



Minnesota Department of Transportation

Transportation Building
395 John Ireland Boulevard

St. Paul, Minnesota 55155-1899

January 25, 2005

To the 2005 Legislature:

On behalf of Governor Pawlenty, I am pleased to submit the Minnesota Department of Transportation (Mn/DOT) budget recommendation for the FY 2006-07 budget for total spending of \$4.153 billion.

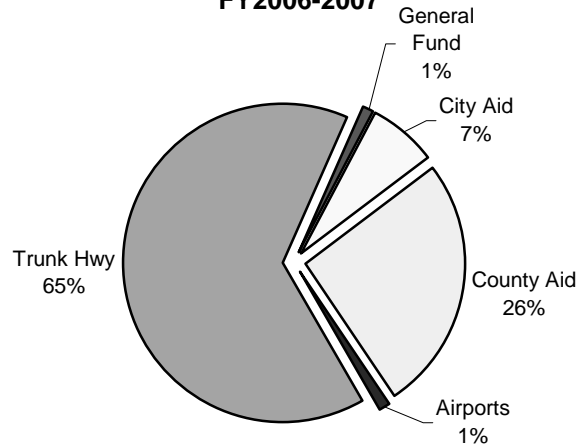
The largest appropriation is from the Trunk Highway Fund. Legislative appropriations of constitutionally dedicated motor fuel tax revenues and other sources in the Trunk Highway Fund represent approximately 65% of total state resources directly appropriated to support transportation. Appropriations of general tax revenues and other sources from the state's General Fund amount to less than 1% of total direct appropriations.

By far the largest portion of the Agency's budget is spent on building and preserving the state's transportation infrastructure. As mentioned above, over the past several years, the Agency has used a combination of bond funding and other resources to advance the construction of important roads, bridges, and other transportation assets. The 2003 financing package, the largest in Minnesota's history, is on course to deliver 17 major highway construction and safety/preservation projects more than 60 years ahead of their original schedules. A large part of the 2003 bonding/advance construction initiative is currently underway or nearing completion. Included in this recommendation is a discussion of a new investment initiative that will continue to accelerate transportation investments to meet the needs of all Minnesotans.

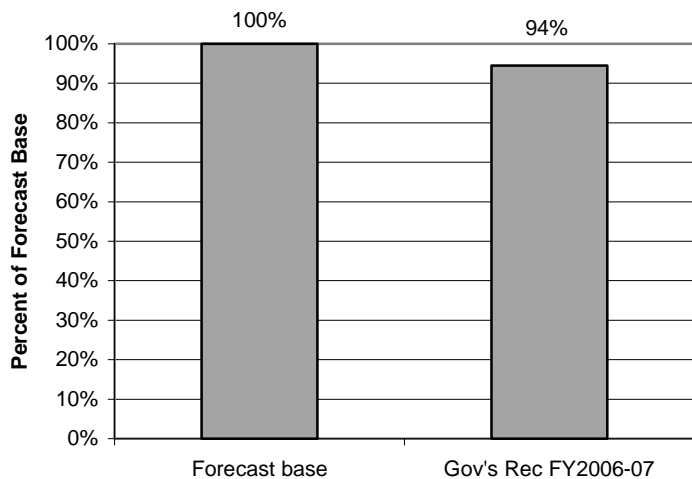
This proposal recommends adjusting the direct Trunk Highway appropriation to reflect current financial circumstances as they relate to Federal, Advance Construction and other funding. This recommendation includes direct Trunk Highway appropriations of approximately \$2.3 billion. The recommended level is approximately \$133 million less than the FY 2006-07 forecast base appropriation.

No change is recommended in appropriations of general tax revenues and other sources accounted for in the General Fund for FY 2006-07.

**Mn/DOT Direct Appropriations by Fund
FY2006-2007**



**Gov's Recommended Direct Trunk Hwy
Appropriation as Percentage of
FY 2006-2007 Forecast Base**



Significant Trunk Highway appropriation changes included in this recommendation for FY2006-2007 are:

Change	Change from Trunk Highway Forecast Base (\$ millions)	Comment
Decrease road construction	(163.0)	Primarily a result of using \$825 million to accelerate construction projects and adjusting advanced construction financing to fit current plans for road construction.
Increase small buildings	8.0	Small buildings appropriation formerly part of department biennial budget. Proposed in 2004 capital request that did not pass. Deferred maintenance makes this an important item.
Increase debt service	3.308	Debt service on bonds used to accelerate building projects in Governor's 2005 Capital Bonding bill.
Increase Maintenance and Operations	17.25	Key safety and maintenance and operations investments to preserve the value of the state's existing investments in infrastructure.
Increase Electronic Communications	1.75	To fulfill the Agency's commitment to provide a statewide (800 Mhz) communication system for public safety agencies and others.
Total appropriation change	(\$132.692)	

This budget proposal is the result of a continuous strategic planning process that begins with the Pawlenty administration principles of accountability and cost effectiveness. The Mn/DOT Strategic Plan guides investment decisions. The strategic plan, combined with extensive public input, guided development of the outcomes described in the performance based Statewide Transportation Plan and the Highway Systems Operations Plan. The budget recommendations included in our proposal are the short-term specific recommendations that result from this comprehensive planning process.

At the recommended levels, Mn/DOT will continue to provide core transportation services including delivery of our construction program and essential highway maintenance and operations, assisting with rail crossing safety, regulatory compliance of commercial vehicles, supporting airport improvements and providing transit assistance. Mn/DOT is committed to delivering the highest quality and cost effective transportation system to the citizens of Minnesota.

Sincerely,



Carol Molnau
Lt. Governor and Commissioner

Dollars in Thousands

	Current		Governor Recomm.		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	16,220	16,221	16,221	16,221	32,442
Recommended	16,220	16,221	16,221	16,221	32,442
Change		0	0	0	0
% Biennial Change from 2004-05					0%
State Airports					
Current Appropriation	19,408	19,408	19,408	19,408	38,816
Recommended	19,408	17,508	19,408	19,408	38,816
Change		(1,900)	0	0	0
% Biennial Change from 2004-05					5.1%
Municipal State Aid Street					
Current Appropriation	112,290	114,661	114,661	114,661	229,322
Recommended	112,290	114,661	117,048	120,841	237,889
Change		0	2,387	6,180	8,567
% Biennial Change from 2004-05					4.8%
County State Aid Highway					
Current Appropriation	433,312	433,631	433,631	433,631	867,262
Recommended	433,312	433,631	441,335	453,948	895,283
Change		0	7,704	20,317	28,021
% Biennial Change from 2004-05					3.3%
Trunk Highway					
Current Appropriation	1,107,574	1,173,558	1,173,558	1,173,558	2,347,116
Recommended	1,107,574	1,173,558	1,074,539	1,189,195	2,263,734
Change		0	(99,019)	15,637	(83,382)
% Biennial Change from 2004-05					-0.8%
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	15,258	17,145	16,221	16,221	32,442
State Airports	14,462	22,454	19,408	19,408	38,816
Municipal State Aid Street	134,642	114,661	117,048	120,841	237,889
County State Aid Highway	403,331	433,631	441,335	453,948	895,283
Trunk Highway	1,014,844	1,282,332	1,074,539	1,189,195	2,263,734
Open Appropriations					
State Airports	52	51	51	51	102
Municipal State Aid Street	2,318	2,628	2,389	2,467	4,856
County State Aid Highway	7,694	8,908	9,007	10,680	19,687
Trunk Highway	5,567	5,289	5,289	5,289	10,578
Highway Users Tax Distribution	472	621	621	621	1,242
Greater Minnesota Transit	8,146	9,067	8,460	8,720	17,180
Statutory Appropriations					
Special Revenue	81,448	53,715	34,871	15,953	50,824
State Airports	793	2,078	1,203	1,203	2,406
Trunk Highway	1,841	26,340	21,177	21,177	42,354
Federal	229,673	321,326	267,248	267,963	535,211
Miscellaneous Agency	248	2,794	301	301	602
Total	1,920,789	2,303,040	2,019,168	2,134,038	4,153,206

Dollars in Thousands

	Current		Governor Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Expenditures by Category</u>					
Total Compensation	309,479	318,099	321,894	321,363	643,257
Other Operating Expenses	188,854	230,102	175,079	176,389	351,468
Capital Outlay & Real Property	658,500	827,394	637,707	723,618	1,361,325
Payments To Individuals	61	60	60	60	120
Local Assistance	758,526	862,751	825,179	842,703	1,667,882
Other Financial Transactions	5,618	64,634	59,249	69,905	129,154
Non-Cash Transactions	(249)	0	0	0	0
Total	1,920,789	2,303,040	2,019,168	2,134,038	4,153,206
<u>Expenditures by Program</u>					
Multimodal Systems	215,667	269,461	207,884	190,084	397,968
State Roads	974,784	1,279,298	1,049,821	1,164,334	2,214,155
Local Roads	673,861	689,851	699,779	717,936	1,417,715
General Support & Services	56,477	64,430	61,684	61,684	123,368
Total	1,920,789	2,303,040	2,019,168	2,134,038	4,153,206
Full-Time Equivalents (FTE)	4,690.8	4,789.7	4,634.8	4,525.0	

TRANSPORTATION DEPT

Change Summary

<i>Dollars in Thousands</i>				
	FY2005	Governor's Recomm.		Biennium
		FY2006	FY2007	2006-07
Fund: GENERAL				
FY 2005 Appropriations	16,221	16,221	16,221	32,442
Subtotal - Forecast Base	16,221	16,221	16,221	32,442
Total Governor's Recommendations	16,221	16,221	16,221	32,442
Fund: STATE AIRPORTS				
FY 2005 Appropriations	19,408	19,408	19,408	38,816
Subtotal - Forecast Base	19,408	19,408	19,408	38,816
Change Items				
State Airports Fund Reduction	(1,900)	0	0	0
Total Governor's Recommendations	17,508	19,408	19,408	38,816
Fund: MUNICIPAL STATE AID STREET				
FY 2005 Appropriations	114,661	114,661	114,661	229,322
Technical Adjustments				
Forecast Open Appr Adjustments		2,387	6,180	8,567
Subtotal - Forecast Base	114,661	117,048	120,841	237,889
Total Governor's Recommendations	114,661	117,048	120,841	237,889
Fund: COUNTY STATE AID HIGHWAY				
FY 2005 Appropriations	433,631	433,631	433,631	867,262
Technical Adjustments				
Forecast Open Appr Adjustments		7,704	20,317	28,021
Subtotal - Forecast Base	433,631	441,335	453,948	895,283
Total Governor's Recommendations	433,631	441,335	453,948	895,283
Fund: TRUNK HIGHWAY				
FY 2005 Appropriations	1,173,558	1,173,558	1,173,558	2,347,116
Technical Adjustments				
Approved Transfer Between Appr		0	0	0
Current Law Base Change		25,000	25,000	50,000
February Forecast Adjustment		(4,493)	3,803	(690)
Subtotal - Forecast Base	1,173,558	1,194,065	1,202,361	2,396,426
Change Items				
Debt Service Increase-2005 TH Bonding	0	474	2,834	3,308
Electronic Communications Increase	0	875	875	1,750
Maintenance Operations Increase	0	8,625	8,625	17,250
Small Buildings Request	0	4,000	4,000	8,000
State Road Construction Decrease	0	(133,500)	(29,500)	(163,000)
Total Governor's Recommendations	1,173,558	1,074,539	1,189,195	2,263,734

TRANSPORTATION DEPT

Change Summary

	<i>Dollars in Thousands</i>			Biennium 2006-07
	FY2005	Governor's Recomm. FY2006	FY2007	
Fund: STATE AIRPORTS				
Planned Open Spending	51	51	51	102
Total Governor's Recommendations	51	51	51	102
Fund: MUNICIPAL STATE AID STREET				
Planned Open Spending	2,628	2,389	2,467	4,856
Total Governor's Recommendations	2,628	2,389	2,467	4,856
Fund: COUNTY STATE AID HIGHWAY				
Planned Open Spending	8,908	9,007	10,680	19,687
Total Governor's Recommendations	8,908	9,007	10,680	19,687
Fund: TRUNK HIGHWAY				
Planned Open Spending	5,289	5,289	5,289	10,578
Total Governor's Recommendations	5,289	5,289	5,289	10,578
Fund: HIGHWAY USERS TAX DISTRIBUTION				
Planned Open Spending	621	621	621	1,242
Total Governor's Recommendations	621	621	621	1,242
Fund: GREATER MINNESOTA TRANSIT				
Planned Open Spending	9,067	8,460	8,720	17,180
Total Governor's Recommendations	9,067	8,460	8,720	17,180
Fund: SPECIAL REVENUE				
Planned Statutory Spending	53,715	34,871	15,953	50,824
Total Governor's Recommendations	53,715	34,871	15,953	50,824
Fund: STATE AIRPORTS				
Planned Statutory Spending	2,078	1,203	1,203	2,406
Total Governor's Recommendations	2,078	1,203	1,203	2,406
Fund: TRUNK HIGHWAY				
Planned Statutory Spending	26,340	21,177	21,177	42,354
Total Governor's Recommendations	26,340	21,177	21,177	42,354
Fund: FEDERAL				
Planned Statutory Spending	321,326	267,248	267,963	535,211
Total Governor's Recommendations	321,326	267,248	267,963	535,211
Fund: MISCELLANEOUS AGENCY				
Planned Statutory Spending	2,794	301	301	602
Total Governor's Recommendations	2,794	301	301	602

TRANSPORTATION DEPT**Program: GENERAL SUPPORT & SERVICES****Change Item: Small Buildings Request**

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Trunk Highway Fund				
Expenditures	\$4,000	\$4,000	\$4,000	\$4,000
Revenues	0	0	0	0
Net Fiscal Impact	\$4,000	\$4,000	\$4,000	\$4,000

Recommendation

The Governor recommends an additional \$4,000,000 per year be included in this Program to support the construction, replacement or upgrading of small facilities (those less than \$1,000,000). This additional funding will allow these facilities to be completed in a planned, effective and efficient manner.

Background

Facilities need to be routinely maintained, repaired, constructed and/or upgraded to provide support for the Minnesota Department of Transportation (Mn/DOT). Space is required for administration, vehicle storage and repairs, ancillary equipment, installed facility-supporting equipment, and office space at effective locations for operations so Mn/DOT employees can efficiently and promptly respond to the highway users needs. These facilities are constructed to program requirements; new equipment demands or are regulatory or building code driven. Mn/DOT facilities are built and maintained to support and meet transportation system user needs, and to respond to environmental and safety concerns.

Older, inefficient buildings are currently a drain on existing operating budgets. Higher funding levels than normal are required to maintain old equipment, upgrade existing systems to accept new equipment, to address new codes, regulatory, and facility requirements. For instance, snowplow trucks are larger and require a larger bay to store inside and keep the newer hydraulic and computer equipment ready for emergency use.

Every year, Mn/DOT uses the building budget process to review and plan with building users and division staff, in order to determine the deficiencies and needs for immediate and future building space and renewals.

A detailed Facilities Assessment is performed every biennium to determine facility conditions. On site, physical plant personnel are aware of any crisis problem areas and respond accordingly. Facility Assessments are gathered, analyzed and facilities are listed in priority order for replacement. Other factors are also considered, such as functionality, site availability, partnerships, sustainable building criteria, life cycle costing, best engineering practices, and maintenance requirements, all for keeping facilities in service for its design life or longer. The following projects top the priority list for replacements, additions or have a partnership planned.

FY 2006 Planned Construction

Fergus Fall Building Addition
 Lakeville Truck Station
 Faribault Truck Station
 Ivanhoe Truck Station
 Drivers License Vehicle Services Roads/Curbs
 Design Fees
 Salt Storage Facilities

FY 2007 Planned Construction

Paynesville Truck Station
 Cambridge Truck Station
 Warren Truck Station
 Baudette Truck Station
 Litchfield Truck Station
 Waseca Truck Station
 Design Fees
 Salt Storage Facilities
 Cold Storage Facilities

Wherever and whenever possible, Mn/DOT partners with local government subdivisions to construct facilities that will provide savings in effort, methods of operation, efficiencies of manpower and taxpayer monies. Mn/DOT also partners with other state agencies in providing expanded services to the motoring public. For example, the State Highway Patrol is co-located in most Mn/DOT Headquarters facilities, and where space permits, in Truck Stations, Rest Areas, and Travel Information Centers. Current funding uncertainties do not allow Mn/DOT to take financial advantage of all these relationships.

Mn/DOT has a limited in-house architectural design and construction staff, capable of producing project documentation, bidding, construction supervision, and inspection. When in-house service capabilities are reached, projects are reviewed and grouped for efficiencies and locations, then contracted with consultants for design, and limited construction services. Mn/DOT staff continues to provide facility standards, equipment requirements, and specification details. Further, this staff supervises and coordinates consultant services as project managers, and also provides planning and facilities management services.

Relationship to Base Budget

The 1996 Governor's recommendations for the Capital Building Budget (Executive Summary) included the following: "...In order to provide a more streamlined and efficient budget process by including the smaller ongoing building projects in the operating budget and concentrating in the Capital Budget on larger projects."

A steady, dependable funding stream is required for planning facility development and replacements. Mn/DOT received appropriations of \$7.50 million for the FY 2000-01 biennium from the Trunk Highway Fund for smaller projects. Mn/DOT received \$7.06 million in FY 2002-03 for these smaller projects. Mn/DOT received \$-0- in FY 2004-05.

Restoring a base budget allows Mn/DOT flexibility in planning and construction of these small facilities.

Key Measures

Mn/DOT has established a number of key measures to assess status of this program as well as to provide performance measurement.

Building Adequacy - % of buildings meeting functional needs.

⇒ Based on the Facilities Assessment Report developed by Mn/DOT Facilities Management Services and performed by the District Physical Plant Supervisors. The number of facilities scoring a certain number of points determines the %. These assessments provide Mn/DOT facility planners with information concerning each buildings primary and secondary systems, site conditions, safety concerns, functional standards, energy conservation, barrier free access, and environmental conditions.

Building Improvement and Replacement - % of Design and Construction schedule complete.

⇒ Using the current biennium, approved and funded construction plan, design and construction project schedules are developed and tracked monthly to ensure remedial action can be taken to produce plans, specifications, and construction of a facility on time and on budget.

Alternatives Considered

Mn/DOT continually reviews facility locations for partnership and consolidation opportunities.

TRANSPORTATION DEPTProgram: **MULTIMODAL SYSTEMS**Change Item: **State Airports Fund Reduction**

Fiscal Impact (\$000s)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
General Fund					
Expenditures		0	0	0	0
Revenues		0	0	0	0
State Airports Fund					
Expenditures	(\$1,900)	0	0	0	0
Revenues		0	0	0	0
Net Fiscal Impact	(\$1,900)	0	0	0	0

Recommendation

The Governor recommends reducing the current Airport Development and Assistance portion of the Aeronautics allotment by \$1,900,000 in FY 2005. This will defer proposed FY 2005 airport construction projects to 2006.

Background

Mn/DOT budget forecasts indicate the State Airport Fund Revenues will not support current funding levels in FYs 2006 and 2007. The Governor's recommendation reduces spending in 2005 to maintain adequate funds for projected base level spending in the next biennium. Keeping the current base budget levels preserves Mn/DOT's ability to provide grants and services to communities to maintain safe operations at airports.

This budget change request does not imply there is a reduced need for airport funding. In fact this reduction will defer \$1,900,000 in funding at seven airports until July 2005. Airports have also identified an additional need of \$3,123,000 for airport improvement projects they would like to complete in 2005 if state funds were available. These projects were identified on their five-year capital improvement programs they submitted to the Mn/DOT Office of Aeronautics in December 2004. This information is available on the Office of Aeronautics web site at <http://www.dot.state.mn.us/aero/avoffice/airportdevelopment/cip.html>

Unallotting funds is an effective strategy because the impact on airports is short term (six months). The municipalities immediately affected will need only to delay their airport projects until July 2005. Access to current state funding levels will continue to be available throughout the FY 2006-07 biennium.

Relationship to Base Budget

The base budget for Aeronautics will not be affected.

The Airport Development and Assistance portion of the Aeronautics budget is used to fund construction grants, maintenance grants, air service grants, the maintenance of navigational aid systems, and the Pinecreek Airport. The Aviation Support and Services portion of the Aeronautics budget is used for salaries, operating expenses and maintenance of the state's aircraft.

Key Measures

This will allow Mn/DOT to meet its airport pavement performance measure by maintaining current funding levels through FY 2007. Airport improvement projects during the next two years will, in part, be used on pavement rehabilitation or replacement projects. Pavement improvements made at critical times during the pavement's life reduce long-term pavement costs while providing safer pavement surfaces for aircraft.

Alternatives Considered

Request a budget reduction for Airport Development and Assistance. This would reduce Aeronautics base budget, reduce funding available for airport improvements, and negatively affect performance measures.

TRANSPORTATION DEPTProgram: **STATE ROADS**Change Item: **Debt Service Increase-2005 TH Bonding**

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Trunk Highway Fund				
Expenditures	\$474	\$2,834	\$2,868	\$2,859
Revenues	0	0	0	0
Net Fiscal Impact	\$474	\$2,834	\$2,868	\$2,859

Recommendation

The governor recommends that Mn/DOT's debt service budget be increased in the amounts shown above to fund debt service for Trunk Highway bonds for building projects recommended to the 2005 legislature in the Governor's Capital Bonding Bill.

Background

Recommended building projects which this request supports are as follows:

Project	Amount	Requesting Agency
Exterior Repair of Transportation Building	\$9,342,000	Administration
District Headquarters-Mankato	\$16,620,000	Transportation
Mn/DOT Small Capital Projects	\$4,128,000	Transportation
Bond Sales Expenses	\$20,000	Finance

Relationship to Base Budget

Mn/DOT's current base budget for debt service is \$64.386 million. This request funds projects (shown above) with a useful life of 20-30 years.

Key Measures

Key measures are addressed in the justifications for the individual projects above.

Alternatives Considered

Mn/DOT's buildings budget activity is completely zero-based for actual project costs; no projects were approved in the 2004 legislative session. Therefore, it was not possible to reduce other projects. Because operating budgets that plan, design, and support such projects have already taken major cuts, no savings could be found in this area to fund debt service.

TRANSPORTATION DEPT

Program: STATE ROADS

Change Item: Electronic Communications Increase

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Trunk Highway Fund				
Expenditures	\$875	\$875	\$875	\$875
Revenues	0	0	0	0
Net Fiscal Impact	\$875	\$875	\$875	\$875

Recommendation

The Governor recommends an increase of \$875,000 to the operations and maintenance budget of the Office of Electronic Communications (OEC). This increase is needed to meet the growing obligations for system software support, and maintenance of the 800 MHz Shared Public Safety radio system, and other new communications technologies statewide. Mn/DOT has taken on significant additional ownership and maintenance responsibilities for these multiagency shared systems. This increase will allow Mn/DOT to meet its statutory and contractual obligations to its partner agencies by maintaining current levels of operations and maintenance support.

Background

The communication systems used by state government are going through a time of transition. They are migrating from stand-alone single agency conventional systems, to shared multi-agency networked systems. They are also migrating from 30-year old analog technology to current digital, software-driven technology. Mn/DOT, by statute and through agreements, has responsibility to own, operate, and maintain the various two-way radio systems used by agencies of the state of Minnesota including the Metro Regional 800 MHz radio communications backbone. Mn/DOT OEC works closely with the Department of Public Safety, the Statewide Radio Board, subsystem owners, and all state agencies to make modifications, additions, and repairs to the various systems.

Mn/DOT, in partnership with the other system owner agencies on the Metro 800 MHz system, has a software subscription technical support contract in place with the system vendor. Mn/DOT had initial project money to cover the first year of this contract to allow time to get educated on the system and to evaluate the need for the support contract. The system owners and the Metro Radio Board feel this contract must continue. OEC will require additional funding to support Mn/DOT's share of this support contract.

With the additional responsibility for the metro system, the OEC budget for maintenance and operation has not been adequate to cover the growth in vendor software subscription and support services. Increased lease, utilities, and maintenance labor costs are also beyond the current funding level supported by OEC.

With the continued growth of the ARMER system and other technology recently implemented such as Mobile Data Computers and Digital Microwave links the state has also increased the number of communications tower sites in its network. These additional technologies and supporting infrastructure facilities require additional staff resources and operating costs to maintain. The legacy systems along with the new systems place additional workloads on OEC's maintenance staff and operations budget. It is recommended that OEC add an additional 4 radio technician FTE's to its current statewide staffing of 39 radio technicians.

Agencies using the statewide services of this activity are the Mn/DOT, Department of Natural Resources (DNR), Department of Public Safety (DOP), Department of Administration (DOA), Department of Agriculture (DOA), Department of Corrections (DOC) and Department of Health (DOH); also state universities, hospitals and the Metropolitan Council Transit Operations. The Metro Regional 800MHz system serves state agencies and local government agencies in the nine-county metro area (seven counties plus Isanti and Chisago).

Relationship to Base Budget

The OEC base budget is used for ongoing maintenance and operation of existing public safety radio infrastructure. The base budget does not fund significant equipment change-outs or upgrades and has not kept pace with the added roles and responsibilities Mn/DOT has accepted as Owner-Operator of the shared Metro

800MHz radio system. This change initiative is a permanent base adjustment to cover ongoing operational and maintenance costs of the existing communication system infrastructure. In terms of the scope of this increase, \$875,000 represents a 17% increase over the current \$5 million statewide OEC operating budget.

Key Measures

The Office of Electronic Communications uses two measures that provide overall performance indicators for the electronic communications activity – *Electronic Communications Coverage* and *Electronic Communications Reliability/Maintenance*.

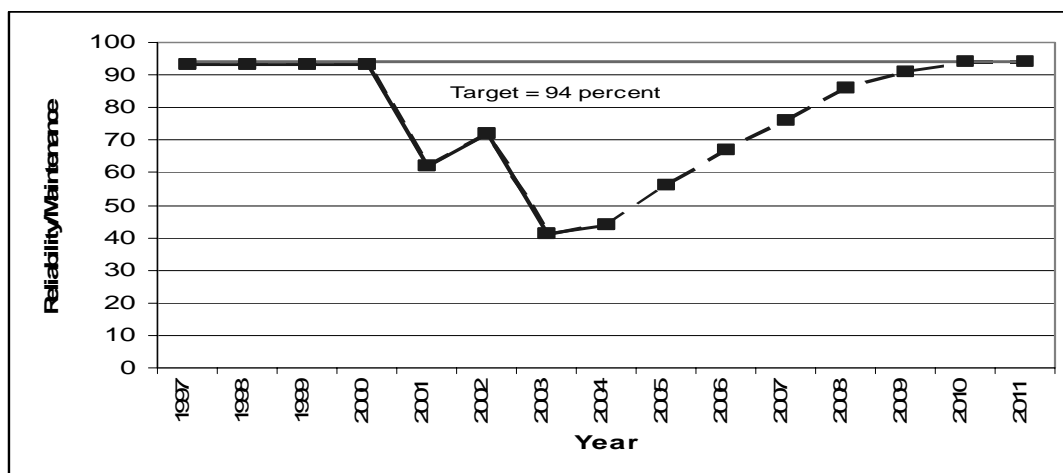
Electronic Communications Reliability/Maintenance

System reliability/maintenance is measured in terms of *the percent of maintenance activities completed within the required time frames*. Factors contributing to the reliability/maintenance of the system are:

- ◆ Mobile Equipment Installation – The primary users of mobile equipment include Mn/DOT, State Patrol, and DNR.
- ◆ Stationary Radio Equipment Installation – Stationary radio equipment, also known as fixed equipment, includes base stations and antennas for VHF, 800 MHz, MDC, and microwave systems, and communications consoles.
- ◆ Electronic Equipment Repair – This service includes the repair of all mobile, portable, base station, microwave, and console radio equipment.
- ◆ Preventive Maintenance – This is a critical component to maintaining a high system performance. Each major component of each radio system must be checked annually to detect problems before they occur. Components that receive annual preventive maintenance (PM) include all fixed radio equipment, and microwave stations.
- ◆ Equipment Replacement – All electronic equipment eventually wears out. Aging equipment is the largest contributor to system failures and failures lessen the reliability and performance capability of the system(s).

All factors are weighted equally and rating for the entire system maintenance is calculated based on the percent of target maintenance conducted. Historic as well as projected percentages (with this change level) of these maintenance activities are shown in the Figure below.

Historic and Projected System Reliability/Maintenance (Percent)



Source: Office of Electronic Communications, Mn/DOT

Alternatives Considered

Other alternatives considered include:

- ◆ re-negotiating with partner agencies the percentage of operating costs borne by Mn/DOT;
- ◆ requesting additional 911 revenue to cover operations and maintenance costs; and
- ◆ discontinuing vendor software and maintenance support services.

TRANSPORTATION DEPTProgram: **STATE ROADS**Change Item: **Maintenance Operations Increase**

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Trunk Highway Fund				
Expenditures	\$8,625	\$8,625	\$8,625	\$8,625
Revenues	0	0	0	0
Net Fiscal Impact	\$8,625	\$8,625	\$8,625	\$8,625

Recommendation

The Governor recommends the appropriation of \$8.625 million per year to "State Roads Operations and Maintenance" to preserve the investment in bridges and pavement infrastructure and to provide increased safety for the traveling public.

Background

Operational investments in the transportation system are critical to providing effective transportation services. Investments in preventative maintenance of highways and bridges are essential to preserving Minnesota Department of Transportation's (Mn/DOT) infrastructure and lowering life cycle costs. Investments for signing, lighting, guardrail materials, and accident/incident prevention also are effective tools for safety and congestion management.

Relationship to Base Budget

The direct appropriation base amount for FY 2006-07 for State Roads-Infrastructure Operation and Maintenance is \$196.121 million.

Key Measures

Key measures for this change item relate to:

Pavements – Customer Ride Quality = PSR

This measure is a percentage of pavement miles meeting good and poor performance. Overall goal is to achieve a greater than 70% pavement mile rating of good and less than 2% pavement miles of poor. The 2003 level was 63.6% good and 2.6% poor. This measure is in a three-year decline.

Bridges - Structural Condition of Bridges (PA)

This measures the percentage of all bridges meeting a good and poor target. Mn/DOT – 20-year goal is to improve the structural condition of bridges so that 65% or greater are in good condition and 2% or less are in poor condition. In 2003 52% were good and 4.2% were poor.

Safety

Signing, striping and guardrail are some of the most beneficial maintenance activities that are targeted directly at safety. They guide and direct motorists to minimize vehicle conflicts and they reduce the severity of crashes. Measure for these activities are in the developmental stage at the federal and state level.

TRANSPORTATION DEPT

Program: STATE ROADS

Change Item: Trunk Highway Appropriation Reduction

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Trunk Highway Fund				
Expenditures	(\$133,500)	(\$29,500)	(\$13,500)	(\$13,500)
Revenues	0	0	0	0
Net Fiscal Impact	(\$133,500)	(\$29,500)	(\$13,500)	(\$13,500)

Recommendation

The Governor recommends that the base State Road Construction appropriation be reduced in the amounts shown. This reduction adjusts the base appropriation for construction to match current plans for construction spending, as well as provide for relatively small increases in Infrastructure Operations and Maintenance budgets requested elsewhere.

Background

The 2003 legislature approved an \$825 million construction financing program that added \$125 million to 2006 and 2007 base level spending authority for road construction. This spending authority assumed use of federal advanced construction financing. Since that time, delays in the receipt of federal funds and increases in project costs have resulted in revisions to the construction schedules. As a result, the current spending plan for this program does not require most of this additional spending authority for advanced construction financing in 2006 and 2007. This request adjusts the budget authority to match the current project financing plan.

In addition, Minnesota Department of Transportation (Mn/DOT) is requesting an additional reduction that will fund an increase in operating budgets for specific priority activities. The department used the priorities laid out in the Highway Systems Operating Plan (HSOP), a medium-range plan developed by Mn/DOT management and its local partners to identify actions needed to build, maintain, and operate the state highway system. The priorities in the HSOP include:

- ◆ infrastructure Maintenance and Preservation;
- ◆ infrastructure Management; and
- ◆ infrastructure Safety Activities.

In keeping with these priorities, Mn/DOT has made the decision to address priorities in operations and maintenance activities that are essential to preserving the infrastructure and minimizing life cycle costs. These include bridge and pavement maintenance, lighting, guardrail improvements, incident management and other cost effective tools to improve safety and congestion management.

Relationship to Base Budget

The State Road Construction direct appropriation for 2006-07 is currently \$710.45 million annually, and will change to \$564.7 million in 2008-09, to reflect the end of the four-year Bond Accelerated Package appropriations. The impact of this proposal beyond 2007 is a reduction of \$13.5 million per year.

Key Measures

This request may cause some increase in the percentage of urban freeways experiencing congestion. However, it is difficult to measure the results of this specific request because of the number of other major projects (both regular and bond funded) that will be underway in the FY 2006-07 period.

Alternatives Considered

Because of the need to preserve Mn/DOT's ability to plan, design, construct, and operate future projects, as well as preserve the system, as it exists now, the decision was made to request this change in the construction spending rather than endanger Mn/DOT's ability to deliver future projects, as well as operate and maintain the existing highway system.

Agency Purpose

The Minnesota Department of Transportation (Mn/DOT) was created by the state legislature in 1976. Its role is to develop and implement transportation policies, plans, and programs that enhance the quality of life for Minnesota citizens.

Meeting Minnesota's transportation needs, now and in the future, is one of the top policy goals of the Pawlenty-Molnau administration. Mn/DOT's work will be guided by the administration's governing principles of commitment to mission, focus on customers, simplify government, manage for results, and improvement by innovation.

Mn/DOT's vision affirms what citizens want for Minnesota: a coordinated transportation network that meets the needs of Minnesota citizens and businesses for safe, timely, and predictable travel.

Mn/DOT's mission is to improve access to markets, jobs, goods and services, and improve mobility by focusing on priority transportation improvements and investments that help Minnesotans travel safer, smarter, and more efficiently.

Mn/DOT's strategic directions are to:

- ◆ safeguard what exists,
- ◆ make the transportation network operate better, and
- ◆ make Mn/DOT work better.

Mn/DOT's investment objectives are:

- ⇒ Building More – addressing congestion, supporting cost-effective investments, and pursuing long-range funding.
- ⇒ Building Faster – accelerate construction and shorten construction time for highway and bridge projects, and accelerate funding for transit advantages.
- ⇒ Moving Better – focus on cost-effective investments that improve safety, reduce congestion, and improve mobility.

Core Functions

State Roads – includes the construction, operation, and maintenance of the state's approximately 12,000-mile trunk highway system.

Local Roads – includes the local financial resources for county and municipal roads generated by the constitutional funding sources.

Multimodal Systems – includes supporting the use and development of cost-effective transportation modes – transit, air, railroads, and waterways – owned and operated by local governments and private operators. This includes financial investments, technical assistance, and operational reviews.

General Support – includes general department-wide administrative functions (accounting, personnel, information resources), the commissioner's office, and the policy functions of the department. It also includes the construction and centrally directed maintenance of all the department's buildings.

Operations

Highways

Mn/DOT constructs, operates, and maintains the state trunk highway system that includes nearly 12,000 miles of roads and 4,714 bridges. This system carries about 61% of all travel for the entire 130,000-mile system of state and local roads.

At A Glance

FY 2004-05 Budget (000s)

◆ Operating budget	\$1,046,285
◆ Capital expenditure	1,556,146
◆ Grants	<u>1,623,298</u>
◆ Total	\$4,225,729

Mn/DOT's primary source of financing is the Trunk Highway Fund, which is supported by motor fuel taxes, motor vehicle registration fees, and motor vehicle sales taxes. Other sources include federal funds and state airport funds. Less than 1% of the operating budget is from the General Fund.

Freight

Mn/DOT promotes the safe and efficient movement of freight by railroads, waterways, and motor carriers by managing investment programs, administering construction projects, ensuring compliance with statutes, and developing freight policies.

Aeronautics

Mn/DOT promotes general and commercial aviation throughout the state, and provides services including aircraft registration, airport development, aviation system planning, aviation education, and government aircraft services.

Transit

Mn/DOT provides statewide leadership in the development and implementation of transit systems, including management of state and federal funds for greater Minnesota public transit, planning activities associated with bicycle and pedestrian systems, planning and construction of commuter rail, and the construction of the Hiawatha Light Rail Transit (LRT) line.

Budget

Mn/DOT's investment objectives focus on building more, building faster, and moving better. Mn/DOT has used budget reallocation and innovative financing techniques totaling \$825 million to advance critical road and bridge expansion, transit improvement, and safety projects by more than a total of 65 years. The 2003 Pawlenty-Molnau transportation package authorizes Mn/DOT to issue \$400 million in highway bonds by accessing \$425 million in advance federal funds for 2004-07. Long-term financing options can be considered to continue to make transportation improvements. Mn/DOT has prepared an activity-based budget for FY 2006-07 that reflects the actual products and services the agency delivers to customers, and incorporates a comprehensive business planning process to support investment decisions and performance measurement.

Contact

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Dollars in Thousands

	Current		Governor Recomm.		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	16,220	16,221	16,221	16,221	32,442
Recommended	16,220	16,221	16,221	16,221	32,442
Change		0	0	0	0
% Biennial Change from 2004-05					0%
State Airports					
Current Appropriation	19,408	19,408	19,408	19,408	38,816
Recommended	19,408	17,508	19,408	19,408	38,816
Change		(1,900)	0	0	0
% Biennial Change from 2004-05					5.1%
Municipal State Aid Street					
Current Appropriation	112,290	114,661	114,661	114,661	229,322
Recommended	112,290	114,661	117,048	120,841	237,889
Change		0	2,387	6,180	8,567
% Biennial Change from 2004-05					4.8%
County State Aid Highway					
Current Appropriation	433,312	433,631	433,631	433,631	867,262
Recommended	433,312	433,631	441,335	453,948	895,283
Change		0	7,704	20,317	28,021
% Biennial Change from 2004-05					3.3%
Trunk Highway					
Current Appropriation	1,107,574	1,173,558	1,173,558	1,173,558	2,347,116
Recommended	1,107,574	1,173,558	1,074,539	1,189,195	2,263,734
Change		0	(99,019)	15,637	(83,382)
% Biennial Change from 2004-05					-0.8%

Dollars in Thousands

	Current		Governor Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	15,258	17,145	16,221	16,221	32,442
State Airports	14,462	22,454	19,408	19,408	38,816
Municipal State Aid Street	134,642	114,661	117,048	120,841	237,889
County State Aid Highway	403,331	433,631	441,335	453,948	895,283
Trunk Highway	1,014,844	1,282,332	1,074,539	1,189,195	2,263,734
Open Appropriations					
State Airports	52	51	51	51	102
Municipal State Aid Street	2,318	2,628	2,389	2,467	4,856
County State Aid Highway	7,694	8,908	9,007	10,680	19,687
Trunk Highway	5,567	5,289	5,289	5,289	10,578
Highway Users Tax Distribution	472	621	621	621	1,242
Greater Minnesota Transit	8,146	9,067	8,460	8,720	17,180
Statutory Appropriations					
Special Revenue	81,448	53,715	34,871	15,953	50,824
State Airports	793	2,078	1,203	1,203	2,406
Trunk Highway	1,841	26,340	21,177	21,177	42,354
Federal	229,673	321,326	267,248	267,963	535,211
Miscellaneous Agency	248	2,794	301	301	602
Total	1,920,789	2,303,040	2,019,168	2,134,038	4,153,206
<u>Expenditures by Category</u>					
Total Compensation	309,479	318,099	321,894	321,363	643,257
Other Operating Expenses	188,854	230,102	175,079	176,389	351,468
Capital Outlay & Real Property	658,500	827,394	637,707	723,618	1,361,325
Payments To Individuals	61	60	60	60	120
Local Assistance	758,526	862,751	825,179	842,703	1,667,882
Other Financial Transactions	5,618	64,634	59,249	69,905	129,154
Non-Cash Transactions	(249)	0	0	0	0
Total	1,920,789	2,303,040	2,019,168	2,134,038	4,153,206
<u>Expenditures by Program</u>					
Multimodal Systems	215,667	269,461	207,884	190,084	397,968
State Roads	974,784	1,279,298	1,049,821	1,164,334	2,214,155
Local Roads	673,861	689,851	699,779	717,936	1,417,715
General Support & Services	56,477	64,430	61,684	61,684	123,368
Total	1,920,789	2,303,040	2,019,168	2,134,038	4,153,206
Full-Time Equivalent (FTE)	4,690.8	4,789.7	4,634.8	4,525.0	

Program Description

This program provides support for transit, rail, and air services/infrastructure owned and operated by local government and the private sector. Transit includes the provision of transit service in greater Minnesota, the construction of Light Rail Transit (LRT), and the planning, design, and construction of commuter rail. Freight includes statutory responsibilities for rail/water system improvements primarily through loans or grants to public port authorities, regional railroad authorities, and shippers. Air includes aircraft registration, aviation system planning, airport development, aviation education, and government aircraft services.

Budget Activities Included:

- ⇒ Aeronautics
- ⇒ Transit
- ⇒ Freight

TRANSPORTATION DEPT
 Program: MULTIMODAL SYSTEMS

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	16,155	16,156	16,156	16,156	32,312
Subtotal - Forecast Base	16,155	16,156	16,156	16,156	32,312
Total	16,155	16,156	16,156	16,156	32,312
State Airports					
Current Appropriation	19,383	19,383	19,383	19,383	38,766
Subtotal - Forecast Base	19,383	19,383	19,383	19,383	38,766
Governor's Recommendations					
State Airports Fund Reduction		(1,900)	0	0	0
Total	19,383	17,483	19,383	19,383	38,766
Trunk Highway					
Current Appropriation	6,010	6,010	6,010	6,010	12,020
Technical Adjustments					
Approved Transfer Between Appr			598	598	1,196
Subtotal - Forecast Base	6,010	6,010	6,608	6,608	13,216
Total	6,010	6,010	6,608	6,608	13,216
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	15,200	17,073	16,156	16,156	32,312
State Airports	14,462	22,404	19,383	19,383	38,766
Trunk Highway	6,114	7,337	6,608	6,608	13,216
Open Appropriations					
Greater Minnesota Transit	8,146	9,067	8,460	8,720	17,180
Statutory Appropriations					
Special Revenue	72,580	25,878	21,216	2,298	23,514
State Airports	793	2,078	1,203	1,203	2,406
Federal	98,143	185,281	134,610	135,468	270,078
Miscellaneous Agency	229	343	248	248	496
Total	215,667	269,461	207,884	190,084	397,968
<u>Expenditures by Category</u>					
Total Compensation	12,962	12,676	12,226	11,672	23,898
Other Operating Expenses	6,621	13,324	9,024	8,749	17,773
Capital Outlay & Real Property	71,732	31,753	23,292	5,203	28,495
Payments To Individuals	60	60	60	60	120
Local Assistance	123,032	207,597	160,597	161,715	322,312
Other Financial Transactions	1,260	4,051	2,685	2,685	5,370
Total	215,667	269,461	207,884	190,084	397,968
<u>Expenditures by Activity</u>					
Aeronautics	91,683	128,088	123,961	123,961	247,922
Transit	111,554	118,581	68,151	50,351	118,502
Freight	12,430	22,792	15,772	15,772	31,544
Total	215,667	269,461	207,884	190,084	397,968
<u>Full-Time Equivalent (FTE)</u>					
	156.5	156.8	152.8	150.3	

Activity Description

The Aeronautics activity exists to accomplish the following statutory goals:

- ⇒ To enhance aviation safety and promote aviation by assuming a leadership role in providing educational, technical, and financial assistance for developing and maintaining an excellent air transportation system for the social and economic benefit of all.
- ⇒ Support development and maintenance of a system of airports.
- ⇒ Establish and operate a system of navigation aids.
- ⇒ Connect Minnesota trade centers with the nation and the world.

Activity at a Glance

- ◆ 14,300 licensed Minnesota pilots
- ◆ 5,000 active, registered aircraft
- ◆ 136 airports in state aviation system plan
- ◆ 6 privately-owned, public use airports
- ◆ 19 public-use seaplane bases
- ◆ 34 million commercial passengers were served by Minnesota airports
- ◆ 22 airports in the adopt an airport program

Population Served

Business Travelers: Corporate executives, trades people, sales people, government employees, business, and corporate airline travelers, etc.

Personal Travelers: People traveling for non-work purposes including trips for recreation, medical purposes, vacations, etc.

Carriers: Those carrying goods and people – Delivery services such as US Mail, UPS, FEDEX, etc.; Airlines such as Minnesota based Northwest Airlines, Mesaba Airlines, Champion Air and Sun Country Air Lines; Air Charter; and Corporate aircraft.

Shippers: Those businesses making decisions about which mode to use for the shipment of their company's goods within or through our state to local or international destinations.

Emergency Services Operators: Emergency personnel using our transportation system in an emergency capacity such as state patrol, air ambulance, aerial fire fighting, and local police.

Communities and Neighborhoods: Individuals or groups that gather for "issue or event-specific" aviation purposes.

Industry Employees, Aviation Colleges and Universities, Teachers, and Students: Individuals who receive education, training and development assistance. This includes promotional efforts to future industry employees.

Infrastructure Providers: Airport owners, planning organizations, consultants, and vendors.

Services Provided

Airport System Investment and Planning

This service provides technical, financial, and administrative assistance to publicly owned airports for aviation system planning; airport master planning; site selection; airport zoning; airspace issues; airport layout plans; project development and programming; land acquisition; project design; construction management; maintenance activities; and equipment purchases.

Financial aid can be requested by municipalities for eligible airport projects in the form of state airport improvement grants and Federal Aviation Administration Airport Improvement Program grants. In the application for financial aid the municipality must show the project scope and justification, the estimated cost, the time schedule, and the availability of local matching funds. Minnesota Department of Transportation (Mn/DOT) applies for federal aid on behalf of municipalities; receives and disburses all federal funds as required by state law; reviews and approves project plans, specifications, and contract documents; prepares and administers state-aid agreements; conducts periodic on-site inspections to ensure compliance with contract documents and grant agreements; approves change orders and partial and final payments; and prepares and processes the state-aid payments.

In much the same manner, the office administers three additional funding programs. The Airport Maintenance Grant Program provides a state reimbursement for a portion of documented eligible maintenance expenses up to a certain amount that is based on the airport's infrastructure. The hangar loan program provides loan monies to municipalities for the construction of storage hangars. An air service marketing grant program is to encourage the

preservation and expansion of scheduled passenger air carrier service to greater Minnesota airports. The grant may also be used to study the feasibility of air service initiatives and enhancements. Enroute and terminal navigational aids are installed at no cost to the local government and in partnership with the Federal Aviation Administration.

Aviation System Management

This service provides aviation users with the continued reliability of infrastructure investments such as airport pavement, maintenance, and navigational aids repair and maintenance. In addition, this service provides safety and regulatory compliance including safety seminars, training programs the registration of aircraft and licensing of airports and commercial aviation operators on the airports. The office directs and manages the development of educational materials, curriculum, and programs that create statewide aviation education. In addition, the office collaborates with colleges, universities, K-12 schools, businesses, airports, organizations, and industry to provide information and activities to enhance the public's knowledge of the social and economic impact of aviation in Minnesota. This is accomplished through sponsorship of events and creation of innovative interactive programs.

Traveler Information

This service provides critical weather information to pilots by gathering statewide weather information through a network of 67 automated weather observation systems III (AWOS) facilities which transmit the information to the National Weather Service who processes and makes the information available through national weather networks. Computers are strategically placed at airports throughout the state so the current weather data is available. Weather information is also distributed via public television Channel 17 in the Twin Cities area and via cable and dish networks in out-state Minnesota. This information is used by many user groups other than aviation such as school systems, farmers, contractors, and individuals who wish to make informed decisions on their activities.

Air Transportation Operations

Air transportation services are provided to state employees, the legislature, University personnel and constitutional officers when conducting official business using state owned aircraft. Services are provided in one eight passenger 1993 Beechcraft King Air B200, and one six passenger 1981 Beechcraft King Air C90. Aircraft are scheduled upon receipt of a telephone request, followed by a written air travel request signed by an approving authority.

This service also offers "air shuttle" service to cities with Mn/DOT offices on a rotating basis on Tuesdays and Thursdays. Service is provided to Duluth/Eveleth and Bemidji/Detroit Lakes. The schedule is designed to conform closely to normal work hours and allows users about six hours at each destination. Shuttle flights depart from the St. Paul Downtown Airport. Service on the shuttle is available to other state agencies on a space available basis. Mn/DOT charges a single rate per mile for all aircraft.

Aeronautics Administration

This service oversees the function of accounting, purchasing and inventory control; secretarial support; budget preparation; monitors the spending plan; training coordination; and facilitates management of the Aeronautics office building.

Historical Perspective

Grants Authority:

State Construction Grants, M.S. 360.011, 360.015, 360.305. Municipalities that own airports receive grants to finance capital improvements. Airports must be zoned or in the process of being zoned to be eligible for a construction grant. The agency maintains a 5-year Capital Improvement Plan (CIP) that lists potential projects with estimated costs and time schedules.

State Maintenance Grants M.S. 360.011, 360.015, 360.305. The agency issues maintenance grants to municipalities that own airports for part of their operating and maintenance costs. To be eligible for the grant, the municipality must zone the airport. The agency establishes a maximum reimbursement for each airport based on

TRANSPORTATION DEPT

Program: MULTIMODAL SYSTEMS

Activity: AERONAUTICS

Narrative

the area of runway, and taxiway, and the size of lighting system(s). Each category has a state/local cost share, and a maximum allowable reimbursement.

Airport Improvement Program (A.I.P.) Grants – Federal, M.S. 360.011, 360.015, 360.016. The Federal Aviation Administration (FAA) issues grants to municipalities for capital improvements to their airports. The airport must be a part of the National Plan of Integrated Airport Systems to be eligible for a grant. The FAA uses a rating system to evaluate and rank projects for programming purposes. Under state law, Mn/DOT serves as agent for communities when they apply for a federal grant, as well as receiver and disbursing officer of the funds to the municipality.

Key Measures

- ⇒ More than 86% of the 40 Regional Trade Center Airports will have a pavement condition of good or better and less than 4% will have pavement condition of poor by 2023. In 2003, 88% of pavements were rated good or better and 3% were poor or worse. Based on local CIPs estimated levels will be 83% good and 3% poor in 2004, and 79% good and 5% poor in 2005. The 2006 estimated levels will be 71% good and 7% poor and 64% good and 10% poor in 2007.
- ⇒ Mn/DOT operated navigational aids will have an operating reliability of 98% or greater under current funding. The 2001 level was 98.03%.
- ⇒ The Office of Aeronautics, the FAA, and customer groups will work to reduce general aviation crashes to 30 per year by 2023, down from 37 in 2001. Fatalities will be reduced to six per year by 2023, down from eight in 2001 (3-year averages).
- ⇒ Weather dissemination services will be increased by 20% in the biennium. A measure for pilot and traveler access to weather information is being developed.
- ⇒ 90% of the population of Minnesota is within one hour's driving time of an airport providing regularly scheduled air service. The current level is 91%, meeting the target (1999).
- ⇒ 90% of the population of Minnesota is within thirty miles of a paved and lighted airport. The current level is 99.6% (1999).

Activity Funding

The state airports fund, a statutory dedicated fund, supports this program. Income to this fund comes from the aviation fuel tax, the aircraft registration tax, the airline flight property tax, and investment income. The Federal Airport Improvement Program (A.I.P.) grants to municipalities also help to support the program.

Contact

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TRANSPORTATION DEPT
 Program: MULTIMODAL SYSTEMS
 Activity: AERONAUTICS

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Direct Appropriations by Fund</u>					
State Airports					
Current Appropriation	19,383	19,383	19,383	19,383	38,766
Subtotal - Forecast Base	19,383	19,383	19,383	19,383	38,766
Governor's Recommendations					
State Airports Fund Reduction		(1,900)	0	0	0
Total	19,383	17,483	19,383	19,383	38,766
Trunk Highway					
Current Appropriation	1,012	1,012	1,012	1,012	2,024
Technical Adjustments					
Approved Transfer Between Appr			(175)	(175)	(350)
Subtotal - Forecast Base	1,012	1,012	837	837	1,674
Total	1,012	1,012	837	837	1,674
<u>Expenditures by Fund</u>					
Direct Appropriations					
State Airports	14,462	22,404	19,383	19,383	38,766
Trunk Highway	607	1,067	837	837	1,674
Statutory Appropriations					
Special Revenue	46	3	3	3	6
State Airports	793	2,078	1,203	1,203	2,406
Federal	75,775	102,536	102,535	102,535	205,070
Total	91,683	128,088	123,961	123,961	247,922
<u>Expenditures by Category</u>					
Total Compensation	3,611	3,805	3,805	3,805	7,610
Other Operating Expenses	4,129	9,284	6,618	6,618	13,236
Capital Outlay & Real Property	13	129	129	129	258
Local Assistance	83,768	113,442	112,709	112,709	225,418
Other Financial Transactions	162	1,428	700	700	1,400
Total	91,683	128,088	123,961	123,961	247,922
Full-Time Equivalent (FTE)	48.9	47.0	46.0	45.0	

Activity Description

The Transit activity provides transportation alternatives to driving alone, and allows people to live independently, and to participate fully in Minnesota’s communities and economy. The goals of the state transportation system include providing transit services throughout the state to meet the needs of transit users (M.S. 174.01). In greater Minnesota the public transit participation program (M.S. 174.24) is supported by the General Fund and revenues from Motor Vehicle Sales Tax (MVST – M.S. 297B.09) that are deposited in the greater Minnesota Transit Fund (M.S. 16A.88). The program provides grants for operating and capital assistance to fund public transit service outside the metropolitan area in 65 of 80 counties. This activity also maintains a statewide system plan for bicycle transportation, supports bicycle and pedestrian systems, and promotes non-travel alternatives such as teleworking.

The Twin Cities regional transportation plan encourages development of transit ways centered on the downtowns of Minneapolis and St. Paul. Minnesota Department of Transportation (Mn/DOT) is responsible for planning, design, construction, and operation of commuter rail (M.S. 174.82) and for design and construction of Light Rail Transit (LRT) (M.S. 174.35). The first segment of Hiawatha LRT opened in June 2004 from Fort Snelling to downtown Minneapolis. The second segment from the Mall of America through the airport to Fort Snelling will be open by the end of 2004. Work is underway on one commuter rail corridor – Northstar (Big Lake to downtown Minneapolis) has completed preliminary engineering, started final design and property acquisition. The project awaits state funding to complete final design and construction. The Draft Environmental Impact Statement for Central Corridor transit improvements will be published in late 2004. A locally preferred alternative of LRT or Bus Rapid Transit on University Avenue will be selected upon completion. Alternatives analysis began in June 2004 on the Red Rock corridor (Hastings through St. Paul to downtown Minneapolis) to determine the best transit mode and route.

Activity at a Glance

- ◆ Countywide public transit provided in 65 of 80 greater Minnesota counties
- ◆ 960,000 hours of bus service
- ◆ 576 buses
- ◆ 9,049,000 passenger trips (2003 data)
- ◆ Ongoing planning activities for bicycles and pedestrians
- ◆ Hiawatha LRT line began operation in 2004
- ◆ Northstar Corridor Rail Project preliminary engineering complete
- ◆ Red Rock Corridor began Alternatives Analysis late in FY 2004
- ◆ Development of the Midwest Regional Rail Initiative underway

Population Served

Customers served by this activity include commuters (those traveling for the purpose of work) and personal travelers (those traveling to non-work destinations, including educational institutions, medical appointments, shopping centers, recreational facilities, and congregate dining). This activity benefits thousands of Minnesotans in areas where public transit is often the only means of access to life-sustaining goods, services, and work opportunities. The proportion of people who are dependent upon public transportation (the elderly, persons with disabilities, and people with low income) is expected to increase more rapidly than the population as a whole.

Transit use helps to extend investments on parallel roadways—people using transit occupy less roadway space, thereby benefiting those shippers, commuters, and travelers who must use the roadways.

Services Provided

The transit activity helps people and communities meet their mobility needs by supporting safe, responsive, efficient and environmentally sound transit services. It provides access to transit for persons who have no alternative mode of transportation available, increases the efficiency and productivity of public transit systems, maintains a state commitment to public transportation and meets other needs of individual transit systems consistent with the objectives stated in M.S. 174.21.

As economic activity, health care services, government services, and educational facilities become more concentrated in regional centers, the need to travel to and within these centers continues to increase. One of the strategies to maintain a desirable level of regional accessibility is an improved transit system—this also provides a modal choice option. A network of bus, light rail, and commuter rail services combined with bike trails and

TRANSPORTATION DEPT

Program: MULTIMODAL SYSTEMS

Activity: TRANSIT

Narrative

highways provides for such a multimodal, integrated transportation system. Corridor projects are expected to improve air quality, travel time, security, and the quality of service for Twin Cities transit customers. Projects will also enhance economic development in the corridors. Transit products and services fall into three areas:

Transit System Investment and Planning provides grants to eligible recipients to operate public transit services in greater Minnesota as well as planning, technical assistance and evaluation activities related to transit. It also develops comprehensive passenger rail transit plans that guide public investment and provides necessary information about commuter rail, light rail, and inter-city rail transportation in Minnesota. In the Twin Cities Metropolitan Area it supports transit corridor projects as well as Rideshare projects and certain Congestion Mitigation Air Quality (CMAQ) transit projects.

Transit Operations and Maintenance includes activities that support commuter bus projects such as service operation, equipment, station areas, and park and ride lots. These activities give commuters in the metro area an additional travel option in highly traveled corridors.

Transit Administration provides support services and management of transit grants and capital projects.

Historical Perspective

Minnesota established a public transit participation program to meet objectives stated in M.S. 174.21 by providing financial assistance to eligible recipients outside of the metropolitan area. Since 1-1-84, public transit systems in greater Minnesota have received state assistance through a fixed local share funding formula. These public transit systems also receive federal assistance through the Federal Transit Administration's Section 5311, Non-urbanized Area Formula Program. Currently grants are provided for operating and capital assistance to fund 66 public transit systems outside the metropolitan area. Countywide service is provided in 65 of 80 counties (seven counties are without public transit service and eight have service only in certain municipalities).

M.S. 174.84 instructed the commissioner of MN/DOT to develop a Commuter Rail System Plan by January 15, 2000. That plan identified three Tier One corridors to be completed by 2020 and three Tier Two corridors for completion after 2020. Mn/DOT has completed Preliminary Engineering on the first Tier One line, Northstar Corridor Rail Project, and is seeking funding to complete the project. The second Tier One line, Red Rock, is beginning its Alternatives Analysis. The 2002 Minnesota legislature prohibited further study of the third Tier One line, Dan Patch.

Key Measures

- ⇒ *Preserve existing public transit systems in greater Minnesota*
Maintain current level of public transit service levels in greater Minnesota – provide resources and technical assistance to maintain the current level of public transit service (service hours, trips, and number of people with access to services). The service level peaked at 960,000 hours in 2003 and is projected to decline at a rate of 2.8% per year if funding remains constant. Ridership in greater Minnesota was 9.05 million in 2003.
- ⇒ *Increase the availability of public transit service in greater Minnesota*
Meet 80% of transit service need by 2010 – increase bus service hours 7% annually.

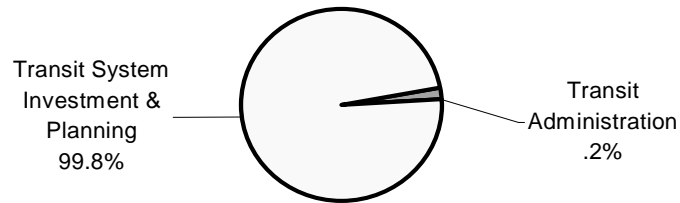
Number of counties in greater Minnesota with countywide public transit service:

<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
51	53	58	59	63	64	64	66	65	65	65 est.

- ⇒ Route miles and annual revenue service hours will be measured for commuter rail and inter-city rail when those services open.

Activity Funding**FY 2004-05 Expenditures by
Products and Services**

(Total: \$171.4 Million)



The chart above shows total expenditures for transit through Mn/DOT, including LRT construction as well as greater Minnesota transit funding from both state and federal sources.

Greater Minnesota transit systems are funded through a financial partnership that includes local, state, and federal participation. In support of this public transit service, Mn/DOT's first priority is preserving existing transit systems. Mn/DOT's Business Plan and Budget Targets also include the expansion of transit into unserved areas. Mn/DOT is the designated recipient of all FTA funds for rural transit operations in greater Minnesota, and also for certain funds used for activities such as rideshare, transit ways, corridor studies, buses and bus facilities in the Twin Cities metro area.

Mn/DOT is currently constructing the final segment of LRT in the Hiawatha Corridor. Part of the line is open with the remainder scheduled to open in late 2004. The Metropolitan Council will operate Hiawatha LRT.

During the 2004-05 Biennium, the reduction in the General Fund appropriation for greater Minnesota transit was off-set by an increase in the MVST percentage deposited in the greater Minnesota Transit Fund.

Contact

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Related documents and information:
<http://www.dot.state.mn.us/transit>
Greater Minnesota Public Transit Plan; Annual
Transit Report; Transit Programs – Federal;
Bicycle and Pedestrian Programs

<http://www.dot.state.mn.us/bike.html>
Resources for bicyclists

<http://www.dot.state.mn.us/passengerrail>
Commuter Rail Twin Cities Commuter Rail System
Plan; and Corridor Updates
Inter-City Rail Midwest Regional Rail Initiative;
LRT Hiawatha Light Rail Project

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TRANSPORTATION DEPT
 Program: MULTIMODAL SYSTEMS
 Activity: TRANSIT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	15,809	15,810	15,810	15,810	31,620
Subtotal - Forecast Base	15,809	15,810	15,810	15,810	31,620
Total	15,809	15,810	15,810	15,810	31,620
Trunk Highway					
Current Appropriation	148	148	148	148	296
Technical Adjustments					
Approved Transfer Between Appr			647	647	1,294
Subtotal - Forecast Base	148	148	795	795	1,590
Total	148	148	795	795	1,590
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	14,892	16,717	15,810	15,810	31,620
Trunk Highway	624	991	795	795	1,590
Open Appropriations					
Greater Minnesota Transit	8,146	9,067	8,460	8,720	17,180
Statutory Appropriations					
Special Revenue	71,358	22,738	18,938	20	18,958
Federal	16,305	68,725	23,900	24,758	48,658
Miscellaneous Agency	229	343	248	248	496
Total	111,554	118,581	68,151	50,351	118,502
<u>Expenditures by Category</u>					
Total Compensation	3,835	2,857	2,849	2,295	5,144
Other Operating Expenses	1,238	1,500	606	331	937
Capital Outlay & Real Property	68,180	21,424	18,163	74	18,237
Payments To Individuals	60	60	60	60	120
Local Assistance	38,241	92,740	46,473	47,591	94,064
Total	111,554	118,581	68,151	50,351	118,502
Full-Time Equivalent (FTE)	28.8	30.0	29.2	29.2	

Activity Description

This activity is designed to enhance Minnesota’s economic vitality by improving access to regional, national, and global markets through investments and policies that increase the safety and efficiency of goods movement. This activity also advances highway safety by working with providers of commercial transportation to improve and enhance the safety and security of their operations, and to assure that they are in compliance with state and federal laws.

Population Served

In 2001, Minnesota’s extensive transportation network carried in excess of 638 million tons of freight. The following is a breakdown of freight movement by mode:

- ◆ Truck - 374 Million Tons (59%)
- ◆ Rail - 208 Million Tons (33%)
- ◆ Water - 53 Million Tons (8%)
- ◆ Air – 900,000 Tons (0.1%)

Minnesota’s railroad, waterway, and highway systems provide important modes of transportation to move goods and people efficiently and economically in a crash-free manner. More specifically, the population served includes:

- | | | |
|------------------------|------------------------------|-------------------------------|
| ◆ Brokers/Forwarders | ◆ Modal Integrators | ◆ Shippers |
| ◆ Chambers of Commerce | ◆ Motor Carriers | ◆ Transportation Associations |
| ◆ Contractors | ◆ Professional Organizations | ◆ Transportation Providers |
| ◆ Farmers | ◆ Railroads | ◆ Traveling Public |
| ◆ Government Agencies | ◆ Ship and Barge Operators | |

Activity at a Glance

- ◆ Minnesota Rail Service Program (MRSI) loans distributed: \$3,395,800
- ◆ MRSI repayments: \$2,501,309
- ◆ Port Assistance grants: \$348,476
- ◆ Grade Crossing Safety Improvement: 42
- ◆ Construction Projects: 30
- ◆ Safety Performance Evaluations: 983
- ◆ Safety Classes: 185
- ◆ Permits/Credentials Issued: 99,810

Services Provided

Rail and Port Programs: Administer the Minnesota rail service improvement program, and port improvement program to revitalize rail and port facilities, and to support the state’s freight movements.

Oversize/Overweight Permits: Issue single trip and annual permits authorizing the movement of oversize/overweight loads on the state highways and interstate transportation systems within Minnesota to protect the state’s highway infrastructure, and to ensure the safety of the motoring public.

Multimodal Investment and Program Delivery: Construct grade crossing safety projects to enhance safety at public grade crossings in Minnesota.

Infrastructure Improvement: Develop and program highway and rail grading crossing safety projects and negotiate and enter into agreements with railroads when Minnesota Department of Transportation’s (Mn/DOT’s) highway construction projects affect them. This is done to enhance safety at highway/rail grade crossings, link rail facilities with the highway system, and encourage the use of rail as a transportation alternative.

Freight Planning: Develop cost-effective, multi-modal plans, to ensure that accurate, timely, and accessible information is used to support multimodal planning, investment, and policy decisions that ultimately lead to a safer and more efficient transportation system.

Education: Provide training, technical assistance, and educational outreach materials to commercial vehicle operators, shippers, and other industry groups on motor carrier safety regulations to improve transportation safety, efficiency, and productivity.

Credentials: Administer credentialing programs for intrastate and interstate motor carrier operations and shippers to ensure the authority to operate on Minnesota’s roads is given only to insured carriers who meet the state’s safety requirements.

Carrier Safety Evaluation: Conduct reviews of regulated commercial transportation providers and shippers to ensure that they comply with safety and hazardous materials regulations.

Administration Services: Provide the office with management, administration, information technology services, and coordination with Minnesota and federal agencies. In addition, develop e-government services to reduce costs for both Mn/DOT and the private sector.

Historical Perspective

As the transportation industry has increased the integration of freight transportation across all modes, Mn/DOT has responded by consolidating its offices of Motor Carrier Services and Freight, Rail, and Waterways to create the Office of Freight and Commercial Vehicle Operations (OFCVO). The mission of OFCVO is to ensure the improvement of the state's transportation system, enhance the safety and security of its operations, and keep Minnesota competitive in a global economy. Functions within the office have been combined and new duties have been added, such as Minnesota's freight and weight enforcement planning. In addition, an increased focus has been placed on security issues.

Key Measures

- ⇒ **Railroad crossing crashes:** Reduce the number of railroad crossing crashes by 2% each year until 2023 (15 crashes). There were 69 crashes in 2003 (three-year average).
- ⇒ **Railroad crossing fatalities:** Reduce the number of railroad fatalities by 2% each year until 2023 (two fatalities). There were seven fatalities in 2003 (three-year average).
- ⇒ **Truck related fatalities:** Increase the safety and security of the transportation system and its users to reduce the number of truck related fatalities. A Comprehensive Highway Safety Plan is being developed to establish specific performance measures for truck related fatalities and crashes.
- ⇒ **Railroad crossings programmed for safety improvement:** Save lives at railroad highway grade crossings by programming 40 in FY 2005 and 24 in FY 2006.
- ⇒ **Minnesota-based intrastate passenger carriers safety scores:** Increase the level of safety performance of passenger carriers (special transportation service, limousine, motor carriers of passengers). Targets for passenger carriers with an acceptable safety rating are 75% in 2005 and 80% in 2006.
- ⇒ **Web-based electronic permit and credential transactions:** Increase the number of Web-based permit and credential applications.
 - ◆ FY 2003 – 10%
 - ◆ FY 2004 – 22.5 %
 - ◆ The target for FY 2005 and FY 2006 is 40%

Contact

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TRANSPORTATION DEPT
 Program: MULTIMODAL SYSTEMS
 Activity: FREIGHT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	346	346	346	346	692
Subtotal - Forecast Base	346	346	346	346	692
Total	346	346	346	346	692
Trunk Highway					
Current Appropriation	4,850	4,850	4,850	4,850	9,700
Technical Adjustments					
Approved Transfer Between Appr			126	126	252
Subtotal - Forecast Base	4,850	4,850	4,976	4,976	9,952
Total	4,850	4,850	4,976	4,976	9,952
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	308	356	346	346	692
Trunk Highway	4,883	5,279	4,976	4,976	9,952
Statutory Appropriations					
Special Revenue	1,176	3,137	2,275	2,275	4,550
Federal	6,063	14,020	8,175	8,175	16,350
Total	12,430	22,792	15,772	15,772	31,544
<u>Expenditures by Category</u>					
Total Compensation	5,516	6,014	5,572	5,572	11,144
Other Operating Expenses	1,254	2,540	1,800	1,800	3,600
Capital Outlay & Real Property	3,539	10,200	5,000	5,000	10,000
Local Assistance	1,023	1,415	1,415	1,415	2,830
Other Financial Transactions	1,098	2,623	1,985	1,985	3,970
Total	12,430	22,792	15,772	15,772	31,544
Full-Time Equivalent (FTE)	78.8	79.8	77.6	76.1	

Program Description

This program involves all aspects of the road systems owned and operated by the Minnesota Department of Transportation (Mn/DOT). It covers the Trunk Highway System, as well as related assets, such as rest areas, trails, and park and ride facilities. The responsibilities include planning, design, purchasing right-of-way, construction, maintenance and operations of the road system, and all associated appurtenances such as, shoulders, drainage structures, bridges, signals, signs, lighting, striping, etc. Not only does it include the entire Trunk Highway System, it also includes managing the entire trunk highway right-of-way associated with the system. These responsibilities include managing leases, reconveying right-of-way, identifying encroachments, etc. Facilities, equipment and materials are necessary to support many of these activities. Other supporting activities include materials testing, technical training, and managing inventory centers across the state. Accommodation of bikes, pedestrians, and other modes are integrated into the highway planning process when appropriate.

Budget Activities Included:

- ⇒ Infrastructure Investment and Planning
- ⇒ Infrastructure Operations and Maintenance
- ⇒ Electronic Communications

TRANSPORTATION DEPT
Program: STATE ROADS

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	9	9	9	9	18
Subtotal - Forecast Base	9	9	9	9	18
Total	9	9	9	9	18
Trunk Highway					
Current Appropriation	1,045,215	1,115,649	1,115,649	1,115,649	2,231,298
Technical Adjustments					
Approved Transfer Between Appr			(207)	(207)	(414)
Current Law Base Change			25,000	25,000	50,000
February Forecast Adjustment			(4,493)	3,803	(690)
Subtotal - Forecast Base	1,045,215	1,115,649	1,135,949	1,144,245	2,280,194
Governor's Recommendations					
Debt Service Increase-2005 TH Bonding		0	474	2,834	3,308
Electronic Communications Increase		0	875	875	1,750
Maintenance Operations Increase		0	8,625	8,625	17,250
State Road Construction Decrease		0	(133,500)	(29,500)	(163,000)
Total	1,045,215	1,115,649	1,012,423	1,127,079	2,139,502
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	2	16	9	9	18
Trunk Highway	958,668	1,217,792	1,012,423	1,127,079	2,139,502
Statutory Appropriations					
Special Revenue	8,745	27,630	13,538	13,538	27,076
Trunk Highway	1,841	26,340	21,177	21,177	42,354
Federal	5,509	5,074	2,621	2,478	5,099
Miscellaneous Agency	19	2,446	53	53	106
Total	974,784	1,279,298	1,049,821	1,164,334	2,214,155

TRANSPORTATION DEPT
 Program: STATE ROADS

Program Summary

Dollars in Thousands

	Current		Governor Recomm.		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<u>Expenditures by Category</u>					
Total Compensation	264,560	273,570	278,166	278,179	556,345
Other Operating Expenses	153,148	172,665	128,477	128,321	256,798
Capital Outlay & Real Property	551,746	770,641	585,415	689,415	1,274,830
Payments To Individuals	1	0	0	0	0
Local Assistance	1,137	1,839	1,199	1,199	2,398
Other Financial Transactions	4,358	60,583	56,564	67,220	123,784
Non-Cash Transactions	(166)	0	0	0	0
Total	974,784	1,279,298	1,049,821	1,164,334	2,214,155
<u>Expenditures by Activity</u>					
Infrastructure Invest & Plng	771,755	1,043,970	830,868	945,381	1,776,249
Infrastructure Oper & Maint	192,233	225,605	211,238	211,238	422,476
Electronic Communications	10,796	9,723	7,715	7,715	15,430
Total	974,784	1,279,298	1,049,821	1,164,334	2,214,155
Full-Time Equivalent (FTE)	4,127.9	4,232.8	4,097.9	4,001.5	

Activity Description

The Infrastructure Investment and Planning Budget Activity sets goals and policy, gathers and evaluates data, and recommends alternatives for future action. It also commits available transportation funds over a period of several years to specific projects. This activity provides transportation system investment decisions that meet the needs and promote the transportation goals of the people of Minnesota. In addition, it provides expert analytical support, information, and direction for determining and implementing improvements to the state road and bridge system.

Activity at a Glance

- ◆ 11,918 centerline trunk highway miles
- ◆ 29,074 lane miles of interstate and regular trunk highways
- ◆ 252,202 acres of right-of-way (including wetland and ponds)
- ◆ 79 rest areas
- ◆ 4,458 miles of on-road bikeways
- ◆ 4,714 trunk highway bridges

Population Served

The Infrastructure Investment and Planning Budget Activity serves the federal and state governments, the legislature, local governments and entities, and the general public.

Services Provided

The Infrastructure Investment and Planning Budget Activity provides the following services:

Statewide System Planning and Integration

Performs short and long-range planning and policymaking activities for transportation programs and investments, including the Statewide Transportation Plan, State Transportation Improvement Program (STIP), Area Transportation Improvement Program (ATIP), corridor plans, district plans, bike and pathways planning, and other multi-modal planning. Also, administers Minnesota Department of Transportation’s (Mn/DOT’s) research program.

State Roads Investment

Manages the implementation of the state road construction program and the federal funding programs. This service includes fiscal management of payments to consultants and contractors for road and bridge construction, property owners for right-of-way acquisition, and consultants for research contracts. This service also includes financial tracking, regulation, and transportation program guidance and analysis.

Construction Project Development

Performs all of the activities that must be done before a construction project begins, including the six milestones of scoping, construction limits, environmental documentation, right-of-way acquisition, plan delivery, and letting.

Construction Project Management

Performs testing and inspection of materials used in construction projects, conducts field inspections to monitor construction projects, completes project documentation, and approves contractor payment requests.

Highway Debt Service

Provides for the repayment of trunk highway bond debt and debt related to local government advances.

Key Measures

- ⇒ Interregional Corridors (IRC) Travel Speed – Percent of miles meeting speed targets of 60 mph for High Priority Interregional Corridors (HPIRC) and 55 mph for Medium Priority Interregional Corridors (MPIRC). IRC Travel Speed performance was measured at 85% in 2002.
- ⇒ Duration and Extent of Congestion – Average percent of Twin City urban freeway system congested (i.e. percent of miles that operate at average speeds below 45 mph for any length of time in AM or PM peak periods). In 2003, 23% of urban freeway system miles were congested, up from 20% in 2002 before the ramp meter shutdown.
- ⇒ Crash Locations and Fatalities – Number of High-Crash-Cost Trunk Highway (TH) locations improved per year, and number of fatalities on all roads per year. According to the 2004-06 STIP, the number of High-

TRANSPORTATION DEPT

Program: STATE ROADS

Activity: INFRASTRUCTURE INVEST & PLNG

Narrative

Crash-Cost TH locations improved per year will be 60 in 2004 and 31 in 2005. The target is to improve 40 or more High-Crash-Cost locations each year. There were 606 fatalities in 2001, 617 in 2002, and 627 in 2003.

- ⇒ Customer Ride Quality/Pavement Serviceability Rating (PSR) – Percent of pavement (Principal Arterial) miles rated “Good,” “Fair,” and “Poor.” “Good” ratings fell from 76.7% in 2001 to 72.0% in 2002 to 63.6% in 2003. “Poor” ratings rose from 1.5% in 2001 to 2.0% in 2002 to 2.6% in 2003. Ongoing targets are over 70% for “Good” and less than 2% being “Poor.”
- ⇒ Structural Condition of Bridges (Principal Arterials) – Percent of Principal Arterial Bridges that are rated “Good,” “Fair,” and “Poor” (by square foot area) on the National Bridge Inventory (NBI) scale. Bridge “Good” ratings were measured at 56.3% in 2001, 53.3% in 2002 and 51.8% in 2003. Bridge “Poor” ratings measured 4.1% in 2001, 4.4% in 2002, and 4.2% in 2003. The long-term target is 2.0% in “Poor” condition.
- ⇒ Construction Project Schedule – Percent of all Mn/DOT projects in the first year of the STIP let for construction in the fiscal year they are scheduled. In 2002, 81% of the projects were let. In 2003, 84% of the projects were let. The ongoing target is 90%.

Activity Funding

This area is generally funded by trunk highway fund appropriations, but it has received some General Fund appropriations in the past as well as some trunk highway bonding authority.

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TRANSPORTATION DEPT

Program: STATE ROADS

Activity: INFRASTRUCTURE INVEST & PLNG

Budget Activity Summary

Dollars in Thousands

	Current		Governor's Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Direct Appropriations by Fund</u>					
Trunk Highway					
Current Appropriation	836,593	907,027	907,027	907,027	1,814,054
Technical Adjustments					
Approved Transfer Between Appr			7,213	7,213	14,426
Current Law Base Change			25,000	25,000	50,000
February Forecast Adjustment			(4,493)	3,803	(690)
Subtotal - Forecast Base	836,593	907,027	934,747	943,043	1,877,790
Governor's Recommendations					
Debt Service Increase-2005 TH		0	474	2,834	3,308
Bonding					
State Road Construction Decrease		0	(133,500)	(29,500)	(163,000)
Total	836,593	907,027	801,721	916,377	1,718,098
<u>Expenditures by Fund</u>					
Direct Appropriations					
Trunk Highway	765,075	1,001,860	801,721	916,377	1,718,098
Statutory Appropriations					
Special Revenue	5,051	23,427	10,943	10,943	21,886
Trunk Highway	220	16,140	16,600	16,600	33,200
Federal	1,390	2,451	1,551	1,408	2,959
Miscellaneous Agency	19	92	53	53	106
Total	771,755	1,043,970	830,868	945,381	1,776,249
<u>Expenditures by Category</u>					
Total Compensation	135,274	135,913	134,627	134,640	269,267
Other Operating Expenses	80,783	75,032	53,063	52,907	105,970
Capital Outlay & Real Property	551,038	770,603	585,415	689,415	1,274,830
Local Assistance	1,137	1,839	1,199	1,199	2,398
Other Financial Transactions	3,689	60,583	56,564	67,220	123,784
Non-Cash Transactions	(166)	0	0	0	0
Total	771,755	1,043,970	830,868	945,381	1,776,249
Full-Time Equivalents (FTE)	1,995.0	2,025.1	1,937.3	1,884.5	

Activity Description

The Infrastructure Operations and Maintenance budget activity provides the personnel, equipment, and materials necessary to maintain, operate, and preserve the state's Trunk Highway and Interstate Highway System on a daily basis including roadways, bridges, roadsides, safety appurtenances, traffic control, and management devices and the equipment and buildings associated with those tasks.

Population Served

Any customer that travels on the state Trunk Highway or Interstate System or relies upon the highway system to deliver goods and services is the population served in this budget activity. Minnesota Department of Transportation (Mn/DOT) has identified the following primary customer groups/segments. These segments are:

- ⇒ Commuters: Bus riders, carpoolers, Single-Occupancy Vehicles (SOV) etc. – those traveling for the purpose of work.
- ⇒ Personal Travelers: Bus riders, pedestrians, SOVs, etc. – those traveling for non-work purposes including trips for shopping, entertainment, medical appointments, vacations, etc.
- ⇒ Carriers: Those carrying goods throughout – truckers, pilots, barge operators, etc.
- ⇒ Shippers: Those making decisions about which mode to use for the shipment of their company's goods within or through our state. Examples of these decisions include: shipments via barge/air/rail/truck and combinations thereof.
- ⇒ Farmers: Those with farming as their primary occupation. They often interface with Mn/DOT as adjacent landowners, shippers and as carriers.
- ⇒ Emergency Vehicle Operators: Emergency personnel using our transportation system in an emergency capacity such as: state patrol, ambulance, fire, police, tow trucks, etc.
- ⇒ Communities and Neighborhoods: These are individuals that gather for "issue-specific" purposes, such as transportation-related issues in their neighborhood, or environmental groups such as the Sierra Club.

Services Provided

The Infrastructure Operations and Maintenance activity includes a broad group of services necessary to operate and maintain the Trunk Highway and Interstate System to provide a safe, smooth trip with a reliable travel time. The service categories and product descriptions are:

- ⇒ **Smooth Roads:** This product and/or service provide paving, drainage repair, shoulder repair, and surface repair to ensure a smooth ride. Roads are measured for surface rideability annually so that customers receive the best ride possible.
- ⇒ **Clear Roads:** This product and/or service provides for clearing roadways of snow and ice and removal of debris. Targets have been established based on customer expectations for removal of snow and ice for all roadway types based on volumes (i.e. the supercommuter system target is to have the highway lanes bare one to three hours after a snow event has ceased).
- ⇒ **Traffic Management:** This product and/or service provides signing and lighting of roadways, striping and message painting, installing and repairing guardrails, operating the Traffic Management Centers, operating and repairing traffic signals and devices and providing traveler information via updates on radio, changeable message signs, internet and telephones.
- ⇒ **Roadsides:** This product and/or service provide the planting, spraying, mowing, noxious weed control (legally mandated), litter pickup (adopt a highway), brush and tree removal, rest area maintenance, and property management.
- ⇒ **Bridges:** This product and/or service provide annual bridge inspections, necessary and emergency bridge repairs, and normal maintenance required to keep structures safe and in service.

Activity at a Glance

- ◆ 11,918 centerline trunk highway miles
- ◆ 29,074 lane miles of interstate and regular trunk highways
- ◆ 252,202 acres of right-of-way (including wetland and ponds)
- ◆ 1,061 buildings (including truck stations, traffic management centers, and rest areas)
- ◆ 4,770 adopt a highway groups
- ◆ 4,458 miles of on-road bikeways
- ◆ 2,071 Traffic Management Systems (signals, ramp meters, Changeable Message Sign (CMS), Close Circuit Television (CCTV))
- ◆ 4,714 trunk highway bridges

TRANSPORTATION DEPT

Program: STATE ROADS

Activity: INFRASTRUCTURE OPER & MAINT

Narrative

- ⇒ **Regulation:** This product and/or service issues permits, controls work by contractors on the right-of-way and identifies safe routes for trucking with wide or overweight loads.
- ⇒ **Fleet/Facility Management and Inventory Control:** This product and/or service acquires, maintains, and leases the vehicles and equipment to deliver multiple products and services as well as provides building operation and maintenance contract services for state-owned buildings and facilities under Mn/DOT's jurisdiction including rest areas. Also, the purchasing, warehousing materials, receiving, handling and issuing materials, record keeping, and hazardous waste coordination.

Historical Perspective

The state's Trunk Highway and Interstate Highway System represents an investment of billions of dollars by the people of Minnesota and has taken decades to develop. The extensive work performed in the tasks included in Infrastructure Operations and Maintenance reflects Mn/DOT's commitment to maintain and preserve the system for the benefit of the state. Minnesota's economic growth has resulted in increased travel and goods shipments. Concentrations of employment and economic activity in the Twin Cities metropolitan area have increased vehicle miles driven and congestion on metro area roadways. Rising incomes have increased disposable income and the number of vehicles, thereby increasing vehicle miles of travel. Traffic fatality rates have declined, but the number of fatalities has increased. The percentage of Minnesota households with three or more vehicles has increased. The percentage of Minnesotans who drive a long distance to work has increased. Truck travel is increasing, with the rate of growth greatest for small shipments.

Minnesotans' public satisfaction with overall road maintenance fell below target the last three years. Evaluation of market research indicates that road smoothness is the leading factor bringing down the overall satisfaction. "Pothole repair" was the most frequently mentioned factor behind customers' rating. Pavement Ride Quality and Remaining Service Life has been on a three-year decline and Pavement Public Satisfaction for Ride Quality has been below target every year. Pavement preservation and preventive maintenance activities are competing with new road construction projects for funds.

Key Measures

There are key measures that provide overall performance indicators for the Infrastructure Operations and Maintenance budget activity.

Safety

- ⇒ **Crash Rate and High Crash Locations:** This measure looks at the Trunk Highway crashes per million Vehicle Miles Traveled (VMT) (three-year average). Mn/DOT strives for a 1.5% annual reduction in crash rate. In 2002, the Trunk Highway crash rate was 1.23 crashes per million VMT (three-year average). It was 1.26 in 2001. Mn/DOT strives to improve 40 or more High-Crash cost Trunk Highway locations each year. In 2003, 40 projects were completed and 60 projects are scheduled in 2004.
- ⇒ **Fatalities – all state and local roads:** Mn/DOT is leading the development of a Minnesota Comprehensive Safety Plan (CHSP) in partnership with the Department of Public Safety, counties, cities, enforcement, and other safety stakeholders. Its primary goal is to reduce fatal and life changing crashes. This plan complements efforts of the Federal Highway Administration (FHWA) in setting a goal of reducing fatal crash rates in the U.S. from 1.5 fatalities per million vehicle miles (MVM) in 2002 to 1.0 fatalities/MVM in 2008. The plan will be completed in the fall of 2004 and a 2008 interim goal will be established. Mn/DOT's 20-year target is to reduce fatalities for all state and local roads to 600 or 0.72 fatalities/MVM (moderate target) and 550 or 0.68 fatalities/MVM (aggressive target) by 2023. The number of fatalities in 2001 was 606, in 2002 it was 657 and in 2003 it was 655. The rate for 2003 was 1.2 fatalities/MVM.

Smooth Roads

- ⇒ **Customer Ride Quality:** This measure is a percentage of pavement (Principal Arterial/Interregional Corridors (IRC)) miles meeting good and poor performance. Mn/DOT aims to achieve a greater than 70% pavement mile rating of good and less than 2% pavement miles of poor. The 2003 level was 63.6% "Good" and 2.6% "Poor". This measure is in a three-year decline.

TRANSPORTATION DEPT

Program: STATE ROADS

Activity: INFRASTRUCTURE OPER & MAINT

Narrative

⇒ **Physical Condition of Pavement:** This measures average years of remaining service life (RSL) of the road pavement (Principal Arterials/IRC's). Mn/DOT aims to achieve 12 to 13 years on average of remaining service life. The current level is near 12 years. The target is for less than 10% of the system to have less than three years of remaining life and more than 50% to have greater than 12 years remaining life. The current level in 2003 is 20.2% less than three years life and 43.2% more than 12 years life. This measure is in a three-year decline.

Clear Roads and Traffic Management

⇒ **Snow and Ice Removal: Hours to Bare Lane:** This measure provides guidance to operations on customer expectation regarding snow and ice removal. It is measured in hours to bare lanes by highway classification based on volumes. Targets are: supercommuter one to three hours, urban commuter two to five hours, rural commuter four to nine hours, primary collector six to 12 hours, and secondary collector nine to 36 hours. The hours of overtime, tons of chemical and pieces of equipment utilized are all based on the need to satisfy these targets. The funds spent to satisfy these targets vary by the type of winter encountered. The winter of 2003-2004 was the second worst winter encountered since 2000. In the winter of 2003-2004 targets were met statewide for all classes of highways with an average 7.8 hours to regain bare lane. The Urban Commuter class was at the high end of the target range at 5.0 hours.

⇒ **Pavement Markings and Signing:** This measure provides for managing the retro reflectivity of signs and pavement markings on and along Trunk Highways and Interstate Highways. These measures were changed in 2003. The goal for pavement markings is to have a 365-day/night visible stripe/marking on the roadway to guide motorists and other highway users. The target is to have 100% of pavement marking to be above the retro reflective values for replacement. In 2003, 5% of the lines were below the retro reflective values. Beginning in 2006, more durable markings will need to be replaced which will increase cost to meet target. The goal for sign replacement is 12 to 15 years, depending on the type of sheeting used and the sign purpose (i.e. regulatory, informational, or directional). The target to meet this goal is to replace 8% of all signs annually. In 2003, 6.5% of the signs were replaced.

⇒ **Incident Clearance Time:** Traffic incidents can cause up to 50% of congestion on Twin City freeway systems. The incident clearance time is measured on the Twin Cities freeway system between 6:00 am and 7:00 pm on weekdays. The target is clear incidents within 35 minutes. In 2003, the average clearance time was 37.3 minutes. This is the third year in a row the target has not been met.

⇒ **Duration and Extent of Congestion:** Average percent of Twin City urban freeway system congested (i.e. percent of miles that operate at average speeds below 45 mph for any length of time in AM or PM peak periods). In 2003, 21% of urban freeway system miles were congested, compared to 20.5% in 2002 and 20% in 2001.

Bridges

⇒ **Structural Condition of Bridges (PA):** This measures the percent of all bridges meeting a good and poor target (Principal Arterials & IRCs by square foot areas). Mn/DOT's 20-year goal is to improve the structural condition of bridges so that 65% or greater are in good condition and 2% or less are in poor condition. In 2003 52% were good and 4.2% were poor. The good condition bridges have been on a decline. Operations and Maintenance supports this measure by providing inspection procedures that determines the structural condition of bridges, performs routing and emergency maintenance on bridge structures when necessary and makes suggestions for improvement to designs to increase the longevity and safety of bridges. With preventative maintenance, good and satisfactory conditions can be prolonged.

Activity Funding

This activity is funded by direct appropriation from the Trunk Highway Fund.

TRANSPORTATION DEPT

Program: STATE ROADS

Activity: INFRASTRUCTURE OPER & MAINT

Narrative

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TRANSPORTATION DEPT

Program: STATE ROADS

Activity: INFRASTRUCTURE OPER & MAINT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Direct Appropriations by Fund</u>					
Trunk Highway					
Current Appropriation	203,641	203,641	203,641	203,641	407,282
Technical Adjustments					
Approved Transfer Between Appr			(7,520)	(7,520)	(15,040)
Subtotal - Forecast Base	203,641	203,641	196,121	196,121	392,242
Governor's Recommendations					
Maintenance Operations Increase		0	8,625	8,625	17,250
Total	203,641	203,641	204,746	204,746	409,492
 <u>Expenditures by Fund</u>					
Direct Appropriations					
Trunk Highway	187,231	209,517	204,746	204,746	409,492
Statutory Appropriations					
Special Revenue	3,380	3,903	2,295	2,295	4,590
Trunk Highway	1,581	9,748	4,127	4,127	8,254
Federal	41	83	70	70	140
Miscellaneous Agency	0	2,354	0	0	0
Total	192,233	225,605	211,238	211,238	422,476
 <u>Expenditures by Category</u>					
Total Compensation	124,917	133,730	139,371	139,371	278,742
Other Operating Expenses	66,630	91,875	71,867	71,867	143,734
Capital Outlay & Real Property	16	0	0	0	0
Payments To Individuals	1	0	0	0	0
Other Financial Transactions	669	0	0	0	0
Total	192,233	225,605	211,238	211,238	422,476
 Full-Time Equivalentents (FTE)	 2,069.9	 2,148.8	 2,103.7	 2,062.1	

Activity Description

The electronic communications activity provides expertise in electronic communication technologies by addressing the wireless communications needs of state and local agencies:

- ⇒ Provide policy development, planning, engineering, budget preparation, project management, equipment installation, and system maintenance.
- ⇒ Supply telecommunications services and electronic systems to customers by designing and maintaining local, regional, and statewide communications networks, mobile fleet radios, base station equipment and other voice and data systems.
- ⇒ Oversee the development, procurement, installation, acceptance and ongoing operation and maintenance of the Twin Cities metropolitan area region-wide 800MHz public safety radio system.
- ⇒ Support agencies through service contracts, which reimburse the Trunk Highway Fund.

Population Served

Many agencies of state government have large mobile work forces that rely on mobile communications in the performance of their daily operations. The Minnesota Department of Transportation (Mn/DOT) has the largest single fleet within state government. Currently Mn/DOT has nearly 5,000 employees, many with technical backgrounds in a variety of fields. Of those 5,000 employees, nearly 3,000 use mobile radio communications. Mn/DOT employees have high expectations of technology to meet their ongoing business needs. Since Mn/DOT operations can extend around the clock, communications systems must provide reliable service 24 hours per day, seven days a week. In addition to Mn/DOT, the Office of Electronic Communications (OEC) serves the Department of Public Safety (DPS), the Department of Natural Resources (DNR), and other state and local agencies upon request. OEC is reimbursed for cost of services provided to other agencies. Approximately 32% of this activity is billed for reimbursement.

In addition to state agencies, OEC indirectly serves 25,000 Public Safety professionals within the nine county metropolitan area through its maintenance of the regional public safety radio system backbone.

Services Provided*Electronic Communications Investment and Planning:*

This service provides specialized technical, engineering, and maintenance expertise in wireless communications systems, electronic technologies, Intelligent Transportation Systems (ITS), and local and wide area data networks. Manages the wireless communications and electronic systems used by state government in their delivery of public safety services, management of resources, and performance of daily operations. Provides overall electrical engineering technical direction for the strategic and tactical planning of state government's voice and data telecommunications systems involving public safety radio. Provides electronic and communications system engineering expertise for various Mn/DOT office and district projects including ITS. Acts as public safety frequency advisor for the state of Minnesota, which is responsible for radio spectrum allocation for virtually all city and county governments in the state. Provides customer training and guidance in development and implementation of user operational procedures.

Activity at a Glance**Communications Infrastructure Maintenance:**

- ◆ 2,375 mobile repairs
- ◆ 677 base repairs
- ◆ 756 preventative maintenance inspections
- ◆ 395 tower/building sites maintained

Electric Equipment Repair:

- ◆ Serve MN/DOT, DPS, DNR electronic equipment repairs – Road Weather Information System (RWIS) system, Cameras, Variable Message Signs (VMS), ITS devices, Weight Scales, Gate controls, Smart truck, and Mayday.

Communications System Upgrades:

- ◆ 1,631 mobile installations
- ◆ 135 base installs
- ◆ 21 system installs

System Planning/Integration:

- ◆ 21 network related engineering projects

Inventory Control:

- ◆ Supplies to 16 repair facilities statewide.

Electronic Communications Management:

This service provides for the ongoing maintenance and repair of the communications and electronic equipment used in the daily operations and emergency response activities of state agencies. The activities associated with this service include installation, repair, replacement, minor system upgrades, and ongoing maintenance. Provides for the maintenance of the facilities (towers, shelters, generators) needed to support the states wireless telecommunications infrastructure, and the maintenance for electronic equipment, systems and technology such as road weather systems, traffic weight scale electronics, variable message signs, etc. The service includes ownership and parts and electronics (P&E) inventory responsibilities of Mn/DOT's two-way radio fleet. This service also provides emergency technical on call response for public safety electronic communications systems.

Electronic Communications Administration:

This service provides for the administrative support needed to deliver the products and services of the OEC. The administrative support services include fiscal operations, human resources management, accounts receivable, and clerical support. Provides leasing coordination, processing, and tracking for Mn/DOT and other OEC customers to obtain and manage communications tower sites. Inventory control center operations are also provided to assure that parts and equipment are supplied when needed to effectively execute the maintenance, repair, and installation activities of the office. This centralized inventory control center serves the field radio repair shops located throughout the state.

Historical Perspective

Many of the services that OEC customer agencies provide directly to the public rely on communications or electronic technologies. Because of the specialized public-safety/public-service nature of these operations, and due to the need for fleet dispatching over wide geographic areas, these agencies operate in the private land mobile radio service. The FCC has designated separate frequency assignments to meet the needs of public safety and government service operations. Mn/DOT currently operates its own radio communication system. Other state agencies such as the DPS and the DNR also operate their own independent radio systems. The current radio systems were designed and implemented in the 1970s. While mobile and base equipment is upgraded on a scheduled replacement cycle, the overall technology (wideband analog) is not compatible with proposed Federal Communications Commission changes. The state may have to consider replacing existing systems with independent digital narrowband systems, or implementing a single shared digital radio system. At the county and municipal levels this redundancy in radio systems and the need to replace aging equipment also exists.

Key Measures

This activity is funded by direct appropriation from the Trunk Highway Fund, as well as reimbursements for cost of services provided to other agencies.

Our customers' equipment is getting more compact in size, and the number of features they demand is increasing. This has increased the cost of new equipment and the complexity and cost of repairing and maintaining it. To maximize funding resources we are sharing and exchanging tower facilities to minimize the cost of new construction. Financial resources affect Mn/DOT's ability to provide new electronic systems, upgrades of existing systems, requested expansion of current systems, replacement of aging or inefficient communications equipment. The performance of the communications systems affects the efficiency, effectiveness, and safety of Mn/DOT and our partner agencies.

Activity Funding

There are two measures that provide overall performance indicators for the electronic communications activity. Each of these global measures have several contributing factors, which are considered sub-measures. The two indicators are statewide system coverage and system wide reliability and maintenance.

⇒ **Statewide Electronics Communications System Coverage:** System coverage is the most visible measurement of system performance. All other measurements contribute in some way to maintain, or enhance this measurement. Standards for modern public safety systems recommend a coverage standard of 95% for radio systems. All five systems maintained by Mn/DOT have a coverage target of 95%. The Patrol

TRANSPORTATION DEPT

Program: STATE ROADS

Activity: ELECTRONIC COMMUNICATIONS

Narrative

and DNR Very High Frequency (VHF) systems measure *portable* radio coverage and are currently providing 82% and 69% coverage respectively. The Mn/DOT radio system measures *mobile* coverage and it is currently at 87% The Mobile Data Computer (MDC) system covers 53% of the major corridors. The 800 MHZ Trunked system provides 95% portable coverage throughout the seven county metro area.

⇒ **Systemwide Electronics Communications Reliability/Maintenance:** The percent of time that any given system is fully operational along with the lead time needed to bring failed systems back into operation make up the system reliability. This measurement is comprised of three factors: equipment repair, equipment replacement, and preventative maintenance. A target rating of 10 for Reliability/ Maintenance is the goal; the actual rating for FY 2004 was 6.6.

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TRANSPORTATION DEPT
 Program: STATE ROADS
 Activity: ELECTRONIC COMMUNICATIONS

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	9	9	9	9	18
Subtotal - Forecast Base	9	9	9	9	18
Total	9	9	9	9	18
Trunk Highway					
Current Appropriation	4,981	4,981	4,981	4,981	9,962
Technical Adjustments					
Approved Transfer Between Appr			100	100	200
Subtotal - Forecast Base	4,981	4,981	5,081	5,081	10,162
Governor's Recommendations					
Electronic Communications Increase		0	875	875	1,750
Total	4,981	4,981	5,956	5,956	11,912
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	2	16	9	9	18
Trunk Highway	6,362	6,415	5,956	5,956	11,912
Statutory Appropriations					
Special Revenue	314	300	300	300	600
Trunk Highway	40	452	450	450	900
Federal	4,078	2,540	1,000	1,000	2,000
Total	10,796	9,723	7,715	7,715	15,430
<u>Expenditures by Category</u>					
Total Compensation	4,369	3,927	4,168	4,168	8,336
Other Operating Expenses	5,735	5,758	3,547	3,547	7,094
Capital Outlay & Real Property	692	38	0	0	0
Total	10,796	9,723	7,715	7,715	15,430
Full-Time Equivalents (FTE)	63.0	58.9	56.9	54.9	

Program Description

The purpose of the Local Roads Program is to supervise the distribution of county and municipal state aid highway funds and federal aid funds to counties and cities, and to provide direction and assistance to the counties and cities in the use of these monies for the construction and maintenance of local roads and bridges on their transportation network. The Local Roads Program also includes minor funding for other transportation systems, including townships, and support and oversight activities for the local bridge replacement program.

Budget Activities Included:

- ⇒ County State Aid Roads
- ⇒ Municipal State Aid Roads

TRANSPORTATION DEPT
Program: LOCAL ROADS

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Direct Appropriations by Fund</u>					
Municipal State Aid Street					
Current Appropriation	112,290	114,661	114,661	114,661	229,322
Technical Adjustments					
Forecast Open Appr Adjustments			2,387	6,180	8,567
Subtotal - Forecast Base	112,290	114,661	117,048	120,841	237,889
Total	112,290	114,661	117,048	120,841	237,889
County State Aid Highway					
Current Appropriation	433,312	433,631	433,631	433,631	867,262
Technical Adjustments					
Forecast Open Appr Adjustments			7,704	20,317	28,021
Subtotal - Forecast Base	433,312	433,631	441,335	453,948	895,283
Total	433,312	433,631	441,335	453,948	895,283
<u>Expenditures by Fund</u>					
Direct Appropriations					
Municipal State Aid Street	134,642	114,661	117,048	120,841	237,889
County State Aid Highway	403,331	433,631	441,335	453,948	895,283
Open Appropriations					
Municipal State Aid Street	2,318	2,628	2,389	2,467	4,856
County State Aid Highway	7,694	8,908	9,007	10,680	19,687
Statutory Appropriations					
Federal	125,876	130,023	130,000	130,000	260,000
Total	673,861	689,851	699,779	717,936	1,417,715
<u>Expenditures by Category</u>					
Total Compensation	5,071	4,969	4,967	4,967	9,934
Other Operating Expenses	5,104	6,567	6,429	8,180	14,609
Capital Outlay & Real Property	29,413	25,000	25,000	25,000	50,000
Local Assistance	634,356	653,315	663,383	679,789	1,343,172
Non-Cash Transactions	(83)	0	0	0	0
Total	673,861	689,851	699,779	717,936	1,417,715
<u>Expenditures by Activity</u>					
County State Aid Roads	536,901	572,562	580,342	594,628	1,174,970
Municipal State Aid Roads	136,960	117,289	119,437	123,308	242,745
Total	673,861	689,851	699,779	717,936	1,417,715
Full-Time Equivalents (FTE)	62.3	59.3	57.7	57.7	

Activity Description

The County State Aid activity primarily deals with the 29% of the Highway User Tax Distribution Fund (HUTDF) that is allocated to counties. These funds are apportioned to the individual counties according to a formula prescribed in law, and by the commissioner of Transportation with the advice of a screening board consisting of county engineers. These dollars are apportioned to the counties for both maintenance and construction activities on the 30,401 miles of county state aid highways. Dollars spent in rural areas generally improve safety and the structural capacity of the roads to move goods, while the dollars spent in the metro area are often for safety and capacity improvements. Counties select construction projects and perform maintenance activities within their jurisdictions. The State Aid for Local Transportation (SALT) Division reviews and approves individual construction plans for compliance with standards and rules.

Activity at a Glance

- ◆ Supervise the distribution of funds to the 87 counties for their use in building and maintaining the CSAH system.
- ◆ Authorize grants for bridge construction.
- ◆ Provide technical assistance in areas of design, construction, and maintenance.
- ◆ Promulgate rules and procedures for management of the State Aid system.
- ◆ Administer grants and loans for Local Road Improvement Program.

The County State Aid Highways (CSAH) system is continuing to age and the miles of highway in good condition decreased by over 400 miles during the past biennium.

Population Served

The SALT Division provides program support and project delivery services to 87 counties, and also to townships and other governmental agencies with state-aid or federal-aid projects.

Services Provided

County State Aid Administration Services support the county state-aid program, including the needs study; information resources; such as access to accident records; payment services; technical and financial advice, oversight, coordination and representation. It provides counties with guidance in establishing or modifying a state aid system that moves people and goods. Support and oversight activities for the local bridge replacement program are included in this activity. The bridge replacement program and the Local Road Improvement Plan were not addressed during the capital bonding session and therefore are addressed in this program narrative.

County State Aid Investment Services pertain to the county's construction, maintenance and project delivery costs. It also includes the SALT Division's project specific activities and the research program. The SALT Division is responsible to fulfill the state's statutory roles in the areas of design, construction and maintenance of the CSAH system. The SALT Division approves construction plans and project funding requests to ensure consistency with the rules for State Aid Operation.

The bridge replacement program provides matching funds for federal bridge replacement projects, townships that rely on this source of funding to supplement their budgets, and for other local bridge replacement funding needs.

Federal Local Aid Services are activities resulting from the federal transportation act funds that are available to cities, counties, and other agencies for road and bridge construction and transportation enhancement projects. In addition to doing all the project specific activities as they do for state aid projects, the SALT Division acts as agent for the local authorities in the administration of their federal construction contracts and also fulfills the state's obligations for federal oversight of all local federal aid projects. SALT Division assists agencies in fulfilling the requirements for federal aid requirement such as public involvement, and in developing documentation to comply with environmental and historical requirements.

The Local Roads program also receives funding for some other accounts that have been included in the county state aid activity. The state park road account funds projects selected by the Department of Natural Resources (DNR) to provide access to state parks and recreational areas. The town road account is distributed to township

governments for the maintenance of township roads, and the town bridge account is allotted to the counties for their use in replacing deficient township bridges.

Historical Perspective

The SALT Division assists the counties in using their dollars on the priority projects in their areas, but there is increasing pressure to use the available dollars on preservation-type projects rather than long-term system improvements because of the compelling need to preserve what is in place.

Key Measures

The products and services provided by the SALT Division are monitored through performance measures based upon customer satisfaction and also through direct measures of level of service provided in key areas.

Age of System

- ⇒ Currently about 24% of the system mileage is considered to be in good condition (less than 25 years since the roadway was last graded).
- ⇒ Currently about 53% of the system mileage is considered to be in fair condition (more than 25 years, but less than 50 years since the roadway was last graded).
- ⇒ Currently about 23% of the system mileage is considered to be in poor condition (more than 50 years since the roadway was last graded).

The need of our customers includes a desire for a smooth, uninterrupted trip, with no delays from road surface conditions. This expectation implies that the system age should not deteriorate from the present condition and that investments will be made at a rate at or above the aging rate, which is not the case. To keep the system from deteriorating, 596 miles of road need to be rebuilt each year; currently 370 miles are being rebuilt.

Activity Funding

Funds in the HUTDF are distributed to state roads, county state-aid highways, and municipal state-aid streets by a constitutionally defined formula of 62% state, 29% county, and 9% municipal. Of the funds designated for counties and cities, 1.5% is set aside by statute for the operating expenses of SALT Division and for system-wide expenditures.

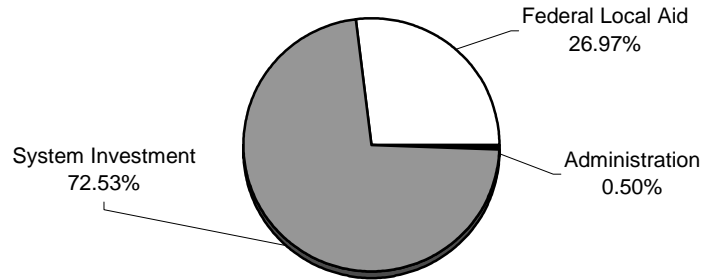
Federal funds are distributed by the Area Transportation Partnerships (ATP) in each of the Minnesota Department of Transportation (Mn/DOT) Districts. Local Roads receive a portion of the total federal funding available based upon a competitive system, which varies by ATP. The federal funding product activity involves not only roadway projects, but also other Federal Highway Administration aid directed to local agencies, including such program categories as transportation enhancements and scenic byways.

Cities remain interested in taking over jurisdiction of lower priority trunk highways. The 1998 legislature created a flexible account to be used for trunk highway and turn back program needs. The commissioner of Transportation consults with committees representing statewide county and municipal associations before determining how to propose the biennial budget for flexible account dollars.

Expenditures by Product/Service

FY 2004 Total = \$503.2 Million)

Data as of 7/31/02



Contact

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TRANSPORTATION DEPT
 Program: LOCAL ROADS
 Activity: COUNTY STATE AID ROADS

Budget Activity Summary

Dollars in Thousands

	Current		Governor's Recomm.		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<u>Direct Appropriations by Fund</u>					
County State Aid Highway					
Current Appropriation	433,312	433,631	433,631	433,631	867,262
Technical Adjustments					
Forecast Open Appr Adjustments			7,704	20,317	28,021
Subtotal - Forecast Base	433,312	433,631	441,335	453,948	895,283
Total	433,312	433,631	441,335	453,948	895,283
<u>Expenditures by Fund</u>					
Direct Appropriations					
County State Aid Highway	403,331	433,631	441,335	453,948	895,283
Open Appropriations					
County State Aid Highway	7,694	8,908	9,007	10,680	19,687
Statutory Appropriations					
Federal	125,876	130,023	130,000	130,000	260,000
Total	536,901	572,562	580,342	594,628	1,174,970
<u>Expenditures by Category</u>					
Total Compensation	3,781	3,665	3,663	3,663	7,326
Other Operating Expenses	4,076	5,243	5,344	7,017	12,361
Capital Outlay & Real Property	29,413	25,000	25,000	25,000	50,000
Local Assistance	499,714	538,654	546,335	558,948	1,105,283
Non-Cash Transactions	(83)	0	0	0	0
Total	536,901	572,562	580,342	594,628	1,174,970
Full-Time Equivalents (FTE)	46.2	44.1	42.5	42.5	

Activity Description

The Municipal State Aid activity primarily deals with the 9% of the Highway User Tax Distribution Fund (HUTDF) that is allocated to cities over 5,000 populations. These funds are apportioned to the individual cities according to a formula prescribed in law, and by the commissioner of Transportation with the advice of a screening board consisting of city engineers. These dollars are apportioned to cities for both maintenance and construction on the 3,116 miles of state aid streets. Construction projects improve safety. Many projects are designed to relieve congestion and improve structural capacity to improve the movement of goods. The cities select the construction projects and perform maintenance activities within their jurisdictions. The State Aid for Local Transportation (SALT) Division reviews and approves individual construction plans for compliance with standards and rules.

Activity at a Glance

- ◆ Supervise the distribution of funds to 133 cities for their use in building and maintaining the MSAS system.
- ◆ Authorize grants for bridge construction.
- ◆ Provide technical assistance in areas of design, construction, and maintenance.
- ◆ Promulgate rules and procedures for management of the State Aid system.
- ◆ Administer loans and grants from Local Road Improvement Program.

The Municipal State Aid Street (MSAS) system is continuing to age and the miles of street considered being in good condition decreased by 16 miles during the past biennium.

Population Served

The SALT Division provides program support and project delivery services to approximately 133 cities.

Services Provided

Municipal State Aid Administration Services support the municipal state-aid program, including the needs study; information resources, such as access to accident records; payment services; technical and financial advice, oversight, coordination, and representation. It provides cities with guidance in establishing or modifying a state aid system that moves people and goods.

Municipal State Aid System Investment Services pertain to the city's construction, maintenance and project delivery costs. It also includes the SALT Division's project specific activities and the research program. The SALT Division is responsible to fulfill the state's statutory roles in the areas of design, construction, and maintenance of the MSAS system. The SALT Division approves construction plans and project funding requests to ensure consistency with the rules for State Aid Operation.

Historical Perspective

The number of cities sharing in the 9% Municipal State Aid Fund has increased from 112 in 1990 to 133 in 2004 which means that there are more cities sharing in the allotments. SALT assists the cities in using their dollars on the priority projects in their areas, but there is increasing pressure to use the available dollars on preservation-type projects rather than long-term system improvements because of the compelling need to preserve what is in place.

Key Measures

The products and services provided by the SALT Division are monitored through performance measures based upon customer satisfaction and also through direct measures of level of service provided in key areas.

Age of System

- ⇒ Currently about 37% of the system mileage is considered to be in good condition (less than 20 years since the roadway was last graded).
- ⇒ Currently about 30% of the system mileage is considered to be in fair condition (more than 20 years, but less than 40 years since the roadway was last graded).

TRANSPORTATION DEPT

Program: LOCAL ROADS

Activity: MUNICIPAL STATE AID ROADS

Narrative

⇒ Currently about 33% of the system mileage is considered to be in poor condition (more than 40 years since the roadway was last graded).

The need of our customers includes a desire for a smooth, uninterrupted trip, with no delays from road surface conditions. This expectation implies that the system age should not deteriorate from the present condition and that investments will be made at a rate at or above the aging rate, which is not the case. To keep the system from deteriorating, 53 miles of road need to be rebuilt each year; currently 45 miles are being rebuilt.

Activity Funding

Funds in the HUTDF are distributed to state roads, county state-aid highways, and municipal state-aid streets by a constitutionally defined formula of 62% state, 29% county, and 9% municipal. Of the funds designated for counties and cities, 1.5% is set aside by statute for the operating expenses of SALT Division and for system-wide expenditures.

Federal funds are distributed by the Area Transportation Partnerships (ATP) in each of the Minnesota Department of Transportation (Mn/DOT) Districts. Local Roads receive a portion of the total federal funding available based upon a competitive system, which varies by ATP. The federal funding product activity involves not only roadway projects, but also other Federal Highway Administration aid directed to local agencies, including such program categories as transportation enhancements and scenic byways. The dollars flow through the county state aid road program since they are the primary local agency receiving these funds.

Cities remain interested in taking over jurisdiction of lower priority trunk highways. The 1998 legislature created a flexible account to be used for trunk highway and turn back program needs. The commissioner of Transportation consults with committees representing statewide county and municipal associations before determining how to propose the biennial budget for flexible account dollars.

Contact

For additional information about this program contact:

Julie Skallman, Director

State Aid for Local Transportation

Mail Stop 500

395 John Ireland Boulevard

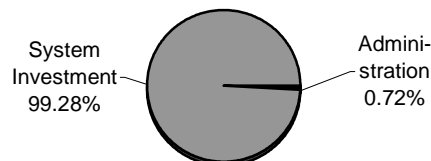
Saint Paul, Minnesota 55155-1899

Phone: (651) 296-9872

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FY 2004 Expenditures by Product/Service

(Total = 110.5 Million)



TRANSPORTATION DEPT
 Program: LOCAL ROADS
 Activity: MUNICIPAL STATE AID ROADS

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Direct Appropriations by Fund</u>					
Municipal State Aid Street					
Current Appropriation	112,290	114,661	114,661	114,661	229,322
Technical Adjustments					
Forecast Open Appr Adjustments			2,387	6,180	8,567
Subtotal - Forecast Base	112,290	114,661	117,048	120,841	237,889
Total	112,290	114,661	117,048	120,841	237,889
<u>Expenditures by Fund</u>					
Direct Appropriations					
Municipal State Aid Street	134,642	114,661	117,048	120,841	237,889
Open Appropriations					
Municipal State Aid Street	2,318	2,628	2,389	2,467	4,856
Total	136,960	117,289	119,437	123,308	242,745
<u>Expenditures by Category</u>					
Total Compensation	1,290	1,304	1,304	1,304	2,608
Other Operating Expenses	1,028	1,324	1,085	1,163	2,248
Local Assistance	134,642	114,661	117,048	120,841	237,889
Total	136,960	117,289	119,437	123,308	242,745
Full-Time Equivalent (FTE)	16.1	15.2	15.2	15.2	

Program Description

The General Support and Services program provides strategic policy, direction, and guidance that lead to new and/or improved services. The goal of this program is to effectively and efficiently guide and support the Minnesota Department of Transportation's (Mn/DOT) business of providing transportation system leadership, management, information and key business services that continuously improve management of Mn/DOT's resources, including:

- ◆ *products/services* to clear the way for managers to concentrate maximum effort on meeting customers needs, services delivered in a timely and cost effective manner, and
- ◆ *products/services* that continuously deliver performance improvement at all levels in the organization.

Budget Activities Included:

- ⇒ Department Support
- ⇒ Buildings

TRANSPORTATION DEPT

Program: GENERAL SUPPORT & SERVICES

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	56	56	56	56	112
Subtotal - Forecast Base	56	56	56	56	112
Total	56	56	56	56	112
State Airports					
Current Appropriation	25	25	25	25	50
Subtotal - Forecast Base	25	25	25	25	50
Total	25	25	25	25	50
Trunk Highway					
Current Appropriation	56,349	51,899	51,899	51,899	103,798
Technical Adjustments					
Approved Transfer Between Appr			(391)	(391)	(782)
Subtotal - Forecast Base	56,349	51,899	51,508	51,508	103,016
Governor's Recommendations					
Small Buildings Request		0	4,000	4,000	8,000
Total	56,349	51,899	55,508	55,508	111,016

TRANSPORTATION DEPT

Program: GENERAL SUPPORT & SERVICES

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	56	56	56	56	112
State Airports	0	50	25	25	50
Trunk Highway	50,062	57,203	55,508	55,508	111,016
Open Appropriations					
State Airports	52	51	51	51	102
Trunk Highway	5,567	5,289	5,289	5,289	10,578
Highway Users Tax Distribution	472	621	621	621	1,242
Statutory Appropriations					
Special Revenue	123	207	117	117	234
Federal	145	948	17	17	34
Miscellaneous Agency	0	5	0	0	0
Total	56,477	64,430	61,684	61,684	123,368
<u>Expenditures by Category</u>					
Total Compensation	26,886	26,884	26,535	26,545	53,080
Other Operating Expenses	23,981	37,546	31,149	31,139	62,288
Capital Outlay & Real Property	5,609	0	4,000	4,000	8,000
Local Assistance	1	0	0	0	0
Total	56,477	64,430	61,684	61,684	123,368
<u>Expenditures by Activity</u>					
Department Support	41,307	49,885	45,094	45,094	90,188
Buildings	15,170	14,545	16,590	16,590	33,180
Total	56,477	64,430	61,684	61,684	123,368
Full-Time Equivalents (FTE)	344.1	340.8	326.4	315.5	

Activity Description

The Department Support budget activity exists to provide executive leadership, set policy and strategic direction to ensure the Minnesota Department of Transportation (Mn/DOT) provides a coordinated transportation network that is safe, user-friendly and responds to the values of Minnesota's citizens. Department Support also provides general management and specialized support services that efficiently and effectively directs the management and administration of the department's financial, human and capital resources. In addition, this activity provides for Affirmative Action program guidance and ensures equal opportunity for employment in the construction trades on Mn/DOT projects.

Activity at a Glance

- ◆ Department Support consists of approximately 354 Employees.
- ◆ Department Support serves all of Mn/DOT, approximately 4,895 employees
- ◆ Department Support accounts for approximately 3% of the department's budget.

Population Served

The Department Support budget activity serves all of Mn/DOT, which has identified the following (external) customer segments: commuters, personal travelers, emergency vehicle operators, farmers, carriers, shippers using trucks, and shippers using multimodal transport modes. Internal department customer segments include: executives and senior managers, managers and supervisors, general support and services employees in the operational business units, and all employees. Additional main customers include other state and federal agencies.

Services Provided

Department Leadership and Management services include all general leadership, system planning and integration efforts including activities such as government relations and management of partnerships that make the transportation system work.

Financial Services include statewide financial planning, forecasting, analysis, budgeting and management of federal and state funds, and project and innovative finance initiatives.

Communications Services includes strategic communications planning and consultation that help Mn/DOT gather customer input for improved decision making, manage media relations to enhance public understanding of transportation objectives, provide information to the public upon which they can rely, update travelers on travel options and traffic conditions and communicate with employees so they can perform their jobs more effectively.

General Administrative Support incorporates a wide range of services including materials management, contracting and purchasing activities, accounting and payroll services, employee services, contingency planning, security, mail and document services, administrative rule-making, occupational safety and health services including workers compensation, employee benefits administration, and equal employment opportunity guidance and oversight for construction contracts.

Human Resources/Workforce Management Services provides the full range of human resource management and staffing services, workforce planning, recruitment, development and retention, diversity and affirmative action initiatives; labor relations, employee and policy development and oversight.

Technology Services includes leadership and management of enterprise-wide and specialized information technology plans and investments, operation and support of information technology services and systems, and development of information resource systems and applications.

Key Measures

- ⇒ Skilled and Productive Workforce: hiring and retention of a skilled, productive and diverse workforce is critical for Mn/DOT and our ability to deliver our programs.
- ⇒ Work has begun to develop measures that support hiring and maintaining a workforce that is skilled and diverse. A key focus area will be to identify the availability of candidates that match our program needs.

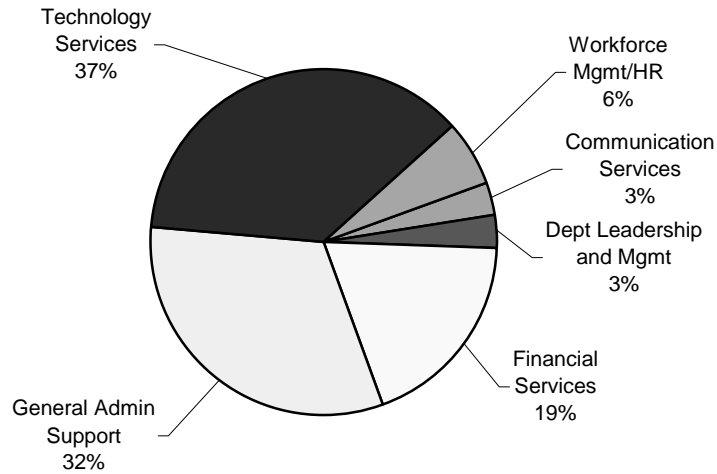
TRANSPORTATION DEPT

Program: GENERAL SUPPORT & SERVICES

Activity: DEPARTMENT SUPPORT

Narrative

Allocations Among Services Provided:



Activity Funding

This activity is primarily funded by direct appropriation from the Trunk Highway Fund.

Contact

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TRANSPORTATION DEPT

Program: GENERAL SUPPORT & SERVICES

Activity: DEPARTMENT SUPPORT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Direct Appropriations by Fund</u>					
State Airports					
Current Appropriation	25	25	25	25	50
Subtotal - Forecast Base	25	25	25	25	50
Total	25	25	25	25	50
Trunk Highway					
Current Appropriation	38,628	38,628	38,628	38,628	77,256
Technical Adjustments					
Approved Transfer Between Appr			346	346	692
Subtotal - Forecast Base	38,628	38,628	38,974	38,974	77,948
Total	38,628	38,628	38,974	38,974	77,948
<u>Expenditures by Fund</u>					
Direct Appropriations					
State Airports	0	50	25	25	50
Trunk Highway	34,948	42,714	38,974	38,974	77,948
Open Appropriations					
State Airports	52	51	51	51	102
Trunk Highway	5,567	5,289	5,289	5,289	10,578
Highway Users Tax Distribution	472	621	621	621	1,242
Statutory Appropriations					
Special Revenue	123	207	117	117	234
Federal	145	948	17	17	34
Miscellaneous Agency	0	5	0	0	0
Total	41,307	49,885	45,094	45,094	90,188
<u>Expenditures by Category</u>					
Total Compensation	24,892	24,797	24,448	24,458	48,906
Other Operating Expenses	16,411	25,088	20,646	20,636	41,282
Capital Outlay & Real Property	3	0	0	0	0
Local Assistance	1	0	0	0	0
Total	41,307	49,885	45,094	45,094	90,188
Full-Time Equivalent (FTE)	315.6	312.8	299.4	288.9	

Activity Description

This building activity covers the facilities investment and planning (planning, programming, construction) and facilities operations and maintenance (maintenance, repair, operation and administration) of buildings owned or occupied by the Minnesota Department of Transportation (Mn/DOT). This includes leased space and facilities in partnership with other political subdivisions.

This activity is governed by M.S., Ch. 174.03 Duties of the Commissioner, Subd. 4 (1), construct and maintain transportation facilities as authorized by law.

Population Served

Facilities need to be routinely operated, maintained, repaired, constructed and/or upgraded to provide for our mission of providing support facilities for Mn/DOT. Space is required for vehicle storage and repairs, ancillary equipment, and installed facility-supporting equipment. Facilities are provided at correct locations for operations so that Mn/DOT employees can efficiently and promptly respond to the highway users needs. These facilities are constructed to accommodate program requirements; new equipment demands or is regulatory or building code driven. Further, Mn/DOT facilities are built and maintained to support and meet transportation systems user needs, and to respond to environmental and safety concerns.

Mn/DOT also provides space for other state agencies to perform their missions. The Minnesota State Patrol is located in the majority of our headquarters facilities, numerous truck stations and provides a presence in major highway rest areas. Driver and Vehicle Services currently operates in a number of our headquarters facilities, providing customer services to the citizens of Minnesota.

Services Provided

This activity provides support facilities to MN/DOT through two product and service lines:

- ⇒ Facilities Investment and Planning
Planning, programming, budget development, design, and construction of department facilities. Further includes the supervision of consultants hired to perform these functions.
- ⇒ Facilities Operations and Maintenance
Performing the necessary, maintenance and repairs to keep facilities operating for intended purpose. Development and enforcement of facility standards, building codes compliance and other regulatory requirements, and partnership agreements with other political subdivisions. Includes the administrative functions associated with custodial work, supplies and services, and telecommunications support.

Historical Perspective

Every year, Mn/DOT uses the building budget process to review and plan with building users and division staff, the deficiencies and needs for immediate and future building space and renewals. The process generally results in an eight to 10 year plan for projects. This process also develops annual required maintenance and repair projects. Presently, the plan lists over 300 maintenance and repair projects scheduled for completion this year, and over 250 smaller ongoing projects for future years.

Wherever and whenever possible, Mn/DOT partners with local government subdivisions to construct facilities that will provide savings in effort, methods of operation, efficiencies of manpower and taxpayer monies. Mn/DOT has a limited in-house architectural design and construction staff, capable of producing project documentation, bidding, construction supervision and inspection. When in-house service capabilities are reached, projects are reviewed and grouped for efficiencies and location, then contracted with consultants for design and limited

Activity at a Glance

Mn/DOT owns and operates 1,061 buildings with a total of 5,835,566 square feet, including:

- ◆ 131 Truck Station Sites
- ◆ 18 Regional/HQ maintenance sites
- ◆ Five Special Service Sites
- ◆ 52 Class I Rest Area Sites
- ◆ 25 Class II Rest Area Sites
- ◆ Eight Truck Weigh Stations
- ◆ 90 Radio Communication Sites
- ◆ 289 Salt/Sand Loading Sites
- ◆ Facilities estimated replacement cost of \$498,471,680
- ◆ Funded by direct appropriation from the Trunk Highway Fund

construction services. Mn/DOT staff continues to provide facility standards, equipment requirements, and specification details. Further, this staff supervises and coordinates consultant services as project managers.

Key Measures

Mn/DOT has established a number of key measures to provide status of this program as well as performance measurement.

⇒ **Building Adequacy – percent of buildings meeting functional needs.**

Based on the Facilities Assessment Report developed by Mn/DOT Facilities Management Services and performed by the district physical plant supervisors. The number of facilities scoring a certain number of points determines the percent. These assessments provide Mn/DOT facility planners with information concerning building primary and secondary systems, site conditions, safety concerns, functional standards, energy conservation, barrier free access and environmental conditions. In 2004, 75% of buildings met functional needs. The target is 80%.

⇒ **Building Improvement and Replacement – percent of current biennium six-year capital budget design and construction program on schedule.**

Using the six-year construction plan, design, and construction project schedules were developed and are tracked monthly to ensure remedial action can be taken to produce plans, specifications and construction of a facility on time and on budget. The same process is used to schedule and track maintenance projects.

Contact

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TRANSPORTATION DEPT
 Program: GENERAL SUPPORT & SERVICES
 Activity: BUILDINGS

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	56	56	56	56	112
Subtotal - Forecast Base	56	56	56	56	112
Total	56	56	56	56	112
Trunk Highway					
Current Appropriation	17,721	13,271	13,271	13,271	26,542
Technical Adjustments					
Approved Transfer Between Appr			(737)	(737)	(1,474)
Subtotal - Forecast Base	17,721	13,271	12,534	12,534	25,068
Governor's Recommendations					
Small Buildings Request		0	4,000	4,000	8,000
Total	17,721	13,271	16,534	16,534	33,068
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	56	56	56	56	112
Trunk Highway	15,114	14,489	16,534	16,534	33,068
Total	15,170	14,545	16,590	16,590	33,180
<u>Expenditures by Category</u>					
Total Compensation	1,994	2,087	2,087	2,087	4,174
Other Operating Expenses	7,570	12,458	10,503	10,503	21,006
Capital Outlay & Real Property	5,606	0	4,000	4,000	8,000
Total	15,170	14,545	16,590	16,590	33,180
Full-Time Equivalents (FTE)	28.5	28.0	27.0	26.6	

TRANSPORTATION DEPT

Agency Revenue Summary

Dollars in Thousands

	Actual FY2004	Budgeted FY2005	Governor's Recomm.		Biennium 2006-07
			FY2006	FY2007	
<u>Non Dedicated Revenue:</u>					
Departmental Earnings:					
General	209	163	165	165	330
Trunk Highway	6,806	7,936	7,936	7,936	15,872
Grants:					
Municipal State Aid Street	179	179	179	179	358
County State Aid Highway	152	180	180	180	360
Trunk Highway	339,792	311,400	339,000	454,160	793,160
Other Revenues:					
General	124	50	50	50	100
State Airports	451	354	358	362	720
Municipal State Aid Street	1,456	1,500	1,500	1,500	3,000
County State Aid Highway	4,016	5,000	5,000	5,000	10,000
Trunk Highway	9,040	6,925	7,025	7,125	14,150
Highway Users Tax Distribution	705	1,020	1,020	1,020	2,040
Other Sources:					
General	37	0	0	0	0
Taxes:					
General	2,170	0	0	0	0
State Airports	13,121	13,403	13,459	13,516	26,975
Municipal State Aid Street	1,009	975	985	1,037	2,022
County State Aid Highway	3,860	3,727	3,767	3,964	7,731
Trunk Highway	239	0	0	0	0
Total Non-Dedicated Receipts	383,366	352,812	380,624	496,194	876,818
<u>Dedicated Receipts:</u>					
Departmental Earnings:					
Special Revenue	31	275	275	275	550
State Airports	342	500	500	500	1,000
Trunk Highway	2,673	2,950	2,950	2,950	5,900
Miscellaneous Agency	0	2	2	2	4
Grants:					
Special Revenue	77,409	31,762	20,644	1,726	22,370
Trunk Highway	28,020	16,100	16,100	16,100	32,200
Federal	227,724	318,005	267,038	267,753	534,791
Other Revenues:					
Special Revenue	11,614	6,220	11,932	11,932	23,864
State Airports	16	3	3	3	6
Trunk Highway	3,005	2,629	2,127	2,127	4,254
Federal	289	210	210	210	420
Miscellaneous Agency	229	249	249	249	498
Other Sources:					
Special Revenue	2,979	2,000	2,000	2,000	4,000
State Airports	654	700	700	700	1,400
Trunk Highway	0	15,333	0	0	0
Miscellaneous Agency	23	2,404	50	50	100
Total Dedicated Receipts	355,008	399,342	324,780	306,577	631,357
Agency Total Revenue	738,374	752,154	705,404	802,771	1,508,175

Federal Funds Summary

Federal Program (\$ in Thousands)	Related SFY 2004 Spending	Primary Purpose	SFY 2004 Revenues	SFY 2005 Revenues	Estimated SFY 2006 Revenues	Estimated SFY 2007 Revenues
AERONAUTICS						
Federal Airports	Variable local	GPS	\$73,786	\$100,000	\$100,000	\$100,000
Airport Inspection Program	None	SO	0	35	35	35
Air Traffic Control Training	None	GPS	1,989	2,500	2,500	2,500
TRANSIT						
Vehicle Disposition (FTA Section 16) (190821)	0% match	GPS	9	50	50	50
FTA Capital Purchases (190822)	20% local match- vehicles 20% state match- admin.	GCBO/SO	1,133	1,197	1,365	1,365
FTA Section 18 (190823)	Operating: matches with Greater MN funds & local, Capital match with 20% local	GPS/SO	6,535	15,896	8,860	8,860
Rideshare - Federal (190824)	Rideshare Grants: 20% local	GPS/SO	2,438	2,917	2,444	2,444
Planning FTA Section 5303/5313 (190831)	20% local	GPS	3,776	4,471	3,587	3,587
Central Corridor 20.500 (190833)	20% local/TH	GPS	382	2,049	0	0
Transitways 20.500 (190838)	20% local	GPS	14	7,937	0	0
STP Riverview Corridor MN90X123 20.507	20% local	GPS	790	315	0	0
Riverview & Central Corridor MN90X126 20.507	20% local	GPS	47	1,570	0	0
SW Metro CMAQ Reverse Commute (190847)	20% local	GPS	392	14	0	0
Northstar Commuter Bus MN030069 (190914)	20% state	GPS	386	4,319	0	0
U of M U-Pass MN90X135 (190850)	20% local	SO	532	76	0	0
Foley Park & Ride MN030070 (190915)	20% local	SO	0	74	74	74
STP: Northstar Preliminary FTA Section 5307 (190852)	20% state	GPS	0	707	0	0
MVTA Joint Use Facility (190908)	20% local	GPS	0	400	0	0
AEOA Transit Capital	20% local	GPS	0	405	0	0
Transitways /Red Rock/N*	20% local	GPS	114	5,758	150	150
Mower County Facility	20% local	GPS	0	495	0	0
FTA Section 5309	20% local	GPS	0	12,911	1,232	1,569
SW Metro Vehicles	20% local	GPS	0	3,194	0	0

Federal Funds Summary

Federal Program (\$ in Thousands)	Related SFY 2004 Spending	Primary Purpose	SFY 2004 Revenues	SFY 2005 Revenues	Estimated SFY 2006 Revenues	Estimated SFY 2007 Revenues
Transit Facilities	20% local	GPS	0	0	432	0
Transit Capital	20% local	GPS	0	0	788	1,000
Rush Line	20% local	GPS	0	490	0	0
Northstar Corridor	20% local	GPS	0	9,900	4,918	5,659
Bike/Ped Coordinators (190835)	State Match 20%: bike registrations	SO	80	80	80	80
FREIGHT						
Federal/Local Rail Project (190819)	Variable local	GCBO	3,539	10,000	5,000	5,000
MVRRRA	None	GPS	1,021	1,415	1,415	1,415
COMMERCIAL VEHICLES						
Motor Carrier Safety (190825)	80/20 after first \$213,000	SO	453	1,260	1,260	1,260
New Entrant Safety Assurance	None	SO	224	500	500	500
STATE ROADS						
Pooled Fund Project (190830)	20% state	SO	1,066	412	1,385	1,242
Metropolitan Planning Grants (Sec 112 Planning Grants)	20% local	GPS	12	0	0	0
HSEM Urban Initiative	None	SO	0	500	0	0
HSEM Statewide Grant	None	SO	0	300	0	0
FACT Program – EEO/ Contract Mgmt (190848)	None	SO	39	19	0	0
PIE/TERO (190879)	20% state	SO	59	325	0	0
Disadvantage Business Ent (190907)	None	SO	63	502	0	0
Biztrak (190922)	20% state	SO	0	66	0	0
Roadway Safety (190849)	None	SO	0	5	5	5
TOCC – Wireless Base Station	None	SO	2,938	2,412	1,000	1,000
Recycled Shingles	20% match	SO	54	0	0	0
Hazard Mitigation Grant	None	SO	233	38	0	0
National Mayday Readiness Initiative	None	SO	0	631	81	81
Accident Reconstruction Engineering	None	SO	14	0	0	0
Public Safety Emergency Preparedness	None		28	0	0	0
Towards Zero Deaths Committee	None	SO	28	77	70	70
Cops Radio Tower Grant (190916)	None	SO	945	52	0	0

Federal Funds Summary

Federal Program (\$ in Thousands)	Related SFY 2004 Spending	Primary Purpose	SFY 2004 Revenues	SFY 2005 Revenues	Estimated SFY 2006 Revenues	Estimated SFY 2007 Revenues
Federal Formula Highway Funds Construction			84,550	37,400	68,000	47,160
Add'l. Adv. Const	Variable		234,000	244,000	233,000	368,000
Fed Aid Operations	state	SO	<u>30,328</u>	<u>30,000</u>	<u>38,000</u>	<u>39,000</u>
			348,878	311,400	339,000	454,160
LOCAL ROADS						
Fed. County Road & Bridge (190834)	Variable local	GPS	124,844	130,000	130,000	130,000
DEPARTMENT SUPPORT						
MN Tribal Transportation Handbook	None	SO	0	20	17	17
Agency Total			\$576,841	\$636,582	\$606,248	\$722,123

Key:

Primary Purpose

SO = State Operations

GPS = Grants to Political Subdivision

GI = Grants to Individuals

GCBO = Grants to Community Based Organizations