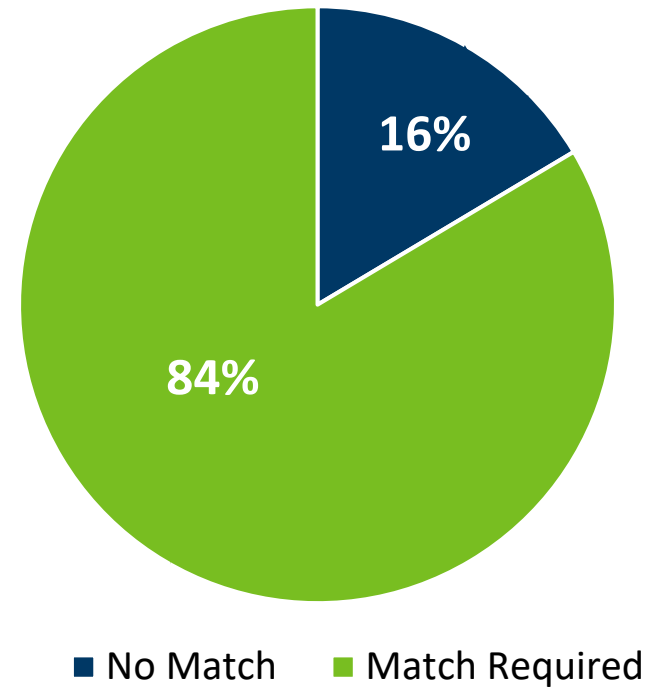
- MN amounts unknown
- Guidance released on rolling basis

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

Allocation Estimates by State Agency: FFY
2022-26



Percent of Allocations Requiring State
Match



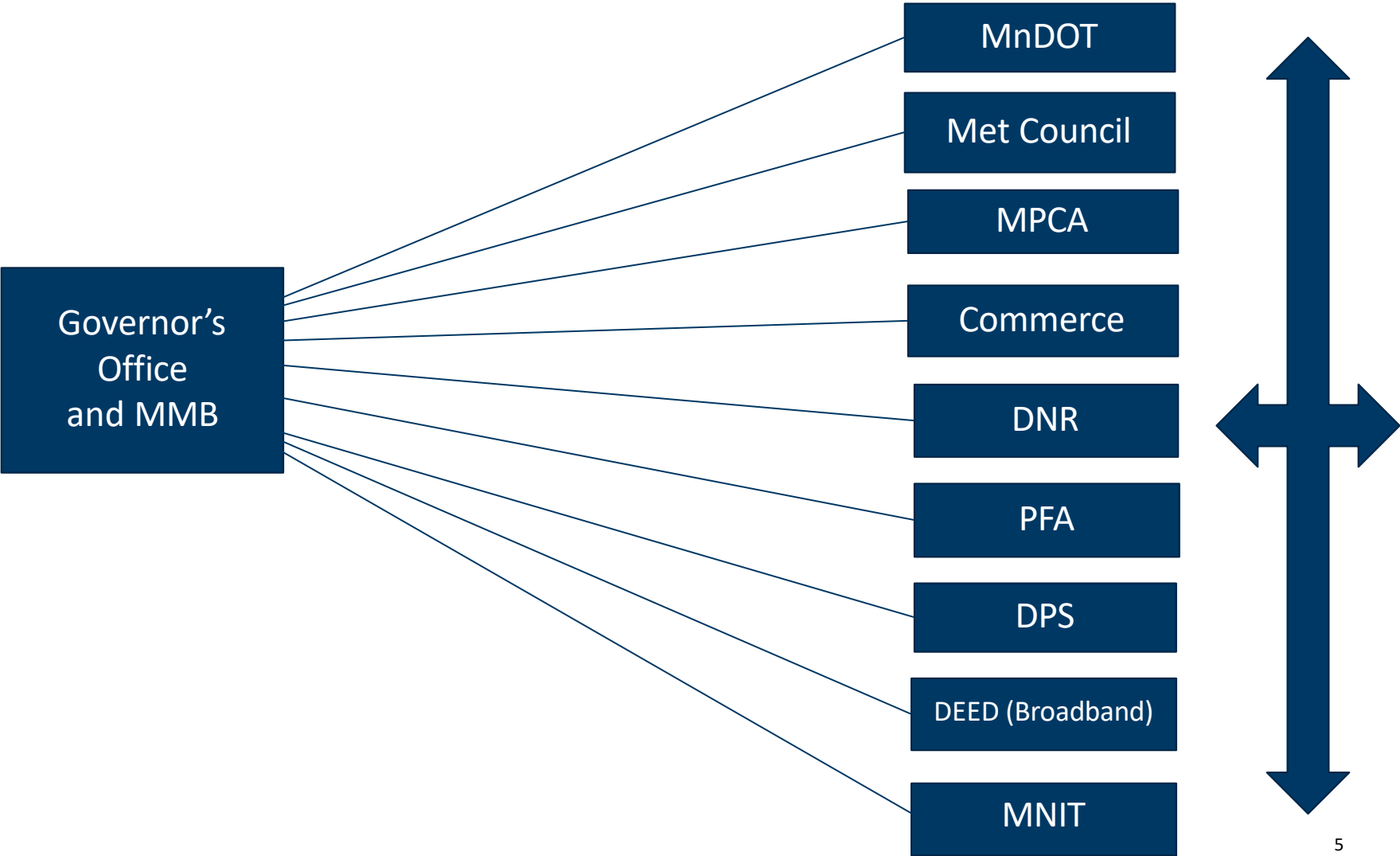
Source: FFIS, 4/19/2022

2022 Governor's Recommendations that Included IJA Matching Funds **(DID NOT PASS INTO LAW)**

| 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

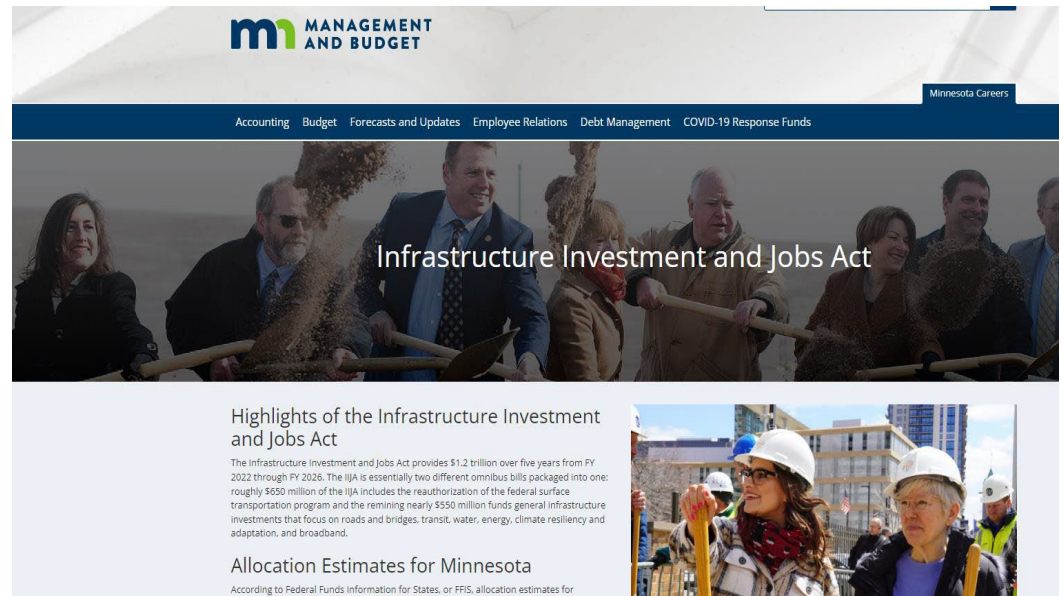
State Coordination



- Enterprise IJA webpage

www.mn.gov/mmb/budget/iija/

- Links to state agency specific IJA sites
- Technical assistance and resources
- Grant opportunity tracking form



The screenshot displays the Minnesota Management and Budget website. At the top, the logo for 'm MANAGEMENT AND BUDGET' is visible. A navigation bar includes links for 'Accounting', 'Budget', 'Forecasts and Updates', 'Employee Relations', 'Debt Management', and 'COVID-19 Response Funds'. A 'Minnesota Careers' button is also present. The main content area features a large image of a group of people in business attire participating in a groundbreaking ceremony, with the text 'Infrastructure Investment and Jobs Act' overlaid. Below this, there are two sections: 'Highlights of the Infrastructure Investment and Jobs Act' and 'Allocation Estimates for Minnesota'. The 'Highlights' section includes a paragraph: 'The Infrastructure Investment and Jobs Act provides \$1.2 trillion over five years from FY 2022 through FY 2026. The IJA is essentially two different omnibus bills packaged into one: roughly \$650 million of the IJA includes the reauthorization of the federal surface transportation program and the remaining nearly \$550 million funds general infrastructure investments that focus on roads and bridges, transit, water, energy, climate resiliency and adaptation, and broadband.' The 'Allocation Estimates' section includes a sub-heading and a note: 'According to Federal Funds Information for States, or FFIS, allocation estimates for'. To the right of the text is a smaller image of two women wearing hard hats and safety vests on a construction site.

- There are approximately 380 new and existing funding opportunities in the IIJA, including formula and competitive/discretionary awards.
- Minnesota expects to receive over \$7.4 billion in formula funds over five years (\$2.2 billion of which is new).
- Minnesota has been awarded nearly \$5.9 billion to date.
- Majority of the formula funds will require a state match.
- A significant portion of the IIJA was a reauthorization of existing funding, as well as increases to some of that funding.



American Rescue Plan Act of 2021 (ARPA) Coronavirus Capital Projects Fund

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Coronavirus Capital Projects Fund

- Minnesota's Capital Projects Fund allocation is **\$180,702,620**.
- All funds must be expended by December 31, 2026.

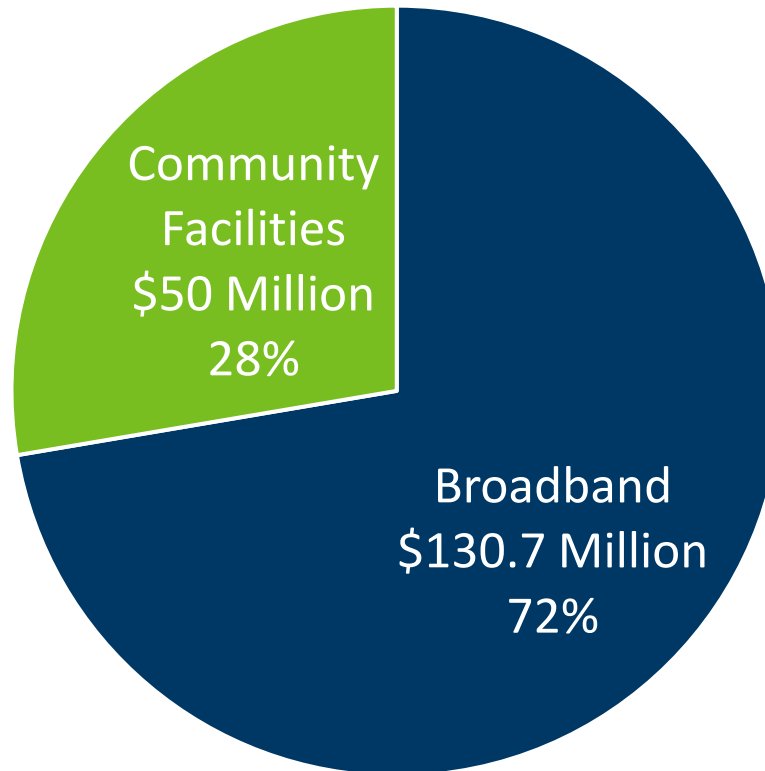
Treasury guidance requires that for a capital project to be an eligible use of Capital Projects Fund grant funds, it must meet all of the following criteria:

1. The Capital Project invests in capital assets designed to directly enable work, education, and health monitoring.
2. The Capital Project is designed to address a critical need that resulted from or was made apparent or exacerbated by the COVID-19 public health emergency.
3. The Capital Project is designed to address a critical need of the community to be served by it.

Project Eligibility

| Presumptively Eligible Projects | Ineligible Projects and Projects Not Presumed to be Eligible | Case-by-Case Review |
|--|---|---|
| Broadband Infrastructure Projects | General infrastructure projects, such as highways, bridges, transit systems, and ports are ineligible | Must demonstrate that the project satisfies the three criteria identified on the previous slide |
| Digital Connectivity Technology Projects | General construction and improvement of hospitals and traditional schools are not presumed to be eligible | |
| Multi-Purpose Community Facility Projects | | |

Minnesota's Allocation: \$180.7 Million



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| Amount | Program | Date Submitted to Treasury | Treasury Approval Received? |
|--------------------------|--|----------------------------|-----------------------------|
| \$ 70,000,000.00 | Border-to-Border Broadband | January 2022 | July 2022 |
| \$ 15,703,000.00 | Border-to-Border Broadband | September 2022 | September 2022 |
| \$ 15,000,000.00 | Broadband Line Extension Program | September 2022 | December 2022 |
| \$ 30,000,000.00 | Broadband Lower Population Density Pilot Program | September 2022 | December 2022 |
| \$ 49,999,620.00 | Multi-Purpose Community Facility Projects | September 2022 | No |
| \$ 180,702,620.00 | Minnesota's total allocation | | |

Broadband: \$130.7 Million (DEED)

- **Border-To-Border (B2B) Broadband Development Grant Program: \$85.703 million**
An existing grant program that helps make the business case for new and existing providers to invest in building broadband infrastructure into unserved and underserved areas of the state.
- **Broadband Line Extension Program: \$15 million**
A new program to address the need of homes and businesses that may have broadband service available at the road but unable to afford the excess construction charge to bring service to their door.
- **Broadband Lower Population Density Pilot Program: \$30 million**
A new program within the B2B program to address feedback from providers and communities that the program's cap of 50 percent of eligible costs and \$5 million per project was not adequate to support projects in the harder to serve areas of the state. The pilot program enables awards up to 75 percent of eligible project costs and a cap of \$10 million per project.

Multi-Purpose Community Facility Projects: \$50 Million (MDE)

- **Submitted a \$50 million proposal to the U.S. Treasury.**
 - We have not received feedback yet.
 - Anticipate substantial back and forth with the Treasury to refine our proposal with possible approval in fall 2023.
- Per CPF guidance, multi-purpose community facility projects must support and promote education, work, and health monitoring.
- Funds dedicated to capital/facility projects supporting family resource centers, including but not limited to: full-service community schools, libraries, community centers, community colleges or other organizations running family resource centers.
- MDE will create a framework for grant administration and scoring for potential grantees. Minnesota Initiative Foundations (MIFs) may run process for Greater MN; a metro entity, such as the Greater Twin Cities United Way, may run process for 7-county metro area.



Cancellation Report

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Cancellations (M.S. §16A.642)

- Commissioner of MMB issues cancellation report on January 1 of each year
- Lists all bond and general fund capital appropriations previously enacted > 4 years with unspent and unencumbered balances
- The 2023 report showed amounts from 2018 bonding bill and earlier
 - Total of \$25.2 million
- Such balances will be cancelled as of July 1 of the year of the report
- Cancelled balances go to repay state bonds

Thank You!

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