

# 2021 Legislative Session Review



# 2021 Legislative Session

- State navigating COVID-19 pandemic response
  - Legislative session held almost entirely remotely with no access to Capitol during the regular session
- Budget year – legislature and Governor required to enact budget for state FY2022-23
- Major swings in state financial forecast and infusion of federal funds also complicated the budget process

# 2021 Legislative Session

- Leaders agreed to a broad outline of budget targets the last day of the regular session.
- Working groups tasked with negotiating details; leadership engaged to settle outstanding issues
- Special session required to pass bills began on June 14; negotiations were continuous up to the final bill passing on June 30

# Transportation

The transportation bill agreement provides:

- Continuation of base level General Fund appropriations for transit system operations and Metro Mobility
- \$250,000 one-time appropriation for analysis of transit service improvements in the Highway 55 corridor from Medina to downtown Minneapolis

# Transportation

- \$57.5 million one-time appropriation for arterial bus rapid transit projects.
  - This funding is available until June 30, 2025
  - Will advance the E Line and F Line
- Authorization for the Council to issue Regional Transit Capital (RTC) bonds.
  - \$48.4M in 2021 and \$50M in 2022 for capital expenditures

# Transportation

- Metro Mobility is established as a forecasted program beginning in the state FY2026 budget.
  - State budget forecasts will incorporate an obligation from the General Fund for the costs of Metro Mobility.
  - The appropriation base is set for the amount necessary to maintain service levels less any funds from non-state sources, such as fares.
  - The Council must submit financial reviews to the legislature with each budget forecast.
- A zero-emission transit vehicle transition plan must be developed, maintained, and revised every 5 years. [\$250,000 appropriation provided]
  - Plan must establish implementation policies, set transition milestones or performance measures, identify barriers and risks, estimate implementation costs, and other criteria.

# Transportation

- The Council must submit a report to the legislature each year with projected total operating expenses and reserve fund balance.
  - Replacement service providers are required to report their operating expenses and reserve fund balances to the Council to be included in the legislative report.
- Replacement service providers must submit a report to the legislature detailing all expenditures of federal relief funds that were allocated through the Council
- City of Minneapolis authorization to finance “streetcar” projects through a value capture district amended to apply to “transit lines”

# Transportation

- The Center for Transportation Studies at the University of Minnesota will conduct a study on public transportation post-COVID-19 pandemic.
  - Focused primarily on metro area
  - Specific review of Northstar commuter rail and commuter-oriented transit service
  - Report to be completed by February 2023
  - MnDOT will contract for the study



# Transportation

## NOT INCLUDED in the final bill:

- Authorization for the Council to establish an administrative citations program for fare enforcement
- Provisions in the House transportation proposal that would
  - Create a new metro area sales tax for transit or increase the MVST rate
  - Require deployment of transit vehicles according to air quality data provided by MPCA

# Transportation

## NOT INCLUDED in the final bill:

- Provisions in the Senate transportation proposal that would
  - Reduce General Fund appropriations to \$5,000 per year for Metro Mobility and transit operations through 2025
  - Require the Council to use federal relief funds in a specified priority order
  - Make transit the last priority for MnPASS revenue allocation
  - Prohibit the use of funds from a local governmental unit to pay for costs of operations or maintenance for certain busways
  - Require the Council to distribute federal COVID-19 funds to opt-out providers according to a formula
  - Require MnDOT and the Council to request approval from the Federal Transit Administration (FTA) to discontinue operations of the NorthStar commuter rail
  - Require “host counties” to fund all planning, operating, and capital maintenance of guideways

# Regional Park System

- **Legacy Parks & Trails Fund**

- Continues 40/40/20 split for Regional Parks, State Parks (DNR), and Greater Minnesota Parks & Trails
- **\$21.712 million** in FY2022 and **\$22.149 million** in FY2023 for regional parks projects selected by the elected boards of the implementing agencies

- **Omnibus Environment Bill**

- **\$9.99 million** each year for parks operations and maintenance; distributed to the 10 implementing agencies
- \$2.54M each year from the General Fund and \$7.45M from the Natural Resources Fund
- This is an \$850,000/year increase from the Natural Resources Fund

# Regional Park System

- **Omnibus Environment Bill**
  - Incorporated appropriations from the state FY2021 and FY2022 LCCMR/Environment and Natural Resources Trust Fund bills
    - 2021: \$1 million for regional parks land acquisition
    - 2022: \$2.25 million for regional parks land acquisition

# Environmental Services

**Not included in a final bill:** Definition change in statute that would authorize the Council to establish an inflow & infiltration program to address private property mitigation

## Clean Water Fund Appropriations in Legacy Bill

- **\$919,000** each year for Metro Area Water Supply Sustainability Support
- **\$625,000** each year for the water demand reduction grant program
  - This is a \$250,000 per year increase above the FY20/21 appropriation



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