

Senate Capital Investment  
Wednesday, May 4, 2022  
3:15 p.m.

Chair: Sen. Thomas Bakk

Agenda:

Informational Overview on Federal Infrastructure Investment and Jobs Act  
(IIJA) transportation provisions

- [5 4 22 Cap Investment AGENDA \(PDF\)](#)
- [MnDOT IIJA Update \(Senate Capital Investment 5-4-22\) \(PDF\)](#)

S.F. 4066 Jasinski Local roads and bridges bond issue and appropriation.

- [AMC MCEA SF4066 Letter \(PDF\)](#)
- [LBRP Report \(PDF\)](#)
- [LRIP-project-summary \(PDF\)](#)
- [MN DoT Local Road Improvement Program \(PDF\)](#)
- [MN DoT Transportation Priorities \(PDF\)](#)
- [MNDOT Local Bridge Program \(PDF\)](#)
- [SF 4066 letter TA \(PDF\)](#)
- [SF4066 MICA Support \(PDF\)](#)

SF3455 to be referred to Finance (vehicle bonding bill)

## **MnDOT**

IIJA – Minnesota Timeline

- Nov. 15: IIJA signed into law
- January: Governor’s Budget Proposals Released
- Jan. 31: State Session Began – appropriation of federal funds, matching funds
- March 12: appropriations signed into law
- April/May: IIJA discretionary grants

Comparison of FAST Act and IIJA Formula Program Funds

- New from IIJA: New IIJA programs, 580, Increase in Local Share, 160, Increase in State Roads, 480

IIJA State and Local Match (current estimates)

- Formula funds for road and bridges
  - o \$240M/year of additional federal funds, based on historical precedent
  - o Match requirements of about 20%

Governor’s Supplemental Budget Change Item Requests related to IIJA(\$ in 1000s)

- Multimodal transportation package, \$123,084
- Maximize Federal Transportation Climate Funding, \$2,000

Governor’s Capital Budget Requests (\$ in 1000s)

- High priority bridges, \$80,000
- Local Bridge Replacement Program, \$120,000
- Local Road Improvement Program, \$90,000
- Highway Railroad Grade Crossing Warning Device Replacement

#### IIJA Discretionary Grants

##### US DOT Discretionary Funding

- Existing: INFRA \$14B
- Existing: Local and Regional Project Assistance Program \$7.5M
- Bridge Investment Program \$12.5B
- Infrastructure Project Assistance (megaprojects) \$5B
- Safe Streets and Roads for All \$5B
- Charging and Fueling Infrastructure \$2.5B
- Rural surfaces \$2B

##### “Multimodal Projects Discretionary Grants”

- INFRA - \$1.55B available
- Mega Infrastructure Project Assistance Program - \$1B available
- Rural Surface Transportation Grants - \$300M

##### 2022 Notice of Funding Opportunity

- Bridge Investment Program
  - o At least 50% of funding reserved for certain large projects
  - o Different process for funding projects <\$100M
- Safe Streets and Roads for All
  - o Supports TZD in MN
  - o Comprehensive safety action plan

#### Questions:

Sen. Johnson Stewart: What are some of the rules around picking projects?

- MnDOT: There are broad parameters in the legislation itself, but each time they publish these notices of funding they give a list of parameters as well. They have an opportunity to talk to US DOT staff.

Sen. Senjem: Wondering about Highway 212. How did that escape some notice of a completion or five year plan?

- MnDOT: The projects we were displaying are only a couple of projects that we have available right now. There are 100 grant programs in IIJA that we can apply for. Local governments can apply.

Sen. Newman: A slide regarding the unknowns with the discretionary grants. Those unknowns are still present. Can you talk about the need for the coordination between the legislature and MnDOT regarding the IIJA funds?

- MnDOT: We do need budget authority from the Legislature before we can spend the funds. For the grant opportunities, there is about a 2 month turn around time.

Sen. Newman: I am not concerned about existing programs and MnDOT programs that we are familiar with. I am concerned with the discretionary programs don't exist yet. I'm hearing you say we need to appropriate funds, but we don't know what we'd be appropriating funds for. How can we work with MnDOT to fix this conundrum?

- MnDOT: We do know broad categories of what is available. The US DOT website gives us information, there is a guide book. They lay things out in categories. There are details available on how we would divvy out those funds. We have had grant programs in the past so we could talk about how we pursued those. We do know areas where there are significant amounts of resources.

Sen. Newman: Reasons for concern, there is a report by MnDOT that explains all the expenditures from the trunk highway fund. When we look at that report its helpful, but it doesn't tell us what the funds are being spent on. I do understand there are broad categories, but in reality we will not know how you are going to spend that. Unless we can formulate some legislative oversight.

Sen. Rosen: We have two weeks left and I'd like to know what our responsibilities are. Who is coordinating all of this so that we are meeting dollars? This is a larger package and the coordination piece I have not seen.

Sen. Senjem: You are coming to this table to ask for \$180M in matching money?

- MnDOT: The proposal for matching funds is sitting in Sen. Newman's committee. The bonding funds could also be used, it doesn't have to only be operating dollars.

Sen. Senjem: I don't understand what you just told me. Is there a number or not a number.

- MnDOT: The number we are asking for is \$123M

Sen. Johnson Stewart: Are these projects that have already been funded? How does this serve for a model moving forward? How are you budgeting for the match requirements?

- MnDOT: There is funding identified for these projects. If we receive a federal grant, it has a domino effect to free up funds. These are projects that have gone through the project selection process.

Sen. Johnson Stewart: If we budget ahead for a bonding project and then it also becomes a grant project, that would just free up money that could be used in other ways.

- Council: If the bonding bill appropriates money for a project, it cannot be utilized in another way. If it is used for a program, it can be used for anything in that program.

Senator Pratt: Interested in the high priority bridges. Can you talk about how you pick a high priority bridge? How are you determining what is the most important?

- MnDOT: This is a new effort for us. These are for trunk highway bridges. Some of the bridges we see coming up in our program will be a challenge to fund, and some of the bridges we expect to bubble. There are a large number of bridges out there that need significant repair or outright placement.

Sen. Bakk: How are they prioritized?

- MnDOT: These would not be new overpasses or expansion projects, it's to address what is on the system today.

Sen. Pratt: If we have earmarked projects, those could be considered our match for an IJA project?

- MnDOT: That is correct. They just have to be non-federal dollars.

Sen. Johnson Stewart: How does MnDOT budget for the Blatnik bridge?

- MnDOT: We have some money in the placeholders. We would split those costs with the state of Wisconsin. Currently the construction won't happen until 2028, we are working to see if that could be accelerated.

#### **SF4066 (Jasinski) - Local Roads and Bridges**

Sen. Jasinski: Great funding program for roads and bridges. This is very important for our state. These are grants for state, city, and town roads. The bill appropriates \$200M for roads and \$200M for bridges.

#### **Testimony:**

Steve Novak, Minnesota Inter-County Association: This would not lead to an over subscription, we have enough projects waiting in line. What we need is significantly more money. These are the funds you would see getting projects done with.

Margaret Donahoe, MN Transportation Alliance: These programs create funding for significant projects. Local governments struggle to maintain aging roads. This allows for more projects to get done than with local funds alone. We urge you to support Sen. Jasinski's request.

Laura Ziegler, Associated General Contractors of MN: AGC supports SF4066. The impact of these bonds goes well beyond the orange cones we see outside. MN construction firms are well positioned to deliver excellent value for taxpayers.

Chris DeLaForest, North Central States Regional Council of Carpenters: Supports SF4066. Part of a coalition that pushes for roads and bridges funding. Bonding has been a key component and will continue to be so. We are ready to meet the needs.

Bentley Graves, MN Chamber of Commerce: Supports SF4066. Transportation is a cornerstone to economic investment. This bill will help position MN for economic growth.

Jeff Krueger, Minnesota Association of Townships: Supports SF4066. Additional bonding dollars are needed immediately for our roads and bridges systems. There is a great need among townships.

Cap O'Rourke, MN Association of Small Cities: Small cities get no dedicated transportation support for our roads. Our projects are significant to our communities, but are relatively inexpensive. This bill would leave \$30M for small cities which would account for 20 small cities projects. We suggest fully funding this.

Joe Bagnoli, Concrete Paving Association of Minnesota. Strong support for SF4066. These bonds go for long-term fixes and provide great value.

Mark DuChene, Director of Engineering, City of Faribault: supports SF4066.

Lon Aune, County Engineer, Marshall County Highway Department: supports SF4066. This bonding is a phenomenal choice for township roads.

**SF4066 is laid over for possible inclusion.**

Sen. Pratt: Transportation is critical to our communities. It is important to meet current needs. Part of that priority has to be our road and bridge infrastructure. As our populations shift and our communities grow, it is important to make sure our citizens can travel safely. The IJA money, the bonding money are so important.

Sen. Senjem: Hopefully as we go forward we have a strong roads and bridges bill. All of this is really important. Hopeful we can go forward. There is a need on highway 212.

Sen. Johnson Stewart: We have a sewage bubble that is happening right now. We are in a bubble of all kind of infrastructure updates. We are buying materials, labor, gas, lunches, profits

Sen. Bakk: We have a lot of infrastructure out there that need repairs.