

Date: May 10, 2018

To: The I-35W Solutions Alliance Board of Directors

From: Rob Vanasek

Re: Legislative Report

The 35W/494 interchange received \$75M in state funds as one of four projects that received Corridors of Commerce funding. The only other metro project was auxiliary lanes on 494 on either side of the interchange.

There are less than two weeks left of session, which must take action on bills before midnight on Sunday, May 20. This session has set a both a record number of bill introductions and fewest chapters of law created. All of the omnibus supplemental spending bills have been rolled into one omnibus supplemental bill and all the finance and policy provisions are being conferenced by a single conference committee of five members from each chamber.

The House released its bonding bill last Friday and marked it up and the Senate released its bonding bill yesterday afternoon and will hear and mark it up today. Each bill comes in at \$825M in general obligation bonds and very likely too low to pass off either floor of either chamber as it takes a 3/5's super majority to pass a borrowing bill and the minority party doesn't feel the bills are close enough to the governor's \$1.5B request. The Senate bill contains \$175M just for Highway 14, a clear reaction to that corridor not doing well in the latest Corridors of Commerce program results.

The House has finally introduced a transportation constitutional amendment bill similar to the Senate's which constitutionally dedicates the sales taxes on auto parts to transportation purposes. The minority party has voted against the bill when it's been heard and it is up again in House Ways and Means this a.m. at 8:00. The organizational proponents and opponents providing testimony are fairly even in number. Most opposed raise the concern that the state budget has few dedicated accounts that have any access to general fund dollars. There's concern about tying the hands of future legislatures by taking general fund dollars to be used for transportation via constitutional amendment when transportation already has dedicated funding from other sources.

Transportation Finance (and policy) Bill, (SF 3656, 2nd engrossment, Art. 17 & HF 3138, 3rd engrossment, Art. 12)

As part of the omnibus supplemental bills in conference, multiple provisions are of note to the Solutions Alliance. Most notably absent however is the provision that would have stripped the Orange Line of \$300,000 in state funds putting that project at some potential risk. Thanks goes to many around the table who reached out to your state representatives and to those representatives who successfully acted on your behalf.

The House brings \$100M in new additional, ongoing general fund dollars to transportation from the \$329M budget surplus. The Senate does not. Additional finance items of note include:

- \$850K to study a Northstar extension to St. Cloud (Senate only)
- ~\$500K I-35 interchange study at Rice County Road 9 (both)
- \$500K study of adding a lane on I-94 between the Cities and St. Cloud (both)
- \$10M for Corridors of Commerce now and \$145M in the future (House)
- Additional ~\$5M for CSAH and ~\$6.5M for MSA (House)
- Suburban Transit additional one-time funds for capital and ops and a suburb to suburb transit route (House)
- Beginning in 2020 almost \$1M for Metro Mobility extension to Lakeville (House)

Policy language brought to conference includes:

- A split of Corridors of Commerce funding of 49% metro/49% non-metro with 1% discretion by MNDOT. (Senate)
- County roads speed limit increase or decrease by 5 or 10 mph via county resolution (Senate)
- Slow drivers must be in right lane or face \$100 fine (Senate)
- SWLRT colocation with freight prohibited (Senate)
- Prohibit LRT state operating funds for any system expansion/enhancement (both)
- Burnsville and Minneapolis may restrict or prohibit Jake/engine braking (Senate)

Unfortunately, there are numerous provisions throughout the omnibus supplemental bills that the governor has already stated he was opposed to. The House and Senate conferees have to find agreement between themselves first and engage with the governor in very short order as the conferees were only named this week and in two meetings over two days have not yet finished overviews of all the provisions in the bills yet.

Bonding Bills Finally Out

The Senate bill, which was made publicly available yesterday and will be heard and marked up later today contains \$60M in non-earmarked funds for the local bridge replacement program. Slightly more than \$65M, most of which is not ear-marked, would go to the Local Road Improvement Program. As mentioned above, the Senate would earmark an additional \$175M in their bonding bill for widening Hwy 14 between Rochester and Mankato using Trunk Highway Bonds. Finally, the Senate bill would provide \$4M to the Transportation Economic Development Infrastructure Program (TEDI).

The House bonding bill has no money for the local bridge program, about \$72M of unearmarked funds for the Local Road Improvement Program, and \$10M for the Transportation Economic Investment Development program (TED).