



Alliance Legislative Update

May 13, 2011

It's Not Too Late!

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Transportation Advocates Gear Up

The American Road & Transportation Builders Association (ARTBA) and the American Public Transportation Association (APTA) announced the launch of a [radio](#) and television ad campaign featuring these presidential icons. The two groups aim to elevate transportation investment into the ongoing congressional debate about the federal budget and future investment priorities. They are calling on Congress to pass a well-funded, multi-year highway and public transportation bill this year. The surface transportation authorization legislation expired on September 30, 2009, and has been extended until September 2011.

At the same time, budget talks continue on legislation to raise the debt ceiling and the 2012 Appropriations bill. With cuts proposed in discretionary spending, transportation could once again be looking at federal funding cuts.

House/Senate Conference Committee Agrees to Transportation Budget Bill

Last night, the House and Senate members of the conference committee on the transportation budget bill finished their work, passing a conference committee report that cuts \$118 million out of the transportation budget for the coming biennium (FY2012-13).

The general fund cuts included in the bill:

- 1) \$109.2M cut to Metropolitan Area Transit (\$54.6M per year)
- 2) \$7.6M cut to Greater Minnesota Transit (\$3.8M per year)
- 3) \$1M cut to the Office of Commuter and Passenger Rail
- 4) \$98,000 cut to the MnDOT Freight Office

The base level of funding for Metropolitan Transit had been set at \$64.9M per year. The conference committee reports provides just \$10.2 million per year and sets the base for the following biennium (FY2014-15) at a little over \$39M per year.

The general fund base for Greater Minnesota Transit had been set at \$16.2M per year. The conference report provides \$12.5M per year and the sets the base for the following biennium at about the same level.

Language in the bill prohibits the Metropolitan Council from reducing special transportation services (Metro Mobility) and the Council must provide financial assistance to suburban transit providers at the same level of funding provided in the fiscal year 2011.

The Council is directed to use reserve funds to the maximum amount feasible, shift funds from the Livable Communities Fund, Right-of-Way Acquisition Fund (RALF) and Council operating budget and to increase fares. Only after these strategies are used may the council reduce transit service.

According to the Star Tribune, Met Council chair Susan Haigh had opposed the cuts, calling them "devastating." She said they could result in a 25-cent fare increase and substantial service cuts. Recently, the Met Council warned it might eliminate weekend service.

Language in the conference report also allows the Counties Transit Improvement Board (CTIB) to transfer funds to the Metropolitan Council that are not needed for debt service on bonds that have been issued, but does not allow those funds to be used for rail or bus rapid transit.

For highways, the conference report contains the same level of funding out of the County State Aid fund (CSAH) (\$96.6M increase from previous biennium) and Municipal State Aid Fund (MSA) (\$23.5M increase) as contained in the governor's budget and in previous versions of the bill.

Rider language in the bill directs the commissioner to transfer from the flexible highway account in the CSAH fund \$1M the first year to the municipal turnback account and \$1.9M in the first year to the trunk highway account and the remainder in each year to the county turnback account.

The appropriation from the Trunk Highway Fund is \$20M higher than in the governor's budget due to the creation of the Economic Development Account in the Trunk Highway Fund. The additional funds are provided in FY2012 to be used for projects that will promote economic development, increase employment and relieve growing traffic congestion. Money must be allocated 50/50 between the metro district and the greater Minnesota districts unless there are not sufficient project applications to support that funding split.

Absent from the conference committee report is an appropriation from the trunk highway fund to support the recently announced Better Roads program that would add to MnDOT's planned spending for pavement preservation work.

Overall, the report provides an increase over the previous biennium of \$7.2M for operations and maintenance, \$15.2 million for program planning and delivery, \$94 million for state road construction and \$21.5 million for highway debt service.

The conference committee report is usually passed by the full House and Senate and then sent to the Governor. Republican leadership has been requesting that the governor begin negotiations on the budget bills even prior to the conference committees agreeing on a single position so it remains to be seen if the reports will be passed by both bodies in the coming days. If they are, the question is whether or not the governor will veto the transportation budget bill due to the steep cuts in transit funding and the lack of an appropriation for the Better Roads program.

There had been some discussion earlier of possibly splitting off the appropriation for Metropolitan Transit into a separate bill to ensure that highway project lettings are not delayed by a budget standoff. In the end, the full budget was approved by the committee.

Transit Advocates Deliver Thousands of Postcards to Legislators, Governor

Earlier in the week, transit advocates delivered thousands of postcards from people opposed to cutting transit service to legislators and the governor. Minnesotans from all across the state signed and sent in postcards opposing the proposed cuts in the funding and reduction in service that would follow from these cuts.

Spread the word with our New, Improved Pothole Video:

<http://www.youtube.com/watch?v=hBsqD2ynVqs>

Share this YouTube video with your colleagues, staff, friends, family and legislators! As we head into crunch time and serious negotiations, we need advocates to stand up for fixing our infrastructure.