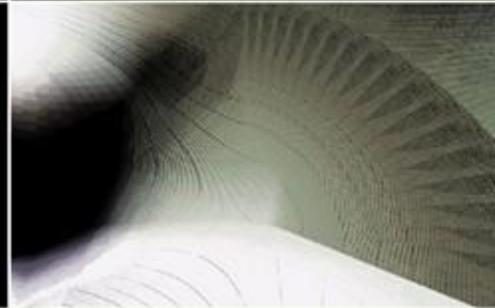


# Minnesota Legislative Process

APWA May 12, 2017



# The Process Does Not Start In January

- ▶ Elections Matter – No amount of lobbying can move the needle with legislators who simply aren't supportive
- ▶ No New Tax Pledges or other Promises can push legislators into a corner
- ▶ Campaign Promises
- ▶ Get Involved early and Vote!

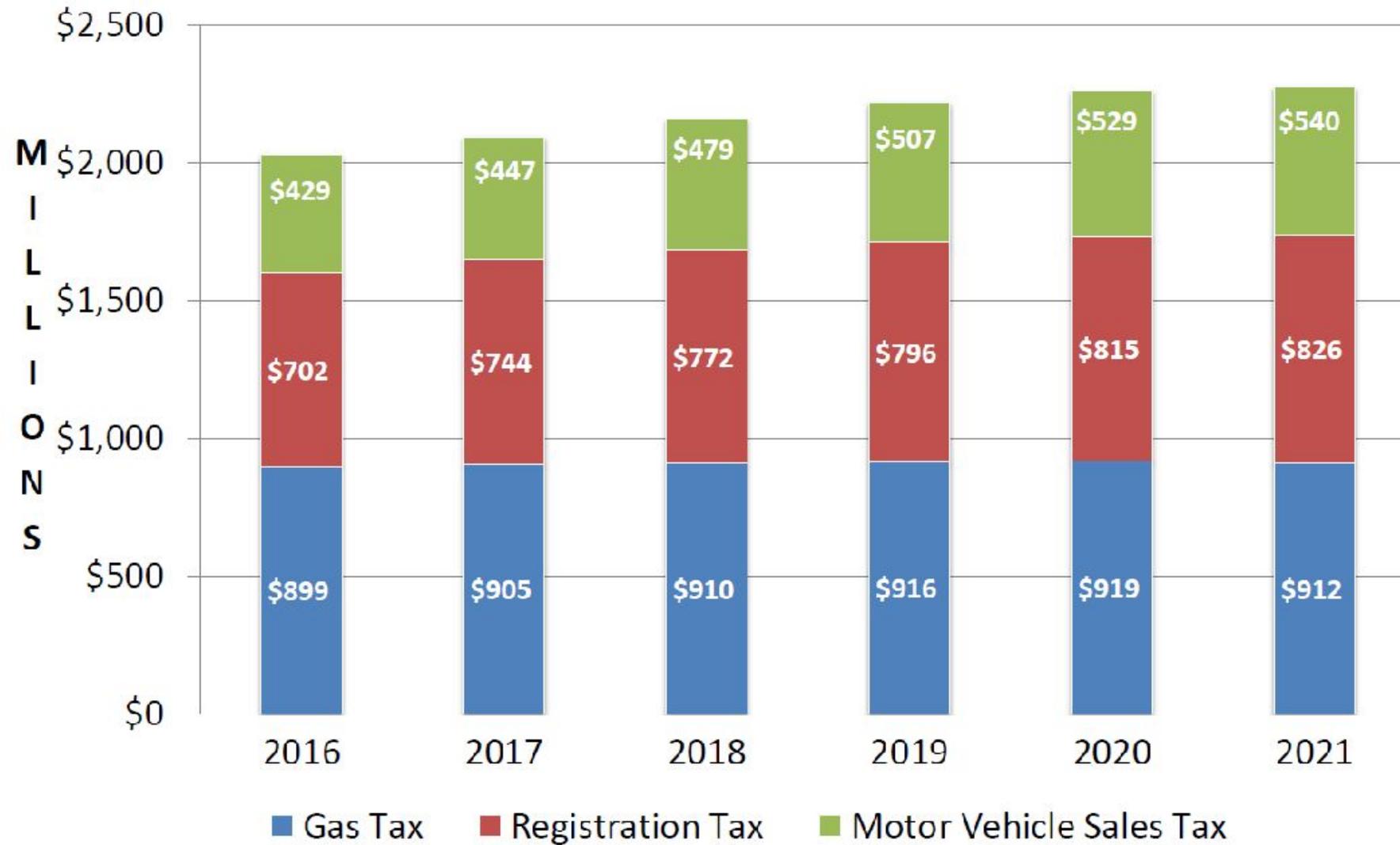
# The Legislature Has to Pass a 2-Year Budget

- ▶ A two-year transportation budget bill has to be passed each biennium.
- ▶ The bill typically spends the money projected to be available in the Highway User Tax Distribution Fund
- ▶ Some general fund money is appropriated for transit and public safety
- ▶ We have been advocating for additional funding above and beyond the funding accumulating in the HUTDF and base budgets
- ▶ The 2008 transportation funding bill (Chapter 152) continues to provide increased funding but the impact is not as significant

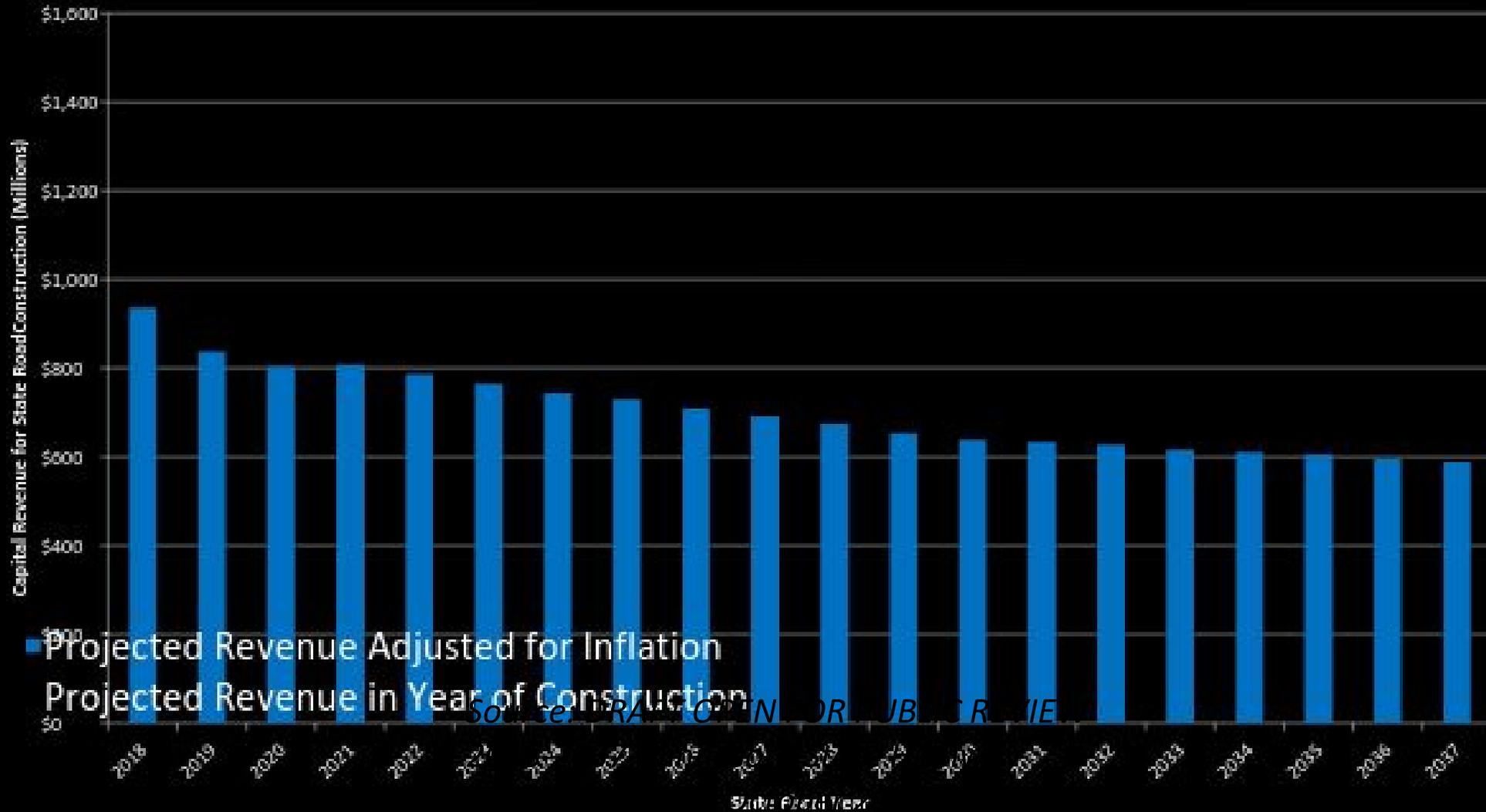
# Transportation: HUTDF Revenue Projections



SENATE COUNSEL, RESEARCH, AND FISCAL ANALYSIS



# Anticipated Construction Revenue by Year Including Adjustments for Inflation



# The Process and then the Real Process

- ▶ House and Senate pass bills, work out differences in a conference committee, pass a final bill to the governor who signs or vetoes the bill.
- ▶ The real work tends to get done behind the scenes. In committee hearings, legislators often approve already agreed upon amendments and bills.
- ▶ Too often public testimony is limited or ignored
- ▶ State Agencies do have an impact on legislators
- ▶ At the end it's the Governor, Speaker and Majority Leader



## Budget Years and Bonding Years

- ▶ The odd numbered years, or the first year of the biennium, is the budget year. A two-year budget encompasses all funding that is appropriated to all state agencies. If one budget bill doesn't pass, at least part of the government shuts down.
- ▶ Tax bills and bonding bills are optional. If they are not passed, government doesn't shut down.

Project	Governor	Senate SF210	House HF892
Local Bridge Replacement Program	\$70M	\$ 90M	\$ 59M
Local Road Improvement Program	\$70M	\$141.196M1	\$107.691M3
Stone Arch Bridge	\$ 2.5M		
I694/Rice St Interchange – Ramsey	\$20.5M		
Highway 4 – City of St. James	\$ 3.443M		\$ 3.443M
Highway 53 Utility Relocation	\$ 4.9M		
Bloomington Transit Station Mall of America		\$ 8.75M	
Met Council Orange Line BRT		\$ 12.1M	
35W/Lake Street Transit Project – Hennepin	\$25M		
Gateway Corridor – Washington	\$ 3M		
Rail Grade Separation on Crude Oil Lines	\$69.624M	\$ 26.749M2	\$57.024M4
BWSR Local Road Wetland Replacement	\$ 10M	\$ 5M	\$ 5M
DEED – Transportation Economic Development	\$ 10M	\$ 7M	\$ 7M
<b>TOTAL</b>	\$1.5B GO/ \$16M GF	\$972.7M GO/ \$201.9M GF	\$620M GO
<b>Bill Proposal</b>	\$40MTHB	\$197M THB/ \$143.4M THF	

# Pushing for a Long-Term Plan with Stable Funding

- ▶ State Highway system shortfall: \$600M per year for 10 years
- ▶ Local road and bridge needs – over \$600M per year for 10 years
- ▶ Transit Funding needs to increase to build out the system and meet growing demand
- ▶ Dependable funding allows better planning, more cost-effective delivery of projects



# Transportation Budget Bill

- ▶ Sets the usual 2-Year Budget for MnDOT, Metropolitan Council and parts of Dept of Public Safety
- ▶ Provides some increase over the base
  - ▼ Part of the sales tax on auto parts dedicated to HUTDF - \$72M per year (\$144M)
  - ▼ One-time general fund dollars to street repair in small cities - \$10M per year (\$20M)
  - ▼ One-time general fund dollars to highways in the 7-county metro area - \$5M per year (\$10M)
  - ▼ One-time general fund increase for Metropolitan Area Transit - \$25M per year (\$50M)
  - ▼ Dedication of all motor vehicle lease and rental sales tax – \$76M per year (\$153.2M)

# Conference Committee Report

- ▶ Provides a partial statutory dedication of the sales tax on auto parts
- ▶ Transfer sales tax on rental vehicles and leased vehicles
- ▶ Provides some one-time general fund appropriations
- ▶ Authorizes \$600M in trunk highway bonds - \$300M Corridors of Commerce, \$300M State Road Construction
- ▶ When the general fund budget faces a deficit, not clear if this funding will continue to be dedicated to transportation
- ▶ Other states are passing constitutional dedications or “lock box” amendments.

## Limited Funding Outside of Bonds

- ▶ Provides new funding of \$127 million in general funds per year on average for the biennium to the Highway User Tax Distribution Fund. Provides only \$75 million per year to the State Trunk Highway system
- ▶ Debt Service Increases. Total debt service FY18-19 biennium: \$479M For FY20-21: \$557M
- ▶ For State Road Construction in FY20-21 biennium, increase over the base: \$56M Increase in debt service: \$102M

## Lobbying/Advocacy is a Big Part of the Process

- ▶ For transportation, legislators tend to get involved when there is a major project in their district
- ▶ Transportation continues to struggle for attention with other issues: education, health care, agriculture, tax cuts, etc.
- ▶ The facts will not win the day!! If they did our fuel tax would be 10 to 12 cent per gallon higher
- ▶ Legislators have to hear from many constituents and people with influence

# People Care About People – Including Legislators

**Agriculture/Rural** Minnesota's transportation system supports the entire state, but is especially important to Minnesota farmers and agribusinesses. <https://youtu.be/jaJh6DLW1Mg>

**Bridges:** Minnesotans depend upon a safe, efficient and reliable transportation network to support the movement of people and commerce. [https://youtu.be/5w\\_0dzOU0Xk](https://youtu.be/5w_0dzOU0Xk)

**Safety:** Greater investment in our transportation system has many benefits, however none are greater than the lives these improvements will save. The time to fully fund our transportation system is NOW!

<https://youtu.be/sRWIsJzs4z0>



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# It's Crunch Time!

- ▶ Governor Dayton, Speaker Daudt and Majority Leader Gazelka will decide on an overall budget.
- ▶ Once the number is decided for the tax bill, that will determine how much is left for the other budget bills
- ▶ Transportation Funding could be increased with some kind of fee increase – license tab fees. Not likely to see much more in general fund dollars.



Questions? Contact Us



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