



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

May 1, 2023

Chair Dibble, Chair Hornstein, and Members of the Transportation Conference Committee:

Thank you for the opportunity to share MnDOT's perspective on the House and Senate transportation omnibus budget bills.

MnDOT is projecting a transportation funding gap of up to \$27 billion over the next 20 years, just for construction needs on the trunk highway system (the overall needs for transportation are significantly larger). This gap reflects the impact of inflation as well as new state goals in areas such as pedestrian and bicycle facilities, freight, and reducing per capita vehicle miles traveled.

As we work to address Minnesota's long-term transportation needs, MnDOT welcomes the commitment from the House and Senate to make significant investments in the state's roads, bridges, and multimodal transportation infrastructure. We appreciate the work from the Senate and House on adjusting the registration fee and other sources of revenue to help fill the transportation funding gap with ongoing, dedicated revenues.

We are grateful that both bodies provided matching funds for IIJA to help MnDOT, local units of government, and other eligible entities compete for discretionary grants. We are confident that the funding levels proposed by the House and Senate will help the state maximize the use of available federal funds under IIJA. We're also pleased to see policy language and funding for MnDOT to implement the electric vehicle infrastructure program, as part of IIJA. Thank you for also including several other funding initiatives from the Governor's budget, including the full request to maintain current service levels for all agency budget activities, passenger rail, and tribal training.

MnDOT is pleased to see policy language included in the bills that brings clarity to the notion of regional balance in the Corridors of Commerce program. The \$350 million of trunk highway bonds for Corridors of Commerce included in the Senate's bill pushes the agency close to its debt capacity, which could jeopardize our ability to deliver major bridge projects or buildings in the future. MnDOT would prefer to reserve some of this trunk highway bonding capacity for future use.

There are several items in the Senate bill that differ from the Governor's proposal, including:

- \$15 million for aeronautics is from the existing state airports fund balance, not new money from the general fund as the Governor proposed.
- Weigh stations are funded at half the Governor's request (\$0.5 million/year vs. \$1 million/year).
- The Stone Arch bridge is only partially funded at \$2.429 million relative to the outstanding \$5 million need. The reduced amount wouldn't allow the full project to be funded, so the agency would only be able to complete the underwater work.
- The IT investments request is funded at half the Governor's recommendation.

- \$80 million in trunk highway bonding for major bridges and \$87 million in trunk highway bonding plus a small amount of trunk highway cash for MnDOT buildings is not included in the Senate bill.

Funding for sustainable aviation fuels is not included in the House or Senate bill, although the Senate establishes a working group. This initiative is a priority for the administration.

MnDOT is committed to working with our legislative partners and others to mitigate the impact of climate change. As the agency works to implement its sustainability and resiliency goals, we appreciate the authors' willingness to work with MnDOT to address outstanding issues with the greenhouse gas assessment language included in both bills.

The agency continues to have concerns with the Senate's provisions that shift light rail transit and bus rapid transit projects to MnDOT. While a peer review process is preferable to shifting the projects to MnDOT, even this would create staffing challenges for MnDOT. Despite MnDOT's expertise in managing large transportation-related projects, shifting LRT/BRT projects to MnDOT would require the agency to restructure its current operations and could cause cost increases or project delays.

We are also concerned with the timeframe for the Minneapolis/Fargo passenger rail study in the House bill. The bill requires a report by February 1, 2024, but MnDOT estimates that complying with all the elements in the language would take more than two years. We recommend adjusting the timeframe to accommodate the stated scope of work.

Other provisions in the bill that the agency has concerns with include:

- Both bills include several earmarked projects, which MnDOT opposes because they undermine the agency's standard legislatively mandated project selection process.
- \$20 million for rural high-risk roadways would be challenging to deliver in FY 24. We request pushing these funds out to FY 26.
- MnDOT has some alternative language to help address our concerns with the utility relocation language included in both bills.
- We have safety concerns about allowing bicyclists to go through a red light, even after stopping.
- The Senate bill sets a cap on local funding for greater Minnesota transit at 5 percent for operating and 10 percent for capital. Historically, the local operating share has been 15-20 percent and 20 percent on capital.
- The forest products truck weight language added on the House floor needs to be updated to reflect an agreement between the logging industry and MnDOT/State Patrol.
- The creation of a larger cities account in the Senate bill is duplicative of the already-existing municipal state aid street account.

Thank you for your consideration. We look forward to continuing to work with you on these issues as we develop a transportation funding bill that will make significant progress toward having Minnesota's multimodal transportation system maximize the health of people, the environment, and our economy.

Sincerely,



Nancy Daubenberger, P.E.  
Commissioner