



**Date:** November 6, 2007

**To:** Members of the Legislative Advisory Committee:

Senator Larry Pogemiller

Senator Richard Cohen

Senator Steve Murphy

Senator Michael Jungbauer

Representative Margaret Anderson Kelliher

Representative Loren Solberg

Representative Bernard Lieder

Representative Doug Magnus

**From:** Tom J. Hanson, Executive Secretary *TJH*

**Subject:** Round Robin Approval of LAC Request

Please find attached a request from the Minnesota Department of Transportation (Mn/DOT) to increase their Fiscal Year 2008 state trunk highway appropriation by \$135,000,000.

Mn/DOT's original LAC request for an increase in budget authority of \$195 million, submitted on September 20<sup>th</sup>, 2007, was based on Congress' authorization of \$250 million to Minnesota for the I-35 bridge collapse. The Federal Highway Administration (FHWA) provided \$55 million of the anticipated amount in the form of "quick release" funds, leaving the remaining \$195 million.

In October, the Transportation Contingent Appropriation Group (TCAG) partially approved Mn/DOT's request and provided an increase of \$60 million. Mn/DOT's current request for \$135 million represents the remaining balance of their original request and can be viewed as an installment on the full amount needed to complete the project.

Please review this request and provide any comments at your earliest convenience. If you approve, return the signed recommendation forms by Monday, November 19, 2007, to Craig Wieber, Department of Finance, 400 Centennial Building, or call 651-201-8029 to arrange for the signed forms to be picked up. Letters are attached to allow members of the LAC to signify approval of this appropriation increase.

Should you have any questions on this request, please contact Kevin Grey (651-366-4816), at the Department of Transportation.

#### Attachments

cc: Representative Marty Siefert  
Senator David Senjem  
Lt. Governor/Commissioner Carol Molanu, Department of Transportation  
Lisa Freese, Deputy Commissioner, Department of Transportation  
Kevin Gray, Department of Transportation

Department of Finance  
 400 Centennial Building  
 658 Cedar Street  
 Saint Paul, Minnesota 55155  
 Phone: (651) 201-8035

# Legislative Advisory Commission Request

NOTE: See instructions on reverse side before filling out this form.

|   |      |               |      |                         |   |         |         |      |
|---|------|---------------|------|-------------------------|---|---------|---------|------|
| Department, Agency, Program/Activity<br>TRANSPORTATION-STATE ROADS  |      |               |      |                         | Date<br>November 6, 2007  |         |         |      |
| Title of Request<br>Emergency reconstruction of the I-35W Bridge  |      |               |      |                         | Amount Requested<br>\$135,000,000   |         |         |      |
| FY  | Fund | From Appr Org | Unit | APPR - Name             | Legal Reference (Must be completed)   |         |         |      |
|   |      |               |      |                         | Laws  | Chapter | Section | Subd |
| FY  | Fund | To Appr Org   | Unit | APPR - Name             | Legal Reference (Must be completed)   |         |         |      |
| 08  | 270  | 0000          | 058  | STATE ROAD CONSTRUCTION | Laws  | Chapter | Section | Subd |
|   |      |               |      |                         | 2007  | 143     | 3       | 9    |
| Type of Request (check one)   |      |               |      |                         | <input type="checkbox"/> Emergency Request<br><input type="checkbox"/> Other LAC Action |         |         |      |
| <b>Brief Summary of Request:</b> Summary must be complete on this page with supporting information attached if necessary.   |      |               |      |                         |   |         |         |      |
| <p>This request is for authority to spend a grant authorized by Congress for Minnesota. This grant will be administered by the Federal Highway Administration (FHWA) for reimbursement of certain costs that will be incurred by Mn/DOT for reconstruction of the I-35W bridge that collapsed August 1, 2007. This request will cover design, construction and construction oversight expenses that will be incurred to replace the collapsed bridge.</p> <p>To date the Mn/DOT has received state appropriations totaling \$113.7 million (\$53.7 million special session and \$60 million from the TCAG). Congress has authorized \$250 million for costs associated with the bridge collapse, of which the FHWA has provided \$55 million in "quick release" funds received to date.</p> <p>Last week the FHWA released another \$123.5 million based upon their review of the Damage Survey Summary Reports and the total cost estimate to repair the bridge in addition to the \$195 million in emergency relief that has been authorized by law. The FHWA also indicated their intent to fully reimburse the agency for all eligible costs related to the collapse of the bridge and the bridge replacement. To date, Mn/DOT has submitted requests for funding from the Emergency Relief program in excess of \$390 million, of which \$371.7 million is the current FHWA estimate of ER eligibility for this event.</p> |      |               |      |                         |   |         |         |      |
| <b>Nature of the Urgency:</b>   |      |               |      |                         |   |         |         |      |
| <p>The contract for bridge design and construction was let on September 19, 2007 and construction of the replacement bridge is currently underway. A contract of this magnitude has consumed almost half of the existing appropriation to Mn/DOT for trunk highway construction and reconstruction. Without an additional increase in appropriation several construction projects currently planned for fiscal year 2008 will have to be deferred due to lack of sufficient appropriation.</p>  |      |               |      |                         |   |         |         |      |
| <b>Alternatives Considered:</b>   |      |               |      |                         |   |         |         |      |
| <p>The only alternative for funding costs of this magnitude is to use Mn/DOT's existing appropriation authority to fund these costs. This would result in deferral of other planned projects or drastic reductions in Mn/DOT's core functions, such as project delivery and maintenance.</p>  |      |               |      |                         |   |         |         |      |
| Department Head Signature   |      |               |      |                         | Date  |         |         |      |
| <i>Carol Molenaar</i>   |      |               |      |                         | 11-6-07   |         |         |      |

Legislative Advisory Commission  
Round -Robin Recommendation

I, as a member of the Legislative Advisory Committee or a designated member under Laws 2007, Chapter 143, Article 1, Section 2, Subdivision 9, do hereby recommend the following request:

Approve the expenditure of an additional \$135,000,000 in FY2008 of state trunk highway funds from additional federal emergency funding for trunk highway design, construction, or inspection, and increasing Mn/DOT's state road construction appropriation by \$135,000,000.

\_\_\_\_\_  
Senator Larry Pogemiller  
Room 235, Capitol Building

\_\_\_\_\_  
Date