$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

- 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

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

Local Funds  State Funds
Local Fiscal Recovery Fund

- 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

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

### Category Amount Authorized

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare Stabilization</td>
<td>$105 million</td>
</tr>
<tr>
<td>Testing &amp; Vaccination</td>
<td>$75 million</td>
</tr>
<tr>
<td>Sheltering &amp; Rental Assistance</td>
<td>$52 million</td>
</tr>
<tr>
<td>Education</td>
<td>$37 million</td>
</tr>
<tr>
<td>Workforce Stabilization</td>
<td>$35 million</td>
</tr>
<tr>
<td>Public Safety &amp; Courts</td>
<td>$31 million</td>
</tr>
<tr>
<td>Child Care Stabilization</td>
<td>$20 million</td>
</tr>
<tr>
<td>Food Security</td>
<td>$20 million</td>
</tr>
<tr>
<td>Other</td>
<td>$45 million</td>
</tr>
<tr>
<td>Unauthorized</td>
<td>$3.5 million</td>
</tr>
</tbody>
</table>
ARP Federal Grant Funding

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.
Submit Application by Dec 27, 2021

Execute Grant Agreement

Submit Grant Plan with at least one Program Plan (Broadband) ASAP

Submit final Grant Plan (if amended) and all Program Plans by Sept 24, 2022
### Project Eligibility

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

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

• CPF Guidance for States:

• CPF Allocations:
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
- Rail
- Climate Resilience and Adaptation
- Environment & Public Lands
- Roads and Bridges
- Energy/Power Grid
- Water
- Transportation Safety
- Transit
- Electric Vehicle Infrastructure
- Broadband
- Airports & Ports
- Environment & Public Lands

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
IIJA Allocation Estimates by State Agency: FFY 2022-2026

Minnesota’s $7.4 Billion

- Transportation: $5,312
- Met Council: $1,184
- Public Facilities Authority: $668
- Commerce: $92
- DEED-Office of Broadband Development: $103
- MNIT/Public Safety: $18
- Public Safety: $10
- Pollution Control: $0.35

Source: FFIS, 4/19/2022

$ in millions

2022 Legislative Session
One Minnesota | mn.gov/governor
## Infrastructure Investment and Jobs Act (IIJA): Intersections with the Governor’s Budget

<table>
<thead>
<tr>
<th>Category</th>
<th>Overview</th>
<th>State Match</th>
<th>Match Source</th>
</tr>
</thead>
</table>
| Roads & Bridges  | $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.  
Additional competitive funding is also available for economically significant bridges. | $113 million/year  
• $60 million for formula-driven programs  
• $53 million for competitive programs | Supplemental Budget:  
**Multimodal Transportation Package (MnDOT)**                                                                 |
| Transit          | $236 million to improve public transportation options across the state by funding operating and capital needs.                                                                                         | $17 million/year                  | Supplemental Budget:  
**Multimodal Transportation Package (MnDOT)**                                                                                       |
| Water            | $668 million for clean, safe drinking water infrastructure  
Of the total amount, $371 million requires a match                                                                                           | $29 million (FY22-24)            | Capital Budget:  
**State Match to Federal Grants for State Revolving Fund loan programs (PFA)**                                                              |
| Airports         | $297 million for infrastructure needs at airports, such as improving runways, taxiways and airport-owned towers, terminal development projects, and noise reduction projects. | $7 million/year                  | Supplemental Budget:  
**Multimodal Transportation Package (MnDOT)**                                                                                       |
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<td>Broadband</td>
<td>$100 million for broadband equity, access, and deployment state grants. 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.</td>
<td>No state match. 25% match required by subgrantees.</td>
<td>N/A</td>
</tr>
</tbody>
</table>
| EV Charging Infrastructure     | $68 million to expand EV charging in the state. Minnesota can also apply for the $2.5 billion in grant funding dedicated to EV charging.                                                               | $3.4 million/year                                                                                | Capital Budget: *Statewide Electrical Vehicle Infrastructure Program (MPCA)*  
State Fleet Electric Vehicle Charging Infrastructure (Administration)  
Supplemental Budget: *Multimodal Transportation Package (MnDOT)* |
## Infrastructure Investment and Jobs Act (IIJA): Intersections with the Governor’s Budget (cont’d)

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<td>Climate</td>
<td>$568+ million in formula and competitive funding opportunities related to reducing greenhouse gas emissions and addressing climate change. Related agency budget requests provide matching funds, staffing capacity to apply for competitive programs, technical assistance to applicants, and implementation capacity.</td>
<td>$2 million/year</td>
<td>Supplemental Budget: Maximize Federal Transportation Climate Funding (MnDOT)</td>
</tr>
<tr>
<td></td>
<td>$2 million/year</td>
<td>$20 million - FY23</td>
<td>State Competitiveness Fund (Commerce)</td>
</tr>
<tr>
<td>Cybersecurity</td>
<td>$18 million for grants to enhance statewide cybersecurity efforts MNIT expects 80% of funding will need to be used on local government projects</td>
<td>$4.125 million</td>
<td>Supplemental Budget: Cybersecurity Grant Program State Match (MNIT)</td>
</tr>
<tr>
<td>Budget</td>
<td>Proposal</td>
<td>Agency</td>
<td>Source</td>
</tr>
<tr>
<td>-----------------</td>
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</tr>
<tr>
<td>Supplemental</td>
<td>Multimodal Transportation Package</td>
<td>Transportation</td>
<td>General Fund</td>
</tr>
<tr>
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<tr>
<td>Capital</td>
<td>State Match to Federal Grants for State Revolving Loans</td>
<td>Public Facilities Authority</td>
<td>GO Bonds</td>
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<td>Statewide Electric Vehicle Charging Infrastructure</td>
<td>Pollution Control</td>
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<td>MNIT</td>
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<tr>
<td></td>
<td><strong>Grand Total</strong></td>
<td>All Sources</td>
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</table>

$ in thousands
Questions?