



DEPARTMENT OF TRANSPORTATION

Testimony of

Commissioner Margaret Anderson Kelliher
Minnesota Department of Transportation

Examining Minnesota's Transit Priorities

Before the
**Senate Subcommittee on Housing, Transportation, and
Community Development (Senate Committee on Banking, Housing and Urban
Affairs)**

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Introduction

Chair Smith, and Members of the Subcommittee, thank you for the opportunity to testify regarding mass transit systems, projects and policy in Minnesota.

My name is Margaret Anderson Kelliher and I am honored to serve as Commissioner of the Minnesota Department of Transportation.

MnDOT Office of Transit and Active Transportation (OTAT) works with more than 40 greater Minnesota transit systems and 5 tribal governments. Our program has an annual budget of approximately \$150M.

Our mission is to provide our partners and communities with leadership, tools and resources that support access to high-quality transit options. We do this to enable people to live independently, and to be engaged and connected to their communities.

We know that transit plays an important role in helping provide an equitable and sustainable transportation system.

While Minnesota consistently ranks as a top state to live and work, this is not true for everyone, and these inequities threaten our long-term competitiveness as a state.

Our government needs to focus on preparing the next generation of Minnesotans to work and lead in a rapidly changing world. This means we need a government centered around our children and their families, so that Minnesota is the best place for each and every child to grow up.

Transit Impacts and Benefits

- **Impact of Infrastructure Investment and Jobs Act**
In its current form, this bill represents a 63% increase in funding for public transportation. For the federal formula programs that we depend on in Greater Minnesota, we estimate up to a 30% increase in funding levels within the first year. It will allow us to expand transportation access, more rapidly modernize our fleets and facilities, and expand transit's role in advancing transportation equity objectives and addressing climate change.
- **Economic impact of transit**
The benefit to cost ratio for investment in transit is estimated to be \$2.21 to \$1 for rural transit and \$2.86 to \$1 for small urban transit (pop. 50,000-200,000) This is based on a study completed by NDSU's Upper Great Plains Transportation Institute (2018).
- **Climate benefits of transit**
The transportation sector is now the leading contributor to greenhouse gas emissions. Public transportation is a key element in our strategy to reduce emission. Public transportation produces significantly lower greenhouse gas emissions per passenger mile

than private vehicles. We are beginning to see the greening of the transit fleet with battery electric buses in operations in Duluth and the Twin Cities metro area and coming soon to Rochester. Rural transit agencies will begin to see deployment of battery electric buses. The City of Morris and Arrowhead Transit in northeastern Minnesota have been awarded Clean Transportation grants to purchase the electric buses and supporting infrastructure in the next year.

We're working with our partners at the Met Council and other transit providers to reduce vehicle miles traveled by offering transit options people want.

This effort supports the work of the Sustainable Transportation Advisory Committee, which was formed to reduce carbon pollution from the transportation sector.

- Rural transit cost share (the Rounds-Smith Investments in Rural Transit Act)

The Rounds-Smith Act would benefit impoverished rural communities. In rural areas, transit can be a lifeline for carless households or people that cannot drive, connecting individuals to jobs, healthcare, education, essentially to their communities. In impoverished rural areas, local match requirements can be a significant barrier to meeting needs. The Rounds-Smith Act would go a long way toward removing that barrier.

Current Program Updates

- **Responding to COVID:**

At the height of the pandemic, transit ridership fell significantly. Transit systems throughout the State turned their attention to assisting their communities in other ways. This included providing food delivery service in support of local food shelves while maintaining essential service for trips to and from doctor appointments.

As vaccination levels increase and the economy reopens, transit systems are seeing ridership levels rebound but not yet to Pre-COVID levels. MnDOT and its transit partners understand that this will not happen quickly. We are committed to maintaining access to jobs, education, healthcare, and shopping, while collectively working to regain the confidence of the public.

Transit is and will continue to be a safe and healthy transportation option.

- During COVID, MnDOT prioritized maintaining transit operations throughout the state. Farebox revenues fell to near zero and local governments were challenged to meet their local share requirements. MnDOT used Federal Emergency Relief funds (CARES Act, CRRSAA, American Rescue Plan Act) to cover local share of operating budgets (typically 15% or 20%) in 2020 and 2021. After consultation with local partners, MnDOT has agreed to extend coverage of local share through Calendar Year 2022. We are committed to maintaining access to jobs, education, healthcare and shopping, while collectively working to regain the confidence of the public.
- MnDOT is also interested in using federal funds to provide additional support to Tribal transit agencies, perhaps through the creation of a transit vehicle replacement program. This is a conversation we will be having with Tribal authorities in the near future.

- **MnDOT is striving to bring rural transit into the digital age.**
 - The Office of Transit and Active Transportation received an FTA innovation grant to build a regional Mobility-as-a-Service platform with seven public transit agencies in and around Rochester and Mankato. The open source trip planning, booking, and tracking platform will test the impact on travel choices while developing new data standards for the transit industry.

Madam Chair and Members, thank you for the opportunity to speak with you today.

I would be happy to answer any questions.