

April 1, 2025

RE: Legislation Re-Directing highway funds and changing permissible uses of funds

Dear Chair Dibble and Senate Transportation Committee Members:

We are writing to stress the need for the state to maximize the dollars in the Highway User Tax Distribution to ensure that highway funds are used to make real gains in safety, performance and the longevity of our highway system while other funding increases are also provided for other modes that are integrated into the highway system.

The state is struggling just to maintain the highway system we have today. As you have heard, 70% of MnDOT's construction budget will be used for maintenance of the existing system. Of the \$36.7 billion in planned investments over the next 20 years, only \$1.2 billion of that is planned for highway capacity expansion. With a \$1.1 billion per year funding gap on the trunk highway system, the 20-year highway investment plan includes very little investment in any capacity expansion but there are some areas where additional capacity is clearly needed to improve safety on highways that were not designed for the increased truck and passenger traffic. Increasing the cost of highway projects whether by additional elements or simply delay, will increase the ongoing funding shortfall with worse pavement and bridge conditions in the state.

Legislators recognized the need to invest critical corridors – many of which faced serious safety issues with higher-than-average fatality rates – with the establishment of the Corridors of Commerce program. Since its creation in 2013, the Corridors of Commerce program has been instrumental in allowing important highway corridor improvements to be completed all across the state. Thanks to investments in Highways 14, 23, 610 and I-94, fewer lives are being lost while freight is moving and our state's quality of life has improved.

The \$1.5 billion in highway improvements funded through this program has resulted in important safety and mobility improvements – saving lives and supporting local businesses while creating jobs and making long-term investments for the future. The program continues to leverage local and federal funds, providing a strong return on the state's dollars.

We strongly support this program and the legislation that will direct dollars saved through efficiency gains identified by MnDOT that need to be spent on the trunk highway system to this program each year.

Our members support additional funding from new and existing revenue sources for the entire transportation system so that our interconnected, multimodal transportation system serves the needs of the communities, including residents and businesses, and supports the state's economic development. Thank you for your consideration.

Margaret Donahoe

Kris Fredson | Director of Public Affairs

Laura Ziegler
Director of Gov Affairs

