

SF1872 - 0 - Transportation Dept Efficiency Reqs. Modified

Chief Author: **John Jasinski**
 Committee: **Transportation**
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 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	
	FY2025	FY2026	FY2027	FY2028	FY2029
Dollars in Thousands					
Total	-	-	-	-	-
Biennial Total			-		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-

LBO Analyst's Comment

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

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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		FY2025	FY2026	FY2027	FY2028	FY2029
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

This bill requires MnDOT to expend trunk highway fund efficiency savings according Minn. Stat. 174.53 on the construction, maintenance, or rehabilitation of trunk highways under the corridors of commerce program.

This bill is effective July 1, 2025 and applies to funds reallocated on or after the date.

Assumptions

Currently, annual efficiency savings are estimated by MnDOT for both project, administrative, and maintenance costs. According to Minn. Stat. 174.53, efficiency savings are to be identified equal to at least 15 percent of the appropriations made annually from the trunk highway fund that are above base appropriations for FY2018-19. Any efficiencies are to be reallocated and used for the construction, maintenance, or rehabilitation of trunk highways, including roads and bridges.

For illustrative purposes, MnDOT assumes that 15 percent efficiencies, when comparing existing FY2026-27 base trunk highway fund appropriations to FY2018-19 base appropriations, are approximately \$90 million in both FY2018 and FY2019. These funds would be used for the corridors of commerce program, as opposed to currently planned road and bridge projects.

Expenditure and/or Revenue Formula

MnDOT estimates no fiscal impact. Efficiency savings each year will be expended for the corridors of commerce program as opposed to currently planned road and bridge projects.

Long-Term Fiscal Considerations

As the amount of base appropriations continue to grow in future years it will become more difficult, if not impossible, to identify efficiencies equal to at least 15 percent of trunk highway fund appropriations that are above base appropriations for FY2018-19.

Local Fiscal Impact

None

References/Sources

MnDOT Office of Financial Management

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