



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

April 25, 2025

The Honorable John Marty
Chair
Senate Finance Committee
3235 Minnesota Senate Building
St. Paul, MN 55155

Dear Chair Marty,

Thank you for the opportunity to provide comments on Senate File 2082, the omnibus transportation bill. I appreciate the work legislators 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, we thank Chair Dibble and the Senate Transportation Committee for including several MnDOT initiatives in the omnibus bill. By including operating adjustments, MnDOT will be able to manage rising costs while maintaining the high level of services Minnesotans expect. Additional funding for state road construction and the Blatnik Bridge project will result in a greatly improved transportation system, better pavements and safer bridges. Investments in corridor planning will allow us to develop long-term visions for trunk highway corridors, while facilities support means truck stations around the state can continue providing critical maintenance activities. 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 just a few items I would like to highlight as concerns.

- MnDOT appreciates the inclusion of \$100 million in Trunk Highway bonding for state road construction, in addition to the Governor's proposal to increase base state funding by \$60 million per year. MnDOT shares your commitment to increasing transparency in transportation funding. However, redirecting calculated efficiency savings to Corridors of Commerce effectively reduces the existing state road construction program by about \$90 million per year. It is also important to consider that about \$15 million per year of these efficiencies come from operations and maintenance, so this initiative would indirectly shift funding from operations and maintenance to state road construction. MnDOT looks forward to continued discussions about efficiency savings and how to maximize transparency.
- MnDOT is working with the Federal Railroad Administration and BNSF Railway on the Northern Lights Express passenger rail project, and we continue to implement the Corridor Identification and Development grant. We also have applied for the FRA's Federal-State Partnership for Intercity

Passenger Rail grant program. This would provide the 80 percent federal funds needed to advance NLX to construction. We anticipate the FRA will announce funding decisions this spring.

- The department has concerns about provisions in the bill related to project development and policy advisory committees. Since this language recently changed significantly, I previously provided comprehensive comments to Chair Dibble in a separate document.
- 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 133 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.
- Meeting the proposed targets for the asset sustainability ratio would result in a substantial change to our construction program. Approximately \$175-\$240 million annually would need to be shifted to pavement projects to meet these requirements. The eight-year total impact is between \$1.4 billion to \$1.9 billion. 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.
- MnDOT recognizes the challenges construction projects bring to area businesses and strives to minimize the impact of construction on businesses. At present, MnDOT does not have the expertise to assess business impacts of construction projects. MnDOT looks forward to continuing conversations about the best location for this type of work within state government. We will follow up with more detailed feedback and technical input around definitions, payment structures, exemptions, and other considerations.

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 fluid and cursive, with the first name "Nancy" and last name "Daubenberger" clearly legible.

Nancy Daubenberger, P.E. (MN)
Commissioner

cc: The Honorable Eric Pratt, Ranking Minority Member, Senate Finance Committee
The Honorable Scott Dibble, Chair, Senate Transportation Committee
The Honorable John Jasinski, Ranking Minority Member, Senate Transportation Committee

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