

MN/WI Public Transit Conference

OCT 24, 2023

BUDGET SURPLUS

A stack of four gold coins is positioned at the bottom left of the blue banner area, partially overlapping the text.

Historic Surplus - \$17.5 Billion

2023 Legislative Update



Federal Funds – Big Impact for Transit

- COVID Funding from the federal government
- Additional funding from Infrastructure Bill (IIJA)

***Lack of spending in 2022**

Federal COVID Relief Funds for Transportation

CARES Act

- \$227M Metropolitan Area Transit
- \$54M Greater MN Transit (5311 funds - \$42M)
- \$27M 5307 federal transit funds

CRRSA

- \$162M Highway Funds
- \$185M Metropolitan Area Transit
- \$14.6M Greater MN Transit
- \$5M Duluth Transit Authority
- \$2.2M St. Cloud Metro Bus

American Rescue Plan

- \$313M Metropolitan Area Transit
- \$10M Duluth
- \$7.5M St. Cloud
- \$11M 5311 Allocation
- Southwest Light Rail project will receive about \$30 million of additional CIG funding

IIJA Transit Increases

- ❖ The IIJA provides **\$108.2 billion** for public transit over five years (FY 2022 through FY 2026), an increase of \$42.4 billion (**64 percent**) from current levels. These historic increases in public transit investments include \$91.2 billion of guaranteed funding and \$17.0 billion of General Fund authorizations for CIG and other grants.
- ❖ The legislation also provides \$102.1 billion for passenger and freight rail over five years, an increase of \$86.7 billion (561 percent) from current levels.
- ❖ In the first 15 months since enactment of the legislation, DOT has advanced competitive grants totaling more than **\$30 billion** that include public transit and passenger rail eligibility. DOT and its modal agencies have awarded \$8.6 billion for Low and No Emission Bus grants, Buses and Bus Facilities grants, RAISE grants, and other programs.

2023 Legislature – Match IIJA

- **2023 Session Overview**

- DFL Trifecta
- Budget Year
- Bonding bill not passed last year

- Focus on matching federal funds in all areas
- Of \$17.5B surplus, \$12B is one-time money
- Spending increases and revenue increases

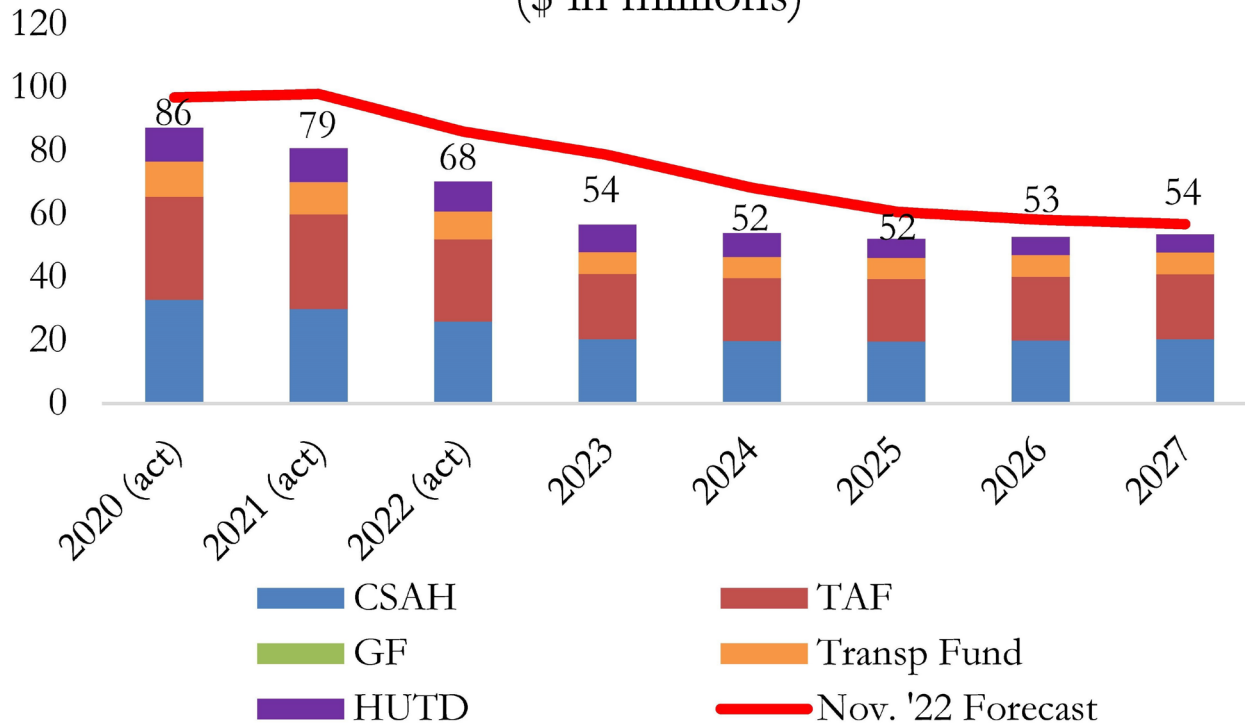


2023 Legislative Update

- No Surplus in Transportation Funds
 - MVST Revenue down
 - MVLST Revenue down
 - Fare Revenue continues to struggle

MVLST Revenues

Feb. 2023 vs. Nov. 2022 Forecast
(\$ in millions)

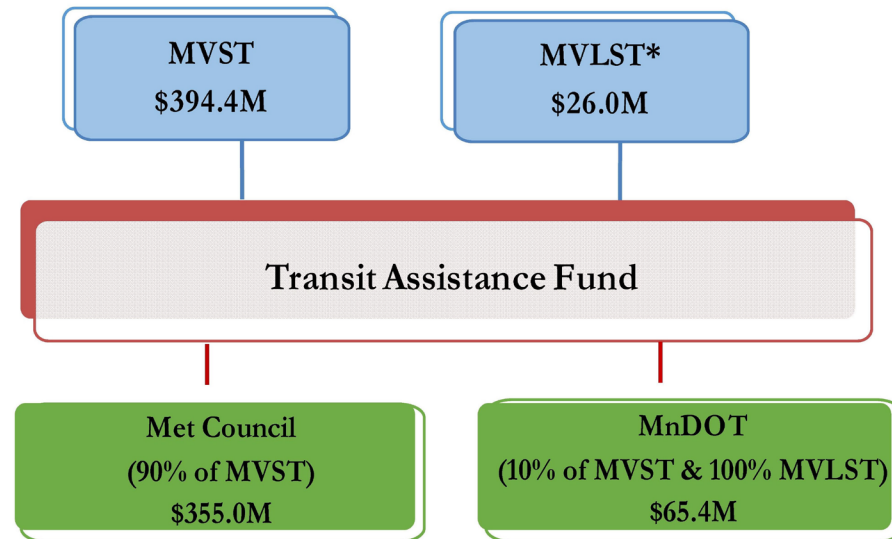


MVLST Revenues (\$ in millions)				
FY	Feb. '23	Nov. '22	\$ Change	% Change
2020 (act)	86	86	-	0.0%
2021 (act)	79	79	-	0.0%
2022 (act)	68	68	-	0.0%
2023	54	61	(6.9)	-11.4%
2024	52	58	(6.1)	-10.5%
2025	52	57	(5.0)	-8.8%
2026	53	57	(4.5)	-7.9%
2027	54	58	(4.0)	-6.9%

Transit Assistance Fund Revenue

The TAF receives revenue from MVST and MVLST. The MVST appropriation must constitute at least 40 percent of the total revenue according to the Minnesota Constitution. The appropriation is currently set at 40 percent by statute (Minn. Stat. 297B.09). Of this revenue, 90 percent is allocated to metropolitan transit (36 percent of total MVST) and 10 percent is allocated to Greater Minnesota Transit (4 percent of total MVST). As of FY 2018, 38 percent of all MVLST revenue is allocated to the Transit Assistance Fund for Greater Minnesota Transit.

Transit Assistance Fund Sources of Revenue FY 2022



*38 percent of MVLST is allocated to TAF.

2023 Legislative Update

- Budget - Transportation
 - Target for General Fund - \$1.075 Billion for FY24-25 Session.
 - Target for FY26-27 biennium - \$130 Million
 - \$194M for Northern Lights Express
 - \$50M for NLX

State Funding Increases

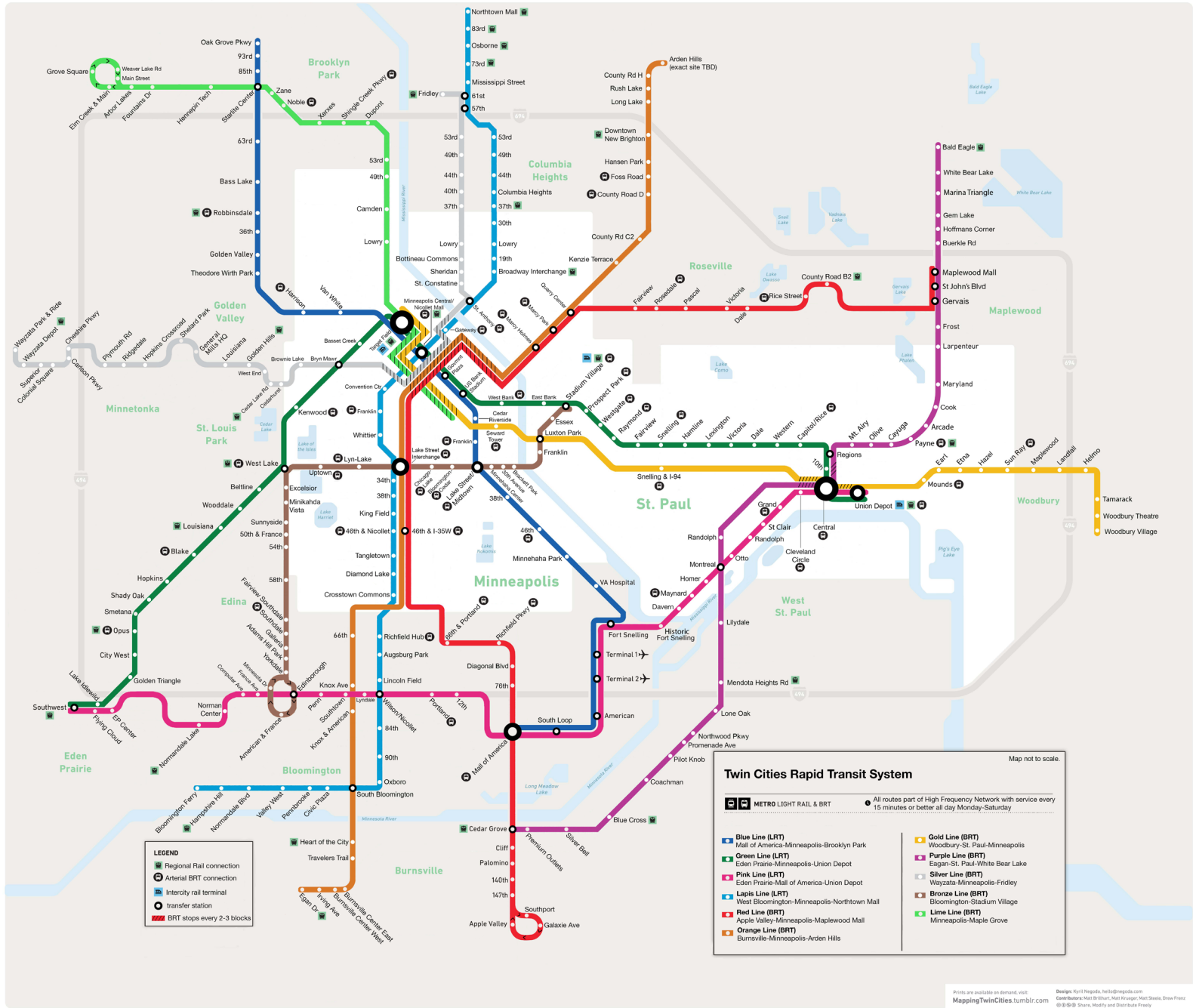
TOTAL FUNDING (AS OF END OF SESSION 2023 FORECAST + LAWS OF 2023, CH 68)

Fund	Activity	SFY 2024	SFY 2025	SFY 2026	SFY 2027	4-Yr Total
General	Transit (+\$40M)	58,278	18,324	18,324	18,324	113,250
General	Active Transportation (new)	19,500	19,500	8,875	9,000	56,875
General	Safe Routes to School (+\$10M)	10,500	10,500	1,500	1,500	24,000
Transit Assistance (MVST)	(+\$19M)	59,286	59,962	62,106	64,456	245,810
Transit Assistance (MVLST)		19,798	19,684	20,026	20,406	79,914
	◦ Total	167,362	127,970	110,831	113,686	\$519,849

- FY2024 Increase from \$78M to \$167M

2023 Omnibus Transportation Funding – New Revenue

- **Increase in MVST** – From 6.5% to 6.875%
- One-time General Fund dollars - \$40M
- **New Metropolitan Area Sales Tax** – $\frac{3}{4}$ cent
 - \$300M in FY24 \$465M in FY25
- Capital Bonding Bill - \$ 3 Million GM Transit
 - \$72 Million Metro Transit



2023 Legislative Update

- Budget - Transportation
 - IIJA Matching Dollars
 - House - \$214M for Local Governments + \$1M technical assistance
 - Senate - \$100M for Local Governments + \$2M technical assistance

Advocacy is Key!!!



State Funding is Critical!

- Without Stable, Dedicated Increased State Funding – hard to plan and hard to maintain service
- New language limits local share to 5% for operating grants and 10% for Capital for two years
- Allows Minnesota to compete more effectively for federal dollars

MPTA Will be Fighting, But We Need Your Help!

- Use Action Alerts – Contact Your Legislators!
- A quick email makes a big difference!
- Engage people on your board to contact legislators
- Let organizations in your community know how important new funding is for transportation.
- Legislators like to hear from riders about the importance of transit.
- Participate in Events – Washington, Fly-In and Transportation Day at the Capitol!

Thank you



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