



# HOUSE TRANSPORTATION COMMITTEE HEARING

## IJA

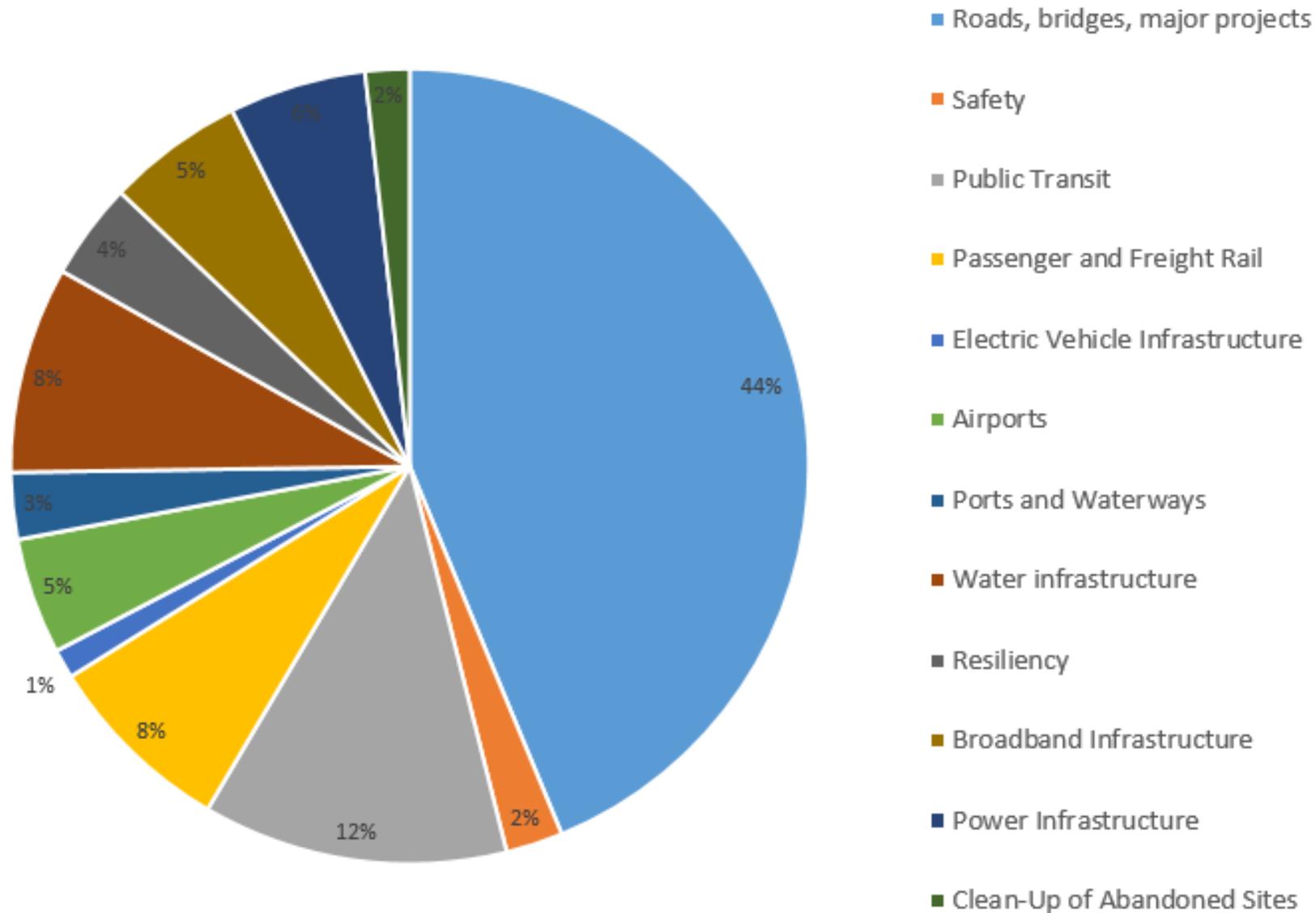
FEBRUARY 3, 2022



# OVERVIEW OF INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA)

- IIJA includes a 5-year surface transportation authorization to replace the previous 5-year authorization – the FAST Act
- In addition, the new law includes funding for broadband, rail, ports, water, Electric Vehicle infrastructure and airports.
- **Stable, ongoing funding is critical** for the transportation industry and agencies in order to plan and efficiently deliver projects and services. This is important for both federal and state funding.

## Infrastructure Spending: \$1.2 Trillion



# THE STATE ANTICIPATES FEDERAL HIGHWAY AND TRANSIT FUNDING EVERY YEAR

## Increase over Base - Minnesota Highway Apportionments IIJA

FY2021 Baseline	FY2022	FY2023	FY2024	FY2025	FY2026	TOTAL 5-Year
<b>\$713,850,900</b>	\$863,876,119	\$881,154,805	\$898,779,064	\$916,092,087	\$935,092,087	<b>\$4,500,000,000</b>
	\$150,025,219	\$167,303,905	\$184,928,164	\$202,241,187	\$221,241,187	\$925,739,662

## Increase over Base – Minnesota Transit Funding - IIJA

FY2021 Baseline	FY2022	FY2023	FY2024	FY2025	FY2026	TOTAL
<b>\$121,653,743</b>	\$156,579,242	\$159,949,870	\$164,190,129	\$167,625,940	\$171,948,361	<b>\$820,000,000</b>
	\$ 34,925,499	\$ 38,296,127	\$ 42,536,386	\$ 45,972,197	\$ 50,294,618	\$212,024,827



# Minnesota Transit Funding

<b>IIJA - Transit Funding</b>								
	FY2021		FY2022	FY2023	FY2024	FY2025	FY2026	TOTAL IIJA
Minnesota	\$121,653,743		\$156,579,242	\$159,949,870	\$164,190,129	\$167,625,940	\$171,948,361	<b>\$820,293,541</b>
<b>IIJA - 5307 Funds</b>								
	FY2021		FY2022	FY2023	FY2024	FY2025	FY2026	TOTAL IIJA
Minneapolis/St. Paul	\$86,035,235		\$108,530,309	\$110,902,696	\$113,936,855	\$116,393,558	\$119,486,164	<b>\$569,249,581</b>
Duluth/Superior	\$3,311,438		\$4,258,741	\$4,350,157	\$4,466,803	\$4,561,496	\$4,680,435	<b>\$22,317,633</b>
Grand Forks/East Grand Forks	\$1,585,496		\$2,033,125	\$2,077,062	\$2,133,124	\$2,178,635	\$2,235,800	<b>\$10,657,745</b>
La Crosse, WI-MN	\$2,470,237		\$3,170,420	\$3,238,794	\$3,326,038	\$3,396,862	\$3,485,822	<b>\$16,617,936</b>
Mankato	\$1,147,768		\$1,468,004	\$1,499,916	\$1,540,637	\$1,573,693	\$1,615,214	<b>\$7,697,464</b>
Fargo/Moorhead	\$3,990,277		\$5,107,244	\$5,218,089	\$5,359,525	\$5,474,343	\$5,618,561	<b>\$26,777,762</b>
Rochester	\$2,925,862		\$3,758,036	\$3,838,943	\$3,942,179	\$4,025,985	\$4,131,251	<b>\$19,696,393</b>
St. Cloud	\$3,051,605		\$3,919,396	\$4,003,785	\$4,111,463	\$4,198,876	\$4,308,672	<b>\$20,542,193</b>

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## **US DOT Discretionary Funding – Total five-year funding:**

- Existing: INFRA \$14 billion
- Existing: Local and Regional Project Assistance Program (RAISE BUILD/TIGER) \$15 billion
- New: Bridge Investment Program (in addition to bridge formula)  
\$12.5 billion
- New: National Infrastructure Project Assistance (megaprojects) \$5 billion
- New: Safe Streets and Roads for All (vision zero) \$5 billion
- New: Charging and Fueling Infrastructure \$2.5 billion
- New: Rural Surface Transportation Grants \$2 billion

# Competitive Programs

<u>FHWA Competitive</u>	<u>FY22 Mil \$</u>	<u>FTA Competitive</u>	<u>FY22 Mil \$</u>
INFRA	1,640	Regular Buses	447
Bridge	2,447	Zero Emission Buses	1,122
PROTECT (Resiliency)	250	CIG (IIJA BA only)	1,600
Congestion Relief	50	ASAP ADA Upgrades	350
Alt. Fuel/Charge Corridor	300	Low-Emission Ferries	50
Rural Surface Transpo.	300	Rural Ferries	200
Truck Emission Reduction	80	<b>Subtotal, FTA</b>	<b>3,769</b>
Wildlife Crossings Pilot	60	<u>OST Competitive</u>	<u>FY22 Mil \$</u>
Reconnecting Communities Pilot	195	RAISE Grants (IIJA BA only)	1,500
<b>Subtotal, FHWA</b>	<b>5,322</b>	Megaprojects	1,000
		Safe Streets/Roads for All	1,000
<u>FRA Competitive</u>	<u>FY22 Mil \$</u>	Culvert Removal/Replacement	200
CRISI Grants (IIJA BA only)	1,000	SMART Data grants	100
Grade Crossing Elimination	600	<b>Subtotal, OST</b>	<b>3,800</b>
Interstate Passenger Rail	7,200	<u>Other Competitive</u>	<u>FY22 Mil \$</u>
<b>Subtotal, FRA</b>	<b>8,800</b>	MARAD Port Grants (IIJA Only)	450
		PHMSA Pipeline Grants	200
		<b>Subtotal, Other</b>	<b>650</b>

## CONTINUING RESOLUTION THROUGH FEBRUARY 18, 2022

- Funding increases are constrained by the Continuing Resolution keeping the federal government operating at 2021 funding levels
- Draft guidance has been issued by FHWA and some funds have been released. New law only tweaks existing formula funds. Administration released guidebook for state, local and tribal governments, opened new solicitation for RAISE grants.
- Bridge Funds - January 14<sup>th</sup> The Federal Highway Administration gave state DOTs \$5.3 billion in new funding specifically to repair and improve highway bridges

	Main Program	Off-System Bridges	TOTAL
Minnesota	\$51,375,567	\$9,066,277	\$60,441,844

## STATE MATCHING FUNDS ARE CRITICAL

- Minnesota needs to position itself to maximize available federal funds. We need to be prepared to match formula funds over the next 5 years and to apply for additional funding through discretionary grant programs over the next 5 years.
- significant, dedicated state funding is needed to compete with other states and regions
- Many states and regions rely on sales tax revenue to provide ongoing, growing and stable funding that can be used to leverage federal dollars.

## TRANSPORTATION FUNDING CONTINUES TO FALL BEHIND

- Huge funding gaps remain over the coming 20 years for needed improvements to state highways and bridges, local roads and bridges, city streets, township roads, transit systems, ports and waterways and rail.
- Federal highway funds are deposited directly into the Trunk Highway Fund as opposed to the HUTDF and are traditionally split 70/30 between the state trunk highway system and the local road system.
- Funding is still needed in the capital bonding bill for transportation projects in Minnesota – especially on the local system.

# THANK YOU



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