

Subject Federal funds local assistance
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Overview

This bill draft (MB111-1) establishes a federal funds local assistance program that provides for state aid to local and Tribal governments that serves as a match for federal funds provided under federal discretionary transportation grant programs; directs the Minnesota Department of Transportation (MnDOT) to provide technical assistance to local or Tribal governments on developing applications for federal discretionary funds; and appropriates a total of \$38.35 million for the program and the assistance.

Summary

Section	Description
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| 1 | <p>[Adds § 174.125] Federal funds local assistance program.</p> <p>Establishes a program for MnDOT to make grants to local and Tribal governments that serves as a match for federal funds provided under federal discretionary transportation grant programs. Sets program requirements.</p> <p>Subd. 1. Definitions. Defines terms.</p> <p>Subd. 2. Program established. Directs MnDOT to create the program.</p> <p>Subd. 3. Program administration. Identifies program elements for MnDOT to address. Permits MnDOT to expend up five percent of available funds each year on administering the program.</p> <p>Subd. 4. Local match. Sets requirements for the distribution of aid to local units of government and Tribal governments, including to limit the aid to (1) transportation projects across modes and programs, and (2) the local (i.e., nonfederal) match to a federal discretionary grant. Allows the amount of aid to exceed the federal match requirements in some circumstances.</p> <p>Subd. 5. Aid recipient eligibility. Identifies eligible recipients of the aid.</p> |
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Section	Description
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Subd. 6. Project evaluation. Directs MnDOT to develop criteria for evaluating applications for aid. Identifies elements to include in the prioritization.

Subd. 7. Allocation categories. Requires annual available funds to be split into the following allocation categories:

- 15 percent for local road and bridge projects;
- ten percent for greater Minnesota transit;
- five percent for active transportation projects;
- three percent for electric vehicle infrastructure projects; and
- 67 percent for flexible uses (including any of the foregoing categories).

Allows for reallocation of excess funds.

Subd. 8. Legislative report. Requires an annual legislative report on the program and funding recommendations, which expires in 2026.

2 **[Adds § 174.127] Federal grants technical assistance.**

Directs MnDOT to provide technical assistance to local units of government and Tribal governments on developing applications for federal discretionary transportation grants. Identifies included forms of assistance.

3 **Appropriations; federal funds assistance.**

Paragraph (a) appropriates \$38 million in fiscal year 2023 from the general fund for the federal funds local assistance program, as a onetime appropriation.

Paragraph (b) appropriates \$350,000 in fiscal year 2023 from the general fund for federal grant application assistance, with a base at the same amount for FY 2024-25.



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