

# Federal Infrastructure Investment and Jobs Act 2021 - IIJA

As the expiration of the FAST Act neared in 2019, the members of the Minnesota Transportation Alliance developed recommendations for reauthorization and worked to communicate with members of Congress about the importance of passing a new five-year surface transportation authorization act.

While legislation was debated, Congress ended up passing a one-year extension of the FAST Act through September, 2021. The Transportation Alliance hosted its Annual Washington, D.C. Fly-In in September of 2021, after the US Senate had passed the Infrastructure Investment and Jobs Act in August, urging Minnesota's Congressional delegation to pass this infrastructure investment act and send it to the President for his signature.



Over the course three days, Alliance members learned more about this important legislation, heard directly from our Minnesota Senators and members of Congress and met one-on-one with members and staff to discuss the importance of increased transportation funding for Minnesota's transportation system.

MnDOT provided a briefing on the potential impact of the IIJA for Minnesota.





The Transportation Alliance Breakfast With Federal Legislators brings our members together with the Minnesota delegation to hear their views on transportation funding and policy discussions in Washington and give our members an opportunity to talk with them about local needs and projects.

The Fly-In was held at a key moment in the process as negotiations were taking place over investments in a number of areas. Infrastructure became one area of agreement with a rate bi-partisan vote.

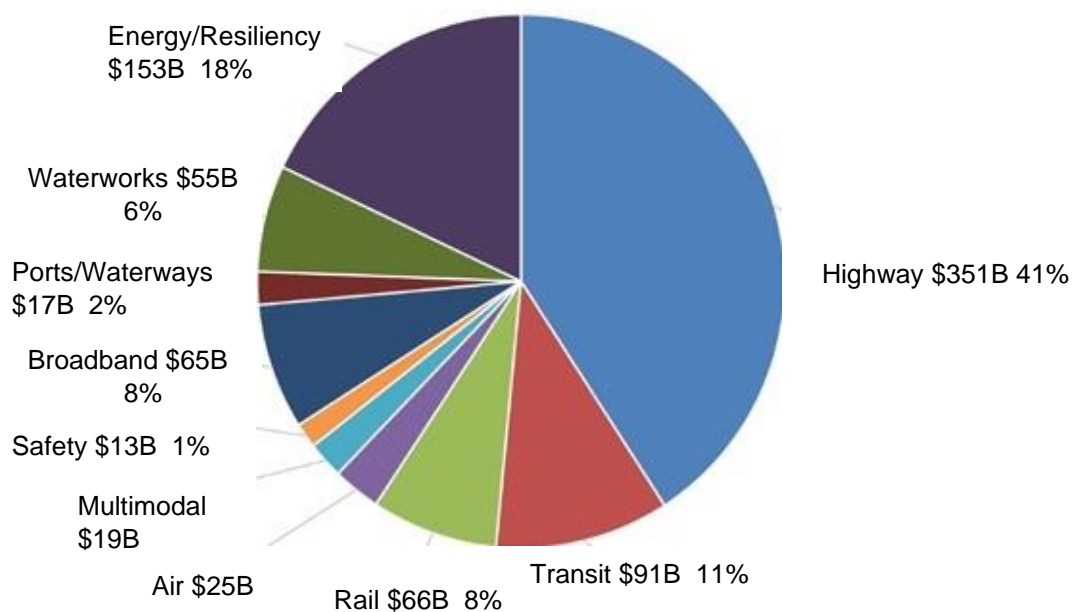
Thanks to our Alliance members for participating in our event and a big Thank You to Alliance sponsors for supporting the event and hosting great networking opportunities!



# \$1.2 Trillion Infrastructure Investment and Jobs Act

The historic federal infrastructure package includes more than transportation funding. The bill also includes new funding for many infrastructure categories including broadband, water infrastructure, power and the electric grid and addressing pollution clean-up.

Breakdown of \$852 Billion in Guaranteed Funding in the Infrastructure Investment & Jobs Act



\$550 Billion In New Spending Over 5 Years

**Roads, Bridges, & major projects:** \$110B - Includes Commerce and EPW-passed surface transportation reauthorization bills. Funds new, dedicated grant program to replace and repair bridges and increases funding for the major project competitive grant programs. At the same time, the package preserves the 90/10 split of federal highway aid to states.

**Passenger and Freight Rail:** \$66B - Provides funding for the Amtrak National Network for new service and dedicated funding to the Northeast Corridor, which has incurred a severe repair backlog after Hurricane Sandy. Increases funding for freight rail and safety.

**Safety and Research:** \$11B - Funds highway & pedestrian safety and research programs, as well as pipeline safety and repair.

**Public Transit:** \$39.2B - Funds nation's transit system repair backlog, which DOT estimates is more than 24,000 buses, 5,000 rail cars, 200 stations, and thousands of miles of track, signals, and power systems.

**Broadband:** \$65B - Grants to states for broadband deployment and other efforts to close the digital divide. Expands eligible private activity bond projects to include broadband infrastructure.

**Airports:** \$25B - Increases funds for Airport Improvement grant program for runways, gates, & taxiways as well as a new Airport Terminal Improvement program for terminals, concessions, and multimodal connections.

**Ports and Waterways:** \$17.4B - Funding for waterway and coastal infrastructure, inland waterway improvements, port infrastructure, and land ports of entry through the Army Corps, DOT, Coast Guard, the GSA, and DHS.

**Water Infrastructure:** \$54B - Includes the bipartisan Drinking Water and Wastewater Infrastructure Act. Provides a historic \$15 billion for lead service line replacement and \$10 billion to address PFAS. 4 Supports water infrastructure in Tribal communities by providing \$1.8 billion for the Indian Health Service Sanitation Facilities Construction program, in addition to funding to complete all currently authorized Indian Water Rights Settlements.

**Power and Grid:** \$65B - Includes the bipartisan Energy Infrastructure Act, which includes funds for grid reliability and resiliency and support for a Grid Development Authority; critical minerals and supply chains for clean energy technology; key technologies like carbon capture, hydrogen, direct air capture, and energy efficiency; and energy demonstration projects from the bipartisan Energy Act of 2020.

**Resiliency:** \$46B - Funding for cybersecurity to address critical infrastructure needs, flood mitigation, wildfire, drought, coastal resiliency, waste management, ecosystem restoration, and weatherization.

**Low-Carbon and Zero-Emission School Buses & Ferries:** \$7.5B - Funds for the adoption of low carbon and zero-emission school buses, including through hydrogen, propane, LNG, compressed natural gas, biofuel, and electric technologies. Provides support for a pilot program for low emission ferries and rural ferry systems.

**Electric Vehicle Charging:** \$7.5B – Funds for alternative fuel corridors and to build out a national network of electric vehicle charging infrastructure to facilitate long-distance travel and to provide convenient charging where people live, work, and shop. The federal funding will have a particular focus on rural disadvantaged, and hard-to-reach communities.

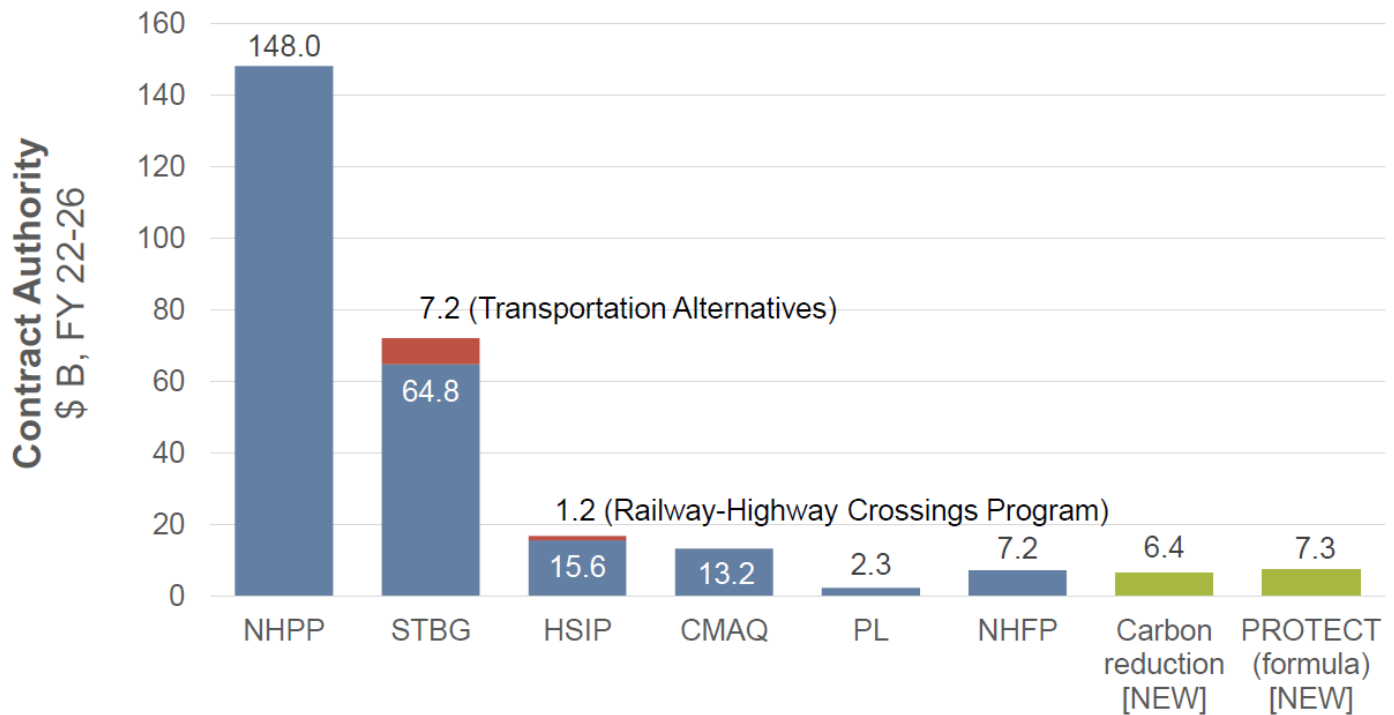
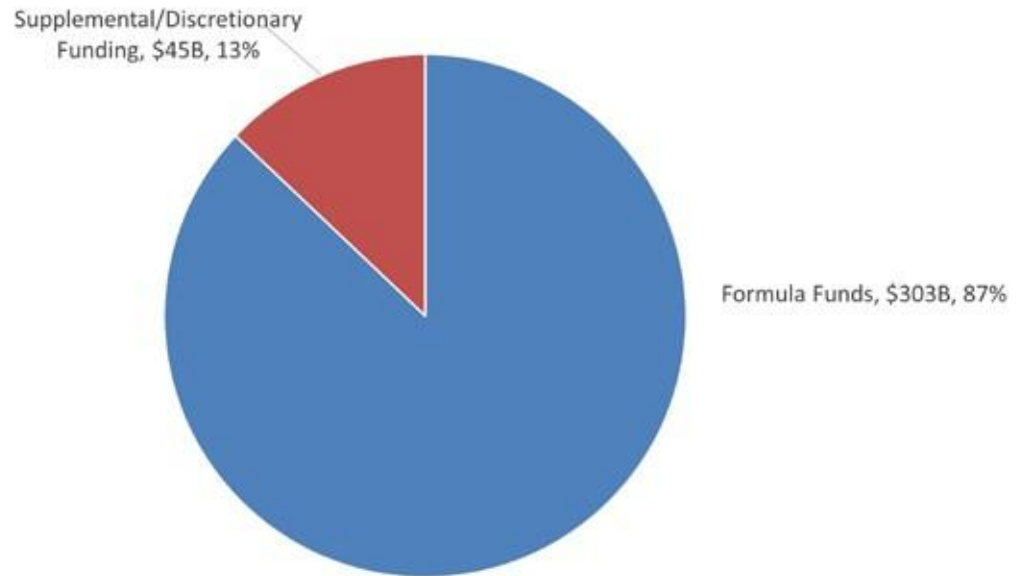
**Reconnecting Communities:** \$1B – Funds for projects that remove barriers to opportunity caused by legacy infrastructure. The program will provide dedicated funding for planning, design, demolition, and reconstruction of street grids, parks, or other infrastructure.

**Addressing Legacy Pollution:** \$21B – Funds to clean up brownfield and superfund sites, reclaim abandoned mine lands, and plug orphan oil and gas wells, improving public health and creating good paying jobs.

## Roads and Bridges

For highways, the bill provides \$348 billion over five years with the bulk of the funding flowing through formula funds, some of which are new and some are existing.

**Breakdown of \$348 Billion IJA Highway Funding**



**Federal-aid apportioned programs under BIL**

As Passed by the Senate on August 10, 2021 / In millions of dollars / HTF = Highway Trust Fund / GF = General Fund

Program Category	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	5-Year Total	5-Year Avg					
<b>HIGHWAYS</b>													
National Highway Performance Program	24,239.4	28,439.4	17.3%	29,008.2	2.0%	29,588.4	2.0%	30,180.2	2.0%	30,783.8	2.0%	148,000.0	29,600.0
Surface Transportation Block Grant Program (Excluding TA	11,929.4	12,451.9	4.4%	12,700.9	2.0%	12,955.0	2.0%	13,214.0	2.0%	13,478.3	2.0%	64,800.1	12,960.0
STBGP Transportation Alternative Program Setaside	850.0	1,383.5	62.8%	1,411.2	2.0%	1,439.4	2.0%	1,468.2	2.0%	1,497.6	2.0%	7,199.9	1,440.0
Highway Safety Improvement Program	2,407.8	2,979.8	23.8%	3,044.3	2.2%	3,110.2	2.2%	3,177.4	2.2%	3,245.9	2.2%	15,557.6	3,111.5
Railway-Highway Grade Crossings Program	245.0	245.0	0.0%	245.0	0.0%	245.0	0.0%	245.0	0.0%	245.0	0.0%	1,225.0	245.0
Congestion Mitigation and Air Quality Improvement Program	2,493.6	2,536.5	1.7%	2,587.2	2.0%	2,639.0	2.0%	2,691.7	2.0%	2,745.6	2.0%	13,200.0	2,640.0
Metropolitan Planning Program	357.9	438.1	22.4%	446.9	2.0%	455.8	2.0%	464.9	2.0%	474.2	2.0%	2,279.9	456.0
National Highway Freight Program	1,487.3	1,373.9	-7.6%	1,401.4	2.0%	1,429.4	2.0%	1,458.0	2.0%	1,487.2	2.0%	7,149.9	1,430.0
Carbon Reduction Program		1,233.7		1,258.3	2.0%	1,283.5	2.0%	1,309.2	2.0%	1,335.3	2.0%	6,420.0	1,284.0
PROTECT Formula Program		1,402.8		1,430.8	2.0%	1,459.4	2.0%	1,488.6	2.0%	1,518.4	2.0%	7,300.0	1,460.0
Bridge Formula Program	1,080.0	5,500.0	409.3%	5,500.0	0.0%	5,500.0	0.0%	5,500.0	0.0%	5,500.0	0.0%	27,500.0	5,500.0
Electric Vehicle Formula Program		1,000.0		1,000.0	0.0%	1,000.0	0.0%	1,000.0	0.0%	1,000.0	0.0%	5,000.0	1,000.0
Ferry Boats and Facilities	80.0	178.4	123.0%	180.4	1.1%	182.4	1.1%	184.4	1.1%	186.4	1.1%	912.0	182.4
<b>Total, Formula Programs (HTF, GF)</b>	<b>45,170.4</b>	<b>59,163.0</b>	<b>31.0%</b>	<b>60,214.6</b>	<b>1.8%</b>	<b>61,287.5</b>	<b>1.8%</b>	<b>62,381.6</b>	<b>1.8%</b>	<b>63,497.7</b>	<b>1.8%</b>	<b>306,544.4</b>	<b>61,308.9</b>
TIFIA	300.0	250.0	-16.7%	250.0	0.0%	250.0	0.0%	250.0	0.0%	250.0	0.0%	1,250.0	250.0
Tribal Transportation Program	505.0	578.5	14.6%	590.0	2.0%	602.5	2.1%	613.0	1.7%	628.0	2.4%	3,012.0	602.4
Federal Lands Transportation Program	375.0	422.0	12.5%	430.0	1.9%	439.0	2.1%	448.0	2.1%	456.0	1.8%	2,195.0	439.0
Federal Lands Access Program	270.0	286.0	5.9%	292.0	2.1%	297.0	1.7%	304.0	2.4%	309.0	1.6%	1,488.0	297.6
Territorial and Puerto Rico Highway Program	203.4	219.0	7.7%	224.0	2.3%	228.0	1.8%	232.5	2.0%	237.0	1.9%	1,140.5	228.1
Projects of National and Regional Significance (INFRA Grants)	1,000.0	1,640.0	64.0%	1,640.0	0.0%	1,640.0	0.0%	1,540.0	-6.1%	1,540.0	0.0%	8,000.0	1,600.0
FHWA Administrative Expenses	480.8	491.0	2.1%	500.8	2.0%	510.8	2.0%	521.0	2.0%	531.4	2.0%	2,555.0	511.0
SAFETEA-LU Allocated Safety Set-Aside	3.5	3.5	0.0%	3.5	0.0%	3.5	0.0%	3.5	0.0%	3.5	0.0%	17.5	3.5
Emergency Relief	100.0	100.0	0.0%	100.0	0.0%	100.0	0.0%	100.0	0.0%	100.0	0.0%	500.0	100.0
<b>Total, Existing Allocated Programs (HTF)</b>	<b>3,237.7</b>	<b>3,990.0</b>	<b>23.2%</b>	<b>4,030.3</b>	<b>1.0%</b>	<b>4,070.8</b>	<b>1.0%</b>	<b>4,012.0</b>	<b>-1.4%</b>	<b>4,054.9</b>	<b>1.1%</b>	<b>20,158.0</b>	<b>4,031.6</b>
Bridge Discretionary Grants		2,447.0		2,487.0	1.6%	2,497.0	0.4%	2,522.0	1.0%	2,547.0	1.0%	12,500.0	2,500.0
Congestion Relief Discretionary Grants		50.0		50.0	0.0%	50.0	0.0%	50.0	0.0%	50.0	0.0%	250.0	50.0
Charging and Fueling Infrastructure Discretionary Grants		300.0		400.0	33.3%	500.0	25.0%	600.0	20.0%	700.0	16.7%	2,500.0	500.0
Rural Surface Transportation Discretionary Grants		300.0		350.0	16.7%	400.0	14.3%	450.0	12.5%	500.0	11.1%	2,000.0	400.0
PROTECT Discretionary Grants		250.0		250.0	0.0%	300.0	20.0%	300.0	0.0%	300.0	0.0%	1,400.0	280.0
Reduce Truck Emissions at Port Facilities Discretionary Grants		80.0		80.0	0.0%	80.0	0.0%	80.0	0.0%	80.0	0.0%	400.0	80.0
Nat. Signif. Fed. Lands and Tribal Projects Discretionary Grants	100.0	55.0	-45.0%	55.0	0.0%	55.0	0.0%	55.0	0.0%	55.0	0.0%	275.0	55.0
<b>Total, New Allocated Programs (GF)</b>	<b>100.0</b>	<b>3,482.0</b>	<b>3382.0%</b>	<b>3,672.0</b>	<b>5.5%</b>	<b>3,882.0</b>	<b>5.7%</b>	<b>4,057.0</b>	<b>4.5%</b>	<b>4,232.0</b>	<b>4.3%</b>	<b>19,325.0</b>	<b>3,865.0</b>
Highway Research Program	125.0	147.0	17.6%	147.0	0.0%	147.0	0.0%	147.0	0.0%	147.0	0.0%	735.0	147.0
Technology and Innovation Deployment Program	67.5	110.0	63.0%	110.0	0.0%	110.0	0.0%	110.0	0.0%	110.0	0.0%	550.0	110.0
Training and Education	24.0	25.0	4.2%	25.3	1.2%	25.5	0.8%	25.8	1.2%	26.0	0.8%	127.6	25.5
Intelligent Transportation Systems Program	100.0	110.0	10.0%	110.0	0.0%	110.0	0.0%	110.0	0.0%	110.0	0.0%	550.0	110.0
University Transportation Centers Program	77.5	99.0	27.7%	99.5	0.5%	100.0	0.5%	100.5	0.5%	101.0	0.5%	500.0	100.0
Bureau of Transportation Statistics	26.0	26.0	0.0%	26.3	1.2%	26.5	0.8%	26.8	1.1%	27.0	0.7%	132.6	26.5
<b>Total, Research Programs (HTF)</b>	<b>420.0</b>	<b>517.0</b>	<b>23.1%</b>	<b>518.1</b>	<b>0.2%</b>	<b>519.0</b>	<b>0.2%</b>	<b>520.1</b>	<b>0.2%</b>	<b>521.0</b>	<b>0.2%</b>	<b>2,595.2</b>	<b>519.0</b>
Wildlife Crossings Pilot Program		60.0		65.0	8.3%	70.0	7.7%	75.0	7.1%	80.0	6.7%	350.0	70.0
Prioritization Process Pilot Program		10.0		10.0	0.0%	10.0	0.0%	10.0	0.0%	10.0	0.0%	50.0	10.0
Reconnecting Communities Pilot Program		195.0		198.0	1.5%	200.0	1.0%	202.0	1.0%	205.0	1.5%	1,000.0	200.0
Appalachian Development Highway System	100.0	250.0	150.0%	250.0	0.0%	250.0	0.0%	250.0	0.0%	250.0	0.0%	1,250.0	250.0
Competitive Grade Crossing Grants	50.0	0.0	-100.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0
National Scenic Byways Program	16.0	0.0	-100.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0
Other FY21 Priorities	10.0	0.0	-100.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0
<b>Total, Other Programs (HTF, GF)</b>	<b>176.0</b>	<b>515.0</b>	<b>192.6%</b>	<b>523.0</b>	<b>1.6%</b>	<b>530.0</b>	<b>1.3%</b>	<b>537.0</b>	<b>1.3%</b>	<b>545.0</b>	<b>1.5%</b>	<b>2,650.0</b>	<b>530.0</b>
<b>Total, Federal-Aid Highway Program (HTF, GF)</b>	<b>49,104.1</b>	<b>67,667.0</b>	<b>37.8%</b>	<b>68,958.0</b>	<b>1.9%</b>	<b>70,289.3</b>	<b>1.9%</b>	<b>71,507.7</b>	<b>1.7%</b>	<b>72,850.6</b>	<b>1.9%</b>	<b>351,272.6</b>	<b>70,254.5</b>

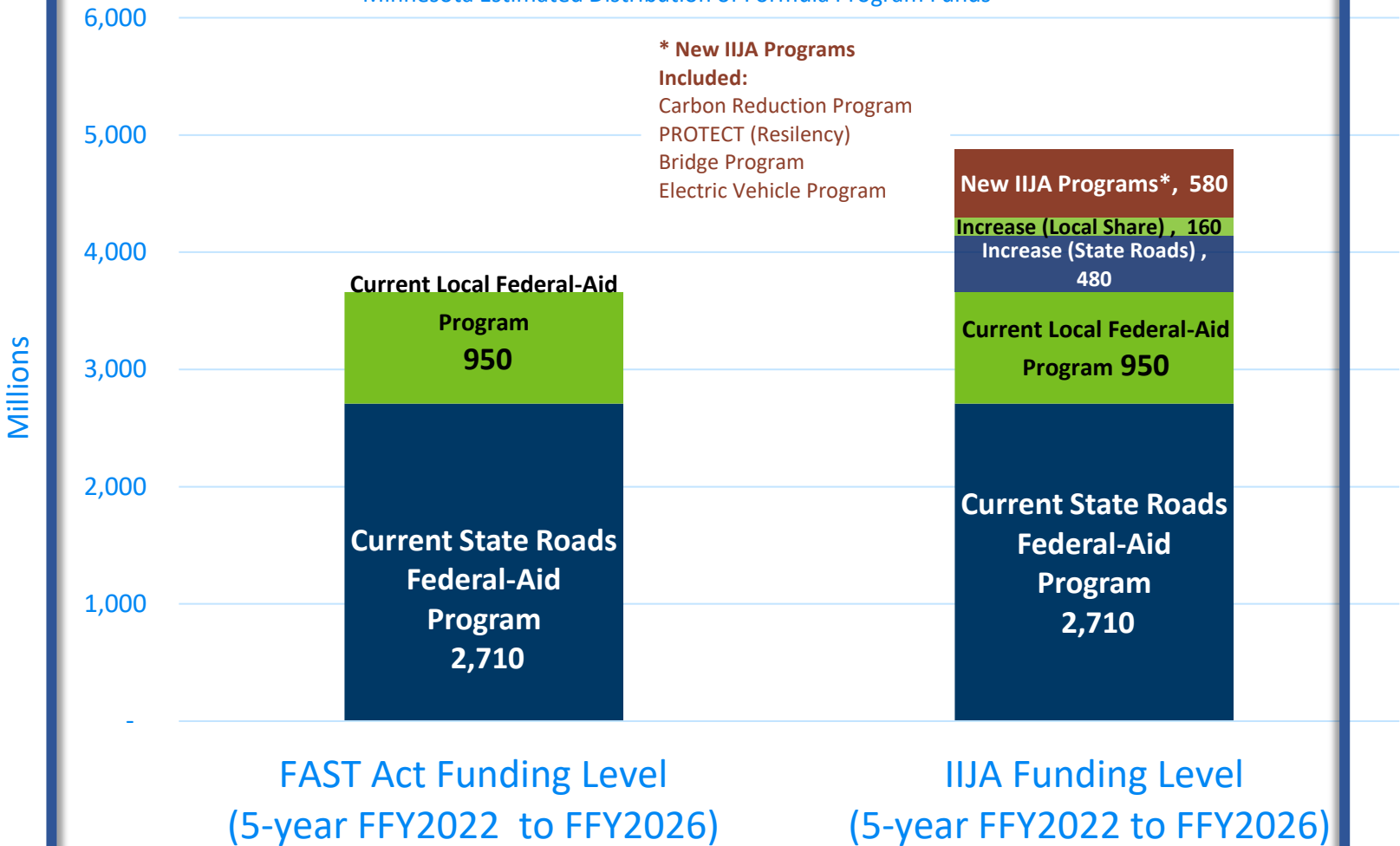
# IIJA Funding For Minnesota

Minnesota will benefit from a significant increase in funding for roads, bridges and transit as well as ports and waterways and airports.

The majority of the road funding will continue to flow through existing formula funds – namely the National Highway Performance (NHPP) program and the Surface Transportation Block Grant (STBG) program.

## Infrastructure Investment and Jobs Act Bipartisan Infrastructure Law

Minnesota Estimated Distribution of Formula Program Funds



# Minnesota Road and Bridge Funding Estimate

Federal Highway Formula Funding Levels (millions)

Federal Formula Program	2021		2022		2023	2024	2025	2026	
	Actual (FAST Act)		IIJA Estimate	Increase over FAST Act	IIJA Estimate	IIJA Estimate	IIJA Estimate	IIJA Estimate	Increase over FAST Act
National Highway Performance <sup>F4</sup> NHPP	408		462	53	470	478	486	495	87
Surface Transportation Block Grant STBG	194		225	30	229	233	237	241	47
Highway Safety Improvement <sup>F4</sup> HSIP	51		63	12	64	66	67	68	18
Rail Highway Crossings RHCP	7		7	(0)	7	7	7	7	(0)
Congestion Mitigation/Air Quality CMAQ	30		31	1	32	32	33	34	3
National Highway Freight NHFP	22		20	(2)	20	21	21	22	(0)
Metro Planning PLAN	5		6	1	6	6	6	7	2
State Planning & Research <sup>F5</sup> SPR	14		16	2	16	17	17	17	3
Carbon Reduction CRP			18	18	19	19	20	20	20
Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation PROTECT			21	21	21	22	22	23	23
<b>Sub Total <sup>F1</sup></b>	<b>730</b>		<b>868</b>	<b>138</b>	<b>884</b>	<b>900</b>	<b>916</b>	<b>933</b>	<b>203</b>

Highway Infrastructure Program HIP	23								
Bridge Replacement/Rehab BFP			60	60	60	60	60	60	60
National EV Charging NEVFP			14	14	14	14	14	14	14
<b>Sub Total <sup>F2</sup></b>	<b>23</b>		<b>74</b>	<b>74</b>	<b>74</b>	<b>74</b>	<b>74</b>	<b>74</b>	<b>74</b>

**Grand Total**                                      **753**                                      **942**                                      **958**                                      **974**                                      **990**                                      **1,007**

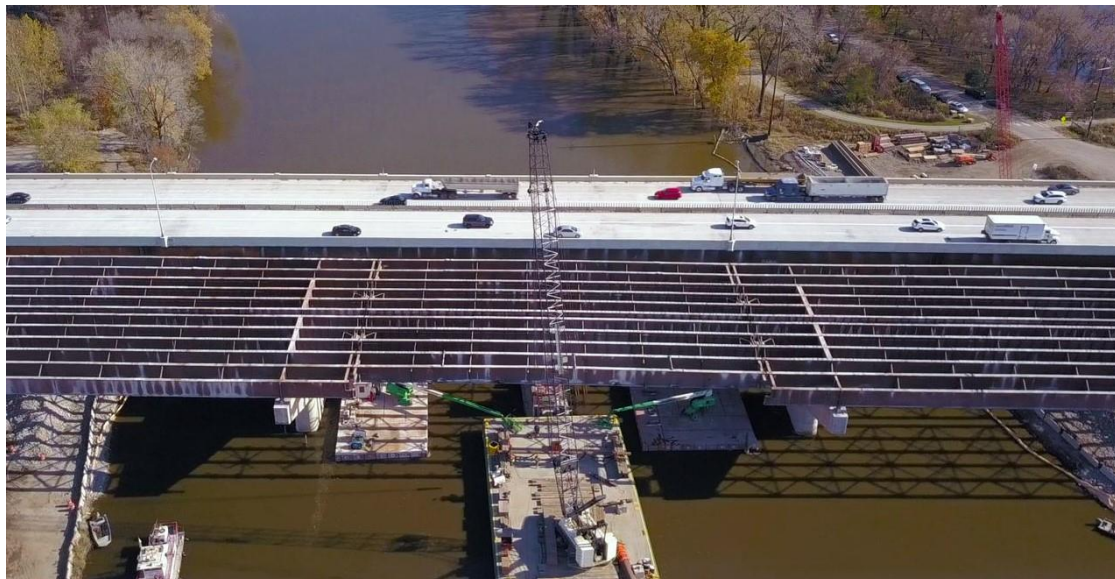
F1 - Subject to Annual Appropriation process as limitation in 2021 was 90% of Highway Formula Funding Level

F2 - Not limited by the Annual Appropriation process, 100%

F3 - All Estimated information based on tables provided by AASHTO

F4 - Includes Section 164 penalty (DWI or DUI repeat offender) adjustments

F5 - State Planning & Research for 2022-2026 will be 2% of the core programs.





## Safety

Safety is a big focus of the Infrastructure Investment and Jobs Act. The Highway Safety Improvement Program (HSIP) will receive a significant increase in funding.

- Generally, \$9M - \$13M more per year than we had been assuming for FY22-FY26.
- Intention is that new funding will be split with the counties (currently 65% to counties based on fatal/serious injury crash data).

YEAR	HSIP	SECTION 164	HSIP CHANGE	SECTION 164 CHANGE
FFY2021	36,900,000	13,800,000		
FFY2022	46,100,000	16,600,000	9,200,000	2,800,000
FFY2023	47,200,000	17,000,000	10,300,000	3,200,000
FFY2024	48,300,000	17,300,000	11,400,000	3,500,000
FFY2025	49,300,000	17,700,000	12,400,000	3,900,000
FFY2026	50,500,000	18,000,000	13,600,000	4,200,000

## Bridges

Bridges are another big focus with a new Bridge Formula program as well as a second new bridge program that will provide funding on a competitive basis. Minnesota will receive \$60 million per year through the formula bridge program.



## Discretionary Grant Programs

Discretionary Grant Programs receive much more funding than under previous authorizations and some new grant programs will be created.

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

- Existing: INFRA \$14 billion
- Existing: Local and Regional Project Assistance Program (RAISE/BUILD/TIGER) \$7.5 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

<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>

Program Examples	State	MPO	Local	Tribe
Apportioned programs (formula)	✓			
Bridge Program (formula)	✓			✓
National Electric Vehicle Formula Program	✓		✓	
Safe Streets and Roads for All program		✓	✓	✓
PROTECT Grants (discretionary)	✓	✓	✓	✓
Charging and Fueling Infrastructure Program	✓	✓	✓	✓
Congestion Relief Program	✓	✓	✓	
Bridge Investment Program (discretionary)	✓	✓	✓	✓
Reconnecting Communities Pilot Program	✓	✓	✓	✓
Rural Surface Transportation Grants	✓		✓	✓
INFRA	✓	✓	✓	✓
Nat'l Infra. Project Assistance	✓	✓	✓	✓
Local and Regional Project Assistance	✓	✓	✓	✓

Funding in the IIJA is available to a number of jurisdictions, depending on the program.

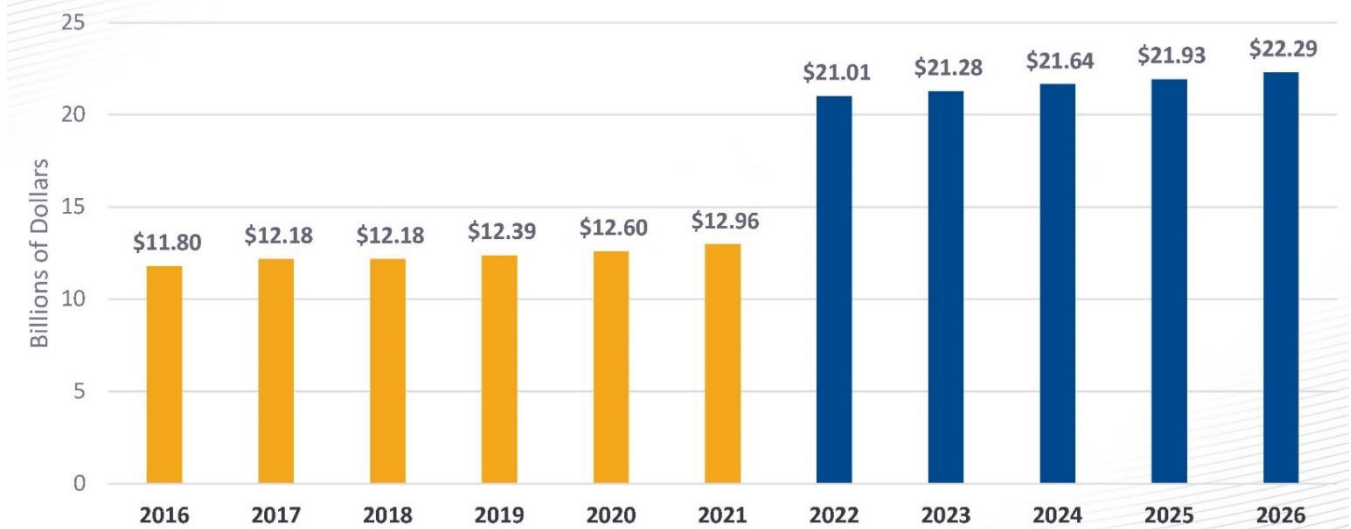
## Public Transit Funding

The IIJA provides up to \$108 billion for public transit over five years with \$69.9 B from Highway Trust Fund and \$21.25 billion in Advance Appropriations and \$17 billion in Authorized Appropriations

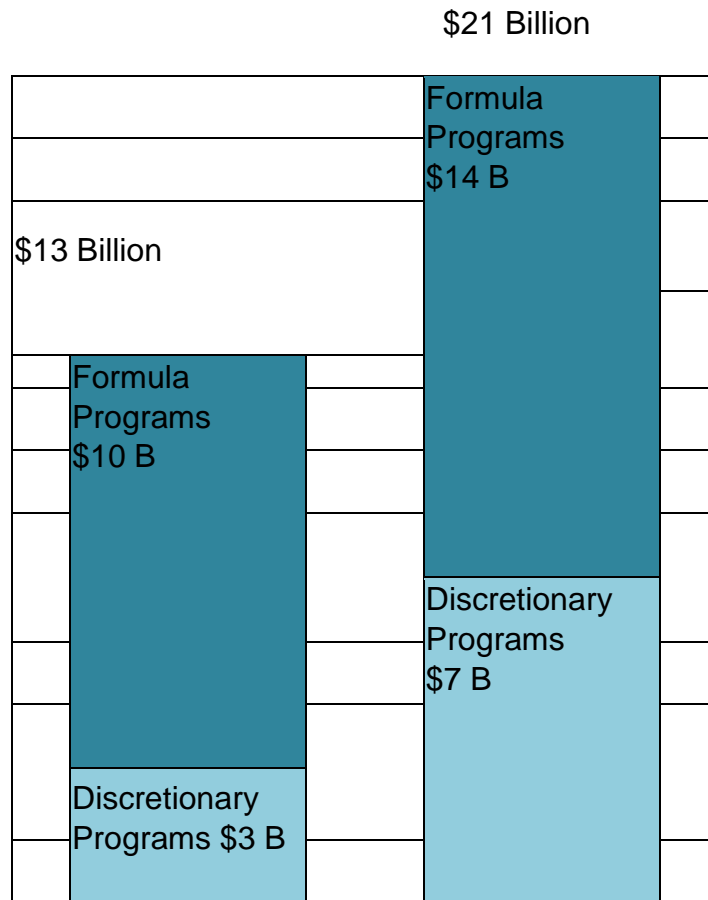
There is new and increased funding for State of Good Repair, Low or No Emission, and CIG Grants. The bill continues existing structure for FTA programs focused on urban, rural, and targeted populations.



# IIJA Public Transit Funding



Funding for public transit increases significantly in the first year of the IIJA and the gradually increases over the five-year life of the bill. These dollars may be used for bus grants, capital improvements and major transitway projects. The Capital Investment Grant program grows by 30% from the funding level provided in 2021.



# Federal Transit Funding by Program and by Year

Program Category	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	5-Year Total	5-Year Avg
Urbanized Area Formula	4,929.5	6,408.3 30.0%	6,542.2 2.1%	6,713.0 2.6%	6,851.7 2.1%	7,025.8 2.5%	33,541.0	6,708.2
Elderly/Disabled Formula	285.6	421.2 47.5%	429.0 1.9%	438.9 2.3%	446.9 1.8%	457.0 2.3%	2,193.0	438.6
Access/Mobility Pilot	3.5	4.6 31.4%	4.7 2.2%	4.8 2.1%	4.9 2.1%	5.0 2.0%	24.0	4.8
Rural Formula	713.3	875.3 22.7%	893.6 2.1%	916.9 2.6%	935.8 2.1%	959.6 2.5%	4,581.2	916.2
Research	35.0	36.8 5.1%	37.6 2.2%	38.6 2.7%	39.4 2.1%	40.4 2.5%	192.8	38.6
Technical Assistance / Workforce	4.0	11.8 195.0%	12.1 2.5%	12.4 2.5%	12.7 2.4%	13.0 2.4%	62.0	12.4
Bus Testing Facility	5.0	5.0 0.0%	5.1 2.0%	5.2 2.0%	5.3 1.9%	5.5 3.8%	26.1	5.2
Administrative Expenses	121.1	131.0 8.2%	134.9 3.0%	139.0 3.0%	143.1 2.9%	147.4 3.0%	695.4	139.1
National Transit Database	4.0	5.3 32.5%	5.4 1.9%	5.5 1.9%	5.6 1.8%	5.8 3.6%	27.6	5.5
State of Good Repair Formula	2,723.8	4,465.5 63.9%	4,537.8 1.6%	4,630.9 2.1%	4,705.7 1.6%	4,800.5 2.0%	23,140.4	4,628.1
Bus Formula	582.6	604.0 3.7%	616.6 2.1%	632.7 2.6%	645.8 2.1%	662.2 2.5%	3,161.3	632.3
Bus Competitive	414.0	375.7 -9.3%	383.5 2.1%	393.6 2.6%	401.7 2.1%	411.9 2.5%	1,966.4	393.3
Low-No Emission Buses	180.0	1,121.6 523.1%	1,123.1 0.1%	1,125.0 0.2%	1,126.5 0.1%	1,128.5 0.2%	5,624.7	1,124.9
Fast-Growth State Supplement	300.7	392.8 30.6%	401.0 2.1%	411.4 2.6%	419.9 2.1%	430.6 2.5%	2,055.7	411.1
High-Density State Supplement	309.4	348.3 12.6%	355.6 2.1%	364.9 2.6%	372.4 2.1%	381.9 2.6%	1,823.1	364.6
Areas of Persistent Poverty	16.2	0.0 -100.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0	0.0
<b>Total, Transit Formula Grants (HTF, GF)</b>	<b>10,779.7</b>	<b>15,405.0 42.9%</b>	<b>15,684.1 1.8%</b>	<b>16,040.0 2.3%</b>	<b>16,328.9 1.8%</b>	<b>16,691.1 2.2%</b>	<b>80,149.9</b>	<b>16,030.0</b>
New Starts	1,169.0	880.0 -24.7%	880.0 0.0%	880.0 0.0%	880.0 0.0%	880.0 0.0%	4,400.0	880.0
Core Capacity	525.0	320.0 -39.0%	320.0 0.0%	320.0 0.0%	320.0 0.0%	320.0 0.0%	1,600.0	320.0
Small Starts	200.0	240.0 20.0%	240.0 0.0%	240.0 0.0%	240.0 0.0%	240.0 0.0%	1,200.0	240.0
Project Delivery Pilot	100.0	160.0 60.0%	160.0 0.0%	160.0 0.0%	160.0 0.0%	160.0 0.0%	800.0	160.0
Oversight Set-Aside	20.0	0.0 -100.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0	0.0
<b>Total, Capital Investment Grants (GF)</b>	<b>2,014.0</b>	<b>1,600.0 -20.6%</b>	<b>1,600.0 0.0%</b>	<b>1,600.0 0.0%</b>	<b>1,600.0 0.0%</b>	<b>1,600.0 0.0%</b>	<b>8,000.0</b>	<b>1,600.0</b>
Accessibility Upgrades to Legacy Assets		350.0	350.0 0.0%	350.0 0.0%	350.0 0.0%	350.0 0.0%	1,750.0	350.0
Electric or Low-Emission Ferry Program		50.0	50.0 0.0%	50.0 0.0%	50.0 0.0%	50.0 0.0%	250.0	50.0
Ferry Service for Rural Communities		200.0	200.0 0.0%	200.0 0.0%	200.0 0.0%	200.0 0.0%	1,000.0	200.0
<b>Total, Federal Transit Program (HTF, GF)</b>	<b>12,793.7</b>	<b>17,605.0 37.6%</b>	<b>17,884.1 1.6%</b>	<b>18,240.0 2.0%</b>	<b>18,528.9 1.6%</b>	<b>18,891.1 2.0%</b>	<b>91,149.9</b>	<b>18,230.0</b>

## New Grant Programs

- Rail Vehicle Replacement Program – Replacement of rail rolling stock \$300M/yr.
- All Station Accessibility Program – Upgrade legacy rail stations that are inaccessible for people with disabilities \$350M/yr.
- Electric or Low-Emitting Ferry Pilot Program – Encourage use of low-emitting ferries \$100M/yr.
- Ferry Service for Rural Communities - \$400m/yr.

## Transit Funding For Minnesota

Transit Funding For Minnesota							
IIJA - Transit Funding							
	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>

### Urbanized Area Formula

- 30% increase to program funding levels from FY21 to FY22 (\$4.8B to \$6.3B)
- Increases the set-aside for Small Transit Intensive Cities from 2% to 3%
- Requires recipients in large UZAs to use at least 0.75% of their funds for safety-related projects eligible under the Urbanized Area Formula program (Section 5307)

### Formula Grants For Rural Areas

- 30% increase to program funding levels from FY21 to FY22 (\$601M to \$781M)
- Provides \$229 million for Public Transportation on Indian Reservations over five years
- 20% of the Public Transportation on Indian Reservations funds must be distributed on a competitive basis, while the remainder must be apportioned by formula
- 3% of Rural Formula funding is available for the Appalachian Development Public Transportation Assistance program

### Buses and Bus Facilities

- 30% increase to program funding levels from FY21 to FY22 (\$461M to \$599M)
- The Formula National Distribution is increased to \$4 million for each State and \$1 million for each territory
- Encourages use of Innovative Procurement tools, such as cooperative procurement contracts or state cooperative procurement schedules

# Policy Changes In IIJA

## NHPP

Topic	Changes
Program purpose	<p>Adds as an additional program purpose:</p> <ul style="list-style-type: none"> <li>providing support for activities to increase the resiliency of the NHS to mitigate the cost of damages from sea level rise, extreme weather events, flooding, wildfires, or other natural disasters</li> </ul>
Eligible projects	<p>Adds new eligible projects:</p> <ul style="list-style-type: none"> <li>undergrounding public utility infrastructure carried out in conjunction with an otherwise eligible project</li> <li>resiliency improvements (including protective features) on the NHS</li> <li>activities to protect NHS segments from cybersecurity threats.</li> <li>protective features (related to mitigating risk of recurring damage or the cost of future repairs from extreme weather events, flooding, or other natural disasters) on Federal-aid highways/bridges off the NHS (≤15% of NHPP funds)</li> </ul>
Asset management plans	<ul style="list-style-type: none"> <li>Requires consideration of extreme weather and resilience in lifecycle cost and risk management analyses</li> </ul>

## STPBG

Topics	Changes
Eligible projects	<p>Adds several new types of eligible projects, including:</p> <ul style="list-style-type: none"> <li>EV charging infrastructure</li> <li>protective features to enhance resilience</li> <li>wildlife crossing projects</li> </ul>
Off-system bridges	<ul style="list-style-type: none"> <li>Increases off-system bridge set-aside</li> <li>Adds eligibility to include replacing a low water crossing with a bridge</li> </ul>
Sub-allocation	<ul style="list-style-type: none"> <li>Population categories for sub-allocation split into smaller ranges: <ul style="list-style-type: none"> <li>&lt; 5,000</li> <li><b>[NEW]</b> 5,000 – 49,999</li> <li><b>[NEW]</b> 50,000 – 200,000</li> <li>&gt;200,000</li> </ul> </li> <li>Requires States to consult with RTPOs and MPOs for urbanized areas with 50,000-200,000 pop. before using certain suballocated funding</li> </ul>
Rural areas	<ul style="list-style-type: none"> <li>Permits States to use up to 15% of funds for eligible projects or maintenance on non-Federal aid highways in rural areas, and up to 5% for certain barge landing, dock and waterfront infrastructure projects</li> </ul>

## Transportation Alternatives

Topic	Changes
Funding	<ul style="list-style-type: none"> <li>Increases funding, setting it at 10% of total STBG funds each FY</li> <li>Increases from 50% to 59% the portion of TA funds that must be suballocated to areas of the State based on population</li> <li>Continues to permit States to transfer up to 50% of TA funds to any other apportioned program but establishes new conditions</li> <li>Allows States to use up to 5% of available funds (after suballocation) to fund staff to administer the TA program and assist applicants</li> </ul>
Eligible projects	<ul style="list-style-type: none"> <li>Reaffirms eligibility for safe routes to school projects and activities</li> <li>Adds activities relating to vulnerable road user safety assessments</li> </ul>
Eligible entities	<ul style="list-style-type: none"> <li>Adds as eligible entities MPOs representing a pop. <math>\leq 200,000</math>, any nonprofit entities, and States at the request of another eligible entity</li> </ul>
Federal share	<p>Subject to certain requirements:</p> <ul style="list-style-type: none"> <li>provides for a Federal share up to 100%</li> <li>allows HSIP funds to be used toward the non-Federal share</li> <li>allows non-Federal share requirements to be met on an aggregate basis instead of by project</li> </ul>

## HSIP

Topic	Changes
Eligible projects	<ul style="list-style-type: none"> <li>Adds eligibility (<math>\leq 10\%</math> of HSIP funds) for specified safety projects (including non-infrastructure safety projects related to education, research, enforcement, emergency services, and safe routes to school)</li> <li>Modifies the HSIP definition of highway safety improvement project by adding or clarifying some project types. Some examples include: <ul style="list-style-type: none"> <li>railway-highway crossing grade separation projects;</li> <li>traffic control devices for pedestrians and bicyclists; and</li> <li>roadway improvements that separate motor vehicles from bicycles or pedestrians</li> </ul> </li> </ul>
Vulnerable road users	<ul style="list-style-type: none"> <li>Requires States to complete vulnerable road user (VRU) safety assessments, taking into consideration a Safe System approach</li> <li>Adds new special rule for States with total annual VRU fatalities comprising <math>\geq 15\%</math> of total annual crash fatalities in State</li> </ul>



## 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 (ped safety improvements at crossings are already an eligible activity)</li> </ul>
Uses of funding	<ul style="list-style-type: none"> <li>Eliminates the 50% set-aside for “protective devices”</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, subject to certain conditions</li> <li>Increases from 2% to 8% the amount a State may use for data compilation and analysis in support of its annual RHCP report</li> </ul>
Federal share	<ul style="list-style-type: none"> <li>Increases the Federal share for projects financed with funds set aside for this program from 90% to 100%</li> </ul>
Reports	<ul style="list-style-type: none"> <li>Requires FRA to summarize highway-rail grade crossing action plans and evaluate each State railway-highway crossing program and submit report to Congress on the results (§22401)</li> <li>Requires FRA, in consultation with FHWA, to update the report based on State annual reports required under the program and submit it to Congress (§22403)</li> </ul>

## CMAQ

Topic	Changes
Eligible projects	<ul style="list-style-type: none"> <li>Adds eligibilities for— <ul style="list-style-type: none"> <li>shared micromobility (e.g., bikeshare, shared e-scooters)</li> <li>purchase of diesel replacements</li> <li>purchase of medium/heavy-duty zero emission vehicles and related charging equipment</li> <li>modernization/rehab of a lock and dam or a marine highway corridor, connector, or crossing, if certain criteria are met (≤10% of CMAQ funds)</li> </ul> </li> </ul>
Rail/transit operating assistance	<ul style="list-style-type: none"> <li>CMAQ funds may be used for rail/transit operating assistance (w/o time limitation) in association with certain CMAQ projects located in certain areas</li> </ul>
Equity	<ul style="list-style-type: none"> <li>Requires, to the maximum extent practicable, prioritizing disadvantaged communities or low-income populations when obligating funds to reduce PM2.5 emissions</li> </ul>

# Accelerating Project Delivery

Program/topic	Provisions in the new law
Environmental process requirements (§11301)	<ul style="list-style-type: none"> <li>• Limits environmental impact statement (EIS) documents to ≤200 pages, to maximum extent practicable</li> <li>• Establishes new environmental process requirements for major projects (as defined in this section*), including:               <ul style="list-style-type: none"> <li>• Develop schedule for average completion of process in ≤2 years, to the maximum extent practicable</li> <li>• Make authorization decisions ≤90 days of record of decision (ROD) issuance</li> <li>• Cooperating agency must submit a report for failing to meet a deadline that has been extended</li> </ul> </li> </ul>
Categorical exclusions	<ul style="list-style-type: none"> <li>• Promotes use of FHWA categorical exclusions (CEs) by other Federal agencies (§11301)</li> <li>• Increases threshold for CEs for projects receiving limited Federal assistance (§11317)</li> </ul>
Reporting	<ul style="list-style-type: none"> <li>• Requires DOT to establish a program to report annually on CEs, environmental assessments (EAs), and EISs (§11312)</li> <li>• Requires the Secretary to submit an annual report on projects that are &gt;5 years behind schedule or with projects costs ≥\$1 billion over the original cost estimate (§11319)</li> </ul>
State assumption of NEPA/CE responsibility	<ul style="list-style-type: none"> <li>• Updates requirements for State assumption of NEPA/CE responsibility, extending term of memoranda of understanding for States that have participated for ≥10 years</li> </ul>
Early utility relocation (§11315)	<ul style="list-style-type: none"> <li>• Allows for reimbursement with Federal funds for early utility relocation projects that occur before completion of the environmental review process for the transportation project for which the early utility relocation occurred</li> </ul>
Section 4(f) reviews (§11316)	<ul style="list-style-type: none"> <li>• Accelerates project delivery by including a deadline for interagency consultation for section 4(f) evaluations</li> </ul>

**Buy America:** provisions for “domestic content procurement preferences,” including Buy America, are extensive. For many years, the Buy America law has required that steel, iron and manufactured products in federal-aid highway and transit projects be “produced in the United States,” with certain exceptions. The new law states that existing preferences for those items—along with non-ferrous metals, plastic and polymer-based products, glass, lumber, and drywall—have been inadequate. As a result, the IIJA’s Buy America section makes the following changes to law:

- Expands Buy America to “construction materials,” which now must be “produced in the United States.” It specifies that:

- all manufacturing processes for iron and steel products “from the initial melting stage through the application of coatings” must occur in the U.S.
- all manufactured products must be manufactured in the U.S., and more than 55 percent of the cost of its components must be domestic, subject to some exceptions.
- the manufacturing processes for all construction materials must occur in the U.S.
- the White House Office of Management & Budget is to issue guidance on the above specifications

Importantly, “construction materials” do not include “cement and cementitious materials, aggregates such as stone, sand, or gravel, or aggregate binding agents or additives,” and are therefore still not covered by Buy America.

- While the U.S. DOT and its agencies will need to issue regulations specifying the construction materials now covered by Buy America, Congress enumerates several types of materials that will likely remain or be added to this requirement, including steel, iron, manufactured products, non-ferrous metals, plastic and polymer-based products, glass, lumber, and drywall.

- Waivers to Buy America are possible if the U.S. DOT believes compliance would be “inconsistent with the public interest” or would increase the project’s cost by at least 25 percent. There are posting and public comment requirements for proposed waivers. The department must review general waivers at least every five years. This and other provisions could affect the flexibility that has been given to the use of commercially available off-the-shelf products in projects.

**Workforce Development:** allocates \$25 million and instructs the U.S. DOT to establish a transportation workforce outreach program, which will include public service announcements and other communications promoting career opportunities in the sector. The Transportation Research Board is to develop a workforce needs assessment for the intelligent transportation technologies and systems industry.

While existing law has allowed use of federal aid highway funds for education and training purposes, the IIJA widens eligibility to include workforce-related partnerships with industry, economic development organizations, workforce development boards and labor groups.

## HOW IT'S PAID FOR

The IIJA does not address the Highway Trust Fund's revenue shortfall. Instead, it transfers \$118 billion from the federal General Fund to the HTF to cover the difference between projected outlays from its road, bridge, and transit investments and existing highway user fee revenue sources. The IIJA utilizes \$852 billion from a variety of sources to offset its investment levels, such as:

- \$205 billion in unused COVID-19 emergency funding.
- \$87 billion from past and future spectrum auctions.
- \$56 billion from projected tax revenue from infrastructure investments.
- \$53 billion from states that did not use their previously allocated unemployment insurance during the pandemic.
- \$49 billion by delaying until 2026 a Medicare prescription drug rule.
- \$28 billion from reducing potential cryptocurrency tax avoidance.
- \$6 billion from selling oil from the strategic petroleum reserve.

The IIJA extends existing motor fuels and other HTF user fees at current rates through FY 2028.



[www.transportationalliance.com](http://www.transportationalliance.com)

525 Park Street, Suite 240  
St. Paul, MN 55103  
651-659-0804