



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

April 10, 2025

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

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

Dear Chair Koegel and Chair Koznick,

Thank you for the opportunity to provide comments on House File 2438, the omnibus transportation bill. I appreciate the work you, other committee members, 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 omnibus bill. Additional funding for state road construction and the Blatnik Bridge project will result in a greatly improved transportation system, better pavements and safer bridges. 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 as concerns.

- Overall, the proposed spending in the trunk highway fund appears to exceed the available unreserved fund balance in the FY 2026-27 biennium by approximately \$75 million. Although this is a large number, we believe this is a technical error that can be resolved working with fiscal staff to reduce specific appropriations or shift some appropriations to the FY 2028-29 biennium.
- The aims of the project portal requirements 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 this committee to ensure that information around transportation projects continues to be more transparent, efficient, and accessible.

- The \$8.94M cut to passenger rail 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 delay in implementation of greenhouse gas and vehicle miles traveled requirements 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 your efforts to identify a funding source for the mitigation account.
- Meeting the proposed targets for the asset sustainability ratio would result in a substantial change to our construction program. Approximately \$150-\$250 million annually would need to be shifted to pavement projects to meet these requirements. It would require removing non-pavement projects from our program that in some cases have already been scoped and started public engagement, 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. 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.
- 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 13 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.

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 written in a cursive, flowing style.

Nancy Daubenberger, P.E. (MN)
Commissioner