



# 2011 NOVEMBER FORECAST Transportation Funds

Presented to House Transportation Committee  
January 30, 2012

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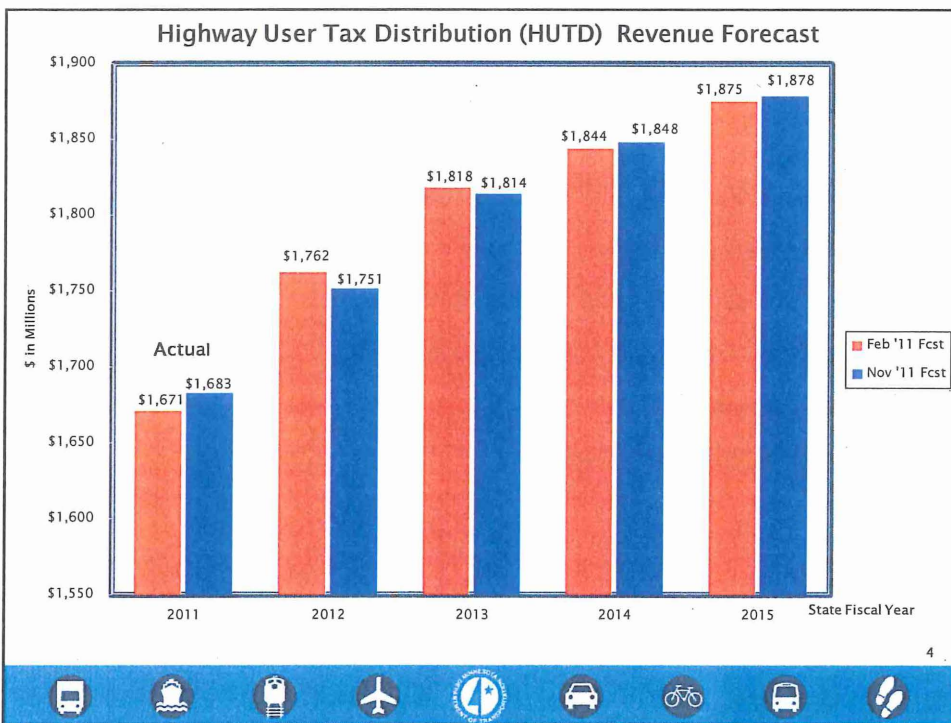
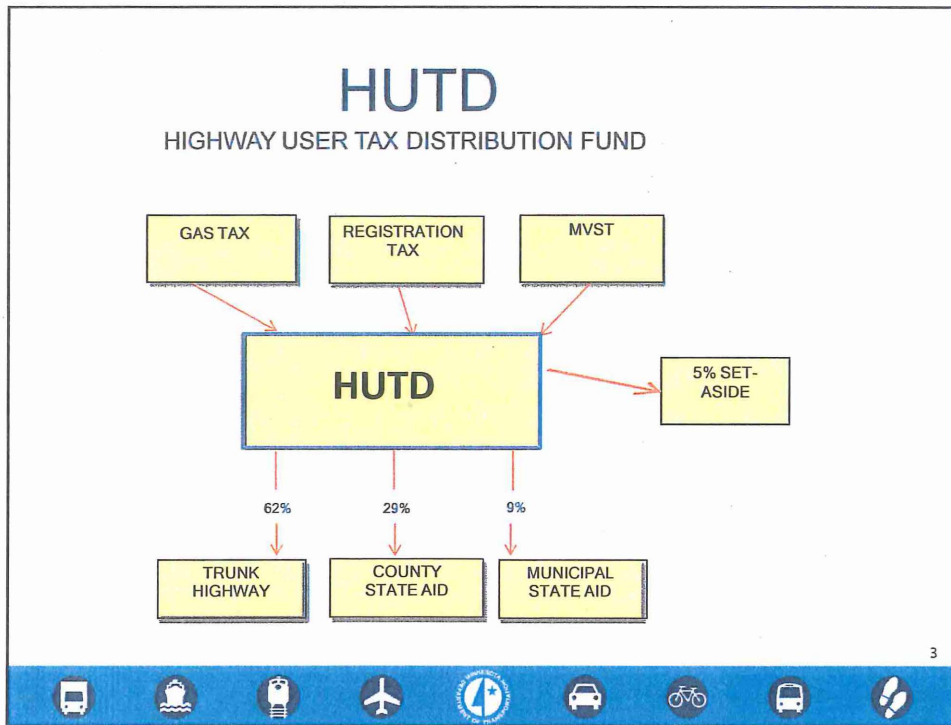


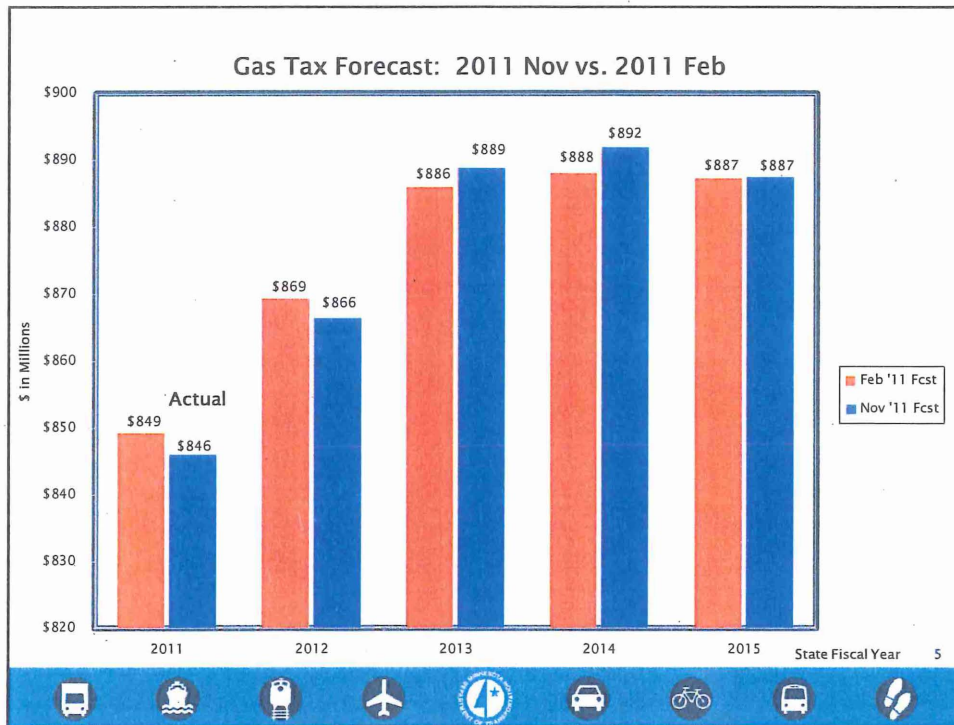
## Overview

- ❑ Highway User Tax Distribution (HUTD) Fund
- ❑ Trunk Highway Fund
- ❑ County State Aid Highway (CSAH) Fund
- ❑ Municipal State Aid Street (MSAS) Fund
- ❑ State Airports Fund
- ❑ Transit Assistance Fund

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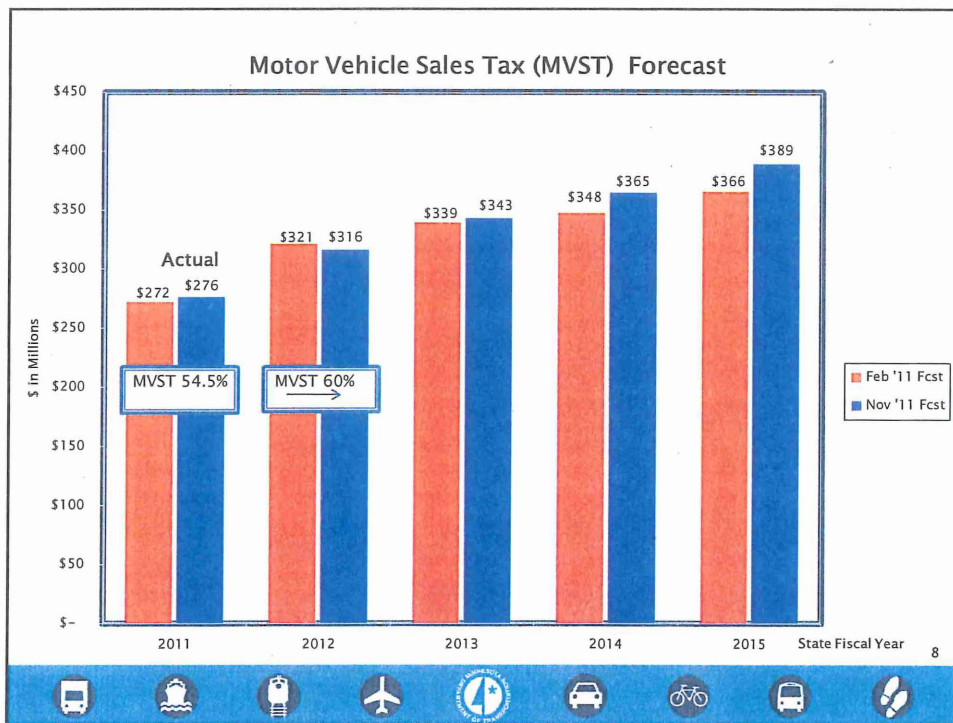
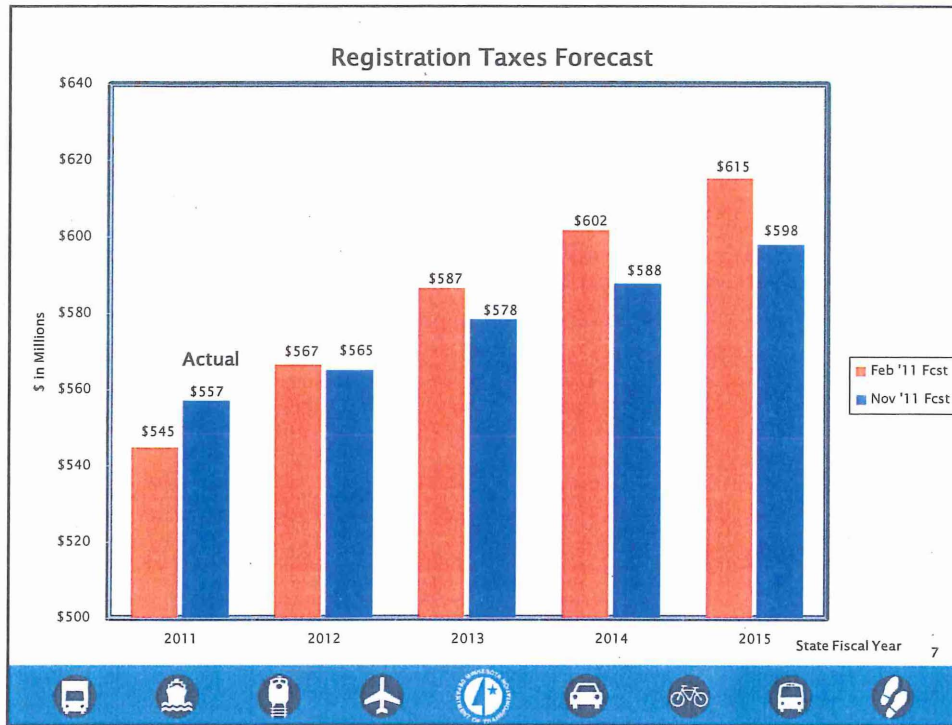


### HISTORY OF MnDOT REVENUE CHANGES

Year	Description
1975	increased from 7 to 9 cents per gallon
1980	9 to 11 cents
1981	11 to 13 cents
1983	13 to 16 cents (for eight months) and then to 17 cents beginning January 1, 1984
1988	17 to 20 cents
1994	Phased out 2-cent gasohol credit over 4 years
2008	Chapter 152 authorized a number of changes to the fuel tax rates from 2008 to 2012; including a general rate increase of 5 cents phased in by October 1, 2008, and a debt service surcharge that increases to 3.5 cents by 2012
2008 Apr 1	20 cents to 22.0 cents (2 cent general increase)
2008 Aug 1	22.0 cents to 22.5 cents (debt service surcharge)
2008 Oct 1	22.5 cents to 25.5 cents (3 cent general increase)
2009 Jul 1	25.5 cents to 27.1 cents (debt service surcharge)
2010 Jul 1	27.1 cents to 27.5 cents (debt service surcharge)
2011 Jul 1	27.5 cents to 28 cents (debt service surcharge)
2012 Jul 1	28.0 cents to 28.5 cents (debt service surcharge)

### MOTOR FUEL TAX RATES PER GALLON: FEDERAL, MINNESOTA, AND NEIGHBORING STATES - JAN. 2012

Cents per gallon	Federal	MN	WI	SD	IA	ND
Gasoline	18.4	28.0	30.9	22.0	21.0	23.0
Diesel	24.4	28.0	30.9	22.0	22.5	23.0
Gasohol (10% blend)	18.4	28.0	30.9	20.0	19.0	23.0



**Motor Vehicle Sales Tax Distribution**

Fund #	Fund Name	November 2011 Forecast				
		FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
280	Highway User Tax Distribution (HUTD)	54.56%	60.00%	60.00%	60.00%	60.00%
100	General Fund (GF)	6.04%	0.00%	0.00%	0.00%	0.00%
340	Transit Assistance Fund	39.40%	40.00%	40.00%	40.00%	40.00%
340	Transit Asst Fund Excess-MTA	0.00%				
340	Transit Asst Fund Excess-GMT	0.00%				
Total		100.00%	100.00%	100.00%	100.00%	100.00%
<b>MVST</b>		<b>506,035</b>	<b>527,000</b>	<b>571,700</b>	<b>607,800</b>	<b>648,100</b>
Split by fund:						
	HUTD	276,093	316,200	343,020	364,680	388,860
	GF	30,578	0	0	0	0
	Transit Assistance	199,364	210,800	228,680	243,120	259,240
	Transit Asst Fund Excess-MTA					
	Transit Asst Fund Excess-GMT					
Total		<b>506,035</b>	<b>527,000</b>	<b>571,700</b>	<b>607,800</b>	<b>648,100</b>
Transit Assistance Total		199,364				
Transit Asst Fund Excess MTA to HUTD		0				
Transit Asst Fund Excess GMT to HUTD		0				
FINAL Split by fund:						
280	HUTD	276,093	316,200	343,020	364,680	388,860
100	GF	30,578	0	0	0	0
340	Transit Assistance	199,364	210,800	228,680	243,120	259,240
Total		<b>506,035</b>	<b>527,000</b>	<b>571,700</b>	<b>607,800</b>	<b>648,100</b>

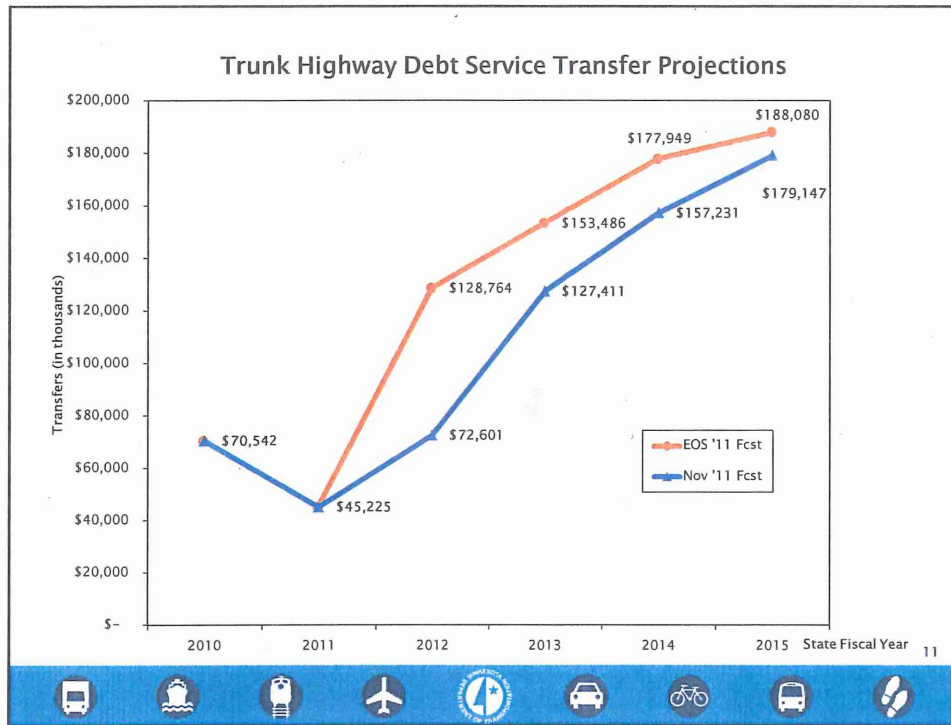
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## Trunk Highway Fund 2011 Nov vs. 2011 EOS

- o FY2013 forecast fund balance is \$203M, up \$137M from EOS forecast.
- o Change from EOS primarily due to decrease in debt service costs.
- o Of the \$203M projected balance, \$85M needed to maintain compliance with fund balance policy and \$17.5M capital request.
- o FY2015 planning estimate fund balance is \$219M.

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## Federal Highway Formula Funding Outlook

- Federal funds are part of the Trunk Highway Fund forecast.
- Previous multiyear surface transportation law "SAFETEA-LU" expired in September 2009
  - Has been temporarily extended eight times
  - Current extension of SAFETEA-LU expires March 31, 2012
- Current FFY appropriation bill provides funding through September 30, 2012.
- This current appropriation level will cause the federal highway trust fund to be insolvent at the end of the federal fiscal year.

## CSAH Funds 2011 Nov vs. 2011 Feb

- State revenue from HUTD is **down slightly** compared to forecast in FY12-13 by \$4.4M (0.4%), and up in the FY14-15 planning estimate period by \$2.3M (0.2%).
- Interest income is down \$11.9M in FY12-13, \$21.7M in FY14-15.
- 2012 Commissioner's Order is \$473M.
- Department of Revenue's motor vehicle leased sales tax (MVLST) forecast is up \$9.7M in FY12-13, \$6.9M in FY14-15.

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## MSAS Funds 2011 Nov vs. 2011 Feb

- State revenue from HUTD is **down slightly** compared to forecast in FY12-13 by \$1.1M (0.4%), and up in FY14-15 planning estimate period by \$2.3M (0.2%).
- 2012 Commissioner's Order is \$146.8M.
- Interest income is down \$4.1M in FY12-13, \$7.4M in FY14-15.

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## Airports Fund 2011 Nov vs. 2011 Feb

- Receive revenue from airline flight property tax, aircraft registration tax, fuel taxes, and interest income.
- Revenues **decrease** \$.947M (2.2%) in FY12-13 from prior forecast.
- Revenues are essentially flat for the planning period of FY14-15, down \$.311M (0.1%).
- Fund balance:
  - FY2011: \$2.9M, up \$.5M from prior forecast.
  - FY2013: \$1.7M. Total includes expected payment of \$4.2M from Delta flight property taxes from Northwest bankruptcy settlement.

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## Transit Assistance Fund 2011 Nov vs. 2011 Feb

- Total MVST revenue is **down** \$1.1M in FY12-13, and up \$26.9M for the planning period of FY14-15.
- Leased vehicle sales tax forecast up \$9.7M in FY12-13, \$6.9M for the planning period of FY14-15.
- For the Greater MN Transit portion of the fund – total funds available are up \$15.6M in FY12-13 and up \$9.6M in the planning period of FY14-15.

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## Legislative Report on Biennial Expenditures

### Fiscal Year 2010–2011

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## 161.08, Subd. 2

- ▶ Total biennial expenditures from THF in categories indicated
- ▶ Two representative projects
  - Metro
  - Greater Minnesota
- ▶ Report cost of environmental mitigation & compliance



## Section 1 – Expenditures

Fiscal Year 2010–11 expenditures by category as of August 2011 (\$ in millions)

<b>Table 1</b>	
1. Road construction	\$1,596.2
2. Professional technical contracts	\$104.4
3. Design and engineering	\$405.0
4. Labor	\$710.5
5. Right of way acquisition	\$107.9
6. Litigation	\$4.3
7. Maintenance	\$195.5
8. Road operations	\$372.4
9. Planning	\$31.0
10. Environmental documentation	\$17.6

Labor is included in each category.

Not inclusive of all THF expenditures.



## Project 1 – Metro District

- ▶ *I-494 from I-94 to Lake Road in Woodbury (Metro District) Pavement resurfacing and third lane addition*

Total project cost estimate	
Engineering .....	\$2,843,000
Right of way .....	\$NA
Construction .....	\$14,214,000
<b>Total Project Costs</b>	<b>\$17,057,000</b>

Percentage of project costs incurred for environmental mitigation and compliance:  
 $\$2,427,890 \div \$17,057,000 = 14.2$  percent



## Project 2 – Greater Minnesota

- ▶ *Granite City Crossing bridge replacement in St. Cloud*

Total project cost estimate	
Engineering .....	\$4,323,278
Right of way .....	\$298,211
Construction .....	\$21,437,468
<b>Total Project Costs</b>	<b>\$26,058,957</b>

Percentage of project costs incurred for environmental mitigation and compliance:  
 $\$636,644 \div \$26,058,957 = 2.4$  percent



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## Federal Funds (LAC) Request

January 2012

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## Federal Funds Request As Reported by MMB

Transportation Department	FY 2012	FY 2013
Burns Ave Overlook Historic Restoration	103,000	
Federal Airports	100,000,000	100,000,000
Grade Crossing Safety Improvement Program	11,000,000	11,000,000
Local Roads - Federal County Road & Bridge	225,000,000	225,000,000
Mobile Data Collection Project	750,000	
State Planning & Research	10,725,000	10,725,000
Vehicle Infrastructure Integration for Safety, Mobility, & User Fee	1,662,000	293,000
Veterans Transportation & Community Living Initiative	8,000	8,000
<b>TOTAL</b>	<b>357,240,000</b>	<b>347,026,000</b>

These amounts reflect the total grant award.



## Federal Funds Request - MnDOT

Transportation Department	FY 2012	FY 2013
Burns Ave Overlook Historic Restoration	103,031	
Federal Airports	25,000,000	25,000,000
Grade Crossing Safety Improvement Program	4,500,000	4,500,000
Local Roads - Federal County Road & Bridge	75,000,000	75,000,000
Mobile Data Collection Project	250,000	
State Planning & Research	10,725,000	10,725,000
Vehicle Infrastructure Integration for Safety, Mobility, & User Fee	1,662,000	293,000
Veterans Transportation & Community Living Initiative	8,000	750,000
<b>TOTAL</b>	<b>117,248,373</b>	<b>116,268,363</b>

These amounts reflect the increase in award only.



## Burns Ave Overlook Historic Restoration Project

- ▶ New Federal Grant – \$103,031
- ▶ Wayside overlook located in St. Paul at Burns Avenue and TH61.
- ▶ Helps implement Chapter 152, Subd.3: for predesign, design, construction and restoration of historic roadside properties on the Great River Road National Scenic Byway.



## Federal Airports

- ▶ Assist local units of government maintain and improve their local airports
- ▶ Some airports are in the process of completing their grant agreements for projects in this fiscal year
- ▶ State funds are also used but not in the same grant projects as federal funds



## Grade Crossing Safety Improvement Program

- ▶ To maintain and improve safety at railroad-highway grade crossings
- ▶ MnDOT is the only agency in the state that administers this type of program



## Local Roads – Federal County Road & Bridge

- ▶ Pass through funding to local units of government
- ▶ The Federal County Road & Bridge Fund exists to enable Mn/DOT to collect and reimburse our local partners with federal funding for eligible local contracts



## Mobile Data Collection Project

- ▶ Competitive grant award received
- ▶ Implementation of MDSS (Maintenance Decision Support System)
- ▶ Demonstrate how weather, road condition, and related vehicle data may be collected and used for decision making
- ▶ MDSS is used to maximize efficiency of salt and sand applications



## State Planning & Research

- ▶ This is a federally mandated program
- ▶ Funding provides flexibility to meet transportation planning and research needs at the state, national and local levels
- ▶ Funding is part of annual formula funds





## Vehicle Infrastructure Integration for Safety, Mobility and User Fee

- ▶ In-vehicle signing application for the federal Vehicle Infrastructure Integration (VII) initiative.
- ▶ VII seeks to improve traffic safety and mobility while enhancing commerce
- ▶ Many potential applications



## Vehicle Infrastructure Integration for Safety, Mobility and User Fee

### Potential applications:

- ▶ mileage based user fee system
- ▶ alert system for work
- ▶ school and speed zones
- ▶ curve warning system
- ▶ intersection collision warning system
- ▶ enhancements in traveler information services



## Veterans Transportation & Community Living Initiative

- ▶ New award
- ▶ To implement, expand, or increase access to one-call/one-click transportation resource centers
- ▶ Improve access to transportation resources for veterans, military families, and others
- ▶ Augments the MinnesotaHelp Network



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