

Date: April 10, 2025

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

From: Rob Vanasek

Re: Legislative Report

It's Third Committee Deadline week and all finance omnibus bills are required to be out of committee to Ways and Means or Senate Finance by noon tomorrow.

The Senate is 34-32 until a special election on April 29th.

Several items in the Governor's budget were included in Chair Scott Dibble's transportation omnibus bill reviewed below.

The House has not released their omnibus yet, which is expected later tonight at a 6p hearing (the same time Senate Transportation is completing their markup) followed by public testimony and markup of the bill in a Friday morning meeting. House Transportation canceled their normally scheduled meetings this week. The House Co-Chairs may provide a preview during our board meeting this morning.

There are not joint targets between the House, Senate and Governor this session. Senate and House targets were released on time for finance committees. The Senate has targeted major General Fund (GF) cuts for Transportation (\$227M), Education, HHS, Taxes/Local/County Aids. The House had a net zero GF target for Transportation with major HHS cuts. The Governor recommended \$90M in GF cuts.

In the tied House, we see many committee co-chairs not able to reach an agreement between themselves and leadership stepping in to facilitate an agreement, often without any new policy attached to these finance omnibus bills.

It is still possible to complete the biennial budget by the constitutionally set date of May 19th.

Senate Transportation Omnibus

Chair Dibble creates \$100M in Trunk Highway Bonding, though acknowledges that there are conversations being had with the Bonding Chair. There would be increased resources for corridor planning. "Efficiency savings" at MnDOT would also be dedicated to Corridors of Commerce (CoC) but at the expense of maintenance and operations of existing infrastructure by \$15M. CoC would see a \$5M increase in the base and another \$2M would go for CoC planning grants. Additional CoC funding would be at the expense of the existing state road construction program. There is a delay in the

dedication of the sales tax on auto parts in the out biennium, which results in a reduction to the HUTDF.

The bill also makes fares for regular route transit service free for Metro Mobility riders permanent and incentivizes them to use regular route service more.

The Metropolitan Council proposal allowing the transit sales tax in the metro to pay upfront costs for MnDOT to start work in a coordinated roadway and BRT transitway construction in trunk highway corridors to minimize roadway and community disruption and redundant construction closures or impacts was allowed for the F line on HWY 65.

Bonding

The House Capital Investment Committee is having its first full hearing on transportation project bonding requests including the 35W and 50 County portion of the project funding request of \$10.8M (HF 1349, Koznick) at 10:15 a.m. later this morning. Dakota County is providing testimony and an overview. It's one of 17 bills that made the agenda.

The House and Governor seem to be adhering to the \$700M GO bonding limit while the Senate has come out with a proposed \$1.35B target and potentially dividing the borrowing into asset preservation, competitive grants and earmark categories.