



## **Alliance Legislative Update**

July 8, 2011 – Shutdown Day 8

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### ***Transportation Impacts of Shutdown in the News***

As the state government shutdown continues to drag on with no end in sight, it's important for transportation advocates and industry representatives to remind people and policymakers of the devastating impact for many companies in construction and engineering.

The Transportation Alliance, along with our partners, is working to jump on opportunities to publicize the loss of jobs in the private sector as well as the 22,000 state workers who have been laid off. In addition to a column in Finance & Commerce, we've recruited some of our members to speak out at press conferences. Bob Struve with American Engineering Testing was quoted in a story on [MPR](#) as part of a press event hosted by the Blue/Green Alliance. Bill Bennett from LHB, Inc. also helped get the word out regarding the impact for engineering firms and was included in a story in the [Duluth News Tribune](#). Bill Aufderheide of Hancock Concrete Products and Al Forsberg, Blue Earth County Engineer were included in a story on the local news station [KEYC](#) in Mankato. The Transportation Alliance was quoted in a [St. Cloud Times](#) story along with our members, highlighting the impact of the shutdown on road projects.

**Please keep sending us your stories about how the state government shutdown is impacting your organization.** The news media are all very interested in pursuing this issue and it provides an important forum for us to keep reminding people how important it is to invest in our transportation infrastructure and the impact that the lack of investment has for both the public – in terms of added costs – and the state's economy as the construction industry continues to struggle.

### **Jobs Coalition Capitol Rally for July 19<sup>th</sup> Cancelled**

Initial plans for a rally at the state capitol hosted by the Jobs Coalition have been shelved for now. Stay tuned for other opportunities to help get the word out that the state government shutdown needs to end quickly.

### **Look For Our Transportation Alliance Action Alert and Take Action!**

We'll be sending out our Alliance Action Alert again to encourage our members to contact local legislators and the governor. The message is pre-addressed to your legislators and Governor Dayton and can be edited to say what you want to say. It's important for legislators to hear from people in their districts about transportation in conjunction with the shutdown. Please use this tool to help make a difference with your legislators!

### ***Budget Negotiations***

Earlier in the week, the governor and legislative leaders met to try once again to make progress toward bridging the \$1.4 billion gap that separates them. Governor Dayton presented a new offer that included an income tax increase on millionaires only or a tax increase of \$1 on a pack of cigarettes along with a health care surcharge, some tax reform proposals and a \$700M shift in school aid. The letter from the governor with more details is attached.

Legislative leadership has rejected the offer, stating once again that they will not support any tax increases.

The Commission set up by former Governor Arne Carlson and former Vice President Walter Mondale proposed more general tax increases to generate more revenue along with significant spending cuts. That proposal has also been rejected by legislative leadership.

Some legislators have been quoted as saying they are losing optimism for a relatively short shutdown and as the debate drags on, the shutdown could last much longer than many people anticipated.

For highway construction, MnDOT has shut down all state projects that were active – about 100 projects. A number of projects are scheduled for the July and August lettings – totaling about \$130 million worth of projects. Those lettings could be at risk – especially the July 22<sup>nd</sup> letting.

Counties and cities continue to assess whether or not keep local projects going with local funds and are trying to find consultants to assist with inspections and certifications.

The Minnesota County Engineers Association has been trying to inform its members of the risks involved in proceeding and the risks of suspending road projects during the state government shutdown. One of the big stumbling blocks that we are finding in proceeding is getting "MnDOT Certified" materials. These could be concrete pipes, metal signal poles, bridge beams, etc. While we are aware that only MnDOT can stamp these materials as "MnDOT Certified" we are looking for consulting resources to provide this same level (or higher) of plant inspection QA/QC to keep our projects moving forward with the least possible risk to our counties.

Some issues have been raised regarding the use of laid off MnDOT employees. **If your company has some suggestions or services that you can provide to help counties continue certain projects, please reply to this message and fill out the attached form.**

Senator Joe Gimse and Rep. Mike Beard, Chairs of the House and Senate Transportation Committees have filed a petition with the court in an effort to keep highway construction projects open. A copy of their letter to the court is attached.

#### ***DNR Pulls Water Permits***

Another issue that could cause problems for road projects – the Department of Natural Resources has notified counties that they are terminating Public Waters permits on July 01, 2011 after the State shut down had already occurred. The letter from the DNR is also attached.

#### ***You Can Make A Difference!***

There are a number of things you can do to help get the word out about the need to get a transportation budget and a bonding bill enacted as quickly as possible:

- Contact your legislators and the governor. Tell them:
  - Get your job done and reach agreement on a two-year budget right now. You need to compromise so that a budget can be put into place;
  - Include a capital bonding bill in the final budget deal to get additional construction projects moving and employ more workers;
  - Do everything you can to keep people working in Minnesota's hard-hit construction industry. Private companies will be impacted directly and small business may not survive a government shutdown;
  - While hard-working Minnesotans have to live without a paycheck, you should live without a paycheck until your job is done;
  - Don't add expenses for taxpayers and small businesses with a state government shutdown.
- Send a Letter to the Editor to your local newspaper. Tell your story about the impact of the shutdown on transportation.
- Look for rallies, press events and other opportunities to get involved.