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AT A GLANCE

- Over 143,000 centerline miles (single roadway, regardless of the number of lanes) including trunk highways and local roads
- 5th largest state highway system in the nation
- 4,860 bridges
- More than 95 million vehicle miles driven everyday on the state highway system
- 50% of state highways and 35% of state bridges are more than 50 years old
- 503 construction projects planned in the 18-19 biennium
- \$21 billion in planned investments for state highways over the next 20 years (MnSHIP)
- 4,979 full time equivalent employees as of FY18
- Truck freight traffic projected to increase 30% by 2030

We work with our partners to support:

- 3 active Lake Superior and 4 Mississippi River system ports
- Transit services in all 80 non-metro counties
- Greater MN transit ridership needs are projected to increase 45% by 2025
- 135 publicly owned state-funded airports
- 4,420 track miles serving 21 railroad companies, Northstar commuter, and Amtrak passenger service

PURPOSE

Transportation today is about providing access to critical connections for all Minnesotans through managing an efficient, safe, reliable and accessible system of interconnected modes. Transportation supports a robust quality of life through various modes working together to link people to education, healthcare, jobs and recreation. Transportation supports a healthy economy, providing for the efficient shipping of raw and finished goods as well as access to jobs. Transportation also plays an important role in the stewardship of our environment by ensuring compliance with environmental laws and policies. The Minnesota Department of Transportation's (MnDOT's) work with connected and automated technology is also helping the agency gain experience and knowledge of new technologies to prepare for the future of transportation. Therefore, MnDOT has adopted the following:

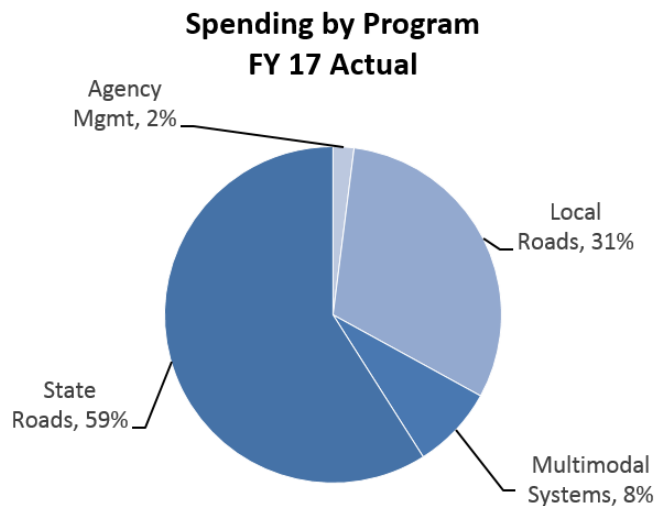
Vision: Minnesota's multimodal transportation system maximizes the health of people, the environment, and the economy.

Mission: To plan, build, operate, and maintain a safe, accessible, efficient, and reliable multimodal transportation system that connects people to destinations and markets throughout the state, regionally, and around the world.

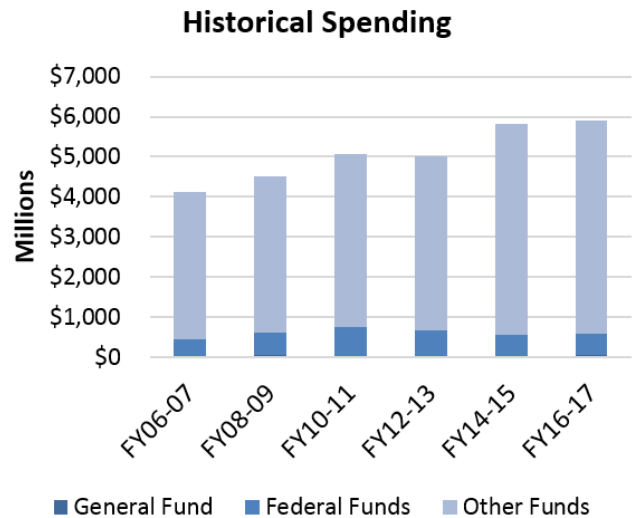
Funding is provided in four programs with 12 budget activities:

Multimodal Systems	State Roads	Local Roads	Agency Management
Aeronautics	Program Planning & Delivery	County State Aid Roads	Agency Services
Transit	State Road Construction	Municipal State Aid Roads	Building Services
Freight and Rail Safety	Debt Service		
	Operations and Maintenance		
	Statewide Radio		
	Communications		

BUDGET



Note: Spending includes Trunk Highway fund debt service transfer



Note: Spending includes Trunk Highway fund debt service transfer

The primary source of financing for state-owned highways is the trunk highway fund, which is supported by motor fuel taxes, motor vehicle registration fees, and motor vehicle sales taxes. Other sources of transportation funding include federal, transit assistance, county state aid highway, municipal state aid street, state airport, and special revenue funds. Beginning in FY 2018 a portion of transportation-related revenues, historically deposited in the general fund, are now dedicated to fund transportation purposes. The additional funding is from (1) general sales tax revenue from sales of automotive repair and replacement parts, (2) general sales tax revenue from short-term vehicle rentals, (3) collections from a separate vehicle rental tax, and (4) motor vehicle lease sales tax revenue. In total, less than one percent of the agency's operating budget in FY 2017 was directly from the general fund, which supports non-highway modes such as greater Minnesota transit, ports, and rail. Starting in FY 2018, as a result of transferring the additional General Funds, the portion of the agency's operating budget from the General Fund increases to approximately 3 percent.

STRATEGIES

As stewards of the transportation system, we're committed to the following objectives:

1. **Open Decision Making:** Make transportation system decisions through processes that are inclusive, engaging, and supported by data and analysis. Provide for and support coordination, collaboration, and innovation. Ensure efficient and effective use of resources.
2. **Transportation Safety:** Safeguard transportation users as well as the communities the systems travel through. Apply proven strategies to reduce fatalities and serious injuries for all modes. Foster a culture of transportation safety in Minnesota (<http://www.minnesotatzd.org/>).
3. **Critical Connections:** Maintain and improve multimodal transportation connections essential for Minnesotans' prosperity and quality of life. Strategically consider new connections that help meet performance targets and maximize social, economic and environmental benefits.
4. **System Stewardship:** Strategically build, manage, maintain, and operate all transportation assets. Rely on system data and analysis, performance measures and targets, agency and partners' needs, and public expectations to inform decisions. Use technology and innovation to get the most out of investments and maintain system performance. Increase the resiliency of the transportation system and adapt to changing needs.

5. **Healthy Communities:** Make fiscally-responsible decisions that respect and complement the natural, cultural, social, and economic context. Integrate land uses and transportation systems to leverage public and private investments.

MnDOT seeks to advance three goal areas identified in the Strategic Operating Plan (2018-2022): operational excellence, customer trust and workforce excellence. Over the next two years, we intend to focus on the following four risk-based priorities outlined in the Strategic Operating Plan:

- Be nimble and responsive
- Strengthen relationships
- Ensure the safety and security of MnDOT's employees and assets
- Plan MnDOT's future workforce (recruitment, engagement, retention)

The Minnesota Department of Transportation requires that the principles of "Complete Streets" be considered at all phases of planning and project development in the establishment, development, operation, and maintenance of a comprehensive, integrated, and connected multimodal transportation system (<http://www.dot.state.mn.us/policy/operations/op004.html>).

The Department of Transportation's legal authority comes from:

Minnesota Constitution, Article XIV, Public Highway System (<https://www.revisor.mn.gov/constitution>)

Powers of Road Authorities, M.S. 160 (<https://www.revisor.mn.gov/statutes/?id=160>)

Trunk Highways, M.S. 161 (<https://www.revisor.mn.gov/statutes/?id=161>)

Administration of State Aid Road Systems, M.S. 162 (<https://www.revisor.mn.gov/statutes/?id=162>)

Responsibilities Related to Bridges, M.S. 165 (<https://www.revisor.mn.gov/statutes/?id=165>)

Trunk Highway Bonds, M.S. 167 (<https://www.revisor.mn.gov/statutes/?id=167>)

Traffic Regulation, M.S. 169 (<https://www.revisor.mn.gov/statutes/?id=169>)

Signs and Billboards Along Highways, M.S. 173 (<https://www.revisor.mn.gov/statutes/?id=173>)

Department of Transportation, M.S. 174 (<https://www.revisor.mn.gov/statutes/?id=174>)

Enforcement of Prevailing Wage, M.S. 177.44 (<https://www.revisor.mn.gov/statutes/?id=177.44>)

Rail Transportation, M.S. 218 (<https://www.revisor.mn.gov/statutes/?id=218>)

Railroad Safety, M.S. 219 (<https://www.revisor.mn.gov/statutes/?id=219>)

Regulation of Motor Carriers, M.S. 221 (<https://www.revisor.mn.gov/statutes/?id=221>)

Rail Service Improvement and Rail Bank, M.S. 222 (<https://www.revisor.mn.gov/statutes/?id=222>)

Aeronautics, M.S. 360 (<https://www.revisor.mn.gov/statutes/?id=360>)

Transportation

Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General	29,289	24,521	7,875	28,200	19,325	19,325	19,723	19,728
1050 - Transit Assistance	44,946	64,473	88,389	74,983	75,776	73,949	73,176	72,839
2000 - Restrict Misc Special Revenue	111,867	96,305	98,801	110,377	105,484	105,977	106,234	107,477
2001 - Other Misc Special Revenue	3,258	5,753	4,444	5,233	5,100	5,153	5,100	5,153
2050 - Environment & Natural Resources			46	299				
2400 - Endowment					225	226	225	226
2500 - Municipal State Aid Street	187,988	151,854	193,623	199,521	213,811	216,913	229,442	277,428
2600 - County State Aid Highway	631,544	652,424	731,088	797,607	851,020	864,686	906,828	1,091,966
2700 - Trunk Highway	1,307,532	1,624,366	1,640,971	1,775,071	1,600,144	1,575,897	1,782,882	2,092,240
2710 - Highway Users Tax Distribution	96	117	117	135	135	135	135	135
2720 - State Airports	28,324	23,318	30,079	29,790	20,680	20,680	26,054	26,048
2721 - Hanger Loan Revolving			800	(800)				
2722 - Air Transportation Revolving	749	589	888	982	982	982	982	982
3000 - Federal	288,948	238,074	253,279	705,205	533,116	501,470	533,116	501,470
3520 - Transportation-Loc Bridge&Road				12,576	12,779	12,857	(621)	(1,143)
4900 - 911 Emergency	9,128	10,238	9,359	9,937	9,675	9,675	9,675	9,675
6000 - Miscellaneous Agency	1							
Total	2,643,669	2,892,033	3,059,760	3,749,116	3,448,252	3,407,925	3,692,951	4,204,224
Biennial Change				1,273,174		47,301		1,088,299
Biennial % Change				23		1		16
Governor's Change from Base								1,040,998
Governor's % Change from Base								15

Expenditures by Program

Multimodal Systems	226,942	231,712	258,333	401,663	344,956	333,448	349,058	339,963
State Roads	1,360,734	1,640,030	1,660,284	1,856,745	1,673,860	1,630,495	1,834,267	2,118,243
Local Roads	991,733	944,607	1,071,990	1,392,021	1,344,350	1,358,896	1,402,389	1,632,691
Agency Management	64,260	75,684	69,153	98,687	85,086	85,086	107,237	113,327
Total	2,643,669	2,892,033	3,059,760	3,749,116	3,448,252	3,407,925	3,692,951	4,204,224

Expenditures by Category

Compensation	407,644	415,928	440,853	459,039	473,202	480,154	493,036	521,917
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Transportation

Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Operating Expenses	306,301	396,303	378,434	549,867	467,938	433,440	560,732	669,259
Grants, Aids and Subsidies	1,150,070	1,092,112	1,252,699	1,589,596	1,540,011	1,552,349	1,597,671	1,822,534
Capital Outlay-Real Property	769,567	971,224	978,461	1,123,949	948,042	924,535	1,019,953	1,170,567
Other Financial Transaction	10,088	16,465	9,313	26,665	19,059	17,447	21,559	19,947
Total	2,643,669	2,892,033	3,059,760	3,749,116	3,448,252	3,407,925	3,692,951	4,204,224

Full-Time Equivalents

4,599.96	4,756.41	4,965.04	4,962.81	4,971.20	4,975.36	5,032.30	5,086.46
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Transportation

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
1000 - General								
Balance Forward In	2,500	6,400	1,892	3,734				
Direct Appropriation	44,115	21,058	19,783	34,516	19,375	19,375	19,773	19,778
Transfers In	8,362	400	4,038	1,299	1,001	1,009	1,001	1,009
Transfers Out	20,862	420	14,104	11,349	1,051	1,059	1,051	1,059
Cancellations	0	1,621						
Balance Forward Out	4,826	1,297	3,734					
Expenditures	29,289	24,521	7,875	28,200	19,325	19,325	19,723	19,728
Biennial Change in Expenditures				(17,736)		2,575		3,376
Biennial % Change in Expenditures				(33)		7		9
Governor's Change from Base								801
Governor's % Change from Base								2
Full-Time Equivalents	6.57	7.13	11.72	12.84	12.84	12.84	14.34	14.34

1050 - Transit Assistance

Balance Forward In	56,511	72,063	73,495	52,723	47,157	43,252	47,157	43,252
Receipts	57,738	63,558	67,650	69,434	71,888	75,514	69,288	74,404
Transfers In	416	416	416	416	416	416	416	416
Transfers Out	418	456	449	433	433	433	433	433
Balance Forward Out	69,300	71,109	52,723	47,157	43,252	44,800	43,252	44,800
Expenditures	44,946	64,473	88,389	74,983	75,776	73,949	73,176	72,839
Biennial Change in Expenditures				53,953		(13,647)		(17,357)
Biennial % Change in Expenditures				49		(8)		(11)
Governor's Change from Base								(3,710)
Governor's % Change from Base								(2)
Full-Time Equivalents	3.95	3.57	3.55	3.25	3.09	3.05	3.09	3.05

2000 - Restrict Misc Special Revenue

Balance Forward In	46,142	54,784	57,392	59,753	54,010	50,796	54,010	50,796
Direct Appropriation				1,000	0	0	0	0
Receipts	116,899	76,798	99,972	102,354	102,270	104,969	103,020	106,469
Transfers In	213	13	611	605				
Transfers Out	213	69	10	3				
Net Loan Activity	483	616	591	678				

Transportation

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Balance Forward Out	51,657	35,837	59,757	54,010	50,796	49,788	50,796	49,788
Expenditures	111,867	96,305	98,801	110,377	105,484	105,977	106,234	107,477
Biennial Change in Expenditures				1,006		2,283		4,533
Biennial % Change in Expenditures				0		1		2
Governor's Change from Base								2,250
Governor's % Change from Base								1
Full-Time Equivalents	38.17	45.80	52.50	45.82	48.10	52.64	48.10	52.64

2001 - Other Misc Special Revenue

Balance Forward In	521	1,170	3,167	2,581	2,432	2,433	2,432	2,433
Receipts	3,652	6,670	3,859	5,084	5,101	5,154	5,101	5,154
Balance Forward Out	914	2,086	2,582	2,432	2,433	2,434	2,433	2,434
Expenditures	3,258	5,753	4,444	5,233	5,100	5,153	5,100	5,153
Biennial Change in Expenditures				665		576		576
Biennial % Change in Expenditures				7		6		6
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.04	2.25	2.34	9.96	11.15	11.03	11.15	11.03

2050 - Environment & Natural Resources

Balance Forward In				299				
Direct Appropriation			345					
Balance Forward Out			299					
Expenditures			46	299				
Biennial Change in Expenditures				345		(345)		(345)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents			0.37	1.00				

2400 - Endowment

Balance Forward In	7,527	7,578	7,654	7,771	7,966	7,993	7,966	7,993
Receipts	51	77	116	195	252	281	252	281

Transportation

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Balance Forward Out	7,578	7,654	7,771	7,966	7,993	8,048	7,993	8,048
Expenditures					225	226	225	226
Biennial Change in Expenditures				0		451		451
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents					1.00	1.00	1.00	1.00

2500 - Municipal State Aid Street

Balance Forward In	169,877	158,215	182,918	184,593	184,593	184,593	184,593	184,593
Direct Appropriation	173,000	177,585	196,866	199,545	213,835	216,937	229,466	277,452
Transfers In	4,403						313	1,293
Transfers Out	10	9	16	24	24	24	337	1,317
Cancellations	1,115	1,039	1,552					
Balance Forward Out	158,166	182,897	184,593	184,593	184,593	184,593	184,593	184,593
Expenditures	187,988	151,854	193,623	199,521	213,811	216,913	229,442	277,428
Biennial Change in Expenditures				53,301		37,580		113,726
Biennial % Change in Expenditures				16		10		29
Governor's Change from Base								76,146
Governor's % Change from Base								18
Full-Time Equivalents	18.62	17.82	17.11	17.24	17.24	17.24	17.24	17.24

2600 - County State Aid Highway

Balance Forward In	500,229	569,140	621,979	674,380	676,380	676,380	676,380	676,380
Direct Appropriation	690,392	708,347	786,424	797,683	851,096	864,762	906,904	1,092,042
Transfers In	14,071		2,000	2,000			1,190	4,925
Transfers Out	35	30	51	76	76	76	1,266	5,001
Cancellations	4,131	3,120	4,885					
Balance Forward Out	568,982	621,913	674,380	676,380	676,380	676,380	676,380	676,380
Expenditures	631,544	652,424	731,088	797,607	851,020	864,686	906,828	1,091,966
Biennial Change in Expenditures				244,727		187,011		470,099
Biennial % Change in Expenditures				19		12		31
Governor's Change from Base								283,088

Transportation

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Governor's % Change from Base								17
Full-Time Equivalents	47.41	48.18	47.97	48.26	48.26	48.26	48.26	48.26

2700 - Trunk Highway

Balance Forward In	80,150	214,048	49,025	179,273	41,400	38,237	41,400	38,237
Direct Appropriation	1,577,534	1,678,770	1,973,481	1,808,391	1,781,190	1,769,645	1,965,369	2,291,519
Open Appropriation	7,354	7,535	8,632	9,360	9,360	9,360	9,360	9,360
Receipts	28,206	31,118	43,681	34,350	34,350	34,350	34,350	34,350
Transfers In	149,821	189,635	375,402	356,113	324,834	326,898	334,834	336,898
Transfers Out	329,243	381,814	584,262	569,712	551,449	567,858	562,890	583,389
Cancellations	14,840	69,397	45,710	1,304	1,304	1,299	1,304	1,299
Balance Forward Out	191,451	45,529	179,276	41,400	38,237	33,436	38,237	33,436
Expenditures	1,307,532	1,624,366	1,640,971	1,775,071	1,600,144	1,575,897	1,782,882	2,092,240
Biennial Change in Expenditures				484,145		(240,001)		459,080
Biennial % Change in Expenditures				17		(7)		13
Governor's Change from Base								699,081
Governor's % Change from Base								22
Full-Time Equivalents	4,363.88	4,505.45	4,704.98	4,697.22	4,632.71	4,632.60	4,692.31	4,742.20

2710 - Highway Users Tax Distribution

Open Appropriation	96	117	117	135	135	135	135	135
Expenditures	96	117	117	135	135	135	135	135
Biennial Change in Expenditures				39		18		18
Biennial % Change in Expenditures				18		7		7
Governor's Change from Base								0
Governor's % Change from Base								0

2720 - State Airports

Balance Forward In	1,581	1,942	1,075	6,852				
Direct Appropriation	28,109	22,109	35,812	22,921	20,632	20,632	26,006	26,000
Open Appropriation	36	37	45	48	48	48	48	48
Transfers In	80	712	12,703					
Transfers Out	81	712	12,703	31				

Transportation

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
Cancellations		120						
Balance Forward Out	1,402	650	6,852					
Expenditures	28,324	23,318	30,079	29,790	20,680	20,680	26,054	26,048
Biennial Change in Expenditures				8,227		(18,509)		(7,767)
Biennial % Change in Expenditures				16		(31)		(13)
Governor's Change from Base								10,742
Governor's % Change from Base								26
Full-Time Equivalents	32.18	35.41	32.56	35.00	35.00	35.00	35.00	35.00

2721 - Hanger Loan Revolving

Balance Forward In	2,074	2,323	2,728	2,272	2,672	3,072	2,672	3,072
Net Loan Activity	246	405	344	(400)	400	400	400	400
Balance Forward Out	2,320	2,728	2,272	2,672	3,072	3,472	3,072	3,472
Expenditures			800	(800)				
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

2722 - Air Transportation Revolving

Balance Forward In	574	533	573	597	515	433	515	1,135
Receipts	705	629	912	900	900	900	1,602	1,102
Balance Forward Out	530	573	597	515	433	351	1,135	1,255
Expenditures	749	589	888	982	982	982	982	982
Biennial Change in Expenditures				532		94		94
Biennial % Change in Expenditures				40		5		5
Governor's Change from Base								0
Governor's % Change from Base								0

3000 - Federal

Balance Forward In	1,220	527	2,454	172	167	167	167	167
Receipts	288,316	238,735	251,844	705,200	533,116	501,470	533,116	501,470
Internal Billing Receipts	285	397	351					

Transportation

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Transfers Out	205	14	845					
Balance Forward Out	382	1,173	172	167	167	167	167	167
Expenditures	288,948	238,074	253,279	705,205	533,116	501,470	533,116	501,470
Biennial Change in Expenditures				431,462		76,102		76,102
Biennial % Change in Expenditures				82		8		8
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	42.98	47.05	44.16	44.44	114.03	113.92	114.03	113.92

3520 - Transportation-Loc Bridge&Road

Balance Forward In	12,576	12,779	12,857	12,779	12,857	
Receipts	12,576	12,779	12,857	13,039	(543)	(961)
Balance Forward Out	12,576	12,779	12,857	13,039	12,857	13,039
Expenditures	12,576	12,779	12,857	(621)	(1,143)	
Biennial Change in Expenditures	12,576		13,060		(14,340)	
Biennial % Change in Expenditures						
Governor's Change from Base					(27,400)	
Governor's % Change from Base					(107)	

4900 - 911 Emergency

Balance Forward In		588	291					
Transfers In	9,650	9,650	9,650	9,662	9,675	9,675	9,675	9,675
Transfers Out	1			16				
Cancellations		0						
Balance Forward Out	521		291					
Expenditures	9,128	10,238	9,359	9,937	9,675	9,675	9,675	9,675
Biennial Change in Expenditures				(69)		54		54
Biennial % Change in Expenditures				(0)		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	44.16	43.75	47.78	47.78	47.78	47.78	47.78	47.78

6000 - Miscellaneous Agency

Transportation

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
Balance Forward In	2	1	1					
Receipts	0	0	0	2				
Transfers Out			1	2				
Balance Forward Out	1	1						
Expenditures	1							
Biennial Change in Expenditures				(1)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

Transportation

Agency Change Summary

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
Direct				
Fund: 1000 - General				
FY2019 Appropriations	34,516	34,516	34,516	69,032
Base Adjustments				
Current Law Base Change		(15,150)	(15,150)	(30,300)
Pension Allocation		9	9	18
Forecast Base	34,516	19,375	19,375	38,750
Change Items				
Tribal Training		311	316	627
State Airplane Replacement		87	87	174
Total Governor's Recommendations	34,516	19,773	19,778	39,551
Fund: 2000 - Restrict Misc Special Revenue				
FY2019 Appropriations	1,000	1,000	1,000	2,000
Base Adjustments				
One-Time Capital Appropriations		(1,000)	(1,000)	(2,000)
Forecast Base	1,000	0	0	0
Total Governor's Recommendations	1,000	0	0	0
Fund: 2500 - Municipal State Aid Street				
FY2019 Appropriations	202,487	202,487	202,487	404,974
Base Adjustments				
November Forecast Adjustment	(2,942)	11,348	14,450	25,798
Forecast Base	199,545	213,835	216,937	430,772
Change Items				
Transportation Funding Package		15,631	60,515	76,146
Total Governor's Recommendations	199,545	229,466	277,452	506,918
Fund: 2600 - County State Aid Highway				
FY2019 Appropriations	806,239	806,239	806,239	1,612,478
Base Adjustments				
November Forecast Adjustment	(8,556)	44,857	58,523	103,380
Forecast Base	797,683	851,096	864,762	1,715,858
Change Items				
Transportation Funding Package		55,808	227,280	283,088
Total Governor's Recommendations	797,683	906,904	1,092,042	1,998,946
Fund: 2700 - Trunk Highway				
FY2019 Appropriations	1,826,313	1,826,313	1,826,313	3,652,626
Base Adjustments				

Transportation

Agency Change Summary

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
Current Law Base Change		(41,389)	(67,274)	(108,663)
Pension Allocation		1,172	1,172	2,344
November Forecast Adjustment	(17,922)	(4,906)	9,434	4,528
Forecast Base	1,808,391	1,781,190	1,769,645	3,550,835
Change Items				
Transportation Funding Package		107,680	416,878	524,558
Trunk Highway Operating Pressures		22,400	43,442	65,842
Cyber Security and Agency Priority Initiatives		2,502	1,814	4,316
Tribal Training		100	100	200
Career Pathways Program Growth and Sucession Planning		2,200	2,255	4,455
State Airplane Replacement		346	346	692
Connected & Automated Vehicles		6,200	5,500	11,700
Salt Solutions and Sustainability		5,110	5,065	10,175
Pavement Preservation		10,000	10,000	20,000
Safety Culture		1,335	650	1,985
Road Equipment Fund		10,000	10,000	20,000
Building Services		13,280	18,700	31,980
Strategic IT Initiatives		1,585	1,593	3,178
Capital Investment Bill Debt Service		1,441	5,531	6,972
Total Governor's Recommendations	1,808,391	1,965,369	2,291,519	4,256,888
Fund: 2720 - State Airports				
FY2019 Appropriations	20,921	20,921	20,921	41,842
Base Adjustments				
Current Law Base Change		(300)	(300)	(600)
Pension Allocation		11	11	22
November Forecast Adjustment	2,000			
Forecast Base	22,921	20,632	20,632	41,264
Change Items				
Aeronautics Base Budget Increase		5,400	5,400	10,800
Drone Enforcement and Regulation		(26)	(32)	(58)
Total Governor's Recommendations	22,921	26,006	26,000	52,006
Open				
Fund: 2700 - Trunk Highway				
Base Adjustments				
Forecast Open Appropriation Adjustment	9,360	9,360	9,360	18,720
Forecast Base	9,360	9,360	9,360	18,720
Total Governor's Recommendations	9,360	9,360	9,360	18,720

Transportation

Agency Change Summary

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
Fund: 2710 - Highway Users Tax Distribution				
Base Adjustments				
Forecast Open Appropriation Adjustment	135	135	135	270
Forecast Base	135	135	135	270
Total Governor's Recommendations	135	135	135	270
Fund: 2720 - State Airports				
Base Adjustments				
Forecast Open Appropriation Adjustment	48	48	48	96
Forecast Base	48	48	48	96
Total Governor's Recommendations	48	48	48	96
Dedicated				
Fund: 1050 - Transit Assistance				
Planned Spending	74,983	75,776	73,949	149,725
Forecast Base	74,983	75,776	73,949	149,725
Change Items				
Transportation Funding Package		(2,600)	(1,110)	(3,710)
Total Governor's Recommendations	74,983	73,176	72,839	146,015
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	109,377	105,484	105,977	211,461
Forecast Base	109,377	105,484	105,977	211,461
Change Items				
Rail Grade Crossing Safety		750	1,500	2,250
Total Governor's Recommendations	109,377	106,234	107,477	213,711
Fund: 2001 - Other Misc Special Revenue				
Planned Spending	5,233	5,100	5,153	10,253
Forecast Base	5,233	5,100	5,153	10,253
Total Governor's Recommendations	5,233	5,100	5,153	10,253
Fund: 2400 - Endowment				
Planned Spending		225	226	451
Forecast Base		225	226	451
Total Governor's Recommendations		225	226	451
Fund: 2700 - Trunk Highway				
Planned Spending	11,673	12,513	13,481	25,994
Forecast Base	11,673	12,513	13,481	25,994

Transportation

Agency Change Summary

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
Total Governor's Recommendations	11,673	12,513	13,481	25,994
Fund: 2721 - Hanger Loan Revolving				
Planned Spending	(800)			
Forecast Base	(800)			
Total Governor's Recommendations	(800)			
Fund: 2722 - Air Transportation Revolving				
Planned Spending	982	982	982	1,964
Forecast Base	982	982	982	1,964
Total Governor's Recommendations	982	982	982	1,964
Fund: 3000 - Federal				
Planned Spending	705,205	533,116	501,470	1,034,586
Forecast Base	705,205	533,116	501,470	1,034,586
Total Governor's Recommendations	705,205	533,116	501,470	1,034,586
Fund: 3520 - Transportation-Loc Bridge&Road				
Planned Spending	12,576	12,779	12,857	25,636
Forecast Base	12,576	12,779	12,857	25,636
Change Items				
Transportation Funding Package		(13,400)	(14,000)	(27,400)
Total Governor's Recommendations	12,576	(621)	(1,143)	(1,764)
Revenue Change Summary				
Dedicated				
Fund: 1050 - Transit Assistance				
Forecast Revenues	69,434	71,888	75,514	147,402
Change Items				
Transportation Funding Package		(2,600)	(1,110)	(3,710)
Total Governor's Recommendations	69,434	69,288	74,404	143,692
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	102,354	102,270	104,969	207,239
Change Items				
Rail Grade Crossing Safety		750	1,500	2,250
Total Governor's Recommendations	102,354	103,020	106,469	209,489
Fund: 2001 - Other Misc Special Revenue				

Transportation

Agency Change Summary

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
Forecast Revenues	5,084	5,101	5,154	10,255
Total Governor's Recommendations	5,084	5,101	5,154	10,255
Fund: 2400 - Endowment				
Forecast Revenues	195	252	281	533
Total Governor's Recommendations	195	252	281	533
Fund: 2700 - Trunk Highway				
Forecast Revenues	34,350	34,350	34,350	68,700
Total Governor's Recommendations	34,350	34,350	34,350	68,700
Fund: 2722 - Air Transportation Revolving				
Forecast Revenues	900	900	900	1,800
Change Items				
State Airplane Replacement		702	202	904
Total Governor's Recommendations	900	1,602	1,102	2,704
Fund: 3000 - Federal				
Forecast Revenues	705,200	533,116	501,470	1,034,586
Total Governor's Recommendations	705,200	533,116	501,470	1,034,586
Fund: 3520 - Transportation-Loc Bridge&Road				
Forecast Revenues	12,779	12,857	13,039	25,896
Change Items				
Transportation Funding Package		(13,400)	(14,000)	(27,400)
Total Governor's Recommendations	12,779	(543)	(961)	(1,504)
Fund: 6000 - Miscellaneous Agency				
Forecast Revenues	2			
Total Governor's Recommendations	2			
Non-Dedicated				
Fund: 2300 - Outdoor Heritage				
Forecast Revenues	81	85	89	174
Total Governor's Recommendations	81	85	89	174
Fund: 2301 - Arts & Cultural Heritage				
Forecast Revenues	49	51	54	105
Total Governor's Recommendations	49	51	54	105

Transportation

Agency Change Summary

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
Fund: 2302 - Clean Water				
Forecast Revenues	81	85	89	174
Total Governor's Recommendations	81	85	89	174
Fund: 2303 - Parks and Trails				
Forecast Revenues	35	37	39	76
Total Governor's Recommendations	35	37	39	76
Fund: 2500 - Municipal State Aid Street				
Forecast Revenues	4,252	5,715	6,100	11,815
Total Governor's Recommendations	4,252	5,715	6,100	11,815
Fund: 2600 - County State Aid Highway				
Forecast Revenues	52,195	58,783	62,101	120,884
Change Items				
Transportation Funding Package		(3,700)	(3,100)	(6,800)
Total Governor's Recommendations	52,195	55,083	59,001	114,084
Fund: 2700 - Trunk Highway				
Forecast Revenues	495,170	474,470	512,199	986,669
Total Governor's Recommendations	495,170	474,470	512,199	986,669
Fund: 2710 - Highway Users Tax Distribution				
Forecast Revenues	5,137	6,572	7,001	13,573
Total Governor's Recommendations	5,137	6,572	7,001	13,573
Fund: 2720 - State Airports				
Forecast Revenues	7,974	8,361	8,606	16,967
Change Items				
Drone Enforcement and Regulation		(26)	(32)	(58)
Total Governor's Recommendations	7,974	8,335	8,574	16,909

Transportation

FY 2020-21 Biennial Budget Change Item

Change Item Title: Transportation Funding Package

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	40	130	170	180
Revenues	227,944	223,744	224,644	226,344
Highway User Tax Distribution				
Revenues	187,056	719,656	851,056	879,856
Transfers Out	187,056	719,656	851,056	879,856
Trunk Highway Fund				
Expenditures	107,680	416,878	492,361	508,891
Transfer In	107,680	416,878	492,361	508,891
County State Aid Fund				
Revenues	(3,700)	(3,100)	(2,500)	(1,900)
Expenditures	55,808	227,280	269,594	279,329
Transfer In	59,508	230,380	272,094	281,229
Municipal State Aid Fund				
Expenditures	15,631	60,515	71,472	73,871
Transfer In	15,631	60,515	71,472	73,871
Transit Assistance Fund				
Expenditures	7,400	16,800	18,400	19,900
Revenues	7,400	16,800	18,400	19,900
Transportation Fund				
Revenues	(13,400)	(14,000)	(14,600)	(15,300)
Expenditures	(13,400)	(14,000)	(14,600)	(15,300)
DNR Transfers				
Expenditures	3,846	4,200	4,350	4,384
Transfer In	4,237	11,883	15,129	15,865
Net Fiscal Impact = (Expenditures – Revenues)	(228,295)	(231,297)	(235,253)	(237,645)
FTEs (MnDOT)	0	50	75	100
FTEs (DNR)	6.25	6.25	6.25	6.25
*HUTD Transfers out include transportation funds only.				

Recommendation:

The Governor recommends the state commit to a major transportation investment plan to fund the estimated \$6 billion dollar gap that exists between funding needs and available revenues over the next 10 years. The Governor proposes filling the \$6 billion gap in road and bridge funding by:

- Initiating a 20 cent gas tax increase (phased-in over two years in September and April in FY20 and FY21)
- Indexing the gas tax to inflation (beginning in FY23)
- Increasing the registration tax, effective January 1, 2020 (increase tax rate from 1.25 percent to 1.5 percent and base tax fee from \$10 to \$45; change the depreciation schedule; amend base value calculation by removing destination charge and hold harmless provision of statute)
- Increasing the motor vehicle sales tax from 6.5 percent to 6.875 percent, effective December 1, 2019
- Authorizing \$2 billion in trunk highway bonds over 8 years starting in 2022

The gas tax, registration tax, and motor vehicle sales tax increases will fund roads and bridges for the state trunk highways, county state aid highways, and municipal state aid streets. In the FY22-23 biennium, when revenue changes are completely phased in, the increased revenue from the gas tax, motor vehicle sales tax, and registration fees are forecast to increase available resources for each transportation fund by 30 percent.

To help lower- and middle-income Minnesotans pay for transportation investments, the governor proposes an increase to the Working Family Credit of \$100 for each single or head of household recipient and \$200 for each married filing jointly recipient. This proposal is described in the Tax Aids, Credits and Refunds section.

Other Components:

In addition to the new funding above, the Governor recommends:

- Returning the auto parts sales tax, 9.2 percent motor vehicle rental tax, and 6.5 percent sales tax on motor vehicle rentals currently deposited into the Highway User Tax Distribution (HUTD) Fund as of FY18 back to the General Fund beginning in FY20. This results in an increase to the General Fund of \$396 million in FY20-21 and \$405 million in FY22-23.
- Restoring the motor vehicle lease sales tax to the pre-2018 distribution levels. This results in \$32 million returned to the General Fund, annually.
- General fund revenues are reduced by \$8.2 million in the FY20-21 biennium due to increased petroleum refunds and income tax interactions with the registration tax. General fund expenditures increase by \$170,000 for the biennium for increased aid to counties with casinos under [M.S. 270C.19](https://www.revisor.mn.gov/statutes/cite/270C.19) (<https://www.revisor.mn.gov/statutes/cite/270C.19>) due to the increase in gas tax.
- In total, the General Fund would receive a net \$452 million in FY20-21 and \$451 million in FY22-23.

Authorization for the sale of \$2 billion in trunk highway bonds over 8 years starting in 2022 (\$250 million per year). Debt service for these bonds is estimated to be \$19.1 million for the FY22-23 biennium.

Several components in this proposal require changes to the Minnesota Licensing and Registration System (MNLARS). Costs associated with changes to MNLARS will be funded through the Department of Public Safety's MNLARS budget recommendation.

Rationale/Background:

Minnesota cannot preserve and improve quality and performance of the state's transportation systems under the combined limitations of current investment levels and current lifecycle replacement practices. The consequences of underinvesting in the state's transportation system will include deterioration in service, increases in congestion, failing infrastructure and diminished ability to remain economically competitive. This is because transportation systems facilitate the efficient movement of people and goods and create the opportunity for economic development, enhanced productivity, job formation and sustainable growth. Without additional investment, the transportation system will not be able to expand to accommodate expected population and job growth. In addition, alternatives to driving alone must play a larger role in satisfying growing transportation demand - roads, transit and other transportation modes must work together as one system.

Road and Bridge Funding

The 2018 Minnesota Statewide Highway Investment Plan (MnSHIP) determined additional funding was needed for transportation, due largely to aging infrastructure and construction costs exceeding the growth of existing revenues. Overall, the department faces a \$6 billion gap in revenue over the next ten years above current fund balance projections to fund needed investments in state road construction. Of this total gap, roughly \$4 billion is needed for preservation and modernization, and \$2 billion is needed for strategic expansion.

Without additional revenue, there will be:

- Increasing deterioration of pavement and bridges on state system. The percent of highway pavement considered in poor condition (rough driving surface) and the percent of bridge deck pavement considered in poor condition it is estimated to increase significantly in the next 20 years.

- Very little expansion to address population and economic growth
- Reductions in high priority products and service delivery

In addition, more operations and maintenance dollars are recommended, calculated at 5 percent of new Trunk Highway Fund revenues. This additional funding will be spent on snow plowing, fixing pot holes and guard rails, etc. Investing in operations and maintenance is needed due to declining asset conditions, increased snow and ice requirements, and the need for more timely maintenance.

Proposal:

Road and Bridge funding components

New revenues and bonding would be identified to help close the funding gap over the next ten years. The goal is an integrated transportation system that optimizes the movement of people and goods across the state. With new funding, we can:

- Improve asset management - preserve and modernize the existing system
- Invest in strategic mobility enhancements, including MnPASS
- Complete strategic expansion on key corridors throughout the state
- Complete Main Street improvements

The benefits for Minnesotans will include:

- Reduced wear and tear on their cars
- Fewer stops at the fuel pump due to smoother roads and reduced congestion
- Fewer accidents
- More time doing what they need to do
- Reduced impacts on our environment

MnDOT has identified pavement and bridge needs as well as mobility projects that are not currently being addressed through its 10-year work plan. These unmet needs and projects will be given priority. These funds will provide for capital costs of construction as well as project development and engineering activities with contractor support, allowing the department to utilize this funding in the most efficient manner.

MnDOT proposes to utilize the increased operating appropriations for our highest-priority products and services. Some of these include:

- Snow and Ice - keeping the roads clear of snow and ice
- System Roadway Structures Maintenance – repair potholes (pavement repair)
- Bridges and Structures Inspection and Maintenance
- Intelligent transportation systems for improved safety and mobility

The Governor's proposal provides constitutionally dedicated funding increases that can be relied on over the long term and can only be used for transportation purposes. Returning auto parts and other taxes to the general fund results in the availability of funding for other state priorities.

Department of Natural Resources Funding Components

The Department of Natural Resources (DNR) receives a portion of the unrefunded gasoline tax, which has supported the state's recreational motorized vehicle activities and forest roads since 1961. This funding is dedicated to the DNR with the broader goal that the unrefunded gasoline proceeds should support programs related to non-highway gasoline use.

This revenue enables additional investment in Minnesota's water recreation facilities and services. The proposal funds \$3.35 million annually for increased operations and maintenance of public water access sites and state water trails (\$1.35 million) and increasing boating access site rehabilitation (\$2 million). Additionally, this proposal increases grants to local sheriff offices by \$300,000 annually to reimburse for search and rescue efforts.

This proposal also increases revenues to DNR's forest road account by \$196,000 in FY20, \$550,000 in FY21, \$700,000 in FY22, and \$734,000 in FY23. The state and counties (with a land commissioner) split this revenue 52% and 48% respectively. This increase funds additional graveling, grading, and drainage projects to maintain the state's 2,340-mile forest road network used by the forest industry, emergency responders and outdoor enthusiasts.

Transit Funding Components

Revenue from the motor vehicle sales tax is split between the HUTD (60 percent) and the Transit Assistance Fund (40 percent). The Metropolitan Council receives 90 percent of the motor vehicle sales tax revenue in the Transit Assistance Fund and MnDOT receives the remaining 10 percent for greater Minnesota transit. The Metropolitan Council will receive an additional \$28 million in FY20-21 and \$38 million in FY22-23 from the motor vehicle sales tax increase.

Equity and Inclusion:

A safe, reliable and multimodal system of transportation is vital to ensuring equity and inclusion by connecting communities statewide. This needed funding will also provide additional contracting opportunities to certified small businesses and opportunities to work towards enterprise-wide goals of equity and inclusion.

IT Related Proposals:

N/A

Results:

Currently, Minnesota's total state gasoline taxes are 28th highest in the country, including District of Columbia. Since 2013, Minnesota has dropped from 19th highest state gasoline taxes, as a result of other states increasing their gasoline tax rate. Over a 10-year period, the inflation-adjusted tax on gasoline is projected to add an additional 29 cents to the price of a gallon of gasoline.

These investments would provide additional long-term sustainable and dedicated funding. MnDOT would plan to rehabilitate the system for the 21st century by:

- Improving a significant portion of centerline miles of pavement and increase the number of bridges that can be repaired or replaced
- Accelerate progress toward the state goal of zero highway deaths with targeted installation of rumble strips, median barriers, lighting and other safety improvements. The Minnesota Toward Zero Death program has helped decrease injuries and deaths on the highway
- Keep roadside infrastructure in a state of good repair

In addition, MnDOT has operating performance measures that will be impacted by this proposal. All are anticipated to decline without additional funding; and this would reduce the decline. They include:

- Snow Plowing Performance – meet clearance targets
- Smooth Roads – percent of pavement patching addressed
- Percent of projects let in the year scheduled

Statutory Change(s):

Gasoline Tax: M.S. 296A.07 and M.S. 296A.08

Vehicle Registration Taxes: M.S. 168.013

Motor Vehicle Sales Tax: M.S. 297B.02

Motor Vehicle Lease Sales Tax: 297A.815

General Fund Transfers: M.S. 297A.94 and 297A.64

Transportation

FY 2020-21 Biennial Budget Change Item

Change Item Title: Trunk Highway Operating Pressures

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Trunk Highway Fund				
Expenditures	22,400	43,442	43,442	43,442
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	22,400	43,442	43,442	43,442
FTEs	0	0	0	0

Recommendation:

The Governor recommends a base increase in the Trunk Highway Fund operating appropriations of \$65.8 million for FY20-21 to offset a portion of the cumulative decreases in buying power due to inflation on commodity purchases, compensation cost increases including steps and insurance, and rate and volume increases in IT services.

Rationale/Background:

MnDOT purchases a significant amount of commodities each year to help deliver core products and services including fuel, salt, sand, bituminous, and utilities. While costs range significantly from year to year, over the past five years most commodities have remained relatively flat and in some cases decreased. However, over the next five years, MnDOT estimates the costs of all commodities to increase anywhere from two percent per year for electricity to six percent per year for salt and sand.

MnDOT requested funding in the FY18-19 biennial budget request to relieve operating pressures of commodity inflation and salary increases. Although the specific request was not enacted, MnDOT did receive funding increases in most trunk highway operating appropriations that were used in part to help offset increasing costs. However, the majority of this funding was one-time, and operating pressures will continue in future years. Over the past five years, compensation costs for MnDOT employees have increased an average of three percent per year, due to collectively bargained cost-of-living increases, annual step increases, and insurance cost increases.

Proposal:

The increased operating appropriations will help maintain the highest-priority products and services and necessary support functions. Some of these include:

- Snow and Ice – includes activities such anti-icing treatment before storms, snow plowing and ice removal during storms and clean-up of snow and ice after storms have passed. Snow plowing on Minnesota's 12,000 miles of roads is expensive, labor intensive, and critical.
- System Roadway Structures Maintenance – patch potholes, seal cracks, pave road surfaces, remove debris, repair or replace culverts, maintain roadway shoulders, and respond to flooding.
- Bridges and Structures Inspection and Maintenance – 4,860 state highway bridges are inspected in accordance with state and federal requirements. In addition, MnDOT performs preventive maintenance such as sealing cracks, joints and railings, spot painting, lubrication of expansion bearings, and flushing with water. Reactive maintenance is also needed when a vehicle damages a bridge or deterioration is discovered. This proposal includes a \$1 million base increase for the Bridge Office.

- Develop Highway Improvement Projects – includes activities such as scoping, environmental review, public involvement, and designing. Designing performs engineering studies and analysis, prepares construction plans, uses performance based practical design and flexible design standards to ensure road designs meet project goals while minimizing costs. This proposal includes a base increase of \$1.4 million for major projects staffing. It will provide base budget staffing levels to manage project development and construction of upcoming major projects.
- Highway Construction Management Oversight – includes managing overall progress, coordinating the early stages, and overseeing quality management, material testing, etc.

This proposal covers increasing costs of compensation including steps and insurance, and IT across the agency.

Below is a summary of the components of the request (amounts in \$1,000s):

Component (% Increase)	FY 2020	FY 2021	FY 2022	FY 2023
Compensation (~3%)	13,600	30,400	30,400	30,400
Commodities (5%)	4,000	8,200	8,200	8,200
IT Rates/Volume (5%)	2,400	2,400	2,400	2,400
Major Projects Staffing	1,400	1,442	1,484	1,530
Bridge Office	1,000	1,000	1,000	1,000
Total	22,400	43,442	43,484	43,530

Equity and Inclusion:

This proposal is not expected to impact equity or inclusion.

IT Related Proposals:

Of the total request, \$2.4 million per year is to cover the additional costs needed for IT services based on projected rates charged by MNIT and volumes of services utilized by MnDOT. In the FY20-21 Biennium, MnDOT will transition from a local to an enterprise service delivery model for workstation management (laptop/desktop computer support and refresh) and service/help desk support. Regular replacement of workstations will be included as part of the service rate, in order to ensure the security and supportability of state agency computers. The agency will also transition to the enterprise service/help desk, which provides 24/7 support to agency staff.

In addition, for the FY20-21 biennium, MnDOT's portion of MNIT administrative overhead expenses is projected to increase. MNIT overhead expenses include HR, finance, procurement, enterprise project management, and security activities. These expenses are allocated to agencies based on their total IT spend and total number of dedicated MNIT staff as of fiscal year 2017.

Results:

This funding will allow MnDOT to maintain its existing levels of service. If this funding is not received, MnDOT would be forced to reduce service levels in some areas.

Statutory Change(s):

N/A

Transportation

FY 2020-21 Biennial Budget Change Item

Change Item Title: Cyber Security and Agency Priority Initiatives

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Trunk Highway Fund				
Expenditures	2,502	1,814	498	498
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	2,502	1,814	498	498
FTEs	1	1	1	1

Recommendation:

The Governor recommends an increase to the Trunk Highway Fund appropriations for cyber security, risk management and protection of the state's sensitive data assets and technology investments. The request includes a \$500,000 base increase beginning in FY20 and onetime funds of \$2 million in FY20 and \$1.3 million in FY21. The total request includes \$2.5 million in FY20, \$1.8 million in FY2021, and \$500,000 ongoing.

Rationale/Background:

MnDOT seeks support for the critical technology systems that enable the agency to successfully plan, build, operate, and maintain the state's multimodal transportation system. These investments secure critical state technology and data assets while also creating opportunities for more modern and innovative technology solutions to meet our customer's needs. Investments include:

Cyber Security, Risk Management

In partnership, MnDOT and MNIT at DOT have identified a backlog of IT risk management efforts in need of base and one-time investment to bring all of MnDOT's IT systems to a consistent and reasonable level of security. The request will support needed modernization efforts designed to update MnDOT's IT systems to a fully supported state and keep already gained IT security levels consistent. This proposal includes a request for a base increase of \$300,000 and one-time increases of \$500,000 in FY20 and \$200,000 in FY21 for a total of \$1.3 million to fund a total of 3 permanent and 4 temporary full-time MNIT positions.

Agency Priority Initiatives

MnDOT's priority technology initiatives are designed to enable MnDOT to maintain technology systems critical to supporting Minnesota's multimodal transportation system.

Motor Carrier Information System – Replace an outdated, customer-facing system used for processing applications and issuing operating credentials to commercial motor carriers of property and passengers. The new system will provide a fully automated, web-based accessible system that is compatible with newer technologies, customizable, and intuitive to users. Customers will be able to enter information online at a time that is convenient for them instead of having to physically visit a MnDOT location during business hours. Customers can receive notifications when action is required on their carrier file. Carriers will be able to check status of their requests and verify if vehicles are registered and active in the system.

Oversized/Overweight Permitting System (Route Builder) – Replace outdated, customer-facing permitting and routing software used to analyze and approve routing of oversized and overweight loads on MN state highways. The new system will offer an improved customer experience, with increased accuracy, a better payment tool, improved monitoring and reporting components, and more accurate routing.

Software Asset Management – In partnership, MnDOT and MNIT at DOT designed and tested a software asset management approach that will provide a comprehensive inventory of all agency software assets, a defined structure for managing that inventory, and ongoing strategies to fully leverage existing investments in software.

This proposal requests a base increase of \$200,000 and one-time increases of \$1.5 million in FY20 and \$1.1 million FY21, for a total of \$3.0 million. Agency priority initiatives would require a mix of full time and temporary positions for this proposal, 1 MnDOT and 1 MNIT FTE.

Proposal:

MnDOT is the primary state user of “Internet of Things” (IoT) technology- physical devices that can connect to networks. Examples include dynamic overhead signs, roadway sensors, and bridge de-icing systems. Emerging technologies in connected and automated vehicles will substantially increase MnDOT’s role in maintaining these highway infrastructure assets on behalf of the State. As a result, a critical need for FY20-21 is to ensure that these systems are supported and secured to avoid potentially costly service outages.

Beyond these physical devices, MnDOT utilizes IT systems for a majority of the agency business functions. IT tools are used to determine the amount of salt to disperse in a given weather condition, to calculate funds distributed to local government, and to analyze crash and safety statistics. To ensure uninterrupted and effective operational status, MnDOT applications must be upgraded, secured, and managed. In FY2018-19, MnDOT deployed a new program to analyze current IT systems, identify out-of-date or vulnerable components, and resolve technical issues. With additional capacity, MnDOT could more quickly address these critical risks to security and business continuity.

MnDOT has identified several key customer-facing applications that are operating on outdated technology and need to be fully replaced. With these replacement projects, MnDOT will be able to offer the public a more user-friendly experience, more modern functionality and notification capabilities, and flexibility in accessing MnDOT services.

Equity and Inclusion:

IT investments provide significant opportunities to both attract skilled and diverse employees, as well as contracting with Disadvantaged Business Enterprises and Targeted Group Businesses.

IT Related Proposals:

<i>Category</i>		<i>FY 2020</i>	<i>FY 2021</i>	<i>FY 2022</i>	<i>FY 2023</i>	<i>FY 2024</i>	<i>FY 2025</i>
Payroll		105	108	108	108	108	108
Professional/Technical Contracts		375	275	-	-	-	-
Infrastructure		-	-	-	-	-	-
Hardware		-	-	-	-	-	-
Software		1,125	825	-	-	-	-
Training		-	-	-	-	-	-
Enterprise Services		-	-	-	-	-	-

<i>Category</i>		<i>FY 2020</i>	<i>FY 2021</i>	<i>FY 2022</i>	<i>FY 2023</i>	<i>FY 2024</i>	<i>FY 2025</i>
Staff costs (MNIT)		897	607	391	391	391	391
Total		2,502	1,814	498	498	498	498
MNIT FTEs		8	8	4	4	4	4
Agency FTEs		1	1	1	1	1	1

Results:

The proposal will allow us to better protect the state from cyber-security risks through one-time and base investments. In addition, it will provide necessary enhancements for our critical IT initiatives. It is paramount as an agency that we keep pace with technology to allow us to better inform agency stakeholders, to provide a more user-friendly and mobile experience for the public, and to ensure that critical State assets are maintained.

Statutory Change(s):

N/A

Transportation

FY 2020-21 Biennial Budget Change Item

Change Item Title: Tribal Training Funding

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	311	316	316	316
Revenues	0	0	0	0
Trunk Highway Fund				
Expenditures	100	100	100	100
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	411	416	416	416
FTEs	1.5	1.5	1.5	1.5

Recommendation:

The Governor recommends fully funding the Governor's Executive Order 13-10 (directing state agencies to engage in consultation, coordination, and cooperation with tribal governments) for tribal training for state agencies. Currently, MnDOT is absorbing the majority of the cost of the training for all the agencies.

The request also includes funding for additional staff to support the activities of the tribal liaison. The success of the tribal affairs program and the tribal training have greatly expanded the demand for the tribal liaison position. The additional funding for this request would fund positions under the direction of the liaison to expand the capacity of that role.

If this funding is not appropriated it is likely that MnDOT will need to bill agencies for attending the training to recover costs that are not benefitting the trunk highways.

Rationale/Background:

Funding the proposal allows MnDOT to carry out its mission which involves adhering to Federal laws specific to Indian Country, compliance with Executive Order 13-10 and the agency's Tribal Nations Policy, and taking positive action to address priority transportation issues of mutual interest between MnDOT and tribal governments in Minnesota. This training informs employees about consultation and coordination and equips them with the knowledge and tools they need to implement such consultation.

This training won the State Government Innovation Award and is designed to educate state employees on how to more appropriately interact, communicate, and collaborate with tribes and tribal governments. This proposal will allow the training to continue without MnDOT bearing the sole cost.

Proposal:

This proposal will fund MnDOT's tribal training for other state agencies. As part of this request, the trunk highway funding will provide staff to continue to provide five, two-day sessions at tribal locations per year. Part of the funding request is also to develop on-line training to expand access to the core curriculum and develop more narrowly focused on-line courses for specific topics and individual tribes.

Equity and Inclusion:

Strengthening authentic relationships and collaboration with tribal members helps reduce disparities for tribal members within MnDOT and also helps expand the cultural competency skills necessary for working with tribal governments across the state.

IT Related Proposals:

There is not an anticipated IT impact, though there is a potential for a software license cost to develop the online training so it is compliant with the system at MMB.

Results:

This investment will increase partnership and customer engagement between the state and Tribal Nation. This can be measured by the number of attendees, the survey results, and the number of agencies that have attended. To continue providing this effective training, an appropriation would cover the cost, enabling MnDOT to continue to have more sessions and to create online e-training.

Statutory Change(s):

N/A

Transportation

FY 2020-21 Biennial Budget Change Item

Change Item Title: Aeronautics Base Budget Increase

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
State Airport Fund				
Expenditures	5,400	5,400	5,400	5,400
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	5,400	5,400	5,400	5,400
FTEs	0	0	0	0

Recommendation:

The Governor recommends an ongoing base appropriation increase of \$5.4 million per year. The base increase would include \$4 million for Airport Development and Assistance and \$1.4 million for Aviation Support and Service Assistance appropriations. This is a 26 percent increase in FY20-21 to the current \$15.298 million Airport Development and Assistance and \$5.231 million Aviation Support and Services Assistance appropriations.

Rationale/Background:

The state's airports allow for critical connections to destinations for people, products, and businesses of Minnesota. It is a key component of our multimodal transportation system within the state. The state's 135 airports and the aero operations currently exceed the base funding available. An increase in the base budget would assist in replacements of aging infrastructure, relieve increasing operating pressures, and support needed building costs for the Office of Aeronautics.

Aeronautics has not received a base increase in 20 years and will face organizational restructuring without additional funding. A replacement of the Office of Aeronautics' IT customer application system is critical to support the complexities of the tax structures. Additionally, the existing Aviation Support and Services building will begin to pose safety issues if needed work is not completed. This work includes modification of bathrooms to be ADA compliant.

Proposal:

Approval of this proposal will cover operational pressures, fund much needed capital improvements, improve critical systems, and allow more critical airport projects to be completed. In addition, this will increase aviation support and services for aeronautics building repairs, IT spending and aeronautics operations. MnDOT's Aeronautics Office has the statutory authority to annually set the percent of state match for federal grants. When the match can be kept at a higher percentage, the participation rates by local governments is lower. This results in a greater number of local airports being able to move forward on needed projects and a greater amount of federal dollars spent in the state. This base increase would enable MnDOT to keep state participation rates at a higher level for improvement projects at airports.

Equity and Inclusion:

This proposal is not expected to impact equity or inclusion.

IT Related Proposals:

This proposal includes three system improvements: aircraft registration system, capital improvement system, and DOS-based IT systems to monitor navigational systems. This will allow more airport projects, create less down-time for navigational systems, lower maintenance costs, and decrease security risks.

Category	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Payroll						
Professional/Technical Contracts						
Infrastructure						
Hardware						
Software	600,000	600,000				
Training						
Enterprise Services						
Staff costs (MNIT or agency)						
Total	600,000	600,000				
MNIT FTEs						
Agency FTEs						

Results:

As the state agency charged with overseeing aviation safety in Minnesota, we run and maintain statewide navigation systems. MnDOT's Aeronautics Office has the statutory authority to annually set the percent of state match for federal grants. This funding will allow MnDOT to keep state participation rates at a higher level for improvement projects at airports. If this funding is not approved, some navigational systems will be retired. The funding will provide a means to have more airport projects, less down-time for navigational systems and lower maintenance costs. For Aviation Support and Services, the increase will allow them to maintain existing, and in some instances, provide better service to customers.

MnDOT also distributes state funds to public airports (with the exception of the Minneapolis-Saint Paul International airport) for maintenance and operation activities, such as keeping runways free of snow and ice, equipment purchases, building utilities, and upkeep. Grants distributed to public airports for maintenance and operation activities met nearly a fourth of the funds expended to operate and maintain public airports in 2016 and 2017. Larger airports have a greater gap in reimbursements, with 29 smaller airports having all maintenance and operation needs met in 2016 and 26 airports in 2017.

State participation in airport Maintenance and Operation (M&O) expenses was capped in 2009 and has remained unchanged since, even though across the state airports have been adding needed infrastructure. One example is Owatonna-Degner Regional Airport where a new 3000 foot crosswind runway was constructed increasing the length of runway to be maintained by 50 percent. No additional state funding was provided to maintain and operate the new pavement and necessary lighting infrastructure. Due to the one-time appropriations all 135 system airports received additional M&O funds. This proposal would allow the increase to be sustained.

Statutory Change(s):

N/A

Transportation

FY 2020-21 Biennial Budget Change Item

Change Item Title: Career Pathways Program Growth and Succession Planning

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Trunk Highway Fund				
Expenditures	2,200	2,255	2,255	2,255
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	2,200	2,255	2,255	2,255
FTEs	33.6	33.6	33.6	33.6

Recommendation:

The Governor recommends an increase in the Trunk Highway Fund base appropriation for recruitment and retention for the Career Pathways Program, which is comprised of the Civil Engineering Internship Program, Phoenix Internship Program, Seeds Student Worker Program, Grad Engineer and Land Surveyor Program, and Retaining Our Workforce (MnROW) programs. This will also provide additional support for labor relations activities, staffing activities, and technical training to maintain existing demand and account for workload increases over the past few years for Human Resource activities that MnDOT invested in with FY18-19 funds.

Rationale/Background:

MnDOT continues to be at risk without dedicated or increased funding to fill critical positions. Retirements are on the rise, and we'll need to conduct recruitment efforts as a standard practice to become an employer of choice in a competitive market. Current resources have not kept pace with the demands for supervisory support in performance management, staffing, and training needs. Currently, the Seeds Student Worker Program and the Phoenix Internship Program receive federal reimbursement to help offset costs. MnDOT is experiencing staffing shortages and further support of these programs will help facilitate the growth needed to mitigate shortages.

Some of MnDOT's best recruitment and retention comes from workforce programs such as Civil Engineering Internship Programs, Phoenix Internship Program, Seeds Student Worker Program, Grad Engineer and Land Surveyor Program, and the MnROW program. MnDOT has had limited opportunity to utilize these programs as value has been realized in "growing our own" talent, but the needs are greater than what the current funding will provide. These have been identified as critical positions to build bench strength in the agency. MnDOT has funded these over the past biennium with one-time funds. This request will provide stable funding for these programs.

Proposal:

The funding would cover part/full-time positions within the programs, including 13 graduate engineers, 11 civil engineer internships, 10 Phoenix internships, 7 Seeds workers, and 1 full-time position to help manage the increase in these recruitment programs. The additional support positions will also assist supervisors and managers in labor relations, performance management, and training activities. This advances MnDOT's Strategic Operating Plan (SOP) of Customer Trust as MnDOT is better able to engage customers while listening and understanding the diverse balance of needs to achieve all best possible outcomes. This also advances MnDOT's SOP of Workforce Excellence as this funding will attract and retain a workforce for MnDOT to be successful and better reflect the communities we serve. Historically, these programs have a high level of success both in recruitment and retention. Together, these programs comprise a career pathway within MnDOT.

Equity and Inclusion:

The funding will provide additional recruitment opportunities to work towards enterprise-wide goals of equity and inclusion. Data illustrates that this program assists in attracting and retaining a workforce that better reflects the communities we serve. These programs are recruiting and retaining minorities, people with disabilities, females, and veterans at higher rates than our overall employee hiring and rehiring efforts are achieving.

IT Related Proposals:

N/A

Results:

MnDOT strives to focus on customer satisfaction. To that end, our workforce is the driving factor for our success in this area. This proposal advances MnDOT's SOP of customer trust as MnDOT is better able to engage customers while listening and understanding the diverse balance of needs to achieve all best possible outcomes. This proposal also advances MnDOT's SOP of Workforce Excellence as this funding will attract and retain a workforce for MnDOT to be successful and better reflect the communities we serve.

Statutory Change(s):

N/A

Transportation

FY 2020-21 Biennial Budget Change Item

Change Item Title: Rail Grade Crossing Safety

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Trunk Highway Fund				
Expenditures	0	0	0	0
Revenues (DPS)	(750)	(1,500)	(1,500)	(1,500)
Special Revenue Fund				
Expenditures	750	1,500	1,500	1,500
Revenues	750	1,500	1,500	1,500
Net Fiscal Impact = (Expenditures – Revenues)	750	1,500	1,500	1,500
FTEs	0	0	0	0

Recommendation:

The Governor recommends increasing the funding for the rail grade crossing safety account from \$1 million to \$2.5 million per year in response to increasing needs for rail safety improvements on the trunk highway and local road system. This will be phased in over two years: \$750,000 increase in FY20 and \$1.5 million in subsequent years. This account is derived from a portion of State Patrol fine revenues (deposited in a Department of Public Safety account), and the increase in grade crossing funding would result in an equivalent decrease in the Trunk Highway Fund.

Rationale/Background:

There is an increasing need for safety improvements at rail grade crossings. Safety improvements at highway and rail grade crossings help motorists and pedestrians make safe decisions about crossing railroad tracks. These funds will allow for a significant increase in the number of small safety projects that can be programmed and delivered rapidly, such as sign replacements, crossing closures, roadway enhancements and signal circuitry upgrades. The funds can be used at any of Minnesota's rail crossings of public roadways.

Proposal:

The fine structure will not change; the increase of \$750,000 and then \$1.5 million will result in a corresponding reduction in the amount of fines deposited in the Trunk Highway Fund. This funding source is used statewide on an as-needed basis.

Equity and Inclusion:

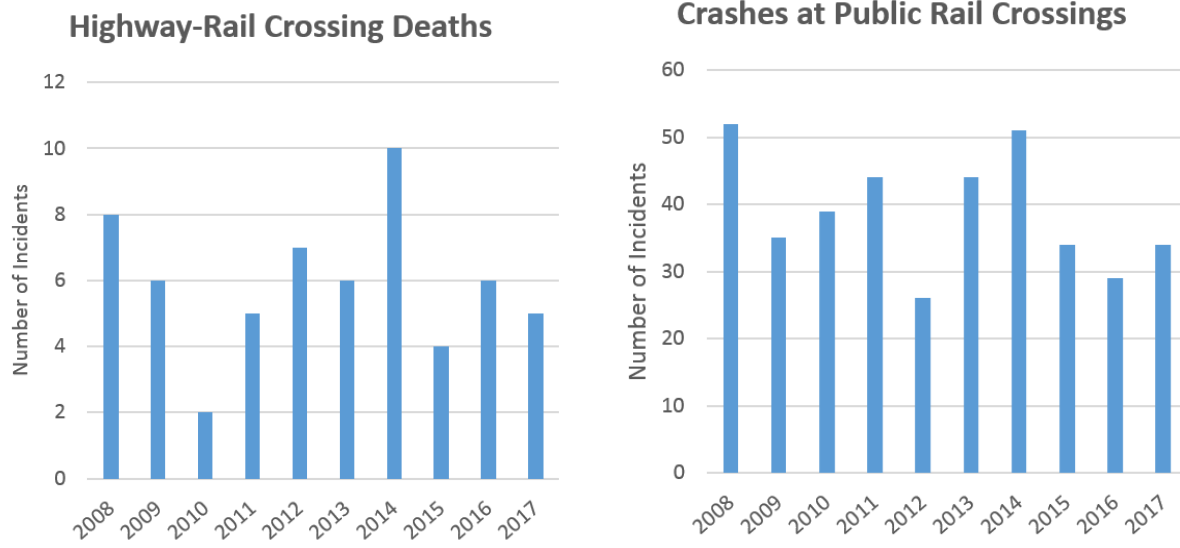
This proposal is not expected to impact equity or inclusion. However, this investment may provide additional contracting opportunities to certified small businesses.

IT Related Proposals:

N/A

Results:

This initiative would be measured through increases in rail safety and will be documented to provide before and after measurements.



Source: Federal Railroad Administration Office of Safety Analysis

Statutory Change(s):

[M.S. 299D.03 subd. 5\(a\)\(1\)](https://www.revisor.mn.gov/statutes/cite/299D.03) (<https://www.revisor.mn.gov/statutes/cite/299D.03>)

Transportation

FY 2020-21 Biennial Budget Change Item

Change Item Title: State Airplane Replacement

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	87	87	87	87
Revenues	0	0	0	0
Trunk Highway Fund				
Expenditures	346	346	346	346
Revenues	0	0	0	0
Special Revenue Fund				
Expenditures	0	0	0	0
Revenues	702	202	202	202
Net Fiscal Impact = (Expenditures – Revenues)	(269)	231	231	231
FTEs	0	0	0	0

Recommendation:

The Governor recommends General Fund and Trunk Highway Fund appropriations to replace one aging state aircraft with a similar aircraft. MnDOT does not have a funding mechanism to replace aircraft, only maintain them.

The Governor also recommends amending M.S. 360.024 so that pilot salary, aircraft replacement, or aircraft leasing costs can be included in the charge for air transportation services. It would also delete the reference to “direct” operating costs in statute. There are indirect fixed costs that should be considered such as insurance and hanger lease costs. This amendment allows MnDOT to better care for key state assets.

Rationale/Background:

Per M.S. 360.024, MnDOT provides air transportation services for conducting state business. Agencies pay for this service based on a rate allowable in statute. Money is placed into a revolving account and used for operating costs and maintenance. State law does not allow this fund to be used to replace aircraft.

The aircraft used for this service is aging. The King Air C90 is 38 years old and as aircraft age, they cost more to maintain. A 30-year old airplane can have more than double the maintenance costs of a 5-year old airplane. In addition, time spent on the ground while being maintained reduces the number of days the aircraft are available. For example, in the past year the 38 year old airplane has been in maintenance 17 percent more days than the 26 year old airplane. By age 30, aircraft typically spend nearly half their time in maintenance.

MnDOT recommends replacement of this aircraft due to age and the coming expenses. MnDOT hired Conklin and de Decker (a consultant firm) to verify our assessment, assess current usage, and make recommendations for the number and type of aircraft we should own. They recommended replacing the aircraft with a new/newer aircraft.

Based on usage of aircraft by state agencies, MnDOT uses the plane for more than 80 percent of trips while other agencies use it the other 20 percent. The cost of the aircraft lease is proposed to be split 80/20 between the Trunk Highway Fund and the General Fund.

Proposal:

MnDOT proposes to lease-to-own one new aircraft and sell the King Air C90. Conklin and de Decker evaluated usage, operations, mission needs, and other factors and made recommendations. The final aircraft type would be determined through the request for proposal and subsequent procurement process. The estimated cost of leasing a new aircraft should be no more than \$3.8 million. The request is for the full estimated annual leasing costs of \$433,000. After completion of training on the new aircraft, MnDOT plans to sell the old aircraft through the State of Minnesota Surplus Services process. MnDOT estimates the plane will sell for \$500,000.

There will be maintenance cost savings as a result of the lease of the new plane. We have not included those savings as we plan to apply the savings to maintenance on the other aircraft. Additionally, this request (along with corresponding language changes to existing statute) would allow MnDOT to begin including the costs of leasing/replacing aircraft in the rate charged to those using the plane. This increase in the flying rate per mile would raise an additional \$202,000 per year, which would eventually replace other aging aircraft over time.

Equity and Inclusion:

Replacing the aircraft gives MnDOT a more efficient way to move around the state to build relationships and collect feedback from all corners of the state to ensure greater inclusion in MnDOT's operations.

IT Related Proposals:

N/A

Results:

As the state agency charged with overseeing aviation safety in Minnesota, we are able to fly and visits airports to monitor the condition and their compliance with State Rules and Federal Aviation Regulations. Our pilots have backgrounds as airport inspectors; we are able to interact with airport officials to resolve any existing or future concerns that the airport sponsor may have.

In addition, MnDOT Aeronautics has managed this air transportation service for decades. Air transportation saves the state money by making efficient use of staff time by offering the option to fly. For example, driving round-trip to Bemidji would require 8 hours of travel time and an overnight stay, including meal reimbursements, ultimately requiring two full business days. Flying is only two hours round-trip. Most of the state of Minnesota is within one hour fly time of the Saint Paul Downtown Airport. MnDOT uses a fly vs. drive calculator to help evaluate whether a trip is cost effective.

Statutory Change(s):

[M.S. 360.024](https://www.revisor.mn.gov/statutes/cite/360.024) (<https://www.revisor.mn.gov/statutes/cite/360.024>)

Transportation

FY 2020-21 Biennial Budget Change Item

Change Item Title: Connected and Automated Vehicles

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
Trunk Highway Fund				
Expenditures	6,200	5,500	5,500	5,500
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	6,200	5,500	5,500	5,500
FTEs	4	4	4	4

Recommendation:

The Governor recommends an appropriation increase of \$6.2 million in FY20, and \$5.5 million in subsequent years from the trunk highway fund to advance Connected and Automated Vehicles (CAV) policy, planning, testing, and implementation. This technology has significant potential to impact safety, mobility, equity, and the Minnesota economy. Funds are needed to ensure Minnesota is prepared for this transformative technology.

CAV includes automated (potentially driverless) vehicles operating on the surface transportation system, connected vehicle sharing information with infrastructure and/or other vehicles, truck platooning, the impact of electric automated vehicles, and how automated shared mobility transportation may impact traffic operations and safety.

An initial amount of \$1 million per year in FY18-19 has been invested, and MnDOT is working to identify additional trunk highway funds to invest in this effort for FY19, but ongoing funding is necessary.

Rationale/Background:

The private industry is rapidly advancing this technology, and our current laws, policies, planning, and infrastructure need to catch up. Much of the testing and deployments are occurring in urban and warm weather climates, which do not replicate Minnesota conditions. MnDOT and other state agencies need to continue planning and utilizing these advances for our preparedness of this emerging technology. This proposal allows Minnesota to be a leader with the diverse climates of our state in regards to CAV.

By properly planning, testing, and piloting this technology, we have an opportunity to make strategic investments in our assets now, so we are ready for this technology as it evolves. In particular, this proposal could help:

- Advance CAV technology in winter weather conditions
- Develop corridors and test tracks for industry to test and validate technology
- Utilize CAV technology to improve mobility for those with transportation challenges (e.g. person with disabilities, low income, aging populations, communities of color, rural Minnesota, Tribal communities)
- Utilize CAV technology to improve the safety and operations of work zones
- Utilize CAV technology to improve bike and pedestrian safety
- Build public trust in CAV through public outreach, education and demonstrations.
- Share data between government and third parties to advance CAV applications that improve safety and mobility
- Utilize data to help manage infrastructure and operations to support CAV
- Utilize CAV technology to grow Minnesota businesses and attract new business and talent
- Strategically plan for policy, infrastructure, and operational risk

Limited or no investment may expose the State of Minnesota and MnDOT to additional infrastructure costs, decrease in public trust, and increased IT costs by reacting to the technology. There are several unknowns with this technology, such as when it will come, what exactly will it be, and in which areas the private industry will focus their priorities. This is an evolving technology that could likely create systems-wide changes not only in transportation, but in the way people live, work, and play.

Proposal:

This funding will support several CAV efforts:

- Implement the recommendations from the Governor's Advisory Council on Connected and Automated Vehicles as part of Executive Order 18-04. The recommendations include investment priorities such as: preparing our infrastructure, planning, policy, research, advancing public private partnerships, cyber security, public engagement and education, testing and deployment corridors, pilot/demonstration projects, economic and workforce development, equity, and insurance and liability. In addition, MnDOT is responsible for leading recommended policy changes at the legislature.
- Support an innovative public-private-partnership concept called the "Minnesota CAV Challenge". This allows public and private institutions to submit CAV concepts to solve our transportation challenges (e.g. improve work zone operations, improve safety, reduce transportation barriers in low-income areas, implement CAV in rural Minnesota, data sharing, planning, policy, and building public trust in CAV).
- Implement recommendations from MnDOT's CAV Strategic Plan (to be completed in spring 2019). This Strategic Plan will identify specific capital investment strategies, long-term planning, staffing, IT, public outreach, communications, regulatory impacts, operations and infrastructure needs specific to MnDOT.
- Fund the Office of Connected and Automated Vehicles (CAV-X) staff to implement CAV programming and projects.
- Fund connected vehicle technology advancement, including testing and deployment of this technology on signal systems, fleet vehicles, and other roadway elements to improve safety and traffic flow.
- Implement cyber security and data privacy measures to collect and share data between vehicles, infrastructure, and private partners.
- Provide opportunities for public input, public education, and public demonstration and testing projects.

Funding would also be used to complete operational and infrastructure efforts from the Traffic Incident Management and Operations (TSMO) plan.

Equity and Inclusion:

Persons with disabilities, aging population, tribal nations, and other groups with current transportation challenges will be impacted by this technology. MnDOT CAV-X staff has done extensive outreach to these groups. Persons with disabilities strongly support the rapid deployment of these technologies to provide more job opportunities and personal freedom options. Other groups with transportation challenges want to make sure Minnesota is proactive, so this technology does not increase transportation barriers. They have also requested more opportunities to learn about the technology through public demonstrations and education.

With proper planning, this technology has the potential to benefit groups experiencing transportation barriers. This includes creating regulation that supports safe development and testing, and ensuring that the applications are used properly to benefit Minnesota residents and businesses. Failure to implement proactive policies could have an adverse effect, by having CAV applications that only benefit a few.

As stated above, there could be positive or negative impacts. For example, automated vehicles could provide more transportation options (e.g., bring unemployed and persons with disabilities to job markets and more access to education, health care and other items to improve quality of life). Automated vehicles can also greatly reduce the number of traffic related deaths and serious injury by minimizing human error in driving. However, the

technology could create additional transportation barriers if not everyone has access to the technology, or the technology costs become prohibitive for low income homes.

The private industry is going to continue developing this technology at a rapid pace. Ongoing funding is required to keep pace with the advancements in technology.

Category	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Payroll						
Professional/Technical Contracts						
Infrastructure						
Hardware	\$100	\$100	\$100	\$100		
Software	\$250	\$250	\$250	\$250		
Training						
Enterprise Services	\$25	\$25	\$25	\$25		
Staff costs (MNIT or agency)						
Total	\$375	\$375	375	\$375		
MNIT FTEs						
Agency FTEs						

Results:

During the implementation phases, we will measure success by implementing the action items within the Governor's Advisory Council report and MnDOT CAV Strategic Plan recommendations.

Once the technology is deployed and connected and automated vehicles reach a statistically significant market penetration rate, we can measure success in the reduction of traffic related fatalities and serious injuries and congestion management.

Statutory Change(s):

Not applicable.

Transportation

FY 2020-21 Biennial Budget Change Item

Change Item Title: Salt Solutions and Sustainability

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Trunk Highway Fund				
Expenditures	5,110	5,065	3,070	1,576
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	5,110	5,065	3,070	1,576
FTEs	4	4	4	4

Recommendation:

The Governor recommends Trunk Highway funding to address sustainability efforts the agency is prioritizing. A significant portion of this request is to invest in strategies that result in less salt use for snow and ice activities, saving money and limiting the impact salt has on the environment, while still effectively minimizing snow and ice on the roads Minnesotans travel. Funding would also be used for sustainability strategies that reduce the environmental impact of other agency functions, including investing in telematics systems and equipping MnDOT's fleet with equipment that tracks data to help the agency reduce fuel use, save money, and achieve sustainability goals.

On average, MnDOT spends approximately \$75 million on snow and ice management activities. Of this amount, a portion is allocated for various activities, materials, and equipment that reduces the amount of salt used to manage snow and ice.

Rationale/Background:

MnDOT is required to take actions to conserve energy and water, reduce waste, lower transportation energy use, save money, and reduce emissions. In response, MnDOT continues to develop and adopt targeted strategies to make progress in all these areas.

MnDOT is a national leader in winter maintenance. The agency continues to find and apply new methods of intelligent chemical applications to meet public and economic demands for safe winter driving, while striving to limit environmental impacts. Salt used during snow and ice activities is toxic to the environment and MnDOT continues to build on past success in reducing the chlorides that leave the roadway and enter the environment.

In addition, MnDOT's fleet consists of a variety of vehicles that perform maintenance, snow plowing, delivery, and various employee duties across the state. By installing telematics systems, the agency can track vehicle engine performance, route selection, and provide other data to increase the efficiency of MnDOT operations. One example is that telematics can support new efforts to reduce unnecessary vehicle idling to avoid wasting fuel. MnDOT is implementing a new anti-idling policy and this funding will provide the tools to track this data and support implementation of the policy.

Proposal:

Sustainability at MnDOT means reducing environmental impacts and being more efficient. Best practices are always improving and resources are required to keep up with the technology and opportunities that enhance MnDOT's ability to sustain the current level of service without compromising the environment, including:

Road Surface Liquid Deicing & Chemical Storage & Equipment (One-time request): Salt and liquid deicers/anti-icers are the most commonly used in snow fighting due to their quick action, economic cost, and ease of use. Having multiple chemicals, larger storage units and the proper equipment, such as slurry systems, located throughout the state will allow MnDOT District personnel to choose the proper chemical for each individual, unique event. The result is that less salt is spread, minimizing environmental impacts.

The use of liquid deicers can help reduce the effect on Minnesota's natural environment and water quality. For instance, the process of spraying deicing salt with a solution of liquid chemical before spreading the salt on the roadway helps the salt work more effectively by keeping more of the chemical on the road surface and by activating the chemical more quickly.

Data Driven Decisions (Base request): Data driven decisions are made daily in snow and ice operations and data provides confidence when making decisions in the field in real time scenarios and helps supervisors make informed decisions. MnDOT has been using Maintenance Decision Support System (MDSS) for many years. MnDOT has made great strides in applying MDSS data to all areas of maintenance. The system provides real-time weather, road conditions and maintenance information to supervisors and snowplow operators to help them make decisions about salt, sand, and chemical use.

However, there are areas that need improvements. For instance, enhancements to the system's front end would include improving reporting opportunities for operators, supervisors, and managers. Near real time reporting of field data would help decision maker's correct behavior and actions of operators in a real time setting.

Operations Support/Technology/GIS (Base request): MnDOT is continually moving forward with new technology to track and implement best practices with infrastructure inventories, system size tracking and salt sustainability initiatives. These systems rely on Transportation Asset Management System (TAMS) and Geographic Information System (GIS) mapping technologies to assure data is accurately collected, maintained, analyzed, and reported. This proposal would also include additional MnDOT employee to assist with the support, training, and maintenance of technology systems vital to maintenance operations.

Road and Weather Information System (RWIS) (One-time request): MnDOT proposes adding an additional 62 RWIS sites throughout the state. RWIS is an automated information system that collects, processes, and distributes current and forecasted weather and road surface information. RWIS sites are located on the right-of-way next to the highway and have sensors imbedded in the pavement. They collect road surface and atmospheric information, including air and pavement temperatures, relative humidity, wind speed/direction, subsurface temperatures, and depth of precipitation and salt concentration on the roadway. This information is used by operators and supervisors to aid in determining what material to use, when to use it, and at what rate. The end result is faster and more efficient response to keep Minnesotans moving safely.

Telematics (Base request): MnDOT proposes equipping light duty fleet vehicles with telematics devices to gather data for sustainability and fuel reduction guidelines. Installing this technology allows MnDOT to evaluate a vehicle's engine performance, fuel consumption, and other parameters.

Chief Sustainability Office (Base request): Funding would support staff to continue to measure, track, and report benefits and costs of agency sustainability efforts to save money and reduce agency environmental impacts. The work supports effort in each functional area within the agency's organization structure and strategies that support agency compliance with state law and executive direction.

Equity and Inclusion:

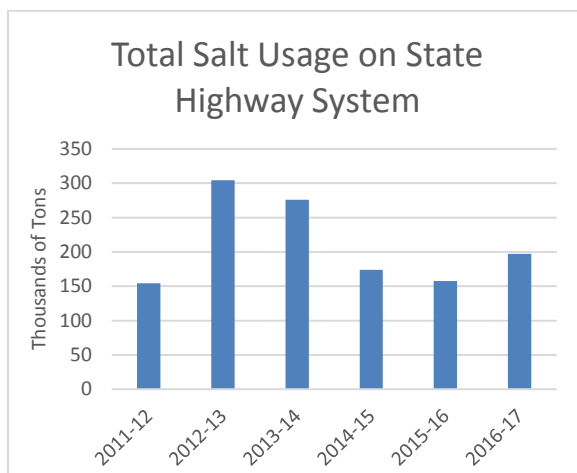
Equity is a key component of a sustainability and efforts to promote equity and inclusion will have an important role in the Chief Sustainability Office.

IT Related Proposals:

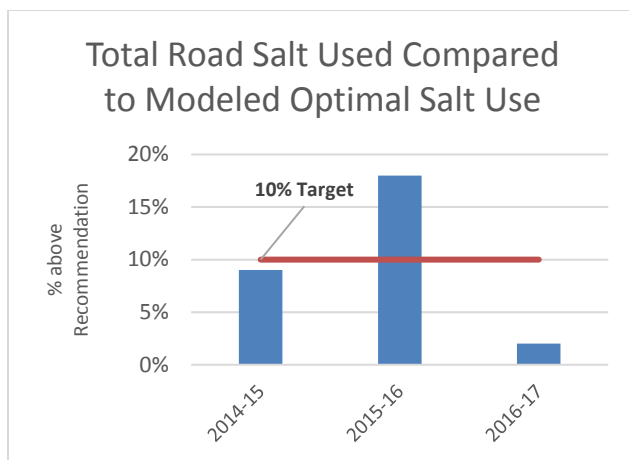
There is not an anticipated IT impact, though there is a potential cost related to equipping MnDOT staff and the vehicles they operate with the necessary tools and technology to implement the sustainability strategies discussed in this proposal.

Results:

MnDOT has set a five year goal of reducing the amount of salt used in snow and ice activities. As illustrated in the graph below, overall, salt usage has been declining. There are several factors that influence the amount of salt used, including wind speed, gusts and direction, and precipitation type, duration, and amount. Due to salt's reduced effectiveness at low temperatures salt use and winter severity do not correlate.



MnDOT is working toward meeting the salt use recommendation of the MDSS. MnDOT is working to reduce salt usage to within 10 percent of the recommended MDSS usage. While MnDOT has moved toward MDSS recommendations, MDSS testing and analysis suggests that salt use still exceeds the level recommended by MDSS (incomplete data may contribute to the significant decrease between 2015-16 and 2016-17).



Statutory Change(s):

N/A

Transportation

FY 2020-21 Biennial Budget Change Item

Change Item Title: Pavement Preservation

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Trunk Highway Fund				
Expenditures	10,000	10,000	10,000	10,000
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	10,000	10,000	10,000	10,000
FTEs	0	0	0	0

Recommendation:

The Governor recommends a base increase of \$10 million from the Trunk Highway Fund to provide additional funding for pavement preservation, allowing the agency to strategically plan repairs and utilize durable pavement preservation techniques.

Expenditures for pavement preservation were \$50 million in FY17 and \$51 million in FY18. Past legislative sessions have provided one-time funding, including \$10 million in FY14 and \$2 million in FY15.

Rationale/Background:

Overall, MnDOT expects that the miles of pavement in poor condition will increase significantly by the end of the 20-year planning period. Pavement condition is expected to decline due to two key factors: limited funding and the age of Minnesota's roadways, many of which were constructed more than 40-years ago and require more expensive fixes. This trend requires an increase in preventive pavement maintenance. Durable pavement preservation techniques are used for preventive pavement surface treatment repairs to positively impact customer satisfaction through smoother rides and extended pavement life.

Proposal:

A base increase dedicated to pavement preservation will allow MnDOT to conduct more preventive pavement maintenance. The funding will be dedicated for equipment and materials to conduct work across the state road system. Due to recent innovative efforts, MnDOT has successfully implemented other techniques to provide longer lasting durable pavements as a cost-effective way of keeping roads in good condition. Applying these treatments before roads deteriorate not only provides the traveling public with roads in better condition, but also reduces overall life-cycle costs. Examples of these longer lasting pavement preservation techniques are: mastic patching, micro-surfacing, and slurry seals.

Equity and Inclusion:

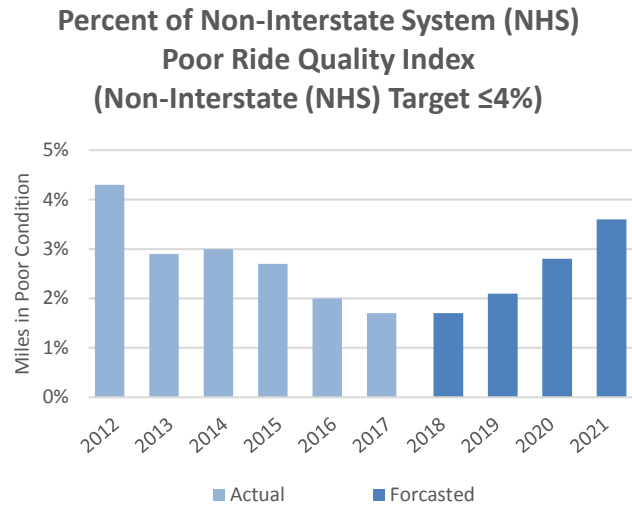
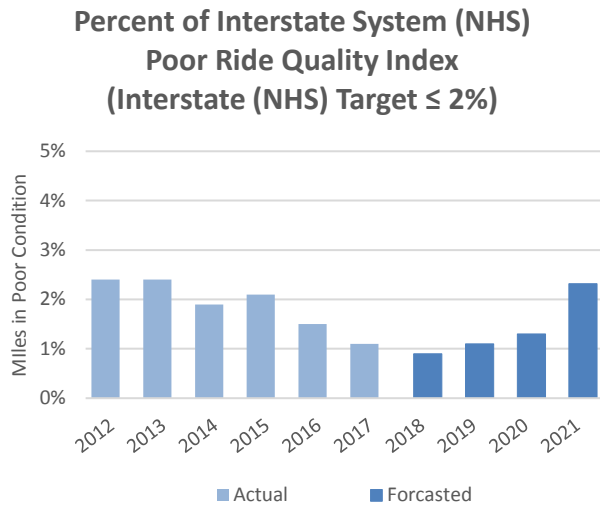
This proposal is not expected to impact equity or inclusion.

IT Related Proposals:

N/A

Results:

Pavement condition is measured by the percent of miles of highway in poor condition. The system condition is projected to be declining after 2018.



Statutory Change(s):

N/A

Transportation

FY 2020-21 Biennial Budget Change Item

Change Item Title: Safety Culture

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Trunk Highway Fund				
Expenditures	1,335	650	650	650
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,335	650	650	650
FTEs	3	3	3	3

Recommendation:

The Governor recommends a Trunk Highway Fund base appropriation increase of \$650,000 starting in FY20. This funding request includes \$685,000 in one time funding in FY20.

Rationale/Background:

MnDOT highly values its employees, their personal safety, and the safety of the traveling public. Safety is a core value of MnDOT and therefore, additional investments in safety are needed to lower our injury/accident rates. These investments will provide dedicated and additional safety professionals to properly train, equip, monitor, and protect MnDOT employees and ultimately, the traveling public.

Proposal:

This request would include two trainers and a data analyst. They would provide safety compliance training throughout the districts. The training will include data and information that emphasize the need to work safe, provide information on how to remain safe, and help celebrate this success. This will reduce injury and accident rates with a direct impact on our claim rates and improving the work environment for all employees. Accurate and real time data is also needed to forecast where our resources would be best utilized. The balance of the request is needed for training, equipment, and tools to manage the safety program and achieve outcomes that align with the Strategic Operating Plan.

Equity and Inclusion:

This proposal is not expected to impact equity or inclusion.

IT Related Proposals:

N/A

Results:

MnDOT has set a self-imposed goal of reducing OSHA recordable injuries by 25 percent. Additional investments in training and equipment will provide the organizational structure and programming needed to reach that goal. In meeting the goal, the number of personal injury and property (damage to equipment) claims will be reduced and productivity will increase. Furthermore, MnDOT will have an engaged and healthy workforce that provides high levels of service to the traveling public.

Statutory Change(s):

N/A

Transportation

FY 2020-21 Biennial Budget Change Item

Change Item Title: Road Equipment Fund

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Trunk Highway Fund				
Expenditures	10,000	10,000	10,000	10,000
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	10,000	10,000	10,000	10,000
FTEs	0	0	0	0

Recommendation:

The Governor recommends a base increase of \$10 million in the Trunk Highway Fund for an enhanced fleet replacement plan. The goal is to meet the performance measure target of 90 percent of our fleet within lifecycle. Currently, the agency allocates \$20 million from the Trunk Highway Fund. This amount falls short of covering actual need and meeting lifecycle targets.

Rationale/Background:

MnDOT's operations and maintenance activities are dependent on a large fleet of equipment with varying lifecycles. Road equipment funding is not able to keep up with the need to replace fleet equipment at the end of their economic lifecycle. This results in a severe backlog on equipment replacements. For instance, MnDOT currently has 181 plow trucks out of lifecycle, based on a 14 year standard with a replacement value of approximately \$40 Million. The 14 year cycle is based on funding and a commitment to build 57 plow trucks annually. Increased funding of equipment will allow for an enhanced fleet replacement plan, with equipment being replaced at or near their scheduled retirement dates.

Equipment past its lifecycle is more expensive to keep operational and therefore less productive. MnDOT has been unable to meet its performance measure target of having 90 percent of its fleet within lifecycle since its inception in 2002. Currently 27 percent of MnDOT's fleet (3,000 units) is past its established lifecycle. The estimated value of replacing these units is approximately \$100 million.

Proposal:

MnDOT proposes increasing the current level of funding to eliminate the existing fleet equipment lifecycle gap. This request will allow MnDOT to replace equipment on schedule, reducing equipment repair costs, unscheduled downtime, and the need for reserve equipment. Current road equipment fleet replacement value is over \$500 million. The current budget only allows for the replacement of less than 4 percent annually.

Equity and Inclusion:

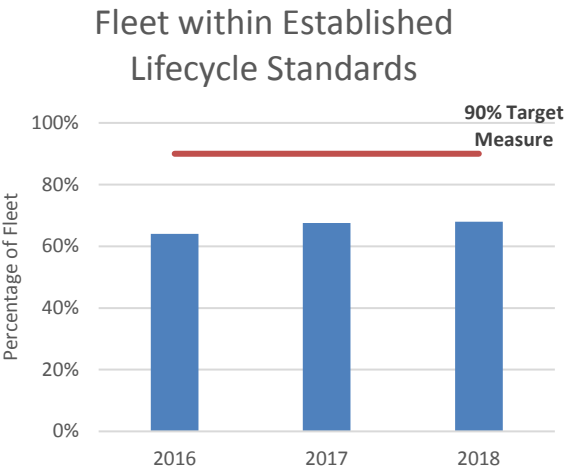
MnDOT makes every effort to purchase fleet equipment from as diverse a group of vendors as possible. Increasing the purchasing levels can open up additional opportunities for targeted vendors to participate in this process.

IT Related Proposals:

N/A

Results:

MnDOT has several internal fleet performance metrics that it uses to manage its fleet. This follows with established recommendations for state DOTs nationally. One of those metrics is the measurement of the percentage of fleet within established lifecycle standards.



Statutory Change(s):
N/A

Transportation

FY 2020-21 Biennial Budget Change Item

Change Item Title: Building Services Preservation

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Trunk Highway Fund				
Expenditures	13,280	18,700	10,000	10,000
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	13,280	18,700	10,000	10,000
FTEs	6	6	3	3

Recommendation:

The Governor recommends a base increase to the Trunk Highway Fund for the Building Services appropriation to maintain the critical statewide facilities that support department operations. The direct appropriation amount was \$28.531 million in FY18 and \$29.385 million in FY19 from the Trunk Highway Fund and \$54,000 from the General Fund in each of these years. Aside from this, larger building projects (typically over \$2 million) are funded by Trunk Highway Bond authorizations in the legislative session.

Rationale/Background:

Many of MnDOT's facilities have already reached the end of their useful life and many more will follow in the next 20 years. This proposal is intended to provide MnDOT staff and visiting public with facilities designed for modern equipment and technology that continues to ensure a safe and secure environment for all. Investing in MnDOT facilities will result in safe and accessible workplaces for MnDOT staff, with increased efficiencies and lower costs.

Each year, construction costs increase due to rising costs for labor, materials, equipment, and other factors. Although the appropriation has increased in recent years, the current funding allocation is inadequate to address the current needs, which will only increase as the building stock ages and costs rise.

Proposal:

Facilities Maintenance Program (FMP):

FMP funds are distributed to offices and districts with buildings for maintenance. Increased funding for the FMP would enable MnDOT to upgrade its current buildings to an acceptable level. MnDOT recently updated its statewide Facility Condition Assessment (FCA). This initiative, directed by the Department of Administration, is a formal and comprehensive analysis of all MnDOT facilities which is updated every three years on a rolling basis. In the most current assessment, 263 MnDOT buildings are rated fair, 58 are rated poor, and 19 have a rating of crisis/emergency – meaning they are considered unsafe to use and require major repair or replacement to restore function. The FCA data also revealed that MnDOT has significantly underfunded building maintenance, resulting in a considerable deferred maintenance backlog. FMP funding is for projects less than \$2 million.

Small Capital Program:

As part of its mission to provide service to the traveling public across the state, MnDOT owns and maintains nearly 1,075 buildings (of which 187 are radio equipment shelters) at 269 sites. This includes more than 150 truck stations and regional offices in addition to many storage buildings for salt, materials, and equipment. Small Capital Program funding is for projects over \$2 million. Additional funding for MnDOT's small capital building projects would improve our ability to plan projects across years and take advantage of better letting times to improve bids.

The goal of these programs is to put the MnDOT building replacement program on a 50-year lifecycle; the typical lifecycle of an industrial/commercial building. In addition, the building construction program will focus on the entire facility campus instead of singular building replacements. This work complements and enhances the building services construction program planning that is already occurring. Additionally the increase in maintenance funds will help to keep the current buildings at an acceptable level.

The Department of Administration and the State Designer Selection Board assist MnDOT in replacing outdated and obsolete MnDOT buildings. MnDOT currently has delegated purchasing authority for projects up to a bid amount of \$2 million to the Department of Administration. The current cost of one MnDOT truck stations is now approaching this delegated authority, and as result the Department of Administration will be required to assist MnDOT on more projects.

Land Acquisition:

Create a readily accessible base funding source for land acquisition to support the additional projects identified in the 10-year Capital Facilities Investment Plan (CFIP). The CFIP provides the framework for project delivery for the next four years. Land acquisition is a priority when a capital building project is programmed. Acquisition activities are needed at least four years in advance to meet building delivery schedules (scoping, design selection board process, legislative design & construction funding requests, construction phase). Current funding sources cannot sustain land acquisition costs due to the demand for capital improvement and preservation maintenance projects.

Security Upgrades to Facilities:

Safety and security is a priority for the agency and this funding ensures upgrades are realized at facilities state-wide. Facility upgrades are based on security assessments showing that current configurations have associated risks. Upgrades to MnDOT's Central Office built in 1957, at 395 John Ireland Boulevard, include; securing entry points from unauthorized access, limiting lobby elevators to staff and authorized associates, and installing bullet resistant and tinted windows. In addition, current assessments are being completed to analyze and determine security enhancement at other MnDOT facilities throughout the state.

Other Building Enhancements:

MnDOT is focused on optimizing facilities to meet the needs of a mobile workforce. Projects would provide employees with the space they need to be efficient, deliver modern and appropriate infrastructure for staff, and create spaces that improves inclusivity to all workers. Alternatives, such as renting separate facilities, have been evaluated and far surpass the cost of these office space enhancements. Other building enhancements and accommodations would include truck station pavement, roofing, ADA compliance, single user restrooms, and lactation or quiet rooms.

The Building Services program is delivered by a staff of architects, engineers, planners, and technicians. An increase in the construction program will require approximately three new FTEs or a combination of FTEs and consultants to manage scoping, design, bidding, and construction. In addition, three FTEs for FY20-21 would be required to manage and oversee the proposed security and building enhancement projects.

Equity and Inclusion:

In addition to complying with the Americans with Disabilities Act, this will provide better accessibility for MnDOT employees and the general public. Investments in MnDOT's building program will provide additional contracting opportunities to certified small businesses.

IT Related Proposals:

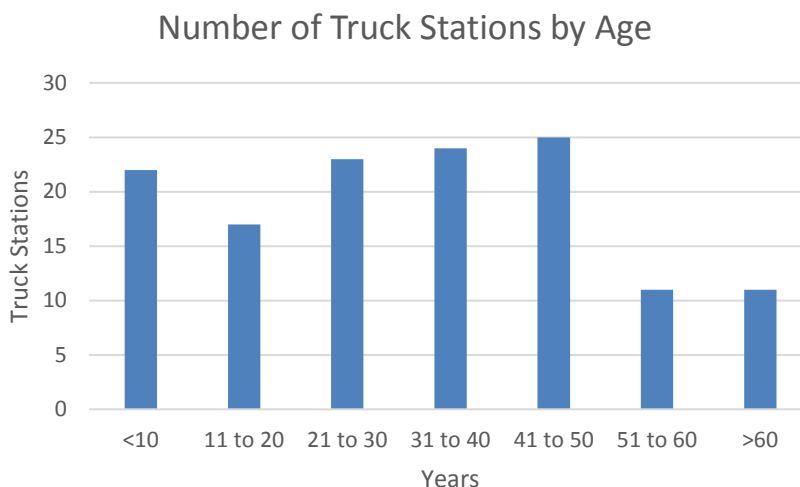
N/A

Results:

Benefits will be directly measured by improved scores on the periodic FCA and a subsequent decrease in the estimated value of deferred maintenance. Deferred maintenance is the total of essential, but unfunded, facilities maintenance work necessary to bring facilities and collateral equipment to the required acceptable facilities maintenance standards. This is the total work that should be accomplished in order to maintain the facilities but cannot be achieved within available resources.

The Facility Condition Index (FCI) is a ratio comparing the total deferred maintenance for a building to its estimated replacement value. The current replacement value of all MnDOT buildings is approximately \$1.27 billion and the FCA algorithmically derived deferred maintenance is approximately \$186 million. The average condition of all buildings in the MnDOT portfolio is “fair” on the tiered condition scale. The goal is to make strategic investments to improve the portfolio average, and then continue to apply necessary resources to maintain them at that level.

The graph below indicates, many of our buildings have already exceeded their expected service life of 50 years. Currently, 22 MnDOT truck stations exceed that number. In the next 20 years 49 more truck stations will be 50 years old. In certain locations, replacement of a facility is warranted functional obsolescence to accommodate snow fighting equipment. 20 MnDOT facilities are now too small to safely accommodate the plow trucks they must house.



Statutory Change(s):

N/A

Transportation

FY 2020-21 Biennial Budget Change Item

Change Item Title: Strategic IT Initiatives

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Trunk Highway Funds				
Expenditures	1,585	1,593	1,593	1,593
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,585	1,593	1,593	1,593
FTEs	8	8	8	8

Recommendation:

The Governor recommends an increase to the Trunk Highway Fund appropriations for engineering application and technology rapid response support to deliver technology investments to the state's customers. The request includes an approximate \$1.6 million base increase beginning in FY2020.

Rationale/Background:

MnDOT's priority technology initiatives are designed to enable MnDOT to implement new, modern, and supported technology systems critical to supporting Minnesota's multimodal transportation system. These investments create opportunities for more modern and innovative technology solutions for a more efficient transportation system.

Engineering Application Support – Provide expert support and guidance for critical engineering and construction specific technical software. Increased program capacity will enable business coordination and analysis of future 3D implementation and related computer-aided design and drafting standards, policies, and development. MnDOT will move from traditional document-based project delivery and asset management to a system based upon leveraging data. This initiative and related technology will advance MnDOT's ability to collaborate with industry partners and other governmental entities.

Technology Rapid Response Support – In partnership, MnDOT and MNIT at DOT are seeking to improve MnDOT's ability to address new technology needs and leverage emerging technology opportunities with a nimble and responsive IT review team. MnDOT employees are continually identifying opportunities to partner with private industry to implement enhanced tools and systems, however MnDOT must ensure due diligence with the State's data, technology, and cybersecurity standards. MnDOT's ability to innovate, modernize, and respond to opportunities is dependent on the agency's capacity to perform critical technical and security analyses.

Proposal:

MnDOT is striving to identify, develop, and implement innovative ways of delivering products and services to the state's customers. To achieve this goal, MnDOT is proposing support for critical advancements in engineering design technology, upgraded technology management and compliance, and increased capacity to explore and launch new innovations to serve MnDOT's constituents.

Equity and Inclusion:

IT investments provide significant opportunities to both attract skilled and diverse employees, as well as contracting with Disadvantaged Business Enterprises and Targeted Group Businesses.

IT Related Proposals:

Category	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Payroll	1,016	1,016	1,016	1,016	1,016	1,016
Professional/Technical Contracts						
Infrastructure						
Hardware						
Software						
Training						
Enterprise Services						
Staff costs (MNIT)	569	577	577	577	577	577
Total	1,585	1,593	1,593	1,593	1,593	1,593
MNIT FTEs	5	5	5	5	5	5
Agency FTEs	8	8	8	8	8	8

Results:

With this proposal, MnDOT would have increased capacity to fully leverage new and emerging technology, ensuring efficient and modern transportation development and delivery. Specifically, this proposal will advance MnDOT's engineering and construction technology to create increased opportunities for industry collaboration and data-driven decision making.

Statutory Change(s):

N/A

Transportation

FY 2020-21 Biennial Budget Change Item

Change Item Title: Snow and Ice Contingency

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Trunk Highway Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends amending the snow and ice appropriation contingency statute to allow access to the contingency when 100 percent of the spending target is reached for direct snow and ice management costs, instead of 110 percent. The statute would also be amended to make the contingency apply to each fiscal year instead of the biennium.

Rationale/Background:

MnDOT received new statutory language in 2017 (M.S. 174.57) which authorized MnDOT to spend unappropriated Trunk Highway Fund balances on snow and ice activities in any fiscal year where snow and ice spending exceeds 110 percent of the biennial budget for snow and ice activities. This contingency language allows for MnDOT to spend additional resources on snow and ice during harsh winters, without having to reduce spring and summer maintenance activities or request additional funding from the Legislature.

Since the contingency spending cannot be triggered until the biennial target is met, the language provides no help in the first year of a biennium if it's an expensive winter. Also, requiring MnDOT to exceed 110 percent of the target requires MnDOT to identify and reserve that 10 percent portion from other activities, which is counter to the intent of the legislation.

Proposal:

The proposal would amend statute so that the contingency language would be based on each fiscal year rather than the biennium. It would make the fund balance available when spending exceeds 100 percent of the target, so that MnDOT would not have to identify the additional 10 percent each year.

Equity and Inclusion:

This proposal is not expected to impact equity or inclusion.

IT Related Proposals:

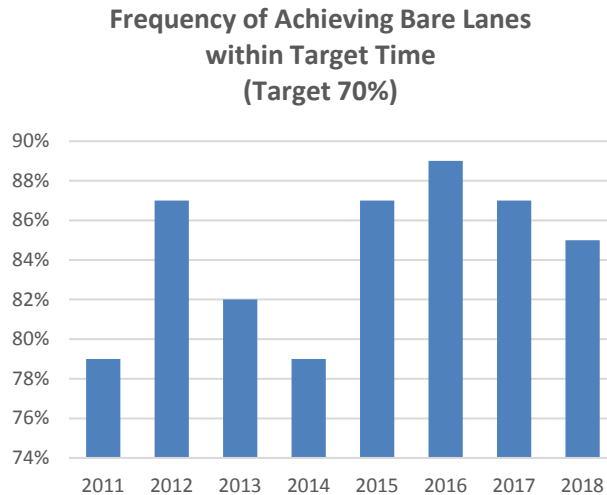
N/A

Results:

Amending this statute will allow MnDOT as an agency to better plan maintenance activities that are currently dependent upon the severity of the winter. The agency will have the option to draw from the unappropriated fund balance to fund amounts that cannot be covered from the existing budget. With the ability to utilize the unappropriated fund balance, the agency could continue to plan for maintenance work in the spring and summer

by ordering needed materials and getting staff on board to be ready when the season arrives. This will provide a more constant source of funding for all MnDOT's services, allow better planning, allow the timely purchase of materials and equipment to gain better price points and maintain a constant staffing complement.

To assess plowing performance, MnDOT evaluates each snow plow route after each snowstorm. The goal is to return the road to an acceptable driving condition in a prescribed amount of time ("time to bare lane"). The target time varies by the amount of traffic on the road. MnDOT's goal is to meet the plowing target for each roadway 70 percent of the time in a season. MnDOT has met this goal in nine of the last ten seasons (FY 2009 was 67 percent). Winter weather severity varies significantly from year to year and from region to region.



Statutory Change(s):

[M.S. 174.57](https://www.revisor.mn.gov/statutes/cite/174.57) (<https://www.revisor.mn.gov/statutes/cite/174.57>)

Transportation

FY 2020-21 Biennial Budget Change Item

Change Item Title: Utility Relocation

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends revising M.S. 161.46, Subd. 2, so that utilities on Interstate right-of-way must be relocated at the utility company's expense. This would only apply to utilities placed after passage of this change, grandfathering in all existing utilities. The expectation is that no benefit to the Trunk Highway Fund would occur until after the forecast period.

Rationale/Background:

When the Interstates were first being constructed it was not uncommon to encounter utilities already located within the proposed right-of-way. This requirement continues to apply, even when utilities are placed within existing Interstate right-of-way with the understanding that they may be required to move in the future.

Proposal:

This proposal would no longer require the state pay for utilities relocation when the relocation is necessary due to a construction project within the right-of-way where the utility facility is located. The number of permits to locate within the right-of-way is increasing. Compared to 2011, the number of permits tripled in 2017, approximately 110.

Equity and Inclusion:

This proposal is not expected to impact equity or inclusion.

IT Related Proposals:

N/A

Results:

This change in statute and practice would result in more dollars available for highways and bridges. Since this would only apply to utilities placed after the passage of this change, we assume no relocations will be required during the budget timeframe, so no cost savings would occur.

The cost of the current approach can be significant. On the Hwy 169/I-494 project, utility relocations added up to about 10 percent of the project costs (about \$14 million). In the last 14 years, it has averaged approximately \$4.2 million per year.

Statutory Change(s):

M.S. 161.46, subd. 2

Transportation

FY 2020-21 Biennial Budget Change Item

Change Item Title: Drone Enforcement and Regulation

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
State Airport Fund				
Expenditures	(26)	(32)	(41)	(51)
Revenues	(26)	(32)	(41)	(51)
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends creating new provisions in law related to unmanned aircraft systems (drones). One relates to a change in fees by reducing the registration fee for small drones from \$100 to \$25 annually. It is anticipated this will result in a large increase in the number of drones registered, which will result in greater compliance with state statutes. The resulting change in the State Airports Fund is expected to be minimal, and would be absorbed by reduced expenditures.

Rationale/Background:

There is substantial non-compliance with existing drone registration requirements. The Federal Aviation Administration (FAA) registration database has 2,558 non-hobbyist drones registered to Minnesota addresses, but the MnDOT database has only 574 drones registered. The state registration structure imposes a minimum annual registration fee of \$100. Although this may be appropriate for manned aircraft, as even the least expensive new aircraft cost tens of thousands of dollars, some commercial operators are using drones with retail prices of as little as \$600. Additionally, some commercial operators report not registering portions of their fleet and not using those aircraft in Minnesota to avoid registration fees.

While manned aircraft benefit from the investment of MnDOT in airports and navigational aids, operators of small unmanned aircraft do not operate from airports or use the navigational aids funded by MnDOT. Reducing the registration fee better reflects the investment of MnDOT into supporting the drone community. This proposal only decreases the registration fee for small drones (those between 0.55 and 55 pounds) since it is expected the larger drones of the future will use more of the existing aviation infrastructure.

Increased compliance with registration requirements will allow the agency to better understand how drones are being used in Minnesota. Having an accurate database of drone operators would allow MnDOT to disseminate safety critical information to drone operators when necessary. Overall, these regulations will help to ensure aviation safety.

This proposal seeks to harmonize state and federal aviation law, and reduce barriers to commercial operation of drones in Minnesota. Current statute imposes requirements on drone operators that were developed for manned aircraft. This can interfere with the implementation of drone technology. Although Minnesota is 15th in the nation in the number of manned aircraft pilots, Minnesota is 40th in the ratio of remote pilots to manned pilots, which suggests that Minnesota is lagging in adoption of this new technology.

Proposal:

The portion of the proposal related to fees would make minor edits to Minnesota Statutes Chapter 360 to more explicitly allow MnDOT to regulate use of drones through aircraft registration and commercial operator licensing. It will also allow commercial drone operators to use on-demand insurance to meet the insurance requirements of M.S. 360.59. One of the changes would require small drones to be registered for a fee of \$25. Currently, a drone is considered an aircraft and subject to, typically, an annual \$100 registration fee. By utilizing FAA estimates of drone growth, and a very rough estimate of the increased percentage of drones to be registered in Minnesota (growing from about 20 percent currently to 60 percent), potential estimated decreased revenue has been calculated, and would be offset by reduced expenditures.

Equity and Inclusion:

This proposal is not expected to impact equity or inclusion.

IT Related Proposals:

N/A

Results:

For the fee portion of the changes, increased compliance would be indicated by an increase in the ratio of the number drones registered with the state of Minnesota to the number of non-hobbyist drones registered with the FAA using Minnesota addresses. Overall, reduction of barriers to commercial drone operation would be indicated by a shift in the ratio of remote pilots to manned aircraft pilots.

Statutory Change(s):

The fee change would be in M.S.360.55; other M.S. 360 changes are also proposed.

Transportation

FY 2020-21 Biennial Budget Change Item

Change Item Title: Capital Investment Bill Debt Service

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Debt Service – GO Bonds	16,314	59,083	65,209	62,190
Debt Service – Appropriation Bonds	0	0	0	4,800
Cash-Financed Projects	1,920	0	0	0
Expenditures	18,234	59,083	65,209	66,990
Trunk Highway Fund				
Expenditures	1,441	5,531	8,189	8,607
Net Fiscal Impact = (Expenditures – Revenues)	19,675	64,614	73,398	75,597
FTEs	0	0	0	0

Request:

The Governor recommends \$84.289 million in FY 2020-2021 to support his 2019 capital budget recommendations. Of this total:

- \$77.317 million is from the general fund to pay for cash-financed projects and debt service on \$1.018 billion in general obligation bonds and \$120 million in appropriation bonds.
- \$6.972 million is from the trunk highway fund for debt service on \$92 million in trunk highway bonds.

Rationale/Background:

The Governor recommended a total of \$1.27 billion in capital projects. Both general fund cash and debt service are needed to finance these projects.

Proposal:

More information about the Governor's 2019 capital budget recommendations can be found in the "Current Capital Budget" section of MMB's website.

Equity and Inclusion:

The Governor's 2019 capital budget includes 73 individual projects. Of those, 37 are statutory programs that impact projects across the state, 20 projects are located in the metro-area, and 16 projects are located in greater Minnesota.

Results:

This recommendation will allow the state to meet its financial obligations with respect to debt service and the financing of capital projects.

Program: Multimodal Systems

Activity: Aeronautics

dot.state.mn.us/aero/

AT A GLANCE

- 75th year as the state aviation agency
- More than 375 airports in Minnesota:
 - 135 publicly owned airports that receive state funds
 - Six privately owned airports for public use, 67 privately owned for private use
 - 30 key airports capable of supporting business jets, airfreight, and airlines
 - Nine airports provide scheduled airline service: Minneapolis-St. Paul, Rochester, Duluth, St. Cloud, Brainerd, International Falls, Thief River Falls, Bemidji, and Hibbing
 - Numerous seaplane bases and heliports, including hospital heliports
- More than 70% of Minnesota public airports receive Federal Aviation Administration (FAA) Airport Improvement Program (AIP) funds
- 55% of public airports are owned by a city with a population less than 5,000 people
- 7,000 registered aircraft
- More than 12,000 licensed pilots
- The numbers of unmanned aircraft systems (UAS i.e. “drones”) and pilots are increasing rapidly
- More than 350 commercial operators provide: agricultural spraying, aerial photography, UAS services, flight instruction, aircraft maintenance and emergency response
- Statewide navigational systems include:
 - 40 Instrument Landing Systems (ILS)
 - 36 Very High Frequency Omni-Directional Radio-Range Systems and Distance Measuring Equipment (VOR/DME)
 - 100 automated weather observation stations (AWOS)

PURPOSE & CONTEXT

Aviation allows time critical connection to destinations for the people, products, and businesses of Minnesota. It is a key component of our multimodal transportation system within the state, regionally, and around the world.

Aviation in Minnesota is more than passenger airline travel. General aviation is vital to communities across the state. Farming communities reap benefits from agricultural spraying, increasing crop yields through more efficient fertilizing. Aerial firefighting, mapping, and patrolling of utility lines help protect forested regions. In addition, mail and package deliveries, emergency response, and patient transport services benefit all Minnesota residents and businesses.

Aviation taxes support the state aviation system; these include aircraft registration taxes, sales and lease taxes on aircraft, airline flight property taxes, and aviation fuel taxes. More details are included in the [2016 Aviation Tax Report](https://www.dot.state.mn.us/govrel/reports/2016/2016-aviation-tax-report.pdf) (<https://www.dot.state.mn.us/govrel/reports/2016/2016-aviation-tax-report.pdf>).

MnDOT continues to engage and work closely with stakeholders throughout the state in developing the goals of our aviation system and identifying the needs of airports. Our aviation system is essential to communities throughout the state and through this work we ensure the effective and efficient use of the system’s resources.

SERVICES PROVIDED

As the state aviation agency, MnDOT:

- Collects aviation taxes and safeguards the long-term viability of the state airports fund
- Distributes state airport and federal funds to ensure a robust, well-balanced aviation system
- Offers technical resources and expertise to communities to preserve the utility of airports
- Plans and promotes a coordinated, cost-effective statewide system of airports
- Provides navigational systems to increase the safety and efficiency of our airspace
- Enforces state and federal safety standards through airport licensure and inspection
- Promotes aeronautics through information, education, and outreach to pilots and the public

Airports

MnDOT provides statewide aviation system planning. The [State Aviation System Plan](http://www.dot.state.mn.us/aero/planning/sasp.html) (SASP) (<http://www.dot.state.mn.us/aero/planning/sasp.html>) serves to benchmark the state of aviation in Minnesota, establish the current condition of the airport system, and provide investment guidance by identifying performance gaps, quantifying needs, and promoting efficiency in operations. The SASP is currently being drafted and statewide public outreach is underway.

Construction projects and infrastructure improvements ensure continued safety, reliability and access to the transportation system. MnDOT partners with airport sponsors and the FAA to maximize federal dollars applied to projects in Minnesota. State construction funds are awarded based on a statewide prioritization system that considers: project purpose, airport classification, airport component, and type of project.

Generally projects that provide for safety and essential air navigation and are physically on the airfield score higher than projects that enhance ground-side services such as fueling and baggage loading equipment. Federal construction funds are awarded based on FAA AIP eligibility and nationwide competition. Starting in FY 2015, FAA projects were supported with 90 percent FAA, 5 percent state and 5 percent local funds. The 5 percent state match enables our smallest communities to be eligible for an FAA grant to afford the local share.

MnDOT also distributes state funds to public airports (with the exception of the Minneapolis-Saint Paul International airport) for maintenance and operation activities, such as keeping runways free of snow and ice, equipment purchases, building utilities, and upkeep. Maintenance and operation funds are distributed based on a formula that considers the area of runway and taxiway, the size of lighting systems, and available funding. Each grant has a state and local cost share and a maximum reimbursement amount. Maintenance and operation values for each eligible airport were recalculated for the 2016-17 biennium after remaining at a constant level since 2009.

Aviation Safety, Operation and Regulation

MnDOT provides the inspection and licensing of airports, permitting of tall towers, licensing of commercial operators, registering aircraft, and ensuring regulatory compliance. Each year MnDOT inspects a third of the public use airports for compliance with minimum safety standards and airport licensing requirements. Inspection results help airport managers identify areas for improvement, including needed investments. Information from the inspection is also provided to the FAA and published in airport directories to enhance safe use of the aviation system. During inspections MnDOT discusses needed safety improvements, best practices in operations and maintenance, and economic development opportunities.

UAS, also known as drones, are generally defined as aircraft under state and federal law. MnDOT's regulatory and tax collection roles in aviation extend to UAS as well. How the aircraft is used is the determining factor in which regulations must be followed. For example, regulations for recreational users vary from those for commercial users. An on-going challenge is the large number of UAS users that are new to aviation and are therefore unaware of aviation regulations and the consequences of non-compliance. The current national fleet of 1 million drones is

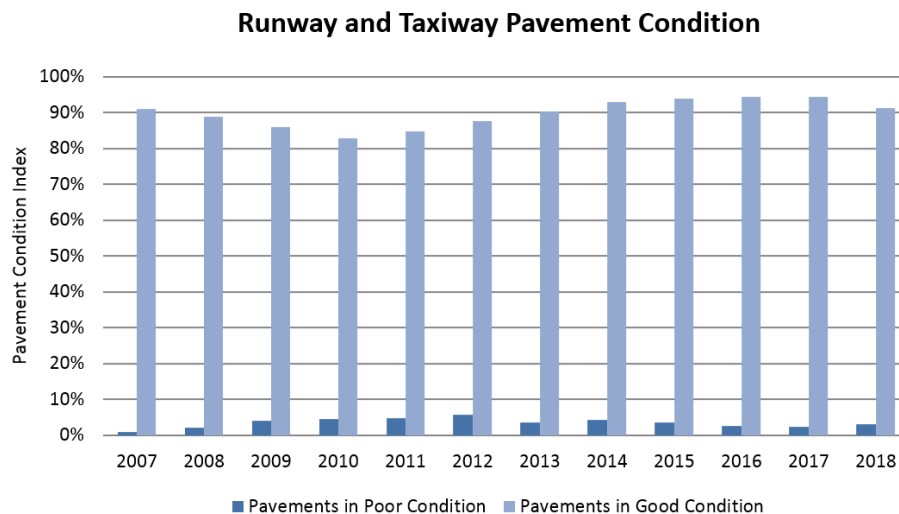
expected to double by 2022. In Minnesota, we see similar trends with continued growth in recreational, commercial, and government use of UAS for a wide variety of activities. We continue to partner with FAA, UAS organizations, and others to increase education efforts.

Education and training programs (Airport Technical Assistance Program (AirTAP), Maintenance Technicians Conference, etc.), pilot safety, and information services (airport directory and navigational chart) also enhance the overall safety of the aviation system. For more than 25 years, Aviation Career Education (ACE) camps have been held annually and co-hosted by MnDOT and the FAA. These camps serve to prepare the next generation of aviation professionals for careers in a wide variety of aviation fields.

RESULTS

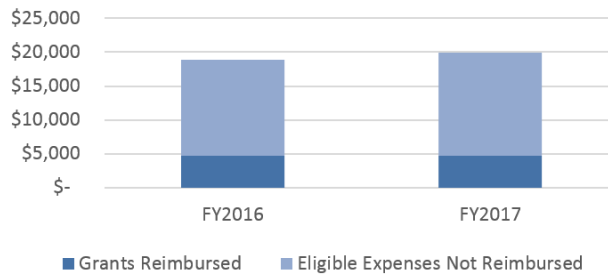
Airports

A measure of the quality of the airport system is the Runway Pavement Condition Index (PCI). A score between a scale of zero and 100 is assigned based on a physical inspection of runway and parallel taxiway pavements. The scale ranges from zero (indicating the worst possible condition) to 100 (considered the best condition). Targets are set with a goal of 84 percent of runway pavements in good or better condition and no more than four percent of pavements in poor condition. Pavement condition tends to be cyclical over time, related to available funding programs. Percent of pavements in good condition peaked between 2015 and 2017, while percent of pavements in poor condition were around three percent.



As illustrated below, grants distributed to public airports for maintenance and operation activities met nearly a fourth of the funds expended to operate and maintain public airports in 2016 and 2017. Larger airports have a greater gap in reimbursements, with 29 smaller airports having all maintenance and operation needs met in 2016 and 26 airports in 2017.

Maintenance & Operation Grants (\$ in thousands)



In addition, one of the most common causes of aviation accidents is continued flight in deteriorating weather conditions. Providing weather stations at multiple airports creates a reliable network of weather information available along any flight route, enhancing safety. Ground based navigation systems provide pilots better access to airports in weather conditions when visibility is limited by clouds, fog, rain, or snow.

MnDOT owns, operates, and maintains a system of navigational aids and weather stations that enhances federally owned systems. Additionally, pilots can check weather conditions, get updated airport information, and file flight plans at MnDOT provided computers at airports. The 2012 SASP reports 100 percent of system airports meet the target of having weather reporting stations on-site or are within 30 nautical miles of an airport that has weather reporting on-site.

Chapter 360 Airports and Aeronautics M.S. 360.011-360.93 (<https://www.revisor.mn.gov/statutes/?id=360>) provides the legal authority for this activity.

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21

Expenditures by Fund

1000 - General							87	87
2000 - Restrict Misc Special Revenue	14							
2700 - Trunk Highway	1,214	1,226	1,463	1,639	1,623	1,623	1,981	1,996
2720 - State Airports	28,288	23,281	30,035	29,742	20,632	20,632	26,006	26,000
2721 - Hanger Loan Revolving			800	(800)				
2722 - Air Transportation Revolving	749	589	888	982	982	982	982	982
3000 - Federal	47,386	46,815	52,719	147,961	120,000	120,000	120,000	120,000
Total	77,651	71,910	85,905	179,524	143,237	143,237	149,056	149,065
Biennial Change				115,868		21,045		32,692
Biennial % Change				77		8		12
Governor's Change from Base								11,647
Governor's % Change from Base								4

Expenditures by Category

Compensation	3,666	3,892	3,768	4,201	4,310	4,366	4,322	4,393
Operating Expenses	5,701	4,270	4,819	5,432	4,624	4,579	6,274	6,229
Grants, Aids and Subsidies	66,949	62,805	76,290	168,639	133,244	133,244	136,968	136,962
Capital Outlay-Real Property	1,081	900	942	1,150	950	950	1,383	1,383
Other Financial Transaction	254	43	87	102	109	98	109	98
Total	77,651	71,910	85,905	179,524	143,237	143,237	149,056	149,065

Full-Time Equivalents

35.38	38.86	36.24	38.50	38.50	38.50	38.50	38.50
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Aeronautics

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
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1000 - General

Direct Appropriation							87	87
Expenditures							87	87
Biennial Change in Expenditures				0		0		174
Biennial % Change in Expenditures								
Governor's Change from Base								174
Governor's % Change from Base								

2000 - Restrict Misc Special Revenue

Receipts	14							
Expenditures	14							
Biennial Change in Expenditures				(14)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

2700 - Trunk Highway

Balance Forward In		136		16				
Direct Appropriation	1,350	1,350	1,479	1,623	1,623	1,623	1,981	1,996
Cancellations		260						
Balance Forward Out	136		16					
Expenditures	1,214	1,226	1,463	1,639	1,623	1,623	1,981	1,996
Biennial Change in Expenditures				662		144		875
Biennial % Change in Expenditures				27		5		28
Governor's Change from Base								731
Governor's % Change from Base								23
Full-Time Equivalents	3.20	3.45	3.68	3.50	3.50	3.50	3.50	3.50

2720 - State Airports

Balance Forward In	1,581	1,942	1,075	6,852				
Direct Appropriation	28,109	22,109	35,812	22,921	20,632	20,632	26,006	26,000
Transfers In	80	712	12,703					
Transfers Out	81	712	12,703	31				
Cancellations		120						
Balance Forward Out	1,402	650	6,852					

Aeronautics

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Expenditures	28,288	23,281	30,035	29,742	20,632	20,632	26,006	26,000
Biennial Change in Expenditures				8,208		(18,513)		(7,771)
Biennial % Change in Expenditures				16		(31)		(13)
Governor's Change from Base								10,742
Governor's % Change from Base								26
Full-Time Equivalents	32.18	35.41	32.56	35.00	35.00	35.00	35.00	35.00

2721 - Hanger Loan Revolving

Balance Forward In	2,074	2,323	2,728	2,272	2,672	3,072	2,672	3,072
Net Loan Activity	246	405	344	(400)	400	400	400	400
Balance Forward Out	2,320	2,728	2,272	2,672	3,072	3,472	3,072	3,472
Expenditures			800	(800)				
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

2722 - Air Transportation Revolving

Balance Forward In	574	533	573	597	515	433	515	1,135
Receipts	705	629	912	900	900	900	1,602	1,102
Balance Forward Out	530	573	597	515	433	351	1,135	1,255
Expenditures	749	589	888	982	982	982	982	982
Biennial Change in Expenditures				532		94		94
Biennial % Change in Expenditures				40		5		5
Governor's Change from Base								0
Governor's % Change from Base								0

3000 - Federal

Receipts	47,386	46,815	52,719	147,961	120,000	120,000	120,000	120,000
Expenditures	47,386	46,815	52,719	147,961	120,000	120,000	120,000	120,000
Biennial Change in Expenditures				106,480		39,320		39,320
Biennial % Change in Expenditures				113		20		20
Governor's Change from Base								0

Aeronautics

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
Governor's % Change from Base								0

Program: Multimodal Systems

Activity: Transit

dot.state.mn.us/transit/

dot.state.mn.us/saferoutes/index.html

dot.state.mn.us/bike/

dot.state.mn.us/peds/

AT A GLANCE

- All 80 counties in Greater Minnesota served
- 37 Greater Minnesota public bus systems funded in FY18
- 147 wheelchair-accessible buses funded for public and non-profit run systems in FY18
- 9 Regional Transportation Coordinating Council project development grants funded in FY18
- 41 Safe Routes to Schools projects funded for \$2.8 million in FY18
- Completed the designation of the North Star Bicycle Route, United States Bicycle Route 41.
- Partnered with the Minnesota Department of Health and completed the Minnesota Walks Plan in 2016

PURPOSE & CONTEXT

The Office of Transit and Active Transportation (OTAT) supports transit services to all 80 non-metro counties to meet the needs of transit users and support walking and bicycling statewide. MnDOT continues to work to increase the use of transit, bicycling, and walking as a percentage of all trips statewide. OTAT also works closely with the Metropolitan Council on the planning, development, design, and construction of major transit projects in the Twin Cities metro area.

MnDOT engages our customers to provide planning and policy direction for transit, walking, and bicycling routes on a statewide basis. This includes the needs of our partners and implementing best practices in planning for and investing in transit facilities and pedestrian infrastructure.

SERVICES PROVIDED

Transit Planning and Grants

OTAT provides funding grants, planning support and technical assistance to:

- Public bus service outside the Twin Cities metro area, including grants to purchase buses and bus facilities: [Public Transit Participation Program](http://www.dot.state.mn.us/transit/grants/5311/index.html) (<http://www.dot.state.mn.us/transit/grants/5311/index.html>). Grants are issued to: public, private, and nonprofit operators, as well as local, state, and tribal governments.
- Programs for travel options focused on seniors and persons with disabilities: [Enhanced Mobility of Seniors and Individuals with Disabilities Program](http://www.dot.state.mn.us/transit/grants/5310/index.html) (<http://www.dot.state.mn.us/transit/grants/5310/index.html>).
- InterCity Bus services: [Section 5311f Minnesota Intercity Bus Program](http://www.dot.state.mn.us/transit/grants/5311f/index.html) (<http://www.dot.state.mn.us/transit/grants/5311f/index.html>), includes State and Federal funding to support intercity bus transportation service to non-urbanized communities within Minnesota.
- [Regional Transportation Coordinating Council](http://www.dot.state.mn.us/transit/grants/RTCC/index.html) (<http://www.dot.state.mn.us/transit/grants/RTCC/index.html>), coordinates transportation providers, service agents, and the private sector with the goal to fill transportation gaps, streamline access to transportation, and provide individuals more options of where and when to travel.

Bicycle and Pedestrian Planning and Grants

OTAT walking and bicycling services and programs include:

- Providing planning for bicycle transportation and pedestrian infrastructure that promotes bicycling as an energy-efficient and healthy transportation alternative. [The Statewide Bicycle System Plan](http://www.dot.state.mn.us/bike/system-plan/pdfs/statewide-bicycle-system-plan.pdf) (<http://www.dot.state.mn.us/bike/system-plan/pdfs/statewide-bicycle-system-plan.pdf>).
- Delivering programs and resources that encourage walking and bicycling as a part of the Trunk Highway and local transportation network (e.g., Share the Road, State Bicycle Map, State Bicycle Routes, [Minnesota Walks Plan](http://www.dot.state.mn.us/peds/plan/) (<http://www.dot.state.mn.us/peds/plan/>)).
- Coordinating the statewide [Non-Motorized Traffic Monitoring Program](http://www.dot.state.mn.us/bike/research/research.html) (<http://www.dot.state.mn.us/bike/research/research.html>).
- Delivering Safe Routes to Schools Program grants for planning, education, and related projects,
- Providing strategic direction for the MnDOT-owned ABC parking ramps in downtown Minneapolis to encourage carpooling, transit, and bicycle commuting. The parking ramps serve as bridges over Interstate 394 which surrounds Target Field. The ramps are managed by the city of Minneapolis on MnDOT's behalf.

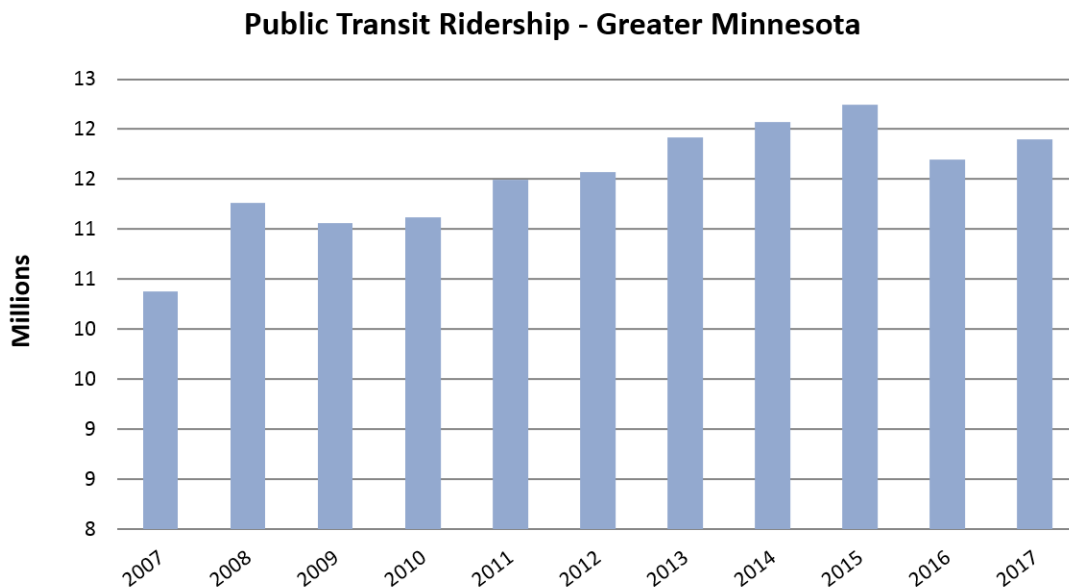
Light and Commuter Rail

OTAT assists the Metropolitan Council with planning, design, and construction of light rail transit and commuter rail. This includes operating the Northstar commuter rail and Blue Line and Green Line light rail. Work continues on the Green Line Extension and Blue Line Extension light rail projects under development.

RESULTS

Public Transit in Greater Minnesota

There are 37 public transit systems serving at least a portion of all 80 counties in Greater Minnesota, delivering 11.7 million rides in 2016 and 11.9 million rides in 2017.

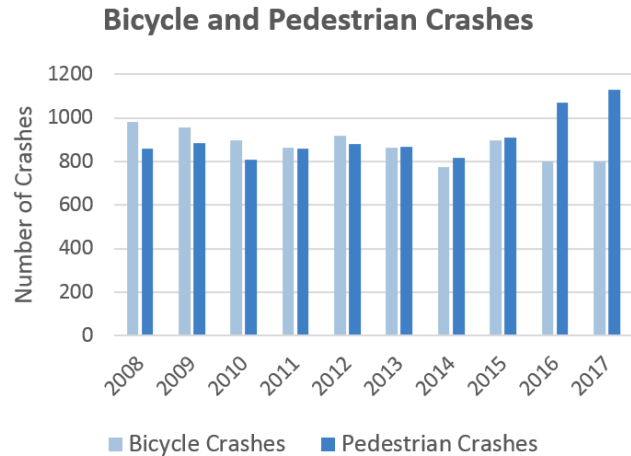
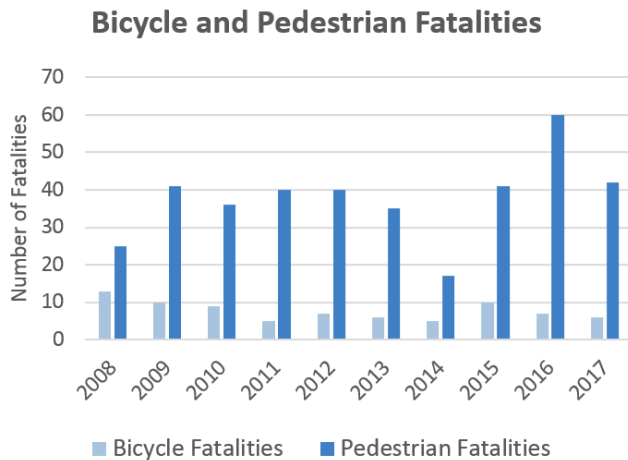


During the last decade, Greater Minnesota public transit ridership has increased 12 percent. Service has expanded so that every non-metro county (80 counties) has at least some public bus service. [Minnesota Statute 174.24](https://www.revisor.mn.gov/statutes/cite/174.24) (<https://www.revisor.mn.gov/statutes/cite/174.24>) requires MnDOT to develop a transit investment plan that contains a goal of meeting at least 80 percent of total transit needs in Greater Minnesota by July 1, 2015 and 90 percent by 2025. Based on the new model developed for the [2017 Greater Minnesota Transit Investment Plan](http://www.dot.state.mn.us/transitinvestment/) (<http://www.dot.state.mn.us/transitinvestment/>), in 2017 public transit systems met approximately 88 percent of

the estimated total transit demand in Greater Minnesota. This model predicts Greater Minnesota public transit demand will increase 45 percent from 2015 to 2025, primarily due to the rapid increase in people reaching age 65.

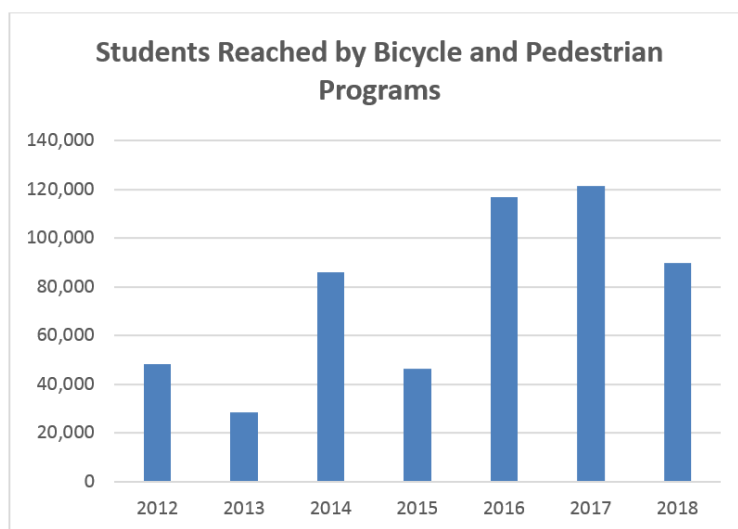
Bicycle and Pedestrian Programs

In 2017, Minnesota was named the second most bike-friendly state in the United States by the League of American Cyclists. As bicycling has increased in Minnesota, the rate of bicycle crashes has been declining consistently over the past ten years (with the exception of 2015 that saw a slight increase). However, data in 2017 shows that although participation in walking as a form of transportation has remained relatively flat, pedestrian fatalities have begun to increase over the past two years.



*2017 is preliminary data collected by Minnesota Department of Public Safety Office of Traffic Safety

The United States Congress created the Safe Routes to School Program in 2005 with the goal of getting more children to walk or bicycle to school safely. In 2012, the Minnesota Legislature created a state-level program with similar goals. Since 2005, MnDOT has provided more than \$30 million in grants that reach more than 700 schools across Minnesota for infrastructure improvements, education and planning activities. The Safe Routes to School Program reached an average of 10,000 students per year from 2006 to 2011. Funding increased in 2012 with the availability of state funds, peaking in 2013 when both federal and state funds were available. OTT continues to improve its collection methods and develop more complete and detailed data that provides a more accurate depiction of each program's impact. The table below illustrates the number of students who participate in these programs and benefit from these resources.



The legal authority for the Transit activity comes from:

Public Transit Participation Program, M.S. 174.24 (<https://www.revisor.mn.gov/statutes/?id=174.24>)

Construction of Light Rail, M.S. 174.35 (<https://www.revisor.mn.gov/statutes/?id=174.35>)

Transportation Alternatives Projects, M.S. 174.42 (<https://www.revisor.mn.gov/statutes/?id=174.42>)

Safe Routes to School Programs, M.S. 174.40 (<https://www.revisor.mn.gov/statutes/?id=174.40>)

Minnesota Council on Transportation Access, M.S. 174.285 (<https://www.revisor.mn.gov/statutes/?id=174.285>)

Construction of Commuter Rail, M.S. 174.82 (<https://www.revisor.mn.gov/statutes/?id=174.82>)

Metropolitan Council authority on light rail transit and commuter rail, M.S. 473.3993-4057
(<https://www.revisor.mn.gov/statutes/?id=473.3993>)

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General	19,800	20,693	880	18,086	17,749	17,749	17,749	17,749
1050 - Transit Assistance	44,946	64,473	88,389	74,983	75,776	73,949	73,176	72,839
2000 - Restrict Misc Special Revenue	15,928	35,353	35,620	20,796	20,010	20,205	20,010	20,205
2001 - Other Misc Special Revenue	22	45	23					
2700 - Trunk Highway	776	844	725	996	877	877	902	932
3000 - Federal	47,155	17,441	32,025	55,353	42,498	42,614	42,498	42,614
Total	128,627	138,851	157,662	170,214	156,910	155,394	154,335	154,339
Biennial Change				60,399		(15,572)		(19,202)
Biennial % Change				23		(5)		(6)
Governor's Change from Base								(3,630)
Governor's % Change from Base								(1)
<u>Expenditures by Category</u>								
Compensation	5,410	6,238	6,218	6,155	7,953	8,185	7,953	8,185
Operating Expenses	14,284	33,026	34,265	23,249	20,093	19,937	20,118	19,992
Grants, Aids and Subsidies	107,106	98,143	116,694	140,383	128,446	126,854	125,846	125,744
Capital Outlay-Real Property	1,063	1,022	125	69	60	60	60	60
Other Financial Transaction	763	421	358	358	358	358	358	358
Total	128,627	138,851	157,662	170,214	156,910	155,394	154,335	154,339
<u>Full-Time Equivalents</u>								
	55.09	60.01	59.83	54.48	56.27	52.78	56.27	52.78

Transit

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
1000 - General								
Balance Forward In		448		189				
Direct Appropriation	20,245	20,245	1,070	17,897	17,749	17,749	17,749	17,749
Transfers In	217	400	918	595	500	500	500	500
Transfers Out	217	400	918	595	500	500	500	500
Cancellations		0						
Balance Forward Out	445		190					
Expenditures	19,800	20,693	880	18,086	17,749	17,749	17,749	17,749
Biennial Change in Expenditures			(21,527)		16,532		16,532	
Biennial % Change in Expenditures			(53)		87		87	
Governor's Change from Base							0	
Governor's % Change from Base							0	
Full-Time Equivalents	0.84	2.42	2.32	3.44	3.44	3.44	3.44	3.44

1050 - Transit Assistance

Balance Forward In	56,511	72,063	73,495	52,723	47,157	43,252	47,157	43,252
Receipts	57,738	63,558	67,650	69,434	71,888	75,514	69,288	74,404
Transfers In	416	416	416	416	416	416	416	416
Transfers Out	418	456	449	433	433	433	433	433
Balance Forward Out	69,300	71,109	52,723	47,157	43,252	44,800	43,252	44,800
Expenditures	44,946	64,473	88,389	74,983	75,776	73,949	73,176	72,839
Biennial Change in Expenditures				53,953		(13,647)		(17,357)
Biennial % Change in Expenditures				49		(8)		(11)
Governor's Change from Base								(3,710)
Governor's % Change from Base								(2)
Full-Time Equivalents	3.95	3.57	3.55	3.25	3.09	3.05	3.09	3.05

2000 - Restrict Misc Special Revenue

Balance Forward In	18,720	20,738	23,163	6,451	2,795	1,745	2,795	1,745
Receipts	17,880	17,494	18,908	17,140	18,960	19,250	18,960	19,250
Balance Forward Out	20,672	2,878	6,452	2,795	1,745	790	1,745	790
Expenditures	15,928	35,353	35,620	20,796	20,010	20,205	20,010	20,205
Biennial Change in Expenditures				5,135		(16,201)		(16,201)
Biennial % Change in Expenditures				10		(29)		(29)

Transit

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	19.77	21.76	24.29	17.63	19.69	16.27	19.69	16.27

2001 - Other Misc Special Revenue

Balance Forward In	22	22						
Receipts	22	23	23					
Balance Forward Out	22							
Expenditures	22	45	23					
Biennial Change in Expenditures				(44)		(23)		(23)
Biennial % Change in Expenditures				(65)				
Governor's Change from Base								0
Governor's % Change from Base								

2700 - Trunk Highway

Balance Forward In		22		121				
Direct Appropriation	798	822	846	875	877	877	902	932
Transfers In			982	6				
Transfers Out			979	6				
Cancellations			4					
Balance Forward Out	22		121					
Expenditures	776	844	725	996	877	877	902	932
Biennial Change in Expenditures				101		33		113
Biennial % Change in Expenditures				6		2		7
Governor's Change from Base								80
Governor's % Change from Base								5
Full-Time Equivalents	6.76	7.57	6.39	7.00	7.00	7.00	7.00	7.00

3000 - Federal

Balance Forward In	831	153	1,063	87	82	82	82	82
Receipts	46,577	17,350	31,053	55,348	42,498	42,614	42,498	42,614
Internal Billing Receipts	218	262	217					
Transfers Out	205	14	4					

Transit

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
Balance Forward Out	48	48	87	82	82	82	82	82
Expenditures	47,155	17,441	32,025	55,353	42,498	42,614	42,498	42,614
Biennial Change in Expenditures				22,781		(2,266)		(2,266)
Biennial % Change in Expenditures				35		(3)		(3)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	23.77	24.69	23.28	23.16	23.05	23.02	23.05	23.02

Program: Multimodal Systems
Activity: Freight and Rail Safety

dot.state.mn.us/cvo

dot.state.mn.us/ofrw/railroad

AT A GLANCE

- \$5 million in Port Development Assistance Program grants provided for public port authority infrastructure improvements in FY2018
- 70 highway/rail grade crossing safety improvements completed on state and local roads in FY 2017
- More than 77,000 motor carrier oversize/overweight permits issued in calendar year 2017
- 400 limousine, 258 special transportation service, 123 property carrier, 112 household goods movers, and 10 building mover credentials issued in calendar year 2017
- More than 11,000 interstate carriers registered through the United Carrier Registration Program in calendar year 2017
- 3,715 special transportation service and 676 limousine inspections conducted in calendar year 2017

PURPOSE & CONTEXT

The Office of Freight and Commercial Vehicle Operation's (OFCVO) purpose is to improve the safety and performance of the state's multimodal freight transportation system through:

- Ensuring railroad compliance with state and federal safety standards and improving safety for the traveling public at highway-rail grade crossings
- Planning and delivering freight infrastructure projects
- Enforcing state and federal laws and rules that govern carriers and transportation service providers
- Conducting investigations of carriers that operate in interstate commerce to ensure sound safety management practices
- Coordinating with the State Patrol to conduct safety inspections of commercial motor vehicles
- Delivering training and technical assistance to motor carriers, drivers, and shippers
- Providing web access, information, and e-government transaction services for commercial vehicles

OFCVO programs enhance Minnesota's economic competitiveness by improving access to regional, national, and global markets through safe and efficient transport of goods and people. Through these efforts we are able to implement strategies that advance freight mobility, safety, and economic competitiveness.

SERVICES PROVIDED

Freight System Planning: Develop plans and support legislative and other initiatives that improve Minnesota's freight transportation system. Plans include [Statewide Freight System and Investment Plan](http://www.dot.state.mn.us/planning/freightplan/pdf/statewidefreightplanrevised2018.pdf) (<http://www.dot.state.mn.us/planning/freightplan/pdf/statewidefreightplanrevised2018.pdf>) and the [State Rail Plan](http://www.dot.state.mn.us/planning/railplan/) (<http://www.dot.state.mn.us/planning/railplan/>).

Minnesota Freight Advisory Committee: Oversee the Minnesota Freight Advisory Committee (MFAC), which includes membership of 40 businesses and organizations representing the freight industry. The MFAC membership meets quarterly to discuss current issues and trends.

Minnesota Highway Freight Program (MHFP): Provide funding to eligible construction projects on public roads that provide measurable freight transportation benefits and intermodal impact, and have statewide planning

purposes. MnDOT had a solicitation for this program from June through August 2017 and received 36 applications and two planning requests. MHFP allocated \$99 million for highway, intermodal, and statewide planning projects in October 2017.

Port Development Assistance Program (PDAP): Improve port infrastructure and access to waterways in response to the needs of the commercial waterway navigation system. The program provides grants that help to ensure the continued commercial effectiveness of the Great Lakes and Mississippi River navigation terminals. Projects awarded in January 2018 include: 1) the Duluth Seaway Port Authority's Berth 10 Rehabilitation, to provide for additional vessel mooring and storage at the Clure Terminal Expansion; 2) a Direct Barge-Rail-Truck Intermodal Facility at the St. Paul Port Authority's Southport Terminal; 3) a new barge terminal construction for the Wabasha Port Authority; and 4) storm water improvements at the Port Authority of Winona.

Minnesota Rail Service Improvement Program (MRSI): Administer loans and grants that improve the condition and capacity of rail infrastructure. In 2017, the Legislature created a grant program to provide funding for freight rail economic development projects.

Passenger Rail: Partner with local governments and regional rail authorities, neighboring state Departments of Transportation, community groups and corridor advocates to deliver passenger rail services that are federally compliant, environmentally friendly, and sustainable to connect Minnesota with the national passenger rail system. The most recent 2015 [Statewide Freight and Passenger Rail Plan](http://www.dot.state.mn.us/planning/railplan/2015report/DraftMNStateRailPlan.pdf) (<http://www.dot.state.mn.us/planning/railplan/2015report/DraftMNStateRailPlan.pdf>) identifies priority passenger rail corridors for development by MnDOT.

Rail Safety Inspection Program: Inspect rail track, rail cars, locomotives, and hazardous materials to ensure railroad compliance with federal and state safety standards. In FY 2018, MnDOT state rail inspectors and Federal Railroad Administration inspectors documented 11,532 defects and 217 more serious violations. MnDOT works with the appropriate railroads to ensure that all defects and violations are corrected.

Rail Crossing Safety Program: Monitor the safety performance of more than 4,100 rail grade crossings along Minnesota's public road system and develop the Department's Railroad Highway Grade Crossing Safety Improvement Program. A risk based assessment is used to identify at risk locations and determine the proper level of warning at each crossing.

Trunk Highway-Rail Coordination: Coordinate the involvement of railroads directly affected by MnDOT trunk highway construction projects. In FY 2018, 45 rail agreements were executed for Trunk Highway construction projects.

State Interagency Rail Group and State Rail Director: Housed at MnDOT and serves as the primary expert and point of contact for the management of cross-agency railroad issues in Minnesota, to the USDOT Federal Railroad Administration, Minnesota Congressional delegates, and the legislature. The Rail Director coordinates the interagency rail team consisting of Met Council, DPS, PCA, DEED, IRRB, Commerce, Health, Ag, and MnDOT.

Weigh Stations: Play a key part of Minnesota's federally required and approved weight enforcement program. Weight enforcement is a key role in protecting the state's roadway and bridge infrastructure and motorists from unsafe vehicles and unqualified drivers. These facilities are built, owned, and maintained by MnDOT and operated by the Minnesota State Patrol's Commercial Vehicle Enforcement Division. OFCVO continues to invest in weigh stations and related technologies to maximize the safety benefits and minimize delays for the industry. In 2017, the six fixed weigh scale facilities weighed 1.4 million trucks.

Oversize and Overweight Vehicle Permitting and Routing: Issue oversize/overweight truck permits to protect the infrastructure and promote safety. Using either an automated system or working with staff, carriers are assigned routes that are adequate for the size and weight of their loads.

Commercial Truck and Bus Credentials: Oversee the proper identification and licensing/registration of motor carriers. In addition to issuing licenses for Freight (property) carriers, Household Goods Movers, Building Movers, Motor Carriers of Passengers, Limousine Operators and Special Transportation Service Providers (also known as Non-emergency Medical Transportation), the office registers MN based interstate carriers through the Unified Carrier Registration Program.

Motor Carrier Safety Assistance Program (MCSAP): Participate in the federal grant program administered by the United States Department of Transportation's Federal Motor Carrier Safety Administration, which defines uniform enforcement of safety rules, regulations and standards for both interstate and intrastate motor carriers and drivers. This work improves the safety performance of passenger carriers, including special transportation service (STS) providers serving the elderly and disabled, limousine operators, and motor carriers of property and passengers. In 2017, OFCVO conducted 212 motor carrier safety compliance reviews, 523 audits on newly established motor carriers, and 37 safety talks to industry on safety regulations and requirements.

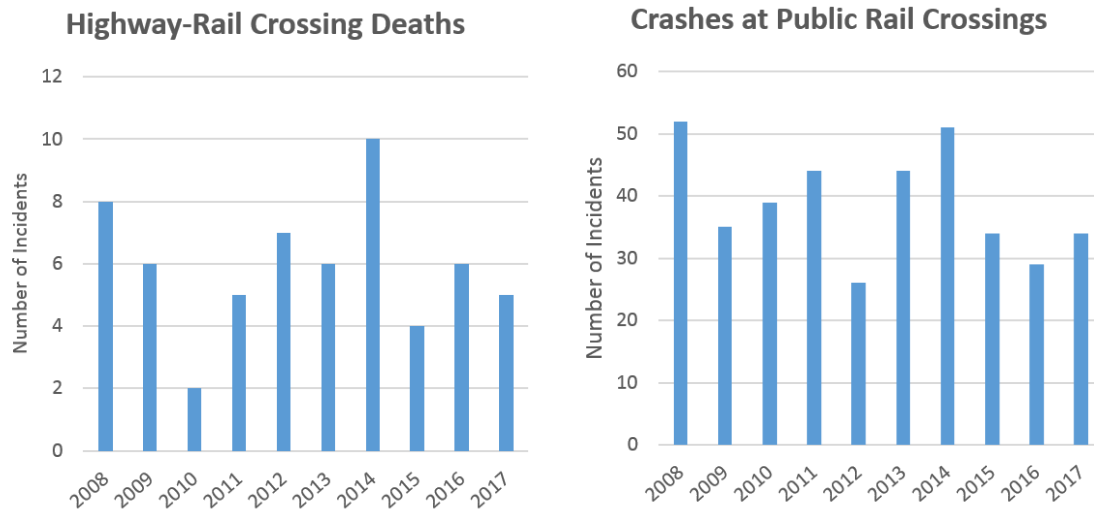
Hazardous Materials: Assist local authorities by providing technical guidance to incident commanders and recommending mitigation measures necessary to protect life, property and the environment. During 2017, OFCVO assisted in 144 incidents where hazardous materials were involved. OFCVO also provided educational outreach to transporters and shippers of hazardous materials to promote the safe transportation of these products.

Medical Waivers: Process medical waivers for commercial vehicle drivers who are not permitted to drive with a variety of medical conditions that potentially create safety risks. Waivers are based on physician evaluations of the impact of the condition and the success of ongoing medical management. For the driver, the waiver allows continued employment with minimal safety risks. In 2017, 413 medical waivers were processed.

Special Transportation Service Complaint Reporting and Resolution: Operate an enhanced complaint intake and reporting system to accept complaints from the public and industry regarding unsafe or improper operation by motor carriers and providers of special transportation services for the elderly and disabled. The improvements include promoting a dedicated phone line specific for accepting complaints, a dedicated web link to file complaints online, and a new tracking system database to monitor progress on complaint investigations and resolution. OFCVO handled 12 and 17 complaints in 2016 and 2017, respectively.

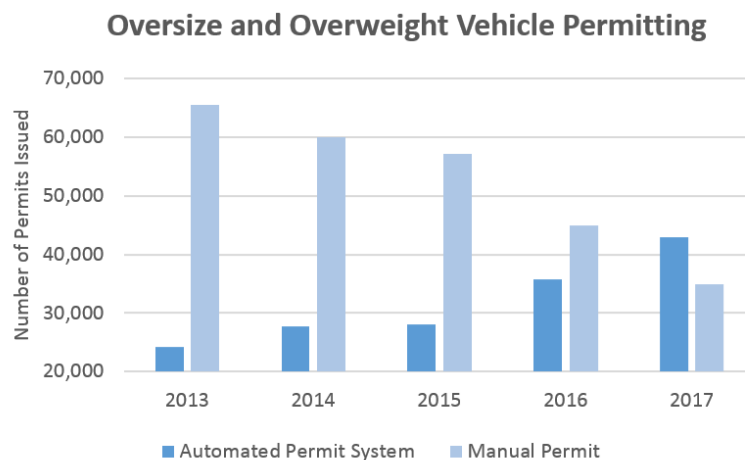
RESULTS

Rail Crossing Safety Program: Through improvements in infrastructure and public education, grade crossing incidents have declined substantially, from a high of 392 in 1970 to 34 in 2017. Of the 34 incidents in 2017, there were five grade crossing fatalities. Approximately one-third of Minnesota's 4,100 public road grade crossings have gates and/or flashing lights. 70 highway/rail grade crossing safety improvements were completed on state and local roads in FY 2018.



Source: Federal Railroad Administration Office of Safety Analysis

Oversize and Overweight Vehicle Permitting and Routing: Use of the online oversize/overweight permitting system has seen increased usage over the past five years. As a result, a replacement system is currently being developed to keep up with increased demand of online permits.



The legal authority for the Freight and Commercial Vehicle Operations activity comes from:
 Oversize/overweight permits, M.S. 169.80-86 (<https://www.revisor.mn.gov/statutes/?id=169.80>)
 Motor Carrier Credentials, Motor Carrier Education, and Safety Reviews, M.S. 174.30 (<https://www.revisor.mn.gov/statutes/?id=174.30>) and M.S. 221 (<https://www.revisor.mn.gov/statutes/?id=221>)
 Port Development Assistance Program, M.S. 457A (<https://www.revisor.mn.gov/statutes/?id=457A>)
 Minnesota Rail Service Improvement (MRSI) Program and Rail Bank Program, M.S. 222 (<https://www.revisor.mn.gov/statutes/?id=222>)
 Railroad Safety (including grade crossing safety), M.S. 219 (<https://www.revisor.mn.gov/statutes/?id=219>)
 Nonemergency Medical Transportation M.S. 174.29-30 (<https://www.revisor.mn.gov/statutes/?id=174.29>)
 Passenger Rail activity M.S. 174.632 (<https://www.revisor.mn.gov/statutes/?id=174.632>)

Freight

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General	7,595	3,771	1,937	5,057	1,519	1,519	1,519	1,519
2000 - Restrict Misc Special Revenue	1,532	2,244	3,058	3,333	2,346	2,353	3,096	3,853
2001 - Other Misc Special Revenue	20	108	25					
2700 - Trunk Highway	4,442	5,183	4,678	6,664	5,746	5,746	5,854	5,988
3000 - Federal	7,075	9,646	5,068	36,871	35,198	25,199	35,198	25,199
Total	20,664	20,951	14,766	51,925	44,809	34,817	45,667	36,559
Biennial Change				25,075		12,935		15,535
Biennial % Change				60		19		23
Governor's Change from Base								2,600
Governor's % Change from Base								3

Expenditures by Category

Compensation	6,920	7,135	6,717	6,937	7,079	7,161	7,187	7,403
Operating Expenses	2,467	5,130	2,904	31,607	30,225	20,151	30,225	20,151
Grants, Aids and Subsidies	1,443	735		1,600				
Capital Outlay-Real Property	9,804	7,901	5,141	11,713	7,432	7,432	8,182	8,932
Other Financial Transaction	30	50	4	68	73	73	73	73
Total	20,664	20,951	14,766	51,925	44,809	34,817	45,667	36,559

Full-Time Equivalents

75.02	74.06	69.13	68.73	68.38	68.28	68.38	68.28
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Freight

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
1000 - General								
Balance Forward In	2,500	5,377	1,892	3,545				
Direct Appropriation	8,901	756	3,656	1,562	1,569	1,569	1,569	1,569
Transfers In	8,145		3,120	704	501	509	501	509
Transfers Out	8,145	20	3,186	754	551	559	551	559
Cancellations		1,046						
Balance Forward Out	3,806	1,297	3,544					
Expenditures	7,595	3,771	1,937	5,057	1,519	1,519	1,519	1,519
Biennial Change in Expenditures				(4,372)		(3,956)		(3,956)
Biennial % Change in Expenditures				(38)		(57)		(57)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	5.70	4.71	9.40	9.40	9.40	9.40	9.40	9.40

2000 - Restrict Misc Special Revenue

Balance Forward In	4,907	5,939	7,054	6,482	7,100	6,427	7,100	6,427
Direct Appropriation				1,000	0	0	0	0
Receipts	2,041	2,695	1,294	1,673	1,673	1,673	2,423	3,173
Transfers In			600	600				
Net Loan Activity	483	616	591	678				
Balance Forward Out	5,899	7,006	6,482	7,100	6,427	5,747	6,427	5,747
Expenditures	1,532	2,244	3,058	3,333	2,346	2,353	3,096	3,853
Biennial Change in Expenditures				2,615		(1,692)		558
Biennial % Change in Expenditures				69		(26)		9
Governor's Change from Base								2,250
Governor's % Change from Base								48
Full-Time Equivalents	6.36	6.98	5.66	5.66	5.66	5.66	5.66	5.66

2001 - Other Misc Special Revenue

Balance Forward In			12	125	125	125	125	125
Receipts	20	120	138					
Balance Forward Out		12	125	125	125	125	125	125
Expenditures	20	108	25					
Biennial Change in Expenditures				(103)		(25)		(25)

Freight

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
Biennial % Change in Expenditures				(81)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents		0.58	0.27	0.27	0.27	0.27	0.27	0.27

2700 - Trunk Highway

Balance Forward In	30	664	82	960	30	30	30	30
Direct Appropriation	5,044	5,196	5,350	5,534	5,546	5,546	5,654	5,788
Receipts		148	207	200	200	200	200	200
Transfers In	950	613	5,223	2,931	2,218	2,240	2,218	2,240
Transfers Out	950	613	4,381	2,931	2,218	2,240	2,218	2,240
Cancellations		742	841					
Balance Forward Out	632	82	961	30	30	30	30	30
Expenditures	4,442	5,183	4,678	6,664	5,746	5,746	5,854	5,988
Biennial Change in Expenditures				1,717		150		500
Biennial % Change in Expenditures				18		1		4
Governor's Change from Base								350
Governor's % Change from Base								3
Full-Time Equivalents	52.51	51.20	48.49	47.06	47.01	46.99	47.01	46.99

3000 - Federal

Balance Forward In	285	336	545	36	36	36	36	36
Receipts	7,088	9,951	5,400	36,871	35,198	25,199	35,198	25,199
Internal Billing Receipts	67	136	134					
Transfers Out		1	841					
Balance Forward Out	297	641	36	36	36	36	36	36
Expenditures	7,075	9,646	5,068	36,871	35,198	25,199	35,198	25,199
Biennial Change in Expenditures				25,218		18,458		18,458
Biennial % Change in Expenditures				151		44		44
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	10.45	10.59	5.31	6.34	6.04	5.96	6.04	5.96

Program: State Roads

Activity: Program Planning and Delivery

dot.state.mn.us/planning/program/plans.html

AT A GLANCE

- 376 construction projects let during calendar years 2016-17
- \$1.8 billion in construction projects were developed for calendar years 2016-17 lettings
- \$21 billion in planned investments for state highways over the next 20 years
- \$195 million in contracts awarded to small businesses in FY2016-17
- The 20-year Minnesota State Highway Investment Plan (MnSHIP) is updated every five years with the new release in January 2022
- The 10-year Capital Highway Investment Plan and four year State Transportation Improvement Program (STIP) are updated every year
- 50 or more research projects start each year with about 200 in progress at any time

PURPOSE & CONTEXT

The transportation infrastructure is aging; a large portion of the existing infrastructure was built during the 'Interstate Era' of the 1960's and early 1970's and is nearing the end of its useful life. Aging infrastructure requires more involved and frequent rehabilitation or complete replacement.

Program Planning and Delivery of the Trunk Highway system requires thoughtful and efficient short, mid- and long-range plans to fit the diverse needs of the system's stakeholders. This activity includes: developing investment plans, conducting data analysis, reviewing performance outcomes, managing the capital program, creating construction plans and construction project oversight, goal setting, as well as research and development.

We must efficiently use the resources available to plan and preserve infrastructure, while also providing oversight for the replacement and limited expansion of the system. In addition, we must meet the need for safety, mobility, reliable freight movement, and bicyclists and pedestrian improvements.

In the planning of the Trunk Highway system, MnDOT's objective is to enhance our customer's trust by listening to their needs, engaging them in creating plans and communicating effectively about our programs and projects. By doing so, we will plan and deliver projects to get the most out of our investments and optimize system performance.

SERVICES PROVIDED

Highway System Planning

Highway planning includes assessing statewide infrastructure conditions; determining future needs for all highway users, including automobiles as well as trucks, buses, bicycles and pedestrians; and then making planning decisions based on projected available funding. We strive to make policy and planning decisions that provide the greatest return on Minnesota's transportation system investment.

The [Minnesota State Highway Investment Plan](http://www.dot.state.mn.us/planning/mnship/) (MnSHIP) (<http://www.dot.state.mn.us/planning/mnship/>) is completed every five years and establishes capital investment priorities for the next 20 years. MnSHIP draws on performance management systems to establish investment scenarios which optimize the highway system

performance based on projected available funding. MnSHIP ensures that performance targets set by the federal government for interstate pavements and National Highway System bridges are met.

The [Capital Highway Investment Plan](http://www.dot.state.mn.us/planning/10yearplan/) (CHIP) (<http://www.dot.state.mn.us/planning/10yearplan/>) is a ten year list of financially constrained projects that are selected to meet the investment priorities and performance targets established by MnSHIP. Preservation projects are selected based upon the projected condition of the pavement or bridge available from the pavement and bridge management systems. The CHIP is updated annually.

The [State Transportation Improvement Program](http://www.dot.state.mn.us/planning/program/stip.html) (STIP) (<http://www.dot.state.mn.us/planning/program/stip.html>) includes the first four years of the CHIP. These projects are considered funded and committed for delivery. The last six years of the CHIP are priorities based upon the MnSHIP investment criteria, but may change as project scope and revised revenue forecasts become available.

Develop Highway Improvement Projects

Development of highway improvement projects involves several steps:

- **Scoping** determines the elements of a project that are needed to meet project goals and sets preliminary cost estimates and schedules.
- **Environmental Review** considers impacts of proposed projects to ensure compliance with environmental laws and policies and avoids, minimizes, or mitigates environmental impacts.
- **Public Involvement and Engagement** includes public participation through meetings, media, local government, technology, and social media. The public is involved throughout the entire life of the project, including planning, design, scoping, environmental review, and construction.
- **Design** includes engineering studies and analysis, preparing construction plans, using performance based practical design and flexible design standards to ensure road designs meet project goals while minimizing costs.

MnDOT employs Shared Service Centers to provide centralized technical expertise to districts and for agency efficiency. A Shared Service Center will maintain an expertise that the districts can draw upon when needed and functions much like an internal consultant by bringing expertise and resources to a project that a district doesn't have available. Shared Service Centers exist for project scheduling, sign design, signal and lighting design, design of living snow fences, implementing all contracting methods, and right-of-way staff needed to address the additional parcels necessary to meet American's with Disability Act (ADA) standards.

Highway Construction Management Oversight

MnDOT monitors construction projects to ensure that the final product meets all specifications by doing the following:

- **Managing** the overall progress of State Highway projects from project letting through construction completion and final project documentation.
- **Coordinating** the early stages of projects with unique features.
- **Providing** opportunities for small business participation and employment opportunities to minorities and women to work on MnDOT contracts.
- **Overseeing** quality management, material testing, project scheduling, and compliance with specifications.
- **Providing** sound fiscal management, financial tracking, and regulatory compliance.
- **Ensuring** that construction traffic control provides the most efficient and safest movement possible through work zones.

Research and Development

MnDOT develops and utilizes new technologies for Trunk Highway projects, such as newer, more cost-effective pavement designs, accelerated bridge construction techniques, and methods to improve highway safety.

Recently, MnDOT developed the Connected and Automated Vehicle (CAV) strategic plan that will address short term goals (testing and early deployments) and long term strategies that will address how to design and operate our roadways for CAV technology. MnDOT also conducts additional research in the areas of maintenance, pavements, and intelligent transportation systems. This includes the MnROAD program, which is a pavement test track made up of various materials and pavements. The program finds ways to make roads last longer, perform better, cost less to build and maintain, be built faster, and have minimal impact on the environment. Research Services manages research projects that serve as a resource for staff as well as city and county engineers.

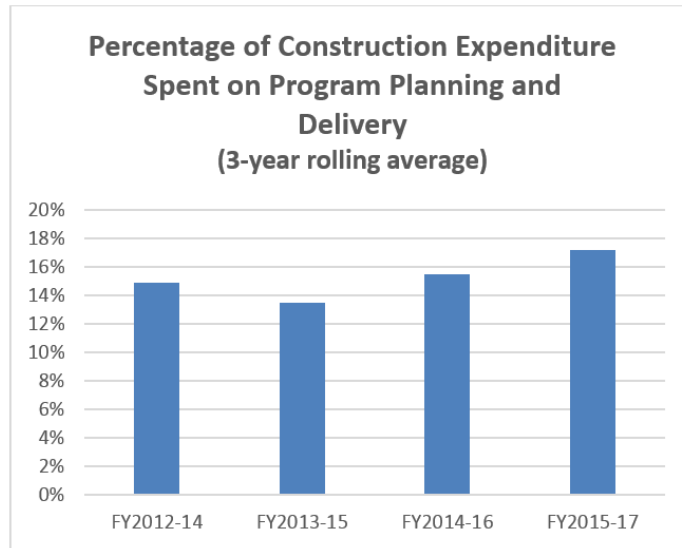
RESULTS

Project Delivery

To help ensure projects are delivered within budget and on time, we continue to place a greater emphasis on project scheduling and monitoring. In 2014, the department began striving to better balance lettings throughout the year. This initiative is designed to increase the number of projects let during better bidding environments (October through March) to maximize competition between bids and more evenly distribute the design work throughout the year, lessening the need for overtime.



Highway projects are much more complicated than even 20 years ago. Management of traffic in a work zone, permitting regulations, and innovative design all take more design resources in order to minimize traffic disruptions, comply with state and federal rules, and reduce the cost to construct. Currently, based on most recent data, program planning and delivery activities cost approximately 17 percent of construction costs.



* Throughout this measure, expenditures reflect budgetary commitments (expenditures and encumbrances) and include consultant-led program planning and delivery.

The Department of Transportation's Program Planning and Delivery legal authority comes from:
Roads General Provisions M.S.160 (<https://www.revisor.mn.gov/statutes/?id=160>)
Trunk Highway M.S.161 (<https://www.revisor.mn.gov/statutes/?id=161>)
Department of Transportation M.S.174 (<https://www.revisor.mn.gov/statutes/?id=174>)

Program Planning & Delivery

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
2000 - Restrict Misc Special Revenue	8,588	13,154	9,538	32,059	31,080	32,105	31,080	32,105
2001 - Other Misc Special Revenue	31	328	81	1,050	1,206	1,356	1,206	1,356
2700 - Trunk Highway	210,111	251,453	234,734	286,916	248,359	243,712	274,672	327,232
3000 - Federal	7,222	11,491	16,932	52,526	57,710	46,060	57,710	46,060
6000 - Miscellaneous Agency	1							
Total	225,952	276,427	261,284	372,551	338,355	323,233	364,668	406,753
Biennial Change				131,456		27,753		137,586
Biennial % Change				26		4		22
Governor's Change from Base							109,833	
Governor's % Change from Base							17	
<u>Expenditures by Category</u>								
Compensation	170,821	164,083	174,618	180,447	183,812	186,218	191,401	206,132
Operating Expenses	40,351	88,794	69,328	130,649	103,416	90,257	122,140	153,863
Grants, Aids and Subsidies	1,146	3,751	9,066	16,283	15,840	15,838	15,840	15,838
Capital Outlay-Real Property	11,804	16,411	6,832	37,409	31,924	29,057	31,924	29,057
Other Financial Transaction	1,830	3,388	1,440	7,763	3,363	1,863	3,363	1,863
Total	225,952	276,427	261,284	372,551	338,355	323,233	364,668	406,753
<u>Full-Time Equivalents</u>								
	1,778.27	1,727.77	1,847.15	1,829.53	1,815.42	1,811.64	1,826.42	1,872.64

Program Planning & Delivery

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
2000 - Restrict Misc Special Revenue								
Balance Forward In	852	10,329	8,163	5,470	4,315	3,602	4,315	3,602
Receipts	17,485	10,989	6,855	30,905	30,367	32,374	30,367	32,374
Transfers In	100		1	2				
Transfers Out	13	69	10	3				
Balance Forward Out	9,835	8,095	5,472	4,315	3,602	3,871	3,602	3,871
Expenditures	8,588	13,154	9,538	32,059	31,080	32,105	31,080	32,105
Biennial Change in Expenditures				19,855		21,588		21,588
Biennial % Change in Expenditures				91		52		52
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	3.33	4.34	4.67	5.37	5.59	13.66	5.59	13.66

2001 - Other Misc Special Revenue

Balance Forward In	12	254	1,816	1,931	1,912	1,912	1,912	1,912
Receipts	20	1,891	197	1,031	1,206	1,356	1,206	1,356
Balance Forward Out	1	1,816	1,932	1,912	1,912	1,912	1,912	1,912
Expenditures	31	328	81	1,050	1,206	1,356	1,206	1,356
Biennial Change in Expenditures				772		1,431		1,431
Biennial % Change in Expenditures				215		127		127
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents		0.02	0.35	7.97	9.16	9.04	9.16	9.04

2700 - Trunk Highway

Balance Forward In	11,036	33,742	4,788	36,568	8,093	9,418	8,093	9,418
Direct Appropriation	237,529	231,252	263,255	255,740	246,983	242,324	273,296	325,844
Receipts	3,535	5,611	3,260	2,701	2,701	2,701	2,701	2,701
Transfers In	15,166	14,108	151,207	150,066	131,650	132,297	131,650	132,297
Transfers Out	15,166	21,052	151,207	150,066	131,650	132,297	131,650	132,297
Cancellations	9,917	7,422						
Balance Forward Out	32,072	4,785	36,570	8,093	9,418	10,731	9,418	10,731
Expenditures	210,111	251,453	234,734	286,916	248,359	243,712	274,672	327,232
Biennial Change in Expenditures				60,085		(29,579)		80,254

Program Planning & Delivery

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Biennial % Change in Expenditures				13		(6)		15
Governor's Change from Base							109,833	
Governor's % Change from Base							22	
Full-Time Equivalents	1,767.86	1,713.17	1,828.14	1,802.83	1,717.31	1,705.58	1,728.31	1,766.58

3000 - Federal

Balance Forward In	101	38	3	32	32	32	32	32
Receipts	7,159	11,456	16,963	52,526	57,710	46,060	57,710	46,060
Balance Forward Out	38	3	32	32	32	32	32	32
Expenditures	7,222	11,491	16,932	52,526	57,710	46,060	57,710	46,060
Biennial Change in Expenditures				50,745		34,312		34,312
Biennial % Change in Expenditures				271		49		49
Governor's Change from Base							0	
Governor's % Change from Base							0	
Full-Time Equivalents	7.08	10.24	13.99	13.36	83.36	83.36	83.36	83.36

6000 - Miscellaneous Agency

Balance Forward In	2	1	1					
Receipts	0	0	0	2				
Transfers Out			1	2				
Balance Forward Out	1	1						
Expenditures	1							
Biennial Change in Expenditures				(1)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base							0	
Governor's % Change from Base								

Program: State Roads
Activity: State Road Construction

minnesotago.org/
dot.state.mn.us/planning/program/stip.html
dot.state.mn.us/planning/mnship/
dot.state.mn.us/planning/10yearplan/index.html
dot.state.mn.us/projectselection/

AT A GLANCE

- 436 construction projects started in the 16-17 biennium
- 503 construction projects planned in the 18-19 biennium
- Corridors of Commerce and Transportation Economic Development (TED) projects were also selected:
 - 9 TED projects received funding in 2017
 - 7 Corridors of Commerce projects received funding in 2017 and 2018 (for construction between 2019 and 2024)
- Funded through direct appropriations from the Trunk Highway Fund, Federal Highway Trust Funds and Trunk Highway Bond proceeds

PURPOSE & CONTEXT

The State Road Construction budget activity is the capital investment program for the construction, reconstruction, and improvement on the 12,000 miles of state managed roads and bridges. State managed roads include the National Highway System (NHS), along with 7,600 miles of non-NHS Trunk Highways.

Investments on these roads are primarily in the areas of system preservation, improvements, and expansion. MnDOT staff administers and provides oversight to hundreds of projects each season. Investment decisions are made based on priorities and policies identified in the planning documents developed by the agency.

MnDOT's objective is to demonstrate effective and efficient stewardship of state road construction resources and to make long-term investments that respond effectively to evolving needs of highway users.

SERVICES PROVIDED

MnDOT selects, designs, and manages construction projects to advance the objectives and performance measures in the Statewide Multimodal Transportation Plan. The investment priorities and direction are set in the [20-year Minnesota State Highway Investment Plan](http://www.dot.state.mn.us/planning/mnship) (MnSHIP) (<http://www.dot.state.mn.us/planning/mnship>). Individual construction projects are prioritized and selected by category of project within special funding programs, such as TED or Corridors of Commerce. Beginning in 2019, MnDOT will use more comprehensive, objective, and transparent scoring methods to evaluate and prioritize candidate projects based on the new legislatively required Project Selection Policy. The annual construction program provides work for contractors across the state and opportunities for small business participation and employment to minorities and women to work on MnDOT contracts.

Trunk Highway System Preservation Construction

Trunk Highway preservation construction includes:

- Repairing and reconstructing highways and bridges to maintain the existing transportation system.

- Planning for the preservation of highway and bridge investments in a timely and cost-effective manner, allowing MnDOT to maintain the state's existing vital connections.
- Selecting preservation projects that provide a safe and reliable riding surface for travelers while minimizing life-cycle costs.

Trunk Highway System Expansion

Trunk Highway expansion includes:

- Adding capacity to the transportation system with new lanes, bridges, interchanges, and in rare cases adding additional centerline miles.
- Creating safer roadways with new turn lanes, wider shoulders, and roundabouts.
- Completing critical connections through special legislation and bonding programs, such as the Corridors of Commerce program.

Other Trunk Highway System Improvements

Investing in areas within the right of way but outside of the traditional highway footprint, including:

- Multimodal investments, including bike paths and pedestrian bridges
- Intelligent Traffic Systems, including ramp meters and changeable message signs
- Truck weigh stations and scales
- Travel center and safety rest areas

RESULTS

MnSHIP Outcomes (2018 to 2037)

MnSHIP identifies the investment priorities for the State Road and Bridge Construction Program and the outcomes of those investments. Based upon the estimated available funding during this time period, MnDOT will focus on the following outcomes:

- System Stewardship:
 - **Strengths:** MnDOT focuses a majority of investment on maintaining the condition of roads, bridges, and roadside infrastructure. Federal targets for pavement and bridge condition are likely to be met.
 - **Drawbacks:** Conditions of roads, bridges and roadside infrastructure decline on NHS and non-NHS routes.
- Transportation Safety:
 - **Strengths:** MnDOT will continue to focus on lower cost, proactive treatments aimed at preventing fatalities and serious injuries.
 - **Drawbacks:** Only a limited number of locations with a sustained crash history will be addressed.
- Critical Connections:
 - **Strengths:** MnDOT commits to achieving substantial compliance with the Americans with Disabilities Act no later than 2037. MnDOT also commits to planned mobility investments in the Twin Cities metro area through 2023.
 - **Drawbacks:** The number and scope of mobility improvements decreases substantially, potentially reducing the ability to maintain reliable travel times in the Twin Cities area and Greater Minnesota. Resources are not available to address growing areas of the state.
- Healthy Communities:
 - **Strengths:** Through the Transportation and Economic Development program, investments will be made to address local concerns through partnerships, design add-ons and a few stand-alone projects to support economic competitiveness and quality of life.
 - **Drawbacks:** The investment direction limits MnDOT's ability to address local concerns.

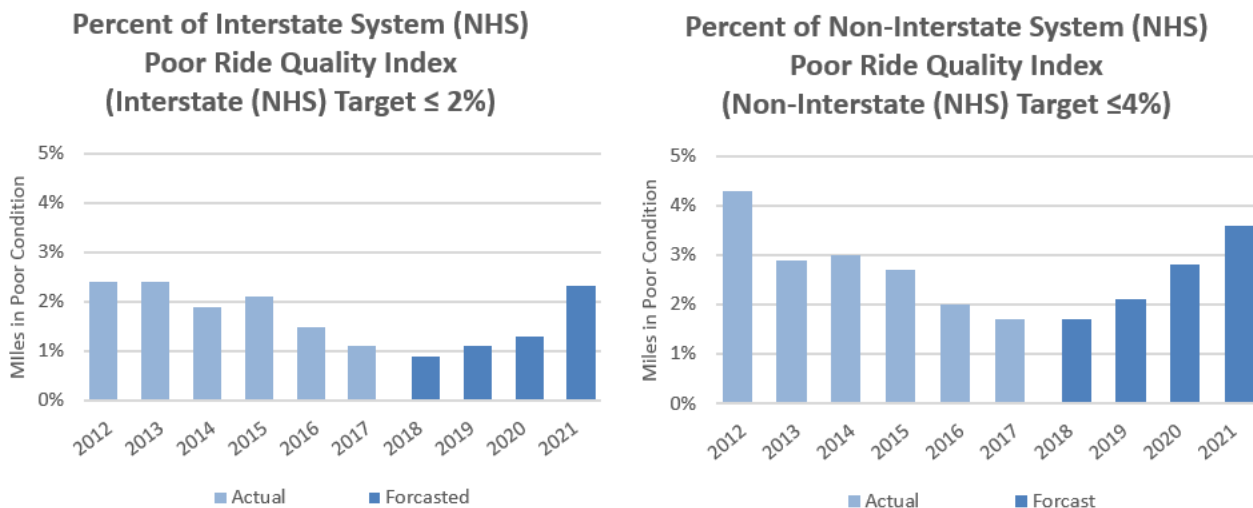
Efficiencies

While MnDOT has always worked to be good stewards of public funds, the department continues to take a more targeted approach to identify and quantify efficiencies as well as find new areas for greater efficiencies. When MnDOT identifies savings on current projects, we release those funds to advance additional projects. MnDOT uses a best practice case-analysis approach to evaluate and measure efficiency. Best practice evaluation reviews dimensions of efficiency in quality, time and cost. MnDOT analyzes each case for implementation of cost saving strategies, designs, and processes. Efficiencies identified in fiscal year 2017 came throughout the project development process for each project worth more than \$10 million, as well as any regionally significant project let in FY 2017. In FY 2017 there were approximately \$70 million in savings identified on major projects. There were also an estimated \$12 million in efficiencies identified in other areas of the department such as administration, maintenance, and operations. MnDOT efficiencies are reported in the [Major Highway Projects Report](https://www.dot.state.mn.us/govrel/reports/2017/mhpr-report.pdf) (<https://www.dot.state.mn.us/govrel/reports/2017/mhpr-report.pdf>).

Performance Indicators

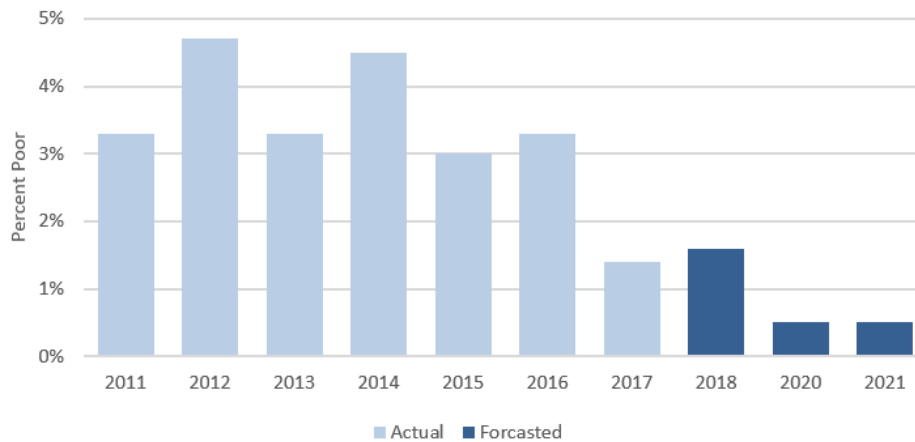
MnDOT tracks the performance of the Trunk Highway system with a number of different performance measures, many of which are published on the [transportation performance website](https://performance.minnesotago.org/) (<https://performance.minnesotago.org/>). MnDOT prioritizes infrastructure improvements on NHS routes and holds these roads to a higher performance standard than non-NHS routes. This approach allows MnDOT to comply with federal law and manage risks related to statewide travel.

Pavement condition is measured by the percent of miles of highway in poor condition. The system condition is projected to be declining after 2018.



Bridge condition is measured by percent of bridge deck area in poor condition. This graph illustrates that bridges on the NHS are meeting percent poor target through 2021. Projections indicate conditions will start to decline in 2024 and then more significantly toward the end of 2028.

**Percent of NHS Bridges in Poor Condition as a Percent of
Total NHS Bridge Deck Area
(Target ≤ 2%)**

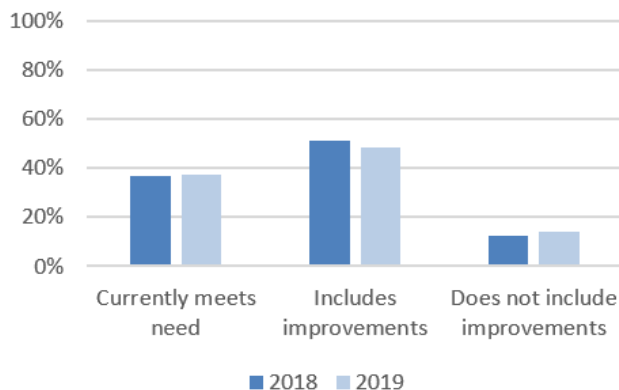


*FY 2019 was not included in the current yearly condition forecast due to data and timing issues.

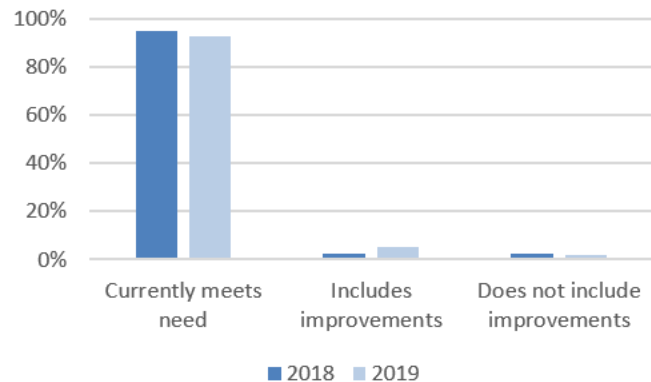
MnDOT's Complete Street Policy considers the needs of pedestrians, bicyclists, transit, motorists and commercial and emergency vehicles in all phases of planning, project development, operation and maintenance activities. MnDOT documents how each user group (e.g. pedestrian, bicycle, transit, freight) has been considered using both categories defined in MnDOT's Complete Streets Policy and then described in a written explanation for each type of use. In the graph below you will see we are making improvements in the majority of projects where we identified needs. However, in some cases the desired improvements are not feasible or cost effective so are not included in the final plan. Percentages, in the graph below, exclude projects where the use is legally prohibited according to [Minnesota Statutes 169.305](https://www.revisor.mn.gov/statutes/cite/169.305) (<https://www.revisor.mn.gov/statutes/cite/169.305>) or where there is no evidence of a current need to provide for the user group, no plans identify the project corridor for future use or land use trends suggest an absence of future need over the life of the project.

For FY2018-19, overall 70 percent of projects have documented considerations for each type of use. All projects are required to complete the documentation during the project scoping process, though some projects are not yet fully scoped or have yet to complete their analysis.

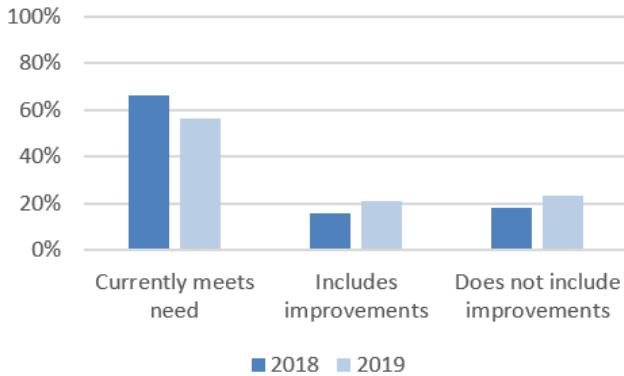
**State Road Construction Projects with
Identified Pedestrian Needs**



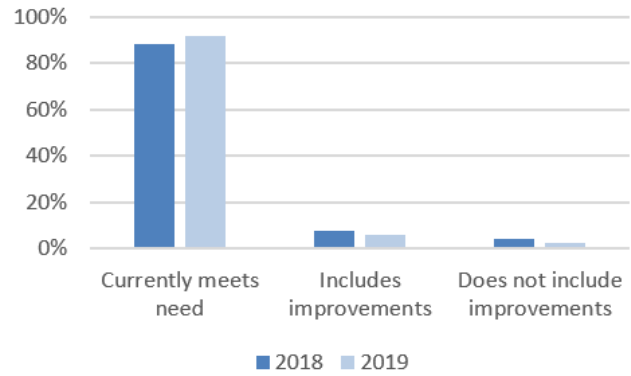
**State Road Construction Projects with
Identified Transit Needs**



State Road Construction Projects with Identified Bicycle Needs

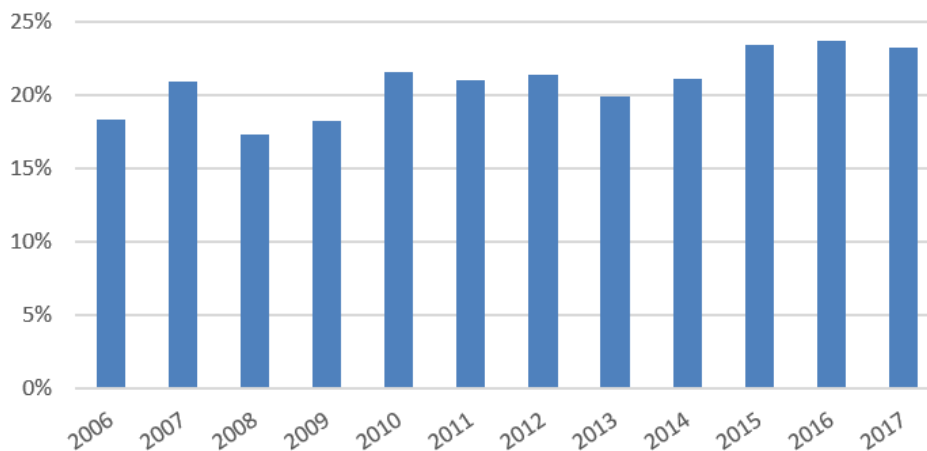


State Road Construction Projects with Identified Freight Needs



Mobility is measured by the speed that users can travel on Metro freeways. The performance is stable at the current investment level, although the percentage of congested miles is expected to increase in the future as traffic volumes continue to grow. Congestion is defined as freeway traffic flowing at speeds less than 45 miles per hour (mph) and does not include delays that may occur at speeds greater than 45 mph.

Percent of Metro Freeway Miles Below 45 mph in AM or PM Peak



The Department of Transportation's State Road Construction legal authority comes from:

Roads, General Provisions M.S.160 (<https://www.revisor.mn.gov/statutes/?id=160>)

Trunk Highways M.S.161 (<https://www.revisor.mn.gov/statutes/?id=161>)

Complete Streets M.S. 174.75 (<https://www.revisor.mn.gov/statutes/?id=174.75>)

TED M.S. 174.12 (<https://www.revisor.mn.gov/statutes/cite/174.12>)

Corridors of Commerce M.S. (<https://www.revisor.mn.gov/statutes/cite/161.088>)

State Road Construction

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21

Expenditures by Fund

2000 - Restrict Misc Special Revenue	70,090	28,461	33,129	30,306	29,666	29,666	29,666	29,666
2700 - Trunk Highway	744,278	956,502	1,010,590	991,776	914,445	900,102	999,351	1,228,810
3000 - Federal	9,908	13,136	4,036	32,360	9,902	2,462	9,902	2,462
Total	824,277	998,098	1,047,755	1,054,442	954,013	932,230	1,038,919	1,260,938
Biennial Change				279,822		(215,954)		197,660
Biennial % Change				15		(10)		9
Governor's Change from Base								413,614
Governor's % Change from Base								22

Expenditures by Category

Compensation	3,359	12,382	13,223	15,267	17,750	19,150	17,750	19,150
Operating Expenses	98,900	97,575	102,582	95,910	89,535	82,495	115,007	181,108
Grants, Aids and Subsidies	4	1						
Capital Outlay-Real Property	721,544	887,516	931,259	943,265	846,728	830,585	906,162	1,060,680
Other Financial Transaction	469	623	691					
Total	824,277	998,098	1,047,755	1,054,442	954,013	932,230	1,038,919	1,260,938

Full-Time Equivalents

25.90	141.92	141.67	159.40	180.60	192.30	180.60	192.30
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State Road Construction

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
2000 - Restrict Misc Special Revenue								
Balance Forward In	9,793	5,416	3,783	24,755	24,755	24,755	24,755	24,755
Receipts	65,713	26,818	54,101	30,306	29,666	29,666	29,666	29,666
Balance Forward Out	5,416	3,773	24,755	24,755	24,755	24,755	24,755	24,755
Expenditures	70,090	28,461	33,129	30,306	29,666	29,666	29,666	29,666
Biennial Change in Expenditures				(35,116)		(4,103)		(4,103)
Biennial % Change in Expenditures				(36)		(6)		(6)
Governor's Change from Base								0
Governor's % Change from Base								0

2700 - Trunk Highway

Balance Forward In	59,214	129,436	36,131	82,463	19,838	14,738	19,838	14,738
Direct Appropriation	779,664	849,166	1,028,010	909,101	889,295	874,282	974,201	1,202,990
Receipts	16,600	16,532	28,912	20,050	20,050	20,050	20,050	20,050
Transfers In	102,377	132,822	59,828	49,412	47,750	49,150	47,750	49,150
Transfers Out	102,377	132,822	59,828	49,412	47,750	49,150	47,750	49,150
Cancellations	3,620	5,359						
Balance Forward Out	107,580	33,273	82,463	19,838	14,738	8,968	14,738	8,968
Expenditures	744,278	956,502	1,010,590	991,776	914,445	900,102	999,351	1,228,810
Biennial Change in Expenditures				301,586		(187,819)		225,795
Biennial % Change in Expenditures				18		(9)		11
Governor's Change from Base								413,614
Governor's % Change from Base								23
Full-Time Equivalents	25.90	141.92	141.67	159.40	180.60	192.30	180.60	192.30

3000 - Federal

Balance Forward In			84					
Receipts	9,908	13,216	3,952	32,360	9,902	2,462	9,902	2,462
Balance Forward Out		80						
Expenditures	9,908	13,136	4,036	32,360	9,902	2,462	9,902	2,462
Biennial Change in Expenditures				13,352		(24,032)		(24,032)
Biennial % Change in Expenditures				58		(66)		(66)
Governor's Change from Base								0
Governor's % Change from Base								0

Program: State Roads

Activity: Debt Service

dot.state.mn.us/policy/financial/fm007.html

AT A GLANCE

Trunk Highway General Obligation Bonds:

- \$4.3 billion authorized since 2000
- \$2.9 billion sold since 2000
- \$229 million three-year average expenditures of bond-funded projects
- Debt service payments have grown from 7% of state revenues in Trunk Highway Fund in FY 2009 to 16% in FY 2018
- \$4.6 billion in remaining debt service payments on all current bond authorizations

PURPOSE & CONTEXT

The state of Minnesota is authorized to issue General Obligation bonds for trunk highway purposes under Article XIV, section 11 of the constitution. Bonds are purchased to advance construction projects beyond what the State Road Construction and Federal funding programs can support in a given period. The Minnesota Department of Transportation is also authorized to enter into loan agreements using the Transportation Revolving Loan Fund and to enter into local government advance agreements. The debt service activity is funded by a direct appropriation from the Trunk Highway Fund. The Trunk Highway Fund, rather than the State's General Fund, pays all of the debt service for Trunk Highway bonds.

SERVICES PROVIDED

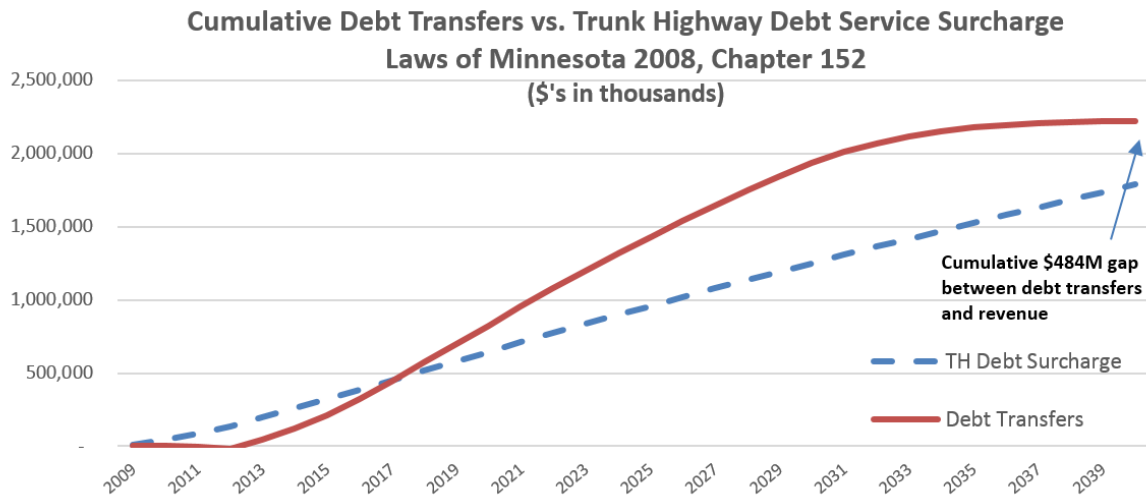
This activity encompasses repayment of all debt related to the Trunk Highway System. This includes the required annual payment of the principal and interest on Trunk Highway bonds to the State Debt Service Fund from the Trunk Highway Fund, as well as payments to the Transportation Revolving Loan Fund for Trunk Highway loan agreements and repayments of advances from local governments. We work closely with Minnesota Management and Budget to coordinate activities related to selling bonds and forecasting both debt cash flow and debt service payments.

This activity also includes significant funding for the Corridors of Commerce program, established in [Minnesota Statute 161.088](https://www.revisor.mn.gov/statutes/cite/161.088) (<https://www.revisor.mn.gov/statutes/cite/161.088>), to be used for projects focused on capacity development or freight improvement that meet specific criteria. Since 2013, \$1.0 billion in Trunk Highway bonds have been authorized for the Corridors of Commerce program.

Trunk Highway bonds have become an increasingly common financing tool in recent years, especially since the \$1.8 billion approved in Minnesota Laws of 2008, Chapter 152. The total cost of repaying the bonds generally ranges between \$1.3-\$1.5 for every \$1 of bonds authorized (depending on prevailing interest rates), and are repaid over 20 years.

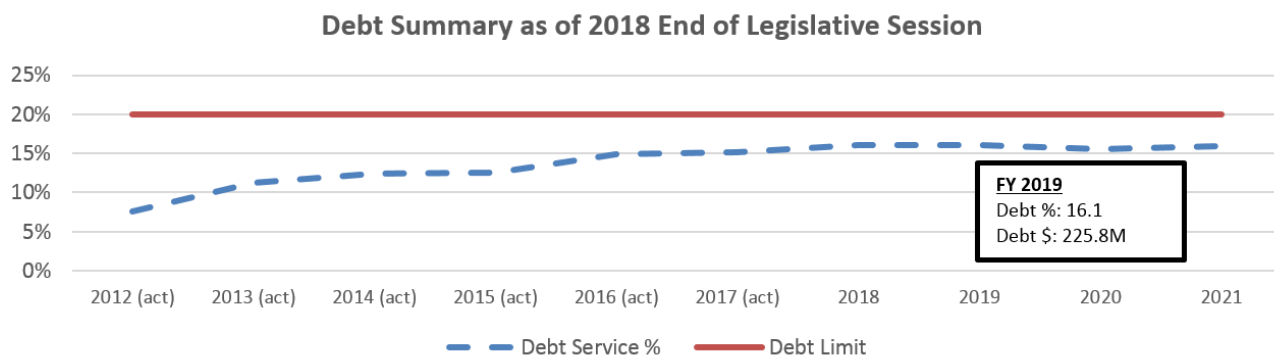
The current gas tax rate of 28.5 cents per gallon includes 3.5 cents dedicated to the debt service on the \$1.8 billion of trunk highway bonds authorized in Laws of Minnesota 2008, Chapter 152. MnDOT prepares an annual analysis of the gas tax debt service surcharge required in [Minnesota Statute 296A.083](https://www.revisor.mn.gov/statutes/cite/296A.083) (<https://www.revisor.mn.gov/statutes/cite/296A.083>). From FY2009 to 2017, the debt surcharge revenue was greater than the debt service amounts – resulting in a positive amount transferred to the Trunk Highway Fund. Beginning in FY 2018 and thereafter, the debt service payments become larger than the surcharge revenues, which will reduce the Trunk Highway Fund balance. In total, this imbalance is projected to result in a cumulative reduction to the Trunk Highway Fund balance of \$244 million by the end of the FY2020-21

biennium. This imbalance grows to \$484 million by FY 2039. The full 3.5 cent tax will continue to be collected but falls short of recovering the debt service forecast amount of \$2.2 billion from FY 2009 through FY 2039.



RESULTS

Minnesota's goals for the transportation system are established in the Minnesota State Highway Investment Plan (MnSHIP). Bond debt, particularly when interest rates are low, is an important strategy for funding transportation projects. The key goal for the debt service activity is to balance the needs of the transportation system by maximizing the funding resources available within a financially sound debt management policy. In 2010, statutory language was enacted that required MnDOT to develop a debt management policy, [Minnesota Statute 167.60](https://www.revisor.mn.gov/statutes/cite/167.60) (<https://www.revisor.mn.gov/statutes/cite/167.60>). The policy is important to ensure that debt obligations do not materially impact funding levels for other budget activities. MnDOT policy states that debt service cannot exceed 20 percent of annual projected state revenues to the Trunk Highway Fund. The graph below depicts the most current debt service estimates compared with the policy limit. The debt service peaks at 16.1 percent in FY 2019.



The Department of Transportation's Debt Service activity legal authority comes from:
 Minnesota Constitution Article XIV, Section 6 and 11
https://www.revisor.leg.state.mn.us/constitution/#article_14
 Trunk Highway Revolving Loan Account, M.S. 161.04, Subd. 3 and 4
<https://www.revisor.leg.state.mn.us/statutes/?id=161.04>
 Advance Funding for Trunk Highway Projects, M.S. 161.361
<https://www.revisor.leg.state.mn.us/statutes/?id=161.361>

Debt Service

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
2700 - Trunk Highway	2,431	2,166	403	9,500	9,500	9,500	9,500	9,500
Total	2,431	2,166	403	9,500	9,500	9,500	9,500	9,500
Biennial Change				5,306		9,097		9,097
Biennial % Change				115		92		92
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Other Financial Transaction	2,431	2,166	403	9,500	9,500	9,500	9,500	9,500
Total	2,431	2,166	403	9,500	9,500	9,500	9,500	9,500

Debt Service

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
2700 - Trunk Highway								
Balance Forward In		14,225						
Direct Appropriation	197,381	231,199	254,974	224,403	237,419	251,759	238,860	257,290
Transfers Out	180,725	193,539	211,009	214,903	227,919	242,259	229,360	247,790
Cancellations		49,719	43,561					
Balance Forward Out	14,225							
Expenditures	2,431	2,166	403	9,500	9,500	9,500	9,500	9,500
Biennial Change in Expenditures				5,306		9,097		9,097
Biennial % Change in Expenditures				115		92		92
Governor's Change from Base								0
Governor's % Change from Base								0

Program: State Roads

Activity: Operations and Maintenance

dot.state.mn.us/

dot.state.mn.us/maintenance/

AT A GLANCE

We maintain:

- 12,000 state highway miles (29,000 certified lane miles), including the National Highway System (NHS)
- 3,360 traffic management systems (signals, ramp meters, changeable message signs, cameras and road weather information stations)
- 591 miles of cable median barrier
- 28,913 highway lighting fixtures
- 4,860 bridges greater than 10 feet in length on Trunk Highway routes (including rail road, pedestrian and other structures)
- 40,709 highway culverts
- 256,714 acres of highway right of way (including wetlands and ponds)
- 840 snowplows
- 1,075 individual buildings (including 187 radio equipment shelters)

PURPOSE & CONTEXT

State managed roads makes up only 8.4 percent of Minnesota's roads, but carries nearly 60 percent of total traffic volume with more than 95 million vehicle miles driven every day. Safety and efficiency is integral to the work we perform daily.

MnDOT maintenance:

- Clears snow and debris from Minnesota roadways
- Repairs and improves highways, bridges, shoulders, safety devices, and traffic management systems
- Maintains the fleet, equipment, and buildings necessary to perform maintenance activities
- Performs striping, signage, and roadway lighting structure activities
- Preserves and optimizes investments while delivering faster, smoother, and more reliable trips
- Respond to emergencies 24 hours per day, 365 days per year and provides services regardless of snow, rain, floods, construction, or emergencies

MnDOT prepares for and adapts to the challenges and opportunities that enable us to advance our objective of operational excellence by getting the best performance out of the roadways. Our operations address changing traffic and environmental conditions in a cost effective manner, providing effective stewardship of public resources.

SERVICES PROVIDED

Bridges and Structures Maintenance

MnDOT inspects 4,860 state highway bridges in accordance with state and federal requirements, as well as additional inspections due to unforeseen events. Federal rules require that all bridges are inspected on a one or two year cycle. See the [Bridge Office website](http://www.dot.state.mn.us/bridge/inspection.html) (<http://www.dot.state.mn.us/bridge/inspection.html>) for more information on bridge inspection.

MnDOT performs preventive maintenance to extend the service life of state managed bridges by protecting these assets from exposure to moisture and corrosive agents like salt. Preventive routine maintenance includes sealing cracks, joints, and railings; spot painting; lubrication of expansion bearings and flushing of the bridge deck; and superstructure and substructure elements with water to remove winter residue to reduce the frequency and scope of future repairs.

Reactive maintenance repairs are prioritized as high, medium or low priority and is a response to a condition discovered during an inspection or maintenance or when a vehicle damages a bridge. High priority includes deficiencies that could affect safe function of the bridge or result in deterioration to a critical condition. See our Bridge Office website for more information on [Bridge Construction and Maintenance](http://www.dot.state.mn.us/bridge/maintenance.html) (<http://www.dot.state.mn.us/bridge/maintenance.html>).

Traffic Devices Operation and Maintenance

To increase freeway and arterial efficiency, reduce crashes and provide travelers with information we operate the [Regional Transportation Management Center](http://www.dot.state.mn.us/rtmc) (RTMC) (<http://www.dot.state.mn.us/rtmc>), support the Southern Regional Communication Center (SRCC), operate a central traffic signal control system, staff district traffic engineering offices, and provide an Electrical Services section and the Freeway Incident Response Safety Team. These activities provide travelers with current travel times and critical roadway information, including Amber Alerts and road condition information from our Roadway Weather Information System. We relay this information using changeable message signs, the Internet and telephones. We also maintain traffic signals statewide, install and repair signs and lights, stripe roads, install and repair guardrails, and maintain cable median barriers. See our websites for more information on [MnDOT Traffic Engineering](http://www.dot.state.mn.us/trafficing) (<http://www.dot.state.mn.us/trafficing>) and [MN 511](http://www.511mn.org) (<http://www.511mn.org>).

In order to gain the best outcomes from the existing transportation infrastructure we implement Transportation System Management and Operations (TSMO) strategies. These are operational strategies that increase safety by reducing the frequency, severity and clearance times of crashes that improve reliability, mobility, and efficiency by maximizing the existing roadway capacity and reducing recurring and non-recurring congestion. Examples of TSMO strategies include traffic incident management, traveler information, safety service patrols, ramp metering, optimizing traffic signal timing, work zone management, and road weather management.

Road and Roadside Maintenance

To keep roads safe and in good operating condition, we patch potholes, seal cracks, pave road surfaces, remove debris (including the Adopt-a-Highway program), repair or replace culverts, maintain roadway shoulders, and respond to flooding. Inspection programs help in reducing infrastructure risk as well as improved planning. We also measure highway smoothness and remaining pavement life to inform and prioritize our work. This information helps us make timely investments to prolong pavement life.

Maintenance crews mow, control noxious weeds, remove trees and brush, issue permits for public roadway activities like utility work, and maintain rest areas and weigh stations. See our websites for more information on [roadway vegetation management](http://www.dot.state.mn.us/roadsides/vegetation/index.html) (<http://www.dot.state.mn.us/roadsides/vegetation/index.html>) and [rest areas](http://www.dot.state.mn.us/restareas/) (<http://www.dot.state.mn.us/restareas/>). The state also owns more than 256,714 acres of right of way that is managed within the operations and maintenance activity.

In FY2018, MnDOT drafted a [Transportation Asset Management Plan](http://www.dot.state.mn.us/assetmanagement/tamp.html) (TAMP) (<http://www.dot.state.mn.us/assetmanagement/tamp.html>). The plan describes asset inventory and condition information, performance measures and targets, risks, financial plans, and life cycle cost assessments. These assessments help MnDOT evaluate the cost effectiveness of existing management and investment practices, and identify areas where process improvements can be made. The plan also acts as a vehicle for better integration between MnDOT's Capital Investment and Maintenance programs.

MnDOT collects operations and maintenance cost data and a broader range of asset inventory and condition information with the implementation of a statewide Transportation Asset Management System (TAMS). The software has been implemented for several of MnDOT's asset classes and operational activities and is functioning as expected. In the fall of 2017, MnDOT performed a statewide asset survey. The automated data collection and subsequent processing resulted in additional asset inventory information for numerous asset classes and will allow us to more actively manage a fuller range of assets; reducing risks, prioritizing high return services, and fully reflecting costs. The benefits of TAMS are seen in areas such as storing information on asset inventories and condition assessments or capturing labor, equipment and material quantities and costs via work orders for maintenance and operations work activities.

Snow and Ice

MnDOT's snow and ice activities include pre-storm preparation (including stockpile set up, equipment preparations and pre-treatment of roads and bridges), snow plowing and ice removal during storm events and post storm clean-up of snow and ice. For snow events, snowfighters are deployed across all areas of the storm.

Snow plowing on Minnesota's 12,000 miles of roads is expensive, labor intensive, and extremely tough on equipment. MnDOT maintains a flexible and responsive workforce to fight winter storms. During the winter, some employees may be reassigned from other areas of the department (such as construction or program planning and delivery) to plowing duties, or serve in a back-up snowfighter status. During harsh winters, MnDOT has historically found it necessary to redirect funds to the snow and ice effort from other maintenance functions like drainage, roadside maintenance and pothole patching.

In 2017, MnDOT received new statutory language that allows using unreserved Trunk Highway fund balance, instead of reducing other maintenance activities, for additional snow and ice needs in biennia where expenditures exceed 110 percent of biennial snow and ice expenditure estimates ([Minnesota Statute 174.57](https://www.revisor.mn.gov/statutes/cite/174.57) (<https://www.revisor.mn.gov/statutes/cite/174.57>)). In compliance with this statute, MnDOT has developed estimated biennial expenditure levels for snow and ice management for the FY 2018-19 and FY 2020-21 biennia of \$150 million (\$75 million/year). These estimates are based on historical average snow and ice management expenditures. In FY 2018, MnDOT expended approximately \$72 million on snow and ice management activities.

MnDOT maximizes its winter resources through proactive implementation of new technology. Snow plows are equipped with automated vehicle location (AVL) technologies, as well as a decision support tool which helps snowfighters make optimal decisions as to the plowing process and chemical usage. MnDOT's snow and ice performance measures are customer driven and based on extensive customer market research. See our website for more information on [snow and ice](http://www.dot.state.mn.us/maintenance/) (<http://www.dot.state.mn.us/maintenance/>) which includes the most current "Annual At - a Glance Winter report 2017-2018."

RESULTS

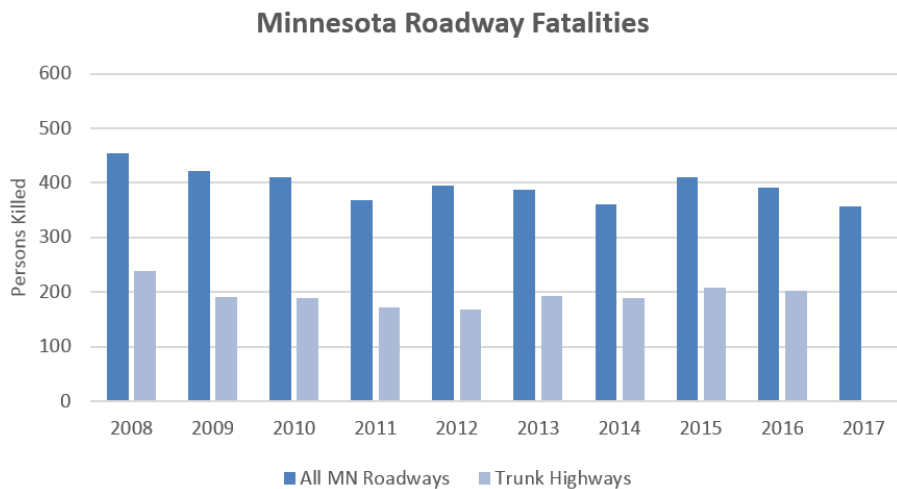
Bridges and Structures Maintenance Performance

MnDOT measures the timeliness of bridge inspections and of completing high priority reactive maintenance. The bridge fracture critical inspection goal is to complete 100 percent of inspections on time (98 percent for routine inspections). This goal exceeds the 95 percent target established in the National Bridge Inspection Standards.

The bridge maintenance goal is to complete 100 percent of high priority reactive maintenance on time. MnDOT has met this goal the last four years. Achieving this performance measure on time will ensure the safe function and structural health of the bridge, along with extending the service life of the bridge, saving time and money in the long run, and enhancing safety for the traveling public.

Traffic Devices Operation and Maintenance

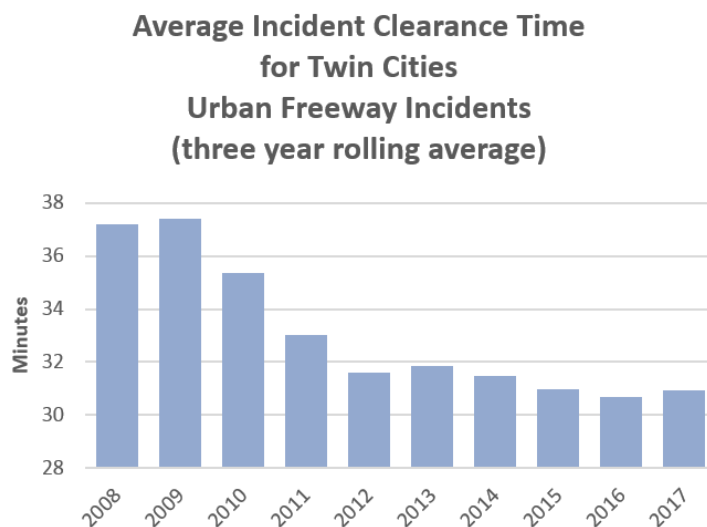
MnDOT is a partner in the [Toward Zero Deaths Initiative](http://www.minnesotatzd.org/) (<http://www.minnesotatzd.org/>) to help reduce injuries and deaths on the highway.



**2017 Trunk Highway data is not complete as of July, 2018.*

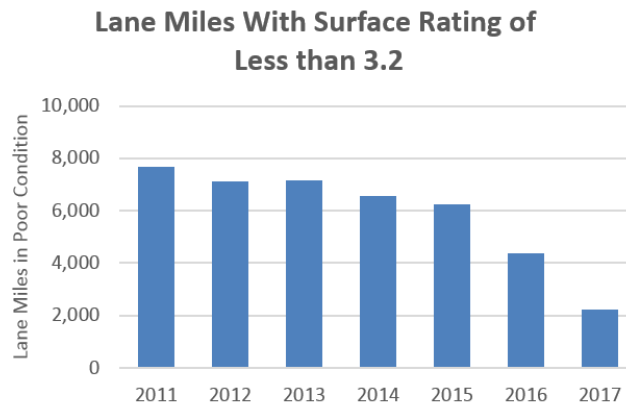
Recurring congestion is minimized through a sophisticated traffic management system, while non-recurring congestion (crashes, stalls) is reduced through quick clearance response. MnDOT expects congestion to remain the same or increase as the region continues to grow. Since 2010, MnDOT's strategy has shifted away from reducing congestion toward providing alternatives to congested travel. MnPASS Express Lanes provide for cost-effectively improving the efficiency and sustainability of the region's highway and transit systems. MnPASS uses market-based, congestion pricing principles to manage travel demand during peak-travel times and provide a congestion-free option for transit, carpools, motorcycles and a fee-based option to solo motorists. Eighty percent of MnPASS users are either riding on buses or in a carpool. The typical MnPASS lane operates as a regular lane open to all traffic nearly 90 percent of the time.

Traffic incidents, like crashes, cause major congestion on the Twin Cities Metro area freeway system. Incident clearance time is measured on the system between 6 a.m. and 7 p.m. on weekdays. The target is incident clearance within 35 minutes to minimize delays. MnDOT has met this target for the past seven years.



Road and Roadside Maintenance Performance

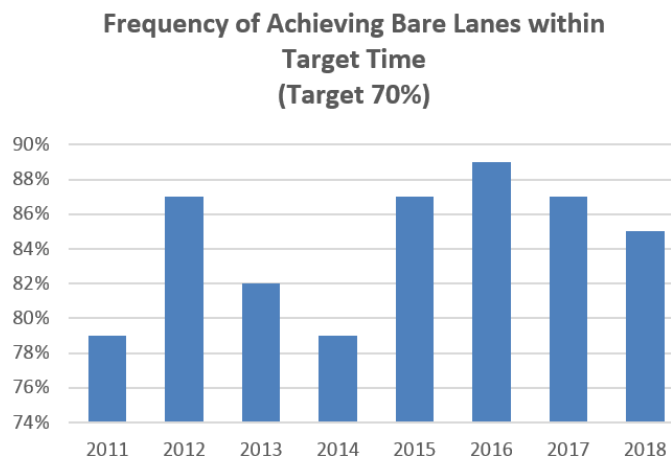
MnDOT is committed to protecting, maintaining, and preserving our roads. In doing so, we maximize taxpayers' investments in better, longer-lasting roads for smoother, safer, and more efficient travel. MnDOT measures pavement cracking based on a surface ranking index that has a zero to four scale, with a four meaning no cracks. Typically, a rating of 3.2 or lower receives some sort of patching.



With the introduction of the asset management system, MnDOT will begin to accumulate more comprehensive asset, cost, and performance data. The availability of this information will allow development of additional performance measures and targets for roadside asset maintenance.

Snow and Ice Performance

To assess plowing performance, MnDOT evaluates each snow plow route after each snowstorm. The goal is to return the road to an acceptable driving condition in a prescribed amount of time (“time to bare lane”). The target time varies by the amount of traffic on the road. MnDOT’s goal is to meet the plowing target for each roadway 70 percent of the time in a season. MnDOT has met this goal in nine of the last ten seasons (FY 2009 was 67 percent). Winter weather severity varies significantly from year to year and from region to region.



The Department of Transportation’s Maintenance and Operations activity legal authority comes from:
Roads General Provisions M.S.160 (<https://www.revisor.mn.gov/statutes/?id=160>)
Trunk Highway M.S.161 (<https://www.revisor.mn.gov/statutes/?id=161>)

Operations and Maintenance

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
2000 - Restrict Misc Special Revenue	14,904	11,908	13,061	15,553	14,052	13,348	14,052	13,348
2001 - Other Misc Special Revenue	572	504	391	677	519	422	519	422
2050 - Environment & Natural Resources			46	299				
2400 - Endowment					225	226	225	226
2700 - Trunk Highway	275,655	326,094	314,183	371,905	327,666	322,409	376,716	397,621
3000 - Federal	423	442	567	4,117	2,368	1,995	2,368	1,995
Total	291,553	338,948	328,248	392,551	344,830	338,400	393,880	413,612
Biennial Change				90,297		(37,569)		86,693
Biennial % Change				14		(5)		12
Governor's Change from Base								124,262
Governor's % Change from Base								18

Expenditures by Category

Compensation	171,175	177,440	188,049	195,543	200,609	202,748	208,095	218,166
Operating Expenses	98,196	105,934	110,396	146,203	116,800	112,478	150,864	164,772
Grants, Aids and Subsidies		1	11	401				
Capital Outlay-Real Property	18,563	46,040	23,790	42,082	22,137	17,984	27,137	22,984
Other Financial Transaction	3,619	9,533	6,001	8,322	5,284	5,190	7,784	7,690
Total	291,553	338,948	328,248	392,551	344,830	338,400	393,880	413,612

Full-Time Equivalents

2,186.50	2,273.90	2,354.40	2,354.01	2,353.87	2,353.81	2,361.87	2,361.81
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Operations and Maintenance

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
2000 - Restrict Misc Special Revenue								
Balance Forward In	9,884	7,419	8,883	9,307	7,757	6,979	7,757	6,979
Receipts	9,806	12,234	13,480	14,000	13,274	13,706	13,274	13,706
Transfers In	113	13	6	3				
Balance Forward Out	4,900	7,758	9,308	7,757	6,979	7,337	6,979	7,337
Expenditures	14,904	11,908	13,061	15,553	14,052	13,348	14,052	13,348
Biennial Change in Expenditures			1,802		(1,214)		(1,214)	
Biennial % Change in Expenditures			7		(4)		(4)	
Governor's Change from Base							0	
Governor's % Change from Base							0	
Full-Time Equivalents	8.49	12.49	17.77	17.05	17.05	17.05	17.05	17.05

2001 - Other Misc Special Revenue

Balance Forward In	177	89	112	127	127	127	127	127
Receipts	482	527	406	677	519	422	519	422
Balance Forward Out	87	112	127	127	127	127	127	127
Expenditures	572	504	391	677	519	422	519	422
Biennial Change in Expenditures				(8)		(127)		(127)
Biennial % Change in Expenditures				(1)		(12)		(12)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents		0.07	0.13	0.13	0.13	0.13	0.13	0.13

2050 - Environment & Natural Resources

Balance Forward In		299		
Direct Appropriation		345		
Balance Forward Out		299		
Expenditures	46	299		
Biennial Change in Expenditures		345		(345)
Biennial % Change in Expenditures				(100)
Governor's Change from Base				0
Governor's % Change from Base				
Full-Time Equivalents		0.37	1.00	

Operations and Maintenance

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
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2400 - Endowment

Balance Forward In	7,527	7,578	7,654	7,771	7,966	7,993	7,966	7,993
Receipts	51	77	116	195	252	281	252	281
Balance Forward Out	7,578	7,654	7,771	7,966	7,993	8,048	7,993	8,048
Expenditures					225	226	225	226
Biennial Change in Expenditures				0		451		451
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents					1.00	1.00	1.00	1.00

2700 - Trunk Highway

Balance Forward In	7,082	28,115	7,161	43,729	12,143	12,985	12,143	12,985
Direct Appropriation	288,405	290,916	340,475	329,956	318,145	311,932	367,195	387,144
Receipts	7,331	7,867	10,275	10,363	10,363	10,363	10,363	10,363
Transfers In	30,024	40,788	156,857	152,394	141,912	141,912	151,912	151,912
Transfers Out	30,024	33,788	156,857	152,394	141,912	141,912	151,912	151,912
Cancellations		1,268						
Balance Forward Out	27,163	6,535	43,728	12,143	12,985	12,871	12,985	12,871
Expenditures	275,655	326,094	314,183	371,905	327,666	322,409	376,716	397,621
Biennial Change in Expenditures				84,338		(36,013)		88,249
Biennial % Change in Expenditures				14		(5)		13
Governor's Change from Base								124,262
Governor's % Change from Base								19
Full-Time Equivalents	2,177.91	2,261.34	2,336.13	2,335.83	2,335.69	2,335.63	2,343.69	2,343.63

3000 - Federal

Balance Forward In	3		15	17	17	17	17	17
Receipts	419	457	569	4,117	2,368	1,995	2,368	1,995
Balance Forward Out		15	17	17	17	17	17	17
Expenditures	423	442	567	4,117	2,368	1,995	2,368	1,995
Biennial Change in Expenditures				3,819		(321)		(321)

Operations and Maintenance

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
Biennial % Change in Expenditures				442		(7)		(7)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.10							

Program: State Roads

Activity: Statewide Radio Communications

dot.state.mn.us/oec

dps.mn.gov/divisions/ecn/programs/armer/

AT A GLANCE

- ARMER System
 - More than 81,000 subscribers to the Allied Radio Matrix for Emergency Response (ARMER)
 - 333 of the planned 335 ARMER towers constructed and on the air
 - Systems availability is 97% (percent of time all sites are on the air and in service)
 - 550 tower leases with partners
- Radio/Electronic System Maintenance
 - 17 radio repair facilities statewide
 - 9,900 mobile and portable radios maintained for state agencies
 - 3,708 base station radios maintained for state agencies
 - 87 Road Weather Information System sites maintained across the state

PURPOSE & CONTEXT

Statewide Radio Communications builds, maintains, owns, and operates the Allied Radio Matrix for Emergency Response (ARMER) backbone. This is Minnesota's shared public safety radio communication system that provides around the clock interoperable radio communication service to multiple federal, state, and local agencies.

ARMER serves the day-to-day and emergency communication needs of MnDOT, the Department of Public Safety (DPS) and other state agencies, as well as the majority of local and regional law enforcement agencies. This includes fire, emergency medical, and public works services.

The system is a network of radio towers, equipment shelters, and radio transmission equipment which is shared by network users throughout the state. This is identified in the Statewide Radio Communication Plan maintained by the Statewide Emergency Communications Board (SECB).

Statewide Radio Communications strengthens relationships with all operating entities and stakeholders, including all 87 counties and their emergency services through meetings with the Regional Advisory Committees. We strive for operational excellence by providing wide area network coverage of the Interoperable system to its customers, of which there are more than 82,000 push to talk (where a radio initiates a call on the system) users/subscribers on ARMER.

SERVICES PROVIDED

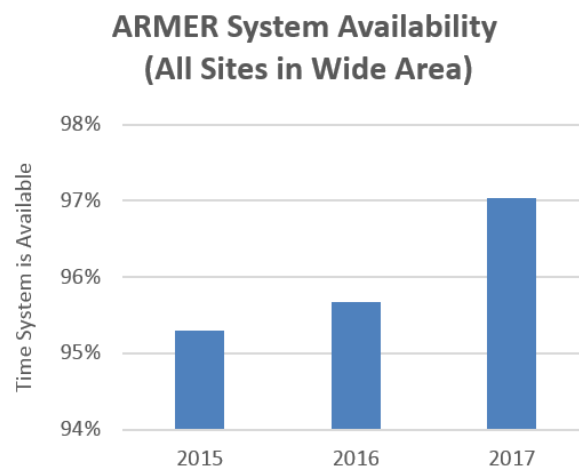
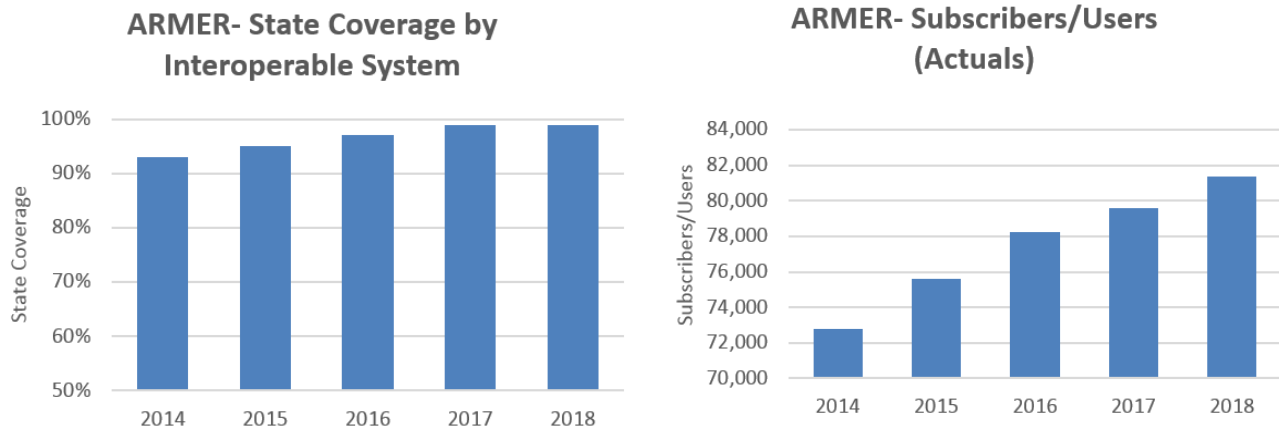
Part of Statewide Radio Communications' investment and planning function is to provide overall electrical engineering direction for the strategic and tactical planning of wireless, voice and data systems for ARMER and other public safety or transportation applications (Road and Weather Information System (RWIS), automatic vehicle location (AVL), dispatcher console systems, audio loggers, remote site data connections, and camera systems). This includes electronic communication system engineering, design and construction expertise to offices and districts and other state and local agencies. Statewide Radio Communications also serve as public safety radio spectrum frequency advisor for the state of Minnesota.

Management of the system requires us to monitor, repair, upgrade and replace the radio communications infrastructure, facilities, base stations, and mobile and portable radios. The agency also provides maintenance for electronic equipment, such as road weather information systems. We manage private and public tower lease/rental space for antenna use statewide.

In working with other state and local agencies, including the Department of Public Safety and the Department of Natural Resources, we provide emergency service response for public safety electronic communications systems and shared expertise and technical services. As the lead agency, we provide Minnesota with the infrastructure and resources to allow its emergency responders to communicate with each other at any time regardless of the nature or scope of an event.

The ARMER system build-out is on schedule and on budget. Of 335 planned towers, 333 are complete. Land acquisition of the two remaining sites has been challenging. Construction is planned to be completed in 2019. The system is designed to provide 95 percent mobile level coverage by county (with the exception of the Boundary Waters and Lake of the Woods area as noted in the original plan). Mobile level coverage are radio mounted in a vehicle (typically a higher range) and Portable radios (handhelds) have a lesser range.

RESULTS



* Prior to 2015 system was under construction

The legal authority for the Statewide Radio Communications activity comes from:
 Public Safety Radio Communications, M.S. 174.70 (<https://www.revisor.mn.gov/statutes/?id=174.70>)
 M.S. 403 (<https://www.revisor.mn.gov/statutes/?id=403>)

Statewide Radio Communications

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21

Expenditures by Fund

1000 - General	35	3	3	3	3	3	3	3
2000 - Restrict Misc Special Revenue	46	3,955	4,048	7,030	7,030	7,000	7,030	7,000
2001 - Other Misc Special Revenue	2,271	3,355	3,332	3,472	3,341	3,341	3,341	3,341
2700 - Trunk Highway	5,042	6,840	5,851	7,259	7,113	7,113	7,251	7,421
4900 - 911 Emergency	9,128	10,238	9,359	9,937	9,675	9,675	9,675	9,675
Total	16,521	24,391	22,594	27,701	27,162	27,132	27,300	27,440
Biennial Change				9,383		3,999		4,445
Biennial % Change				23		8		9
Governor's Change from Base								446
Governor's % Change from Base								1

Expenditures by Category

Compensation	7,749	8,120	8,665	9,103	9,227	9,313	9,365	9,621
Operating Expenses	8,012	7,832	7,771	12,529	12,476	12,381	12,476	12,381
Capital Outlay-Real Property	635	8,395	5,947	5,719	5,289	5,275	5,289	5,275
Other Financial Transaction	125	44	212	350	170	163	170	163
Total	16,521	24,391	22,594	27,701	27,162	27,132	27,300	27,440

Full-Time Equivalents

85.15	85.51	90.06	90.06	90.06	89.95	90.06	89.95
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Statewide Radio Communications

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
1000 - General								
Balance Forward In	0	0	0					
Direct Appropriation	35	3	3	3	3	3	3	3
Cancellations	0	0						
Expenditures	35	3	3	3	3	3	3	3
Biennial Change in Expenditures			(32)		0		0	
Biennial % Change in Expenditures			(84)		0		0	
Governor's Change from Base							0	
Governor's % Change from Base							0	
Full-Time Equivalents	0.03							

2000 - Restrict Misc Special Revenue

Balance Forward In	16	2,732	3,999	4,026	4,026	4,026	4,026	4,026
Receipts	2,762	5,222	4,075	7,030	7,030	7,000	7,030	7,000
Balance Forward Out	2,732	3,999	4,026	4,026	4,026	4,026	4,026	4,026
Expenditures	46	3,955	4,048	7,030	7,030	7,000	7,030	7,000
Biennial Change in Expenditures				7,078		2,952		2,952
Biennial % Change in Expenditures				177		27		27
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.19	0.18	0.11	0.11	0.11		0.11	

2001 - Other Misc Special Revenue

Balance Forward In	58	91	1,199	134	34	65	34	65
Receipts	2,303	3,383	2,268	3,372	3,372	3,372	3,372	3,372
Balance Forward Out	91	119	134	34	65	96	65	96
Expenditures	2,271	3,355	3,332	3,472	3,341	3,341	3,341	3,341
Biennial Change in Expenditures				1,178		(122)		(122)
Biennial % Change in Expenditures				21		(2)		(2)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.04	1.55	1.57	1.57	1.57	1.57	1.57	1.57

2700 - Trunk Highway

Statewide Radio Communications

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Balance Forward In	222	1,253	863	1,683	1,296	1,066	1,296	1,066
Direct Appropriation	5,323	5,483	5,645	5,837	5,848	5,848	5,986	6,156
Receipts	740	958	1,027	1,035	1,035	1,035	1,035	1,035
Cancellations		0						
Balance Forward Out	1,243	853	1,684	1,296	1,066	836	1,066	836
Expenditures	5,042	6,840	5,851	7,259	7,113	7,113	7,251	7,421
Biennial Change in Expenditures				1,229		1,116		1,562
Biennial % Change in Expenditures				10		9		12
Governor's Change from Base								446
Governor's % Change from Base								3
Full-Time Equivalents	38.73	40.03	40.60	40.60	40.60	40.60	40.60	40.60

4900 - 911 Emergency

Balance Forward In		588		291				
Transfers In	9,650	9,650	9,650	9,662	9,675	9,675	9,675	9,675
Transfers Out	1			16				
Cancellations		0						
Balance Forward Out	521		291					
Expenditures	9,128	10,238	9,359	9,937	9,675	9,675	9,675	9,675
Biennial Change in Expenditures				(69)		54		54
Biennial % Change in Expenditures				(0)		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	44.16	43.75	47.78	47.78	47.78	47.78	47.78	47.78

Program: Local Roads

Activity: County State Aid Roads

dot.state.mn.us/stateaid/

AT A GLANCE

- 87 counties
- 30,739 miles of County State Aid Highways make up approximately 20% of all Minnesota roadways
- 5,781 bridges on the CSAH system
- 55,403 township road miles eligible for funding
- 6,220 township bridges eligible for funding
- Annually approved on average:
 - 495 CSAH projects
 - 200 federal aid projects
 - 70 bridge bond projects
 - 65 township bridge projects

PURPOSE & CONTEXT

State Aid for Local Transportation (SALT) provides customer service to Minnesota counties through distribution of the annual allocation from the Highway User Tax Distribution Fund (HUTD), general obligation bonding for local bridges and road improvements, and Federal Highway Administration funds.

A portion of funds from the HUTD are for construction and system maintenance on the County State Aid Highways (CSAH) system, with a small portion available to townships for maintenance and bridge replacement. The other funding sources are primarily for construction on the CSAH system.

Counties select construction projects and perform maintenance activities within their jurisdictions, which include identified roads within cities with a population of less than 5,000. SALT reviews and approves local individual construction plans for compliance with state and federal laws, standards, and rules.

In engaging our customers, we are able to assist in planning for, constructing, and maintaining the CSAH system. Through this work we are able to ensure the effective and efficient use of public resources for long-term investments that respond to the evolving needs of counties throughout the state.

SERVICES PROVIDED

Customer Service:

SALT builds relationships with county highway departments to plan, build, operate and maintain Minnesota's multimodal transportation system to maximize investments and optimize system performance. SALT administers local bridge and road improvement bond funds on a priority basis to supplement costly bridge replacement and improve safety and mobility on local roads. We also provide counties with technical resources and materials, such as crash record data. Financial customer service includes processing payments for construction projects, annual maintenance allotments, providing training, and procedural guidance. SALT maximizes resources by collaborating across jurisdictional boundaries and connecting agencies on common issues and improvements.

SALT reviews and approves construction plans along with project funding requests to ensure consistency with rules for State Aid operation. We collaborate with counties on construction, maintenance, and project delivery

costs, as well as project activities to provide the best value with limited resources. A small portion of the HUTD is used to support a research board made up of county engineers and State Aid employees. This board researches methods and materials for innovation and economical improvements for maintenance and construction.

Federal Aid:

SALT also acts as an agent for the local authorities in the administration of their federal construction contracts to fulfill the state's obligations for federal oversight of all local federal aid projects. We assist local agencies in completing the requirements for federal aid, including public involvement, small business participation and documentation to comply with environmental and historic preservation requirements.

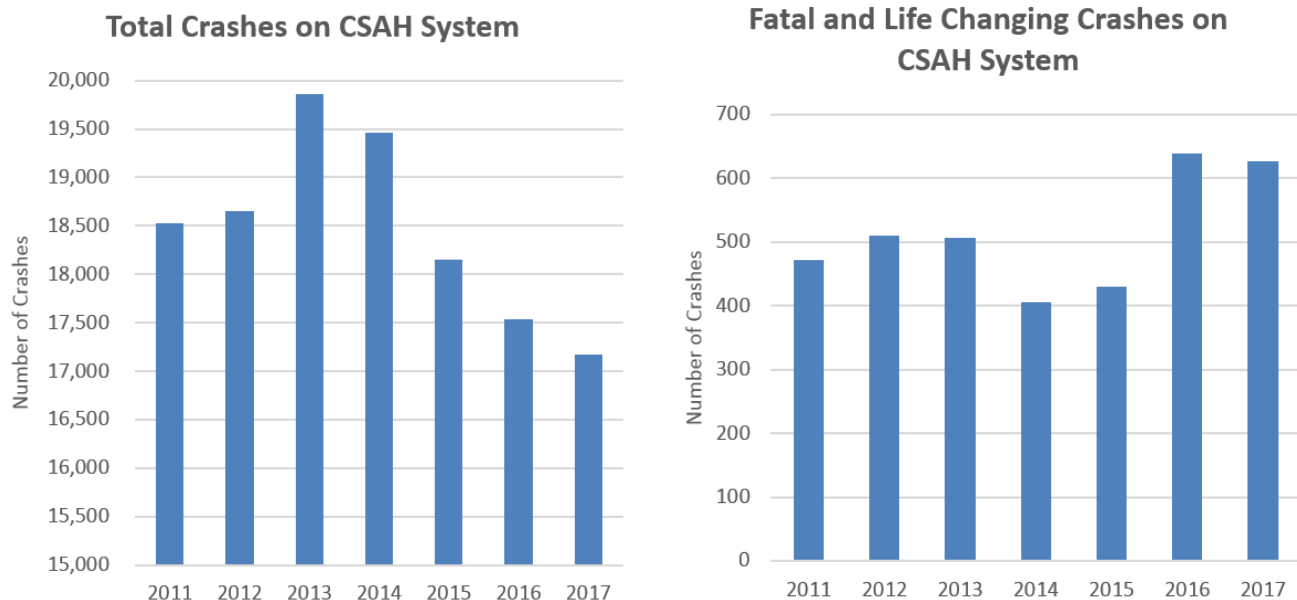
Other HUTD Funding:

- Administration functions are funded from an allocation from the HUTD Fund established in statute at two percent of available funds.
- One percent of available funds are set aside for a disaster account to assist counties with extraordinary disaster costs when they arise.
- The State Park Road Account is an account that provides funding for access roads to state parks and recreational areas. These projects are selected by the Department of Natural Resources.
- The Town Road Account identified in statute is distributed from the HUTD Fund through the counties to township governments for maintenance of township roads.
- The Town Bridge Account is distributed to counties for the replacement of deficient township bridges through the five percent set aside from the HUTD Fund.

RESULTS

Safety

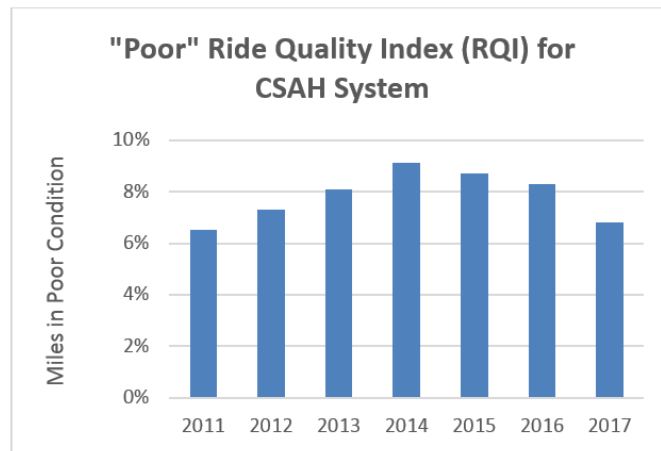
Safety on the CSAH system is measured in both the total number of crashes that occur and the number of serious crashes (fatalities and life changing crashes).



Note: In 2016, Minnesota revised the crash reporting system. The new system modified the classifications and definitions of injury severity bringing the State of Minnesota in compliance with the Federal Standards. As a result the 2016 Crash Facts saw a spike in the number of serious injuries. Due to the change in injury severity definitions, direct comparisons to historical data cannot be made.

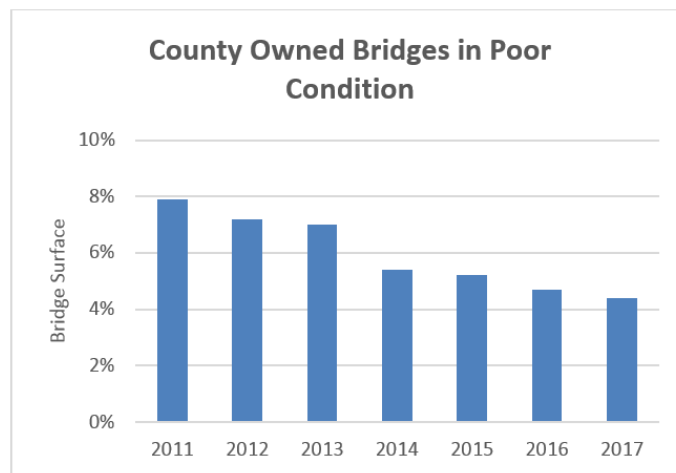
Pavement Condition

Over the past six years, Pavement Condition – Ride Quality Index (RQI) has been on a downward trend in the percentage of pavement on the CSAH system that is rated in “Poor” condition based on the RQI.



Bridge Condition

The percentage of bridges rated in “Poor” condition has been decreasing since 2011.



The legal authority for the County State Aid Highways activity comes from:

Distribution of State Aid funds to counties and cities, Constitution of MN, Article XIV

(https://www.revisor.mn.gov/constitution/#article_14)

Legal authority for the State Aid system, M.S. 162 (<https://www.revisor.mn.gov/statutes/?id=162>)

County State Aid Roads

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21

Expenditures by Fund

1000 - General	1,805		5,000	5,000				
2000 - Restrict Misc Special Revenue	617	1,225	347	1,300	1,300	1,300	1,300	1,300
2600 - County State Aid Highway	631,544	652,424	731,088	797,607	851,020	864,686	906,828	1,091,966
3000 - Federal	169,779	139,104	141,932	376,017	265,440	263,140	265,440	263,140
3520 - Transportation-Loc Bridge&Road				12,576	12,779	12,857	(621)	(1,143)
Total	803,745	792,752	878,367	1,192,500	1,130,539	1,141,983	1,172,947	1,355,263
Biennial Change				474,369		201,655		457,343
Biennial % Change				30		10		22
Governor's Change from Base								255,688
Governor's % Change from Base								11

Expenditures by Category

Compensation	5,524	6,311	7,249	7,584	7,781	7,881	7,781	7,881
Operating Expenses	7,602	7,439	6,877	48,337	48,102	48,483	49,292	53,408
Grants, Aids and Subsidies	788,663	777,999	860,255	1,067,717	1,053,941	1,064,904	1,095,159	1,273,259
Capital Outlay-Real Property	1,954	1,000	3,984	68,861	20,714	20,714	20,714	20,714
Other Financial Transaction	2	3	2	1	1	1	1	1
Total	803,745	792,752	878,367	1,192,500	1,130,539	1,141,983	1,172,947	1,355,263

Full-Time Equivalents

49.02	49.74	49.55	49.84	49.84	49.84	49.84	49.84
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County State Aid Roads

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
1000 - General								
Balance Forward In		575						
Direct Appropriation	2,380		7,000	7,000	0	0	0	0
Transfers Out			2,000	2,000				
Cancellations		575						
Balance Forward Out	575							
Expenditures	1,805		5,000	5,000				
Biennial Change in Expenditures				8,195		(10,000)		(10,000)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

2000 - Restrict Misc Special Revenue

Balance Forward In	1,610	2,194	2,330	3,241	3,241	3,241	3,241	3,241
Receipts	1,191	1,342	1,258	1,300	1,300	1,300	1,300	1,300
Balance Forward Out	2,184	2,311	3,241	3,241	3,241	3,241	3,241	3,241
Expenditures	617	1,225	347	1,300	1,300	1,300	1,300	1,300
Biennial Change in Expenditures				(195)		953		953
Biennial % Change in Expenditures				(11)		58		58
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.03	0.03						

2600 - County State Aid Highway

Balance Forward In	500,229	569,140	621,979	674,380	676,380	676,380	676,380	676,380
Direct Appropriation	690,392	708,347	786,424	797,683	851,096	864,762	906,904	1,092,042
Transfers In	14,071		2,000	2,000			1,190	4,925
Transfers Out	35	30	51	76	76	76	1,266	5,001
Cancellations	4,131	3,120	4,885					
Balance Forward Out	568,982	621,913	674,380	676,380	676,380	676,380	676,380	676,380
Expenditures	631,544	652,424	731,088	797,607	851,020	864,686	906,828	1,091,966
Biennial Change in Expenditures				244,727		187,011		470,099
Biennial % Change in Expenditures				19		12		31
Governor's Change from Base								283,088

County State Aid Roads

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
Governor's % Change from Base								17
Full-Time Equivalents	47.41	48.18	47.97	48.26	48.26	48.26	48.26	48.26

3000 - Federal

Balance Forward In	0		745					
Receipts	169,779	139,490	141,188	376,017	265,440	263,140	265,440	263,140
Balance Forward Out		386						
Expenditures	169,779	139,104	141,932	376,017	265,440	263,140	265,440	263,140
Biennial Change in Expenditures				209,066		10,631		10,631
Biennial % Change in Expenditures				68		2		2
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.58	1.53	1.58	1.58	1.58	1.58	1.58	1.58

3520 - Transportation-Loc Bridge&Road

Balance Forward In			12,576		12,779	12,857	12,779	12,857
Receipts			12,576	12,779	12,857	13,039	(543)	(961)
Balance Forward Out			12,576	12,779	12,857	13,039	12,857	13,039
Expenditures				12,576	12,779	12,857	(621)	(1,143)
Biennial Change in Expenditures				12,576		13,060		(14,340)
Biennial % Change in Expenditures								
Governor's Change from Base								(27,400)
Governor's % Change from Base								(107)

Program: Local Roads

Activity: Municipal State Aid Roads

dot.state.mn.us/stateaid/

AT A GLANCE

- 148 cities with a population greater than 5,000
- 3,752 miles of Municipal State Aid Streets (MSAS)
- 517 bridges on the MSAS system
- 223 MSAS projects approved on average per year
- 67 bridge bond projects approved on average per year

PURPOSE & CONTEXT

State Aid for Local Transportation (SALT) provides customer service to Minnesota cities with populations greater than 5,000 through distribution of the annual allocation from the Highway User Tax Distribution Fund (HUTD), general obligation bond proceeds for local bridges, and Federal Highway Administration funds. Primarily, HUTD funds are used for construction and system maintenance on the municipal state aid street system.

Cities select construction projects and perform maintenance activities. SALT reviews and approves individual local agency construction plans for compliance with state and federal laws, standards, and rules.

In engaging our customer we are able to assist in planning for, constructing, and maintaining the MSAS system. Through this work we are able to ensure the effective and efficient use of public resources for long-term investments that respond to the evolving needs of cities throughout the state.

SERVICES PROVIDED

Customer Service

SALT builds strong relationships with municipalities to plan, build, operate, and maintain Minnesota's multimodal transportation system to maximize investment and optimize system performance. Minnesota's transportation system is vital for moving people and freight throughout the state. We administer local bridge bond funds on a priority basis to supplement costly bridge replacement on local roads.

SALT provides cities with technical resources and materials to deliver effective and efficient system improvements. Financial customer service includes processing payments for construction projects, annual maintenance allotments, providing training, and procedural guidance. We provide customer service through collaboration of agencies on common transportation system questions, concerns, and improvements.

Construction plans along with project funding requests are reviewed and approved to ensure consistency with the rules for State Aid Operation. State Aid collaborates with cities on their construction, maintenance, and project delivery costs, as well as project activities to provide the best value with limited resources. We provide assistance with identification of innovative and economical methods and materials to improve the transportation system.

Federal Aid

State Aid acts as an agent for the local authorities to administer the local federal construction contracts to fulfill the state's obligations for federal oversight of all local federal aid projects. We assist local agencies in completing the requirements for federal aid, including public involvement, small business participation, and documentation to comply with environmental, and historic preservation requirements.

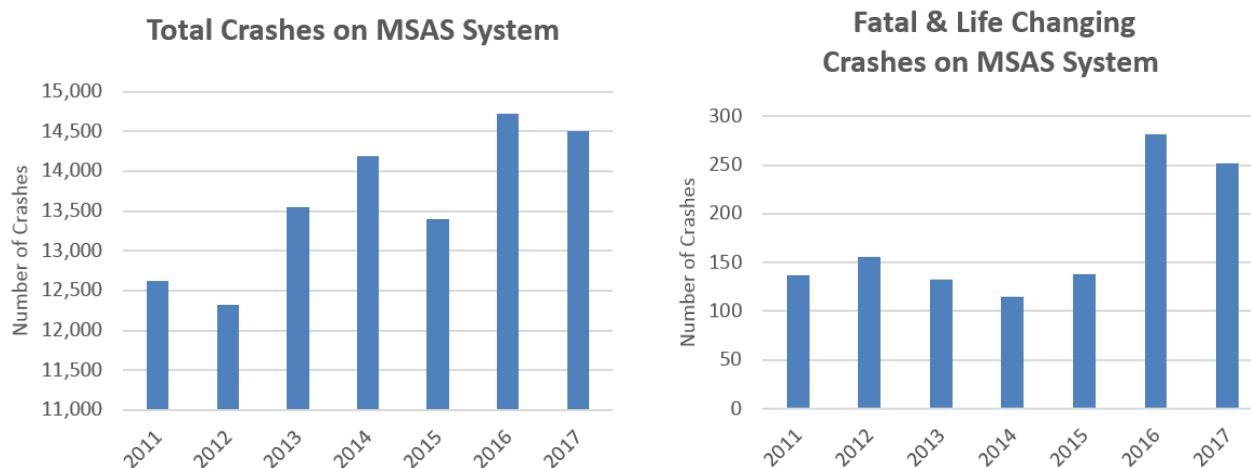
Other HUTD Funding:

- Administrative functions are funded from an allocation from the HUTD Fund established in statute at two percent of available funds.
- Two percent of available funds are set aside for a disaster account to assist cities with extraordinary disaster costs when they arise.

RESULTS

Safety

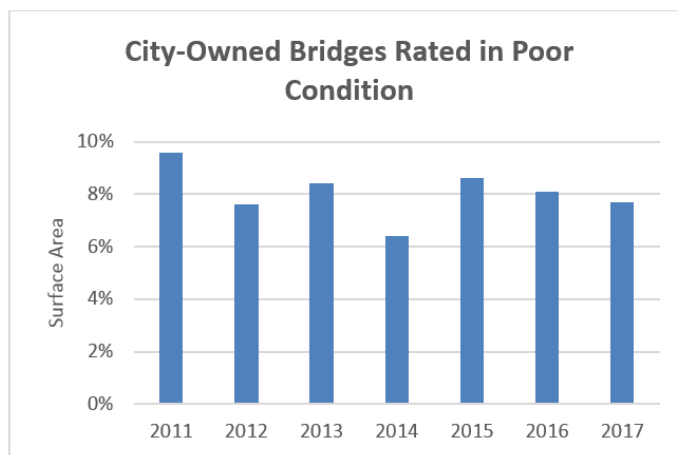
Safety on the MSAS system is measured in both the total number of crashes that occur and the number of serious crashes (fatalities and life changing crashes).



Note: In 2016, the Department of Public Safety revised the crash reporting system. The new system modified the classifications and definitions of injury severity bringing Minnesota in compliance with the Federal Standards. As a result the 2016 Crash Facts saw a spike in the number of serious injuries. Due to the change in injury severity definitions, direct comparisons to historical data cannot be made.

Bridges

The percentage of bridges rated in “Poor” condition has decreased slightly since 2011.



The legal authority for the Municipal State Aid Streets activity comes from:
Distribution of State Aid funds to counties and cities, Constitution of MN, Article XIV
(https://www.revisor.mn.gov/constitution/#article_14)

Legal authority for the State Aid system, M.S. 162 (<https://www.revisor.mn.gov/statutes/?id=162>)

Municipal State Aid Roads

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21

Expenditures by Fund

2500 - Municipal State Aid Street	187,988	151,854	193,623	199,521	213,811	216,913	229,442	277,428
Total	187,988	151,854	193,623	199,521	213,811	216,913	229,442	277,428
Biennial Change				53,301		37,580		113,726
Biennial % Change				16		10		29
Governor's Change from Base								76,146
Governor's % Change from Base								18

Expenditures by Category

Compensation	2,026	2,118	2,324	2,438	2,502	2,534	2,502	2,534
Operating Expenses	1,210	1,046	921	2,513	2,772	2,873	3,085	4,166
Grants, Aids and Subsidies	184,751	148,677	190,378	194,569	208,536	211,505	223,854	270,727
Capital Outlay-Real Property		12						
Other Financial Transaction	0	1	1	1	1	1	1	1
Total	187,988	151,854	193,623	199,521	213,811	216,913	229,442	277,428

Full-Time Equivalents

18.62	17.82	17.11	17.24	17.24	17.24	17.24	17.24
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Municipal State Aid Roads

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
1000 - General								
Direct Appropriation	12,500		8,000	8,000	0	0	0	0
Transfers Out	12,500		8,000	8,000				
2500 - Municipal State Aid Street								
Balance Forward In	169,877	158,215	182,918	184,593	184,593	184,593	184,593	184,593
Direct Appropriation	173,000	177,585	196,866	199,545	213,835	216,937	229,466	277,452
Transfers In	4,403						313	1,293
Transfers Out	10	9	16	24	24	24	337	1,317
Cancellations	1,115	1,039	1,552					
Balance Forward Out	158,166	182,897	184,593	184,593	184,593	184,593	184,593	184,593
Expenditures	187,988	151,854	193,623	199,521	213,811	216,913	229,442	277,428
Biennial Change in Expenditures				53,301		37,580		113,726
Biennial % Change in Expenditures				16		10		29
Governor's Change from Base								76,146
Governor's % Change from Base								18
Full-Time Equivalents	18.62	17.82	17.11	17.24	17.24	17.24	17.24	17.24

Program: Agency Management

Activity: Agency Services

dot.state.mn.us/funding/index.html

dot.state.mn.us/about/index.html

dot.state.mn.us/jobs/students.html

AT A GLANCE

- Accounts for 1.5% of MnDOT's directly appropriated operating budget in FY18
- Processed 224,000 payments to all agency vendors in FY18
- Processed more than \$837 million in Construction & Right of Way payments in FY18
- Completed 322 data practice requests in FY18
- Administered 2,130 contracts in FY18
- Audited 434 contracts totaling \$169 million in FY17 and 465 contracts totaling \$127 million in FY18
- Resolved more than 1,000 cases by the Ombudsman's Office since the office was established in 2008
- 12.8 million unique visitors to the MnDOT website and more than 126,000 email subscribers in FY18
- More than 44,000 Facebook followers and 50,000 followers of agency's two primary Twitter accounts in FY18

PURPOSE & CONTEXT

Agency Services directs the department's administrative, financial, technology, human and capital resources, audit, public engagement, policy, and legal compliance and counsel for the agency. Agency Services ensures that activities are based on sound policy, federal and state compliance measures are in place, and proper accounting procedures are used in handling federal, state, and local funds. This activity also includes all aspects of planning for, employing, and servicing a diverse and talented workforce of 4,979 full time equivalent employees (as of FY18).

SERVICES PROVIDED

Human Resources/Workforce Development services provide a full range of human resource management and staffing services, workforce development and training, recruitment and retention, labor relations, policy development, employee insurance and benefits, consultation, planning, and oversight of human resources services.

General Administrative Support incorporates a range of services including emergency management and continuity of operations, occupational safety and health services, workers compensation, materials management, business improvement process, publishing and design, business services, building and facilities operations, purchasing and payables, employee services, mobile device management, security, mail, document services, and administrative business rules.

Financial services include statewide financial planning, accounting, payroll services, forecasting, analysis, budgeting, and management of federal, state, local, and bond funds. Financial services also include management of our internal control program, Safeguarding MnDOT.

Technology Investment Management provides leadership and management of agency wide information technology plans, resources and investments, in addition to assuring collaboration with the Chief Business Technology Officer (CBTO) for IT staff and services at MnDOT.

Organizational Planning and Management (OPM) provides leaders with tools and practices that advance the strategic management of operating resources. OPM is focused on delivering and supporting implementation of the 5-Year Strategic Operating Plan and district and office business plans.

Audit includes internal auditing of our operations, external auditing of contracts and coordinating with the Office of the Legislative Auditor. Audit ensures costs are paid in compliance with laws, rules, and regulations, and that contracts are administered properly and efficiently.

Legal services includes providing legal counsel to the commissioner, transactional legal assistance to all offices and districts, and coordinating legal support from the Office of the Attorney General. Legal Services manages agency compliance with the data practices act, the official records act and the open meeting law. It also produces documents for litigation, and reviews and approves MnDOT contracts.

Public Engagement and Constituent Services promotes continuity across the department's statewide public participation efforts by monitoring engagement practices, cultivating partnerships, capturing customer feedback and aligning resources to ensure a positive customer experience. This allows those served and impacted by MnDOT's work to have a participatory role in shaping decisions and identifying priorities to advance transportation policies and projects.

Communications provides clear, reliable, and timely information to diverse audiences about transportation projects, initiatives, and policies. This is accomplished across a variety of communication channels, including traditional news media, email, websites, events, video and print publications, and through messages in plain language with a consistent MnDOT brand.

Diversity & Inclusion includes compliance with non-discrimination laws, affirmative action programming, organizational development, building inclusive work environments, and training for increased cultural competence.

Ombudsman services provide a neutral, informal, and independent resource to help the public and MnDOT resolve over 100 cases annually by focusing on common interests, generating issue-specific options, and making recommendations for resolution.

Government Affairs facilitates communication between the department and elected officials, ensuring policy changes and legal authority are enacted to enable efficient operation of the department and the transportation system. This also includes close coordination with tribal governments and training for state officials in tribal/state relations.

RESULTS

MnDOT leadership is in the process of implementing our Strategic Operating Plan (SOP), which will translate long-term policy plan objectives into actionable strategies. These strategies reflect our highest priority goals, align our long-range vision with near-term actions and identify performance metrics to monitor progress. The SOP will also guide resource decisions and better align efforts across the agency to achieve our vision and mission. Priorities identified in the Strategic Operating Plan are intended to advance three broad goal areas:

- Customer Trust
- Operational Excellence
- Workforce Excellence

Safeguarding MnDOT, the agency's internal control program, ensures agency goals are achieved while avoiding fraud, waste, and abuse of resources. Minnesota Management and Budget has approved our internal control certification annually since FY10.

We continue to work on strategic staffing and workforce development plans to identify skills and competencies needed for our future workforce. With a 5.8 percent turnover rate for fulltime permanent employees, we are far below the industry standard of 10 percent. Some of our strategies for building a more diverse workforce include targeted recruitment efforts, internships and student worker positions, and Employee Resource Groups.

The Office of Public Engagement and Constituent Services (PECS) provides market research services for MnDOT to capture the voice of the customer and share insights with policymakers and technical staff to better understand:

- the experiences and perceptions of MnDOT’s customers and stakeholders;
- community members’ perceptions of agency communication, engagement, and project management efforts during large construction projects; and
- public opinions about MnDOT’s performance in delivering key transportation services such as building and maintaining roads and bridges; removing snow and ice from roads; making roadways safe; and communicating reliable and accurate information about transportation planning and projects.

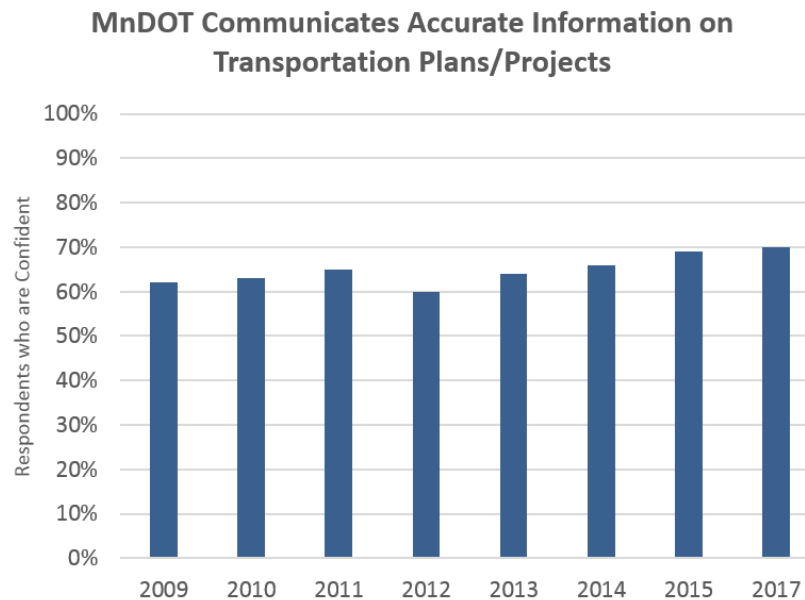
Results from MnDOT’s most recent statewide public opinion tracking study in 2017 of over 1,400 Minnesotans indicate that seven in ten Minnesotans rate MnDOT’s performance of delivering our mission favorably. Additionally, trust in MnDOT has remained strong over the years, particularly for prioritizing roadway users’ safety and delivering Minnesota’s transportation system - with 88 percent and 87 percent (respectively) agreeing that MnDOT prioritizes roadway users’ safety and can be relied upon to deliver Minnesota’s transportation system.

**Trust in MnDOT -2017 Public Opinion Study
(Agree Somewhat and/or Agree Strongly)**



In addition to the public opinion tracking study, PECS also administers MnDOT’s customer experience survey to those who have requested general information from MnDOT and/or specific assistance from the Ombudsman program. In 2017, 78 percent of customer experience survey respondents rated MnDOT’s time for initially responding to their inquiry as meeting or exceeding their expectations for timeliness. In addition, 85 percent rated the responses from MnDOT as meeting or exceeding their expectations for quality.

Since the function was enacted in statute in 2013, Ombudsman staff have consistently gathered and provided information to the general public while also facilitating discussions and mediating conflicts when appropriate. Common topics for investigation include construction, maintenance, traffic signals, signage, and noise.



One of the ways we build public trust and confidence is through sound financial management practices. Our Office of Financial Management ensures adherence to legislatively approved budget and internal policies that promote effective stewardship of transportation dollars. These policies relate to:

[Advance construction](http://www.dot.state.mn.us/policy/financial/fm008.html) (<http://www.dot.state.mn.us/policy/financial/fm008.html>)
[Trunk Highway Fund balance](http://www.dot.state.mn.us/policy/financial/fm006.html) (<http://www.dot.state.mn.us/policy/financial/fm006.html>)
[Trunk Highway Fund cash balance](http://www.dot.state.mn.us/policy/financial/fm005.html) (<http://www.dot.state.mn.us/policy/financial/fm005.html>)
[State Airport Fund balance](http://www.dot.state.mn.us/policy/financial/fm012.html) (<http://www.dot.state.mn.us/policy/financial/fm012.html>)
[Debt service](http://www.dot.state.mn.us/policy/financial/fm007.html) (<http://www.dot.state.mn.us/policy/financial/fm007.html>)
[Greater Minnesota Transit Account Balance](http://www.dot.state.mn.us/policy/financial/fm022.html) (<http://www.dot.state.mn.us/policy/financial/fm022.html>)

The legal authority for the Agency Services activity comes from:
 Article XIV of the Minnesota Constitution (https://www.revisor.leg.state.mn.us/constitution/#article_14)
 Duties of Commissioner, M.S. 174.03 (<https://www.revisor.mn.gov/statutes/?id=174.03>)
 Commissioner's Powers and Duties, M.S. 174.02, subd. 2a (<https://www.revisor.mn.gov/statutes/?id=174.02>)
 Internal Controls and Internal Auditing, M.S. 16A.057 (<https://www.revisor.mn.gov/statutes/?id=16A.057>)
 Contract Management; Validity and Review, M.S. 16C.05, subd 5
 (<https://www.revisor.mn.gov/statutes/?id=16C.05>)

Agency Services - Transportation

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
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Expenditures by Fund

1000 - General							311	316
2000 - Restrict Misc Special Revenue	77	6	1					
2001 - Other Misc Special Revenue	4	5		4	4	4	4	4
2700 - Trunk Highway	45,417	54,057	48,234	60,601	55,408	55,408	63,840	64,346
2710 - Highway Users Tax Distribution	96	117	117	135	135	135	135	135
2720 - State Airports	36	37	45	48	48	48	48	48
Total	45,630	54,221	48,396	60,788	55,595	55,595	64,338	64,849
Biennial Change				9,332		2,006		20,003
Biennial % Change				9		2		18
Governor's Change from Base								17,997
Governor's % Change from Base								16

Expenditures by Category

Compensation	27,853	25,020	26,355	27,504	28,219	28,586	31,901	33,462
Operating Expenses	17,128	29,083	22,008	33,162	27,254	26,887	32,315	31,265
Grants, Aids and Subsidies		0	2	2	2	2	2	2
Capital Outlay-Real Property	228	21	0	20	20	20	20	20
Other Financial Transaction	420	98	32	100	100	100	100	100
Total	45,630	54,221	48,396	60,788	55,595	55,595	64,338	64,849

Full-Time Equivalents

258.94	257.07	264.59	265.00	265.00	265.00	301.10	301.10
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Agency Services - Transportation

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
1000 - General								
Direct Appropriation							311	316
Expenditures							311	316
Biennial Change in Expenditures				0		0		627
Biennial % Change in Expenditures								
Governor's Change from Base								627
Governor's % Change from Base								
Full-Time Equivalents							1.50	1.50
2000 - Restrict Misc Special Revenue								
Balance Forward In	290	17	16	21	21	21	21	21
Receipts	6	5	2					
Transfers In			3					
Transfers Out	200							
Balance Forward Out	19	16	21	21	21	21	21	21
Expenditures	77	6	1					
Biennial Change in Expenditures				(82)		(1)		(1)
Biennial % Change in Expenditures				(99)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents		0.02						
2001 - Other Misc Special Revenue								
Balance Forward In	0	1		3	3	3	3	3
Receipts	3	3	3	4	4	4	4	4
Balance Forward Out			3	3	3	3	3	3
Expenditures	4	5		4	4	4	4	4
Biennial Change in Expenditures				(4)		4		4
Biennial % Change in Expenditures				(51)				
Governor's Change from Base								0
Governor's % Change from Base								0
2700 - Trunk Highway								
Balance Forward In	2,566	5,442		5,314				
Direct Appropriation	43,322	44,119	44,916	45,926	46,047	46,047	54,479	54,985

Agency Services - Transportation

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Open Appropriation	7,354	7,535	8,632	9,360	9,360	9,360	9,360	9,360
Receipts		2	0	1	1	1	1	1
Cancellations		3,041						
Balance Forward Out	7,825		5,314					
Expenditures	45,417	54,057	48,234	60,601	55,408	55,408	63,840	64,346
Biennial Change in Expenditures				9,361		1,981		19,351
Biennial % Change in Expenditures				9		2		18
Governor's Change from Base								17,370
Governor's % Change from Base								16
Full-Time Equivalents	258.94	257.05	264.59	265.00	265.00	265.00	299.60	299.60

2710 - Highway Users Tax Distribution

Open Appropriation	96	117	117	135	135	135	135	135
Expenditures	96	117	117	135	135	135	135	135
Biennial Change in Expenditures				39		18		18
Biennial % Change in Expenditures				18		7		7
Governor's Change from Base								0
Governor's % Change from Base								0

2720 - State Airports

Open Appropriation	36	37	45	48	48	48	48	48
Expenditures	36	37	45	48	48	48	48	48
Biennial Change in Expenditures				19		3		3
Biennial % Change in Expenditures				26		4		4
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Agency Management

Activity: Building Services

dot.state.mn.us/maintenance/facilities.html

AT A GLANCE

MnDOT owns and operates 1,075 individual buildings (of which 187 are radio equipment shelters) at 269 sites with the total area of buildings measuring over 6.6 million square feet, including:

- 133 truck station sites (an addition 4 truck station sites are leased)
- 18 regional headquarters and maintenance sites
- 5 special service sites: MnROAD Research Facility, Arden Hills Training Center, Central Shop, Maplewood Materials Lab, and the Aeronautics building
- 193 salt and sand delivery sites (an additional 4 salt and delivery sites are leased)
- 68 rest area buildings
- 6 weigh stations

PURPOSE & CONTEXT

MnDOT facilities are located throughout the state to enable prompt and efficient service to the traveling public. MnDOT District Facility Management staff oversee operations and maintenance of these buildings. MnDOT Building Services provides planning, design and construction contract administration for building repairs, improvements, additions, and new construction.

The efforts of both groups support the core mission of the department, as well as the other state agencies and local partners that are co-located at MnDOT facilities. Our agency objective is to plan, build, and operate facilities effectively and efficiently. We continue to manage our resources strategically in an effort to ensure that our facilities provide safety and security of our assets, employees, and the travelling public.

SERVICES PROVIDED

Building Services provides the following services:

- Long-range program planning and scoping
- Building programming and pre-design services for new and renovated buildings and sites
- Scheduling new facility projects
- Hiring and overseeing consultants for large capital and specialty projects
- Preparing design and construction documents, bid letting and administering construction contracts
- Program planning and management for emergency building repairs
- Managing and tracking building energy use
- Maintaining building data to track building conditions and deferred maintenance
- Research projects on water use and wastewater treatment
- Ensure facilities are safe for staff and are accessible and strategically located throughout the state to efficiently deploy services

The truck station network is the center of MnDOT's maintenance and operations program. Agency facilities are strategically located across the state so customer needs, especially snow and ice operations and system emergencies, can be addressed promptly. These facilities provide building space for staff, equipment and materials, including snow plows and salt. MnDOT often shares space with other state agencies or local governments to take advantage of opportunities to reduce costs.

MnDOT Building Services is financed by a direct appropriation from the Trunk Highway Fund which is used for salaries, consultant contracts, asset preservation, and small capital projects. Large capital projects are typically funded by Trunk Highway bonds. Building Services staff deliver 120 - 150 projects and manage approximately 50 consultant contracts per year.

Planning, scoping and budget development services: During the annual building budget process, MnDOT reviews and plans for future building space requirements. The Facilities Investment Plan provides the framework for project delivery for the next four years. In addition, 10 and 20 year plans offer a longer range view. These timelines align with concurrent highway planning efforts.

The Facilities Investment Plan is driven by operational deficiency evaluations and data captured in the Enterprise Real Property Facilities Condition Assessment (FCA). This information is used to assist decision makers in prioritizing capital projects of all sizes, including district headquarters, truck stations, and specialty buildings. Other processes identify annual maintenance and repair projects, which require licensed architects and engineers to develop plans and specifications.

Professional architecture and engineering services: MnDOT's architects and engineers perform or oversee all aspects of building design and construction. This includes conceptual design through preparation of contract documents, bidding and construction contract administration. Building Services is adopting the same project scheduling tool that MnDOT uses to manage bridge and highway projects. This tool should improve project delivery in multiple ways; lettings will occur at the most favorable time of the year, construction will commence as soon as weather permits, and district customers will be able to track project start dates and schedules.

Building Operations and Maintenance: MnDOT Building Services develops and enforces facility standards, building codes, regulatory requirements, and partnership agreements with political subdivisions. This includes the administrative functions associated with custodial work, supplies and services, and telecommunications support.

Results

During the FY 2018-19 biennium the design or construction of the following building projects will be completed:

Regional Headquarters: District 6 Rochester radio shop and lower level conference center; District 2 Crookston warm storage addition

Truck Stations: Granite Falls Truck Station addition; Evansville Truck Station replacement; Wheaton Truck Station; Oakdale Welding Shop; Mankato unheated storage building; Oakdale sign shop replacement

Safety Rest Areas: Straight River Northbound; Goose Creek; Clear Lake; Des Moines River

Facility Condition Assessments (FCA)

MnDOT is one of 19 state agencies implementing a program of periodic FCAs. The FCAs, combined with operational functionality assessments of buildings and sites, allow MnDOT to make data driven building investment decisions and inform the development of the 4, 10, and 20 year plans. The continuous assessment and evaluation of our building stock allows us to target asset preservation dollars where they will do the most good and maximize the value of our existing resources.

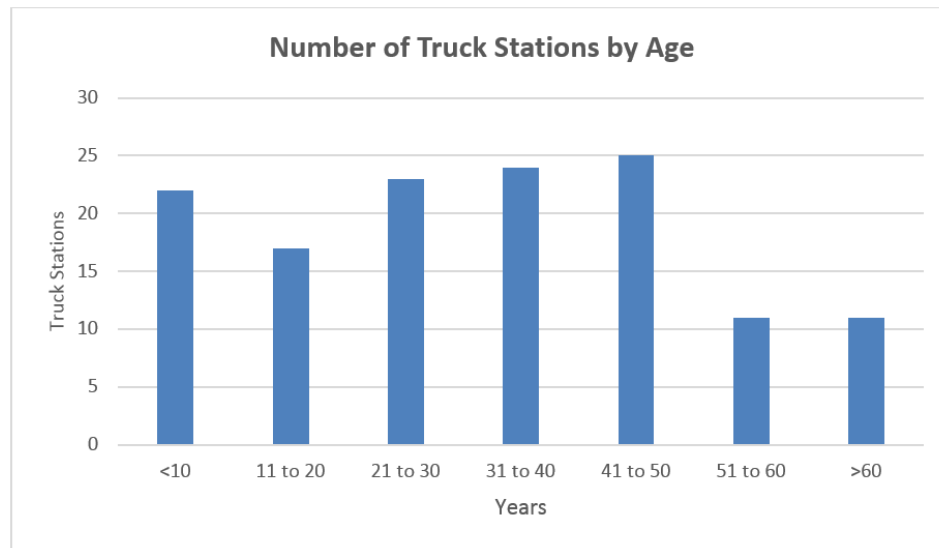
The initial assessment of 884 MnDOT owned buildings established a baseline condition for each building which will allow us to track building condition changes over time. The assessments are updated every three years on a rolling basis. As of July 2018, 129 buildings are rated excellent, 415 are rated good, 263 are rated fair, 58 are rated poor, and 19 are rated crisis/emergency.

The current replacement value of all our buildings is approximately \$1.27 billion and the FCA algorithmically derived deferred maintenance is approximately \$186 million. Both numbers are generated using the Department of Administration's standardized FCA Program. Deferred maintenance is the total of essential, but unfunded, facilities maintenance work necessary to bring facilities and collateral equipment to the required acceptable facilities maintenance standards. This is the total work that should be accomplished in order to maintain the

facilities but that cannot be achieved within available resources. It does not include new construction, additions, or modifications. Deferred Maintenance does include unfunded maintenance requirements, repairs, and replacement of obsolete items.

Aging Infrastructure

The expected service life of a MnDOT truck station facility is 50 years. At the current replacement rate of two truck stations per year, we are operating on a replacement cycle of approximately 70 years. As the graph below indicates, many of our buildings have already exceeded their expected service life. Over half of the 133 existing truck stations are more than 30 years old and will be candidates for replacement within the next 20 years.



Building Energy Management

MnDOT continues to utilize the State's B3 (Buildings, Benchmarks, and Beyond) Energy Benchmarking Tool, which contains utility consumption data from 98 percent of MnDOT sites. This data is analyzed on an ongoing basis to ensure that our buildings use energy in the most efficient way possible. As of 2017, building energy use per square foot was 17.5 percent lower during the most recent 12 months of complete data than in the baseline year of 2008 (weather normalized). MnDOT's [Sustainability Report](http://www.dot.state.mn.us/sustainability/docs/2017-sustainability-report.pdf) (<http://www.dot.state.mn.us/sustainability/docs/2017-sustainability-report.pdf>) outlines our sustainability efforts and performance targets. It is used to support strategic direction and oversight for sustainability activities.

MnDOT Building Services also identifies and implements energy efficiency improvement opportunities and renewable energy measures. Specific initiatives include web-connecting building automation systems to monitor facility operational trends and adjust statewide mechanical systems from any remote location. Other efforts include assessment and recommissioning of existing equipment based on data provided by the automation systems and replacement of outdated and over-sized equipment with energy efficient upgrades.

The legal authority for the Buildings Services activity comes from:

Duties of Commissioner, Other duties, Construct and maintain transportation facilities, M.S. 174.03 (<https://www.revisor.mn.gov/statutes/?id=174.03>)

General Powers of the Commissioner, M.S. 161.20 (<https://www.revisor.mn.gov/statutes/?id=161.20>)

Building Services

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General	54	54	54	54	54	54	54	54
2000 - Restrict Misc Special Revenue	71							
2001 - Other Misc Special Revenue	340	1,408	592	30	30	30	30	30
2700 - Trunk Highway	18,165	20,001	20,112	37,815	29,407	29,407	42,815	48,394
Total	18,630	21,463	20,757	37,899	29,491	29,491	42,899	48,478
Biennial Change				18,564		326		32,721
Biennial % Change				46		1		56
Governor's Change from Base								32,395
Governor's % Change from Base								55

Expenditures by Category

Compensation	3,140	3,189	3,667	3,860	3,960	4,012	4,779	4,990
Operating Expenses	12,447	16,173	16,563	20,276	12,641	12,919	18,936	21,924
Grants, Aids and Subsidies	7		4	2	2	2	2	2
Capital Outlay-Real Property	2,891	2,007	441	13,661	12,788	12,458	19,082	21,462
Other Financial Transaction	145	94	82	100	100	100	100	100
Total	18,630	21,463	20,757	37,899	29,491	29,491	42,899	48,478

Full-Time Equivalents

32.07	29.75	35.31	36.02	36.02	36.02	42.02	42.02
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Building Services

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20FY21		Governor's Recommendation FY20FY21	
1000 - General								
Direct Appropriation	54	54	54	54	54	54	54	54
Expenditures	54	54	54	54	54	54	54	54
Biennial Change in Expenditures			0		0		0	
Biennial % Change in Expenditures			0		0		0	
Governor's Change from Base							0	
Governor's % Change from Base							0	

2000 - Restrict Misc Special Revenue

Balance Forward In	71							
Expenditures	71							
Biennial Change in Expenditures				(71)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

2001 - Other Misc Special Revenue

Balance Forward In	251	712	27	261	231	201	231	201
Receipts	801	723	825					
Balance Forward Out	712	27	261	231	201	171	201	171
Expenditures	340	1,408	592	30	30	30	30	30
Biennial Change in Expenditures				(1,127)		(562)		(562)
Biennial % Change in Expenditures				(64)		(90)		(90)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents		0.03	0.02	0.02	0.02	0.02	0.02	0.02

2700 - Trunk Highway

Balance Forward In		1,014		8,419				
Direct Appropriation	18,718	19,267	28,531	29,396	29,407	29,407	42,815	48,394
Transfers In	1,304	1,304	1,304	1,304	1,304	1,299	1,304	1,299
Cancellations	1,304	1,584	1,304	1,304	1,304	1,299	1,304	1,299
Balance Forward Out	553		8,419					
Expenditures	18,165	20,001	20,112	37,815	29,407	29,407	42,815	48,394

Building Services

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Biennial Change in Expenditures				19,761		887		33,282
Biennial % Change in Expenditures				52		2		57
Governor's Change from Base								32,395
Governor's % Change from Base								55
Full-Time Equivalents	32.07	29.72	35.29	36.00	36.00	36.00	42.00	42.00

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2018 Actuals	FY2019 Budget	FY2020 Base	FY2021 Base	Required State Match or MOE?	FTEs
Federal Aviation Administration CFDA 20.106	Airport Improvement Program (AIP) - The AIP Provides grants for the planning and development of public-use airports that are included in the National Plan of Integrated Airport Systems (NPIAS). The NPIAS identifies 97 Minnesota airports that are significant to national air transport and thus eligible to receive Federal grants under the AIP.		52,719	147,961	120,000	120,000	Yes-5%	9.0
	Aeronautics Total		52,719	147,961	120,000	120,000		
Federal Highway Administration CFDA 20.205	Federal Rideshare - Coordinate rideshare opportunities in Greater Minnesota.		69	226	150	150	Yes-20%	0.6
Federal Transit Administration CFDA 20.509 (may receive funding from additional CFDA's)	Transit Vehicle Disposition – Reserve for salvaged transit vehicle disposition receipts that are used for mass transportation purposes.		1	349	200	200	Yes-20%	0
Federal Transit Administration CFDA 20.513	FTA Section 5310 - Capital assistance grants for organizations that serve elderly and/or persons with disabilities.		1,800	10,200	9,763	9,879	Yes-20%	3.5
Federal Transit Administration CFDA 20.509	FTA Section 5311 - Capital and operating funding for small urban and rural areas, including intercity bus. RTAP funding for research, training and technical assistance for transit operators in non-urbanized areas. Administration for technical oversight of programs.		29,816	29,470	24,600	24,600	Yes-20%	17.9
Federal Transit Administration CFDA 20.505	FTA Section 5305 - Statewide planning activities and technical assistance for public transit services.		123	2,877	500	500	Yes-20%	0
Federal Highway Administration CFDA 20.205	Bike/Ped Coordinators - Funding to support bike and pedestrian coordinators includes, but not limited to: bicycle safety programs, statewide bicycle maps, complete streets and pedestrian American Disability Act (ADA) implementation within MnDOT.		150	150	150	150	Yes-20%	1.3
Federal Highway Administration CFDA 20.205	Transit Bike/Ped PR - Metro Ped/Bike planner senior position responsible for the State Planning & Research project Part I.		66	61	60	60	Yes-20%	0

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2018 Actuals	FY2019 Budget	FY2020 Base	FY2021 Base	Required State Match or MOE?	FTEs
Federal Highway Administration CFDA 20.205	Safe Routes to School (SRTS) - The purpose of the program is to enable and encourage children, including those with disabilities, to walk and bicycle to school by improving safety and facilities in and around school zones.		0	500	250	250	No	
Federal Transit Administration CFDA 20.500	FTA Northstar Construction - Northstar Commuter Rail project.		0	1,520	500	500	Yes-20%	0
Federal Transit Administration CFDA 20.526	Section 5339 Bus & Bus Facilities Programs - Provide funding for transit buses and bus facilities.		0	10,000	6,325	6,325	Yes-20%	0
	Transit Total		32,024	55,353	42,498	42,614		
Federal Highway Administration CFDA 20.205	Federal Grade Crossing Safety - To promote grade crossing safety on Minnesota railroads.		3,356	10,608	7,000	7,000	Yes-10%	4.75
Department of Public Safety CFDA 20.218	The Motor Carrier Safety Assistance Program (MCSAP) - Federal Motor Carrier Safety Administration (FMCSA) program that provides grants to states to reduce the number and severity of accidents and hazardous materials incidents involving commercial motor vehicles (CMV).		1,204	2,000	2,000	2,000	Yes-15%	18
Federal Rail Administration CFDA 20.319A	Hi-Speed Intercity Pass Rail (Northern Lights Express (NLX PE/NEPA)) - Conduct Preliminary Engineering(PE) and the National Environmental Policy Act (NEPA) process		3	0	0	0	Yes-20%	0
Federal Highway Administration CFDA 20.205	State Planning & Research Part I - Develop and implement freight initiatives related to the Fixing America's Surface Transportation (FAST) Act		506	646	630	630	Yes-20%	1
Federal Highway Administration CFDA 20.205	National Highway Freight Program - Funding for freight planning activities including development of plans and studies.		0	400	200	200	Yes-10%	0.5
Federal Rail Administration CFDA 20.933	Willmar Wye TIGER Grant - Federal fund match to state and local funds.		0	5,500	10,000	0	Yes-48%	2
Federal Rail Administration CFDA 20.314	Humboldt Avenue Crossing - City of Minneapolis, Humboldt Avenue Rail Crossing Safety Grant to update signal equipment and add medians to Humboldt Avenue.		0	717	358	359	Yes-25%	0.15
Federal Rail Administration CFDA 20.301	Railroad Safety State Participation Program - The FRA expects to begin using this program to help states defray some of the costs of the state Rail Safety Inspection Program. The program will provide grants for eligible training, travel, equipment and administrative costs of state rail safety inspectors.	New	0	0	10	10	No	0

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2018 Actuals	FY2019 Budget	FY2020 Base	FY2021 Base	Required State Match or MOE?	FTEs
Federal Rail Administration CFDA 20.319	Twin Cities-Milwaukee-Chicago 2nd Train - Project development		0	6,000	5,000	5,000	Yes-20%	1.5
Federal Rail Administration CFDA 20.325	Passenger Rail - Northern Lights Express (NLX) project development and construction		0	11,000	10,000	10,000	Yes-20%	2
	Freight Total		5,068	36,871	35,198	25,199		
Federal Highway Administration CFDA 20.205	Transportation Alternatives - To fund transportation alternative type projects.		215	6,787	6,000	6,000	Yes-20%	0.1
National Highway Traffic Safety Administration CFDA 20.600	Roadway Safety Planning, Evaluation & Studies (RSEP&S) - Funds received via Department of Public Safety for roadway safety plans and other safety studies.		40	400	400	400	No	0.02
Federal Highway Administration CFDA 20.200	State Planning & Research Part I & II - Implementation of advanced technologies and systems to enhance pavement quality and life.		81	1,759	1,000	1,000	Yes-20%	0.1
Federal Highway Administration CFDA 20.205	Highway Safety Improvement Program (HSIP) Section 164 Sanction FAST ACT - Toward Zero Deaths (TZD) Coordinators salaries, Road Safety Plan Development, Road Safety Studies and Crash Database Improvements.		1,236	6,764	3,000	3,000	No	0.3
Federal Highway Administration CFDA 20.215	Local Technical Assistance Program (LTAP) - To strengthen the skills and knowledge of local and state transportation providers through training programs, the exchange of best practices, information referral, and the implementation of transportation research results.		150	150	160	160	Yes-50%	0.1
Federal Highway Agency CFDA 20.215	Disadvantaged Enterprise/On the Job Training Support Services - Through granting to other agencies or organizations, ensure equal opportunity for all businesses and personnel on MnDOT projects by providing highway heavy on-the-job training for minorities, women and economically disadvantaged individuals, technical training and services for Disadvantaged Businesses to assist them in successfully competing for MnDOT projects, and supportive employment services for Native Americans working on highway construction projects.		1,574	1,826	2,000	2,000	No	1.5

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2018 Actuals	FY2019 Budget	FY2020 Base	FY2021 Base	Required State Match or MOE?	FTEs
Federal Highway Administration CFDA 20.205	USDOT FHWA Surface Transportation Program (STP) Formula Funds for Enterprise Asset Management (EAM) - Asset Management Software Development and Maintenance - For further implementation and project office staffing and consulting costs.		2,141	2,659	3,000	3,000	Yes-20%	7.75
Federal Highway Agency CFDA 20.200	Strategic Highway Research Program 2 (SHRP2) - Proof of concept work to improve non-destructive testing capabilities for identifying asphalt pavement delamination (RO6D)		105	1	0	0	No	1
Federal Highway Agency CFDA 20.205	FHWA Planning: Metropolitan Planning Organization (MPO) - Planning activities.		7,317	8,683	9,000	9,000	Yes-20%	0.1
Federal Highway Agency CFDA 20.200	Mileage Based User Fees (MBUF) - Surface Transportation System Funding Alternative - for mileage based fees collaborative and shared services		159	1,141	600	550	Yes-50%	2.8
Federal Highway Agency CFDA 20.200	State Planning & Research Part II - State planning and research funds for Pooled Fund (multi state partnerships) road research and implementation projects conducted throughout the state which are billed at 100%.		1,806	2,097	2,500	2,500	No	2
Federal Highway Agency CFDA 20.200	State Planning & Research Part II - State planning and research funds for National Road Research Alliance (NRRA) Pooled Fund research projects billed at 100% which are conducted at the MnROAD Research facility.		654	3,322	2,000	2,000	No	3.5
Federal Highway Agency CFDA 20.200	State Planning & Research Part II - State planning and research funds for Minnesota only road research projects conducted throughout the state which have been authorized at 100% federal reimbursement.		2	398	50	50	No	0.1
Federal Highway Agency CFDA 20.200	State Planning & Research Part II - State planning and research funds used to conduct and support Minnesota only road research and implementation projects throughout the state which require a state match.		1,260	3,732	2,500	2,500	Yes-20%	4.5
National Highway Traffic Safety Administration CFDA 20.600	Highway Road Safety Audits - Perform safety audits of trunk highways.		0	100	50	50	No	0.02
Federal Highway Administration CFDA 20.205	Advanced Transportation & Congestion Management Technologies Deployment (ATCMTD) - Connected Vehicle Pilot Deployment – Program Delivery.		0	12,000	10,000	2,000	Yes-50%	0.10

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2018 Actuals	FY2019 Budget	FY2020 Base	FY2021 Base	Required State Match or MOE?	FTEs
National Highway Traffic Safety Administration CFDA 20.610	Traffic Records Coordinating Committee (TRCC), Traffic Information Systems (TIS) Improvements - TIS mainframe improvements, crash report audits, crash report analysis, out of state travel to traffic records forums and centerline mapping.		41	459	300	300	No	0.08
National Highway Traffic Safety Administration CFDA 20.600	Toward Zero Deaths (TZD) - Funds received via the Department of Public Safety. Includes regional TZD Coordinators salaries, out of state travel and annual conference.		152	248	350	350	No	0.07
Federal Highway Administration CFDA 20.205	State Planning & Research - Funding for statewide and non-MPO program development, planning, and research activities, including data management related to the FAST Act	New	0	0	11,000	11,000	Yes-20%	70
Federal Highway Administration CFDA 20.205	Automated Vehicle Demonstration Grant - Program Planning & Research and Construction	New	0	0	3,800	200	Yes-20%	0.15
	Program Planning & Delivery Total		16,932	52,526	57,710	46,060		
National Highway Traffic Safety Administration CFDA 20.600	Lane Departure Countermeasure Deployment (LDCD) SAFETEA-LU - Funds received via Department of Public Safety. Construct cable median barriers, plate beam guardrails, delineators, rumble strips and reflective striping.		0	1,430	0	0	No	0.03
Federal Highway Administration CFDA 20.200	State Planning & Research Part I & II - Implementation of advanced technologies and systems to enhance pavement quality and life.		0	160	50	50	Yes-20%	0.00
Federal Highway Administration CFDA 20.205	Highway Safety Improvement Program (HSIP) Section 164 Sanction FAST ACT - Toward Zero Deaths (TZD) Coordinators salaries, Road Safety Plan Development, Road Safety Studies and Crash Database Improvements.		433	16,367	0	0	No	0.00
Federal Highway Agency CFDA 20.200	Strategic Highway Research Program 2 (SHRP2) Implementation Assistance: Reliability in Simulation and Planning Models (LO4) - Funding to review, develop, implement, and share information on the LO4 tool.		130	70	40	0	No	0.2
Federal Highway Administration CFDA 20.200	Role of Speed & Distraction in Work Zone Crashes or Near Crashes - Research Speed & Distractions in Work Zones. Part of the Transportation Research Board (TRB) Strategic Highway Research Program 2 (SHRP2) Round 4 Implementation Assistance Program (IAP).		400	1,600	1,000	1,000	No	0.05

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2018 Actuals	FY2019 Budget	FY2020 Base	FY2021 Base	Required State Match or MOE?	FTEs
National Highway Traffic Safety Administration CFDA 20.600	Intersection Safety Countermeasure Deployment (ISCD) - Funds received via the Department of Public Safety. Construction of intersections with less vehicle movement conflicts and construction of Rural Intersection Conflict Warning Systems (RICWS).		3,073	3,720	800	400	MOE	0.09
Federal Highway Administration CFDA 20.933	Transportation Investment Generating Economic Recovery (TIGER) Grant for Rural Intersections Conflict Warning Systems (RICWS) - To provide a cost-effective warning system for 15 higher risk rural trunk highway stop-controlled intersections in 13 counties statewide.		0	13	12	12	MOE	0.03
Federal Highway Administration CFDA 20.205	Federal Highway Administration (FHWA) - Biennial budget estimated federal agreement revenue from appropriation bill less SPR non-SRC federal funds.		601,332	468,175	440,995	476,995	Yes-20%	180
Federal Highway Administration CFDA 20.205	Advanced Transportation & Congestion Management Technologies Deployment (ATCMTD) - Connected Vehicle Pilot Deployment - Construction.		0	9,000	8,000	1,000	Yes-50%	0.05
	State Road Construction Total		605,368	500,535	450,897	479,457		
Federal Highway Administration CFDA 20.205	Integrating Mobile Observations (IMO) 3.0 - To fund agency activities involving automated vehicle location and data collection from snowplows and light duty trucks.		22	258	123	0	Yes-25%	3
Federal Highway Agency CFDA 20.240	Red Dye Fuel Monitoring Program - To inspect and take diesel fuel samples from commercial vehicles being operated on MN roads.		293	560	445	195	No	0.5
National Highway Traffic Safety Administration CFDA 20.600	Toward Zero Deaths (TZD) - Funds received via the Department of Public Safety. Includes regional TZD Coordinators salaries, out of state travel and annual conference.		251	299	300	300	No	0.07
Federal Highway Administration CFDA 20.205	Intelligent Transportation Systems (ITS) Maintenance & Operations - For maintaining ITS items like Variable Message Signs, Traffic Cameras and Ramp Meters. Surface Transportation Block Grant Program (STBG) FAST ACT.		0	3,000	1,500	1,500	Yes-20%	0.05
	Operations & Maintenance Total		567	4,117	2,368	1,995		
Federal Highway Administration CFDA 20.205	Federal Aid Highway Program - Provides road construction dollars to the local county and city governments for their road systems.		133,520	276,972	230,000	230,000	Yes-20%	0.95

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2018 Actuals	FY2019 Budget	FY2020 Base	FY2021 Base	Required State Match or MOE?	FTEs
Federal Highway Administration CFDA 20.205	Federal Aid Highway Program - Provides road construction dollars to the local county and city governments for their road systems.		3,984	68,216	20,000	20,000	Yes-20%	0.05
Federal Highway Administration CFDA 20.224	Federal Lands Access Program (FLAP) - Eastern Federal Lands. To improve transportation facilities that provide access to, are adjacent to, or are located within Federal lands The Access Program supplements State and local resources for public roads, transit systems, and other transportation facilities, with an emphasis on high-use recreation sites and economic generators.		1,200	1,200	1,200	1,200	No	0
National Highway Traffic Safety Administration CFDA 20.600	Highway Safety Improvement Program (HSIP) Section 164 Sanction FAST ACT Local Roads Program - County & City Road Safety Plans & Studies and County & City Road Safety Construction.		1,278	3,398	2,500	2,500	Yes-10%	0.25
National Highway Traffic Safety Administration CFDA 20.600	Local Roads Intersection Safety Countermeasure Deployment and City Safety Plans SAFETEA-LU - Funds received via Department of Public Safety. Construction of county and city road safety improvements and development of county and city road safety plans and studies.		0	110	0	0	No	0.02
Federal Highway Administration CFDA 20.205	Federal Aid Highway Program - Funding for special interest projects providing historical, technical or other information pertinent to mobility.		1,262	5,814	1,740	1,740	Yes-20%	1.7
Federal Highway Administration CFDA 20.205	TIGER Grant - Multimodal corridor plan. Also includes CFDA is 30.315, National Rail- FRA.		94	1	0	0	No	0.25
Federal Rail Administration CFDA 20.319	Union Depot - Restoration project.		594	2,606	0	0	Yes-20%	0.25
Federal Highway Agency CFDA 20.933	US 169 Freight Mobility - Scott County 2016 TIGER Grant		0	17,700	10,000	7,700	No	0.25
	Reimbursement for Municipal Grant Expenses (Non-Dedicated Receipts)		262	250	250	250	No	0
	Reimbursement for County Grant Expenses (Non-Dedicated Receipts)		218	250	250	250	No	0
	Local Road Totals		142,412	376,517	265,940	263,640		
	Total Federal Fund (3000)		253,279	705,205	533,116	501,470		
	Total TH fund (2700)		601,332	468,175	440,995	476,995		
	Total Non-Dedicated		480	500	500	500		
	Federal Fund – Agency Total		855,091	1,173,880	974,611	978,965		

Narrative

Please provide a brief narrative overview of all the agency's federal funds to give a general overview of the role of the federal funds within the agency. The narrative should be written in plain language. Also, include the following information, where applicable:

- 1. For new grants, provide a narrative description of the short-and long-term commitments required, including whether continuation of any full-time equivalent positions will be condition of receiving the federal award.**

The major federal fund accounts include federal grants revenue deposited in the federal fund either on an advance or reimbursement basis. Federal Highway Administration (FHWA) federal aid, the agency's largest federal program, is on a cost reimbursement basis, with a significant portion of program reimbursements deposited directly into the Trunk Highway Fund for the department's state road construction program.

- 2. Maintenance of effort levels (MOE)**

Programs funded by federal dollars are also support by state dollars. State funds would continue to support the programs In the event federal funding ended.

- 3. Changing funding levels or trends that may impact future awards**

The current federal authorization act known as FAST Act ends on September 30, 2020. While the federal government has never reduced the major federal transportation spending programs in the past, the potential for Minnesota to receive less federal funds in the future is increasingly likely. A major stumbling block for the FHWA and Federal Transit Administration (FTA) is the insolvency of the Federal Transportation trust fund, both the Highway and Transit components and the unwillingness of legislators to come together on funding sources to solve the problem. If new funding sources are not identified, at some point legislators may be forced to reduce the level of federal participation in Transportation. In the past transitions between federal authorization acts have resulted in a series of short continuing resolutions that interrupt the flow of federal reimbursement to the state trunk highway fund.

- 4. Major state funding related to federal awards**

Federal funds are matched by varying state funds depending on the program. For example, the major FHWA program is matched by a combination of trunk highway fund, municipal and county state aid funds, and local government funds depending on the project. The major Federal Aviation Administration program is matched by local government funds and state airport funds. General funds, revenues from the motor vehicle sales tax and local government funds match the federal funding from the FTA programs. The regular formula federal funds are typically split 80% federal 20% state.

- 5. Basis for estimates**

Estimates are based on the best funding information currently available to MnDOT program managers. Overall, federal funds anticipated during the FY 2020-21 biennium are relatively consistent with the FY 2018-19 biennium.

2020 - 2021 County and Municipal Turnback Account Budget

January 2019 update

Data provided by MnDOT State Aid Office

List of projects likely to be funded required by MN Laws of 2017, 1st Special Session, Chapter 3, Article 3, Section 19

<https://www.revisor.mn.gov/statutes/cite/161.081>

(h) As part of each biennial budget submission to the legislature, the commissioner must: (1) describe how the money in the flexible highway account will be apportioned among the county turnback account, the municipal turnback account, the trunk highway fund for routes turned back to local governments by agreement, the highway safety improvement account, and the routes of regional significance account; and (2) specify the turnback projects likely to be funded with the amounts available in the county turnback account and municipal turnback account, and provide the cost associated with each project.

Restoration/Reconstruction

Trunk Highway	Receiving Agency	Project Location (TO/FROM)	SP/SAP	PROGRAM NEED (amounts in M\$)		
				Calendar 2020	Calendar 2021	BIENNIUM TOTAL
12	Hennepin Co	Willow to Wolfe Pt	027-712-001	0.00	0.50	0.50
12	Hennepin Co	Wolfe Pt to Wayzata Blvd	027-712-002	0.00	0.50	0.50
12	Hennepin Co	CSAH 6 to Willow	027-712-003	7.68	1.00	8.68
54	Grant Co	MN 27 to US 59 & swap CSAH 10	2607-11	0.50	0.00	0.50
66	Blue Earth Co	CSAH 9 to CSAH 90	007-601-018	18.00	1.00	19.00
101	Carver Co	Pioneer Tr to Flying Cloud Dr	010-701-xxx	8.00	3.00	11.00
156	City of South Saint Paul	Armour Ave to City Limits	1912-59	0.00	4.44	4.44
212	Hennepin Co	Charlson Rd to Co line	027-661-048	0.80	1.20	2.00
212	Carver Co	MN 101 to US 212	multiple SAP	0.17	3.00	3.17
212	Carver Co	CSAH 101 to Henn Co line	010-661-003	0.50	0.00	0.50
212	Carver Co	E jct to W jct MN 101	010-661-002	1.45	1.46	2.91
244	Washington Co	TH 120 to CSAH 12	8219-25	1.10	0.00	1.10
253	Faribault Co	Bricelyn to I-90	2210-114	0.50	0.00	0.50
254	Faribault Co	Frost to I-90	2211-19	0.50	0.00	0.50
263	Martin Co	Ceylon to I-90	4609-17	0.00	4.50	4.50
267	Murray Co	MN 30 to Iona	TBD	0.00	4.00	4.00
274	Yellow Medicine Co	MN 23 to Wood Lake	TBD	0.00	2.00	2.00

In Lieu Payments

Trunk Highway	Receiving Agency	Project Location (TO/FROM)	SP/SAP	PROGRAM NEED (M\$)		
				Calendar 2020	Calendar 2021	BIENNIUM TOTAL
14	Dodge Co	MN 56 to Steele Co line	TBD	2.00	0.00	2.00
14	Steele Co	54th to Dodge Co line	TBD	2.00	0.00	2.00
49	Ramsey Co	University Ave to County J	062-036-001	8.76	13.84	22.60
246	Rice/Goodhue Co	MN 3 to MN 56	TBD	10.00	22.53	32.53
Totals				61.96	62.97	124.93

*These projects are likely to be funded, pending funding, negotiations and execution of agreement

**These figures account for cost escalation due to inflation, cost increases due to project unknowns (i.e. risk factors), project growth, etc.