



# Infrastructure Investment and Jobs Act (IIJA)

House Transportation / House Capital Investment  
Committees

December 14, 2021

# IIJA Overview

- Infrastructure Investment and Jobs Act signed into law Nov. 15
- Grateful to Pres. Biden and Congress for this bipartisan act
- New emphasis areas: Sustainability, Equity, Grants



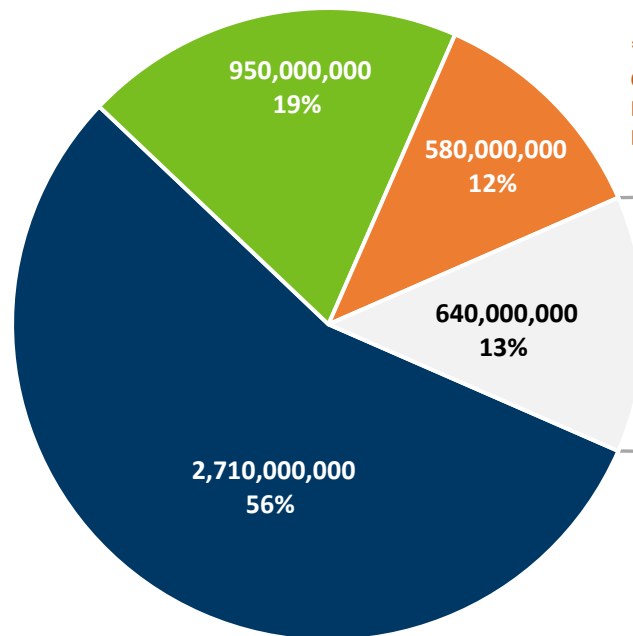
# IIJA Overview

- IIJA is an authorization act – funds still need to be appropriated by Congress
- All funding figures are estimates
- State / local funding split estimates are based on historic average



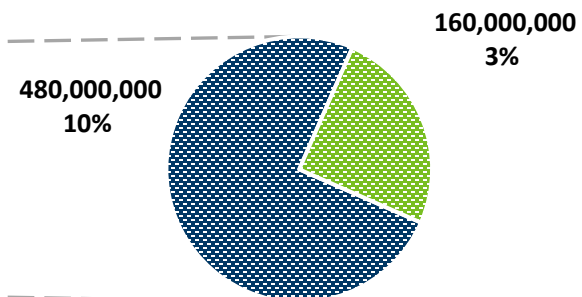
# Comparison of FAST Act and IIJA Formula Program Funds

**Five-year (FFY2022-FFY2026)  
Estimated Total**



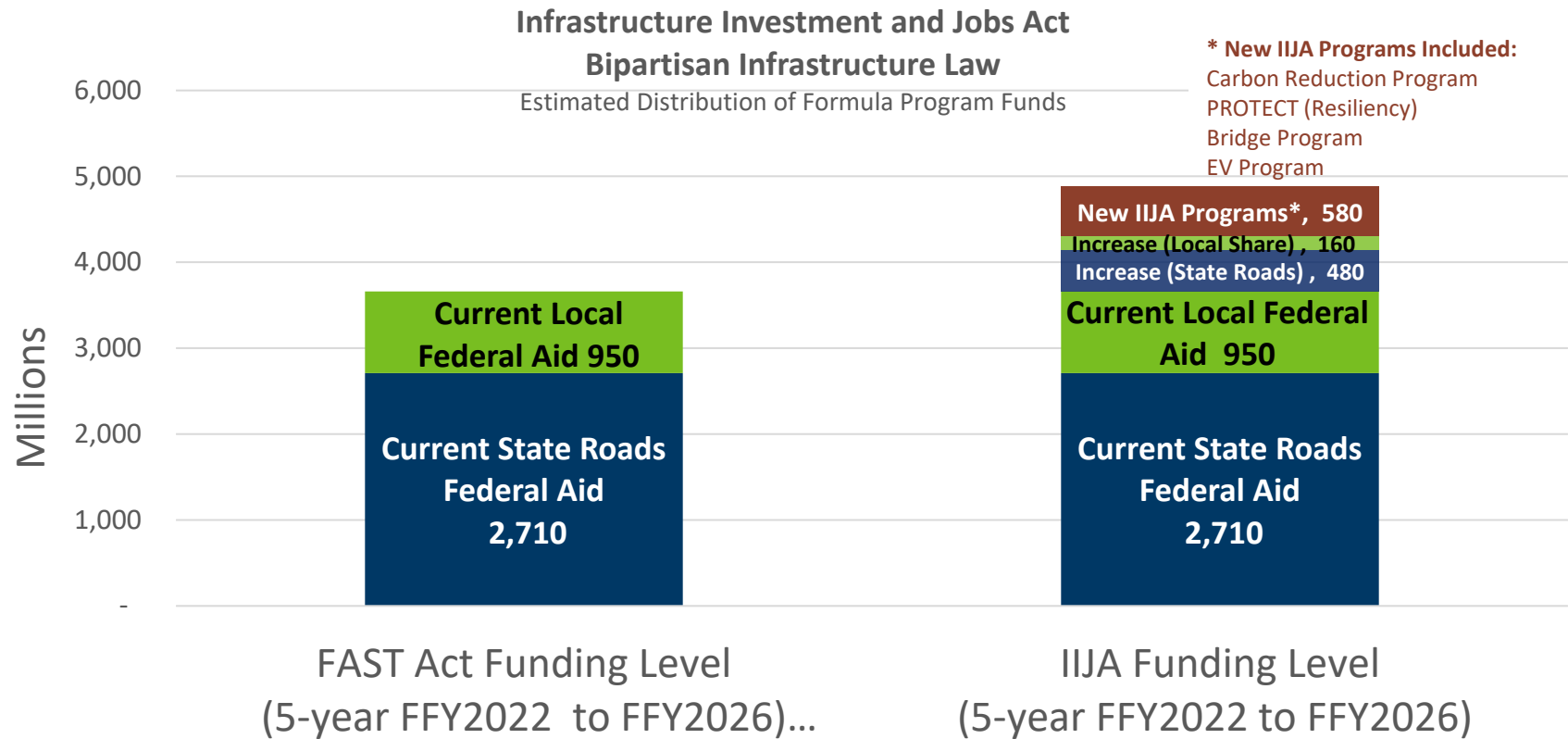
**Infrastructure Investment and Jobs Act  
Bipartisan Infrastructure Law**  
Estimated Distribution of Formula Program Funds

**\* New IIJA Programs included**  
Carbon Reduction Program  
PROTECT (Resiliency)  
Bridge Program, EV Program

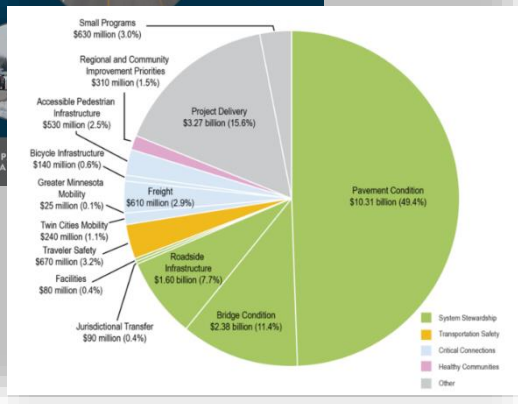
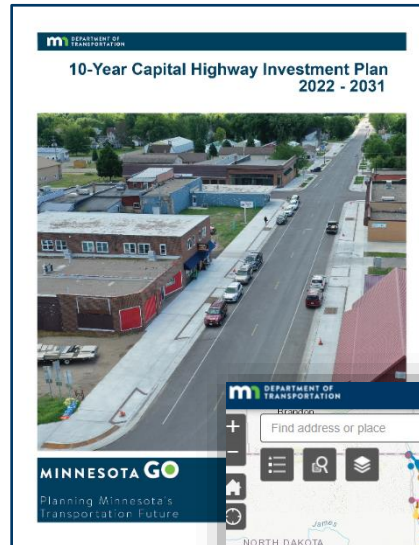
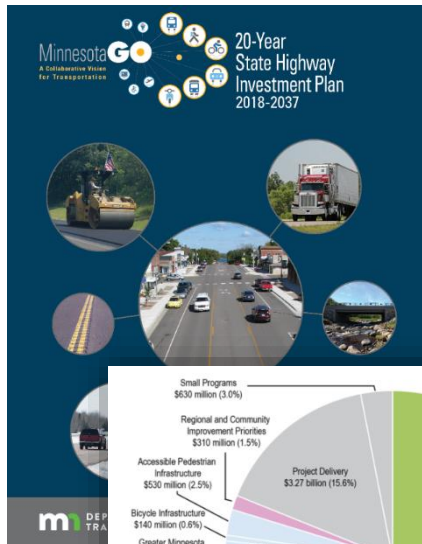


- Current State Roads Federal-Aid Program
- Current Local Federal-Aid Program
- New IIJA Programs\*
- Increase (State Roads)
- Increase (Local Share)

# Comparison of FAST Act and IIJA Formula Program Funds



# 20-year & 10-year plans, 4-year program



# IJA Funding (current estimates)

- \$4.8 billion over five years in Federal highway formula funding for roads and bridges
  - Represents a ~30% increase in the state's highway formula funding
  - ~20% increase for existing core programs + four new programs (Carbon, PROTECT, Bridge, EVs)
- New and expanded competitive grant programs for state, local and tribal governments
  - Bridge Investment Program for nationally significant bridges (\$12.5B)
  - RAISE and INFRA Grants (\$15B, \$14B)
  - Safe Streets for All Program (\$5B)
  - FTA grants (\$30B+)
  - FAA grants (\$5B)

# IJA Funding (current estimates)

- Airports - \$298 million (Minnesota)
- Rail - \$66 billion (national)
- Ports and Waterways - \$17.3 billion (national)
- Highway and Commercial Vehicle Safety - \$11.3 billion (national)
- Broadband - \$65 billion (national)



# IJA State and Local Match (current estimates)

- Formula funds for road and bridges
  - ~\$240M/year of additional federal funds (+~35%). Based on historical precedent (70% state, 30% locals):
    - Additional ~ \$170M/year to MnDOT for trunk highway system
    - Additional ~ \$70M/year to local partners for local roads and bridges
- Match requirements (@ ~20%)
  - ~ \$40M/year for MnDOT for trunk highway system
  - ~ \$20M/year for local partners for roads and bridges



# IJA State and Local Match (current estimates)

- Formula funds for transit, aeronautics, etc.
  - Aero: \$60M/year of federal funds would require ~\$7M/year in state and local match (@10%)
  - Greater MN transit: \$13M/year of federal funds would require ~\$7M/year in state and local match (@35% blended rate)
- New and expanded discretionary programs could require \$100M/year or more for state and local match

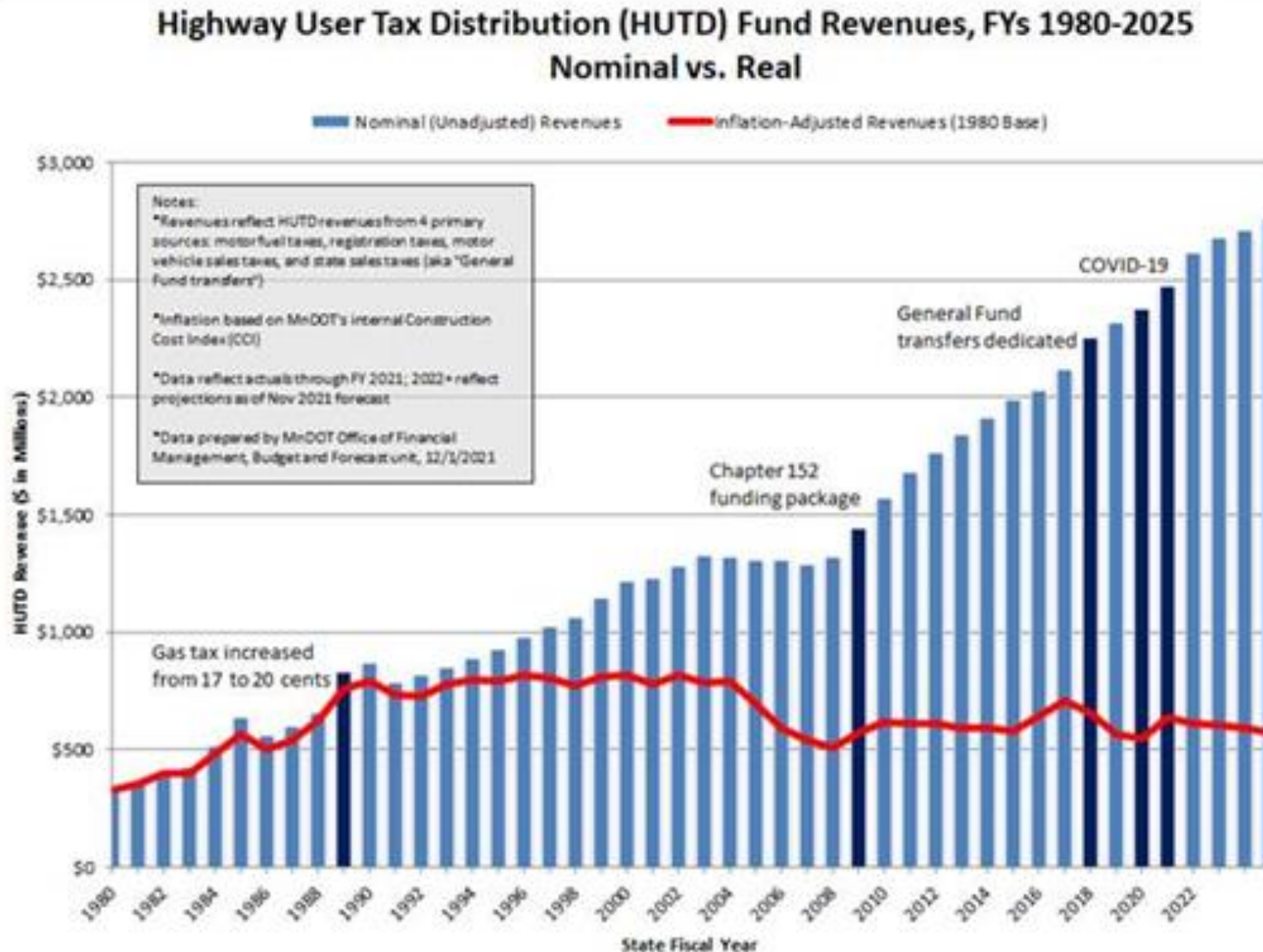
# IJA State and Local Match (current estimates)

All amounts in table below reflect rough estimates in millions:

| Program                               | Federal Funds/Year                  | State/Local Match           |
|---------------------------------------|-------------------------------------|-----------------------------|
| FHWA – MnDOT (@70%)                   | \$170M                              | \$40M (@20%)                |
| FHWA – Locals (@30%)                  | \$70M                               | \$20M (@20%)                |
| FAA                                   | \$60M                               | \$7M (@10%)                 |
| FTA – MnDOT portion only              | \$13M                               | \$7M (@36%)                 |
| <b><i>Discretionary programs*</i></b> | <b><i>\$450M (@2% of total)</i></b> | <b><i>\$112M (@20%)</i></b> |
| <b>Grand Total</b>                    | <b>\$760M</b>                       | <b>\$185M</b>               |

***\*Estimates of Minnesota's portion of the many new and expanded discretionary grant programs are for illustrative purposes only***

# Minnesota Highway User Tax Revenue History of Annual Revenues



# IJA EV Charging Network (current estimates)

Creates a new Electric Vehicle (EV) charging program with estimated \$68 million for Minnesota

- Eligible uses include EV charging infrastructure acquisition, installation, operation, maintenance, and data sharing
- State DOT plans required on use of funding for each fiscal year 2022 to 2026; if actions are not taken, funds could be reallocated to localities; if not, distributed to other states

***Potential impacts on private use of right-of-way***

# IJA Resiliency (current estimates)

## New Programs and Funding for Climate Change

- Grants for Charging and Fueling Infrastructure
  - \$2.5 billion (national)
- Formula carbon reduction program
  - \$96 million for Minnesota (over 5 years)



# IJA Equity (current estimates)

## New Programs and Funding for Equity

- \$1 billion for Reconnecting Communities (redressing historical inequities)
- \$216 million for Tribal Nations for climate resilience and climate adaptation
- Minnesota Impacts:
  - Create a plan for projects that embody cultural change
  - Leveraging partnerships with MPOs, Tribes, Local Governments



- Livability Framework that considers:
  - Equity
  - Connections
  - Economic Vitality
  - Public Health and the Environment
  - Safety
  - Sense of Place
  - Trust

# IJA Bridges (current estimates)

## New \$27.5 billion formula bridge program

- Replacement, rehabilitation, preservation, protection or construction
- ~\$300 million for MN
- 15% off-system set-aside, at 100% federal share

## New \$12.5 billion program for Nationally Significant Bridges (in addition to formula program)

## Does not eliminate need for Local Bridge Funds

- 772 bridges in need of replacement over next 5 years, estimated at \$453 million
- Additional 88 historic local bridges in need of preservation, estimated at \$54 million



# IIJA Transit (current estimates)

IIJA provides \$820 million for Minnesota in formula transit funding:

- Public transit formula-supported funding grows by 31%
- These resources can be used for programs such as bus grants (\$2.3 billion nationally) and capital and station improvements
- \$21.3 billion (nationally) for Capital Investment Grants and certain formula programs

[mndot.gov](http://mndot.gov)

# IJA Transit (current estimates)

Federal funds will increase from 29.2% in 2021 to 33.5% of the overall Greater Minnesota Transit budget in 2022

|             | 2021 (base year) | 2022    |
|-------------|------------------|---------|
| <b>5311</b> | \$14.2M          | \$18.4M |
| <b>5339</b> | \$4.3M           | \$5.6M  |
| <b>5307</b> | \$11.8M          | \$15.4M |
| <b>5310</b> | \$4.3M           | \$5.6M  |

# IIJA Transit (current estimates)

## Discretionary (Competitive) Programs

- Low and No Emission Buses (\$5.6B, expanded)
  - funding for zero-emission and low-emission buses as well as facilities
- Buses and Bus Facilities (\$2B, expanded)
  - funding for buses, related equipment and facilities including technological changes or innovations to modify low- or no-emission vehicles or facilities



# IIJA Highway Safety Improvement Program

| Topic                 | Changes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Funding               | \$16.8B (\$1.8B increase, 5-years, nationally)                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Eligible projects     | <ul style="list-style-type: none"><li>• Adds eligibility to include non-infrastructure projects related to education, research, enforcement, emergency services, and Safe Routes to School</li><li>• Modifies the definition of highway safety improvement projects by adding or clarifying project types. Examples include:<ul style="list-style-type: none"><li>o traffic control devices for bikes/peds</li><li>o roadway improvements that separate motor vehicles from bikes/peds</li></ul></li></ul> |
| Vulnerable road users | <ul style="list-style-type: none"><li>• Requires states to complete vulnerable road user safety assessments</li></ul>                                                                                                                                                                                                                                                                                                                                                                                      |

# IIJA Safe Streets and Roads for All

## *New Competitive Grant Program*

|                             |                                                                                                                                                                                                                                                                |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Purpose</b>              | Support local initiatives to prevent transportation-related death and serious injury (commonly referred to as “Vision Zero” or “Toward Zero Deaths”)                                                                                                           |
| <b>Funding</b>              | \$5B (5-years, nationally)                                                                                                                                                                                                                                     |
| <b>Eligible Entities</b>    | <ul style="list-style-type: none"><li>• MPOs</li><li>• Local governments</li><li>• Tribal governments</li></ul>                                                                                                                                                |
| <b>Eligible projects</b>    | <ul style="list-style-type: none"><li>• Comprehensive safety action plan (planning grant)</li><li>• Planning, design, and development activities for infrastructure projects and other strategies</li></ul>                                                    |
| <b>Other Key Provisions</b> | <ul style="list-style-type: none"><li>• Requires considering the likelihood of a project reducing or eliminating fatalities and serious injuries involving pedestrians, bicyclists, public transportation users, motorists, and commercial operators</li></ul> |

# IIJA Railway-Highway Crossings Program

| Topic             | Changes                                                                                                                                                                                                                                             |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Eligible projects | <ul style="list-style-type: none"><li>Clarifies funds are eligible for projects to reduce pedestrian fatalities and injuries from trespassing at grade crossings</li></ul>                                                                          |
| Funding           | <ul style="list-style-type: none"><li>\$3B (5-years, nationally)</li><li>Increases the maximum incentive payment that a state may pay a local government for closing a public at-grade railway-highway crossing from \$7,500 to \$100,000</li></ul> |
| Federal Share     | <ul style="list-style-type: none"><li>Increases federal share for projects financed thru this program from 90% to 100%</li></ul>                                                                                                                    |
| Reports           | <ul style="list-style-type: none"><li>Requires FRA to annually summarize highway-rail grade crossing action plans, evaluate each state railway-highway crossing program and report to Congress</li></ul>                                            |

# IIJA Timeline

**Nov. 15**  
IIJA signed  
into law

**Now –  
Spring**  
Public Input,  
Including  
Discussion  
on  
State/Local  
Funding Split

**January**  
Governor's  
Budget  
Proposals  
Released

**Jan. 31**  
Session Begins –  
Appropriation  
of Federal  
Funds,  
Matching Funds

**Feb. 18**  
Federal  
Continuing  
Resolution  
Expires

# IJA Input Opportunity

- Transportation Alliance Event
  - Thursday, Dec. 16, 11:00 AM
  - Virtual Registration Option Available
  - <https://www.transportationalliance.com/>



# Thank you!

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