



February 2, 2023

Dear Chair Hornstein and Members of the House Transportation Committee:

On behalf of the members of the Minnesota Transportation Alliance, including local governments, the transportation industry and transit systems, I am writing to thank you for considering equity issues related to transit service in Minnesota.

For local governments in Greater Minnesota, the requirements related to matching funds for operating assistance (M.S.174.24) can pose a barrier to expanding service in more rural areas. Local funds include farebox, property tax revenue and other public funds. Current law calls for a 15% match for rural systems and a 20% match for small urban areas with some flexibility under certain circumstances.

When Minnesota received funding for transit service contained in COVID relief bills passed at the federal level, the Office of Transit and Active Transportation reduced the local share requirement for two years. Now that those federal funds are no longer coming to the state, the plan is to return to the higher local share levels. Unfortunately, ridership has not fully recovered, while costs related to transit service have increased and returning to the higher matching levels will be a struggle for some local governments. It is important to keep in mind that with the current policy, higher levels of state and federal funds for transit can only be accessed with increased local matching dollars. We urge you to consider this situation as you develop transit policies and funding to provide transit service that addresses the need for geographic equity.

Thank you for your consideration and your support for transportation statewide.

Sincerely,

Margaret Donahoe
Executive Director

Since 1893

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