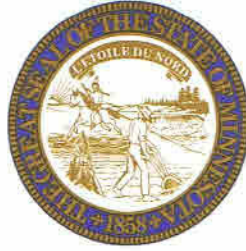


Julie Bunn
State Representative

District 56A
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Minnesota House of Representatives

COMMITTEES: BIOSCIENCES AND EMERGING TECHNOLOGIES
HEALTH AND HUMAN SERVICES
HEALTH CARE AND HUMAN SERVICES FINANCE DIVISION
EDUCATION FINANCE AND ECONOMIC COMPETITIVENESS FINANCE DIVISION

March 24, 2008

David Helfinstine

Dear David:

Thank you for contacting me to express your views on House File 2800, the "Road & Bridge Safety Improvement Act". I appreciate you taking the time to share your perspective. As you may know, on February 25 the Minnesota House and Senate overrode -- with my support -- Governor Tim Pawlenty's veto of this legislation.

As a state we have neglected our transportation system far too long, and it was imperative that we find a stable, fair, and sufficient source of funding. In the fall of 2006, Governor Pawlenty stated publicly on television that we needed over \$1 billion dollars per year to fill the gap in transportation funding. And yet, last session, he offered a transportation proposal that provided only \$277 million per year, and it was all bonding. As an economist, who believes in evidence-based decision-making, the Governor's proposal just did not add up. I believe in speaking the truth about our challenges and offering real solutions to them.

As of this winter, the Department of Transportation, and outside experts, now place the annual transportation-funding shortfall at over \$1.7 billion dollars. With the enactment of HF 2800, the legislature has pumped \$6.6 billion over ten years (approximately, \$660 million per year -- as you see, this is far less than the stated \$1.7 billion of stated need and thus a fairly modest proposal) into roads, bridges, highways, and transit needs in the Twin Cities and Greater Minnesota. This funding will enable the immediate repair of 13 fracture critical bridges and ensure that resources are available for other important road maintenance and improvement projects. It will also create more than 6,000 Minnesota construction jobs (and up to 23,000 other jobs as a spin off from these) and provide needed property tax relief to local governments across the state. HF 2800 is a balanced, problem-solving initiative that promotes safety, job creation, and Minnesota's future development.



Certainly no one wants to pay new taxes or fees; however, virtually everyone tracking the transportation issue -- the State and St. Paul Area Chambers of Commerce, to the Municipal Legislative Commission (of which Woodbury is a part), to the Minnesota Association of Townships, to the Farmer's Union, to the Truckers Association, to the editorial pages of all most every medium to large city newspaper in the state, to our fiscally conservative Washington County commissioners, and to many of our local mayors -- recognized the need for large investments in transportation, and supported passage of HF2800.

Recent studies indicate we need an additional \$1 billion invested in our transportation system every year simply to stay even when it comes to congestion and upkeep on our current infrastructure. Even if we were to take all of Minnesota Vehicle Sales Tax revenue currently going to transit (roughly \$120 million) and apply it to roads, our transportation funding would still fall far short of what is needed. The tragic collapse of the I-35 Bridge dramatically underscored the need to attend to inspections and maintenance to insure the safety and longevity of our current infrastructure.

There has been confusion as to why the constitutional amendment to dedicate 100% of the motor vehicle sales tax (MVST) for transportation that voters approved in November 2006 did not solve our transportation-funding problem. It is unfortunate that some boosters of this amendment gave voters the impression that it would. When I spoke about the issue while doorknocking during my campaign, I was very careful to explain what exactly the amendment would and would not do and that it would make only a partial contribution to the overall gap in transportation funding needed. (Before passage of this amendment, 46% of MVST money was directed into the general fund.) Approval of this new amendment means that approximately \$150-\$300 million per year (depending on how car sales are doing) is now redirected and phased in (by 2011) from the general fund to roads and transit. This is contributing toward filling the gap in funding, but HF2800 was still needed to further reduce the gap.

I believe in being honest with voters about what is required to provide the services and infrastructure necessary to our communities and a vital economy. HF 2800 will result in a 5-cent increase in the gas tax. 100% of the revenue generated from this tax increase will be dedicated to Minnesota's roads, bridges, and highways. Revenue generated from the gas tax is constitutionally prevented from being used to fund any type of transit or be transferred to the General Fund. Additionally, all revenues generated from a 3.5-cent gas tax surcharge will be used to support a \$1.8 billion/10 year highway and bridge-bonding program.

The lack of adequate transportation funding has resulted in Minnesota drivers paying an annual "congestion tax" of over \$740 in wasted time and fuel. In addition, bad roads put wear on our vehicles and add to their maintenance cost. The 5-cent gas tax would amount to about \$2.50 per month for the average driver—about the price of a gallon of milk. This is a reasonable trade-off for improving road safety—thereby saving lives, combating congestion, jumpstarting our economy with jobs, and saving precious time for family and personal activities.

HF 2800 also includes reforms. It will improve the efficiency of transportation spending by establishing a Strategic Management Advisory Task Force (with business expertise from the private sector) to oversee MnDOT's financial decision-making and effectiveness. And while I

believe that improving MnDOT's performance will produce some savings, such reforms cannot go all the way to filling the funding gap we moved toward addressing.

Finally, passage of HF2800 was an important step in making sure that Minnesota has the matching funds to qualify for federal dollars for projects. In recent, years Minnesota has left tens of millions of federal dollars on the table because of lack of matching funds from the state. Passage of HF2800 will increase the share of federal transportation dollars flowing to Minnesota.

I understand the concerns that small business owners, seniors, and constituents on fixed incomes have about taxes, and that is why I have been extremely prudent in my votes as your state representative. I voted against every income and commercial property tax increase proposed last year, and none were signed into law. HF 2800 will shield low income earners from financial burden by providing a \$25 income tax credit to offset the cost of the gas tax increase. HF 2800 will also provide businesses in Minnesota the safe, reliable infrastructure they need to compete and prosper in the coming decades. Please be assured that I will continue to support fiscally responsible policies that protect vulnerable populations and strike the appropriate balance between our state's needs and our state's resources.

Again, I appreciate your input. Reasonable people can disagree on issues, and I am sure there are other areas on which we share common ground. I take very seriously my responsibility to represent everyone in my district on a wide range of issues, and I hope you will continue to let me know your views. Thank you, and please always feel free to contact me whenever I can be of assistance

Sincerely,



Julie Bunn
State Representative