

\$8.5 Billion in ARP Funds to Support Budget Priorities

MINNESOTA'S



COVID-19 RECOVERY BUDGET

Minnesota's Share of ARP Funds



**Local Fiscal
Recovery Fund
(flexible)**

\$2.1 Billion



**State Fiscal
Recovery Fund
(flexible)**

\$2.8 Billion



**Federal
Program Funds
(program-specific)**

\$3.5 Billion

Local and State Fiscal Recovery Funds



Local Funds



State Funds

- **Responding to the Public Health Emergency**
- **Serving the Hardest Hit and Addressing Inequities**
- **Addressing Negative Economic Impacts**
- **Water & Broadband Infrastructure**

Funds disbursed to state and locals in two payments 12 months apart.

Use of funds must be decided by the end of 2024 and spent by the end of 2026.

Broadband Infrastructure



Local Funds



State Funds

- **Identify an eligible area for investment**
- **Design project to meet high-speed standards**
- **Low-income subsidies**

Local Fiscal Recovery Fund



Local Funds

- Direct Federal Payments to Minnesota Counties: **\$1.11 Billion**
- Direct Federal Payments to 21 Large Cities: **\$644 Million**
- Pass-through Payments to Remaining Cities & Towns: **\$377 Million**

Local governments will have separate process for individuals and organizations to access funds

Agreement on Local and State Fiscal Recovery Funds



State Funds



- State Revenue Replacement: **\$1.183 Billion**
- COVID-19 Immediate Response: **\$500 Million**
- 2022 Legislative Priorities: **\$1.150 Billion**

COVID-19 Immediate Response: \$500 million



Flexible State Funds

- Summer Learning Package: \$75 million
- COVID-19 Flexible Response Account: \$425 million

Category	Amount Authorized
Healthcare Stabilization	\$105 million
Testing & Vaccination	\$75 million
Sheltering & Rental Assistance	\$52 million
Education	\$37 million
Workforce Stabilization	\$35 million
Public Safety & Courts	\$31 million
Child Care Stabilization	\$20 million
Food Security	\$20 million
Other	\$45 million
Unauthorized	\$3.5 million

ARP Federal Grant Funding



**Federal
Program
Funds**



Supporting Working Families

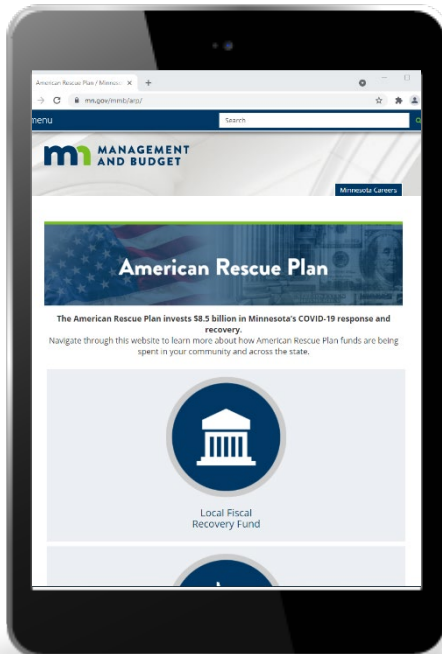
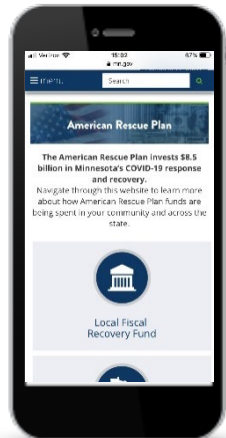


Ensuring Students Catch Up On Learning



**Supporting Small Business
and Driving Economic Recovery**

mn.gov/arp

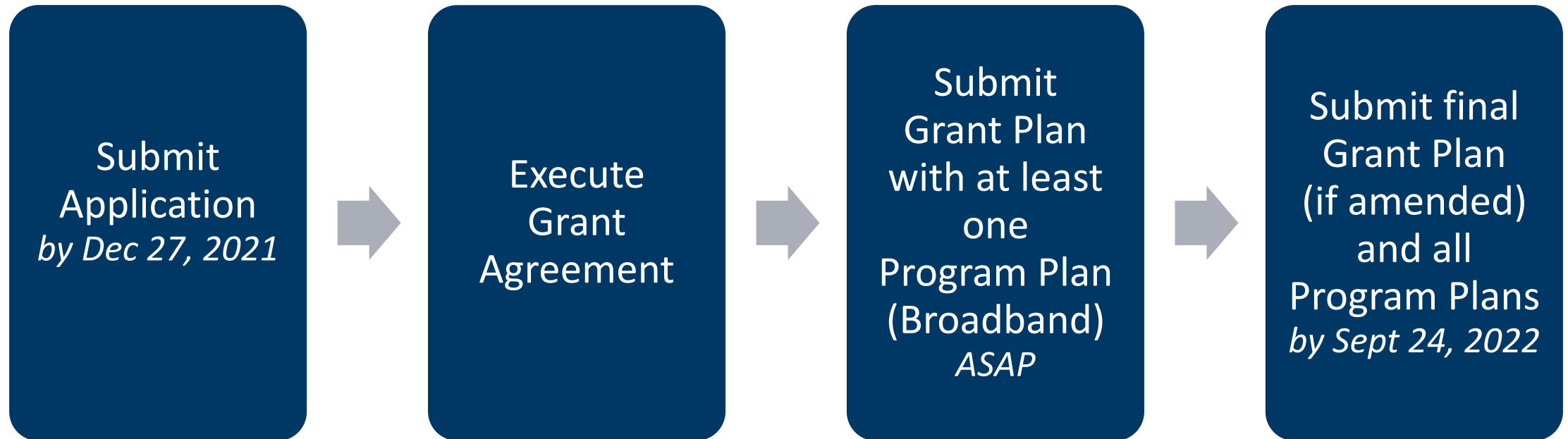


American Rescue Plan Act of 2021 (ARPA) Capital Projects Fund

Minnesota's Allocation \$180.7 Million

- Minnesota's Capital Projects Fund (CPF) allocation is **\$180,702,620**.
- Of this amount, the Minnesota Legislature appropriated \$70,000,000 for the DEED Border-to-Border Broadband Grant Program.
- All funds must be expended by December 31, 2026.

Process



For a Capital Project to be an eligible use of Capital Projects Fund grant funds, it must meet all of the following criteria:

1. The Capital Project invests in capital assets designed to directly enable work, education, and health monitoring.
2. The Capital Project is designed to address a critical need that resulted from or was made apparent or exacerbated by the COVID-19 public health emergency.
3. The Capital Project is designed to address a critical need of the community to be served by it.

Project Eligibility

Presumptively Eligible Projects	Ineligible Projects and Projects Not Presumed to be Eligible	Case-by-Case Review
Broadband Infrastructure Projects	General infrastructure projects, such as highways, bridges, transit systems, and ports are ineligible	Must demonstrate that the project satisfies the three criteria identified on the previous slide
Digital Connectivity Technology Projects	General construction and improvement of hospitals and traditional schools are not presumed to be eligible	
Multi-Purpose Community Facility Projects		

Multi-Purpose Community Facility Projects

Directly enable work, education, and health monitoring for at least five years from the completion of the project:

- Projects to construct or improve full-service community schools that provide a comprehensive academic program to their students and adult education in the community at large; health monitoring to their students and the community; and workforce training or career counseling services that provide community members with the knowledge needed to engage in work, including digital literacy training programs.
- Projects to construct or improve libraries that provide public access to the internet for purposes including work, education, and health monitoring such as offering digital skills programs and support for community members engaging in virtual learning.
- Projects to construct or improve community health centers that, in addition to engaging in health monitoring, provide a broader range of services to the communities they serve, including activities such as access to job counseling employment services, as well as health education classes or internship programs for medical professionals.

- **CPF Treasury Website:**

<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/capital-projects-fund>

- **CPF Guidance for States:**

<https://home.treasury.gov/system/files/136/Capital-Projects-Fund-Guidance-States-Territories-and-Freely-Associated-States.pdf>

- **CPF Allocations:**

<https://home.treasury.gov/system/files/136/Allocations-States.pdf>



**Office of Governor Walz
& Lt. Governor Flanagan**

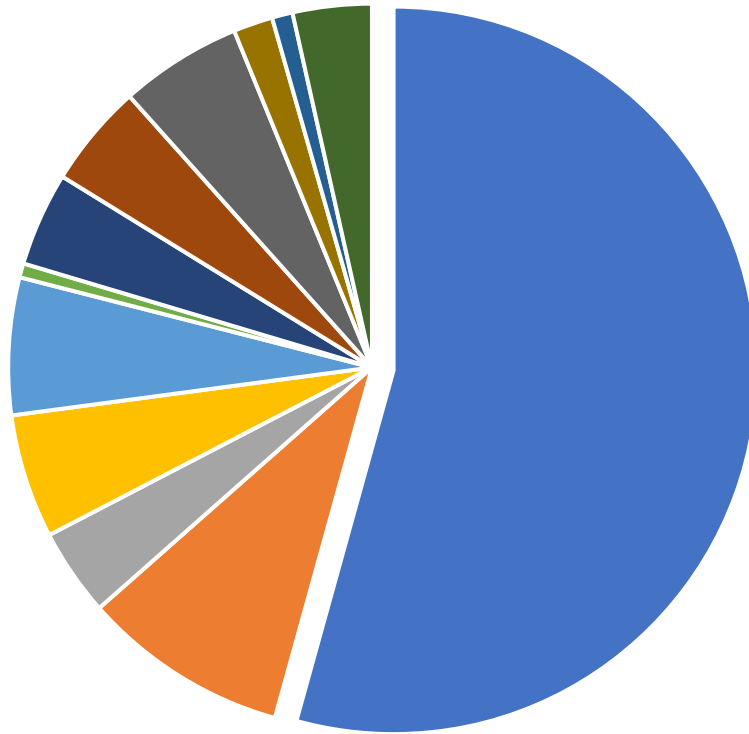
Infrastructure Investment and Jobs Act Overview

1. High Level Overview of the Infrastructure Investment and Jobs Act (IIJA) in Minnesota
2. IIJA Matching Funds in the Governor's Budget
3. Questions

Status of the IIJA

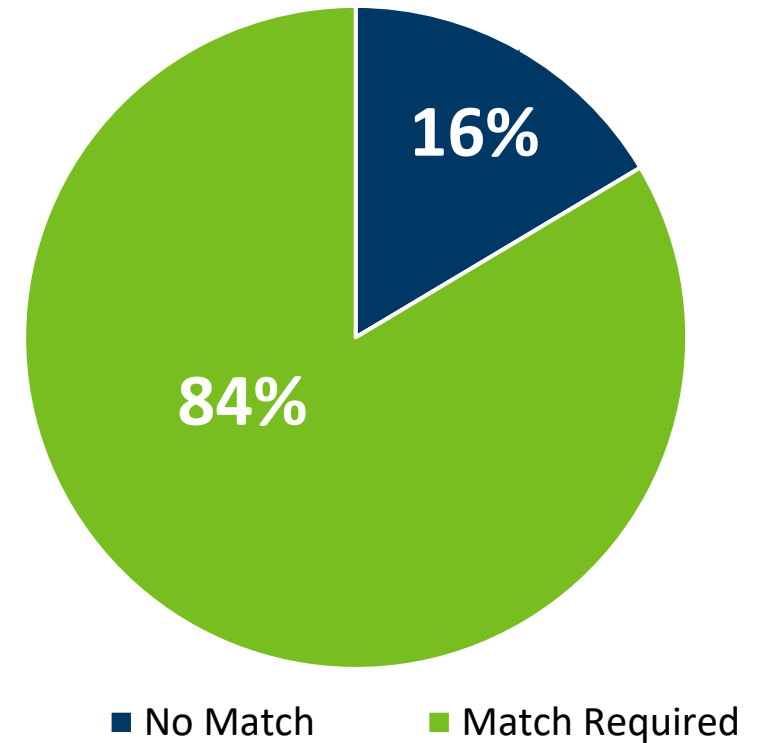
Infrastructure Investment and Jobs Act (IIJA): What We Know

IIJA: \$1.2 Trillion in Total, \$550 Billion in New Spending



- FAST Act Reauthorization
- Roads and Bridges
- Transit
- Rail
- Energy/Power Grid
- Electric Vehicle Infrastructure
- Climate Resilience and Adaptation
- Water
- Broadband
- Environment & Public Lands
- Transportation Safety
- Airports & Ports

Minnesota Estimated to Receive \$7.4 Billion



- No Match
- Match Required

Source: FFIS, 4/19/2022

Broadband Equity Access and Deployment Program

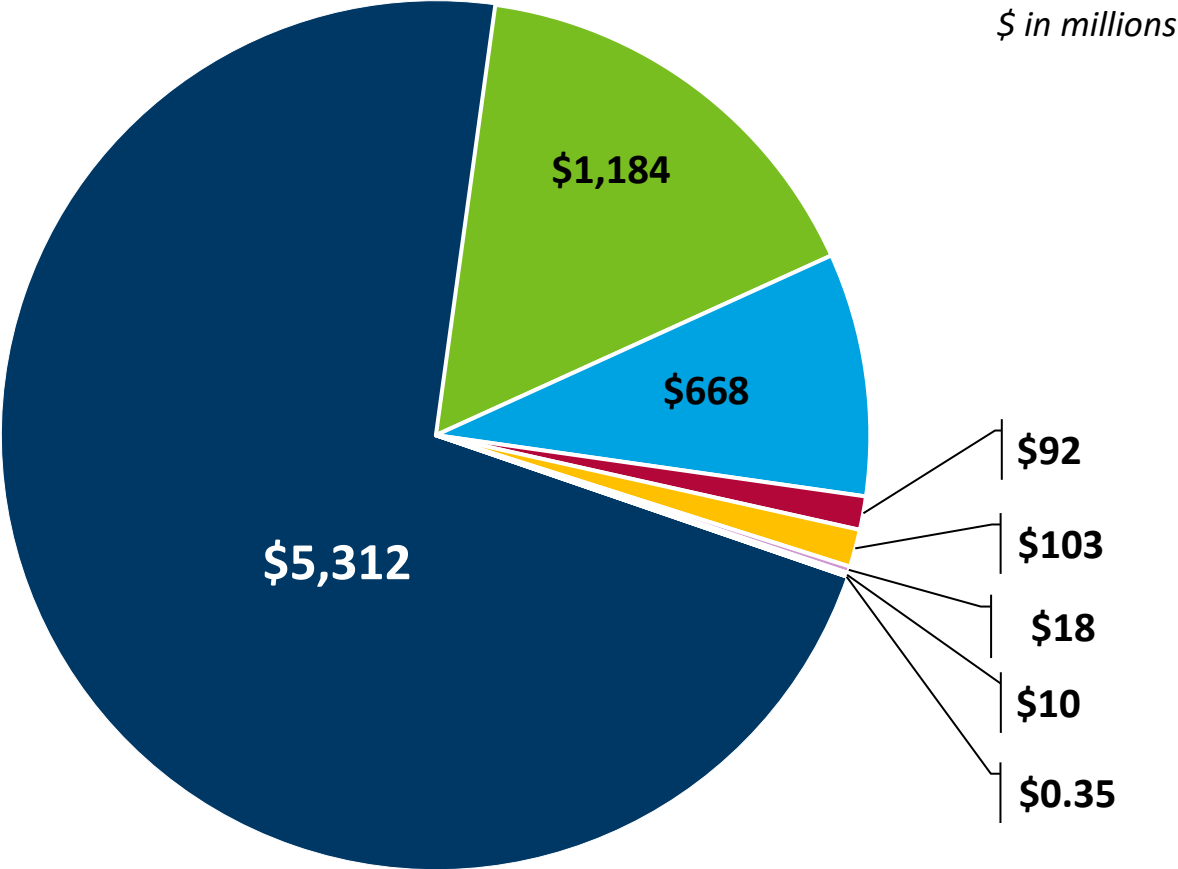
Fast Facts

- A formula-based program to states, territories, and the District of Columbia
 - Each state is guaranteed a minimum grant of \$100 million
- Eligible uses include:
 - Planning
 - Data collection and mapping
 - Promotion of broadband adoption
 - Affordable internet-connected devices
 - Reduced cost internet access to multi-family housing units
- States will distribute funds via competitive grant programs
- Eligible subgrantees include entities such as:
 - Incorporated businesses or partnerships
 - Political subdivisions
 - Tribes
 - Certain types of cooperative and corporate organizations.
- Grantees are obligated to offer a low-cost internet plan as a condition of receiving funding
- Funding above the minimum \$100 million will be allocated based on a formula that considers the number of locations in each state underserved by broadband and the number of high-cost unserved locations

IJA Allocation Estimates by State Agency: FFY 2022-2026

- Transportation
- Met Council
- Public Facilities Authority
- Commerce
- DEED-Office of Broadband Development
- MNIT/Public Safety
- Public Safety
- Pollution Control

Minnesota's \$7.4 Billion



Source: FFIS, 4/19/2022

Matching Funds

Infrastructure Investment and Jobs Act (IIJA): Intersections with the Governor's Budget

Category	Overview	State Match	Match Source
Roads & Bridges	<p>\$4.5 billion in total for roads (\$599 million is an increase over base funding) and \$302 million in new funding for bridge replacement and repairs.</p> <p>Additional competitive funding is also available for economically significant bridges.</p>	<p>\$113 million/year</p> <ul style="list-style-type: none"> \$60 million for formula-driven programs \$53 million for competitive programs 	Supplemental Budget: <i>Multimodal Transportation Package (MnDOT)</i>
Transit	<p>\$236 million to improve public transportation options across the state by funding operating and capital needs.</p>	\$17 million/year	Supplemental Budget: <i>Multimodal Transportation Package (MnDOT)</i>
Water	<p>\$668 million for clean, safe drinking water infrastructure</p> <p>Of the total amount, \$371 million requires a match</p>	\$29 million (FY22-24)	Capital Budget: <i>State Match to Federal Grants for State Revolving Fund loan programs (PFA)</i>
Airports	<p>\$297 million for infrastructure needs at airports, such as improving runways, taxiways and airport-owned towers, terminal development projects, and noise reduction projects.</p>	\$7 million/year	Supplemental Budget: <i>Multimodal Transportation Package (MnDOT)</i>

Infrastructure Investment and Jobs Act (IIJA): Intersections with the Governor's Budget (cont'd)

Category	Overview	State Match	Match Source
Broadband	<p>\$100 million for broadband equity, access, and deployment state grants.</p> <p>Additional funding will be distributed based on a formula that considers the number of unserved and high-cost locations in the state, based on the maps to be published by the FCC in 2022.</p>	No state match. 25% match required by subgrantees.	N/A
EV Charging Infrastructure	<p>\$68 million to expand EV charging in the state.</p> <p>Minnesota can also apply for the \$2.5 billion in grant funding dedicated to EV charging.</p>	\$3.4 million/year	<p>Capital Budget: <i>Statewide Electrical Vehicle Infrastructure Program (MPCA)</i></p> <p><i>State Fleet Electric Vehicle Charging Infrastructure (Administration)</i></p> <p>Supplemental Budget: <i>Multimodal Transportation Package (MnDOT)</i></p>

Infrastructure Investment and Jobs Act (IIJA): Intersections with the Governor's Budget (cont'd)

Category	Overview	State Match	Match Source
Climate	<p>\$568+ million in formula and competitive funding opportunities related to reducing greenhouse gas emissions and addressing climate change.</p> <p>Related agency budget requests provide matching funds, staffing capacity to apply for competitive programs, technical assistance to applicants, and implementation capacity.</p>	<p>\$2 million/year</p> <p>\$20 million - FY23</p>	<p>Supplemental Budget: <i>Maximize Federal Transportation Climate Funding (MnDOT)</i></p> <p><i>State Competitiveness Fund (Commerce)</i></p>
Cybersecurity	<p>\$18 million for grants to enhance statewide cybersecurity efforts</p> <p>MNIT expects 80% of funding will need to be used on local government projects</p>	<p>\$4.125 million</p>	<p><i>Supplemental Budget: Cybersecurity Grant Program State Match (MNIT)</i></p>

2022 Governor's Recommendations that Include IJA Matching Funds

Budget	Proposal	Agency	Source	FY 2022-23	FY 2024-25
Supplemental	Multimodal Transportation Package	Transportation	General Fund	\$300,000	\$393,322
Supplemental	Maximize Federal Transportation Climate Funding	Transportation	General Fund	\$2,000	\$4,000
Capital	State Match to Federal Grants for State Revolving Loans	Public Facilities Authority	GO Bonds	\$49,000	-
Capital	Statewide Electric Vehicle Charging Infrastructure	Pollution Control	General Fund	\$13,800	-
Capital	State Fleet Electric Vehicle Charging Infrastructure	Administration	GO Bonds	\$5,000	-
Supplemental	Cybersecurity Grant Program State Match	MNIT	General Fund	\$1,794	\$2,331
Supplemental	State Competitiveness Fund	Commerce	General Fund	\$20,000	-
		Grand Total	All Sources	\$391,594	\$399,653

\$ in thousands

Questions?