



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

April 26, 2024

Chair Marty and Members of the Senate Finance Committee:

Thank you for the opportunity to share the Minnesota Department of Transportation's perspective on the Senate transportation omnibus budget bill.

MnDOT recognizes and appreciates last session's significant investment in the State's transportation infrastructure. We are pleased to see the inclusion of the trunk highway bond corrections from last session in the Senate's bill. The trunk highway bond corrections from last session impact Trunk Highway 65 in Blaine, U.S. Highway 10 in Coon Rapids, U.S. Highway 169 in Scott County and U.S. Highway 8 in Chisago County. We also appreciate the inclusion of a similar, technical correction for the transportation facilities capital program.

In addition to the authority for MnDOT to collect fair revenues from passenger rail service, we also appreciate the inclusion of the establishment of a tribal workforce training program, to mirror at the state level, what the federal government provides in terms of highway construction training for tribal members.

While the Governor's transportation budget provisions are budget-neutral, their impact on Minnesota's transportation system can be significant.

In addition to the Governor's budget recommendations, we also appreciate the inclusion of the recommendations of the Greenhouse Gas Working Group. These recommendations are consistent with MnDOT's sustainability objectives and the agency's long-term goals of reducing greenhouse gas emissions and vehicle miles traveled.

**Concerns: Transfer of LRT/BRT Authority to MnDOT**

MnDOT would like to raise significant concerns with the language transferring responsibility for light rail transit (LRT) and bus rapid transit (BRT) projects from the Metropolitan Council to MnDOT. While MnDOT appreciates the trust engendered in the agency by such a proposal, MnDOT is not able to take on the magnitude of work required to be successful in this endeavor. MnDOT estimates we would need to hire hundreds of new employees and likely create an entirely new division to deliver these projects.

This unprecedented, unwanted transfer of authority could adversely impact highway and bridge projects throughout the State, as resources and staff are diverted away from these projects to work on LRT and BRT projects. With the historic Blatnik Bridge project in Duluth set to begin in 2026, along with the Northern Lights Express project in development, with funding from the 2023 Legislature, MnDOT is already expecting challenges to find the workforce for these projects. Transferring LRT and BRT projects to MnDOT exacerbates the agency's current staffing shortages and will make it increasingly difficult to

deliver the high-quality transportation projects Minnesotans have come to expect. The current proposal to transfer LRT and BRT projects to MnDOT would only exacerbate costs and delays on those projects.

#### **Concerns: Passenger Rail Fee Approval**

MnDOT has concerns with the provision that requires agencies to get legislative approval for any new or increased existing fee. This would require MnDOT to get legislative approval every time we changed ticket prices, goods served or sold on trains and fees for private trains to join up with one of the services. This change would have a massive impact, requiring prices to be fixed for all things, every year (or whatever period is approved by the Legislature).

#### **Concerns: IIJA Cancellation**

MnDOT is concerned about canceling \$24.8 million from the IIJA funds appropriated last session. Whatever reduction is made to this appropriation would reduce the amount available for future grants that support all recipients across the State, and potentially impact our competitiveness for future transportation project applications. MnDOT created the IIJA Discretionary Match Program with \$216.4 million in general funds provided by the Minnesota Legislature in the 2023 Session (Chapter 68, Article 4, Section 111). This funding is available to grant recipients – local and state agencies and tribal governments – who have directly received a federal discretionary award for a transportation-related purpose under IIJA and will be used as matching funds. These funds are available for projects that include improving transportation options and reducing greenhouse emissions through investments in public transit, repairing and rebuilding roads and bridges with a focus on climate change mitigation, resilience, equity, and safety and building a network of electric vehicle chargers.

#### **Concerns: Corridors of Commerce Funding**

MnDOT has concerns with the over \$75 million for Corridors of Commerce funding for the next three years, which, in addition to compounding program delivery challenges, would completely deplete the Trunk Highway unreserved fund balance, leaving no remaining balances for fiscal years 2026/2027 operating pressures or other needs in the next biennium.

#### **Concerns: Life Cycle Cost Analysis**

MnDOT has concerns with the bill's life cycle cost analysis (LCCA) provisions. MnDOT's LCCA was developed over many years using experience gained from past methods and the review of other state DOT processes, Federal Highway Administration guidance and academic papers, along with input from industry stakeholders. Based on substantial research and stakeholder input, the current process allows MnDOT districts discretion to use an alternate bid process and select pavement types based on factors like constructability, pavement-type continuity, traffic control challenges and effect on businesses. Requiring a long-term solution on all projects could mean that rural roads, with lower traffic volumes, fall further into disrepair, as their short-term repaving projects are scrapped for longer-term fixes on higher volume roads.

#### **Concerns: MnDOT Reporting Requirements**

Last session, the Legislature agreed that MnDOT should not be required to produce so many reports. That's why it is so concerning to see the agency is required to produce at least five new reports or studies, which are all due to the Legislature next year around the same time. These reporting requirements tie up valuable staff time that could be spent serving Minnesotans. Instead of mandating reports, another option is to invite the agency to the Transportation Committee to give a presentation on the topic of interest. This requires fewer agency resources and is more transparent for committee members and the public.

MnDOT is committed to the effective, efficient use of state resources to improve and maintain Minnesota's transportation system. MnDOT looks forward to working with the Legislature as the bill moves through the legislative process.

Sincerely,

A handwritten signature in blue ink that reads "Nancy Daubenberger". The signature is written in a cursive, flowing style.

Nancy Daubenberger, P.E.  
Commissioner