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2026 - A Big Year for State and Federal Transit Funding!

Make a difference and join colleagues at
Transportation Day at the Capitol

February 19, 2026

www.mpta-transit.org

President's Column



Welcome to 2026 - a new year for MPTA with a new President and big goals as major decisions are made impacting transit in Minnesota.

For 2026, the board will be led by:

President – **Brandon Nurmi**, Arrowhead Transit
Vice President – **Jeremy Monahan**, Prairie Lakes Transit
Secretary – **Kayla Sullivan**, The Otter Express
Treasurer – **Erik Hansen**, SouthWest Transit

As we deal with unprecedented challenges in Minnesota, it's important to have our colleagues in transit for support, ideas and inspiration. MPTA is committed to providing networking, learning opportunities, resources and support for all transit systems in Minnesota.

We know that this will be a pivotal year with funding decisions being made at both the state and federal levels.

At the state level, MPTA will be fighting to maintain and restore funding increases promised in 2023. We will also be advocating for transit funding a major capital bonding bill.

You can make a difference by participating in Transportation Day at the Capitol and joining with other transit advocates to make our voices heard. This is the one day of the year we ask you to come to St. Paul to talk with legislators and add strength in numbers. **Please sign up today and join us on February 19th:**
www.transportationalliance.com

At the federal level, the Infrastructure Investment and Jobs Act will be expiring, leaving a lot of uncertainty for transit systems. MPTA members will fight for increasing federal transit dollars and the stability we need to plan for the future.

MPTA is developing a federal legislative platform that will include not only federal formula funds but issues like spare bus ratios, competitive bus funding, and permitting reform. Your input is welcome as we advocate in Washington, D.C. as well.

You should have received your annual request for MPTA dues for 2026. As always, we rely on the support of our member systems to do our work speaking out for you and advocating for the funding you need at both the state and federal levels. Please renew your membership in MPTA for 2026 so we can continue to provide the training, advocacy and support that sustains the transit community.

As we begin our advocacy work for 2026, your input is critical. We need to know your needs and your concerns. **MPTA will be reaching out through a brief survey**, asking for more specific information about your budget and your operating and capital needs. Please respond and let us know what you need. We can't effectively tell the story to legislators without your input.

Throughout 2026, we will be providing information, updates, stories and events to keep you and your staff up-to-date and aware of critical changes and new opportunities.

We want to hear what you're up to! Please send stories about your system that we can share with colleagues as well as any suggestions you may have for how MPTA can serve you.

Thank you for your partnership!

Sincerely,

Brandon Nurmi
MPTA President

Legislative Report

Minnesota Legislative Update

The 2026 Legislative Session is scheduled to begin on February 17, 2026.

With a two-year budget passed last year, the 2026 session will focus more on capital bonding projects and policy issues. MPTA will be advocating for increased funding to meet transit capital needs along with playing defense to maintain transit operating funds and weighing in on potential policy changes.

The November, 2026 Budget Forecast projects a surplus in the current biennium but a deficit in the following biennium.

A better than expected fiscal year close and higher near term revenue collections, partially offset by increased spending estimates, result in a projected **surplus of \$2.465 billion in the current biennium**. Higher health care costs and slow economic growth drive an increased structural imbalance in the FY 2028-29 planning estimates where the balance is now projected to be **negative \$2.960 billion**. Total general fund reserves remain strong and at their statutory target of \$3.771 billion. The future deficit means legislators will be cautious about spending during the 2026 session.



MPTA will be advocating for any additional funding possible after the general fund cuts last session. Our top priority will be:

CAPITAL INVESTMENTS

Initiative:

\$10 million for Greater Minnesota Transit Facilities

Support:

\$75 million for Bus Rapid Transit/Busway capital improvements

\$1 million for active transportation across the state

\$1 million for safe routes to school across the state

MPTA will be supporting a number of policies including supporting funding for Suburban Transit Systems and monitoring new reports that will be submitted to the legislature including how to improve TNC (Uber, LYFT) service to people with disabilities and high-subsidy routes in the metropolitan area.

Safety and Access

The 2026 Session will also include changes in terms of meeting with legislators and following legislative action. The State Office Building continues to be under construction so House members have their offices in the Centennial Office Building.

Beginning Tuesday, Feb. 17, when the 2026 legislative session starts, weapons screening will be implemented at public entrances to the Minnesota State Capitol. This screening is being introduced as a safety measure to support a secure, welcoming environment in the state's most visited government building. It does not change Minnesota law. The Capitol will remain open to the public but it will make attending hearings and meetings more time consuming.

Transportation Day at the Capitol

2026 Transportation Day at the Minnesota State Capitol

Thursday, February 19th



**Join Transit Advocates
and Colleagues and show
your support for Transit in
Minnesota!**

Sign Up Today:

<https://www.transportationalliance.com/event/2026-transportation-day-capitol>

Don't miss this day to make transportation improvements a priority!

9:30 am	Welcome – Tim Arvidson, President
	2026 Session Overview – Brian McDaniel, Momentum Advocacy
10:00 am	MnDOT Update - Commissioner Nancy Daubenberger, MnDOT
10:15 am	Transportation Revenue Update - What's happening with the money
10:30 am	2026 Session Policy Issues
	Connected and Automated Vehicles policy initiatives
	Greenhouse Gas Emissions Assessment policy status
	Electricity as a Fuel Work Group recommendations
11:30 am	Lunch With Legislators
1:00 pm	Transportation Workforce Initiatives

Legislative Report

Federal Update

Partial government shutdown threat includes Transportation

What had been a bipartisan bill to fund the remaining agencies awaiting FY2026 Appropriations - including Transportation and Housing and Urban Development (THUD) - has now become extremely contentious because the Department of Homeland Security is one of the agencies included in the bill.

The killing of Alex Pretti, a 37-year-old intensive care nurse in Minneapolis, has galvanized fierce Senate Democratic opposition to a House-passed measure providing funding for the Department of Homeland Security as the January 30th deadline incorporated into the continuing resolution approaches. Votes from Democrats will be required to pass the bill, which needs 60 votes to avert the filibuster in the Senate that Republicans control 53-47. Democrats are demanding the DHS portion be stripped in exchange for their votes, something Republicans have signaled they will not do.



During the previous government shutdown, FTA operations will continue because the personnel are financed by the Highway Trust Fund or advance appropriations under the Infrastructure Investment and Jobs Act (IIJA). Therefore, none of FTA's 517 employees were furloughed.

The "minibus" appropriations bill included the following funding for transit when it passed the House:

- Provides \$21.1 billion for public transit in FY 2026, an increase of \$168 million over FY 2025 enacted levels.
- Fully funds Federal Transit Administration (FTA) formula grants and bus competitive grants at authorized levels.
- Provides \$3.3 billion for Capital Investment Grants (CIG) for 21 designated New Start, Core Capacity, and Small Start projects, with required allocations within 120 days of enactment.
- Includes \$211.4 million for targeted public transit initiatives, including ferry grants, public safety operating support, and Congressionally Directed Spending projects.
- Provides \$100.3 million for public transportation needs related to the FIFA World Cup and \$94.3 million to support transportation for the 2028 Olympic and Paralympic Games.
- Retains key transit policy provisions, including protections against across-the-board formula funding cuts and safeguards for CIG project advancement.

MPTA Federal Priorities

At the federal level, 2026 will be a critical year as the Infrastructure Investment and Jobs Act (IIJA) expires. MPTA will be speaking out regarding the importance of federal transit funding in Minnesota. Issues include:

- Continued federal investment in public transit through the Mass Transit Account.
- Regulatory reform for transit systems
- Spare ratios for buses
- Maintaining Bus and Bus Facilities Funding

2026 Bus Roadeo - July 17-18

Carver, Minnesota



Mark Your Calendars!

Join us in Carver for the 2026 Bus Roadeo featuring:

- Training on critical skills
- Updates
- Competition

- Great Food and Fun
- Opportunities to support our great bus operators!

Event Hotel: Mystic Lake Casino



Office of Transit and Active Transportation

Update



OTAT Updates

December 4, 2025 TAC Meeting included information on transit system funding. The next steps in the collaborative programming approach:

- January – March: With feedback from the TAC and other stakeholders (i.e., MPTA and individual transit systems), OTAT analyzes current balances, future sources of revenue, forecasts, obligations, plans and policies to develop investment targets* for transit programs
- March TAC: OTAT seeks feedback from the TAC on the proposed investment targets
- March – April: With feedback from the TAC, OTAT finalizes investment targets and communicates information to the TAC
- Final Step: OTAT releases solicitations for grants within the investment categories (solicitation dates vary).

Federal Discretionary Grants Awarded to Minnesota:

Grant Award Announcements in November 2025:

- FTA Low/No Grant for \$4,437,600 in 2025 to purchase 19 class 400 propane buses for 6 rural transit systems
- Brown County Heartland Express, Rolling Hills Transit, Wadena County-Friendly Rider Transit, Hubbard County Transit, Tri-County Action Partnership, Tri-Vally Opportunity Council
- FTA Bus & Bus Facilities Grant for \$7,360,00 in 2025 for 40 class 400 replacement vehicles for rural transit systems
- FTA Bus & Bus Facilities Grant to support United Community Action Partnership (UCAP) for \$6,170,460 for the construction of two new transit facilities in Southwestern Minnesota

Greater Minnesota Transit Technology Plan

Will be a review of the Public Transit Technology Plan

- Originally Completed in 2021
- What has been implemented and timing for future update
- Update for new discussions in technology world
- Identify any priorities that have more urgent focus

Propane transit buses help rural Minnesota Indian reservation thrive

Mass Transit, Dec. 16, 2025

In Northwestern Minnesota, White Earth Public Transit sought alternative fueling options to reduce fuel costs and improve the reliability of services to residents of the state's largest Indian reservation in one of the most rural and coldest regions in the state. It began exploring propane autogas as a fuel source.

"We have many propane suppliers in our area, so we did some research on the propane fuel option and thought we would try it," said White Earth Public Transit Manager Kenneth Bakken. "We tried conversions first."



Through on-the-ground support and training, ROUSH CleanTech helped White Earth Public Transit transition to propane autogas buses. After learning more about how the technology powering today's propane vehicles is similar to gasoline engines, the agency determined propane buses were a viable option for their community.

"We liked the autogas technology because we wanted something that would be similar to fuel at a gas station, which makes the drivers more comfortable but safe as well," Bakken said.

With its six propane buses, White Earth Public Transit achieved its goal to lower fuel costs, with per-gallon propane prices approximately \$1 less than gasoline.

"We don't run diesel buses anymore because the cost was too high," Bakken said. "Gas is cheaper [than diesel] but also getting high. Propane is the cheaper option, and we don't have the fuel repairs like before."

The propane vehicles have allowed the agency to better maintain operations year-round because propane vehicles have no cold-start issues and warm up quickly, which means they are saving time and money on equipment and staff throughout Minnesota's harsh winters.

In recent years, White Earth Public Transit has secured multiple federal and state grants to support its operations, expand and modernize its bus fleet and construct a new transit facility. These grants, including those from the Federal Transit Administration (FTA) and the Minnesota Department of Transportation (MnDOT), have helped the agency secure updated, clean-operating propane buses through their Low or No Emission Vehicle (Low-No) and Carbon Reduction programs.

In 2025, White Earth Public Transit began construction on a new 18,000-square-foot transit facility through the support of the FTA and MnDOT funding programs. When complete, the facility will be the largest tribal transit facility in Minnesota. It will include bus maintenance garages, a dispatch office and driver facilities, which will improve the agency's operational efficiency and safety to better meet the needs of the community.

White Earth Public Transit has had such success with its propane buses that it plans to operate a 100% propane fleet by 2028.

Arrowhead Transit Rolls Out RideSmart 2025 Service Redesign in Chisago and Isanti Counties

Over the past year, Arrowhead Transit advanced several major initiatives across northern Minnesota focused on improving accessibility, reliability, and innovation in rural public transportation.

A key milestone was the development and rollout of RideSmart 2025, a comprehensive service redesign in Chisago and Isanti counties shaped by extensive community feedback. The project modernized routes, improved scheduling efficiency, and laid the groundwork for long-term service improvements tailored to local needs.



Arrowhead Transit also completed a phased implementation of a new dispatching platform across its service area, enhancing real-time coordination between dispatchers and drivers while maintaining accessible call-in scheduling for riders.

In addition, Arrowhead Transit continued to support workforce development and statewide collaboration, including hosting the 2025 Minnesota Statewide Bus Roadeo on the Iron Range, bringing transit professionals together from across Minnesota.

A big Thank You to Arrowhead Transit for hosting the 2025 Bus Roadeo!



Tri-Valley Transit Adds Propane Buses

Tri-Valley Opportunity Council, Inc. Transportation Departments Welcomes New Propane Infrastructure and Fleet Additions

Tri-Valley Transit has installed a new propane fueling tank and added five propane-powered buses to its fleet.



These new propane-powered vehicles are designed to reduce emissions and support more sustainable transit services. Propane is recognized as a clean alternative fuel that offers lower greenhouse gas emissions compared to traditional gasoline or diesel, while still providing strong performance in northern climates.

The newly installed propane tank located at 1345 Fairfax Ave. in Crookston provides on-site fueling capabilities, improving operational efficiency and reducing downtime for vehicles. With this infrastructure in place, buses can be fueled directly at the Tri-Valley Transit facility, eliminating the need to travel to off-site fueling locations.

The new vehicles are being phased into service in the coming weeks across Tri-Valley's transportation routes. Riders can expect the same dependable service with added sustainability benefits.

These propane-fueled transit buses and infrastructure were primarily funded through a successful discretionary grant application with the Federal Transit Administration (FTA).

MnDOT applied on behalf of Tri-Valley and other rural transit systems. The project was further supplemented with state dollars provided by MnDOT. This financial support allows the agency to plan for additional infrastructure improvements and bus replacements in the coming year.

To build on this progress, Tri-Valley will be adding four more propane-powered vehicles and an additional propane fueling tank which will be located in Thief River Falls, MN.

Tri-Valley
Transit
continues to
invest in
improvements
that enhance
safety,



Metro Bus awarded \$14 million FTA grant to power the community forward

We are excited to announce we have been awarded a \$14,289,325 grant from the Federal Transit Administration (FTA) a transformative investment that will strengthen the public transportation system and enhance mobility for the communities served.



This funding is earmarked for fleet replacement and will be used exclusively to replace 23 city/large buses that have reached their federal useful life. By modernizing their fleet, Metro Bus will continue to deliver safe, reliable and efficient service while improving overall network performance for our riders.

"This achievement reflects the dedication, expertise and collaborative spirit of our entire team. I would like to extend our sincere appreciation to Nene Israel, CFO, Metro Bus; Dave Green, COO, Metro Bus; and Vicki Johnson, Senior Transportation Planner, St. Cloud Area Planning Organization for their exceptional leadership, financial stewardship and operational excellence in securing this critical investment for our community. Together, we are building a stronger, more connected future for all!" Metro Bus CEO Ryan I. Daniel explains.



The Jolly Trolley traversed favorable weather early in the week before dealing with blustery conditions late on its way to another big year collecting monetary and food donations! Thanks to the generosity of countless individuals nightly at area grocery stores and large donations from our food drive partners, Catholic Charities Emergency Services, Promise Neighborhood of Central MN and St. Cloud Area Salvation Army received thousands of pounds of non-perishable food and will be able to purchase much-needed supplies this holiday season.

Collection totals this year were \$3,038 and 9,211 pounds of non-perishables. Over the last 15 years, the Jolly Trolley has distributed well over 43 tons of non-perishables and just shy of \$40,000!

Rochester Public Transit asks residents to take Spring Survey



Rochester Public Transit (RPT) is looking to make some changes to its bus service this year and wants community feedback beforehand.

RPT officials are asking Rochester residents to take part in a Spring survey, whether they ride public transit or not.

The survey will help RPT officials better understand how people travel today and will be key in any planned changes throughout the first months of the year.

“We encourage current and future riders will take a few minutes to fill out the survey and provide essential

feedback, public input matters,” Interim Director of Transit and Parking Rachel Fautsch said. “Consider helping RPT build a people-first transit system that works for Rochester today and into the future.”

Rochester transit changes eyed amid nearly \$2.4 million projected budget shortfall

Rochester Post Bulletin

Maintaining the status quo would require Rochester Public Transit to dip farther into its reserves to cover increasing costs amid ridership challenges.

“This if we do nothing, if we make no changes to the current system,” Interim Transit and Parking Director Rachel Fautsch told the Rochester City Council on Monday of a nearly \$2.4 million projected budget shortfall under current conditions.

Fautsch said the pressure is likely to increase in the future, as state and federal funding returns to pre-COVID rates, relying more on the local match.



To help reduce the impact, the city implemented several changes in the fall, reducing inefficient stops and streamlining some aspects of operations to reduce expenses by roughly \$1 million.

Southern Minnesota transportation program has been powered by volunteers for 50 years

BY Tim Harlow
The Minnesota Star Tribune

When Marvel Bedney isn't at home – and it's not very often that she is – you'll find her driving the highways and county roads of southeastern Minnesota, and she's rarely alone.

Bedney is a driver for Three Rivers Community Action's Volunteer Transportation Program. She spends most of her free time taking residents of Rice, Wabasha and Goodhue counties who can't drive or don't own a car to medical appointments, shopping, church and other places.

"It gives me purpose," said Bedney, 81, of Lake City, Minn. "Without me, that woman or man might not get to their doctor's appointment."

With its mission to support and help people facing poverty, Three Rivers this year is celebrating the 50th anniversary of its program, which relies on volunteers such as Bedney to fill the gaps in rural Minnesota where public transportation is sparse.

Transportation is one of the top three needs for older residents in the four counties Three Rivers serves, said Megan Meyer, who leads the transportation program. Three Rivers operates Hiawatha

Transit, an on-demand bus service providing rides within cities including Northfield, Kenyon, Red Wing, Cannon Falls, Lake City, Pine Island, Faribault and Zumbrota. But the bus does not take riders between cities.

That's where the volunteer program comes in. Bedney is one of 26 volunteers who use their own vehicles to ferry people, sometimes as far away as Rochester, La Crosse, Wis., or the Twin Cities. Three Rivers provides between 90 to 100 rides a month, with the lion's share to medical appointments, Meyer said.

Bedney dreamed of being a truck driver as a girl in the 1960s and even wrote a paper on the topic when she was in school. She got a good grade on the assignment, she said, but "I was told that was not for girls."

These days she's driving a Mitsubishi. In the past three years, she's logged more than 38,000 miles and spent nearly 2,000 hours driving people to appointments and waiting around to bring them home.

"If I were at home, I'd just be cleaning, and I hate that," Bedney said. "And you can only play so many rounds of cribbage in a day."



Minnesota Valley Transit Authority is proposing route changes, asking riders to weigh in

Star Tribune - Tim Harlow

The Minnesota Valley Transit Authority (MVTA) is looking to make some significant route changes in the spring, and it's asking riders to give their thoughts before making the final decision.

The agency serving eight communities south of the Minnesota River is planning to cut weekend service on two underperforming routes in Shakopee, merge two other routes, and retool or increase frequency on three others.

"We are always looking for ways to be more efficient with service," said Matt Fyten, MVTA's chief development officer. "Where can we find gains in ridership or trim service with the least impact? What can we do to maintain ridership and be as cost effective as possible?"

MVTA enacts schedule changes generally four times a year, often without much fanfare. In this case, the changes are big enough that the agency wants riders to weigh in, either online or at in-person meetings from noon to 6 p.m. Tuesday at the Scott County Government Center or 7:30 to 11:30 a.m. Thursday at the Marschall Road Transit Station, both in Shakopee.

In another big change, MVTA plans to merge express Route 495 with its seasonal 4FUN route, sometimes known as Route 410. The newly combined route would operate hourly every day year-round and serve attractions such as Mystic Lake Casino, Canterbury Park, Valleyfair, Twin Cities Premium Outlets and the Minneapolis-St. Paul International Airport. It also would stop at Amazon in Savage.

Some of the proposed changes meet MVTA and federal requirements to seek rider input before enacting plans. MVTA also is conducting a study to determine if the service adjustments adversely affect specific groups of people. The outreach and meetings are part of that process, Fyten said.

The final proposal will go before the MVTA Board in January.

It's been a good year for MVTA. The agency provided a record 148,715 rides during the State Fair. Compared with last year, express ridership is up 10%, on-demand rides are up 34% and overall ridership is up 8%. MVTA expects to provide about 1.5 million rides this year, agency officials said.



Transit providers say fraud claims could threaten a struggling industry, especially in rural Minnesota

[The Minnesota Star Tribune](#)

Providers who ferry patients to medical appointments across Minnesota say they're worried about their survival as scrutiny on the Medicaid-funded program intensifies.

The federally mandated program, known as nonemergency medical transportation, helps thousands of people who lack transit options get to everything from dentist visits to dialysis appointments.

Some providers have for years sounded alarms about peers bilking the program — one of 14 that Gov. Tim Walz flagged last year as vulnerable to fraud as his administration contends with a massive welfare scandal engulfing Minnesota social services that could total billions of dollars.

Scrutiny on the state's hundreds of providers intensified Jan. 14 after a right-wing YouTuber asserted with minimal evidence that some Medicaid-funded transit providers in Minneapolis and its suburbs are billing the state for rides they're not providing.

It's just the latest hurdle for the service: In early January, the state froze enrollment of new providers in the transit program and a slew of other welfare initiatives as part of its anti-fraud push. The federal government has also pledged to withhold millions in Medicaid funding to Minnesota as the Trump administration blasts state leaders for the fraud, using it as a reason to send thousands of federal immigration enforcement agents to Minnesota.

Prosecutors previously charged several people with billing for trips that never happened after a multiyear investigation. But advocates for transit services questioned conservative YouTuber Nick Shirley's conclusions that widespread wrongdoing is proliferating in a service they say is struggling to stay alive.

"I think that these allegations would lead to even more obstacles put in the way of people who actually need the care," said Jordan Niles, a public health planner in Faribault and Martin counties. "It's incredibly frustrating, considering we already have so many hoops to jump through just to get our people care."

On Jan. 16, a state spokesperson confirmed that all five providers Shirley visited in the Twin Cities didn't receive any Medicaid payments over the last seven years. And three of them aren't even enrolled in the transit program that Shirley claims is fraud-ridden.

Some 339 companies across the state — from rural greater Minnesota to the dense Twin Cities metro — are enrolled in the transit program, according to a Department of Human Services (DHS) spokesperson. They collectively billed the state around \$80 million in 2018, DHS data shows. That number shot up to \$115 million in 2024 before dipping to 2018-era levels last year.

Shirley, who asserted in an earlier viral video that Somali-run day cares were operating improperly, nevertheless casts the transit providers as compromised. His evidence: Snow-covered vans in parking lots suggest to him that drivers aren't working, and addresses bring him to places that aren't obviously transit providers, like a store with mailboxes. All of the groups he singled out appear to be run by East Africans.



In-Transit

January, 2026 Edition

Upcoming Events:

MN Roadeo

July 17 & 18

Carver, MN

**Minnesota Public
Transit Conference**
October 19-21
St. Cloud, MN



2026 MPTA Bus Roadeo



Be a part of the fun!



July 17 & 18, 2026

Carver, MN

Contact Us:

Have a story for us?

Reach out to us here:

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651-659-0804



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