

SF718 - 0 - Highways for Habitat Program

Chief Author: **Foung Hawj**
 Committee: **Transportation**
 Date Completed: **2/2/2023 8:31:27 PM**
 Agency: **Transportation Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Trunk Highway	-	389	49	49	49	49
Total	-	389	49	49	49	49
Biennial Total			438			98

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Trunk Highway	-	.5	.5	.5	.5
Total	-	.5	.5	.5	.5

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Laura Cecko **Date:** 2/2/2023 8:31:27 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
Trunk Highway	-	389	49	49	49	49
Total		-	389	49	49	49
Biennial Total				438		98
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Trunk Highway	-	389	49	49	49	49
Total		-	389	49	49	49
Biennial Total				438		98
2 - Revenues, Transfers In*						
Trunk Highway	-	-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

This bill creates a Highways for Habitat program to enhance roadsides with vegetative buffers and pollinator/wildlife habitat. It also designates general and trunk highway fund appropriations for purposes that accelerate tree planting. MnDOT is appropriated the money for contracts to build and improve living snow fences consisting of Minnesota native trees, shrubs, native grasses, and wildflowers. General requirements are defined, including:

- Identifying projects
- Developing and erecting signage
- Developing and requiring training for department personnel and contractors that apply pesticides and manage vegetation
- Assessing the categorization and management of noxious weeds to reduce mowing and pesticides
- Maintaining a website

In addition, MnDOT must develop standards and best management practices for integrated roadside vegetation management plans. The guidance on seed and vegetation selection must be based on the Board of Water and Soil Resources (BWSR) native vegetation establishment and enhancement guidelines.

A one-time appropriation of \$1,000,000 from the general fund is available through June 30, 2025 for the highways for habitat program.

A one-time appropriation of \$2,000,000 from the general fund is available through June 30, 2024 for living snow fence implementation under the state road construction budget activity.

\$330,000 is appropriated in both FY24 and FY25 from the trunk highway fund for implementing living snow fence under the operations and maintenance budget activity. The base budget for operations and maintenance is increased by \$330,000 annually.

Assumptions

MnDOT currently practices portions of the bill’s language, including, noxious weeds activities; developing specialized maintenance plans for roadsides in specific areas to maintain habitat for protected species; and partnering with and using plans created by DNR and BWSR to help guide establishment and maintenance activities.

MnDOT assumes there will be start-up activities for the Highways for Habitat program, including developing and

administering training for department personnel and contractors that apply pesticides and manage vegetation; developing and maintaining the website; updating processes to follow the legislation's requirements; updating MnDOT's "Best Practices Handbook for Roadside Vegetation Management;" developing and troubleshooting signage issues, etc.; and applying for and managing grants for this program.

MnDOT assumes half an FTE from the Environmental Stewardship Office will be needed to implement and manage the Highways for Habitat program at a rate of \$31.12 per hour, plus 50% to account for related overhead costs including fringe benefits.

MnDOT's estimate does not include amounts for signs or plantings as this will remain unknown until the program is implemented.

After consulting with nursery industry groups, MnDOT estimates \$2,000,000 in Minnesota trees and shrubs would cover four miles of living snow fence. MnDOT's 2021 average bid price for planting trees and shrubs was about \$275,000 for one mile of living snow fence. To install the living snow fence, MnDOT assumes a cost of \$140,000 per mile. This would be used to purchase snow fence easements or enter into private landowner snow fence agreements. MnDOT assumes, based on historical averages, that seventeen percent of the project cost is needed for living snow fence design and construction inspection.

Expenditure and/or Revenue Formula

Trees and Shrubs: \$275,000 per mile

Living Snow Fence Installation: \$140,000 per mile

Design and Construction Inspection = 17% X \$2,000,000 = \$340,000

Environmental Stewardship Office Staff: 0.5 FTE (1,040 hours) at \$31.12 X 150% = \$48,547 per year

Long-Term Fiscal Considerations

\$330,000 is allocated from the trunk highway fund for operations and maintenance base budget. This will be used for the vegetation management that will be needed over time, though some existing MnDOT living fences did not need maintenance for twenty years.

There will be operational savings due to less blowing and drifting snow on the roads because of the additional living fences.

Local Fiscal Impact

None

References/Sources

MnDOT Office of Environmental Stewardship

MnDOT Office of Maintenance

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