



**395 John Ireland Boulevard  
Saint Paul, Minnesota 55155**

May 8, 2025

The Honorable Jon Koznick  
Chair  
House Transportation Committee  
2<sup>nd</sup> Floor, Centennial Office Building  
St. Paul, MN 55155

The Honorable Erin Koegel  
Chair  
House Transportation Committee  
5<sup>th</sup> Floor, Centennial Office Building  
St. Paul, MN 55155

The Honorable Scott Dibble  
Chair  
Senate Transportation Committee  
3107 Minnesota Senate Building  
St. Paul, MN 55155

Dear Conferees,

Thank you for the opportunity to provide comments on House File 2438, the omnibus transportation bill. I appreciate the work legislators and staff have done over the course of this session to assemble this legislation. This bill provides important investments to help construct, operate and maintain Minnesota's transportation system in challenging times.

On behalf of the Minnesota Department of Transportation, thank you for including several MnDOT initiatives in the House and Senate versions of the omnibus bill. By including operating adjustments, MnDOT will be able to manage rising costs while maintaining the high level of services Minnesotans expect. Additional funding for state road construction and the Blatnik Bridge project will result in a greatly improved transportation system, better pavements and safer bridges. Investments in corridor planning will allow us to develop long-term visions for trunk highway corridors, while facilities support means truck stations around the state can continue providing critical maintenance activities. Authorizing a funding partnership with the Metropolitan Council on the F Line/Highway 65 project will allow MnDOT to make numerous safety improvements in that corridor. Not only would this approach minimize disruption to communities and the traveling public, but the project design, communication, and construction will be significantly more efficient than building two separate projects.

There are a few items I would like to highlight.

- The aims of the project portal requirements in the House version of the bill to enhance transparency and accountability are also goals the department shares. As identified in the fiscal note, this effort would require a significant amount of work and several new staff. MnDOT's program is constantly shifting because of funding changes, project changes, and priority changes like state and federal legislative directives. Trying to link all these activities under the portal will be challenging. The department has significant amounts of information available on our website, but we know we can

always do a better job of communicating with the public. We are working towards a live Statewide Transportation Improvement Program that will make MnDOT's capital program more easily accessible and transparent on our website. Our 10-year Capital Highway Investment Plan is already available online with an interactive map to view projects under development. We also have a legislatively mandated project selection website with information about which projects are moving forward, as well as which projects were not selected and why. I look forward to working with the conference committee to ensure that information around transportation projects continues to be more transparent, efficient, and accessible.

- MnDOT appreciates the inclusion of \$100 million in Trunk Highway bonding in the Senate version of the bill for state road construction, in addition to the increase in base state funding by \$55 million per year. MnDOT shares your commitment to increasing transparency in transportation funding. However, redirecting calculated efficiency savings to Corridors of Commerce as proposed in the Senate version of the bill effectively reduces the existing state road construction program by about \$90 million per year. It is also important to consider that about \$15 million per year of these efficiencies come from operations and maintenance, so this initiative would indirectly shift funding from operations and maintenance to state road construction. MnDOT looks forward to continued discussions about efficiency savings and how to maximize transparency. The department prefers the House approach on redirecting efficiency savings to Corridors of Commerce. In addition, MnDOT suggests striking language in Minn. Stat. 161.088, Subd. 4a, that requires calculating the distribution of funds using the prior two consecutive project selection rounds.
- MnDOT is working with the Federal Railroad Administration and BNSF Railway on the Northern Lights Express passenger rail project, and we continue to implement the Corridor Identification and Development grant. We also have applied for the FRA's Federal-State Partnership for Intercity Passenger Rail grant program. This would provide the 80 percent federal funds needed to advance NLX to construction. We anticipate the FRA will announce funding decisions this spring.
- The \$8.94M cut to passenger rail in the House version of the bill limits our ability to support Borealis service from St. Paul to Red Wing, Winona, and points beyond to Milwaukee and Chicago. Ridership on this line has exceeded expectations and we want to continue to remain strong partners with the states of Wisconsin and Illinois on supporting this service.
- The proposed three-year delay in implementation of greenhouse gas and vehicle miles traveled requirements in the House version of the bill is concerning. Transportation is the leading sector of GHG emissions in Minnesota and we need to start thinking differently as we plan expansion projects. The legislation enacted in 2023 creates accountability to directly mitigate or offset increased emissions from highway expansion. Delaying these requirements would remove the most meaningful mechanism for accountability on transportation emissions reduction in Minnesota. It would put responsibility for GHG reduction on individuals and it removes accountability for state and local governments, despite governments being directly responsible for delivering transportation options and making land use decisions. I do appreciate efforts to identify a funding source for the mitigation account.
- The department has concerns about provisions in the Senate version of the bill related to project development and policy advisory committees. The department has previously provided comprehensive comments in a separate document.
- This legislation does not include any adjustments to aircraft registration rates. Along with a modification to the airline flight property tax, these investments would allow us to provide more airport development grants for Minnesota's 133 public airports. Excluding Metropolitan Airports Commission airports, which also have substantial funding needs, we estimate \$1.15 billion is needed by 2030 to maintain and expand our system of airports.

- The Senate made an important adjustment to the effective date for the asset sustainability ratio provision. While this change means we would not have to shift projects within the State Transportation Improvement Program, we estimate it would require an increase of between \$260 million to \$320 million for pavements (or \$65 million to \$80 million per year on average) during the four years of 2031-2034 and would result in fewer bridge, freight, safety, and other projects than currently planned. These changes would also contradict the investment direction identified in the 20-year Minnesota State Highway Investment Plan through the public process required under Minn. Stat. 174.03. Meeting the proposed targets in the House bill would result in immediate, substantial changes to our construction program. Approximately \$175-\$240 million annually would need to be shifted to pavement projects to meet these requirements. The eight-year total impact is between \$1.4 billion to \$1.9 billion. It would require removing non-pavement projects from our program that in some cases have already been scoped and started public engagement. MnDOT does not object to performing the analysis and reporting those results to the legislature but meeting the targets would have significant impacts to the trunk highway program.
- MnDOT recognizes the challenges construction projects bring to area businesses and strives to minimize the impact of construction on businesses. At present, MnDOT does not have the expertise to assess business impacts of construction projects as proposed in the Senate version of the bill. MnDOT looks forward to continuing conversations about the best location for this type of work within state government. We have developed more detailed feedback and technical input around definitions, payment structures, exemptions, and other considerations.

Again, thank you for allowing me to share this input on the omnibus transportation bill. I look forward to working with you so we can finalize a bill that maximizes the health of people, the environment and our economy for Minnesota's multimodal transportation system.

Sincerely,

A handwritten signature in blue ink that reads "Nancy Daubenberger". The signature is fluid and cursive, with the first name and last name clearly legible.

Nancy Daubenberger, P.E. (MN)  
Commissioner

cc: The Honorable Brad Tabke, Conference Committee Member  
The Honorable Bjorn Olson, Conference Committee Member  
The Honorable John Jasinski, Conference Committee Member  
The Honorable Ann Johnson Stewart, Conference Committee Member  
The Honorable Jim Carlson, Conference Committee Member  
The Honorable Doron Clark, Conference Committee Member

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