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**REPORT CONCERNING
CERTAIN EXPENDITURES
FROM THE TRUNK
HIGHWAY FUND IN THE
FY2016-2017
BIENNIAL BUDGET**

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Minnesota Management & Budget
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The purpose of this report is to provide information regarding proposed trunk highway fund spending in the Governor's biennial budget submission. The report is required under Minn. Laws 2000, ch. 479, art. 2, sec. 1:

Section 1. [PROHIBITION AGAINST APPROPRIATIONS FROM TRUNK HIGHWAY FUND.] To ensure compliance with the Minnesota Constitution, article XIV, sections 2, 5, and 6, the commissioner of finance, agency directors, and legislative commission personnel may not include in the biennial budget for fiscal years 2002 and 2003, or in any budget thereafter, expenditures from the trunk highway fund for a nonhighway purpose as jointly determined by the commissioner of finance and the attorney general. For purposes of this section, an expenditure for a nonhighway purpose is any expenditure not for construction, improvement, or maintenance of highways, but does not include expenditures for payment of taxes imposed under Minnesota Statutes, chapter 297A. At the time of submission of the biennial budget proposal to the legislature, the commissioner of finance and the attorney general shall report to the senate and house of representatives transportation committees concerning any expenditure that is proposed to be appropriated from the trunk highway fund, if that expenditure is similar to those reduced or eliminated in sections 5 to 20. The report must explain the highway purpose of, and recommend a fund to be charged for, the proposed expenditure, [EFFECTIVE DATE.] This section is effective the day following final enactment.

Statute requires Minnesota Management and Budget (MMB) and the Office of the Attorney General (AGO) to report on expenditures similar to those that were reduced or eliminated in the legislation from the 2000 session. The list of expenditures that have been reduced or eliminated is included in MS 161.20 subd. 3. This list has been modified over time and now includes:

- Bureau of Criminal Apprehension (BCA) laboratory
- Explore Minnesota Tourism kiosks
- Minnesota Safety Council
- Driver education programs
- Emergency Medical Services Board
- Mississippi River Parkway Commission
- Payments to MN.IT Services in excess of actual costs incurred for trunk highway purposes
- Personnel costs incurred on behalf of the Governor's Office

There is one expenditure in the Governor's budget that is similar to the items above. The Governor's budget continues base funding from the trunk highway fund for the BCA laboratory expenses. A portion of BCA lab costs have been funded with trunk highway fund dollars in recent budgets (since fiscal year 2010) and the Governor's proposal continues the base level of funding. The highway purpose of these dollars is to fund the Driving While Impaired enforcement program. If the Legislature continues to fund this program with the trunk highway fund, we recommend the Legislature consider amending MS 161.20 subd.3 to remove the BCA laboratory from the list of expenditures.

The Governor's budget submission included \$975,000 from the trunk highway fund for the purchase of a State Patrol fixed-wing aircraft. This expenditure is not similar to the items listed above and is reported here to fully inform the legislature concerning the purchase of the plane. The primary purpose of the new plane is for traffic enforcement on the trunk highway system.

The Department of Public Safety (DPS) reviewed the flight logs from the last two years for the aircraft being replaced and found that 88% of the missions the aircraft flew were directly related to trunk highway and State Patrol purposes. On occasion, the plane would be available to assist local law enforcement in search and rescue missions and to transport state officials. DPS uses trunk highway funds to maintain their fleet, including the retired aircraft. DPS intends to use \$373,000 that was received from the sale of retired aircraft toward the purchase of the new plane. Of that amount, \$295,000 was from the sale of retired aircraft that were not originally purchased with trunk highway fund resources. The proceeds from the sale are in the special revenue fund. These proceeds represent approximately 22% of the purchase price for the new plane.