



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



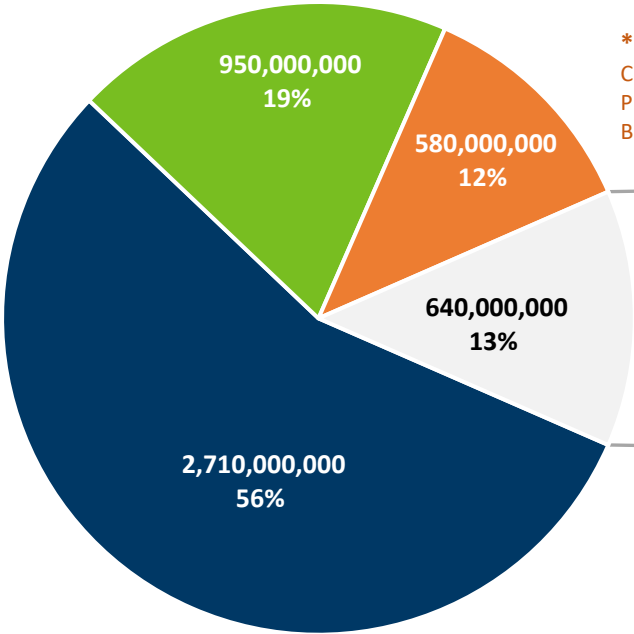
IIJA Overview

- 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



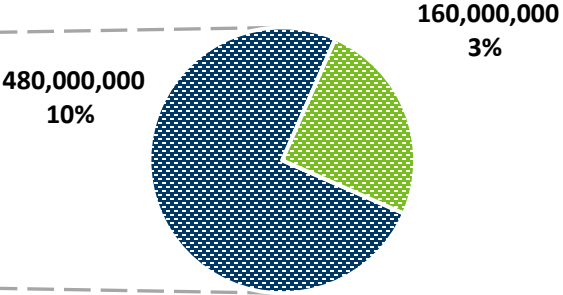
Comparison of FAST Act and IJA Formula Program Funds

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



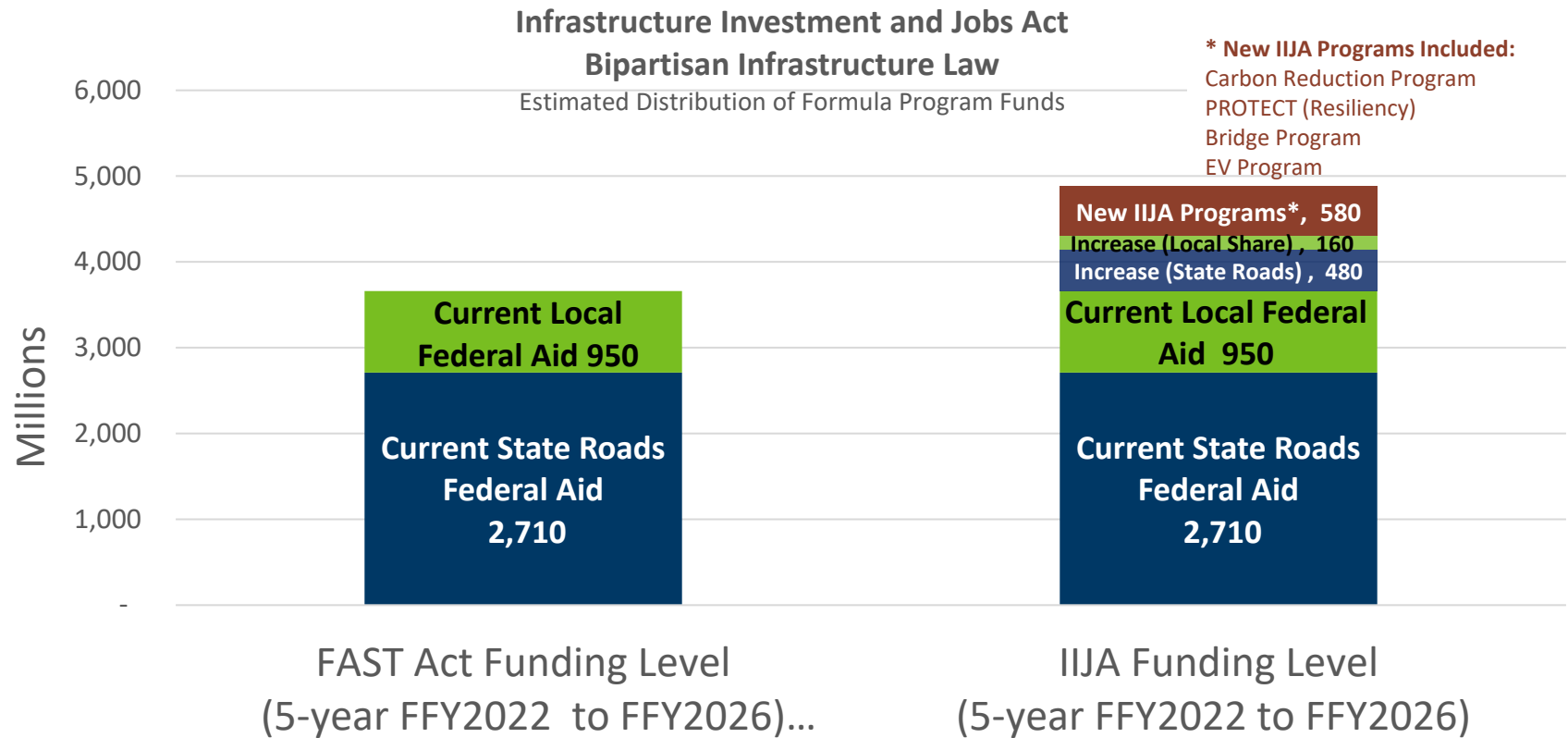
**Infrastructure Investment and Jobs Act
Bipartisan Infrastructure Law
Estimated Distribution of Formula Program Funds**

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

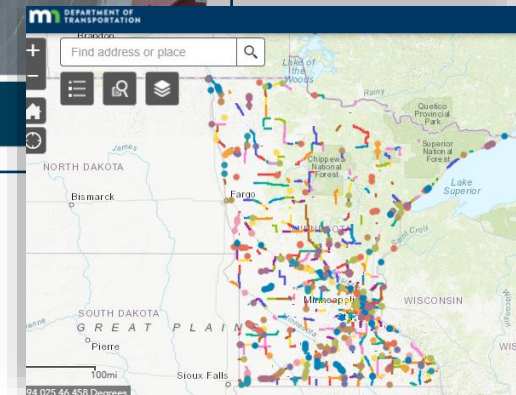
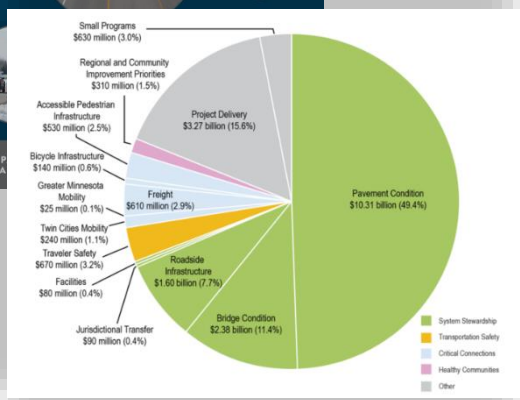
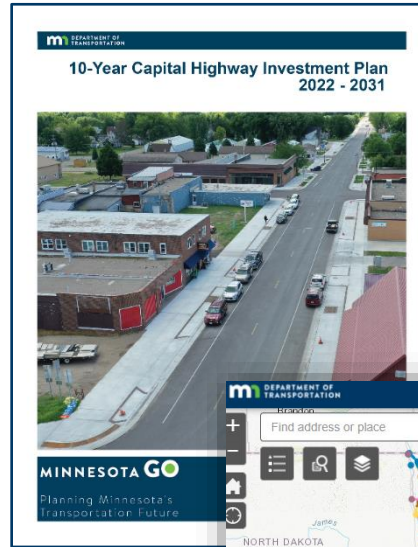
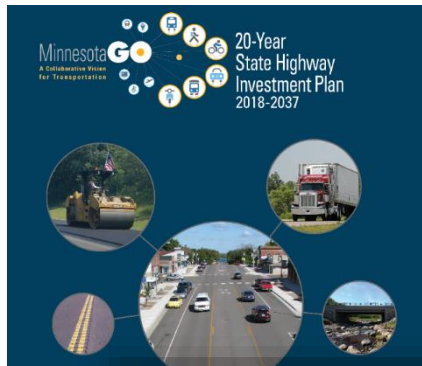


- Current State Roads Federal-Aid Program
- Current Local Federal-Aid Program
- New IJA Programs*
- Increase (State Roads)
- Increase (Local Share)

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)

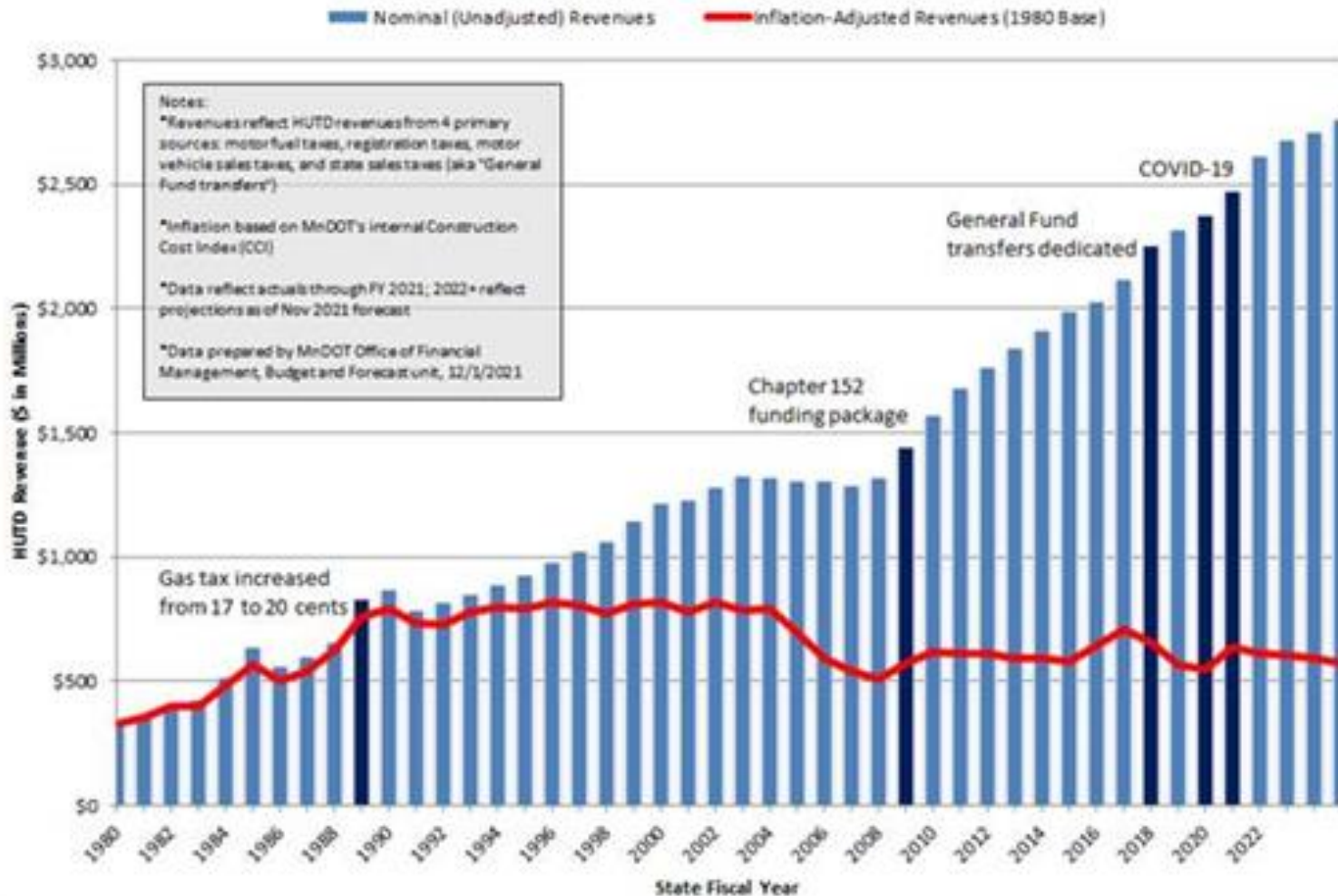
All amounts in table below reflect rough estimates in millions:

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%)
<i>Discretionary programs*</i>	<i>\$450M (@2% of total)</i>	<i>\$112M (@20%)</i>
Grand Total	\$760M	\$185M

****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

Highway User Tax Distribution (HUTD) Fund Revenues, FYs 1980-2025 Nominal vs. Real



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

IIJA 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

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
5311	\$14.2M	\$18.4M
5339	\$4.3M	\$5.6M
5307	\$11.8M	\$15.4M
5310	\$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">• Adds eligibility to include non-infrastructure projects related to education, research, enforcement, emergency services, and Safe Routes to School• Modifies the definition of highway safety improvement projects by adding or clarifying project types. Examples include:<ul style="list-style-type: none">o traffic control devices for bikes/pedso roadway improvements that separate motor vehicles from bikes/peds
Vulnerable road users	<ul style="list-style-type: none">• Requires states to complete vulnerable road user safety assessments

IIJA Safe Streets and Roads for All

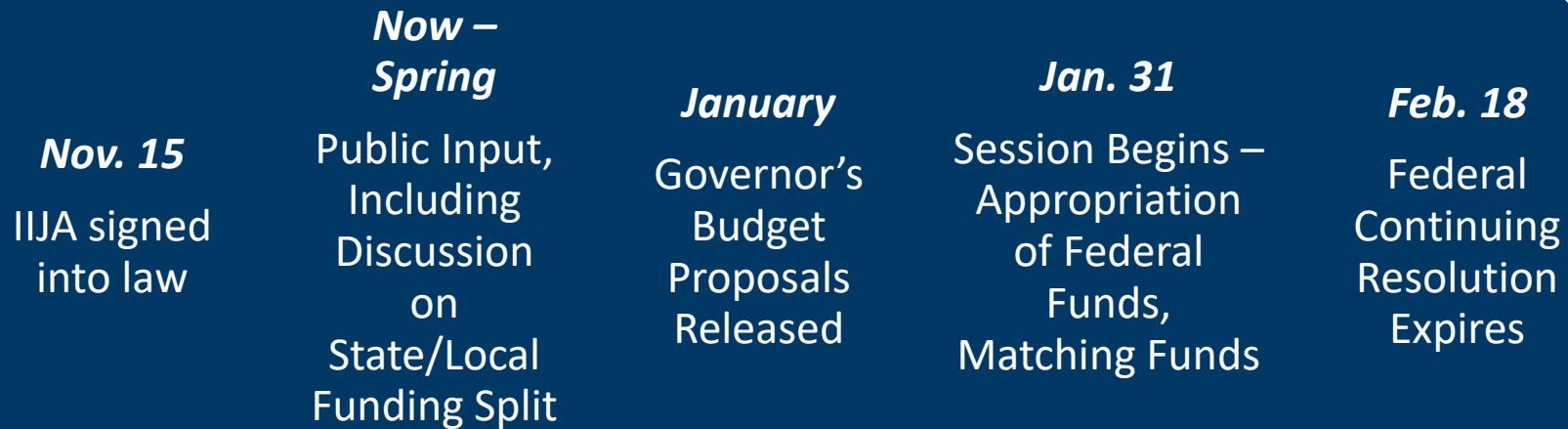
New Competitive Grant Program

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

IIJA Railway-Highway Crossings Program

Topic	Changes
Eligible projects	<ul style="list-style-type: none">Clarifies funds are eligible for projects to reduce pedestrian fatalities and injuries from trespassing at grade crossings
Funding	<ul style="list-style-type: none">\$3B (5-years, nationally)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
Federal Share	<ul style="list-style-type: none">Increases federal share for projects financed thru this program from 90% to 100%
Reports	<ul style="list-style-type: none">Requires FRA to annually summarize highway-rail grade crossing action plans, evaluate each state railway-highway crossing program and report to Congress

IIJA Timeline



IJA Input Opportunity

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



Thank you!

Erik Rudeen

erik.rudeen@state.mn.us

612-430-2487