



Summary of Meeting with Ken Orski, transportation consultant

Civic Caucus, 8301 Creekside Circle, Bloomington, MN 55437

Friday, March 6, 2009

Guest speaker: Ken Orski , a transportation consultant and publisher of the transportation newsletter **Innovation NewsBriefs**, now in its 20th year of publication.

Present: Verne Johnson, chair; Paul Gilje, Jim Hetland, Tim McDonald, Jim Olson (phone), Wayne Popham (phone), Clarence Shallbetter (phone)

A. Context of the meeting -Transportation is an ongoing focus of the Civic Caucus. The core leadership, in cooperation with electronic members, is working on a position statement to address planning, funding, and leadership on transportation in the state. This visit with Ken Orski is timely, providing his national perspective and expertise.

B. Discussion before the meeting - **Those members present shared a moment of silence and a prayer for Chuck Clay, who passed away on Sunday, March 1st, aged 83 years. Chuck was an original member of the Civic Caucus and a dear friend. He was active in the civic life of his community up through his final years.**

A legislative update was provided on the public school chartering law. A moratorium on charter schools has been inserted in the Senate's omnibus charter bill. A similar amendment had been added to the House bill but then was deleted. Such an amendment would run counter to 25 years of an evolving 'split screen' in Minnesota's education strategy, where conventional districts are run parallel to an autonomous R&D sector answerable to the state, not the local districts in which they reside.

Next Paul provided a review of some 10 pages of responses to the Caucus' transportation summary, received already within two days of the Wednesday email. People are saying that problems with transportation have not been addressed, Paul reported, but there is absolutely no consensus about what to do about it. Not even a weighted favorite. Where there was consensus, he said, was in a common call for leadership that someone must take the reigns of conducting and executing a strategic plan.

C. Welcome and introductions- Verne and Paul welcomed and introduced Ken Orski, transportation consultant. A former principal of the Urban Mobility Corporation, Orski has

worked professionally in the field of transportation for over 30 years. He served as Associate Administrator of the Urban Mass Transportation Administration under President Nixon and President Ford (1974-78). During his 20-year consulting career, Orski counseled more than 30 state and local jurisdictions on issues relating to transportation planning and management.

D. Comments and discussion -During Orski's comments and in discussion with the Civic Caucus the following points were raised:

1. Disbursement of federal stimulus monies for transportation -There will be guidelines for the stimulus money, Orski said. Congressman Oberstar promises **close oversight** but ultimately **state DOTs and local entities** will decide how to spend it.

The MnDOT website (<http://www.dot.state.mn.us/federalrecovery/>) contains a summary of how the transportation portion of federal stimulus money will be distributed.

According to the MnDOT website, nationally, a total of \$48.12 billion is provided for transportation, which is apportioned as follows: \$27.5 billion, highways and bridges; \$8 billion, high-speed and intercity passenger rail; \$1.3 billion, Amtrak; transit formula, \$6.9 billion; transit fixed guideway, \$750 million; transit new starts, \$750 million; competitive surface transportation grants, \$1.5 billion; airports, \$1.1 billion.

According to the website, Minnesota's share of the highways and bridges allotment is approximately \$502 million, of which \$345 million is for MnDOT roads and highways throughout the state, and \$155 million is targeted for counties and cities across the state for roads and highways. Minnesota's share of the transit formula allotment is approximately \$92 million.

A Metropolitan Council website (<http://www.metrocouncil.org/Directions/transit/transit2009/EconRecoveryFeb09.htm>) provides additional detail: Of the \$155 million local portion, about half will go to the Metropolitan Planning Organization (MPO), composed jointly of the Metropolitan Council and Transportation Advisory Board (TAB), for distribution to road and highway projects in the metro area. To distinguish these dollars from the state-allocated funds, planners are calling these monies the "MPO" dollars.

In addition, the Council and TAB will allocate an additional \$69 million in stimulus dollars for metro area transit projects.

2. Setting transportation priorities -A Caucus member asked how priorities will, or can, be set with such fragmentation in the decision-making processes around transportation. In addition to the stimulus money, the federal government supplies funding by way of earmarks, often directing transport development *de facto* with matching grants. This is increasingly the case with rail. How much should the federal government be involved?

Orski responded that the states set their own policies for spending, and that the federal policy is hands-off.

A Caucus member pointed out that the federal government has had influence with the interstate highway system, peaking about 10 or 15 years ago. It has also provided construction funds for new projects, often without any appropriated funds for upkeep.

The federal transportation system has lost its mission, its purpose, Orski said. It lost this after completion of the interstate highway system. Because of this lack of direction they are especially susceptible to earmarks. There is pressure now on **Congress** to come up with a new purpose.

There is a 'mountain of needs,' in Minnesota, a Caucus member observed. Everyone keeps contributing to it. Desires and interests grow beyond the economy. We don't have a way to prioritize or limit these requests.

That doesn't sound unfamiliar, Orski responded. Many states are finding themselves in this position. Minnesota is not unique in this regard. The decision process for spending is in the hands of each state. It will be different in each state. In Florida, for example, ideas generate from the ground-up, as citizen groups develop lists of needs and forward them onto the state, where a process is then followed for selecting projects.

3. Fragmentation of decision-making -In Minnesota we find it hard for a single leader to make decisions because transportation authority is fragmented. Orski replied that at this point the law is clear: There is a federal transit program and a federal highway program. They are separate. There is talk of getting rid of the modular 'stove pipe' process of decision-making and coming up with a single 'surface transportation' **program**. But **modal interest groups** are worried about combining these **funds** because of the potential for loss of money. This is especially so with highways because of the momentum behind rail. Ultimately he is skeptical about the prospects for getting rid of **modal allocations**.

People are talking of a need for renewed focus on freight, Orski added. **Here, the approach would** also be multi-modal (rail, road, **waterways**).

A Caucus member asked if it is possible to have a unified approach to transportation planning at the state level. It is, Orski said, but you would fall under the same pressures as at the federal levels: protecting **modal interests**.

4. The role of the governor -It was noted that Governor Pawlenty's State of the State address in February did not contain any talk on transportation. What is the pattern, a member asked, that you have seen regarding executive leadership on transport at the state level?

Orski: It varies. The governors **havetaken** a strong role in Pennsylvania, Florida, Texas, Colorado, Indiana, and California. In other states **the decisions are** left in the hands of the Department of Transportation or state transportation commission. In states where governors have taken a strong initiative, Orski stated, things have happened faster than where they do not.

5. Serious concerns over the viability of transit funding -A member raised the concern that we are looking now to debt finance expansions in our transportation infrastructure, including various forms of rail, without any prospects for its ability to self-finance: Busing runs at a loss, Amtrak is government owned. Our light rail is heavily subsidized. Who will subsidize new federal programs?

The federal government is providing the seed money for new capital projects, but will the federal transit authority require it has a process in place to pay for upkeep? That's a good question, Orski agreed. There is \$8 billion designated in the stimulus package for high speed rail, but note that this is

probably only for initial planning. The cost of **a single** high-speed rail line, from Los Angeles to San Francisco, would be about \$41 billion. Some groups in California have predicted the cost will be twice that amount. The California project is being financed jointly by federal, private, and state sources. Citizens voted 53-47 percent in November 2008 to appropriate \$9 billion to the project. Voting was concentrated in those counties that will be served by the line, which may connect Los Angeles and San Francisco in as little as 2.5 hours, at 220 miles per hour.

6. A new program for a national transit infrastructure -Orski reports that Congressman Oberstar's vision for a new national transit agenda includes Interstate maintenance, freight, urban mobility ('mega projects'), and inter-city rail. The Congressman thinks that the country needs a far more ambitious program, and that the national government should play a leading role. He is being very solicitous of the needs of Minnesota. How is the finance committee viewing this? Nobody yet knows.

7. Prospects for new money -A member asked if there is any new money in the near future. Orski characterized the situation as follows: Everyone is looking **for solutions**. Things will become clearer in the next 6-8 months, because Congress will have to focus on the transportation reauthorization bill.

8. Reducing congestion -It appears that congestion has finally been reduced, albeit in by sordid means: reduced economic activity. A Caucus member wanted Orski to consider the state of LRT versus busing options on University Avenue. It makes good political sense to connect the two downtowns, even if 85 percent of jobs in the metro area are located outside the downtowns of Minneapolis and St. Paul, **Orski replied. People think connecting the Twin Cities makes sense.**

9. Helpful links, passed on by the speaker —Orski provided the following links that illustrate how two other states are handing their stimulus dollars.

Florida: <http://www.bizjournals.com/southflorida/stories/2009/03/02/daily64.html>

Washington: <http://www.msnbc.msn.com:80/id/29533144/>

10. Thanks —On behalf of the Civic Caucus, Verne thanked Orski for meeting with us today.

11. General comments on leadership— Civic Caucus members noted a clear need for strong state leadership. Otherwise this volcano of wants-'needs'-grows. The disconnect between wants and needs is growing. In this time of declining revenue we need to be especially careful about discipline. The question of leadership prevails. It doesn't matter who, but *someone* must lead. A collection of desires put together from meetings with all the interested parties is not of use unless it has serious legislative or executive leadership behind it.