



June 21, 2021

TO: Members of the House Transportation Committee

RE: HF10 Omnibus Transportation Budget bill

On behalf of the members of the Minnesota Transportation Alliance, thank you for your work in developing a transportation budget bill that increases funding for all modes of transportation and makes some important changes to how funds are used and how they are tracked and reported to the public as well as providing more transparency in regard to project selection.

The use of one-time funds for important capital projects is critical to our state's economic recovery and future growth. We appreciate the level of funding from the general fund to ensure the completion of important projects around the state. At the same time, one-time dollars will not sustain the construction program or the build-out of the transit system and will lead to a funding cliff in the coming years. The members of the Minnesota Transportation Alliance urge you to work together and to work with us to develop and pass a comprehensive, long-term funding proposal that balances the huge needs on the state and local levels for highways, roadways, bridges, transit and other modes in both Greater Minnesota and the Twin Cities Metropolitan Area.

The Minnesota Transportation Alliance appreciates the inclusion of these provisions in HF10:

- The authorization for \$413 million in Trunk Highway bonds for the Regional and Community Investment Priorities, the Corridors of Commerce program and State Road Construction program. These bond funds will allow critical projects to proceed. However, without additional on-going revenue into the Trunk Highway Fund, the drain on the fund to pay debt service on bonds increases.
- Language directing the Departments of Transportation and Public Safety to jointly perform a work zone speed management study that will make recommendations on current practices and changes to current law to improve work zone safety.
- Language clarifying that grants for local bridges can be made for projects with a total cost exceeding \$7 million with the grant amount limited to \$7 million.

• Since 1893

- 525 Park St., Ste. 240 ● Saint Paul, MN 55103 ● 651/659-0804 ● Fax 651/659-9009
 - Email: margaret@transportationalliance.com ● www.transportationalliance.com

- Substituting general fund dollars for trunk highway fund expenditures that do not serve a legitimate highway purpose and specifying impermissible uses of constitutionally-dedicated dollars for the future.
- Reporting requirements for state transportation revenues and expenditures.
- General fund appropriations for transportation programs and projects, including bus rapid transit projects, a second train to Chicago, trunk highway projects and funding for the Local Bridge Replacement program and the Local Road Improvement program. While the funding is greatly appreciated, the last solicitation for projects for the LRIP generated 425 applications with total project cost of \$835 million and \$344 million in LRIP requests. MnDOT was able to fund only \$75 million for 75 projects.
- Authorization for the Metropolitan Council to issue \$98.4 million in regional transit capital bonds for capital expenditures.
- One-time general fund appropriations for township roads and small city streets.

The Minnesota Transportation Alliance appreciates the omission of provisions that would:

- Cut the general fund appropriation for Metropolitan Area Transit.
- Require counties to fund current and future guideways including planning, design, engineering, and construction costs; operating costs; and capital maintenance. The Metropolitan Council and counties have begun conversations regarding these issues to determine the best approach for dealing with future transit costs and this language is no longer supported by the governor or the Metropolitan Council.
- Require a metropolitan county that imposes the transportation sales and use tax to submit an annual report to the commissioner on the use of sales tax revenue. Local governments have the authority to levy this tax after developing a list of projects and holding a public hearing. The state should not require reporting on how counties use their locally collected tax revenue.
- Codify a goal of reducing vehicle miles traveled by 20% without ongoing new revenue into the Highway User Tax Distribution Fund.
- Divert revenue from the electric vehicle fee away from the Highway User Tax Distribution Fund.

Again, members of the Transportation Alliance, appreciate the work being done through this legislation to make strategic improvements to Minnesota's transportation system and address some of the current needs. In the long-run, more stable, ongoing revenue will be needed to meet maintenance needs to address the increasing demands on our transportation system as the population increases and our economy grows.

Sincerely,

Margaret Donahoe

Margaret Donahoe
Executive Director