



## **Alliance Legislative Update**

May 20, 2011

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### ***Clock Ticking at Capitol as May 23<sup>rd</sup> Deadline Approaches***

Negotiations continue at the Capitol as the time for action during the regular session winds down. The omnibus transportation funding bill was passed by both the House and Senate. The expectation is that the Governor will veto that bill along with all of the other budget bills (except the agriculture finance bill signed earlier) passed in the last few days.

There doesn't appear to be a lot of confidence that the legislature and the governor will reach agreement on how to balance the general fund budget in time to meet the constitutional deadline. The speculation has turned to when a special session might be called and how long it will take for an agreement to be reached.

If an agreement on the budget is not reached by the end of June, a government shutdown would occur starting July 1<sup>st</sup>. Despite the fact that highway funding is not part of the general fund budget deficit, MnDOT cannot spend funds out of the trunk highway fund without an appropriation from the legislature. The majority of local funds – CSAH and MSA funds – have been allocated and the Department is looking at speeding up the second maintenance payment to June 1<sup>st</sup>. Stay tuned for more information on the potential impact if an agreement is not reached by the end of June.

### ***What Are Your Transportation Priorities?***

*The Alliance is looking for your input on a long-term multi-modal plan*

We Need You! We're looking for our members to assist us in developing a tool for communicating with legislators, the media and the public regarding the kind of transportation system we think Minnesota needs in the long-run. What should our transportation system look like in 2040?

While MnDOT is engaged in developing a long-term vision for transportation through Minnesota GO, we're working with our members to put together a more specific look at the corridor that need improvements, and in some cases specific projects, that really should be part of the transportation system by the year 2040.

With more attention and interest regarding new funding or financing options for transportation, we know that the public will be much more supportive if we can clearly show the impact of transportation dollars on the system. We also need to be able clearly demonstrate what won't happen without additional revenue. The cost of doing nothing needs to be shown.

Please take a minute to look at the work we've done so far. Our goal is to bring together a plan, policy suggestions for improving the efficiency of the design and construction process and suggestions for how to pay for needed investments. Send your feedback to: [Margaret@transportationalliance.com](mailto:Margaret@transportationalliance.com)

<http://www.transportationalliance.com/content/transportation-plan>

Check out these maps in Adobe .pdf

[Greater Minnesota](#)

[Metro 7 county](#)

### ***Stadium Proposals Continue to Make News***

Despite the impending deadline for the end of the 2011 Session, news stories continue to report on talks regarding a proposal to fund a new Vikings stadium. In particular, the Arden Hills site has implications for transportation as additional highway improvements would be needed for a stadium to work at that site.

Some improvements in the area have been programmed already but MnDOT has said that additional highway work would be needed at a cost of \$131 million. This is down from earlier estimates of anywhere from \$175 to \$240 million. The cost of highway improvements has become an issue as the governor and legislature have agreed that the state commitment will not go any higher than \$300 million and that money is needed for the stadium itself. There has been suggestion that revenue from a racino – if it were to be approved – could be used to assist with a stadium proposal.

This is one of those issues that could be part of a global deal that resolves the impasse over the budget. A capital bonding bill is another issue that could be brought into the negotiations for reaching agreement on the budget. The governor had said earlier in the session that he wanted a \$1 billion bonding bill this year. The legislature has focused on bonding for flooding issues only so far.

It's not too late to remind legislators of the need for bonding dollars to fund transportation construction. The Alliance has requested funding for the Local Road Improvement Program, the Local Bridge Program and transitway construction along with funding for ports and waterways and rail.

**Remind your legislators of the need for a capital bonding bill this year!**

### ***US Senate Finance Committee Hears Testimony on Transportation Funding***

According to AASHTO, the Senate Finance Committee examined numerous proposals to increase federal revenue for transportation projects during a Tuesday hearing, but no consensus appeared to come from the discussion among committee members.

Committee Chairman Max Baucus, D-Montana, said in prepared remarks that the Highway Trust Fund faces significant challenges. He noted the fund relies on fuel taxes for 90% of its revenue, but high gas prices and fuel-efficient vehicles have reduced consumption and thus excise taxes collected per gallon.

Tuesday's hearing, "Financing 21st Century Infrastructure," featured testimony from four witnesses: Joseph Kile, assistant director for microeconomic studies at the Congressional Budget Office; Matthew Posner, director of Municipal Market Advisors; Ed Rendell, co-chairman of Building America's Future and former governor of Pennsylvania; and Gabriel Roth, a civil engineer and transportation economist.

Kile told senators a tax on vehicle miles traveled would help increase revenue to the Highway Trust Fund, which is presently spending more money than it receives and is expected to run short of cash in the Highway Account by the summer or fall of next year -- meaning the federal government would have to delay reimbursements to state transportation departments for projects built utilizing federal grants.

### ***Senate Banking Committee Holds Hearing on Transit Funding***

Senate Banking, Housing, and Urban Affairs Committee Chairman Tim Johnson, D-South Dakota, indicated during a Thursday hearing that the committee was just beginning to work on the public-transportation section of a multiyear reauthorization bill.

"This effort will build on the substantial hearing record on public transportation and transit safety that our previous chair, Sen. [Chris] Dodd, [D-Connecticut], and our ranking member, Sen. [Richard] Shelby, [R-Alabama], worked to establish last Congress," Johnson said in prepared opening remarks. "It's time to get to work on this legislation. Getting a long-term bill done will not be easy, but I hope that improving transportation is a topic where both parties can find common ground."