



MINNESOTA PUBLIC TRANSIT ASSOCIATION

May 2, 2023

Senator Scott Dibble
Senator Kelly Morrison
Senator Jim Carlson
Senator Lindsey Port
Senator John Jasinski

Rep. Frank Hornstein
Rep. Erin Koegel
Rep. Brad Tabke
Rep. Jeff Brand
Rep. John Petersburg

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

The Minnesota Public Transit Association appreciates this opportunity to comment on the provisions in the omnibus transportation funding bill.

MPTA represents transit systems and the transit industry in Minnesota, speaking out for those who serve transit riders every day.

MPTA members greatly appreciate the work of the House and Senate Transportation committees this year to increase funding on an ongoing basis for transit in Minnesota. Transit systems continue to recover from the COVID-19 pandemic with growing demand for service. However, farebox recovery is not back to pre-pandemic levels while dramatic price spikes related to supply chain issues are making it very difficult for many transit systems to purchase vehicles and get them on the road. In addition, revenue from MVST and MLVST is down. Bus prices, fuel cost increases, labor challenges, safety concerns and the limited frequency of trips on many systems are challenges that require additional funding to address. At the same time, additional dollars are needed to match federal funds available under the IIJA. A combination of both one-time appropriation and dedicated funding is critical.

MPTA strongly supports the Senate appropriation of \$68 million in general fund dollars for Greater Minnesota transit that would be available over the next four years to match IIJA funds and allow transit systems to compete for discretionary grants available under the IIJA. This funding would go a long way towards meeting many of the challenges faced by systems in Greater Minnesota including cost increases to continue current levels of service, bus price hikes, technology needs and the challenge of meeting local match requirements as farebox and contract revenues slowly recover; as well as make it possible to lower the local match temporarily.

We would also request that the final transportation funding bill include the Senate language limiting the local match requirement for Greater Minnesota transit to 5% for operations and 10% for capital for the next two years. We would like to clarify that this limit should apply to rural area service only. This will greatly assist local governments in Greater Minnesota, giving more time to get back to traditional local match requirements.

The increase in the motor vehicle sales tax rate from 6.5% to 6.875% contained in both the House and Senate bills is extremely important in stabilizing funding for transit in Minnesota. As you know, revenue from the motor vehicle sales tax is below the level previously forecast while revenue from the motor vehicle lease sales tax is down significantly from a total of \$86 million in 2020 to a projected \$52 million in revenue in FY24. MPTA urges you to include the House language changing the distribution of the transit portion of MVST (40%) to 34.3% for metropolitan area transit and 5.7% for Greater MN transit. This dedicated funding is critical to provide and expand service to residents in Greater Minnesota.

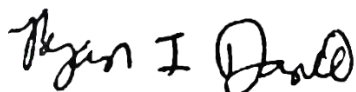
MPTA members strongly support the new Metropolitan Area Sales tax for transit in the seven-county metropolitan area. This new dedicated funding source will allow for safer and more effective transit service in the region for many years to come. The stability of this new funding will allow for cost-effective planning of service and the buildout of a stronger network of transit lines.

We appreciate the language in the House bill that provides grants to suburban transit systems for vehicles and other capital costs. Vehicle price hikes are a major problem for transit systems across the state. Sustainable funding is critical to these transit providers as well.

MPTA also appreciates the focus on transit safety in both the House and Senate versions of the omnibus transportation funding bill. Providing a safe, clean and convenient experience for our riders is critical to the future of transit service. Additional tools and resources to improve transit safety are needed as systems face challenges.

Thank you again for your strong support of transit systems throughout the state as we continue to recover and meet future opportunities. We know that Minnesotans rely on transit service every day to get to work, to school, to medical appointments, and to live their lives. The funding levels in the 2023 Omnibus Transportation Funding bill will allow transit systems to make needed capital and operating investments, allowing us to greatly improve the dependability and quality of the transit service we provide to our riders.

Sincerely,



Ryan Daniel
MPTA President