

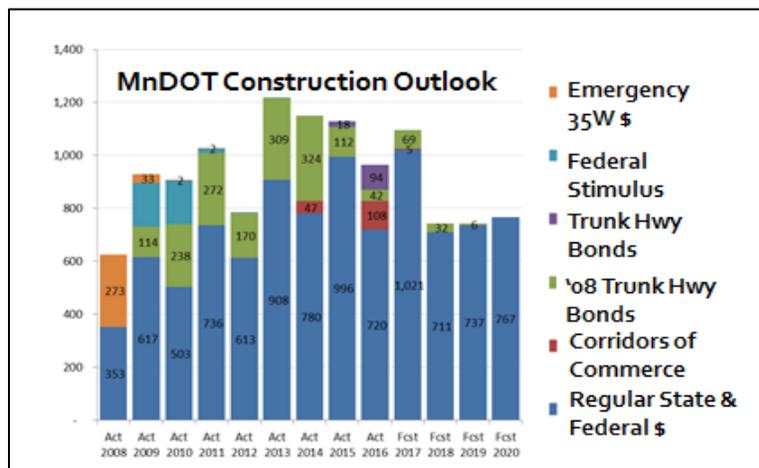
# 2017

## MUST BE THE YEAR FOR TRANSPORTATION FUNDING



All Minnesotans depend upon a safe, efficient, and reliable transportation network to support the movement of people and commerce, the work of our first responders, and the continued growth and vibrancy of our state and local communities. In the near future – due to the exhaustion of authorized bonding; increased expenditures to repay past borrowing; and the flattening of our traditional, constitutionally dedicated revenue sources – the amount of resources invested into our state’s transportation system is projected to drop significantly. As the chart indicates, without additional investment, the Minnesota Department of Transportation’s annual construction budget could drop by as much as one-third in 2018 – at a time when additional investments are necessary to address deteriorating infrastructure and make strategic enhancements to our transportation system.

A different though similar story is emerging with regard to transit systems around the state. As with roads and bridges, additional resources are necessary to continue efforts to strengthen and build out the state’s transit system – both in Greater Minnesota and in the metro area.



The Legislature and Governor must act in 2017 to pass a comprehensive, long-term funding bill to increase investment in the state's multi-modal transportation system. In order to assemble a sizeable funding package that will enjoy broad, bi-partisan support, our elected officials should pass sustained, increased investment over 10 years using the following sources:

- **General fund (\$2.9 Billion / 10 years)** Thirty-four states use general fund dollars to support investment in their state roads and bridges. Minnesota does not. The state should use the General Fund revenues generated from the statewide sales tax on auto parts and rental cars to help fund increased investment in our transportation system and should consider asking Minnesotans to constitutionally dedicate these revenues to transportation purposes. This dedicated investment represents just 1.3% of the expected revenues for FY18-19.
- **Tab fees (\$1.3 Billion / 10 years)** Bipartisan proposals were put forward last session to adjust Minnesota's schedule of passenger vehicle license tab fees after the first year of ownership.
- **Efficiencies (\$630 Million / 10 years)** This figure represents 15% of the new resources being invested through tab fee adjustments and the General Fund, in keeping with MnDOT's commitment that for every \$1 in new investment, \$1.15 worth of maintenance upgrades or enhancements to the system will be completed through the realization of efficiencies in project delivery.
- **Trunk Highway Bonding (\$1.5 Billion / 10 years)**
- **Metro funding for metro transit (TBD)** Counties should lead in funding the build out and operation of the metro transit system that is outside the network of regular bus routes. The legislature could assist the counties in this effort, or the counties could act using their own authority by dissolving the Counties Transit Improvement Board to achieve parity in local sales tax authority with the other 82 counties. At a minimum, the Legislature should ensure that counties and the Metropolitan Council have adequate authority to leverage private capital and employ user and other fees to match a portion of a project's costs with those individuals and organizations that most directly benefit from it.

Now is the time for action. Our state cannot afford further delay. Without prompt action, Minnesota could see a more than 30% drop in the level of investment at a time when our transportation system needs investment. We stand ready to support the efforts of the Governor and Legislature to pass this critical legislation this session.

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