



May 7, 2024

Dear Chair Olson and Members of the House Ways and Means Committee:

On behalf of the member organizations of the Minnesota Transportation Alliance, including local governments, the transportation industry, labor, transit systems and businesses, I am writing to urge your consideration for increased funding for important transportation programs in the capital investment bills (HF5162 and HF5220).

The Local Bridge Replacement program, created in 1976 has been included in almost every capital bonding bill to support local governments in their efforts to maintain key connections on the highway system. Needing to replace a bridge can be an expensive project for a small, local government. There are 15,732 bridge structures (10 feet or greater) on the local system. Of this number, 10,082 bridges are on the city and county system, and 735 of these are eligible for replacement based on condition ratings.

We appreciate the funding in HF5220 for the Major Local Bridge Replacement Program, however, most of the bridges on the list of deficient local bridges do not have a price tag over \$7 million so hundreds of bridges that need funding will not qualify for these dollars. The average request for local bridge grants is in the \$300-\$400 range, allowing dollars to be leveraged for many bridges throughout the state. Once the bridge project is complete, local governments maintain these structures. We are not aware of any bridge projects that have received funding from the local bridge program more than one time.

We are disappointed that the bills before you do not include any funding for the Local Road Improvement Program. The LRIP has long been supported on a bipartisan basis and has been included in capital bonding bills for many years. Maintaining existing local road connections continues to be a challenge for counties, cities, small cities and townships as construction inflation has increased and heavier weights are continually proposed, putting more wear and tear on the roadways. Any funding provided to the LRIP has been put to use quickly, combining with federal and local funds to stretch state dollars farther and improve roadways that are deemed regional routes of significance.

For the 2023 solicitation, MnDOT received a total of 378 application submittals with total project cost estimates of \$921.9 million, requesting \$417.1 million in LRIP funding, chasing \$103 million in available state funds. Of the 378 applications, 86 road projects were chosen for funding. The remaining projects are ready to go and waiting for funding for this program.

Since 1893

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The Local Road Wetland Replacement Program generates mitigation credits for local road authorities to satisfy their federal and state wetland regulatory permit requirements. While we appreciate the inclusion of general obligation bond financing for this important program, the legislation does not include \$10.558 million of general fund capital investment funding found in the Governor's most recent 2024 Capital Budget recommendations of March 2024. At an estimated cost of \$55,000 per credit, the general obligation bond funding will provide for an estimated 70 credits. Average annual demand for wetland credits is 171 credits. Without the additional general fund capital investment appropriation, this on-going imbalance is expected to result in a shortage of credit availability in the coming years, including zero-credit balances in some areas of the state, reducing local governments' ability to plan and pay for transportation infrastructure needs.

We understand that the capital investment bill passed last year provided significant funding for many programs, but given the years in which no bonding bill was passed, there is still a backlog of projects waiting to be completed. Consistent funding allows for the most cost-effective use of dollars.

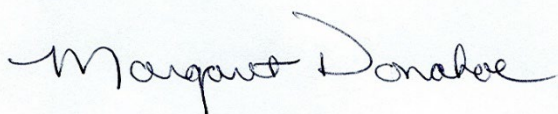
Minnesota's transportation system forms the backbone of the state economy – allowing products to get to market and people to get to jobs and other important destinations. Our network of roads and bridges have to be safe and in good repair to allow our businesses to send and receive products and our workers to do their jobs.

The majority of our roads and bridges are under the jurisdiction of local governments who maintain these public assets for many decades. The state dollars that assist local governments in repairing and replacing roads and bridges leverage much more in federal and local dollars, providing a huge benefit for the state's economy for each state dollar invested.

Funding for the Local Road Improvement Program, the Local Bridge Replacement Program and the Local Road Wetland Replacement Program will be put to work right away on public infrastructure that will allow for the safe, efficient movement of freight and people all across the state.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Margaret Donahoe". The signature is written in black ink on a light-colored background.

Margaret Donahoe
Executive Director