

## Infrastructure Investment and Jobs Act (IIJA)

IIJA is a bipartisan transportation law that provides \$4.8 billion to Minnesota over the next five years in federal formula funding for highways and bridges – this includes a continuation of current federal formula funds **plus an additional approximately \$100 million per year.**<sup>1</sup> It represents an estimated 30% increase in the State’s highway formula funding. Minnesota, along with local and tribal governments, is also eligible for new and expanded competitive grant programs as part of this law.

### Where is the IIJA investment directed?

- **\$820 million** to improve public transportation options
- **\$298 million** for infrastructure development for airports
- **\$107 million** to reduce transportation-related emissions
- **\$121 million** to increase resiliency of the transportation system
- **\$68 million** to support the expansion of the state’s electric vehicle charging network
- **\$50 million** to augment commercial motor vehicle safety efforts and reduce crashes
- **\$39 million** for highway safety traffic programs

### Legislative action is required

- Congress still must appropriate funds within the framework of IIJA.
- **Minnesota will also need state legislative authority to spend most federal funds.** Almost all federal funds also require at least a 20% state or local match. MnDOT will work closely with state lawmakers to secure needed matching funds during the 2022 legislative session. The Governor’s transportation funding proposal offers matching funds for IIJA investments as MnDOT partners with the federal government, tribal governments, counties, cities, townships and multimodal systems.

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

<sup>1</sup> Dollar figures throughout this document are estimates.

## What is included in IIJA?

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### Highways and Bridges

- **Bridges:** New \$300 million for Minnesota bridges:
  - 15% per state set-aside at 100% federal share for bridges off the federal-aid system.
- **Highway safety:** Minnesota will receive an estimated \$302 million to improve driver behavior and reduce deaths and injuries from motor vehicle-related crashes.
- **New Carbon Reduction Program:** Estimated to provide \$107 million for Minnesota over five years in addition to new grant programs.
  - New carbon reduction program to reduce transportation greenhouse gas emissions 65%. States must develop a carbon reduction strategy within two years.
- **New climate resiliency formula program called PROTECT:** Estimated to provide \$121 million for Minnesota over five years. This section also contains grant programs.
  - **Healthy Street Program:** Grants for cool and porous pavements, expanding tree cover, mitigating urban heat islands, improving air quality, reducing the extent of impervious surfaces, storm water runoff and flood risks, and heat impacts.
  - **Reconnecting Communities Program:** Planning grants up to \$2 million and capital construction grants up to \$5 million to redress historic inequities.
- **EV charging infrastructure:** New \$13.6 million per year (\$68 million total for Minnesota) EV charging infrastructure formula program.
  - 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 and other states.

### Mass Transit

- \$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 and capital and station improvements.

### Passenger Rail

- Substantially increases passenger rail funding by providing \$66 billion (nationally) for Amtrak, grant programs, federal-state partnerships, and rail crossing elimination.
- Minnesota will be eligible to compete for \$5 billion for rail improvement and safety grants and \$3 billion for grade crossing safety improvements.

### Freight

- The National Freight Strategic Plan is updated to include best practices for reducing environmental impacts, potential impacts of the freight system on rural and historically disadvantaged communities, and strategies for decarbonization.
- States can increase the amount of their mileage on the National Multimodal Freight Network.

## Airports

- Minnesota airports are estimated to receive \$298 million to address airport needs, such as improving runways, taxiways and airport-owned towers, terminal development projects, and noise reduction projects. The Metropolitan Airports Commission primarily is expected to benefit from this funding.

## Discretionary Grant Funding (national funding figures)

- Rebuilding American Infrastructure with Sustainability and Equity (existing RAISE program with increased funding): \$7.5 billion
- Infrastructure for Rebuilding America (existing INFRA program with increased funding): \$14 billion
- Bridge Investment Program (new program, in addition to bridge formula program): \$12.5 billion
- National Infrastructure Project Assistance (new program, for megaprojects): \$5 billion
- Safe Streets and Roads for All (new funding for vision zero/toward zero deaths programs): \$5 billion
- Culvert removal, replacement, and restoration (new program): \$1 billion

## Other Provisions of Interest (national funding figures)

- Creation of a new USDOT office to work with tribal governments and Native American communities, and \$216 million to the Bureau of Indian Affairs for climate resilience and climate adaptation for tribal nations.
- \$65 billion for broadband improvements.
- \$55 billion for clean water and drinking water investments, and \$15 billion for removing lead water service lines.
- \$73 billion to modernize the nation's electricity grid.