



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

March 24, 2026

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

Re: House File 3562

Dear Chair Koznick,

I would like to express concerns about the transportation revenue reductions that would result from House File 3562. To remain competitive in the national and world economy and continue to provide a high quality of life for its citizens, Minnesota must generate sufficient funding for transportation infrastructure construction, operations, and maintenance. Even with existing revenues there is a significant funding gap for Minnesota's roads and bridges. This is the result of some key factors:

- More than half of the state highways in Minnesota are over 50 years old and require increasing investment, and hundreds of bridges built during the interstate era are now coming due for major repairs and replacements.
- Inflationary pressures will continue to increase the cost of road and bridge construction and maintenance. The construction cost index (CCI) has increased by 231 percent since 1999. Current forecasts project continued CCI growth over the next decade, at levels that continue to exceed projected growth in revenues.
- System usage has returned to near pre-pandemic levels or higher and once again is on the rise.
- Additional factors such as demographic changes, economic growth, and advancing technology also place demands on our transportation system.
- Despite the increased revenues Minnesota has received in recent years from the Infrastructure Investment and Jobs Act (IIJA), the IIJA is expiring later this year, and ongoing support from the federal government is unclear. The federal highway trust fund has been in shortfall every year since 2008, and Congress has filled the funding gap with general fund revenues. With renewed attention on the federal deficit, there is the potential for reduced federal funding in the next reauthorization bill.

Without sufficient resources, costs for maintenance and upkeep will continue to rise. Long-term repair costs increase significantly when road and bridge maintenance is deferred, as deterioration accelerates later in the service life of a transportation facility and requires more costly repairs.

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Between 2023 and 2042, the Minnesota Department of Transportation estimates there will be \$36.7 billion in available revenues to address \$52-57 billion in identified transportation needs on the state trunk highway system, resulting in a funding gap of approximately \$15-20 billion. Recent increases in revenue have meaningfully reduced the unmet need for transportation funding, but the cuts in House File 3562 would undo the recent progress we've made to finally address some of the many critical road and bridge needs across the state. These projects provide good-paying construction jobs, and the impacts of the improved transportation system they create enhance economic conditions for Minnesotans and businesses statewide.

If the Legislature enacts the reductions in planned transportation investments in House File 3562, pavement and bridge conditions will suffer, and we will not be able to meet Minnesotans' expectations for a transportation system that maximizes the health of people, the environment, and our economy.

Sincerely,

A handwritten signature in blue ink that reads "Nancy Daubenberger". The signature is written in a cursive style with a large initial "N".

Nancy Daubenberger, P.E. (MN)  
Commissioner

cc: The Honorable Patti Anderson, House File 3562 Chief Author