

Infrastructure Investment and Jobs Act (IIJA) Funding Update – June 2023

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.¹ 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.

Funding Sources

Formula Funding for State DOTs

Formula funding follows a predetermined formula to distribute funds to DOTs. Formula funding considers factors such as population, roadway mileage, and other relevant indicators to determine the funding each state DOT receives. This approach ensures a consistent and predictable allocation of resources, allowing DOTs to plan and execute transportation projects effectively. Further, this method aims to promote equity among states and provide a fair distribution of resources based on specific needs and circumstances. It enables DOTs to undertake long-term planning, allocate resources efficiently, and address transportation needs.

Minnesota's five-year highway apportionment amounts to \$4.8 billion, providing crucial funding for transportation infrastructure. The state's core highway programs have been retained, including

- National Highway Performance Program (NHPP)
- Surface Transportation Program Block Grant (STPBG)
- Highway Safety Improvement Program (HSIP)
- Congestion Mitigation and Air Quality Improvement Program (CMAQ)
- National Highway Freight Program (NHFP)

Additionally, an additional \$300 million in formula bridge funding has been allocated over the course of five years. Formula programs play a significant role, as they contribute 90% of the highway funding distributed to states. The breakdown of formula funding by program ensures equitable distribution and targeted investment in transportation infrastructure across Minnesota.

See the distribution of formula funding by Congressional District for Federal Fiscal Year 2022 (FFY22) in Appendix A.

¹ Dollar figures throughout this document are estimates.

Discretionary Grants

Discretionary grants play a vital role in funding various projects and initiatives across transportation. These grants are a form of financial assistance provided by government agencies, nonprofit organizations, or foundations, allowing them the freedom to allocate funds based on their judgment and priorities. What makes discretionary grants significant is their flexibility. These grants enable organizations to address emerging needs, support innovative ideas, and invest in critical areas that might not receive sufficient attention through other funding mechanisms.

IIJA included a variety of USDOT competitive grant programs used to fund various types of transportation projects and activities. IIJA expanded many programs that previously existed, like INFRA (previously known as TIGER or BUILD), and created several new programs.

Grants Received to Date

Minnesota is estimated to have received \$219 million total from 42 successful IIJA grants in FFY 2022. The awards vary by federal agency (see list below) and a list of projects is listed in Appendix B.

- \$167 million from U.S. Department of Transportation
- \$25 million from Federal Aviation Administration
- \$17 million from Federal Transit Administration
- \$10 million from Federal Highway Administration

Collaboration Opportunities

During the 2023 session, the Minnesota legislature passed a major transportation omnibus bill with several new dedicated revenue sources and a \$2.6 billion capital investment bill with \$1.5 billion in borrowing and \$1.1 billion in cash. The bill includes several provisions in support of the IIJA, which include

- \$216 million for IIJA discretionary grants match
- Nearly \$13.8 million for the electric vehicle infrastructure program (aka NEVI)
- \$2 million for technical assistance for federal transportation grants

The surge in the availability of state and federal funding from transportation creates an unprecedented opportunity for collaboration across all levels of government and more support for Tribal nations in particular.

Conclusion

MnDOT's commitment to supporting local governments, Tribal nations, and non-profits remains strong in this new transportation funding and implementation era. Reach out to district, Government Affairs, or State Aid staff for questions and assistance.

Appendix A: Distribution of FFY22 Formula Funding by Congressional District

This is the distribution of formula funding by Congressional District for Federal Fiscal Year 2022.

TYPE	CONGRESSIONAL DISTRICT								
	1	2	3	4	5	6	7	8	Statewide
Formula - Apportioned	\$ 189,217,493.82	\$ 132,408,945.93	\$ 34,749,661.34	\$ 93,378,479.51	\$ 73,601,796.59	\$ 62,889,995.05	\$ 93,635,458.30	\$ 203,444,709.12	\$ 29,817,580.73
Formula - Allocated	\$ 254,519.84	\$ 565,000.00	\$ -	\$ 564,977.00	\$ 564,977.00	\$ 254,977.16	\$ -	\$ 1,048,435.00	\$ 503,475.06
Exempt	\$ 42,562,759.57	\$ 8,630,634.05	\$ 21,670,000.00	\$ 4,766,703.89	\$ 5,823,921.59	\$ 19,000,000.00	\$ 4,173,461.57	\$ 17,849,805.45	\$ -
Research	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 148,920.32
HPP SAFETEA-LU	\$ 147,419.32	\$ -	\$ -	\$ 954,030.14	\$ -	\$ -	\$ -	\$ -	\$ -
Limited by Demo	\$ -	\$ -	\$ -	(\$ 1,079,880.00)	\$ -	\$ -	\$ -	\$ -	\$ -
Repurposed Earmarks	\$ -	\$ -	\$ -	(\$ 7,015.19)	\$ -	\$ -	\$ -	\$ -	\$ -
Equity Bonus	\$ -	\$ -	\$ -	\$ 55,540.27	\$ -	\$ -	(\$ 55,540.27)	\$ -	\$ -
TOTALS:	\$ 232,182,192.55	\$ 141,604,579.98	\$ 56,419,661.34	\$ 98,632,835.62	\$ 79,990,695.18	\$ 82,144,972.21	\$ 97,753,379.60	\$ 222,342,949.57	\$ 30,469,976.11

Appendix B: IJA-Funded Projects for FFY22

This is a list of all Minnesota awardees for Federal Fiscal Year 2022.

Agency	Program	Project	Applicant/ Recipient	Congressional District	Award Amount
FAA	Airport Infrastructure Grants	Austin Municipal Airport	Austin City	1	\$123,110
FAA	Airport Infrastructure Grants	Brainerd Lakes Regional Airport	Brainerd City	8	\$546,580
FAA	Airport Infrastructure Grants	Le Sueur Municipal Airport	Le Sueur City	2	\$158,999
FAA	Airport Infrastructure Grants	Albert Lea Municipal Airport	Albert Lea City	1	\$40,018
FAA	Airport Infrastructure Grants	Myers Field Airport	Canby City	7	\$158,293
FAA	Airport Infrastructure Grants	Duluth International Airport	Duluth City	8	\$550,000
FAA	Airport Infrastructure Grants	Willmar Municipal/John Rice Field Airport	Willmar City	7	\$295,000
FAA	Airport Terminal Program	Minneapolis - St. Paul International Airport	MSP	5	\$21,300,000
FAA	Airport Terminal Program	Bemidji Regional Airport	Bemidji City	8	\$95,000
FAA	Airport Terminal Program	Glencoe Municipal Airport	Glencoe City	7	\$713,000
FAA	Airport Terminal Program	Fillmore County Airport	Fillmore County	1	\$950,000
FHWA	Bridge Investment Program - Planning	Minnetonka Blvd. Bridge	Excelsior City	3	\$269,600
FTA	Buses and Bus Facilities Program	Waubun Bus Facility	White Earth Band of Chippewa	8	\$3,607,642
FAA	Contract Tower (FCT) Program	Anoka County - Blaine Airport	Anoka County	6	\$51,400
FTA	Low/No Emission Vehicle Program	FY22 Low/No Emission	MnDOT	1, 2	\$3,414,680

Agency	Program	Project	Applicant/ Recipient	Congressional District	Award Amount
FTA	Low/No Emission Vehicle Program	EV Buses and Charging Equipment	Prairie Island Indian Community	1	\$1,616,426
FTA	Low/No Emission Vehicle Program	Propane-Fuel Big Woods Transit Fleet	Bois Forte Band of Chippewa	8	\$739,500
FTA	Low/No Emission Vehicle Program	EV Buses and Charging Equipment	Southwest Transit	Metro	\$8,127,891
USDOT	National Infrastructure Investments - RAISE	Big Woods Transit Facility Construction	Bois Forte Band of Chippewa	8	\$9,514,944
USDOT	National Infrastructure Investments - RAISE	6th Street Bridge Construction Project	Rochester City	1	\$19,900,000
USDOT	National Infrastructure Investments - RAISE	Lake Sreet Improvements to Enhance BRT	Hennepin County	5	\$12,000,000
USDOT	National Infrastructure Investments - RAISE	Station 73 Transit and Regional Improvement	Plymouth City	3	\$15,000,000
USDOT	National Infrastructure Investments - RAISE	West Superior Street Active Corridor	Duluth City	8	\$24,999,160
USDOT	National Infrastructure Investments - RAISE	TH 197 Bemidji	MnDOT	8	\$18,000,000
USDOT	Nationally Significant Multimodal Freight/Highway (INFRA)	I90 Austin Bridge and Mobility Project	MnDOT	1	\$25,000,000
USDOT	Nationally Significant Multimodal Freight/Highway (INFRA)	US 212 Freight Mobility & Safety Project	Carver County	6	\$10,000,000
USDOT	Reconnecting Communities Pilot Program	Reconnect Rondo Land Bridge	St. Paul City	4	\$2,000,000

For more information contact:
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Agency	Program	Project	Applicant/ Recipient	Congressional District	Award Amount
USDOT	Rural Surface Transportation Program	Moorhead Grade Separation Project	Moorhead City	7	\$26,309,600
USDOT	Safe Streets and Roads for All (SS4A)	Comprehensive Safety Action Plan	Bois Forte Band of Chippewa	8	\$221,821
USDOT	Safe Streets and Roads for All (SS4A)	Comprehensive Safety Action Plan	Columbia Heights City	5	\$200,000
USDOT	Safe Streets and Roads for All (SS4A)	Comprehensive Safety Action Plan	Eagan City	2	\$80,000
USDOT	Safe Streets and Roads for All (SS4A)	Comprehensive Safety Action Plan	Elk River City	6	\$198,480
USDOT	Safe Streets and Roads for All (SS4A)	Comprehensive Safety Action Plan	Monticello City	6	\$200,000
USDOT	Safe Streets and Roads for All (SS4A)	Comprehensive Safety Action Plan	Red Wing City	1	\$195,760
USDOT	Safe Streets and Roads for All (SS4A)	Comprehensive Safety Action Plan	St. Louis Park City	5	\$160,000
USDOT	Safe Streets and Roads for All (SS4A)	Comprehensive Safety Action Plan	Willmar City	7	\$200,000
USDOT	Safe Streets and Roads for All (SS4A)	Comprehensive Safety Action Plan	Woodbury City	4	\$300,000
USDOT	Safe Streets and Roads for All (SS4A)	Comprehensive Safety Action Plan	Hennepin County	5	\$240,000
USDOT	Safe Streets and Roads for All (SS4A)	Comprehensive Safety Action Plan	ROCOG	1	\$276,800
USDOT	Safe Streets and Roads for All (SS4A)	Comprehensive Safety Action Plan	St. Louis County	8	\$200,000
USDOT	Strengthening Mobility Revolutionizing Transportation (SMART)	Curbside Management Open Data	Minneapolis City	5	\$1,975,000

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Agency	Program	Project	Applicant/ Recipient	Congressional District	Award Amount
FHWA	Advanced Transportation Technology & Innovation (ATTAIN)	MN Autonomous Rural Transit Initiative	MN Dept of IRRR	8	\$9,302,812