

State and Federal Grants: Opportunities and Challenges for Minnesota Cities

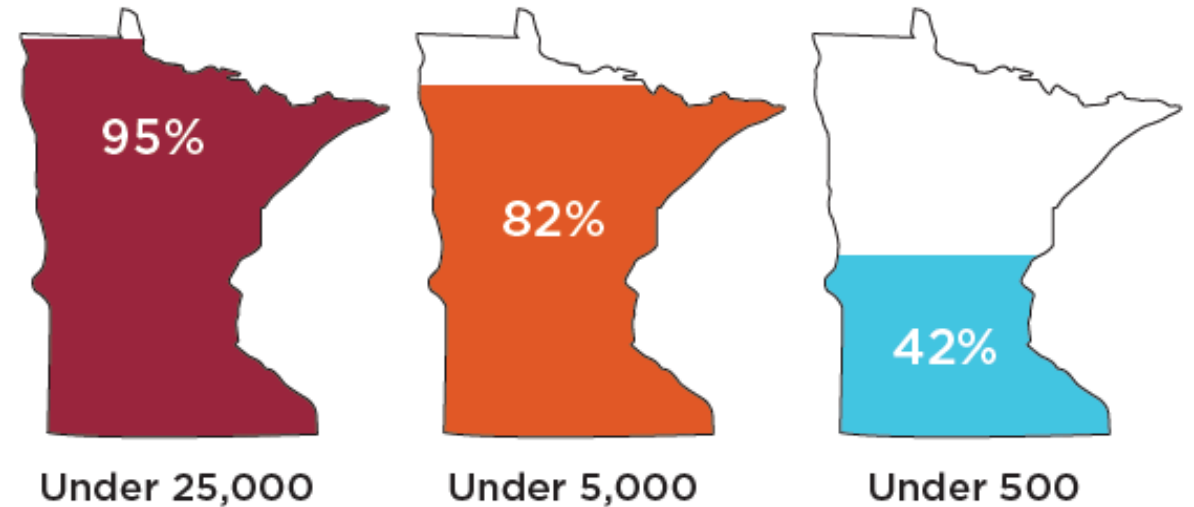
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The Nonpartisan Voice of All Minnesota Cities

The League of Minnesota Cities advocates on behalf of Minnesota cities, connecting the work of local governance to the legislative processes in St. Paul and Washington, D.C.

MINNESOTA'S 854 CITIES BY POPULATION



The Good News: Opportunities

- Much of the IIJA/IRA Funding (400+ new funding streams) overlap directly with city infrastructure and sustainability goals
 - \$7.4 billion in IIJA funding single largest federal infrastructure investment in U.S. history
 - Inflation Reduction Act largest federal investment in climate and energy in U.S. history

The Bad News: Hoops to Jump Through

- Most federal resources flowing through federal agencies and state agencies will be awarded through competitive grants
 - Cities with highest capacity and resources most likely to apply and catch attention
- Federal and state grant application requirements necessitate pre-application costs and staff
 - Structural disadvantages for smaller communities without deep bench lacking funding, legal, financial, and technical capacity

Common Challenges

- Lack of financial resources to account for pre-application costs
 - Pre-engineering, data collection, project planning can cost between \$8,000 - \$25,000 depending on project and program
- Lack of staff bandwidth to put together application
 - 70% of Minnesota Cities have populations fewer than 4,000 with usually very small city operations – most need outside help to complete application
- Challenges in matching up project to resource and wading through differing application requirements
 - Many new opportunities also mean challenges in finding potential state and federal resources to match with projects

Grant Navigator



LEAGUE OF MINNESOTA CITIES
GRANT NAVIGATOR

LEARN MORE:
lmc.org/grant-navigator

- \$5k grants to help cities understand, identify, and apply for federal, state, foundation, and nonprofit grants
- Focus on cities with populations under 4,000
- One project per city to maximize opportunity
- Awards reviewed by committee on rolling basis

Grant Navigator: Numbers So Far

- 8 applications since late December launch
- Largest city applicant: Stewartville – Pop. 6,759
- Smallest city applicant: South Haven – Pop. 187
- Proposals include assistance for both state and federal grants
- 3 projects already approved for funding

| Applications to Date | |
|--------------------------|---|
| Total Applications | 8 |
| Cities <2,500 | 5 |
| Cities 2,500-5,000 | 1 |
| Cities >5,000 | 1 |
| Greater Minnesota Cities | 8 |
| Metro Cities | 0 |

Legislature Considerations

- Provide state assistance for technical assistance at state agencies and state funding to help all cities regardless of size have an equitable shot at grant resources
 - Similar to Louisiana grant program
- Support Administration efforts to consolidate grant opportunities and encourage agencies to streamline applications as much as possible while still adhering to federal guidelines