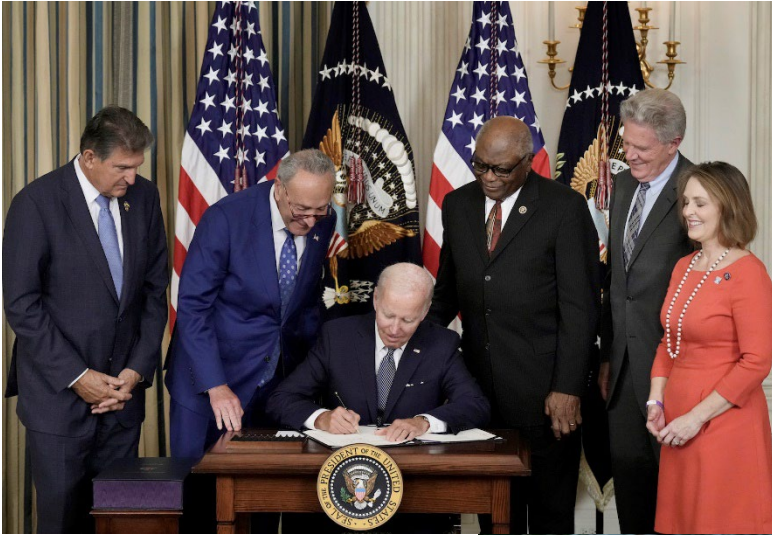




# Federal Infrastructure Funding: Infrastructure Investment and Jobs Act & Inflation Reduction Act

January 4, 2023

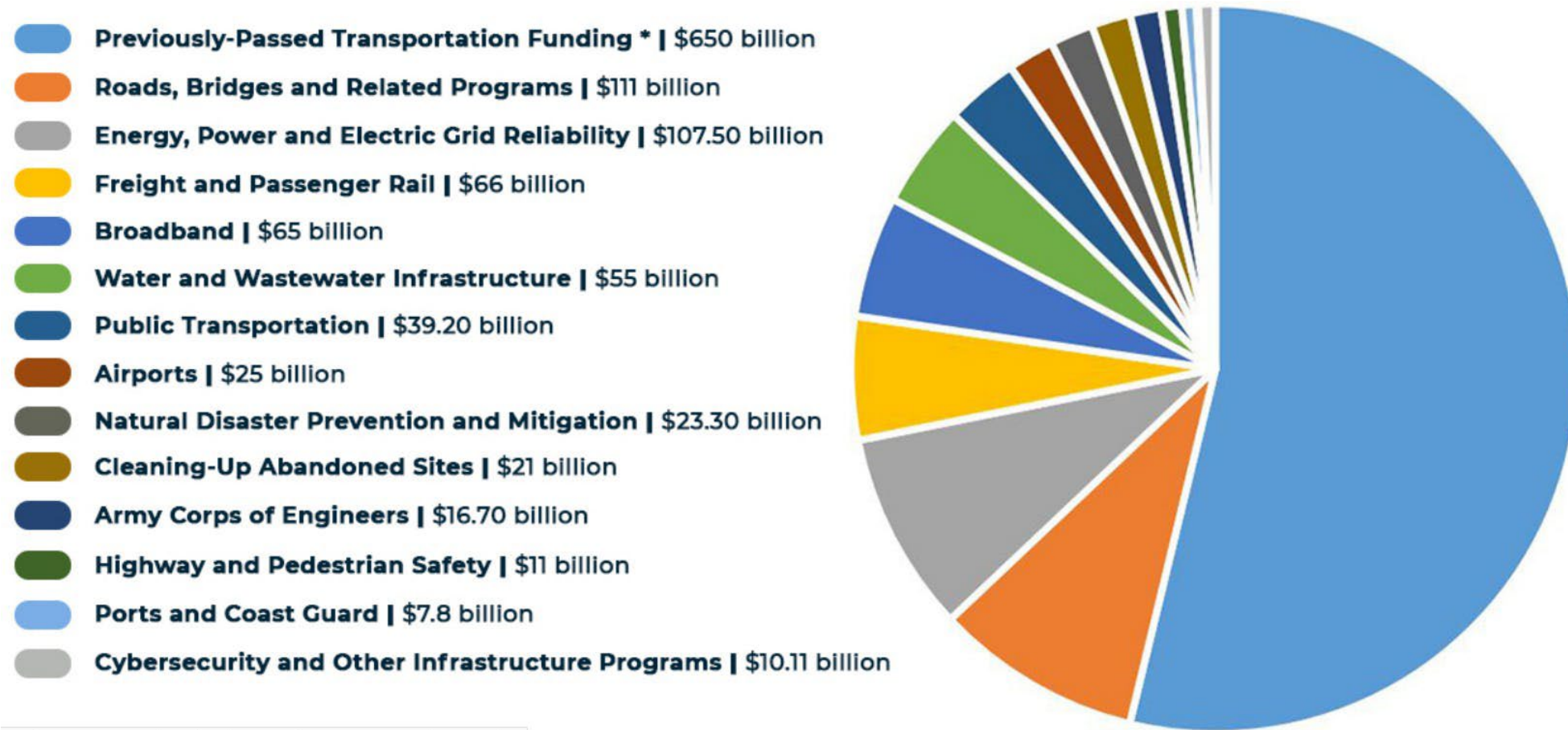
# IRA vs. IIJA



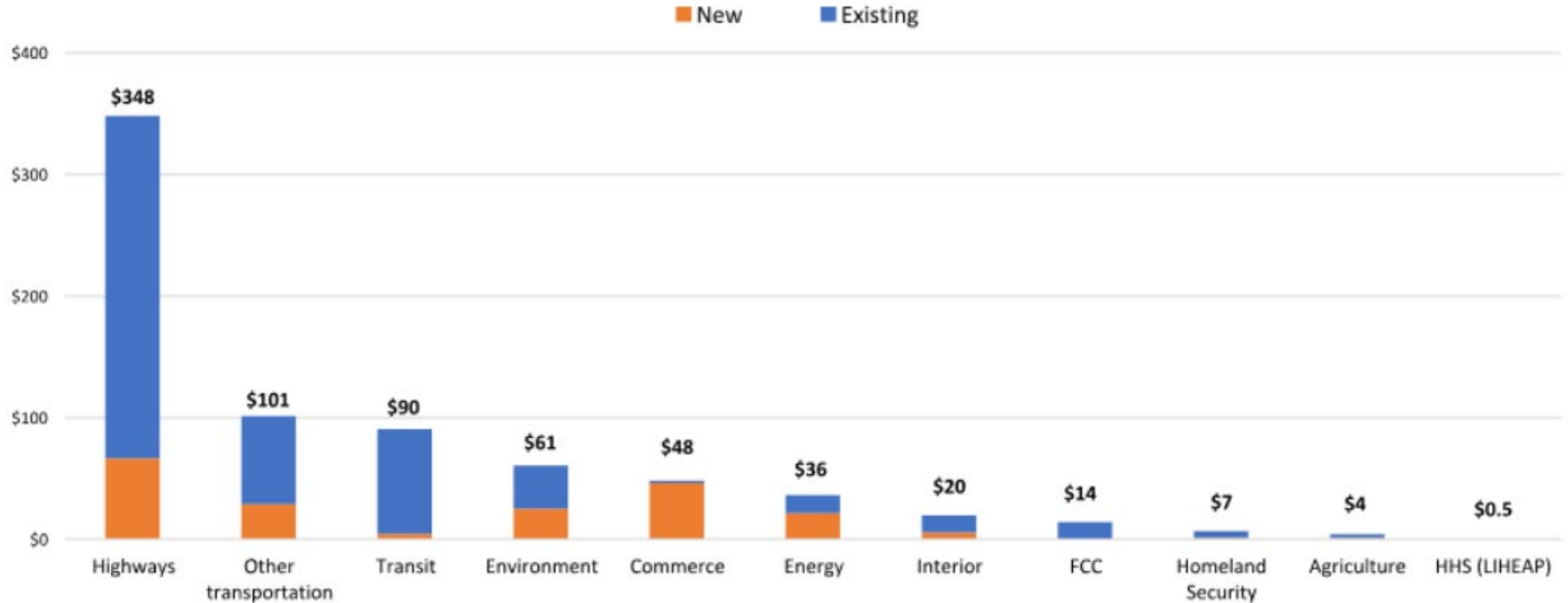
- Inflation Reduction Act (August 2022)
  - Tax Credits, Research, and some direct spending
- Bipartisan Infrastructure Law (Nov. 2021)
  - Existing Programs have existing processes
  - Individual projects
- Spend in 5-10 years (IIJA) vs. spend over long-term (IRA)



# Infrastructure Investment and Jobs Act: Overview

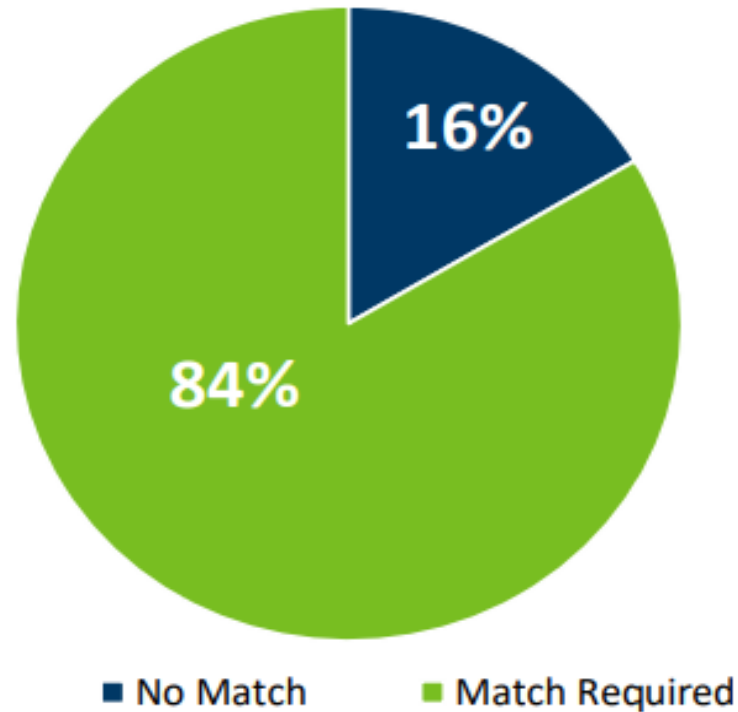


# IIJA: New vs. Existing Funding

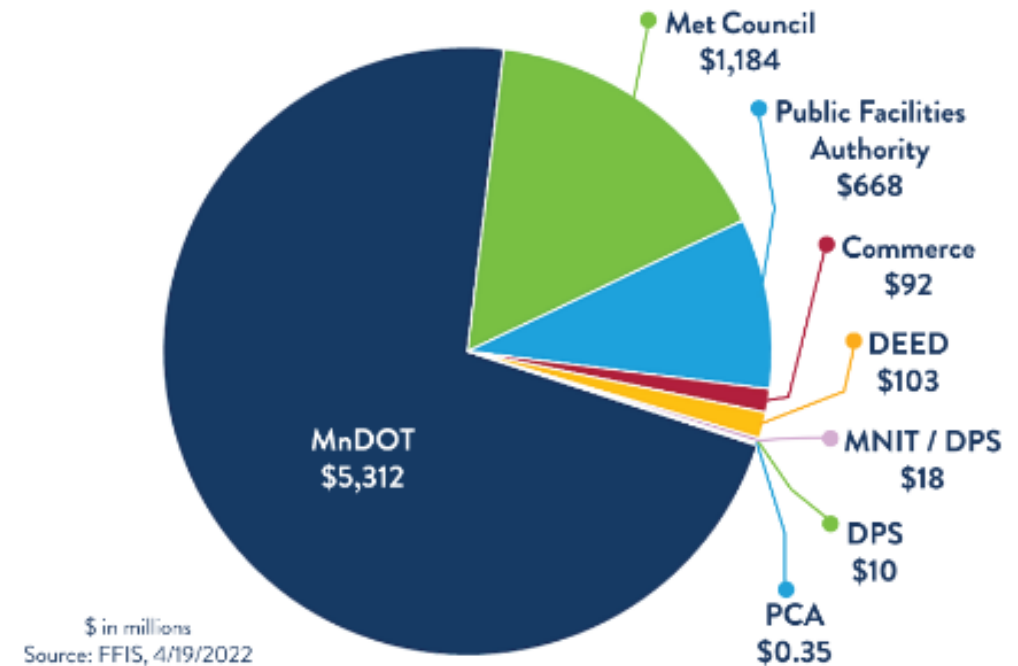


# Infrastructure Investment and Jobs Act: MN Specific

## Percent of Requiring State Match



## Estimates by State Agency





## Federal Aid Highway Program | \$270 Billion

- Significant increases for ALL states:
  - 20%+ 2021 -> 2022
  - 30%+ 2021 -> 2026
- Programs Include:
  - National Highway Performance Program, \$148 billion
  - Surface Transportation Block Grant Program, \$72 billion
  - Highway Safety Improvement Program, \$15 billion
    - Feb. 2022 - Updated guidance, more flexibility
  - Congestion Mitigation and Air Quality Improvement Program, \$13 billion
  - National Highway Freight Program - \$7.1 Billion

### Ongoing Federal Action:

- Dec. 2021: Apportionment of FY 2022 Funds
- Oct. 2022: Apportionment of FY2023 Funds



# Transportation : Federal Aid Highway Program

## Additional State Eligible Programs | \$26 Billion

- PROTECT – \$7.3 Billion
  - May 2022: FY 2022 Apportionment Tables
  - July 2022: PROTECT Guidance
- Carbon Reduction Program – \$6.4 Billion
  - May 2022: FY 2022 Apportionment Tables
  - April 2022: CRP Guidance
- Ferry Boats & Facilities - \$912 Million
  - Aug. 2022 – FY 2022 Distribution

## Bridges | \$40 Billion

- Bridge Formula Program - \$27.5 Billion (Formula)
  - Jan. 2022: FY2022 BFP funding and guidance
  - June 2022: NOFO for FY2022 BIP funding
  - Oct. 2022: FY2023 BFP funding
- Bridge Investment Program - \$12.5 Billion (Competitive)
  - BIP FY2022 planning grant recipients funding.



# Transportation: Other State Eligible Programs



## Electric Vehicle Infrastructure:

- National EV Infrastructure – \$5 Billion
  - February 2022: FY2022 Apportionments, Guidance and Nomination Request for NEVI
  - June 2022: NPRM for NEVI
  - October 2022: NEVI FY 2023 Apportionment
- Discretionary Grant Program for Charging and Fueling Infrastructure - \$2.5 Billion

## Electric Vehicle Transition:

- Clean School Bus Program - \$5 Billion
- Low-and No-Emission Transit Bus Program - \$5.6 billion
  - NOFO closed May 2022, FY 2022 grants awarded September
- Electric or Low Emitting Pilot Program - \$250 million
  - NOFO closed September 2022



# Transportation: Electric Vehicles, Busses & Ferries



## Public Transit | \$91 Billion

- Emphasis on federal-local funding stream
  - Urbanized - \$33.5 Billion
  - State of Good Repair - \$23.1 Billion
- State Formula Funds
  - Rural - \$4.5 Billion
  - Seniors & Individuals with Disabilities - \$2.2 Billion
  - Bus & Bus facilities - \$3.1 Billion

## Amtrak & Rail | \$66 Billion

- Amtrak - \$22 Billion
  - National Network - \$16 Billion | Northeast Corridor - \$6 Billion
- FRA State-Federal Partnership Grants - \$36 Billion
  - Competitive (state, local & Amtrak)
- CRISI - \$5 Billion
  - Corridor Development Program
    - FY22 NOFO closed Oct. 2022



# Transportation: Public Transit & Amtrak / Rail

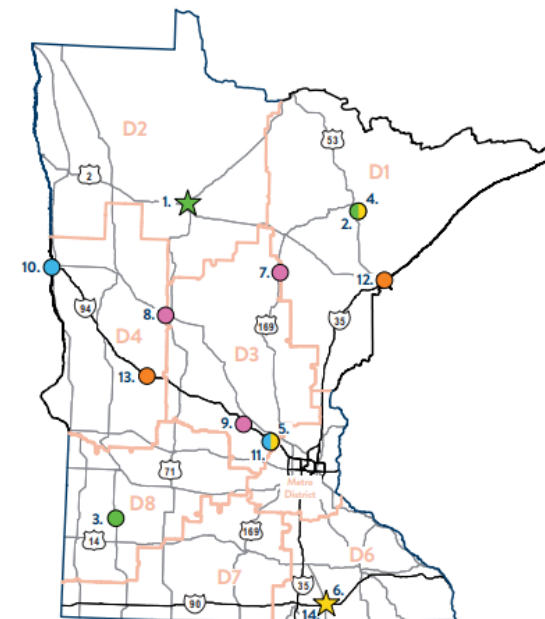
# Minnesota Funding Totals FY22 – 26

## Highway & Motor Carrier Funding

<b>Bridge Formula Program</b>	<b>\$325,832,690</b>
<b>Bridge Investment Program</b>	<b>\$269,600</b>
<b>Carbon Reduction Program</b>	<b>\$106,713,242</b>
Congestion Mitigation and Air Quality Improvement	\$182,728,875
Construction of Ferry Boats and Ferry Terminal Facilities	\$16,125,265
Highway Safety Improvement Program	\$246,530,964
Metropolitan Transportation Planning	\$31,389,996
<b>National Electric Vehicle Formula Program</b>	<b>\$68,164,918</b>
National Highway Freight Program	\$117,686,377
National Highway Performance Program	\$2,457,028,931
Nationally Significant Freight and Highway Projects (INFRA)	\$35,000,000
<b>PROTECT Program</b>	<b>\$121,340,603</b>
Railway-Highway Crossings (HSIP set-aside)	\$32,427,757
<b>Rural Surface Transportation Grant Program</b>	<b>\$26,309,600</b>
Surface Transportation Block Grant	\$1,196,784,024
Technology and Innovation Deployment Program	\$312,000

## MDOT Status Update

MnDOT FFY 2022 IIJA Submitted and Awarded Projects



September 6, 2022

Legend				
★ RAISE (1-3)	★ RURAL (7-9)	★ BIP (12-14)	AR Amount Requested	AA Amount Awarded
★ INFRA (4-6)	★ MEGA (10-11)	MnDOT District Boundaries		

1. TH 197/ Paul Bunyan Drive in Bemidji  
AR: \$18 million AA: \$18 million
2. / 4. TH 53 Improvements at Rock Ridge Public Schools  
AR: \$25 million (RAISE) | \$24 million (INFRA)
3. TH 19 in Marshall  
AR: \$13 million
5. / 11. I-94 General Purpose Lane  
AR: \$60 million (MEGA and INFRA)
6. / 14. I-90 Bridges Improvement & Mobility in Austin  
AR: \$25 million (INFRA and BIP) | AA: \$25 million (INFRA)
7. TH 169 Reconstruct from the Mississippi River to Hill City  
AR: \$19 million
8. TH 10 Reconstruction in Wadena  
AR: \$11.81 million
9. TH 24 in Clearwater  
AR: \$19 million
10. TH 10/75 in Moorhead  
AR: \$33.5 million
12. Blatnik Bridge in Duluth/Superior  
AR: \$895 million
13. I-94 Bridge Bundle in Alexandria  
AR: \$5.7 million

## MnDOT FFY2022 IIJA Submitted and Awarded Projects

# Minnesota Funding Totals FY22 – 26

## Other Transportation Funding

<b>Airport Infrastructure Grants</b>	<b>\$296,610,115</b>
<b>Airport Terminal Program</b>	<b>\$23,057,500</b>
Motor Carrier Safety Assistance Program	\$52,069,795
Bus and Bus Facilities Competitive Grants	\$17,506,139
Bus and Bus Facilities formula grants	\$53,777,849
Capital Investment Grants	\$263,618,283
Enhanced Mobility Grants	\$31,999,528
Metropolitan Planning	\$11,530,845
Rural Area Formula Grants	\$117,073,641
Rural Transportation Assistance Program (set-aside of Rural Area Formula Grants)	\$1,849,823
State of Good Repair Grants	\$161,799,426
Statewide Transportation Planning	\$2,191,485
Urbanized Area Formula Grants	\$479,365,877
<b>Clean School Bus Program</b>	<b>\$1,610,000</b>

## Resources for Transportation Funding

- Federal Resources:
  - IIJA
  - [USDOT Competitive Grant Funding Matrix](#)
  - [USDOT Authorizations & Formula Funding](#)
  - [USDOT Grant Navigator](#)
- Minnesota DOT Resources:
  - [MnDOT FFY 2022 IIJA Submitted and Awarded Projects](#)
  - [MnDOT BIL IIJA Discretionary Grants List](#)
  - [MN IIJA Grant Tracking Form](#)







# Energy: State Eligible Programs

## Formula Funds

- Preventing Outages and Enhancing the Resilience of the Electric Grid, Grants to States and Tribes (Grid Resiliency) | \$2.3 Billion
- Weatherization Assistance Program | \$3.5 billion
- State Energy Program | \$500 Million
- Energy Efficiency Revolving Loan Fund Capitalization Program | \$250 Million

## Competitive Grants

- Research and Supply Chains
  - Batteries - \$6 billion
  - Carbon Capture - \$6 billion
  - Hydrogen - \$8 billion
  - Advanced nuclear - \$3 billion
  - Existing Nuclear - \$6 billion

# Energy: Formula Funds to States

## Grid Resiliency | \$2.3 Billion

- July 2022: Application open for Preventing Outages and Enhancing the Resilience of the Electric Grid formula grant program
  - January 2023 – Year 2 allocation amounts posted
  - March 2023 – Application closes.
- Improve grid resilience against disruptive weather events & natural disasters
- 15% required state match for formula program

## Weatherization Assistance | \$3.5 Billion

- March 2022 – Program notice to states to develop a Weatherization Assistance Program Grantee Plan, and issued allocations (closed July 2022)



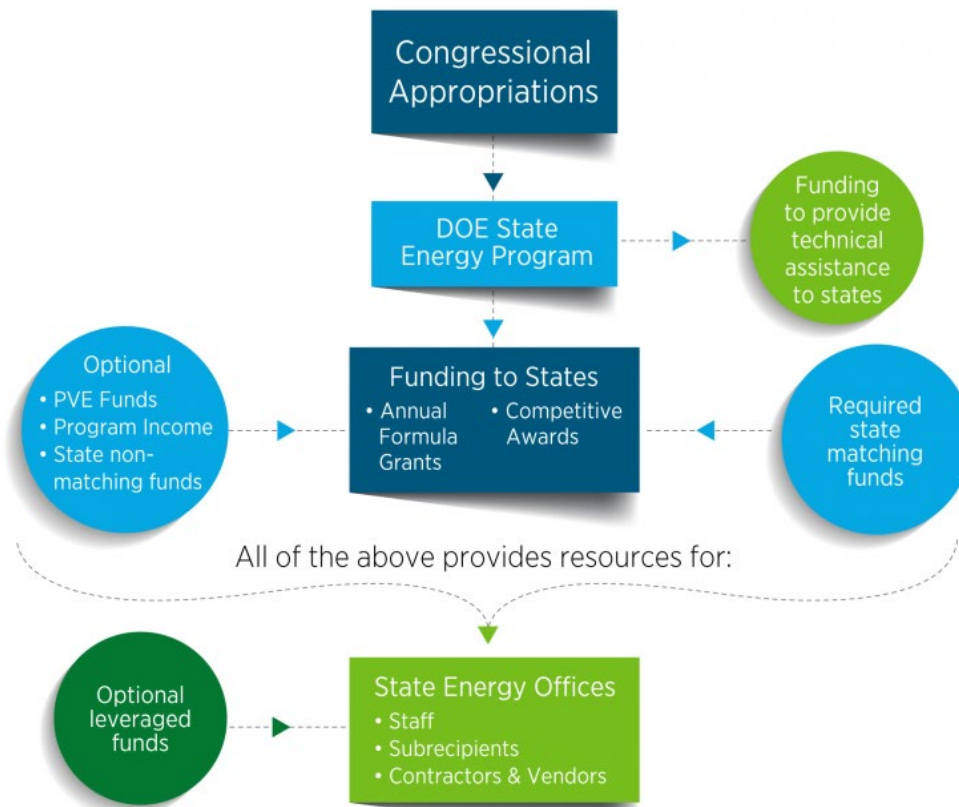
**\$76 million to MN for FY 2022-2026**

**Minnesota received \$99.9 million between 2010 and 2021**



# State Energy Program Funding - \$500 Million FY22-FY26

## Rundown of SEP Funding Process



## IIJA Intent of Funds & Additional Details

- August 2022 – SEP Formula grant application instructions and state allocations released. No match.
- Develop & implement clean energy programs and projects.

## Past SEP Funding & Projects in Minnesota

- \$12.5 million since 2010
- Projects have included:
  - Creation of a Guaranteed Energy Savings Program
  - Implementation of Electric Utility Infrastructure Efficiency
  - Minnesota's 2025 Energy Action Plan

# Minnesota Funding Totals FY22-26

## Energy Funding

### Energy Efficiency and Conservation Block Grant

\$7,119,150

### Energy Efficiency Revolving Loan Fund Capitalization Program

\$1,854,610

### Preventing Outages and Enhancing the Resilience of the Electric Grid, Grants to States and Tribes

\$30,290,400

### State Energy Program (expanded use)

\$7,734,210

### Weatherization Assistance Program

\$76,218,512

- Carbon Capture Demonstration Projects Program
- Carbon Capture Large-Scale Pilot Programs
- Carbon Storage Validation and Testing
- Career Skills Training
- Clean Hydrogen Electrolysis Program
- Clean Hydrogen Manufacturing Recycling
- Commercial Direct Air Capture Technology Prize Competition
- Critical Material Innovation, Efficiency, And Alternatives
- Critical Material Supply Chain Research Facility
- Deployment of Technologies to Enhance Grid Flexibility
- Energy Efficiency Materials Pilot Program
- Pre-Commercial Direct Air Capture Prize Competitions
- Preventing Outages and Enhancing the Resilience of the Electric Grid Grants
- Program Upgrading Our Electric Grid and Ensuring Reliability and Resiliency
- Pumped Storage Hydropower Wind and Solar Integration and System Reliability Initiative
- Purchase of Power and Transmission Services
- Rare Earth Elements Demonstration Facility
- Rare Earth Security Activities
- Regional Clean Hydrogen Hubs
- Hydroelectric Efficiency Improvement Incentives Solar
- Preventing Outages and Enhancing the Resilience of the Electric Grid Grants
- Program Upgrading Our Electric Grid and Ensuring Reliability and Resiliency
- Pumped Storage Hydropower Wind and Solar Integration and System Reliability Initiative
- Purchase of Power and Transmission Services
- Rare Earth Elements Demonstration Facility
- Rare Earth Security Activities
- Regional Clean Hydrogen Hubs

## BIPARTISAN INFRASTRUCTURE ACT 60+ New Energy-Related Programs

- Improvements at Public School Facilities
- Hydroelectric Incentives
- Hydroelectric Production Incentives
- Hydropower Research, Development, and Demonstration
- Industrial Emission Demonstration Projects
- Industrial Research and Assessment Center Implementation Grants
- Industrial Research and Assessment Centers
- Lithium-Ion Recycling Prize
- Long-Duration Energy Storage Demonstration Initiative and Joint Program
- Marine Energy Research, Development, and Demonstration
- National Marine Energy Centers
- Activities Under Cybersecurity For The Energy Sector Research, Development, And Demonstration Program
- Advanced Energy Security Program
- Energy Sector Operational Support for Cyber Resilience Program
- Rural And Municipal Utility Advances Cybersecurity Grant And Technical Assistance Program
- Long-Duration Energy Storage Demonstration Initiative and Joint Program
- Marine Energy Research, Development, and Demonstration
- National Marine Energy Centers
- New Solar Research & Development
- Apps
- Clean Energy Demonstration Program on Current and Former Mine Land
- Funding to Support Orphan Well Plugging
- Activities Under Cybersecurity For The Energy Sector Research, Development, And Demonstration Program
- Advanced Energy Security Program
- Energy Sector Operational Support for Cyber Resilience Program
- Rural And Municipal Utility Advances Cybersecurity Grant And Technical Assistance Program

## DRINKING WATER AND CLEAN WATER STATE REVOLVING FUNDS (SRF) - \$11.7 billion each

- \$170 Million DWSRF MN | \$204 Million CWSRF MN
- 49% as forgivable loans/grants; state match required (20%)

## LEAD SERVICE LINE REPLACEMENT - \$15 Billion

- \$217 Million DWSRF MN, 49% as forgivable loans/grants

## PFAS AND OTHER CONTAMINANTS - \$10 Billion

- \$1 billion through CWSRF/100% grants
- \$4 billion through DWSRF/100% grants
- \$5 billion through states for underserved communities

## MINNESOTA UPDATE:

- 2023 CWSRF IUP Approved Dec. 2022
- 2023 DWSRF IUP Approved Dec. 2022
- Projects are not fundable at this time due to the lack of State matching funds



# Water Funding – State Revolving Funds





# DISASTER MITIGATION & RESILENCY

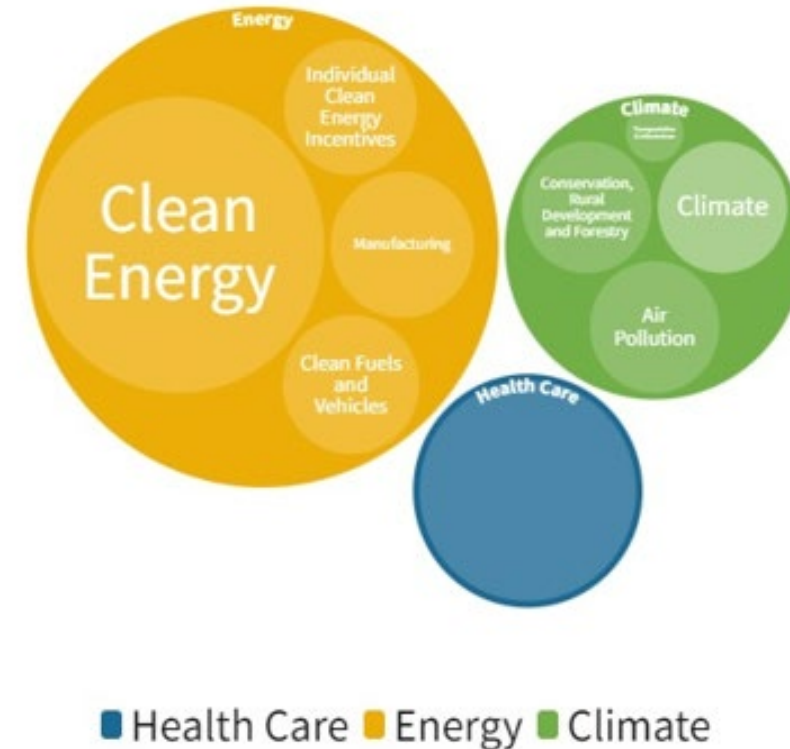
- **FEMA**

- Flood Mitigation
  - ✓ \$3.5 billion (states and local govts)
  - ✓ Buyouts, elevating, other activities
- BRIC
  - ✓ \$1 billion (states and local govts)
  - ✓ Pre-disaster mitigation projects
- STORM Act
  - ✓ \$500 million (states)
  - ✓ Aids states in establishing revolving loan funds for mitigation projects.

# Inflation Reduction Act

- Lowering the Cost of Healthcare
  - Tax credits for health insurance
  - Limiting the cost of prescription drugs
- Recalibration of American Energy Policy
  - Combination of tax credits and spending
  - Aimed at increasing ALL energy production
- Corporate tax law changes

**Spending and Tax Cuts**  
Figures in billions over 10 years from 2022 - 2031



# Inflation Reduction Act

## Tax Credits

### Industrial Tax Credits

- A true ALL of the above – solar, wind, nuclear, fossil w/carbon capture, geothermal, biofuels, hydrogen
- PTC & ITC annual tax credit extension to 10 years
- 85% increase in carbon capture credit
- Nuclear production tax credit and clean hydrogen tax credit

### Consumer: Electric Vehicles

- Eliminates 200k cap and adds credit for new and used vehicles within income limits
- Batteries:
  - 100% battery assembly in North America by 2029
  - 80% of Critical mineral components of battery from country with U.S. free trade agreement by 2027

### Consumer: Home Energy Upgrades

- High-Efficiency Electric Home Rebate Program - \$4.3B
  - Heat pumps and water heaters, electric stove and other electrical upgrades
- Home Energy Performance-Based, Whole-House Rebates- \$4.3B
  - Rebates for energy-saving projects
  - Increased rebates for LMI, rebates available for multifamily
  - \$200 million to train workforce

**Department of Energy sends \$\$ to States**



# IRA: Energy Loans & Other Provisions

## Loans Authority

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- Energy Investment Reinvestment Financing - \$5 billion for \$250 billion
  - Supports energy infrastructure reinvestment which avoids, reduces, or sequesters GHG.
- DOE Loans Program Office - \$3.6 billion for \$40 billion
  - Supports innovative clean energy projects including carbon capture, nuclear, critical minerals recycling and more.
- Transmission Facility Financing - \$2 billion
- Advanced Industrial Deployment Program - \$5.8 billion
  - Loans to support industrial facilities in emissions intensive sectors to reduce GHG.
- \$3 billion in loans for advanced manufacturing of vehicles

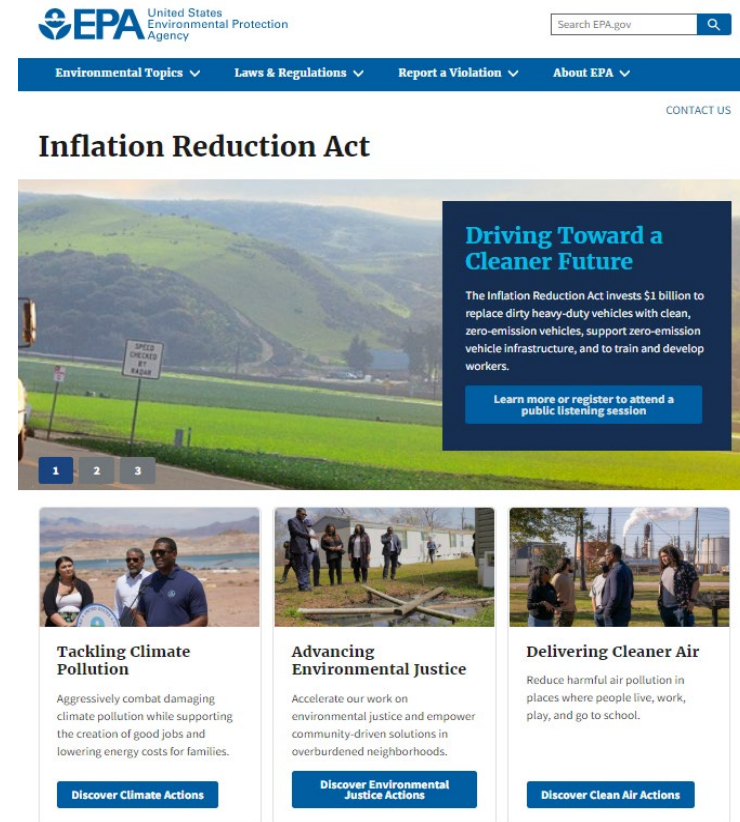
## Transmission & Siting Changes

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- Offshore Wind Leasing Authority
  - Lifts September 2020 moratorium on offshore wind leasing off Carolinas, Georgia and Florida.
  - Requires DOI BOEM to hold offshore oil and gas lease sale, if they are to hold offshore wind energy lease sale.
- OCS Leasing Program
  - Reinstates 2021 Gulf of Mexico Oil and Gas Lease Sale, requires additional lease sales in the Gulf.
- Transmission Facilities
  - Upgrade “National Interest” facilities via siting loans.

# Environmental & Climate Provisions

- 98% of EPA's funding is for new programs:
  - Greenhouse Gas Reduction Fund - \$27 billion
    - States eligible for \$7 billion in competitive grants which finance clean energy and climate projects that reduce GHG emissions in low income and disadvantaged communities.
  - Climate Pollution Reduction Grants - \$5 billion
    - To aid states develop and implement GHG reduction plans.
  - Environmental and Climate Justice Block Grants - \$3 billion
  - Port Air Pollution Reduction Grants - \$3 billion
  - Methane Emissions Reduction Program - \$1.55 billion
  - Clean Heavy Duty Vehicles Grants - \$1 billion
    - \$400 million to areas in nonattainment.



Some of these programs build on existing programs, but will still need time to start up. **Consultation time is now.**

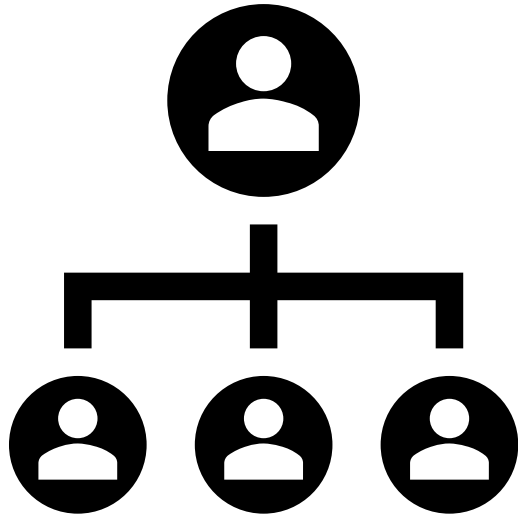


## Possible Next Steps for State Legislatures: IRA & IIJA





# Suggestions for Engagement & Collaboration



## Infrastructure Coordinator

Elevate the role of your Infrastructure Coordinator



## Interagency Collaboration

Ensure your agencies, and the legislature, is working together – example is Michigan's Infrastructure Council



## Interstate Collaboration

Consider collaborating across state lines on infrastructure projects and regional priorities

# IIJA & IRA Implementation Resources

## Infrastructure Investment & Jobs Act

- [White House](#)
  - [State Fact Sheets](#)
- [U.S. Dept. Of Transportation](#)
- [U.S. Environmental Protection Agency](#)
- [U.S. Department of Energy](#)
- [NCSL Resources](#)
  - [IIJA Implementation & Key Resources](#)
  - [Explainer for States](#)

## Inflation Reduction Act

- [White House](#)
  - [IRA Guidebook, Dec 2022](#)
- [DOE | EPA | USDA](#)
- [NCSL Resources](#)
  - [Explainer for States](#)



### Inflation Reduction Act of 2022 Provisions

Summary Prepared by NCSL Staff

#### Budget and Revenue Provisions:

##### Increased Support for IRS

The Inflation Reduction Act of 2022 (IRA) seeks to address the tax gap—the difference between what is owed to the federal government and what is collected—by providing \$80 billion in additional Internal Revenue Service (IRS) funding across 10 years. The increased funds provide a [69% increase in enforcement activities](#), a [153% increase modernization of IRS business systems](#), a [53% increase in operation support](#), and [9% increase in taxpayer services](#). The Congressional Budget Office estimates the support would raise \$204 billion in additional revenue for a net increase of \$124 billion for the government.

##### Tax Provisions

- The legislation uses tax penalties and credit energy and environment, corporate stock companies into drug pricing negotiations.

##### Taxes on Corporate Entities

- Imposes a 15% corporate alternative minimum income for corporations with pro companies who have a larger book tax pay closes a perceived loophole where there w companies reported on certain financial st investors—versus what they reported on t for tax years beginning after Dec. 31, 2022
- Contains a new tax on corporate stock buyback as a tax-free alternative to dividend shareholder. Firms seeking to repurchase t value in the process, will be penalized with

## Infrastructure Investment and Jobs Act: Implementation and Key Resources

2/1/2022



President Joe Biden signed the bipartisan \$1.2 trillion Infrastructure Investment and Jobs Act into law on Nov. 15, 2021. Find a [detailed summary](#) of the major provisions impacting states. You can also [watch an NCSL staff briefing for legislators and legislative staff](#) providing a deep dive on the bill or access the [slide presentation](#).

On Jan. 31, 2022, the White House released A Guidebook to the Bipartisan Infrastructure Law for State, Local, Tribal, and Territorial Governments, and Other Parties.

# QUESTIONS?

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