



# Legislative Update

Metropolitan Council Meeting – January 25, 2023



Judd Schetnan, Government Affairs Director

# 2023 Session



## First year in the biennium

- Session convened on Tuesday, January 3, 2023
- This session, the legislature and administration will be considering the historic state surplus and setting a two-year budget for the state

# November 2022 budget forecast

## Forecast shows a budget surplus for the state

- Projected general fund balance in FY 2024-25 now \$17.6B, of which ~\$12B is leftover from previous biennium.
  - Lower expected income growth reduces tax revenue forecast.
  - Lower health care costs reduce spending forecast.
  - Inflation is not included in budget projections.
- Revenues expected to exceed spending through FY27
  - Forecast includes mild U.S. recession next year and slower economic growth through 2027.
- November 2022 forecast showed a lower MVST forecast than the February 2022 forecast
- Forecast will be updated February 2023

**Governor's  
budget  
recommendations**

# One Minnesota Budget



## Investing in Minnesota's Economic Future



# Regional parks and trails system



## Proposed budget items

- **Modernizing regional parks and trails**
  - \$12 million in one-time spending – matched with \$2 of Metropolitan Council funds for every \$3 from the state – supporting improvements for the Metropolitan Regional Parks System
- **Regional parks operations and maintenance**
  - \$12.49 million each year (\$24.99 million for the biennium) for parks operations and maintenance; distributed to the 10 implementing agencies
  - Combination of Lottery-in-lieu and General Fund
- **Legacy Parks and Trails Fund**
  - Continues 40/40/20 split for Regional Parks, State Parks (DNR), and Greater Minnesota Parks & Trails
  - \$26.823 million in FY2024 and \$25.241 million in FY2025 for regional parks; projects selected by the elected boards of the implementing agencies

# Environmental Services



## Proposed budget items

- **Mapping Infrastructure Climate Risk and Resiliency Opportunities**
  - \$5 million in one-time general fund spending to develop a climate impact assessment tool and refine and generate new data that will feed into it.
- **Clean Water Fund recommendations:**
  - **Water Sustainability Support:** \$1.125 million in each year for FY24 and FY25 to support the Council's Water Supply Sustainability Program
  - **Water Efficiency Grants:** \$750,000 in each year for FY24 and FY25 for the Council's region-wide initiative to give grants to local governments to offer rebates or grants to residents to upgrade to more efficient appliances

# Transportation

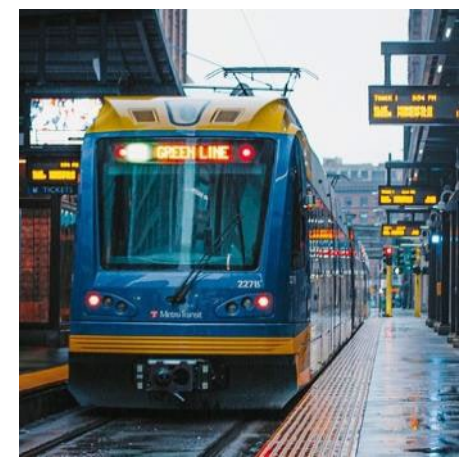
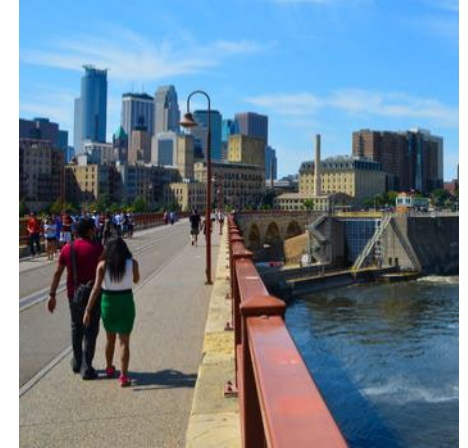
## Proposed Budget items

### Sustainable, reliable transit funding

- Expanding transit investment with an 1/8 cent sales tax in the metropolitan area, starting October 1, 2023
- Funds the regional bus and transitway system
- Addresses the fiscal cliff
- **Regional Transit Capital Bonds**
  - Authorized total for FY 2024 and FY 2025 would be \$104.545 million
  - Used for replacement buses, bus facilities, and other capital enhancements.
  - Includes Metro Transit, Metro Mobility, Opt-Out Providers, and Dial-a-Ride Programs

### Acceleration Zero Emissions Public Transit Bus Transition

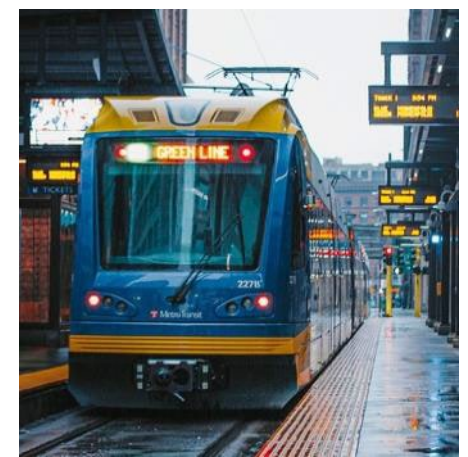
- \$29.2 million in one-time funds would purchase up to 30 battery electric buses with charging infrastructure in place of diesel buses
- Could tap into competitive federal funds from the IIJA
- Allows us to exceed our goal of having at least 20% of bus replacements be zero emission buses by 2027



# Transportation Policy Proposal

## Transit safety and administrative citations

- **Safety and security**
  - Top priority for the Met Council
  - Proposal would have transit safety officials check fares
  - Allows police officers to spend their time addressing more serious incidents instead of performing routine fare inspection
- **Administrative citations**
  - Alternative to judicial citation a misdemeanor with a \$180 fine and adjudicated by the courts
  - Council would develop program to process citations





# Other Legislative initiatives

## Additional policy proposals

- Metropolitan Agricultural Preserves Program Modifications
- Metropolitan Council Advisory Committee Compensation
- Audited Expenses for Regional Parks Operations and Maintenance Funding Distribution
- Fiscal Disparities Regional Consistency
- Local Housing Incentives Account (LHIA) Administrative Streamlining
- Metropolitan Significance Rules Review
- Transit Fare Programs and Passes Statutory Language Update
- Classify all transit customer trip data as private

# Other Legislative initiatives



## Bonding and Met Council governance

- The Governor's bonding recommendations will be released on Jan. 26
- Council Member appointments and redistricting for Met Council districts

# 2023 session timeline

## First year in biennium

- February 2023 Forecast will revise the November 2022 Forecast and be used as basis of budget
- Easter/Passover Break: April 5-10, 2023
- The legislature must adjourn by May 22, 2023



**Judd Schetnan**

Government Affairs Director

[Judd.Schetnan@metc.state.mn.us](mailto:Judd.Schetnan@metc.state.mn.us)

