

NEWS RELEASE: “Lights On” Transportation bill includes agreement to eliminate 2013 unspent and unencumbered appropriation balance of almost \$30 million for Southwest Light Rail; “repurposed” money goes to Metro Council/Metro Transit for operating purposes



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Note: A .pdf version of this News Release is attached, with photo

Disclosure: bobagain is a registered Lobbyist, representing “*We the People*”, an informal association, and has announced a campaign to win a Pulitzer Prize for investigative reporting, covering what he sees as the unfolding SWLRT disaster.

Minneapolis, 5/20/15 – “Candidate-Journalist”, Transit activist and registered lobbyist for “*We the People*” (an informal association) Bob “Again” Carney Jr. (bobagain) believes his recent lobbying at the state Capitol has, under difficult circumstances, resulted in a significant victory for “*We the People*”: an unspent and unencumbered appropriation balance of almost \$30 million from 2013 for Southwest Light Rail has been cancelled, and is now “repurposed”, available to the Metro Council and Metro Transit for operating purposes.

This result emerged as part of a bi-partisan agreement to a scaled down, “Lights On” Transportation bill, with provisions first presented to a Transportation Conference Committee at a meeting late last week. The original agreement – 3 pages of summary points – was refined, taking the form of SF 1647, reported from a hastily organized second Conference Committee after a midnight meeting before the final dawn of the 2015 session. The Senate quickly passed SF 1647 after a summary from Sen. Scott Dibble, Chair of the Senate Transportation Committee; with no questions or debate on any provision. The Senate vote was 65 to 0, with two Senators not voting. Following two hours of debate, the House vote was 76 to 58; all Republicans and four DFLers voted “Yes”.

One result from this process is that the first Conference Committee, considering a more full version of a Transportation Omnibus bill including HF 4, remains intact, and can resume its work immediately when the Legislature reconvenes in early March of 2016.

Because the \$30 million was repurposed, it was possible to both allocate \$30 million in General Fund money to a series of strategic priorities, and also to provide nearly \$30 million to meet the operating needs of Metro Transit. Had the “repurposing” not been agreed to, the General Fund allocation required for the Transportation

“Lights On” bill that passed would have been about \$60 million, or double what was actually allocated. Consequently, it appears the “repurposing” may have been necessary for a Transportation “Lights On” bill to fit within an overall budget agreement between the Republican controlled House and the DFL controlled Senate. The agreement also appears to be consistent with Gov. Mark Dayton’s recent statement that he was “shocked and appalled” at the most recent increase in the Southwest Light Rail project budget. That stands at about \$2 billion, or over double what it was before an earlier alignment shifted the route to go through the Golden Triangle in Eden Prairie. Dayton has said all options are on the table, including not building the line.

What the Senate and House were told

Before the May 18th Senate vote, Sen. Scott Dibble provided the Senate this summary of the “repurposing” money:

“In the Metropolitan Council, what we’ve done is, there was 37 million dollars, an appropriation made in the last biennium, of which \$7 million dollars has been spent, this is for capital contribution to a transit way in the Southwestern portion of the metropolitan area. And we just simply cancelled the remainder of that appropriation, and put this for a number of purposes that the Metropolitan Council has, including bus operations, transit way operations, the arterial bus rapid transit on Snelling Avenue is an example, going to be coming on line in December, and some operating needs, and actually some capital needs, because the Metropolitan Council is not going to be included in any capital bill, we don’t think, should a capital bill come up this year. There’s also some small dollars, two million dollars appropriated to the replacement bus service providers, what we call the ‘opt outs’, for a demonstration project that’s on a one time basis. These are transit management organizations on a one time basis, to receive a little bit of funding to replace some that was lost through the MAP-21 Federal Surface Transportation bill. I should back up, those repurposed dollars that are going to Metropolitan Transit for operating do occur on an ongoing basis, the understanding is that should we actually pass a larger investment bill we’ll revisit that decision.”

During his introduction of the bill to the House, Chair Kelly had this to say:

“I am happy to report that Senate File 1647 passed unanimously off the Senate floor, 65 to zero... In addition to the base funding, the Committee was given a target of 30 million dollars to make limited but strategic investment in key areas, with an eye towards really a great opportunity in 2016. What we do know is that we will be able to come in to 2016 with House File 4, and all the work that we’ve done through Transportation Committee already, with that bill as it stands. So we look forward to that, and I look forward to working with Sen. Dibble on that... To our bill, it allows for some of our key priorities,

one making twelve and a half million dollars available for small cities. That's approximately 700 cities across the State of Minnesota that now have dedicated funds for their projects. The bill also addresses rail safety, ... Transit, we start with \$5 million investment for Greater Minnesota Transit, so they can continue their services across outstate areas. It captures 30 million dollars in unobligated, unspent funds, and moves it to the Met Council, where they can use it for their transit initiatives. We expect approximately six million dollars of those funds to go to Metro Mobility. We also have developed two million dollars for suburban transit providers, for their pilot projects."

A brief Q & A on the repurposed \$30 million followed quickly, initiated by Rep. Dan Schoen (DFL, District 54A, St. Paul Park):

Schoen: *"Representative Kelly, can you just give me a little bit of the insight on the \$30 million in the unobligated and unspent? What accounts that came from, and the history of how we came to that?"*

Kelly: *"That 30 million dollars approximately were funds that were unencumbered and unspent due to the Southwest Light Rail. And as we know, with the increasing cost, and over-budget items, the Governor's office along with many of us were deeply troubled by that, and suggested, even the Governor's office suggested we go back to the drawing board. So instead of throwing good money after bad, we discussed this with the Senate, and they agreed that repurposing those dollars to Metro Transit, allowing them really to use that for their purposes, where they were comfortable, we thought that would be a very good plan."*

Bobagain: repurposing of \$30 million is "a victory for *We the People*"

After the House vote, bobagain interviewed Chair Kelly at what bobagain has designated as **Tree #1**, near the State Office Building (see photo, below):

bobagain: *"I'm sure that you feel that it's unfortunate we didn't get a full bill. (Kelly: "Yeah".) What do you think about the bill that we did get?"*

Kelly: *"Well I think it was a good bill Bob, for where we're at in the process. We'll go in on March 8th now, we'll get our bill going from that time period."*

bobagain: *"As you know, there's about \$30 million that was going to go to Southwest Light Rail Capital, and that has now been eliminated from that program, and it's available as unrestricted spending for Metro Council and Metro Transit [operating]."*

Kelly: “That’s right, and we have our vigilant people around here at the Capitol that do some fantastic work, like yourself Bob, and we really appreciate it.”

bobagain: “And let’s talk later about how this process worked; I’d be interested in talking with you about that later.” (Kelly: “You bet.”) How is Metro Council and Metro Transit reacting to the operating budget that they’ve got right now? What are they telling you about that?”

Kelly: “They’re of course concerned that their operating expenses going forward are going to be hurt significantly, but I think that they’ll make do just fine, and I think they understand that going forward they’ll have to make some adjustments in how we’re funding them.”

bobagain: “So do you hear from them that they’re talking about any layoffs or any service cuts?”

Kelly: “Not that I’m aware of.”

bobagain: “Good. That sounds great. I appreciate your taking the time here. It’s a long session, and this is almost ‘Government by Ordeal’ for Legislators.”

Kelly: “There you go.”



Captain Jack Sparrow then asked if he could pose a question; Kelly agreed.

Sparrow: “Captain Jack Sparrow, I’m running for Senate District 62. I want to know what role Bob played in getting this \$30 million to the Metro Council.”

Kelly: “Bob’s been very good about bringing information that a lot of people just let go by the wayside. And he brings it forward in such a way that he presents it and we look at it, and see if it pertains to what we’re doing, and it absolutely did in this case, and we appreciate it.”

Sparrow: “So a helpful role then?”

Kelly: “Absolutely.”

Sparrow: “Thank you.”

Kelly: “*You bet.*”

Bobagain has been lobbying intensively for the past two weeks to both freeze future spending for Southwest Light Rail, and to, at a minimum, “hold harmless” the Metro Transit operating budget, meaning that there will be no layoffs and no service cuts.

“Under difficult circumstances, I am pleased to report that the Legislature’s decision to reallocate the unspent \$30 million from Southwest Light Rail to Metro Transit operating needs represents a victory for “*We the People*”, and is in my assessment a significant result achieved by my own lobbying activity,” bobagain concluded.

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