

Date: May 8, 2025

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

From: Rob Vanasek

Re: Legislative Report

With about a week and a half left in Regular Session, before the midnight deadline on Monday, May 19th, most conference committees have not yet met, including Transportation, which meets for the first time later today. Only in the last few days have many conferees been named to conference committees. Several major omnibus bills have not yet cleared both floors, including Health, Education, Energy, and others like the Tax bill. We're way behind last cycle, but the tied House and a less cohesive Senate Majority have slowed agreements on structure and procedural questions as well as global budget targets for conference committees to work from.

To finish on time, they will have to start wrapping up work on some bills, debating and passing them off the floors in the early days of next week. Some Conference Committee Chairs have been meeting and even working on compromises ahead of their formal meetings, but without budget targets they are severely limited as to what they can finalize.

19 bills have been passed by both chambers and signed into law by the Governor so far this session (compared to about 35 last budget session). None of the state budget omnibus bills have been completed yet.

Leadership agreement on global targets for spending and taxes are eagerly awaited by all budget conference committees named (and to be named).

The Transportation Finance Conference Committee, HF 2438,

Conferees: H: Koznick, Koegel, Olson, Tabke; S: Dibble, Johnson Stewart, Carlson, Clark, Jasinski

The Transportation Finance Conference Committee is finally scheduled to meet at 2:00 p.m. this afternoon. As a reminder, the Senate had a \$227M General Fund cut, \$194M of which they implemented via cutting the Northern Lights Express appropriation from two years ago due to the expected lack of federal funding in the new administration. The House had a zero change GF target and did not eliminate NLX. The House did have over \$100M that they earmarked for projects out of some of the increased funds enacted through the increased revenues last cycle, \$40.8M of which is going to a 35W Solutions Alliance Priority Project: the 35 and 50 Interchange Reconstruction. Chair Workman submitted a letter on behalf of the Alliance yesterday in support of this project to the Conference Committee.

A \$200 fee (up from \$75) on electric vehicles is in both bodies bill, along with new fees for hybrids, and electric motorcycles. It is indexed for inflation in the Senate version just as the gas tax is in current law.

The Senate has a provision requiring MnDOT to create a business mitigation plan for those businesses whose access is restricted during road construction projects, has another provision that allows trunk highway funds to be used for active transportation, transit and provide for a reduction in greenhouse gases in right of way, such as EV charging infrastructure.

In addition to a little over \$100M in named, MnDOT shovel ready projects the House omnibus bill allocates \$30M in new funds for Corridors of Commerce (\$80M in total now), fund the Transportation Economic Development program again, allocates \$25M/yr for two years for Resilient Pavement to build to higher specs (some data shows that costs go up 1% but the life of a project can double), reduces passenger rail support by ~70%, increases CSAH and MSA in FY 28 and FY 29, reduces Metro Transit (by less than the Walz budget) and Greater MN Transit, funds the Local Road Improvement Fund at \$3.8M and the Local Bridge program at \$3.8M. Finally, the House bill delays the greenhouse gas mitigation requirements by one year and cuts active transportation funds.

Bonding

A bonding spreadsheet totaling \$1.35B will get a hearing this morning in the Senate. It includes \$11M for Major Bridges, \$14M for the Local Bridge Replacement program, \$23M for the Local Road Improvement Program, \$3M for the Transportation Economic Development program, and zero for BRT busway capital improvement. The House has not gotten as far as a spreadsheet nor created a singular bonding bill. Both Capital Investment Committees are sending "vehicle" bills to their respective floors to be ready if the outlines of a global bonding deal can be struck.