

Table of Contents

Transportation

Agency Profile	1
Agency Expenditure Overview	4
Agency Financing by Fund	6
Agency Change Summary	12
<u>Change Item(s)</u>	17
<i>Multimodal Transportation Package</i>	17
<i>Registration Tab Fee Restructure</i>	22
<i>Maintain Current Service Levels</i>	24
<i>Maximize Federal Transportation Climate Funding</i>	26
<i>ARMER Tower and Building Replacement</i>	29
<i>Strategic Technology System Investments</i>	31
<i>Local Transportation Disaster Support Account</i>	33
<i>Rail Grade Crossing Safety</i>	35
<i>Aeronautics Systems and Investments</i>	37
<i>Tribal Affairs Training Program</i>	39
<i>Twin Cities-Milwaukee-Chicago Rail Corridor</i>	42
<i>Stone Arch Bridge</i>	44
<i>Weigh Station Program</i>	46
<i>Utility Aircraft Replacement</i>	48
<i>Rail Safety Inspectors</i>	50
<i>Safe Routes to School Appropriation Extension</i>	52
<i>Freight Network Optimization Appropriation Extension</i>	54
<i>Meteorological Towers Registration Fee</i>	56
<i>Authority to Charge for Traffic Control</i>	58
<i>Sustainable Aviation Fuel Program</i>	60
<i>Debt Service and Cash Impact for Capital Investments</i>	63
<i>Impact on Transportation Funds for DPS Funding Recommendations</i>	65
<u>Program</u>	67
Multimodal Systems	67
<u>Activity</u>	67
Aeronautics	67
<i>Activity Narrative</i>	67
<i>Activity Expenditure Overview</i>	70
<i>Activity Financing by Fund</i>	71
Transit and Active Transportation	74
<i>Activity Narrative</i>	74
<i>Activity Expenditure Overview</i>	78
<i>Activity Financing by Fund</i>	79
Freight and Rail Safety	82
<i>Activity Narrative</i>	82
<i>Activity Expenditure Overview</i>	85
<i>Activity Financing by Fund</i>	86
<u>Program</u>	88

State Roads	88
<u>Activity</u>	88
Program Planning and Delivery	88
<i>Activity Narrative</i>	88
Activity Expenditure Overview	91
Activity Financing by Fund	92
State Road Construction	94
<i>Activity Narrative</i>	94
Activity Expenditure Overview	99
Activity Financing by Fund	100
Debt Service	101
<i>Activity Narrative</i>	101
Activity Expenditure Overview	104
Activity Financing by Fund	105
Operations and Maintenance	106
<i>Activity Narrative</i>	106
Activity Expenditure Overview	110
Activity Financing by Fund	111
Statewide Radio Communications	113
<i>Activity Narrative</i>	113
Activity Expenditure Overview	115
Activity Financing by Fund	116
<u>Program</u>	118
Local Roads	118
<u>Activity</u>	118
County State Aid Roads	118
<i>Activity Narrative</i>	118
Activity Expenditure Overview	121
Activity Financing by Fund	122
Municipal State Aid Roads	124
<i>Activity Narrative</i>	124
Activity Expenditure Overview	126
Activity Financing by Fund	127
<u>Program</u>	129
Agency Management	129
<u>Activity</u>	129
Agency Services	129
<i>Activity Narrative</i>	129
Activity Expenditure Overview	132
Activity Financing by Fund	133
Building Services	135
<i>Activity Narrative</i>	135
Activity Expenditure Overview	139
Activity Financing by Fund	140
<u>Additional Documents</u>	141
<i>Federal Funds Summary</i>	141
<i>MnDOT District Overviews</i>	152

<https://www.dot.state.mn.us/>

AT A GLANCE

- Over 145,000 centerline miles (single roadway, regardless of the number of lanes) including trunk highways and local roads
- 4th largest roadway system in the nation
- 4,928 bridges greater than 10 feet in length on Trunk Highway routes (including railroad, pedestrian, and other structures)
- More than 91 million vehicle miles driven on average every day on the state highway system
- 360 construction projects planned in the FY22-23 biennium
- \$30-33 billion in planned investments for state highways over the next 20 years (MnSHIP)
- 5,105 full-time equivalent employees as of FY22
- Truck freight traffic projected to increase by 10 percent over the next ten years

MnDOT works with our partners to support:

- 3 active Lake Superior and 4 Mississippi River system ports
- 34 transit providers serving all 80 non-metro counties
- 133 publicly owned state-funded airports
- 4,420 track miles serving 21 railroad companies, Northstar commuter, and Amtrak passenger service

PURPOSE

Transportation provides access to critical connections for all Minnesotans by managing an efficient, safe, reliable, and accessible system of interconnected modes. Transportation supports a robust quality of life by linking people to education, healthcare, jobs, and recreation. Transportation underpins 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. Therefore, MnDOT has adopted the following:

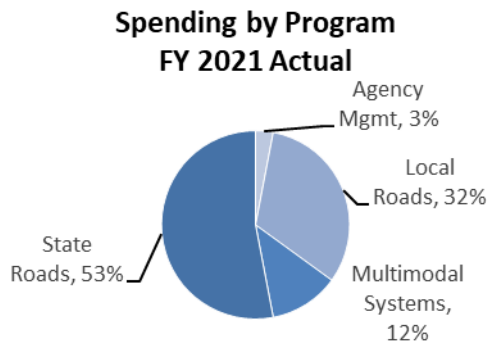
Vision: Minnesota's multimodal transportation system maximizes the health of people, the environment, and our economy.

Mission: 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.

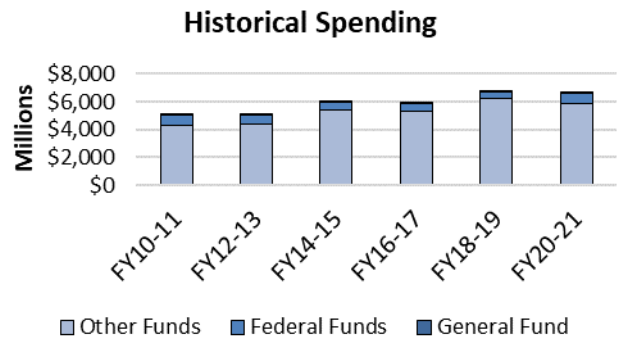
Funding is provided in four programs with 13 budget activities:

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	Debt Service		
Passenger Rail	Operations and Maintenance		
	Statewide Radio Communications		

BUDGET



*Spending includes Trunk Highway fund debt service transfer
Source: Budget Planning & Analysis System (BPAS)*



*Spending includes Trunk Highway fund debt service transfer
Source: Budget Planning & Analysis System (BPAS)*

MnDOT is committed to efficiency and fiscal responsibility, while also acknowledging that long-term investments are necessary to sufficiently address the maintenance and improvement needs of the transportation system. Despite those challenges, MnDOT strives to advance statewide strategic priorities and continues to build and maintain a comprehensive transportation system that serves all Minnesotans.

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 transit assistance, county state aid highway, municipal state aid street, state airport, special revenue, general, and federal funds. The Federal Infrastructure Investment and Jobs Act (IIJA), which was signed into law on November 15, 2021, includes a continuation of the current level of federal formula funds as well as new areas of investment focused on carbon reduction, climate resiliency, restorative justice, and electric vehicle infrastructure. Minnesota, along with local and tribal governments, are also eligible for new and expanded competitive grant programs related to roads and bridges, transit, aviation, ports, and rail.

STRATEGIES

MnDOT's strategic initiatives demonstrate the agency's critical role in creating a safe, accessible, efficient, and reliable transportation system. MnDOT strives to advance statewide strategic priorities and continue to build and maintain a comprehensive transportation system that serves Minnesotans now and into the future - including enhancing pedestrian safety, reducing transportation's impact on greenhouse gas emissions, and cultivating a more diverse transportation industry and workforce.

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.

The Minnesota Department of Transportation requires that the principles of “Complete Streets”, which balances the needs of all transportation users, 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 (<https://www.dot.state.mn.us/planning/completestreets/index.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 FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	20,167	21,643	28,711	102,061	23,159	23,159	439,018	38,106
1050 - Transit Assistance	71,192	64,265	83,551	80,357	63,857	63,857	63,857	63,857
2000 - Restrict Misc Special Revenue	127,508	55,432	61,998	102,101	67,358	58,402	68,108	59,902
2001 - Other Misc Special Revenue	5,950	3,725	3,053	3,757	2,358	2,377	2,658	2,677
2050 - Environment & Natural Resources	65	121	52	365				
2500 - Municipal State Aid Street	237,270	175,770	152,566	226,905	232,099	232,241	239,978	248,769
2600 - County State Aid Highway	795,902	762,339	790,237	880,243	897,158	899,165	927,153	962,087
2700 - Trunk Highway	1,652,140	1,841,884	1,808,212	2,012,904	1,804,502	1,804,451	2,134,757	2,125,923
2710 - Highway Users Tax Distribution	115	132	119	119	119	119	119	119
2720 - State Airports	21,607	33,245	31,718	27,944	25,414	25,414	25,414	25,414
2721 - Hanger Loan Revolving	1,126	674	1,620					
2722 - Air Transportation Revolving	1,197	781	788	891	891	891	891	891
3000 - Federal	289,472	464,881	456,806	1,894,007	1,099,673	1,087,598	1,099,673	1,087,598
3010 - Coronavirus Relief		600						
3520 - Transportation-Loc Bridge&Road	6,436	12,770	8,698	14,000	14,000	14,000	14,000	14,000
4900 - 911 Emergency	9,309	10,052	9,464	9,886	9,675	9,675	10,116	10,384
Total	3,239,454	3,448,313	3,437,593	5,355,540	4,240,263	4,221,349	5,025,742	4,639,727
Biennial Change				2,105,367		(331,521)		872,336
Biennial % Change				31		(4)		10
Governor's Change from Base								1,203,857
Governor's % Change from Base								14

Expenditures by Program

Multimodal Systems	252,642	414,059	397,491	1,524,758	791,038	730,719	927,117	740,223
State Roads	1,673,774	1,813,146	1,791,935	2,093,810	1,842,602	1,822,021	2,168,078	2,126,135
Local Roads	1,217,467	1,116,527	1,153,351	1,603,206	1,490,627	1,552,613	1,672,801	1,633,063
Agency Management	95,571	104,581	94,817	133,766	115,996	115,996	257,746	140,306
Total	3,239,454	3,448,313	3,437,593	5,355,540	4,240,263	4,221,349	5,025,742	4,639,727

Expenditures by Category

Compensation	489,436	505,953	509,668	544,958	542,579	544,108	604,275	635,206
Operating Expenses	452,340	459,227	505,604	776,150	597,641	571,253	641,269	611,677

Transportation

Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
Grants, Aids and Subsidies	1,385,436	1,456,953	1,475,748	2,838,830	2,115,247	2,122,945	2,529,689	2,208,538
Capital Outlay-Real Property	902,792	1,010,776	940,732	1,174,831	973,251	972,834	1,238,964	1,174,097
Other Financial Transaction	9,449	15,404	5,841	20,771	11,545	10,209	11,545	10,209
Total	3,239,454	3,448,313	3,437,593	5,355,540	4,240,263	4,221,349	5,025,742	4,639,727

Total Agency Expenditures	3,239,454	3,448,313	3,437,593	5,355,540	4,240,263	4,221,349	5,025,742	4,639,727
Internal Billing Expenditures		8						
Expenditures Less Internal Billing	3,239,454	3,448,305	3,437,593	5,355,540	4,240,263	4,221,349	5,025,742	4,639,727

<u>Full-Time Equivalents</u>	5,206.62	5,188.65	5,105.10	5,097.59	5,069.70	5,060.58	5,215.70	5,218.08
-------------------------------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------

Transportation

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
1000 - General								
Balance Forward In	1,404	3,315	875	78,902				
Direct Appropriation	21,558	19,691	143,333	29,784	23,284	23,284	797,255	38,231
Transfers In	1,367	1,330	1,501	1,401	1,384	1,391	1,384	1,391
Transfers Out	1,414	1,388	38,094	8,026	1,509	1,516	359,621	1,516
Cancellations		433						
Balance Forward Out	2,749	872	78,903					
Expenditures	20,167	21,643	28,711	102,061	23,159	23,159	439,018	38,106
Biennial Change in Expenditures			88,962		(84,454)		346,352	
Biennial % Change in Expenditures			213		(65)		265	
Governor's Change from Base							430,806	
Governor's % Change from Base							930	
Full-Time Equivalents	15.18	16.15	26.09	29.08	27.90	27.75	47.90	47.25

1050 - Transit Assistance

Balance Forward In	51,401	48,741	60,737	42,569	26,306	25,038	26,306	25,038
Receipts	65,106	69,179	65,397	64,107	62,602	62,624	62,602	62,624
Transfers In	416	416	416	685	540	540	540	540
Transfers Out	423	424	429	698	553	553	553	553
Balance Forward Out	45,308	53,647	42,569	26,306	25,038	23,792	25,038	23,792
Expenditures	71,192	64,265	83,551	80,357	63,857	63,857	63,857	63,857
Biennial Change in Expenditures				28,451		(36,194)		(36,194)
Biennial % Change in Expenditures				21		(22)		(22)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	3.56	3.41	3.70	3.70	3.70	3.70	3.70	3.70

2000 - Restrict Misc Special Revenue

Balance Forward In	77,324	71,817	64,495	50,308	20,423	18,747	20,423	18,747
Receipts	94,917	44,848	41,370	65,216	65,682	58,390	66,432	59,890
Transfers In	4,706	2	6,500	6,500				
Transfers Out	4,706	56	0					
Net Loan Activity	296	173	(57)	500				
Balance Forward Out	45,030	61,352	50,309	20,423	18,747	18,735	18,747	18,735

Transportation

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
Expenditures	127,508	55,432	61,998	102,101	67,358	58,402	68,108	59,902
Biennial Change in Expenditures				(18,841)		(38,339)		(36,089)
Biennial % Change in Expenditures				(10)		(23)		(22)
Governor's Change from Base								2,250
Governor's % Change from Base								2
Full-Time Equivalents	42.21	42.06	47.02	47.02	47.02	47.02	47.02	47.02

2001 - Other Misc Special Revenue

Balance Forward In	8,791	9,208	9,451	9,041	8,495	8,521	8,495	8,521
Receipts	6,119	3,945	2,645	3,211	2,384	2,414	2,684	2,714
Balance Forward Out	8,961	9,427	9,043	8,495	8,521	8,558	8,521	8,558
Expenditures	5,950	3,725	3,053	3,757	2,358	2,377	2,658	2,677
Biennial Change in Expenditures				(2,865)		(2,075)		(1,475)
Biennial % Change in Expenditures				(30)		(30)		(22)
Governor's Change from Base								600
Governor's % Change from Base								13
Full-Time Equivalents	9.33	10.58	10.02	10.02	10.02	10.02	12.02	12.02

2050 - Environment & Natural Resources

Balance Forward In	202	138		165				
Direct Appropriation			217	200	0	0	0	0
Transfers Out		16						
Cancellations		1						
Balance Forward Out	137		165					
Expenditures	65	121	52	365				
Biennial Change in Expenditures				231		(417)		(417)
Biennial % Change in Expenditures				124		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.68	1.12	0.16	0.16	0.16	0.16	0.16	0.16

2500 - Municipal State Aid Street

Balance Forward In	182,395	159,315	179,406	256,112	261,751	267,528	261,751	267,528
--------------------	---------	---------	---------	---------	---------	---------	---------	---------

Transportation

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
Direct Appropriation	216,063	197,431	226,238	232,582	237,914	238,085	245,793	254,613
Transfers In			5,000					
Transfers Out	19	24	38	38	38	38	38	38
Cancellations	1,964	1,597	1,927					
Balance Forward Out	159,205	179,356	256,112	261,751	267,528	273,334	267,528	273,334
Expenditures	237,270	175,770	152,566	226,905	232,099	232,241	239,978	248,769
Biennial Change in Expenditures				(33,568)		84,869		109,276
Biennial % Change in Expenditures				(8)		22		29
Governor's Change from Base								24,407
Governor's % Change from Base								5
Full-Time Equivalents	15.53	15.61	16.08	16.08	16.08	16.08	16.08	16.08

2600 - County State Aid Highway

Balance Forward In	678,068	735,352	748,510	835,489	852,939	870,535	852,939	870,535
Direct Appropriation	858,698	780,107	886,178	897,815	914,876	917,126	944,871	980,048
Transfers In			12,000					
Transfers Out	61	76	15,122	122	122	122	122	122
Cancellations	5,769	4,696	5,840					
Balance Forward Out	735,034	748,347	835,489	852,939	870,535	888,374	870,535	888,374
Expenditures	795,902	762,339	790,237	880,243	897,158	899,165	927,153	962,087
Biennial Change in Expenditures				112,239		125,843		218,760
Biennial % Change in Expenditures				7		8		13
Governor's Change from Base								92,917
Governor's % Change from Base								5
Full-Time Equivalents	52.03	50.65	49.42	49.42	49.42	49.42	49.42	49.42

2700 - Trunk Highway

Balance Forward In	64,221	216,027	66,169	273,566	37,204	35,473	37,204	35,473
Direct Appropriation	1,930,422	2,006,611	2,207,785	1,975,678	2,021,088	2,019,130	2,357,341	2,352,666
Open Appropriation	8,409	9,866	11,019	11,480	11,480	11,480	11,480	11,480
Receipts	43,849	45,821	68,608	48,163	48,163	48,163	48,163	48,163
Transfers In	418,545	432,493	109,882	117,829	93,232	97,404	93,232	97,404
Transfers Out	627,053	677,333	315,636	368,729	369,967	372,181	375,965	384,245

Transportation

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
Cancellations	1,314	126,486	66,049	7,879	1,225	5,397	1,225	5,397
Balance Forward Out	184,938	65,114	273,566	37,204	35,473	29,621	35,473	29,621
Expenditures	1,652,140	1,841,884	1,808,212	2,012,904	1,804,502	1,804,451	2,134,757	2,125,923
Biennial Change in Expenditures				327,092		(212,163)		439,564
Biennial % Change in Expenditures				9		(6)		12
Governor's Change from Base								651,727
Governor's % Change from Base								18
Full-Time Equivalents	4,887.47	4,853.03	4,753.70	4,746.79	4,737.36	4,730.38	4,861.36	4,866.38

2710 - Highway Users Tax Distribution

Open Appropriation	2,346,805	2,428,323	2,493,331	2,550,627	2,578,189	2,615,428	2,670,339	2,808,736
Transfers Out	2,346,690	2,428,191	2,493,212	2,550,508	2,578,070	2,615,309	2,670,220	2,808,617
Expenditures	115	132	119	119	119	119	119	119
Biennial Change in Expenditures				(9)		0		0
Biennial % Change in Expenditures				(4)		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

2720 - State Airports

Balance Forward In	7,321	15,167	12,343	6,031	3,501	3,501	3,501	3,501
Direct Appropriation	25,332	28,832	25,360	25,368	25,368	25,368	25,368	25,368
Open Appropriation	42	46	46	46	46	46	46	46
Transfers In		1,250						
Transfers Out		1,950						
Cancellations		194						
Balance Forward Out	11,088	9,905	6,031	3,501	3,501	3,501	3,501	3,501
Expenditures	21,607	33,245	31,718	27,944	25,414	25,414	25,414	25,414
Biennial Change in Expenditures				4,810		(8,834)		(8,834)
Biennial % Change in Expenditures				9		(15)		(15)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	34.62	34.41	34.20	34.20	34.20	34.20	34.20	34.20

Transportation

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
2721 - Hanger Loan Revolving								
Balance Forward In	2,311	1,572	2,320	972	1,272	1,572	1,272	1,572
Net Loan Activity	387	296	272	300	300	300	300	300
Balance Forward Out	1,572	1,195	972	1,272	1,572	1,872	1,572	1,872
Expenditures	1,126	674	1,620					
Biennial Change in Expenditures				(179)		(1,620)		(1,620)
Biennial % Change in Expenditures				(10)				
Governor's Change from Base								0
Governor's % Change from Base								

2722 - Air Transportation Revolving

Balance Forward In	1,136	740	1,017	1,323	1,534	1,745	1,534	1,745
Receipts	742	1,052	1,094	1,102	1,102	1,102	1,102	1,102
Balance Forward Out	681	1,010	1,323	1,534	1,745	1,956	1,745	1,956
Expenditures	1,197	781	788	891	891	891	891	891
Biennial Change in Expenditures				(298)		103		103
Biennial % Change in Expenditures				(15)		6		6
Governor's Change from Base								0
Governor's % Change from Base								0

3000 - Federal

Balance Forward In	2,165	1,068	762	657				
Receipts	287,608	464,170	456,700	1,893,350	1,099,673	1,087,598	1,099,673	1,087,598
Internal Billing Receipts	486	542	645	480	229	208	229	208
Transfers Out	8	20						
Balance Forward Out	292	338	657					
Expenditures	289,472	464,881	456,806	1,894,007	1,099,673	1,087,598	1,099,673	1,087,598
Biennial Change in Expenditures				1,596,459		(163,542)		(163,542)
Biennial % Change in Expenditures				212		(7)		(7)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	100.79	115.77	122.00	118.41	102.64	101.75	102.64	101.75

3010 - Coronavirus Relief

Transportation

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
Direct Appropriation		600						
Expenditures		600						
Biennial Change in Expenditures				(600)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

3520 - Transportation-Loc Bridge&Road

Balance Forward In	24,528	29,281	26,743	26,925	22,987	18,815	22,987	18,815
Receipts	11,188	10,232	8,879	10,062	9,828	9,893	9,828	9,893
Balance Forward Out	29,281	26,743	26,925	22,987	18,815	14,708	18,815	14,708
Expenditures	6,436	12,770	8,698	14,000	14,000	14,000	14,000	14,000
Biennial Change in Expenditures				3,493		5,302		5,302
Biennial % Change in Expenditures				18		23		23
Governor's Change from Base								0
Governor's % Change from Base								0

4900 - 911 Emergency

Balance Forward In		378		211				
Direct Appropriation							441	709
Transfers In	9,675	9,675	9,675	9,675	9,675	9,675	9,675	9,675
Cancellations		1						
Balance Forward Out	366		211					
Expenditures	9,309	10,052	9,464	9,886	9,675	9,675	10,116	10,384
Biennial Change in Expenditures				(11)		0		1,150
Biennial % Change in Expenditures				(0)		0		6
Governor's Change from Base								1,150
Governor's % Change from Base								6
Full-Time Equivalents	45.22	45.86	42.71	42.71	41.20	40.10	41.20	40.10

Transportation

Agency Change Summary

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Direct				
Fund: 1000 - General				
FY2023 Appropriations	29,784	29,784	29,784	59,568
Base Adjustments				
All Other One-Time Appropriations		(6,500)	(6,500)	(13,000)
Forecast Base	29,784	23,284	23,284	46,568
Change Items				
Multimodal Transportation Package		722,112		722,112
Maintain Current Service Levels		304	487	791
Maximize Federal Transportation Climate Funding		2,000	2,000	4,000
ARMER Tower and Building Replacement		2,000		2,000
Strategic Technology System Investments		7,000	4,000	11,000
Local Transportation Disaster Support Account		4,300	1,000	5,300
Aeronautics Systems and Investments		15,000		15,000
Tribal Affairs Training Program		1,000	1,000	2,000
Twin Cities-Milwaukee-Chicago Rail Corridor		1,955	3,360	5,315
Stone Arch Bridge		5,000		5,000
Weigh Station Program		1,000	1,000	2,000
Utility Aircraft Replacement		7,000		7,000
Sustainable Aviation Fuel Program		5,300	2,100	7,400
Total Governor's Recommendations	29,784	797,255	38,231	835,486
Fund: 2050 - Environment & Natural Resources				
FY2023 Appropriations	200	200	200	400
Base Adjustments				
All Other One-Time Appropriations		(200)	(200)	(400)
Forecast Base	200	0	0	0
Total Governor's Recommendations	200	0	0	0
Fund: 2500 - Municipal State Aid Street				
FY2023 Appropriations	223,828	223,828	223,828	447,656
Base Adjustments				
November Forecast Adjustment	8,763	14,086	14,257	28,343
Forecast Base	232,591	237,914	238,085	475,999
Change Items				
Registration Tab Fee Restructure		7,900	16,553	24,453
Impact on Transportation Funds for DPS Funding Recommendations	(9)	(21)	(25)	(46)
Total Governor's Recommendations	232,582	245,793	254,613	500,406
Fund: 2600 - County State Aid Highway				

Transportation

Agency Change Summary

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
FY2023 Appropriations	889,827	889,827	889,827	1,779,654
Base Adjustments				
November Forecast Adjustment	8,023	25,049	27,299	52,348
Forecast Base	897,850	914,876	917,126	1,832,002
Change Items				
Registration Tab Fee Restructure		30,076	63,017	93,093
Impact on Transportation Funds for DPS Funding Recommendations	(35)	(81)	(95)	(176)
Total Governor's Recommendations	897,815	944,871	980,048	1,924,919
Fund: 2700 - Trunk Highway				
FY2023 Appropriations	2,071,180	2,071,180	2,071,180	4,142,360
Base Adjustments				
All Other One-Time Appropriations		(2,130)	(2,130)	(4,260)
Forecast Open Appropriation Adjustment	(43,558)	(43,558)	(43,558)	(87,116)
November Forecast Adjustment	(51,944)	(4,404)	(6,362)	(10,766)
Forecast Base	1,975,678	2,021,088	2,019,130	4,040,218
Change Items				
Multimodal Transportation Package		271,310	241,537	512,847
Maintain Current Service Levels		51,892	82,709	134,601
Debt Service and Cash Impact for Capital Investments		13,051	9,290	22,341
Total Governor's Recommendations	1,975,678	2,357,341	2,352,666	4,710,007
Fund: 2720 - State Airports				
FY2023 Appropriations	25,368	25,368	25,368	50,736
Forecast Base	25,368	25,368	25,368	50,736
Total Governor's Recommendations	25,368	25,368	25,368	50,736
Fund: 4900 - 911 Emergency				
Change Items				
Maintain Current Service Levels		441	709	1,150
Total Governor's Recommendations		441	709	1,150
Open				
Fund: 2700 - Trunk Highway				
FY2023 Appropriations	11,480	11,480	11,480	22,960
Forecast Base	11,480	11,480	11,480	22,960
Total Governor's Recommendations	11,480	11,480	11,480	22,960
Fund: 2710 - Highway Users Tax Distribution				
FY2023 Appropriations	2,675,330	2,675,330	2,675,330	5,350,660

Transportation

Agency Change Summary

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Base Adjustments				
November Forecast Adjustment	(124,597)	(97,141)	(59,902)	(157,043)
Forecast Base	2,550,733	2,578,189	2,615,428	5,193,617
Change Items				
Registration Tab Fee Restructure		92,400	193,600	286,000
Impact on Transportation Funds for DPS Funding Recommendations	(106)	(250)	(292)	(542)
Total Governor's Recommendations	2,550,627	2,670,339	2,808,736	5,479,075
Fund: 2720 - State Airports				
FY2023 Appropriations	46	46	46	92
Forecast Base	46	46	46	92
Total Governor's Recommendations	46	46	46	92
Dedicated				
Fund: 1050 - Transit Assistance				
Planned Spending	80,357	63,857	63,857	127,714
Forecast Base	80,357	63,857	63,857	127,714
Total Governor's Recommendations	80,357	63,857	63,857	127,714
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	102,101	67,358	58,402	125,760
Forecast Base	102,101	67,358	58,402	125,760
Change Items				
Rail Grade Crossing Safety		750	1,500	2,250
Total Governor's Recommendations	102,101	68,108	59,902	128,010
Fund: 2001 - Other Misc Special Revenue				
Planned Spending	3,757	2,358	2,377	4,735
Forecast Base	3,757	2,358	2,377	4,735
Change Items				
Rail Safety Inspectors		300	300	600
Total Governor's Recommendations	3,757	2,658	2,677	5,335
Fund: 2700 - Trunk Highway				
Planned Spending	17,575	17,594	17,592	35,186
Forecast Base	17,575	17,594	17,592	35,186
Total Governor's Recommendations	17,575	17,594	17,592	35,186
Fund: 2722 - Air Transportation Revolving				
Planned Spending	891	891	891	1,782

Transportation

Agency Change Summary

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Forecast Base	891	891	891	1,782
Total Governor's Recommendations	891	891	891	1,782
Fund: 3000 - Federal				
Planned Spending	1,894,007	1,099,673	1,087,598	2,187,271
Forecast Base	1,894,007	1,099,673	1,087,598	2,187,271
Total Governor's Recommendations	1,894,007	1,099,673	1,087,598	2,187,271
Fund: 3520 - Transportation-Loc Bridge&Road				
Planned Spending	14,000	14,000	14,000	28,000
Forecast Base	14,000	14,000	14,000	28,000
Total Governor's Recommendations	14,000	14,000	14,000	28,000
Revenue Change Summary				
Dedicated				
Fund: 1050 - Transit Assistance				
Forecast Revenues	64,107	62,602	62,624	125,226
Total Governor's Recommendations	64,107	62,602	62,624	125,226
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	65,216	65,682	58,390	124,072
Change Items				
Rail Grade Crossing Safety		750	1,500	2,250
Total Governor's Recommendations	65,216	66,432	59,890	126,322
Fund: 2001 - Other Misc Special Revenue				
Forecast Revenues	3,211	2,384	2,414	4,798
Change Items				
Rail Safety Inspectors		300	300	600
Total Governor's Recommendations	3,211	2,684	2,714	5,398
Fund: 2700 - Trunk Highway				
Forecast Revenues	48,163	48,163	48,163	96,326
Total Governor's Recommendations	48,163	48,163	48,163	96,326
Fund: 2722 - Air Transportation Revolving				
Forecast Revenues	1,102	1,102	1,102	2,204
Total Governor's Recommendations	1,102	1,102	1,102	2,204

Transportation

Agency Change Summary

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Fund: 3000 - Federal				
Forecast Revenues	1,893,350	1,099,673	1,087,598	2,187,271
Total Governor's Recommendations	1,893,350	1,099,673	1,087,598	2,187,271
Fund: 3520 - Transportation-Loc Bridge&Road				
Forecast Revenues	10,062	9,828	9,893	19,721
Total Governor's Recommendations	10,062	9,828	9,893	19,721
Non-Dedicated				
Fund: 2500 - Municipal State Aid Street				
Forecast Revenues	8,875	11,711	8,669	20,380
Total Governor's Recommendations	8,875	11,711	8,669	20,380
Fund: 2600 - County State Aid Highway				
Forecast Revenues	50,053	57,995	47,881	105,876
Total Governor's Recommendations	50,053	57,995	47,881	105,876
Fund: 2700 - Trunk Highway				
Forecast Revenues	665,363	774,499	732,906	1,507,405
Change Items				
Rail Grade Crossing Safety		(750)	(1,500)	(2,250)
Total Governor's Recommendations	665,363	773,749	731,406	1,505,155
Fund: 2710 - Highway Users Tax Distribution				
Forecast Revenues	5,704	7,845	6,287	14,132
Change Items				
Registration Tab Fee Restructure		92,400	193,600	286,000
Total Governor's Recommendations	5,704	100,245	199,887	300,132
Fund: 2720 - State Airports				
Forecast Revenues	10,895	9,588	9,116	18,704
Total Governor's Recommendations	10,895	9,588	9,116	18,704

Transportation

FY 2024-25 Biennial Budget Change Item

Change Item Title: Multimodal Transportation Package

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	364,000	0	0	0
Transfer Out	358,112	0	0	0
Trunk Highway Fund				
Expenditures	269,931	238,763	226,531	226,531
Transfer In	358,112	0	0	0
Debt Service - Trunk Highway Bonds	1,379	2,774	4,303	4,639
Net Fiscal Impact = (Expenditures – Revenues)	635,310	241,537	230,834	231,169
FTEs	124	136	148	152

Recommendation:

The Governor recommends a significant investment in transportation with various partners of Minnesota's transportation system between FY2024-27. This investment would ensure sufficient funds to provide state match for historic federal spending from the bipartisan Infrastructure Investment and Jobs Act (IIJA). State revenues will complement this federal investment to fund crucial multimodal projects across Minnesota. The Governor proposes filling this request by transferring General Funds towards transportation investments.

Rationale/Background:

This proposal takes an incremental step toward preserving the state's transportation system and improving its quality and performance. This funding provides mode-specific investments as MnDOT partners with the federal government, tribal governments, counties, cities, and townships on critical projects around the state. Aging infrastructure and rising construction costs are outpacing existing revenues capacity to address them. An investment is needed to limit deterioration in service. Without additional funds, the agency risks increased congestion, failing infrastructure, and a diminished ability to remain economically competitive.

As part of this proposal, MnDOT is pursuing the budget authority to spend the IIJA funds along with the required match. If the Minnesota Legislature does not provide MnDOT with the budget authority needed, MnDOT will have limited options to minimize the loss of federal funds. Some projects planned for the upcoming biennium would experience funding gaps and be delayed without the recommended budget authority. Delays will also increase project costs due to inflationary pressures.

The key principles of IIJA align closely with MnDOT priorities and those of local authorities across the state. The legislation includes new long-term surface transportation reauthorization combined with several new grant programs (formula and competitive) and increased funding for existing programs. MnDOT's priorities are to repair and rebuild roads and bridges, and to invest in major projects with safety, equity, resiliency, and sustainability in mind. For example, IIJA would provide funding for the following:

- Bridge Investment Program (BIP) to provide competitive grants to address the backlog of bridge repair and rehabilitation projects.
- Carbon Reduction Program (CRP) to provide formula grants to reduce transportation emissions or for the development of carbon reduction strategies.
- New bridge formula program for states and tribal governments to repair and rebuild bridges in poor condition. To help counties and other local governments that struggle to pay for costly bridge projects, a

portion is set aside for “off-system bridges” which includes projects on locally owned facilities that are not on the National Highway System.

- Formula funding for Promoting Resilient Operations for Transportation, Efficient, and Cost-Saving Transportation (PROTECT), which will fund projects that increase the resilience of surface transportation infrastructure from the impacts of flooding, extreme weather events, and other natural disasters.
- National Significant Freight and Highway Projects Program (known as INFRA), which provides competitive grants for highway, bridge, and multimodal freight projects of national and regional significance.
- New competitive grant program to improve and expand the surface transportation system in rural areas. The goals of the program include increasing connectivity; improving the safety and reliability of moving people and freight; generating economic growth; and improving quality of life.

While most state matching funds required by IIJA are eligible for Highway User Tax Distribution funding, a portion will require a General Fund match. A General Fund match would be required to address investments for other modes outside of the highway system, and could be used to invest in the following:

- New formula and competitive grant program to build out alternative fuel corridors along the National Highway System and electric vehicle charging infrastructure in communities across the state. MnDOT estimates a \$3.4 million/year required match for the formula funds.
- Improve and expand modern, sustainable, and equitable public transportation options across the state. MnDOT estimates a \$17 million/year required match for the formula funds to Greater Minnesota transit.
- State airport infrastructure projects that increase airport safety, equity, and sustainability across the state. MnDOT estimates a \$6.5 million/year required match for the formula funds.
- Tribal Transportation Program, ensuring that tribes will have greater access to funding for surface transportation projects throughout Indian Country.
- Increase funding for the Transportation Alternatives Program and Safe Routes to School Program, which funds bicycle and pedestrian projects among other projects.

In addition to the multimodal purposes above, over the next five years IIJA funding will bring an additional \$240 million per year to state and local governments in Minnesota for roads and bridges, of which MnDOT will receive approximately \$170 million. Almost all federal funds also require at least a 20 percent state or local match, which must be secured as part of the FY2024-25 Biennial Budget.

In addition, more operations and maintenance, program delivery, and agency services funding are recommended. Investments in these programs are necessary to ensure more timely, cost-effective maintenance, and it supports the financial, technological, human/capital resources, and legal counsel for administering funding. These activities are not eligible for federal funding. MnDOT proposes utilizing the increased operating appropriations for the highest priorities, including:

- 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.

This proposal would also provide base funding for construction and maintenance of roadways in cities with a population less than 5,000. This impacts approximately 700 cities that do not have a dedicated funding source and have only received funding on a one-time basis.

Proposal:

This proposal would transfer approximately **\$722 million** from the General Fund to various transportation investments over the next four years. Of this amount, estimates are as followed:

- \$358 million: Allocated to the trunk highway fund to cover the state match needed for MnDOT’s portion of IIJA.

- \$364 million: General Funds as a match for activities off the trunk highway system, along with base funding for small cities with a population less than 5,000.

In addition, the proposal includes \$50 million in trunk highway bonds (and \$50,000 in related bond sale expenses) that would be authorized to ensure MnDOT is timely and competitive when applying for various discretionary grants and is able to demonstrate a funding source for the match requirements. This new bonding would require additional debt service.

Impact on Children and Families:

Safe, effective, and reliable transportation is vital for enabling families to access childcare, education, healthcare, jobs, and recreation. This investment builds and maintains the infrastructure aimed at preventing fatalities and serious injuries and ensuring communities thrive throughout the state.

Equity and Inclusion:

MnDOT strives to increase the number of women- and minority-owned businesses participating in highway construction contracts. MnDOT promotes and develops the diversity of employees and contractors.

MnDOT uses an equity lens framework to evaluate policies, designs, programs, and practices to create the most equitable outcomes possible. MnDOT understands that decisions made by the agency affect people differently and develops measures that advance equity in transportation. Considerations like multimodal access and impact, community and built environment factors, user experience and local context, zero emission vehicle access and use, and workforce inclusion and representation affirm MnDOT's mission and values.

IT Costs:

Not applicable

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☒ Yes

☐ No

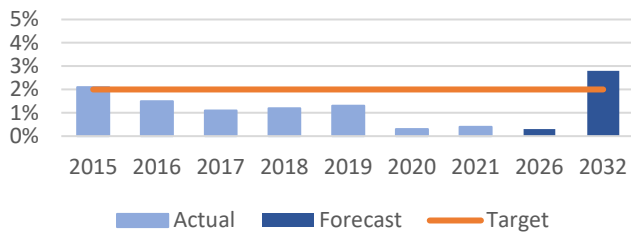
Federal funding for IIJA impacts all Minnesota Tribal governments. MnDOT works directly with tribes when developing or implementing policies or programs that directly affect Indian tribes and their members, including coordinating with the MnDOT tribal liaison to engage tribes on the plans and projects related to IIJA federal funding. The tribal liaison will facilitate meetings, negotiate intergovernmental agreements, and help reconcile differences between MnDOT and Tribal Governments.

Results:

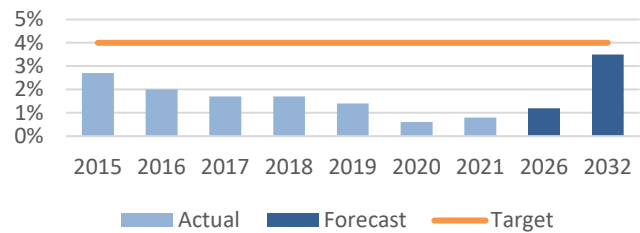
This investment will maintain the condition of roads, bridges, and roadside infrastructure. MnDOT tracks the performance of the trunk highway system with several different measures. MnDOT prioritizes infrastructure improvements on National Highway System (NHS) routes and holds these roads to a higher performance standard than non-NHS routes. This approach allows MnDOT to comply with federal law and manage risks related to statewide travel.

The target for the percent of miles in poor ride quality condition on NHS interstate routes is less than 2 percent. The target for NHS non-interstate routes is less than 4 percent. Poor ride quality is projected to increase above the target for NHS Interstate miles after 2026. Non-Interstate miles are projected to stay in good condition through 2032.

NHS Interstate System Miles in Poor Ride Quality

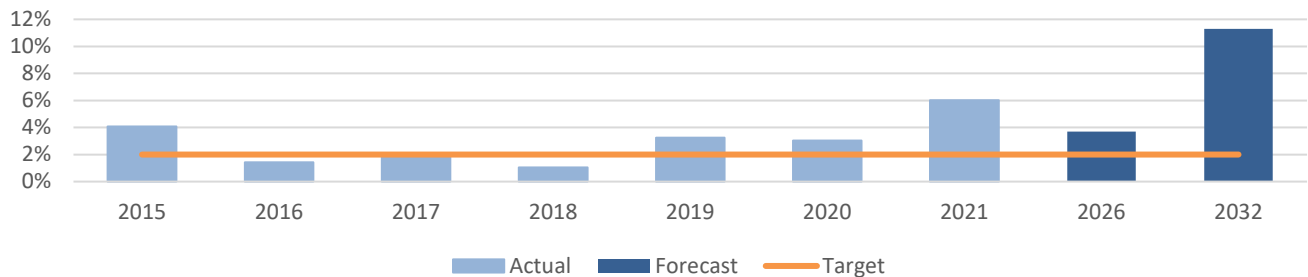


NHS Non-Interstate System Miles in Poor Ride Quality



Bridge condition is measured by the percent of bridge deck area in poor condition. State highway bridges are inspected at least every two years. Bridges rated in poor condition are safe to drive on but are near the point where significant investment in repair or replacement is needed. The target for the percent of bridge deck in poor condition is less than 2 percent. The percent of bridge deck area in poor condition exceeded the target in 2019 where a set of very large twin bridges, together representing about 2 percent of the total NHS bridge deck area, fell into poor condition. These bridges are scheduled for repair work in 2023. As a result, NHS bridge condition is projected to improve by 2026. As bridges age, more are projected to fall into poor condition. When MnDOT schedules repairs for these bridges, condition will be projected to improve.

NHS Bridge Deck in Poor Condition



IIJA includes the largest dedicated bridge investment since the construction of the Interstate Highway System. The budget authority and match requirements in this proposal will leverage \$4.5 billion in federal highway and bridge funds available to Minnesota over the next five years. This amount includes a continuation of current federal formula funds plus an additional estimated \$100 million per year. IIJA represents an estimated 30 percent increase in the State's highway formula funding. Minnesota, along with local and tribal governments, is also eligible for new and expanded competitive grant programs as part of this law.

Based on current IIJA estimates, Minnesota will receive additional funding representing approximately 17 percent increase from current funding under the Highway Safety Improvement Program (HSIP) to improve driver behavior and reduce deaths and injuries from motor vehicle-related crashes. Funding is based on a performance-driven process which analyzes highway safety problems. The program advances highway safety improvement projects that reduce fatalities and serious injuries. This aligns very closely with Minnesota's Toward Zero Death program. Through the Strategic Highway Safety Plan (SHSP), MnDOT has set a goal of no more than 225 fatalities and serious injuries on all roadways in Minnesota by 2025. Based on preliminary estimates, in 2021, 488 traffic fatalities occurred on Minnesota roadways.

The federal funds leveraged as part of this proposal focuses on key infrastructure priorities including rehabilitating bridges in critical need of repair, reducing carbon emissions, increasing system resilience, removing barriers to connecting communities, and improving mobility and access to economic opportunity. Each program will grow

Minnesota's economy and create jobs. Economic growth will occur as our economy becomes more efficient. New and improved infrastructure will reduce business costs and increase worker productivity.

Statutory Change(s):

Language establishing an electric vehicle infrastructure program will be necessary.

Transportation

FY 2024-25 Biennial Budget Change Item

Change Item Title: Registration Tab Fee Restructure

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
Highway User Tax Distribution				
Revenue	92,400	193,600	201,800	209,900
Transfer Out	92,400	193,600	201,800	209,900
General Fund (DOR)				
Expenditures	0	0	0	0
Revenues	0	(700)	(700)	(700)
Trunk Highway Fund				
Expenditures	0	0	0	0
Transfer In	54,424	114,030	118,860	123,631
County State Aid Highway				
Expenditures	30,076	63,017	65,686	68,322
Transfer In	30,076	63,017	65,686	68,322
Municipal State Aid Street				
Expenditures	7,900	16,553	17,254	17,947
Transfer In	7,900	16,553	17,254	17,947
Net Fiscal Impact = (Expenditures – Revenues)	(54,424)	(113,330)	(118,160)	(122,931)
FTEs	0	0	0	0

Recommendation:

This Governor recommends an adjustment to the motor vehicle registration tax schedule. This adjustment would be effective and applies to taxes payable for a registration period starting on or after January 1, 2024.

Rationale/Background:

For passenger vehicles, current law imposes a tax of \$10 plus 1.285% of the base value, adjusted by a percentage based on the age of the vehicle: 100% in the first year, declining by ten percentage points each year until it reaches 10% in the tenth year. The flat tax for vehicles over 10 years old and the minimum for all vehicles is \$35 (\$10 fee plus a minimum tax of \$25). This proposal has a small impact to the general fund because all the motor vehicle registration tax above the current minimum of \$10 plus \$25 can be claimed as an itemized deduction on individual income tax returns, totaling \$700,000 in FY24-25 and \$1.4 million in FY26-27.

Proposal:

The proposal would adjust the motor vehicle registration tax schedule by increasing the first year to 160% of the manufacturer's suggested retail price and increasing the percentage in all other years by 10 percentage points. The minimum tax would be reduced from \$35 to \$30 (\$10 plus a minimum tax of \$20).

Impact on Children and Families:

This change item does not directly impact the administration's priorities for children and families. However, it does contribute to a comprehensive transportation system and economy that serves Minnesotans now and into the future.

Equity and Inclusion:

MnDOT uses an equity lens framework to evaluate policies, designs, programs, and practices to create the most equitable outcomes possible. MnDOT understands that decisions made by the agency affect people differently and develops measures that advance equity in transportation. Considerations like multimodal access and impact, community and built environment factors, user experience and local context, zero emission vehicle access and use, and workforce inclusion and representation affirm MnDOT's mission and values.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes

☒ No

IT Costs

Not applicable

Results:

Revenue generated from the registration tab fee restructure will be used for system preservation, improvements, and expansion. MnDOT staff administers and provides oversight to hundreds of projects each season. Investment decisions reflect the priorities and policies identified in the planning documents developed by the agency based on state and federal goals and input from the public and transportation stakeholders. MnDOT tracks the performance of the transportation system through a variety of measures, many of which can be found in annual scorecard and the MinnesotaGo performance dashboard (<http://www.dot.state.mn.us/measures/>)

Statutory Change(s):

MS 168.013

Transportation

FY 2024-25 Biennial Budget Change Item

Change Item Title: Maintain Current Service Levels

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Revenue	0	0	0	0
Expenditures	305	487	487	487
Trunk Highway Fund				
Revenue	0	0	0	0
Expenditures	51,893	82,710	82,710	82,710
911 Emergency				
Revenue	0	0	0	0
Expenditures	441	709	709	709
Net Fiscal Impact = (Expenditures – Revenues)	52,639	83,906	83,906	83,906
FTEs	0	0	0	0

Recommendation:

The Governor recommends an increase to the Trunk Highway Fund operating appropriations of \$51.893 million in FY24 and \$82.710 million each year thereafter for compensation cost increases, including steps and insurance, rate and volume increases in IT services, among other known cost increases. The Governor also recommends a \$441,000 increase in FY24 and \$709,000 increase in FY25 and annually thereafter for the appropriation in the 911 emergency fund, and a \$305,000 increase in FY24 and \$487,000 increase in FY25 and annually thereafter for General Fund appropriations to maintain current service levels.

Rationale/Background:

MnDOT requested funding in the FY22-23 biennial budget to relieve operating pressures related to eligible salary step increases and insurance. Operating pressures will continue in future years. Over the past five years, average compensation costs for MnDOT employees have increased nearly 3 percent per year and nearly 4 percent per year in the most recent biennium. This is due to annual step increases and rising employer-paid health care contributions. This cost growth puts pressure on agency operating budgets that remain flat from year-to-year without enacted increases.

Costs associated with maintaining current level of IT services are also increasing. While MnDOT anticipates a minimal increase to the rates for MNIT services and inflationary impact, the rising cost is due to volume increases required for most agency business functions, such as growing storage consumption.

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

- Snow and ice 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.
- System roadway structures maintenance including patching potholes, sealing cracks, paving road surfaces, removing debris, repairing, or replacing culverts, maintaining roadway shoulders, and respond to flooding.
- Bridges and structures inspection and maintenance including 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.
- Develop highway improvement projects including scoping, environmental review, public involvement, and designing.

- Highway construction management oversight and managing overall progress, coordinating the early stages, and overseeing quality management, material testing, etc.

Proposal:

The Governor recommends increasing MnDOT's operating budget to support maintaining the delivery of current services. This proposal covers increasing costs of compensation including steps and insurance, along with IT across the agency. This proposal also includes current and known cost increases for on-site custodial work and site monitoring at rest areas, EZ-Pass operations, and work completed by the MnDOT Office of Environmental Stewardship. Each of these three items will be funded with existing Trunk Highway Fund balance. Below is a summary of the components of the request (amounts in \$1,000s):

Component	FY 2024	FY 2025	FY 2026	FY 2027
Compensation	46,309	74,576	74,576	74,576
IT Rates/Volume	5,000	8,000	8,000	8,000
Rest Area Services	750	750	750	750
EZ-Pass Operations	380	380	380	380
Office of Environmental Stewardship	200	200	200	200
Total	52,639	83,906	83,906	83,906

Impact on Children and Families:

Safe, effective, and reliable transportation is vital for enabling families to access childcare, education, healthcare, jobs, and recreation. This request invests in a workforce that plans, builds, operates, and maintains Minnesota's multimodal transportation system to get the most out of investments and optimize system performance.

Equity and Inclusion:

This investment will allow MnDOT to attract and retain a workforce with the knowledge, skills, abilities, and experiences that MnDOT needs to be successful. This includes recruiting and retaining minorities, people with disabilities, females, and veterans and working towards enterprise-wide goals of equity and inclusion.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes

☒ No

IT Costs:

Anticipated rates for MNIT services and inflationary impact, including volume increases such as storage consumption. (See table above.)

Results:

This proposal is intended to allow MnDOT to continue to provide current levels of service and information to the public.

Statutory Change(s):

Not applicable

Transportation

FY 2024-25 Biennial Budget Change Item

Change Item Title: Maximize Federal Transportation Climate Funding

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	2,000	2,000	2,000	2,000
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	2,000	2,000	2,000	2,000
FTEs	5	5	5	5

Recommendation:

The Governor recommends \$2 million in base General Funds to leverage federal funding for climate related programs from the Infrastructure Investment and Jobs Act (IIJA). This ensures MnDOT has the necessary resources and staff to implement IIJA programs and fully leverage new federal funds to reduce carbon, improve resilience, and support electric vehicle charging.

Rationale/Background:

IIJA makes significant investments in efforts to reduce carbon emissions and build resiliency into the transportation system. Various programs within IIJA address electric vehicle (EV) charging infrastructure, resiliency to extreme weather events and natural disasters, and carbon emissions reduction in the transportation sector. Notable programs include:

- **National Electric Vehicle Infrastructure (NEVI) Formula Program:** Supports the expansion of an EV charging network in the state.
- **Charging and fueling infrastructure discretionary grants:** Provides up to \$2.5 billion in funding for convenient charging where people live, work, and shop.
- **Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) Program:** Formula and discretionary funding to increase the resilience of the transportation system.
- **Carbon Reduction Program (CRP):** Formula funding for projects that reduce transportation emissions, including transportation electrification and EV charging, public transportation, infrastructure for bicycling and walking, and intelligent transportation systems (ITS) improvements.

In new federal formula funding, Minnesota will receive approximately \$100 million over five years to reduce transportation-related emissions and approximately \$114 million over five years to increase the resilience of its transportation system. Minnesota will also apply for discretionary funding to address climate and resilience. To fully leverage available federal funding, MnDOT will need adequate staff and resources to plan for and administer these federal programs. MnDOT will coordinate with other state agencies, local governments, and external stakeholders impacted by these programs.

Proposal:

This proposal will ensure MnDOT has the staff expertise and resources available to plan for and administer IIJA programs related to climate change. MnDOT will use the funding for up to five new FTEs and hire consultants to assist in developing programs when necessary.

Impact on Children and Families:

Reducing greenhouse admissions and investing in a resilient transportation system are key strategies to address the impacts of climate change to current and future generations of Minnesotans. The proposal will increase access to EV charging for all Minnesotans statewide with a focus on equity in new investments. This investment also builds infrastructure that ensures safe, effective, and reliable transportation so families can access childcare, education, healthcare, jobs, and recreation.

Equity and Inclusion:

MnDOT uses an equity lens framework to evaluate policies, designs, programs, and practices to create the most equitable outcomes possible. MnDOT understands that decisions made by the agency affect people differently and develops measures that advance equity in transportation. Considerations like multimodal access and impact, community and built environment factors, user experience and local context, zero emission vehicle access and use, and workforce inclusion and representation affirm MnDOT's mission and values.

Funding for this request will address disparities in equitable access and safety for all users on the transportation system. MnDOT is committed to focusing on equity in new investments, including application of Justice40 principles. As the number of EVs continues to grow in the state, MnDOT will facilitate long distance traveling and convenient charging stations, especially in rural areas and for those lacking workplace and home charging capabilities.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☒ Yes

☐ No

Federal funding for climate related programs from the Infrastructure Investment and Jobs Act (IIJA) impacts all Minnesota Tribal governments. Anticipated effects vary based on the program and the tribe. Initially, NEVI Formula Program funds must be spent along Minnesota's designated corridors, I-94 and I-35. The Fond Du Lac Band has tribal land along I-35 and could receive direct benefits from the NEVI Program from the installation of charging equipment. Future years of NEVI investment may directly impact additional Tribes. All Minnesota Tribal governments are eligible to directly apply for Charging and Fueling Infrastructure Discretionary Grants.

All Minnesota Tribal governments will indirectly benefit from improvements to the transportation system that are funded by the PROTECT program and projects adjacent to or within tribal reservation boundaries will require close coordination with Tribal governments. Similarly, all Minnesota Tribal governments will indirectly benefit from emissions reductions from the transportation system that are funded by the CRP and CRP projects adjacent to or within tribal reservation boundaries will require close coordination with Tribal governments.

Representatives from the Leech Lake Band of Ojibwe and the Shakopee Mdewakanton Sioux Community served on the workgroup that guided development of the Minnesota Electric Vehicle Infrastructure Plan for the NEVI program funds. MnDOT staff also provided regular updates on the planning process to the Advocacy Council for Tribal Transportation. MnDOT is preparing for future consultation with tribes on the Charging and Fueling Infrastructure discretionary grants, PROTECT program, and CRP. Mitigating and preparing for climate change is a priority for Minnesota Tribal governments. Tribes have indicated an interest in the federal funding for climate related programs from the Infrastructure Investment and Jobs Act (IIJA). MnDOT works directly with tribes when developing or implementing policies or programs that directly affect Indian tribes and their members. The MnDOT Sustainability and Public Health staff will coordinate with the MnDOT Tribal Liaison to engage tribes on the plan and projects related to the federal funding for climate related programs from the Infrastructure Investment and Jobs Act (IIJA).

IT Costs:

Not applicable

Results:

Since 2016, the transportation sector has been Minnesota's number one source of greenhouse gas emissions. This is consistent with trends in other states. As noted in the [MnDOT 2020 Sustainability and Public Health Report](#), EV registrations continued to increase in 2020. As of December 2021, over 23,000 EVs were registered in Minnesota. Growth in EV charging options is an essential component of the state goal to achieve 20 percent of light-duty vehicles in Minnesota being electric by 2030.

In Minnesota, climate change is also having a major impact on MnDOT infrastructure which is anticipated to become increasingly stressed by extreme weather, particularly from projected precipitation increases and larger and more frequent storm events. MnDOT is committed to providing a resilient transportation system that serves Minnesota as our climate changes and to cost-effectively manage our transportation system to prevent disruptions and prioritize high risk and low-cost resilience solutions. There are different measures used to address climate change risks to MnDOT infrastructure, including culvert and bridge condition. Extreme weather can exacerbate poor culvert and bridge condition and increase the risk of infrastructure damage or failure. New and existing federal funds will invest in the resilient transportation infrastructure and is crucial to the state meeting its target of less than ten percent of state-owned culverts being in poor or severe conditions and less than 2 percent of national highway system (NHS) bridges being in poor condition.

MnDOT set a statewide goal to reduce transportation emissions in alignment with the goals of the Next Generation Energy Act and the agency annually tracks and reports progress. The new CRP will provide funding for new strategies that can directly reduce climate pollution from transportation. MnDOT will lead planning, coordination with local governments, and reporting on results of investments from the program.

Statutory Change(s):

Not applicable

Transportation

FY 2024-25 Biennial Budget Change Item

Change Item Title: ARMER Tower and Building Replacement

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	2,000	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)	2,000	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$2 million in general funds to replace two Allied Radio Matrix for Emergency Response (ARMER) radio towers.

Rationale/Background:

ARMER is Minnesota's shared public safety communication system that provides around-the-clock interoperable radio service to federal, tribal, state, and local agencies. ARMER serves the day-to-day and emergency two-way radio communication needs of the Department of Transportation, the Department of Public Safety, other state agencies, and most local and regional law enforcement agencies. This includes fire, emergency medical, and public works services.

The towers that need to be replaced were originally constructed in the 1950s and 1960s. They do not meet current structural radio communication tower standards. The ARMER system needs to be operational and available for public safety day-to-day operations, emergency, and disaster events. Having radio communication towers that meet structural standards ensures survivability during high winds and storms.

Proposal:

This change item request provides funds to maintain the current level of services provided by the Office of Statewide Radio Communications.

Impact on Children and Families:

This change item does not directly impact the administration's priorities for children and families. However, it does contribute to a comprehensive transportation system that serves Minnesotans now and into the future. Reliable and efficient communication for state agencies and local law enforcement agencies is essential for safe day-to-day and emergency transportation. Publicly available weather information is also necessary to help travelers make informed decisions and avoid unsafe conditions.

Equity and Inclusion:

MnDOT uses an equity lens framework to evaluate policies, designs, programs, and practices to create the most equitable outcomes possible. MnDOT understands that decisions made by the agency affect people differently and develops measures that advance equity in transportation. Considerations like multimodal access and impact, community and built environment factors, user experience and local context, zero emission vehicle access and use, and workforce inclusion and representation affirm MnDOT's mission and values.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes

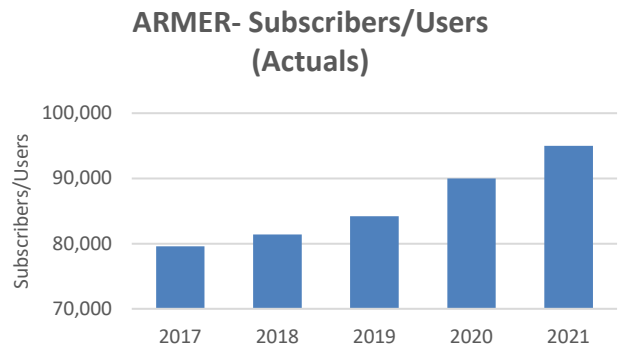
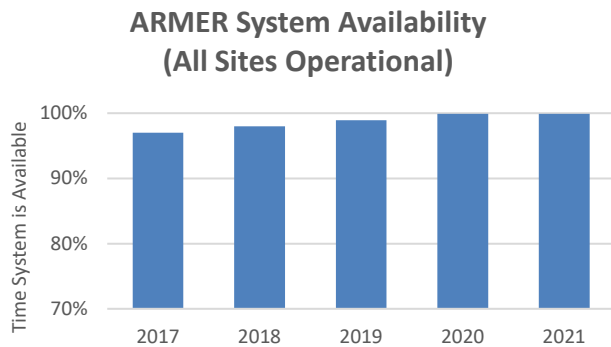
☒ No

IT Costs

Not applicable

Results:

MnDOT operates and provides routine maintenance to ARMER including monthly reports, FCC licensing, and system improvements. ARMER is currently version 7.15 and is in a five-year transition period to version 7.19. More than 95,000 active users/subscribers to the Allied Radio Matrix for Emergency Response (ARMER) system. The number of system users has grown steadily since the first towers were built in 2001. All 335 planned ARMER towers are now constructed and fully operational. Systems availability, when all sites are on the air and in service, is 99.9 percent.



Statutory Change(s):

Not applicable

Transportation

FY 2024-25 Biennial Budget Change Item

Change Item Title: Strategic Technology System Investments

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	7,000	4,000	4,000	4,000
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	7,000	4,000	4,000	4,000
FTEs	9	9	9	9

Recommendation:

The Governor recommends \$3 million one-time funds and a \$4 million base increase each year in FY2024-25 and each year thereafter for investments in asset management technologies, document and data transfer programs, research project management, and other IT projects.

Rationale/Background:

MnDOT seeks support for critical technology systems that enable the agency to successfully plan, build, operate, and maintain the state multimodal transportation system. These investments secure high-priority state technology systems and data assets, while also creating opportunities for more modern and innovative technology solutions to meet the public needs.

In partnership, MnDOT and MNIT at DOT have developed a framework for programming strategic technology investments. This request will support needed modernization efforts designed to update MnDOT systems, applications, and platforms. Project resource capacity is needed to support these investment initiatives which include a combination of MNIT, MnDOT, and consultant resources.

Proposal:

Funding for the delivery of IT projects, software, and hardware implementation costs. MnDOT will continue to modernize systems, improve the quality and value of data, reduce agency exposure to cyber risks, enhance data management, and increase transparency.

MnDOT uses IT systems for virtually all of the agency's business functions. Supporting transportation planning and system asset management efforts is critical in the ever-changing demand on the multimodal system. Analyzing crash and safety data provides valuable insight for public safety measures. To ensure uninterrupted and effective operational status, MnDOT applications must be modernized, secured, and managed. As a result, funding is required to ensure that these systems are supported and secured to avoid potential costly service outages or security risks.

Impact on Children and Families:

This change item contributes to a comprehensive transportation system that serves Minnesotans now and into the future.

Equity and Inclusion:

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

MnDOT uses an equity lens framework to evaluate policies, designs, programs, and practices to create the most equitable outcomes possible. MnDOT understands that decisions made by the agency affect people differently and develops measures that advance equity in transportation. Considerations like multimodal access and impact, community and built environment factors, user experience and local context, zero emission vehicle access and use, and workforce inclusion and representation affirm MnDOT's mission and values.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes

☒ No

IT Costs

Category	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Payroll	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000
Professional/Technical Contracts	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000
Infrastructure						
Hardware						
Software	\$5,450,000	\$2,450,000	\$2,450,000	\$2,450,000	\$2,450,000	\$2,450,000
Training						
Enterprise Services						
Staff costs (MNIT or agency)						
Total	\$7,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
MNIT FTEs	9	9	9	9	9	9
Agency FTEs						

Results:

The proposal will allow MnDOT to better protect the state from cybersecurity risks. In addition, it will provide necessary enhancements for critical IT initiatives. It is paramount as an agency to keep pace with technology to ensure that critical state assets are maintained. During the FY2022-23 biennium, 19 IT projects were delivered to expand and bolster existing technology systems.

Statutory Change(s):

Not applicable

Transportation

FY 2024-25 Biennial Budget Change Item

Change Item Title: Local Transportation Disaster Support Account

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	4,300	1,000	1,000	1,000
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	4,300	1,000	1,000	1,000
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$3.3 million in general funds to reimburse Local Public Agencies (LPAs) for Federal Highway Administration (FHWA) cost-share match claims from 2018-2020 over four state-declared disaster events.

The Governor recommends \$1 million in base general funds for future disaster relief in a Local Transportation Disaster Support Account (LTDSA) to reimburse LPAs for cost-share match claims when participating in the FHWA Emergency Relief Program.

Rationale/Background:

The FHWA Emergency Relief Program declares that permanent emergency repairs are federally eligible for reimbursement at 80 percent with the remaining 20 percent to be an LPA cost-share match. The State of Minnesota has historically picked up this cost-share. Fifteen counties have expended an estimated \$3.3 million in eligible emergency repairs since 2018 and have not received any funding. When disasters occur, LPAs need to react to and address safety issues and roadway failures resulting from the state-declared disaster events. The proposed new LTDSA would be an accessible funding source to LPAs eligible for FHWA Emergency Relief Program disaster funding. This funding source would provide a local match for LPAs to increase their agency resiliency. LPAs will be able to quickly and efficiently address weather events that damage their transportation system. Insufficient funds compromise a safe, efficient, and accessible transportation system for all users.

Proposal:

This request proposes a new LTDSA is created for LPAs. Initially, \$3.3 million would be used to reimburse outstanding eligible claims. \$1 million in subsequent years provides matching funds to use the FHWA Emergency Relief program for future disasters. This will help alleviate the burden that LPAs absorbed in their budgets during the COVID-19 global pandemic. Unused funds will remain in the LTDSA for future use and any reimbursements deemed ineligible to this program will be returned to the LTDSA.

Impact on Children and Families:

This change item contributes to a comprehensive transportation system that serves Minnesotans now and into the future. Reliable and efficient communication for state agencies and local law enforcement agencies is essential for safe day-to-day and emergency transportation.

Equity and Inclusion:

MnDOT uses an equity lens framework to evaluate policies, designs, programs, and practices to create the most equitable outcomes possible. MnDOT understands that decisions made by the agency affect people differently and develops measures that advance equity in transportation. Considerations like multimodal access and impact, community and built environment factors, user experience and local context, zero emission vehicle access and use, and workforce inclusion and representation affirm MnDOT's mission and values.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes

☒ No

IT Costs

Not applicable

Results:

This program will be measured with annual account updates and budgetary tracking. MnDOT State Aid for Local Transportation (SALT) office will meet with MnDOT Office of Finance regularly to talk about the status and needs of the account for future biennium budgetary proposals.

If this proposal is unfunded, the traveling public is at risk. LPAs will be left to pay for expensive unplanned events without support. As a result, LPAs will likely be forced to make local budget cuts leading to a less safe, accessible, and efficient transportation system in Minnesota.

Statutory Change(s):

MS 12.221, subdivision 6, clause 3

Transportation

FY 2024-25 Biennial Budget Change Item

Change Item Title: Rail Grade Crossing Safety

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Trunk Highway Fund				
Expenditures	0	0	0	0
Revenues	(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 an increase to the Rail Grade Crossing Safety Account (GCSA) from \$1 million to \$1.75 million in FY24 and to \$2.5 million per year thereafter for rail safety improvements on the Trunk Highway and Local Road system.

Rationale/Background:

This increases funding for the GCSA to respond to increased needs for rail safety improvements on the Trunk Highway and Local Road system. This account is derived from a portion of State Patrol fine revenues. The increase in grade crossing funding would result in an equivalent decrease to the Trunk Highway Fund.

There is a growing need for safety improvements at rail grade crossings. Safety improvements at highway and rail grade crossings ensure that motorists and pedestrians make safe decisions when crossing railroad tracks. Minnesota has over 4,000 railroad-highway grade crossings. Crashes involving a train at these crossings often result in fatalities. Additional funding to GCSA will enable MnDOT to make necessary safety improvements at roadway and rail grade crossings while providing critical support to small communities. Increased funding will also ensure that current rail safety levels will continue to be maintained and improved.

Proposal:

\$750,000 in FY24 and \$1.5 million each year thereafter for necessary safety improvements at roadway and rail grade crossings.

Impact on Children and Families:

This change item does not directly impact the administration's priorities for children and families. However, it does contribute to a safer transportation system that serves Minnesotans now and into the future.

Equity and Inclusion:

MnDOT uses an equity lens framework to evaluate policies, designs, programs, and practices to create the most equitable outcomes possible. MnDOT understands that decisions made by the agency affect people differently and develops measures that advance equity in transportation. Considerations like multimodal access and impact, community and built environment factors, user experience and local context, zero emission vehicle access and use, and workforce inclusion and representation affirm MnDOT's mission and values.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes

☒ No

IT Costs

Not applicable

Results:

This funding will significantly grow the number of small rail grade crossing safety projects that can be programmed and delivered rapidly. This includes sign replacements, crossing closures, roadway enhancements, and signal circuitry upgrades. Effective use of these funds will be measured through increases in rail safety and will be documented to provide before-and-after comparisons.

Statutory Change(s):

Not applicable

Transportation

FY 2024-25 Biennial Budget Change Item

Change Item Title: Aeronautics Systems and Investments

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	15,000	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)	15,000	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$15 million in general funds for significantly delayed system maintenance of critical airport safety systems/equipment and essential airfield technology. When eligible, this will serve as a local match to secure federal funding to replace equipment.

Rationale/Background:

The State of Minnesota owns most Automated Weather Observing Systems (AWOS) equipment. This proposal would replace Vaisala Model VB and Vaisala Model VC AWOS. These systems are out of production and well outside their designed life expectancy. MnDOT has kept these systems functional through purchases from other states that have decommissioned their equipment. They require parts that are rapidly becoming extinct. Deliberate steps must be taken to avoid disruption or suspension of service. An event like a power surge or lightning strike would prohibit repairs. Communities and airports across the state will be greatly impacted without urgent attention.

This proposal would also replace Instrument Landing Systems (ILS). These have been out of production for more than a decade. MnDOT relies on scavenged parts from other systems when repairs are needed. These risks leave Minnesota's weather forecasting technology systems vulnerable and unreliable. These systems are at Minnesota's larger key airports. In many cases they support scheduled airline service. Equipment failure may jeopardize commercial airline services.

Weather stations are required for commercial flights to land and depart. Commercial flights include scheduled passenger air service and other carriers including air medical providers and air freight companies which serve many small communities across our state. Without accurate weather forecasting systems, reliable air service is put at risk. All of Minnesota's state-owned weather stations report into the National Weather Service and play a critical role in providing data for general forecasting. This is essential for state agriculture, construction, outdoor recreation, and other functions. Loss of these stations will have a negative effect on accurate weather predictions for our state.

Proposal:

\$15 million in general funds to replace equipment and the underlying electrical infrastructure required to operate Automated Weather Observing Systems (AWOS). When eligible, this will serve as a local match to secure federal funding to replace equipment. Any unspent funds will be used for other aeronautics capital projects at airports across the state.

Impact on Children and Families:

This change item does not directly impact the administration's priorities for children and families. However, it does contribute to a comprehensive transportation system that serves Minnesotans now and into the future. Weather equipment provides critical, time sensitive information about environmental conditions. Accurate and reliable weather forecasting keeps Minnesotans safe.

Equity and Inclusion:

MnDOT uses an equity lens framework to evaluate policies, designs, programs, and practices to create the most equitable outcomes possible. MnDOT understands that decisions made by the agency affect people differently and develops measures that advance equity in transportation. Considerations like multimodal access and impact, community and built environment factors, user experience and local context, zero emission vehicle access and use, and workforce inclusion and representation affirm MnDOT's mission and values.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes

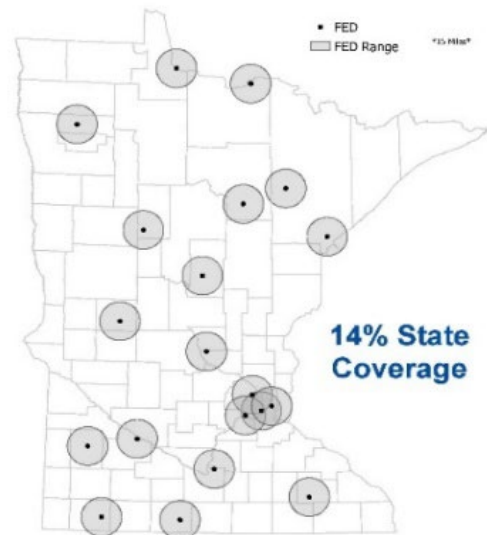
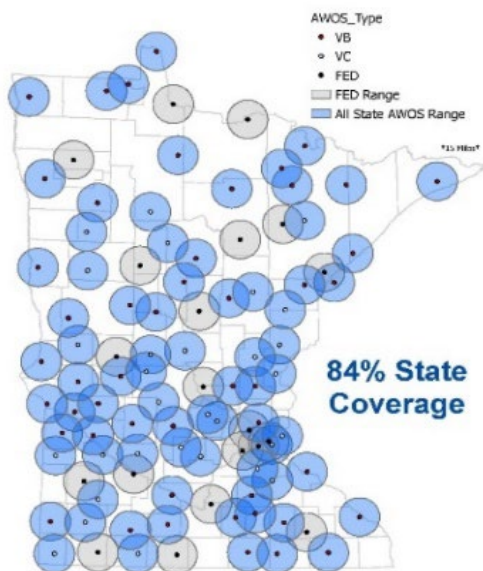
☒ No

IT Costs

Not applicable

Results:

Without AWOS, 70 percent of the local weather information would not be available. This information is critical to supporting all aviation services. Without immediate investment airports from every region of the state can no longer anticipate having accurate local weather information and which means less predictable airport operations. In the graphic below, the map on the left illustrates the state and federal AWOS capability. The map on the right illustrates federal AWOS capability without the state's system.



Statutory Change(s):

Not applicable

Transportation

FY 2024-25 Biennial Budget Change Item

Change Item Title: Tribal Affairs Training Programs

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	1,000	1,000	1,000	1,000
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,000	1,000	1,000	1,000
FTEs	3	3	3	3

Recommendation:

The Governor recommends \$900,000 to establish a skills-based training program for construction in Indian Country and \$100,000 to expand the Tribal-State Relations Training program.

Rationale/Background:

Minnesota is home to 11 reservations, 12 federally recognized sovereign tribal nations, and approximately 120,000 American Indians. Minnesota tribes are amongst the top 20 largest employers in the state. Tribal jurisdiction impacts thousands of acres of land within and well beyond reservation boundaries.

Employees of state agencies are mandated to consult with the tribes on matters of mutual interest yet are often not equipped with the knowledge or tools they need. Expectations vary from one department to another, executive orders change with each administration, and loose definitions of consultation can lead to state-tribal disagreements. The Tribal-State Relations Training program provides training and education for Minnesota state employees about American Indian tribal governments, histories, cultures, and traditions. This program empowers state employees to work effectively with American Indians and promote authentic and respectful relationships between state agencies and American Indian tribes. Expanding the program will allow more state employees to access existing Tribal State Relations Training resources.

MnDOT, in consultation with Tribal Councils, has identified a need for workforce training in Indian Country. A skills-based training program developed specifically for American Indians will have cascading positive benefits for Greater Minnesota. Foremost, it will strengthen the government-to-government relationship between Minnesota state agencies and Tribal nations. The training program will also create career opportunities in construction and transportation at MnDOT and other industry employers. Training programs will be delivered in Indian Country, providing contracts for small businesses in the construction industry to administer the training and creating more skilled candidates for construction jobs.

In May and June of 2022, MnDOT piloted a training series on tribal lands in cement masonry. Partnering with tribal nations, contractors, and cement masons, participants from Leech Lake Band of Ojibwe, Red Lake Nation and Bois Forte Band of Chippewa learned how to build and inspect sidewalks to ensure compliance with the Americans with Disabilities Act (ADA) and to improve tribal land accessibility. Together, they provided contracting and training opportunities for both small businesses and tribal members. The training series, in three stages, facilitated relationship-building among tribal government, tribal members, small business consultants and subcontractors, prime contractors, and MnDOT offices.

Proposal:

The Tribal-State Relations Training program is an existing resource for Minnesota state employees. This program educates state employees about Indian people and governments, creates lasting partnerships, helps build respectful relationships between the State and Tribes, and fosters an enduring commitment by the state to learn about tribal governments. Additional funding will allow for one full-time employee to expand training access and create more e-learning options. This will increase the number of state employees who are able to take advantage of this broadly successful program.

The workforce training program is a new initiative that would complement the work of the Tribal Affairs office of MnDOT. This program will provide direct training to those living in Indian Country on construction skills and certifications. Training that targets these high-demand skills will benefit employers in Greater Minnesota in the construction and transportation industries looking to hire qualified job candidates. They also benefit MnDOT by expanding the skilled hiring pool. Expanded career opportunities are a priority of Tribal leaders across the state. By investing in this priority area, this program will strengthen the government-to-government relationship that MnDOT has a legal duty to uphold with Tribal Nations. There is a reputational benefit to the state of Minnesota as a partner in advancing the well-being of American Indians.

Two additional full-time employees are needed to administer the program. One employee will manage finances, data tracking, and reporting. The other employee will coordinate workforce trainings with 11 Tribal nations, contractors/consultants and other MnDOT specialty offices.

Impact on Children and Families:

This change item bridges an economic opportunity gap for families by providing job training in Indian Country. Access to skills-based training is a step towards financial stability. This proposal is borne directly from consultation with Tribal Nations. It aligns with an expressed desire for access to employment opportunities. This program will focus on in-demand skills and certifications from the construction and transportation industries.

Equity and Inclusion:

This change item addresses inequities for Native Americans in Minnesota through the proposed workforce training program. Created directly through tribal consultation, with extensive coordination to make the program as impactful as possible, MnDOT is confident this program will add immense value. The on-site skills-based training creates employment opportunities by MnDOT or MnDOT contractors. It also provides an entry point for entrepreneurship or to construction and transportation careers with other businesses. Offering trainings on tribal lands maximizes access to those living in Indian Country. It also ensures tribal land is improved during hands-on projects.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☒ Yes

☐ No

The Tribal-State Relations Training program is a well-established resource supporting relationship between Tribes and state agencies. Tribal-State Relations Training was developed by the Tribal-State Advisory Group on American Indian Training and Consultation. The advisory group contains representatives from Minnesota Department of Transportation, Minnesota Housing Finance Agency, Minnesota Department of Human Services, Minnesota Historical Society, Minnesota Indian Affairs Council, University of Minnesota Duluth – American Indian Studies Department, Indian Land Tenure Foundation, Minnesota Humanities Center, Mille Lacs Band of Ojibwe, White Earth Nation, and the American Indian Policy Center. The Tribal-State Relations Training program creates a more

effective consultation process. Improved quality in consultation can lead to stronger partnerships, more reliable communication, and mutually beneficial project plans.

The proposed workforce training program is intended to benefit American Indians across the state. All eleven tribal nations in Minnesota will be invited to participate in these trainings. Training access will lead to more skilled workers in construction and transportation. This is beneficial for the Minnesota Department of Transportation and other employers in the industry. It is anticipated that enhanced career opportunities will also create more financial security and stability in Indian Country. The idea for this program has been prioritized in consultation with elected tribal leaders and developed in coordination with tribal employment officials.

Results:

Tribal State relations Training enrolls an average of 1,250 state employees per fiscal year into the training. A funding increase would allow for more e-learnings. E-learnings are accessible remotely and equip employees and decision makers with the skill and knowledge to work more effectively with Tribal Nations.

Previously, MnDOT administered three workforce trainings with \$120,000 through the Office of Civil Rights. Each tribe recruited up to 16 members per training to participate, with a total attendance of 31 tribal members from Leech Lake, Red Lake, and Bois Forte. During these three and half days, trainees learned to construct and inspect to ADA standards and compliance. Native contractors Hawk Construction, Jim King Construction, and Ed Gehlert Construction learned how to construct to MnDOT’s ADA standard specifications for construction. They put that knowledge into action by making sidewalks and pedestrian ramps ADA compliant. As a result, the program also improved the accessibility of tribal land. Next, trainees toured MnDOT headquarters and additional work areas. Maintenance and construction gave presentations. Trainees learned from Human Resources how to network and apply for jobs. Toward the end of each training, participants were prepared to test for the MnDOT ADA Construction Certificate. To date, trainees have a 100% completion rate. After the concrete training program in Bois Forte, three of the trainees were placed in careers immediately.

Evidence-based Practice	Source of Evidence
Sector based workforce development initiatives: Tribal Affairs Training Program	Sector-based workforce initiatives County Health Rankings & Roadmaps https://www.countyhealthrankings.org/take-action-to-improve-health/what-works-for-health/strategies/sector-based-workforce-initiatives

Statutory Change(s):

Not applicable

Transportation

FY 2024-25 Biennial Budget Change Item

Change Item Title: Twin Cities-Milwaukee-Chicago Rail Corridor

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	1,955	3,360	4,876	4,876
Revenues	0	0	0	0
Other Funds	0	0	0	0
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,955	3,360	4,876	4,876
FTEs	1	1	1	1

Recommendation:

The Governor recommends:

- \$940,000 in FY24 and \$980,000 in FY25 for capital improvements on the corridor due to inflation pressures
- \$893,200 in FY24 and \$2.258 million in FY25 to cover the matching costs of a federal grant, which defrays initial operating costs of the Twin Cities-Milwaukee-Chicago (TCMC) passenger rail line for the first three years of service
- \$122,000 in FY24 and FY25 for staffing for project management and grant administration
- \$4.876 million beginning in FY26 to support Minnesota's portion of the operating cost

Rationale/Background:

MnDOT and WisDOT received a Consolidated Infrastructure and Safety Improvement (CRISI) grant in late 2020 for construction of necessary capacity improvements to accommodate a second daily train between St. Paul and Chicago. For the FY22-23 biennium, the Legislature identified \$10 million for Minnesota's match to the CRISI grant. Due to inflation rates that are exceeding MnDOT forecasts, an increase of the state match is required to construct the capital improvements in Minnesota. Construction will start in FY 2024 and is expected to be completed in FY 2025.

WisDOT and MnDOT also received a federal Restoration and Enhancement (R&E) grant. The grant will provide federal support for the TCMC operating costs for the first 3 years of service while ridership grows. The R&E grant will cover up to a maximum of 90 percent of the net operating costs the first year, 80 percent the second year, and 60 percent the third year. In late 2021, Amtrak reached an agreement with the host railroad, Canadian Pacific Railway, to start the service before the completion of the capital improvements. Service can start shortly after Minnesota funds its share of the operating costs with the funding recommended in this proposal.

Proposal:

- \$1.92 million to supplement the state share of the CRISI grant match for capital construction
- \$3.2 million for the state share of operating costs to match the federal R&E grant in FY2024-25
- \$244,000 in FY24-25 funding for staffing for project management and grant administration
- \$4.876 million annually starting in FY2026 for Minnesota's portion of the operation of the TCMC line

Impact on Children and Families:

This change item contributes to a comprehensive transportation system that serves Minnesotans now and into the future.

Equity and Inclusion:

MnDOT uses an equity lens framework to evaluate policies, designs, programs, and practices to create the most equitable outcomes possible. MnDOT understands that decisions made by the agency affect people differently and develops measures that advance equity in transportation. Considerations like multimodal access and impact, community and built environment factors, user experience and local context, zero emission vehicle access and use, and workforce inclusion and representation affirm MnDOT's mission and values.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes

☒ No

IT Costs

Not applicable

Results:

Without a state match for federal funds, the TCMC corridor will not be operational. The service currently provided on the corridor by Amtrak's Empire Builder long-distance train between Chicago and Seattle/Portland is not able to meet current demand and is often sold-out weeks in advance. As a result, trips are being diverted to the highway system. This is creating additional strain on the highway system. The project will increase mode choice by increasing ridership capacity and offering a more convenient schedule and travel options throughout the day. The new service will also help MnDOT meet its VMT and GHG reduction goals by eliminating hundreds of highway trips per day. The project will also benefit the freight system by increasing rail capacity that will improve the flow of freight rail traffic along the corridor.

Statutory Change(s):

Not applicable

Transportation

FY 2024-25 Biennial Budget Change Item

Change Item Title: Stone Arch Bridge

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	5,000	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)	5,000	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$5 million of general funds to provide the state match for federal funds to repair the Stone Arch Bridge.

Rationale/Background:

The Stone Arch Bridge is an historic structure in the St. Anthony Falls Historic District and is not part of the Trunk Highway system. The bridge is an asset in downtown Minneapolis used frequently by bicycle commuters, pedestrians, and tourists. The substructure condition is currently rated at 4 meaning it is in poor condition and needs repair. Preliminary and final design for the bridge has been underway since 2020 in anticipation of an August 2023 letting. Current funding of \$13 million only addresses underwater repair needs. The construction costs to complete all repairs is estimated up to \$30 million.

Proposal:

\$5 million of one-time funds to match federal funding for the Stone Arch Bridge project. This will allow MnDOT to complete underwater and above water work on the Stone Arch Bridge in one construction project.

With this funding, MnDOT will be able to complete a full repair of the entire structure. This will limit interruption to bridge users to just one project. Not funding this project may result in the loss of public trust as bicycle and pedestrian traffic will be impacted by two or more construction projects in the future. If this proposal goes unfunded, MnDOT will not be able to complete any above water work and the structure will continue to deteriorate. At some point in the future, funding would need to be secured for a second above water project. Construction costs will increase due to additional deterioration and inflation. Program delivery costs will also increase because new assessments would need to occur to quantify the additional deterioration.

Impact on Children and Families:

This change item does not directly impact the administration's priorities for children and families. However, it does contribute to a comprehensive transportation system that serves Minnesotans now and into the future.

Equity and Inclusion:

The Stone Arch Bridge repairs support the Justice40 and equity initiatives by maintaining multimodal facilities to support public health and environmental sustainability. The repairs will ensure that the bridge is useable for years to come.

In addition, MnDOT uses an equity lens framework to evaluate policies, designs, programs, and practices to create the most equitable outcomes possible. MnDOT understands that decisions made by the agency affect people differently and develops measures that advance equity in transportation. Considerations like multimodal access and impact, community and built environment factors, user experience and local context, zero emission vehicle access and use, and workforce inclusion and representation affirm MnDOT's mission and values.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes

☒ No

IT Costs

Not applicable

Results:

Progress will be measured based on the NBI substructure condition rating after construction, which is expected to be rated at 6 (satisfactory condition) or higher.

Statutory Change(s):

Not applicable

Transportation

FY 2024-25 Biennial Budget Change Item

Change Item Title: Weigh Station Program

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	1,000	1,000	1,000	1,000
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,000	1,000	1,000	1,000
FTEs	0	0	0	0

Recommendation:

The Governor recommends a \$1 million in base general funds for the Weigh Station Program to address the highest-ranking needs identified in the Weight Enforcement Investment Plan.

Rationale/Background:

MnDOT builds and maintains facilities operated by the Minnesota State Patrol, Commercial Vehicle Enforcement Division. MnDOT provides funding, offers technical support, and collaborates with the State Patrol and MnDOT districts to keep existing weight enforcement facilities in good working order, improve weigh station technologies, and enhance facility infrastructure.

Weigh stations and related systems are an important part of Minnesota's federally mandated size, weight, and safety enforcement program. They are an essential element of a safe highway system, protecting motorists from unsafe vehicles and unqualified drivers. Weigh stations are a joint effort between MnDOT and the Department of Public Safety, Minnesota State Patrol. DPS Commercial Vehicle Division is the principal entity for commercial vehicle enforcement in the state. DPS operates the weigh stations and conducts majority of the enforcement, while MnDOT is responsible for building and maintaining the stations and enforcement systems.

Tonnage carried by truck in the state continues to grow. In the last 10 years, overall truck tonnage has increased by nearly 25 percent. With this increase and other factors in mind, the Weight Enforcement Investment Plan projected a \$48.5 million funding gap over 10 years. This proposal does not address most of that gap, however, a consistent and predictable budget appropriation for maintenance and repairs will allow for better management of the stations than is currently possible.

Proposal:

Currently the Weigh Station program receives \$3 million of State Road Construction (SRC) funds for capital improvements to Weight Enforcement Facilities. SRC funds cannot be used for maintenance or repair. This proposal is for \$1 million in General Funds for salaries, maintenance, and repairs of weight and safety enforcement systems.

Impact on Children and Families:

This change item does not directly impact the administration's priorities for children and families. However, it does contribute to a comprehensive transportation system that serves Minnesotans now and into the future.

Equity and Inclusion:

MnDOT uses an equity lens framework to evaluate policies, designs, programs, and practices to create the most equitable outcomes possible. MnDOT understands that decisions made by the agency affect people differently and develops measures that advance equity in transportation. Considerations like multimodal access and impact, community and built environment factors, user experience and local context, zero emission vehicle access and use, and workforce inclusion and representation affirm MnDOT's mission and values.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes

☒ No

IT Costs:

Not applicable

Results:

Each year, the Minnesota State Patrol tracks the number of vehicles weighed, the number inspected and the type of inspection. This information is reported annually to the Federal Highway Administration (FHWA) and the Federal Motor Carrier Safety Administration (FMCSA) by both MnDOT and the State Patrol. FMCSA provides guidance on the number of inspections, and the proportion of the types of inspections. FHWA has standards on the number of vehicles weighed and the overall condition of weight and safety enforcement facilities.

The funding requested by this proposal will help MnDOT continue to maintain the systems that support State Patrol's ability to achieve its performance goals concerning the numbers of weighed trucks and inspections performed.

Statutory Change(s):

Not applicable

Transportation

FY 2024-25 Biennial Budget Change Item

Change Item Title: Utility Aircraft Replacement

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	7,000	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)	7,000	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$7 million to replace the two utility aircraft used for transporting MnDOT Aeronautics employees who serve nearly 500 seaplane bases, heliports, and airports in every county of the state.

Rationale/Background:

Two utility aircraft are used by MnDOT employees to bring technicians and replacement parts to airports to minimize the impact of equipment failures on the system of airports in Minnesota. They play a crucial role in serving the state's public airports. The ability for MnDOT to quickly provide technical expertise in any portion of the state is essential to keep Minnesota's aviation systems operational.

Aviation and the associated infrastructure (airports, weather stations, navigational tools, air highways) touch every corner of the state every day. Aviation infrastructure allows time-critical connections to destinations for people, products, and businesses of Minnesota. MnDOT Aeronautics employees enforce state and federal safety standards through inspection and licensure of airports. Air transportation is essential for communities to achieve their social and economic aspirations. MnDOT Aeronautics employees serve more than 133 public-use airports, 125 hospital heliports, 38 public use sea-bases, and many other facilities that serve specific purposes or maintain commercial operators of various types across the state.

Proposal:

MnDOT operates a pair of "pickups in the sky" (Beechcraft Bonanzas 14MN and 16MN) which are due for replacement. High quality maintenance has kept them operating; however, they are increasingly unreliable. The older of the two aircraft is over 40 years old and has more than 9,000 hours on its frame (imagine a 40-year-old pickup with a million miles on the odometer).

MnDOT relies heavily on state-owned and operated utility aircraft to visit the seaplane bases, heliports, and airports across the state in a timely and efficient manner. As the state agency charged with overseeing aviation safety in Minnesota, MnDOT visits airports to monitor their condition and coordinates with airport officials to resolve any urgent concerns that may prevent an airport from operating safely. Minn. Stat. 360.013, Subd. 39 states in part, the "operation and maintenance of airports is an essential public service."

Impact on Children and Families:

This change item does not directly impact the administration's priorities for children and families. However, it does contribute to a comprehensive transportation system that serves Minnesotans now and into the future.

Equity and Inclusion:

MnDOT uses an equity lens framework to evaluate policies, designs, programs, and practices to create the most equitable outcomes possible. MnDOT understands that decisions made by the agency affect people differently and develops measures that advance equity in transportation. Considerations like multimodal access and impact, community and built environment factors, user experience and local context, zero emission vehicle access and use, and workforce inclusion and representation affirm MnDOT's mission and values.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes

☒ No

IT Costs:

Not applicable

Results:

MnDOT conducted 18 airport/heliport inspections in 2021 and has averaged over 25 per year for the last decade. There were 656 commercial operators who were approved to provide for-hire aviation services. Tall tower permits have seen an increase in 2022 up to 87 in 2021 which is still short of the peak at 163 in 2009. Each of these activities requires a review of the location, purpose, and impact on surrounding area and the safety of the public.

Statutory Change(s):

Not applicable

Transportation

FY 2024-25 Biennial Budget Change Item

Change Item Title: Rail Safety Inspectors

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Special Revenue Fund				
Expenditures	300	300	300	300
Revenues	300	300	300	300
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	2	2	2	2

Recommendation:

The Governor recommends assessing the cost of all rail safety inspectors directly to Class I and II railroads.

Rationale/Background:

The State Rail Safety Inspection Program ensures compliance with federal and state safety regulations. Improved compliance will reduce the number of rail accidents resulting in injuries, fatalities, property damage and environmental damage. This includes derailments, grade crossing crashes, and rail worker hazards among others. Identifying defects before they become critical is an important strategy for reducing accidents. This strategy is used by both the rail industry and public rail safety inspection programs.

The State of Minnesota is a member of the State Rail Safety Participation Program administered by the Federal Railroad Administration (FRA), whose function is to support training, certification, and coordination of state and federal rail safety inspectors and to provide independent oversight of the rail industry. Rail inspectors have full access to railroad property and records, and the authority to compel “slow orders” and fixes of documented defects. The public rail inspectors also work to improve compliance with regulations through education and training to the rail industry. Rail inspectors also investigate complaints from rail workers and the public regarding railroad conditions and practices.

Inspectors also conduct inspections in other technical disciplines including operating practices, grade crossing signal systems, and track signal systems. Out-of-compliance facilities and practices often contribute to rail accidents. For example, approximately one-third of all train derailments are due to defective track, one-third due to defective rail cars, and one third due to operating practices.

Proposal:

This proposal clarifies language and allows MnDOT to increase the number of inspectors assessed to Class I and II railroads from 4 to 6. Statute currently provides that the costs of four rail safety inspectors to be assessed directly to Class I and II railroads. In 2021, the legislature appropriated FY22 and FY23 General Funds to hire two additional rail safety inspectors. This proposal would provide a sustainable funding source for these two new positions by allowing their costs to also be assessed to the railroads in future fiscal years. This proposal allows for all six inspectors to be assessed to the railroads. Since the program bills actual costs there is no net impact on the budget.

Impact on Children and Families:

This change item does not directly impact the administration's priorities for children and families. However, it does contribute to a comprehensive transportation system that serves Minnesotans now and into the future.

Equity and Inclusion:

MnDOT uses an equity lens framework to evaluate policies, designs, programs, and practices to create the most equitable outcomes possible. MnDOT understands that decisions made by the agency affect people differently and develops measures that advance equity in transportation. Considerations like multimodal access and impact, community and built environment factors, user experience and local context, zero emission vehicle access and use, and workforce inclusion and representation affirm MnDOT's mission and values.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes

☒ No

IT Costs:

Not applicable

Results:

In 2021, MnDOT state rail inspectors documented 3,516 defects and 35 reports of more serious fineable violation defects.

Statutory Change(s):

Minn. Stat. 219.015

Transportation

FY 2024-25 Biennial Budget Change Item

Change Item Title: Safe Routes to School Appropriation Extension

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
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 an extension to the Safe Routes to School (SRTS) appropriation end date from June 30, 2023 to June 30, 2025.

Rationale/Background:

The legislature appropriated \$6 million in General Funds for SRTS in 2021 1st Special Session, Chapter 5, Article 1, Section 2, Subd 2(c). This chapter also included General Fund appropriations for the Local Road Improvement Program (LRIP), Local Bridge Replacement Program (LBRP), and Active Transportation (AT). Each of these appropriations are available until June 30, 2025, which will allow time to release a solicitation, select projects for awards, and project development. However, the SRTS funds are only available until June 30, 2023. A solicitation for the SRTS funds was held and awards were announced in March 2022. Many SRTS projects have begun and MnDOT anticipates some SRTS projects being constructed in 2023 and 2024.

Proposal:

Extend the SRTS funds to June 30, 2025, which will provide local agencies sufficient time to properly develop the SRTS projects and engage with stakeholders.

Impact on Children and Families:

SRTS programs improve safety, reduce traffic and improve air quality near schools through a multidisciplinary approach that is structured around evaluation, education, encouragement, equity, engagement, and engineering. This proposal expands efforts to ensure children have safe access to school buildings and facilities. Infrastructure improvements (signage, crosswalks, signals, etc.), based on engineering principles, are designed to improve the safety of people walking, bicycling, and driving along school routes. SRTS connects with children, families, school staff and community partners to build creative, equitable, and meaningful engagement opportunities into the program structure.

Equity and Inclusion:

SRTS incorporates equity as a core principle. Equity ensures that SRTS initiatives benefit all demographic groups, with additional attention toward addressing barriers and ensuring safe and healthy outcomes for lower-income students, students of color, and others that face significant disparities. The MnSRTS vision and goals were developed in collaboration with statewide partners during the development of the 2020 [statewide strategic plan \(PDF\)](#) that guides the Safe Routes to School program, with a focus on equity, in Minnesota.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes

☒ No

IT Costs

Not applicable

Results:

SRTS programs improve safety, reduce traffic and improve air quality near schools through a multidisciplinary approach that incorporates equity as a core principle. This proposal will allow local agencies ample time to properly develop the SRTS projects and engage with stakeholders, thereby expanding access to this successful program.

Statutory Change(s):

Not applicable

Transportation

FY 2024-25 Biennial Budget Change Item

Change Item Title: Freight Network Optimization Appropriation Extension

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
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 an extension to the Freight Network Optimization Tool general fund appropriation end date from June 30, 2023, to June 30, 2025.

Rationale/Background:

During the 2021 special session the Minnesota legislature appropriated \$1 million of general fund revenues for the development of the Freight Network Optimization Tool. These funds are available through the end of the biennium. MnDOT has hired a Project Manager to complete this task and is developing a Request for Proposal (RFP) to procure a consulting team to assist in the development of the tool. There is not sufficient time in the current biennium when funding has been appropriated to complete the project.

Proposal:

Extend the period for which general funds appropriated for the development of the Freight Network Optimization Tool can be expended from June 30, 2023 to June 30, 2025.

Impact on Children and Families:

This change item does not directly impact the administration's priorities for children and families. However, it does contribute to a comprehensive transportation system and economy that serves Minnesotans now and into the future.

Equity and Inclusion:

MnDOT uses an equity lens framework to evaluate policies, designs, programs, and practices to create the most equitable outcomes possible. MnDOT understands that decisions made by the agency affect people differently and develops measures that advance equity in transportation. Considerations like multimodal access and impact, community and built environment factors, user experience and local context, zero emission vehicle access and use, and workforce inclusion and representation affirm MnDOT's mission and values.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes

☒ No

IT Costs

Not applicable

Results:

This Freight Network Optimization Tool is being designed to improve the State's ability to make data driven decisions in both transportation planning and economic development. The tool is also being designed to display information on Minnesota's freight network through a visual and dynamic medium.

Statutory Change(s):

No applicable

Transportation

FY 2024-25 Biennial Budget Change Item

Change Item Title: Meteorological Towers Registration Fee

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
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 a revision to Minn. Stat. 360.915 to remove the \$50 fee to register meteorological towers.

Rationale/Background:

MN Statutes 360.915 requires owners of meteorological towers to provide notice to the Commissioner of Transportation 30 days prior to erection of the tower. This alerts pilots to potential obstructions to air navigation. A \$50 fee is also required for registration. There are very few tower notifications each year. This fee costs MnDOT more to collect and process than it receives but the fiscal impact is immaterial. Correspondingly, there is no fiscal impact to this proposal.

Proposal:

Remove the \$50 fee to register meteorological towers. MnDOT believes this may increase compliance with the law which would still include important notification requirements for erecting meteorological towers.

Impact on Children and Families:

This change item does not directly impact the administration's priorities for children and families. However, it does contribute to a comprehensive transportation system that serves Minnesotans now and into the future.

Equity and Inclusion:

MnDOT uses an equity lens framework to evaluate policies, designs, programs, and practices to create the most equitable outcomes possible. MnDOT understands that decisions made by the agency affect people differently and develops measures that advance equity in transportation. Considerations like multimodal access and impact, community and built environment factors, user experience and local context, zero emission vehicle access and use, and workforce inclusion and representation affirm MnDOT's mission and values.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes

☒ No

IT Costs

Not applicable

Results:

MnDOT would collect and disseminate meteorological tower locations more effectively if the registration fee were removed. The amount collected is nominal and the efficiency created will offset the loss of revenue.

Statutory Change(s):

Minn. Stat. 360.915

Transportation

FY 2024-25 Biennial Budget Change Item

Change Item Title: Authority to Charge for Traffic Control

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
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:

This Governor recommends revisions to Minn. Stat. 161.20, subd. 4 to clarify MnDOT's authority to collect and to permit collection of traffic control costs. The amount collected is anticipated to be minimal and would be offset by increased expenditures.

Rationale/Background:

The language of Minn. Stat. 161.20, subd. 4 does not expressly authorize MnDOT to collect MnDOT's costs incurred for traffic control following a crash or similar incident. MnDOT incurs costs for staff time and equipment usage when it performs traffic control. MnDOT has attempted to collect these costs from drivers and drivers' insurers. At other times, drivers and insurers have objected to collection efforts on grounds that Minn. Stat. 161.20, subd. 4 does not authorize such collection. There is a potential impact on any at-fault driver involved in a crash or similar incident when MnDOT provides traffic control.

Proposal:

Revise Minn. Stat. 161.20, subd. 4 to permit MnDOT to collect traffic control costs from at-fault drivers involved in crashes or similar incidents. This proposal has no fiscal impact as it grants MnDOT authority but does not implement a collection policy.

Impact on Children and Families:

This change item does not directly impact the administration's priorities for children and families. However, it does contribute to a comprehensive transportation system that serves Minnesotans now and into the future.

Equity and Inclusion:

MnDOT uses an equity lens framework to evaluate policies, designs, programs, and practices to create the most equitable outcomes possible. MnDOT understands that decisions made by the agency affect people differently and develops measures that advance equity in transportation. Considerations like multimodal access and impact, community and built environment factors, user experience and local context, zero emission vehicle access and use, and workforce inclusion and representation affirm MnDOT's mission and values.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes

☒ No

IT Costs

Not applicable

Results:

MnDOT's library staff contacted departments of transportation in other states seeking information on whether those departments collected charges for traffic control costs. Only a small number of states responded to the request. Of those states responding, Ohio, Wyoming, Washington, and Illinois collect for such costs; and Missouri, Oregon, Texas, and Virginia do not collect. Had this policy been in effect in 2021, MnDOT could have been reimbursed for \$172,000 of damages. In 2020, MnDOT could have been reimbursed for \$113,000 of damages.

Statutory Change(s):

Minn. Stat. § 161.20, subd. 4

Transportation

FY 2024-25 Biennial Budget Change Item

Change Item Title: Sustainable Aviation Fuel Program

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	5,300	2,100	2,100	2,100
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	5,300	2,100	2,100	2,100
FTEs	2.0	1.5	1.5	1.5

Recommendation:

The Governor recommends \$5.3 million in FY 2024 and \$2.1 million in FY 2025 and each year thereafter from the general fund to develop incentives that support pilot-scale production of Sustainable Aviation Fuel (SAF) in Minnesota.

MnDOT will use not more than 6.5% of this appropriation for administration of the grants, loans, and industry outreach.

Rationale/Background:

There is significant federal and private interest in next generation low carbon fuels and fuel intermediaries for the aviation industry. Total global jet fuel demand is estimated to be 230 billion gallons by 2030. In 2020, only 4.5 million gallons of SAF was produced in the US; and by 2050 the US demand for SAF is expected to be 35 billion gallons. As the global aviation sector aims to reduce GHG emissions by 50% (compared to 2005), this presents a huge opportunity to develop SAF supply in Minnesota.

In 2021, MnDOT co-led a stakeholder engagement process around clean fuels that include SAF production, and the agency administers state and federal aviation funding for airports statewide. The 2022 Minnesota Climate Action Framework includes direction for MnDOT to promote lower carbon biofuels as strategy to reduce climate pollution from transportation, the #1 source of GHG emissions in Minnesota and the US.

Minnesota is also a global leader promoting biofuels production and use. It was the first state to mandate ethanol and biodiesel in its fuel supply and has statutory goals for replacing petroleum with biofuels. Minnesota can leverage ambitious goals and demand for SAF from the aviation sector and existing biofuel expertise in the state to create new good paying jobs, revitalize rural communities, and support state agriculture and forestry sectors.

State incentives that support SAF production and complement federal tax credits can attract new SAF facilities and private investment in Minnesota. State investment in SAF production can leverage new federal funding via the Inflation Reduction Act (IRA) and the Department of Energy Sustainable Aviation Fuel Grand Challenge.

SAF is produced from ethanol, butanol, waste oils, and vegetable oils, wood waste, and other biomass. No facilities in Minnesota currently produce commercial-scale SAF. However, Minnesota has attributes desirable to industry when evaluating future invest in SAF including exceptional agricultural productivity and biomass availability, existing biofuel refineries and transportation infrastructure, and stated demand from airlines at the Minneapolis-Saint Paul International Airport.

Proposal:

Provide financial initiatives to support early stage pilot scale funding to help new and existing biofuel producers retool to produce SAF, a critical step towards commercialization to meet the tremendous global demand and encourage long-term investments in SAF are made in Minnesota, and not other Midwestern states. SAF is still a new fuel and this incentive would give Minnesota a timely competitive advantage to meet growing demand for lower carbon fuels.

Pilot-Scale SAF Production Program

The pilot-scale SAF Production Program is modeled after successful state support of the ethanol industry in the late 1980s and early 1990s. This is a competitive program that could provide each awardee a package of incentives including:

1. a low-interest loan up to \$499,999,
2. an equipment grant up to \$199,999, and
3. production incentives (for pilot-scale production volumes) for up to four years of \$1.25 per gallon to match the federal SAF tax credit of \$1.25 per gallon in the IRA.

Eligible entities include, but are not limited to, existing Minnesota biofuel producers looking to develop new SAF production lines and investments in new SAF production facilities here in Minnesota. We assume that five pilot-scale grants will be awarded in FY 2024.

The program would leverage experience administering grant, loan, and incentive programs across state agencies to ensure cost-effective program delivery.

Impact on Children and Families:

MnDOT does not anticipate this proposal having a direct impact on children and families but SAF is a lower carbon biofuel that does reduce climate pollution.

Equity and Inclusion:

MnDOT anticipates this proposal could result in new investment for rural Minnesota communities to be closer to where feedstocks are generated and there is an existing biofuel workforce.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes

☒ No

IT Costs

This is not an IT related proposal.

Results:

Type of Measure	Name of Measure	Current Value	Date	Projected Value (without)	Projected Value (with)	Date
Quantity	# of Pilot-Scale SAF Production grants awarded	0	FY 2023	0	5	FY 2024
Quantity	# Pilot-Scale SAF production facilities operating in Minnesota	0	FY 2023	0	5	FY 2026
Quality	# Pilot-Scale SAF production facilities scaled to commercial production	0	FY 2023	0	5	FY 2028
Results	Gallons of SAF produced in Minnesota	0	FY 2023	0	6.4M gal	FY 2027
Results	CO2 emissions avoided with SAF vs petroleum jet fuel	0	FY 2023	0	- 31,200 MT CO2	FY 2027

Statutory Change(s):

Not applicable

Transportation

FY 2024-25 Biennial Budget Change Item

Change Item Title: Debt Service and Cash Impact for Capital Investments

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	904,609	52,386	90,037	96,454
Revenues	0	0	0	0
Special Revenue Fund				
Expenditures	(1,085)	(1,085)	(1,085)	(1,085)
Revenues	0	0	0	0
Trunk Highway Fund				
Expenditures	13,051	9,290	14,410	15,537
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	916,575	60,591	103,362	110,906
FTEs	10.3	10.3	10.3	4.3

Recommendation:

The Governor recommends \$956.995 million in FY 2024-25 and \$186.491 million in FY2026-27 from the general fund and \$22.341 in FY2024-25 and \$29.947 million in FY 2026-27 from the trunk highway fund to support recommended capital investments for the 2023 Legislative Session. This recommendation also includes a savings to the Special Revenue Fund with an impact of -\$2.17 million in FY 2024-25 and -\$2.17 million in FY 2026-27.

In addition, the Governor is holding the general fund cash required to finance the debt service for \$880 million in general obligation bonds, which is the level assumed in the November 2022 forecast and thus has no fiscal impact compared to forecast levels.

Rationale/Background:

General fund and trunk highway fund cash is required for the debt service and cash impacts of projects included in the Governor's 2023 Capital Budget Recommendations. There is also a special revenue fund impact of savings.

Proposal:

The Governor's 2023 Capital Budget Recommendations will be published on January 26, 2023, in the "Current Capital Budget" section of MMB's capital budget website: <https://mn.gov/mmb/budget/capital-budget/current/>.

Impact on Children and Families:

The Governor's 2023 Capital Budget Recommendations include funding for projects and programs across the state that benefit children and families.

Equity and Inclusion:

The Governor's 2023 Capital Budget Recommendations include funding set aside for projects from community-based organizations that are led by and serve communities of color and American Indians.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes

☒ No

IT Costs

This recommendation does not have an impact on IT costs via MNIT.

Results:

This recommendation invests in a number of projects and programs, each with a unique scope.

Statutory Change(s):

No statutory changes are needed for this change item, which holds the debt service and cash impact of the Governor's 2023 Capital Budget Recommendations.

Transportation

FY 2024-25 Biennial Budget Change Item

Change Item Title: Impact on Transportation Funds for DPS Funding Recommendations

Fiscal Impact (\$000s)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
General Fund					
Expenditures	0	0	0	0	0
Revenues	0	0	0	0	0
Highway User Tax Distribution					
Expenditures (DPS)	106	250	292	292	292
Transfer Out (MnDOT)	(106)	(250)	(292)	(292)	(292)
Trunk Highway					
Expenditures	0	0	0	0	0
Transfer In	(62)	(147)	(172)	(172)	(172)
County State Aid Highway					
Expenditures	(35)	(81)	(95)	(95)	(95)
Transfer In	(35)	(81)	(95)	(95)	(95)
Municipal State Aid Street					
Expenditures	(9)	(21)	(25)	(25)	(25)
Transfer In	(9)	(21)	(25)	(25)	(25)
Net Fiscal Impact = (Expenditures – Revenues)	62	147	172	172	172
FTEs	0	0	0	0	0

Request:

The Governor recommends from the Highway User Tax Distribution (HUTD) an \$106,000 increase in fiscal year 2023 to address a deficiency in the Department of Public Safety (DPS) State Patrol as well as \$542,000 in the 2024-25 biennium and \$584,000 in the 2026-27 biennium for DPS's Maintain Current Service Levels change item.

Rationale/Background:

Per the Minnesota State Constitution, Article XIV and Minnesota Statutes 161.081, transportation tax revenues are deposited in the HUTD Fund. From there, HUTD Fund revenues are allocated to the Trunk Highway (TH), County State Aid Highway (CSAH), and Municipal State Aid Street (MSAS) Funds per a methodology established in the Minnesota State Constitution and Minnesota Statutes. These transfers are allocated after reducing the available revenues for appropriations for Department of Natural Resources. As a result of the proposed HUTD funding increases for DPS, the corresponding transfers to the TH, CSAH, and MSAS Funds would be proportionally reduced by the following percentages:

Fund	Agency	Percentage	Overall Percentage
Trunk Highway	MnDOT	62% of 95%	58.90%
County State Aid Highway	MnDOT	29% of 95% + 5%	32.55%
Municipal State Aid Street	MnDOT	9% of 95%	8.55%

Also, because the funds in CSAH and MSAS are statutorily appropriated, any reductions in transfers also correspondingly reduces expenditures.

Proposal:

The Governor's FY24-25 Biennial Budget recommendation includes a request from DPS for State Patrol Operating Deficiency and to Maintain Current Service Levels. Each of these change items include funds from the HUTD Fund and will correspondingly reduce the available net revenues to transfer to the related transportation funds, as explained above.

Below is a summary of the revenue impacts (in thousands) by fund, year, and change item.

<i>Fund, by Year and Change Item</i>	<i>FY 2023 (State Patrol Operating Deficiency)</i>	<i>FY 2024 (Maintain Current Service Levels)</i>	<i>FY 2025 (Maintain Current Service Levels)</i>	<i>FY 2026 (Maintain Current Service Levels)</i>	<i>FY 2027 (Maintain Current Service Levels)</i>
HUTD	(106)	(250)	(292)	(292)	(292)
TH	(62)	(147)	(172)	(172)	(172)
CSAH	(35)	(81)	(95)	(95)	(95)
MSAS	(9)	(21)	(25)	(25)	(25)

Impact on Children and Families:

See related DPS change items.

Equity and Inclusion:

See related DPS change items.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes

☒ No

IT Costs

See related DPS change items.

Results:

See related DPS change items.

Statutory Change(s):

None.

Program: Multimodal Systems

Activity: Aeronautics

<http://www.dot.state.mn.us/aero/>

AT A GLANCE

- 375+ airports in Minnesota:
 - 133 publicly owned airports that receive state funds
 - 6 privately owned airports for public use
 - 130 privately owned airports for private use
 - 30 key airports capable of supporting business jets, airfreight, and airlines
 - 9 airports which provide scheduled airline service: Minneapolis-St. Paul, Rochester, Duluth, St. Cloud, Brainerd, International Falls, Thief River Falls, Bemidji, and Hibbing
 - 39 seaplane bases and 125 hospital heliports
- General aviation results in \$1.6 billion in annual economic activity and 13,147 jobs (excludes airports operated under Metropolitan Airports Commission)
- More than 70 percent of Minnesota public airports receive Federal Aviation Administration Airport Improvement Program funds
- 55 percent of public airports are owned by a city with a population less than 5,000 people
- 7,000+ Minnesota-registered aircraft
- 12,000+ licensed pilots
- 2,125 unmanned aircraft systems (UAS, commonly known as drones) registered
- 350+ commercial operators provide agricultural spraying, aerial photography, UAS services, flight instruction, aircraft maintenance and emergency response
- Statewide navigational systems maintained by MnDOT include:
 - 21 Instrument Landing Systems (ILS)
 - 6 Very High Frequency Omni-Directional Radio-Range Systems and Distance Measuring Equipment (VOR/DME)
 - 79 automated weather observation stations (AWOS)

PURPOSE & CONTEXT

Aviation and the associated infrastructure (airports, weather stations, navigational tools, air highways) touches every corner of the state every day. Aviation infrastructure allows time-critical connections to destinations for people, products, and businesses of Minnesota. It is a key component of our multimodal transportation system within the state, region, and around the world. From local weather forecasting to critical lifesaving medical services, Minnesotans rely on aviation in unexpected ways.

Passenger travel is just the beginning of how Minnesotans use aviation. Farmers reap benefits from agricultural spraying, increasing crop yields through more efficient fertilizing, and aerial firefighting, mapping, and patrolling of utility lines help protect forested regions. Mail and package deliveries move goods to across Minnesota. Drones provide a cost-effective way to conduct tasks from bridge inspections to search and rescue missions. Emergency response and patient transport services use heliports and runways at hospitals and airfields. Weather data collected by aviation infrastructure is essential for community-specific forecasts. Aviation infrastructure benefits every Minnesotan and is a tool people and businesses rely on.

In addition to being an essential asset, the aviation system is also a significant economic generator. The [Statewide Airport Economic Impact Study](http://www.dot.state.mn.us/airport-economic-study/index.html) (<http://www.dot.state.mn.us/airport-economic-study/index.html>) highlights how

each airport influences the economics of its community from Ada to Worthington. The study includes a detailed analysis for 126 of the 133 publicly owned airports in Minnesota and provides data to validate local airport financial contributions.

SERVICES PROVIDED

As the state aviation agency, MnDOT:

- Enforces state and federal safety standards through inspection and licensure of airports as well as commercial operators.
- Provides training to aircraft mechanics, seaplane pilots, and airport professionals.
- Registers drones and monitors the rapidly exploding development of people movers, unmanned aircraft, and commercial applications of remote technology.
- Collects aircraft registration and aircraft sales taxes to support the State Airport Fund.
- Plans and promotes the statewide system of airports.
- Provides technical resources and expertise to Minnesotans.
- Owns, operates, and maintains a statewide system of weather equipment, navigational equipment, and instrumentation used to keep airspace safe.
- Supports state government in need of efficient and cost-effective travel with passenger aircraft.

MnDOT is the ambassador and messenger for aviation across Minnesota. 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>) benchmarks the state of aviation in Minnesota, establishes the current condition of the airport system, and provides investment guidance by identifying performance gaps, quantifying needs, and promoting efficiency in operations. In fall of 2022, MnDOT will be near completion of the SASP. This is the culmination of a multi-year effort to develop a new vision for aviation and an online dashboard for aviation data.

MnDOT distributes State Airport and Federal Funds to local governments to ensure the maximization of federal monies in support of development, maintenance, and operations of local airports. In a pre-pandemic typical year, MnDOT oversaw the distribution of approximately \$20 million in state funding and \$55 million in federal funding to local communities for construction, maintenance, and operations of local airports. However, federal pandemic programs such as Coronavirus Aid, Relief, and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations (CRRSAA), and American Rescue Plan Act (ARPA), have increased the amount of federal funding MnDOT oversees to more than \$330 million.

RESULTS

MnDOT conducted 18 airport/heliport inspections in 2021 and averages over 25 per year for the last decade. There were 656 commercial operators who were approved to provide for-hire aviation services. Tall tower permits have seen an increase in 2022 up to 87 in 2021 which is still short of the peak at 163 in 2009. Each of these activities requires a review of the location, purpose, and impact on surrounding area and the safety of the public.

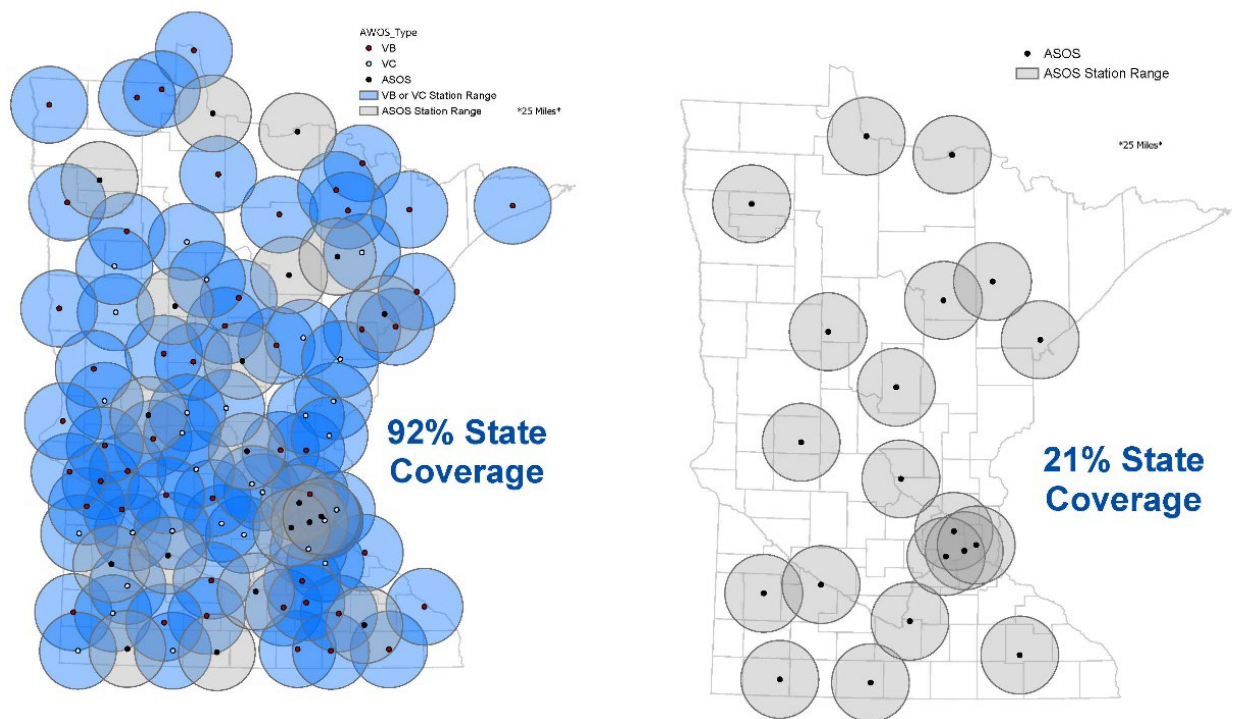
MnDOT is committed to safe operations in aviation and the promotion of careers in the airport community. We strive to leverage the skills and knowledge of professionals who can share best practices and lessons learned. Our staff supports the mission of three major conferences a year.

- Our maintenance conference invites 400 mechanics and vendors to train up to licensure standard every year. The conference allows technicians to comply with their license requirements while learning about new technology that is otherwise more difficult to find.
- The annual three-day seaplane safety seminar brings 150 pilots to central Minnesota for skill-building to hone their safety knowledge and practice.

- The Minnesota Airports Conference provides an annual opportunity for 300 industry and government officials to exchange ideas on funding, trends, airport management, operations, maintenance, and best practices. The program also sponsors year-round activities to highlight careers in the industry.

MnDOT has seen a significant expansion of drones across a multitude of applications. There are now 280 businesses operating drones, 2,125 drones have been properly registered, and MnDOT alone has about 700 mission hours flying drone aircraft. Minnesota statutes require aircraft used in the airspace over Minnesota to be registered with MnDOT.

Navigational Aids (Nav Aids) and Automated Weather Observing Systems (AWOS) may be the most impactful component of the aviation system to the everyday lives of Minnesotans. The 450 Nav Aids and 80 AWOS are the backbone of the system and have impacts well beyond aviation. In addition to providing the tools required to take off, fly and land, they allow weather forecasting in local communities. The figure on the left shows the coverage of both state and federal AWOS, and the image on the right shows just the federal AWOS coverage.



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 FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25

Expenditures by Fund

1000 - General			2,616	6,284	1,650	1,650	55,007	3,841
2000 - Restrict Misc Special Revenue		26						
2700 - Trunk Highway	1,039	1,164						
2720 - State Airports	21,565	33,199	31,672	27,898	25,368	25,368	25,368	25,368
2721 - Hanger Loan Revolving	1,126	674	1,620					
2722 - Air Transportation Revolving	1,197	781	788	891	891	891	891	891
3000 - Federal	58,425	220,849	167,270	1,067,292	485,000	475,000	485,000	475,000
Total	83,351	256,693	203,967	1,102,365	512,909	502,909	566,266	505,100
Biennial Change				966,288		(290,514)		(234,966)
Biennial % Change				284		(22)		(18)
Governor's Change from Base								55,548
Governor's % Change from Base								5

Expenditures by Category

Compensation	4,258	4,306	4,458	4,692	4,786	4,867	5,068	5,118
Operating Expenses	5,139	9,110	6,113	8,472	6,889	6,823	6,929	6,858
Grants, Aids and Subsidies	73,201	241,774	192,425	1,088,485	500,601	490,586	546,636	492,491
Capital Outlay-Real Property	753	1,413	968	585	585	585	7,585	585
Other Financial Transaction	0	90	2	131	48	48	48	48
Total	83,351	256,693	203,967	1,102,365	512,909	502,909	566,266	505,100

Full-Time Equivalents

38.75	38.02	38.69	39.15	39.15	39.15	41.15	40.65
--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

Aeronautics

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
1000 - General								
Balance Forward In				4,634				
Direct Appropriation			7,250	1,650	1,650	1,650	55,007	3,841
Balance Forward Out			4,634					
Expenditures			2,616	6,284	1,650	1,650	55,007	3,841
Biennial Change in Expenditures				8,900		(5,600)		49,948
Biennial % Change in Expenditures						(63)		561
Governor's Change from Base								55,548
Governor's % Change from Base								1,683
Full-Time Equivalents			4.24	4.70	4.70	4.70	6.70	6.20

2000 - Restrict Misc Special Revenue

Receipts	26							
Expenditures	26							
Biennial Change in Expenditures				(26)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

2700 - Trunk Highway

Balance Forward In		596						
Direct Appropriation	1,635	1,650						
Transfers Out		1,000						
Cancellations		82						
Balance Forward Out	596							
Expenditures	1,039	1,164						
Biennial Change in Expenditures				(2,203)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	4.13	3.61	0.25	0.25	0.25	0.25	0.25	0.25

2720 - State Airports

Balance Forward In	7,321	15,167	12,343	6,031	3,501	3,501	3,501	3,501
--------------------	-------	--------	--------	-------	-------	-------	-------	-------

Aeronautics

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
Direct Appropriation	25,332	28,832	25,360	25,368	25,368	25,368	25,368	25,368
Transfers In		1,250						
Transfers Out		1,950						
Cancellations		194						
Balance Forward Out	11,088	9,905	6,031	3,501	3,501	3,501	3,501	3,501
Expenditures	21,565	33,199	31,672	27,898	25,368	25,368	25,368	25,368
Biennial Change in Expenditures				4,807		(8,834)		(8,834)
Biennial % Change in Expenditures				9		(15)		(15)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	34.62	34.41	34.20	34.20	34.20	34.20	34.20	34.20

2721 - Hanger Loan Revolving

Balance Forward In	2,311	1,572	2,320	972	1,272	1,572	1,272	1,572
Net Loan Activity	387	296	272	300	300	300	300	300
Balance Forward Out	1,572	1,195	972	1,272	1,572	1,872	1,572	1,872
Expenditures	1,126	674	1,620					
Biennial Change in Expenditures				(179)		(1,620)		(1,620)
Biennial % Change in Expenditures				(10)				
Governor's Change from Base								0
Governor's % Change from Base								

2722 - Air Transportation Revolving

Balance Forward In	1,136	740	1,017	1,323	1,534	1,745	1,534	1,745
Receipts	742	1,052	1,094	1,102	1,102	1,102	1,102	1,102
Balance Forward Out	681	1,010	1,323	1,534	1,745	1,956	1,745	1,956
Expenditures	1,197	781	788	891	891	891	891	891
Biennial Change in Expenditures				(298)		103		103
Biennial % Change in Expenditures				(15)		6		6
Governor's Change from Base								0
Governor's % Change from Base								0

3000 - Federal

Aeronautics

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
Receipts	58,425	220,849	167,270	1,067,292	485,000	475,000	485,000	475,000
Expenditures	58,425	220,849	167,270	1,067,292	485,000	475,000	485,000	475,000
Biennial Change in Expenditures				955,289		(274,562)		(274,562)
Biennial % Change in Expenditures				342		(22)		(22)
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Multimodal Systems

Activity: Transit and Active Transportation

<http://www.dot.state.mn.us/transit/>

<http://www.dot.state.mn.us/saferoutes/index.html>

<http://www.dot.state.mn.us/bike/>

<http://www.dot.state.mn.us/peds/>

AT A GLANCE

- All 80 counties in Greater Minnesota served by public transit
- 34 Greater Minnesota public bus systems funded in FY21, providing approximately 6.2 million rides
- 147 wheelchair-accessible buses funded for public and nonprofit-run systems in FY21
- 14 mobility management grants statewide funded in FY21
- Finalized and began implementing the 2020 Safe Routes to School Strategic Plan, centered in equity in FY21
- Established program criteria and began implementation of the Active Transportation Program in FY21

PURPOSE & CONTEXT

MnDOT's 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 make the transportation system safer, easier, and more accessible to increase the use of transit, bicycling, and walking as a percentage of all trips statewide. MnDOT works closely with the Metropolitan Council on the planning, development, design, and construction of major transit projects in the Twin Cities seven-county 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 and bicycle infrastructure.

SERVICES PROVIDED

Transit Planning and Grants

MnDOT provides grants (with funds from the Federal Transit Authority, state general funds, and motor vehicle leasing/sales taxes), 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>), including state and federal funding to support intercity bus transportation service to non-urbanized communities within Minnesota.
- Eight [Regional Transportation Coordinating Councils](http://www.dot.state.mn.us/transit/grants/RTCC/index.html) (<http://www.dot.state.mn.us/transit/grants/RTCC/index.html>) for Greater Minnesota, which coordinate transportation providers, service agents, and the private sector to fill transportation gaps, streamline access to transportation, and provide individuals more options of where and when to travel.

- Six [Transportation Coordination Assistance Programs](https://coordinatemntransit.org/regional/organizations) (<https://coordinatemntransit.org/regional/organizations>) for the seven-county Twin Cities Metro area coordinate transportation providers, service agents, and the private sector to fill transportation gaps, streamline access to transportation, and provide individuals more options of where and when to travel.

Active Transportation Planning and Grants

MnDOT walking and bicycling services and programs (with funds from the Federal Highway Administration and state general funds) include:

- Planning for bicycle and pedestrian infrastructure and programs that promote bicycling as an energy-efficient and healthy transportation alternative. The Statewide Bicycle System Plan and district bicycle plans outline the vision and goals for bicycle transportation (<http://www.dot.state.mn.us/bike/planning-research.html>). This activity also funds Safe Routes to School plans that support local teams in setting goals and strategies that make it safer, easier, and more accessible to walk and bike to school.
- Assist communities in planning for and constructing Active Transportation facilities through MnDOT's [Active Transportation](#) and [Safe Routes to School \(SRTS\) Program](#). OTAT leads the non-infrastructure elements of these programs, providing services and technical assistance.
- Creating guidance to implement bicycle facilities with the MnDOT Bicycle Facility Design Guide (<http://www.dot.state.mn.us/bike/bicycle-facility-design-manual.html>).
- Delivering Active Transportation and Safe Routes to School programs that encourage walking and bicycling on the transportation network (e.g., Let's Move Safely Together, State Bicycle Map, [Minnesota Walks Plan](#) (<http://www.dot.state.mn.us/peds/plan/>), Walk!Bike!Fun! safety curriculum, and [Minnesota SRTS Resource Center](#) (<https://www.dot.state.mn.us/mnsaferoutes/>)).
- Creating a [Statewide Pedestrian System Plan](#) that identifies goals and strategies for creating spaces that are safe and convenient for people walking. This includes opportunities to implement pedestrian safety countermeasures and scoping projects with pedestrian needs.
- Coordinating the statewide [Non-Motorized Traffic Monitoring Program](#) (<https://www.dot.state.mn.us/bike-ped-counting/index.html>).
- Created the "[Demonstration Project Implementation Guide](#)" to develop, implement, and evaluate demonstration projects as a way to build support for safer walking and bicycling facilities on MnDOT trunk highways, state aid roadways, or local roads. Giving communities a road map [to "test out" new infrastructure solutions](#) for improving walking and bicycling before committing to a project and allocating funding.
- Conduct solicitations, award grant funding, and manage contracts for communities that support Active Transportation and SRTS planning, demonstration projects, and other Active Transportation and SRTS strategies.
- Providing strategic direction for the MnDOT-owned 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 behalf of MnDOT.

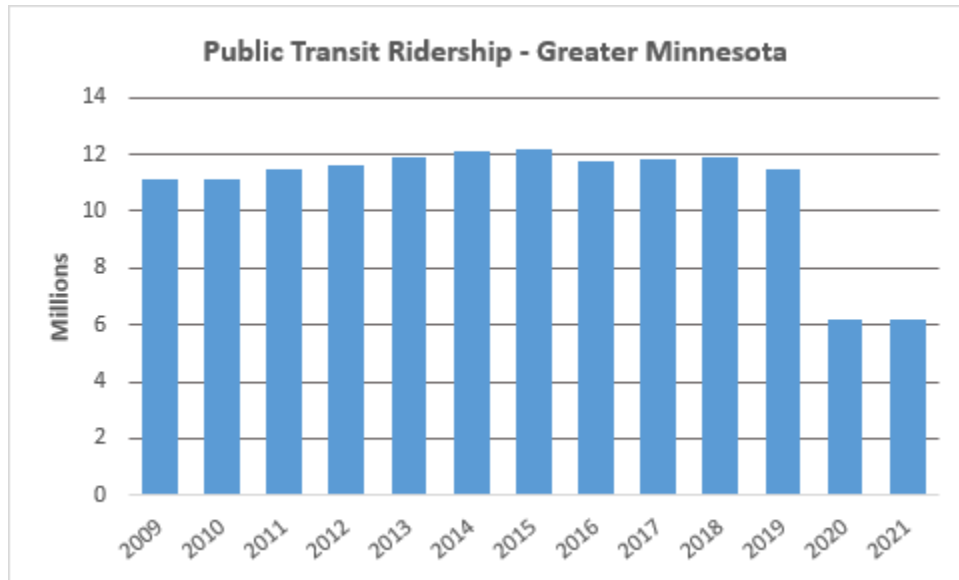
Light and Commuter Rail

MnDOT assists the Metropolitan Council with planning, design, and construction of light rail transit and commuter rail. This includes 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 34 public transit systems serving at least a portion of all 80 counties in Greater Minnesota, delivering 6.23 million rides in 2020 and 6.17 million rides in 2021.



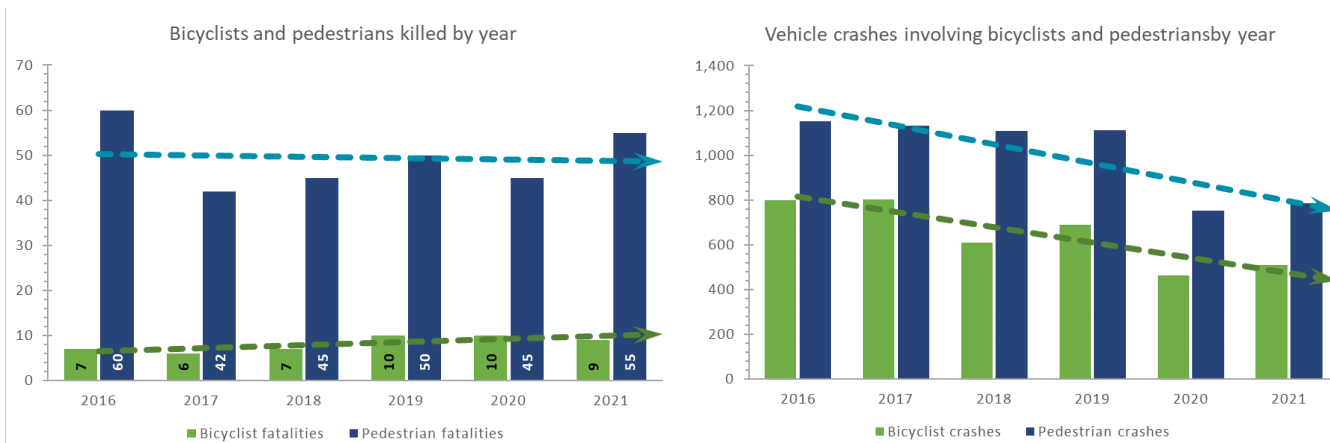
[Minnesota Statute 174.24](https://www.revisor.mn.gov/statutes/cite/174.24) (<https://www.revisor.mn.gov/statutes/cite/174.24>) requires MnDOT to develop a transit investment plan that contains a goal of meeting at least 90 percent of total transit service needs in Greater Minnesota by 2025. Between 2010-2015 public transit ridership increased approximately 10-15 percent. Ridership plateaued from 2016-2019 to approximately 11.5 million rides annually. In 2020-2021, during the COVID-19 pandemic, Greater Minnesota ridership dropped almost 45 percent, to 6.2 million each year. Since the last half of 2021 and into 2022, ridership continues to increase. The strongest ridership return is rural Greater Minnesota public transit systems, while the small urban public transit systems are slower to return to pre-pandemic numbers. The challenge facing public transit in Greater Minnesota is in assisting transit partners in navigating how the landscape has changed and will continue to evolve post pandemic.

Active Transportations Programs

In 2022, Minnesota was named the fifth most bike-friendly state in the United States by the League of American Cyclists. The number of people walking and biking has remained steady over the past several years, along with the number of people killed while walking and biking. Fatalities have remained relatively constant despite the overall number of vehicle crashes involving people walking and biking decreasing in recent years.

MnDOT has completed a Statewide Pedestrian System Plan, which demonstrates the importance of pedestrian networks to the transportation system, prioritizes investments, and develops policy and implementation guidance to create walkable communities that are safe, convenient, and desirable for all. After completion of the Statewide Bicycle System Plan, MnDOT developed a Bicycle Facility Design Manual

(<http://www.dot.state.mn.us/bike/bicycle-facility-design-manual.html>) to support implementation of context-appropriate bicycle facilities within MnDOT right-of-way. To continue tracking how and where people walk and bike, MnDOT staff and partners created the Strategic Plan for Counting People Walking and Bicycling (<http://www.dot.state.mn.us/bike/documents/planning-research/strategic-plan.pdf>).



Since 2005, MnDOT has awarded more than \$55 million to Minnesota communities for Safe Routes to School (SRTS) projects. These projects have reached nearly 2,000 schools. In FY 2021 and 2022, the MnDOT SRTS program continues to offer statewide programs and grants for local projects including Safe Routes to School planning assistance, curriculum implementation, bike fleets, demonstration projects, local coordinators, infrastructure, and mini-grants.

These priorities are identified and implemented with ongoing feedback from the statewide SRTS Steering Committee, the SRTS State Network, and regional and local partners. Additional funding from the Federal Highway Administration for SRTS projects made the expansion of these programs possible through state FY22. Minnesota's SRTS program adopted a new strategic plan in 2020 with a refined vision and goals, strategies, action steps and performance measures to expand, strengthen and monitor the Minnesota SRTS program. This plan guides SRTS practitioners and partners in building a stronger, more equitable SRTS program at the local, regional, and state levels.

The legal authority for Transit and Active Transportation activity comes from:

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

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

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

Active Transportation Program, M.S. 174.38 (<https://www.revisor.mn.gov/statutes/cite/174.38>)

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

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

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>)

Transit and Active Transportation

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25

Expenditures by Fund

1000 - General	17,588	18,757	17,813	29,880	18,701	18,701	86,778	18,824
1050 - Transit Assistance	71,192	64,265	83,551	80,357	63,857	63,857	63,857	63,857
2000 - Restrict Misc Special Revenue	38,640	13,115	26,422	18,063	16,863	16,937	16,863	16,937
2001 - Other Misc Special Revenue	24		50	26	26	26	26	26
2700 - Trunk Highway	864	971						
3000 - Federal	26,643	46,424	45,351	125,226	141,301	95,127	141,301	95,127
3010 - Coronavirus Relief		600						
Total	154,950	144,133	173,187	253,552	240,748	194,648	308,825	194,771
Biennial Change				127,656		8,657		76,857
Biennial % Change				43		2		18
Governor's Change from Base								68,200
Governor's % Change from Base								16

Expenditures by Category

Compensation	6,328	6,680	6,881	7,341	5,539	5,523	5,614	5,643
Operating Expenses	39,174	13,407	26,637	40,855	31,869	31,228	31,871	31,231
Grants, Aids and Subsidies	109,090	123,681	138,674	188,994	186,978	141,535	254,978	141,535
Capital Outlay-Real Property		6	637	16,000	16,000	16,000	16,000	16,000
Other Financial Transaction	358	358	358	362	362	362	362	362
Total	154,950	144,133	173,187	253,552	240,748	194,648	308,825	194,771

Full-Time Equivalents

55.81	58.06	59.10	58.75	42.07	41.19	42.07	41.19
--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

Transit and Active Transportation

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
1000 - General								
Balance Forward In		1,111		11,187				
Direct Appropriation	18,399	17,749	29,001	18,701	18,701	18,701	86,778	18,824
Transfers In	650	449	1,501	1,401	1,384	1,391	1,384	1,391
Transfers Out	650	449	1,501	1,409	1,384	1,391	1,384	1,391
Cancellations		103						
Balance Forward Out	811		11,188					
Expenditures	17,588	18,757	17,813	29,880	18,701	18,701	86,778	18,824
Biennial Change in Expenditures			11,348		(10,291)		57,909	
Biennial % Change in Expenditures			31		(22)		121	
Governor's Change from Base							68,200	
Governor's % Change from Base							182	
Full-Time Equivalents	4.38	3.90	9.80	9.80	9.80	9.80	9.80	9.80

1050 - Transit Assistance

Balance Forward In	51,401	48,741	60,737	42,569	26,306	25,038	26,306	25,038
Receipts	65,106	69,179	65,397	64,107	62,602	62,624	62,602	62,624
Transfers In	416	416	416	685	540	540	540	540
Transfers Out	423	424	429	698	553	553	553	553
Balance Forward Out	45,308	53,647	42,569	26,306	25,038	23,792	25,038	23,792
Expenditures	71,192	64,265	83,551	80,357	63,857	63,857	63,857	63,857
Biennial Change in Expenditures				28,451		(36,194)		(36,194)
Biennial % Change in Expenditures				21		(22)		(22)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	3.56	3.41	3.70	3.70	3.70	3.70	3.70	3.70

2000 - Restrict Misc Special Revenue

Balance Forward In	25,517	26,743	19,175	4,594	4,714	5,368	4,714	5,368
Receipts	15,948	5,522	11,842	18,183	17,517	17,517	17,517	17,517
Balance Forward Out	2,825	19,150	4,595	4,714	5,368	5,948	5,368	5,948
Expenditures	38,640	13,115	26,422	18,063	16,863	16,937	16,863	16,937
Biennial Change in Expenditures				(7,270)		(10,685)		(10,685)
Biennial % Change in Expenditures				(14)		(24)		(24)

Transit and Active Transportation

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	16.27	15.34	12.88	12.88	12.88	12.88	12.88	12.88

2001 - Other Misc Special Revenue

Balance Forward In			25					
Receipts	24	25	25	26	26	26	26	26
Balance Forward Out		25						
Expenditures	24		50	26	26	26	26	26
Biennial Change in Expenditures				52		(24)		(24)
Biennial % Change in Expenditures						(32)		(32)
Governor's Change from Base								0
Governor's % Change from Base								0

2700 - Trunk Highway

Balance Forward In		39						
Direct Appropriation	902	932						
Transfers In		20						
Cancellations		20						
Balance Forward Out	38							
Expenditures	864	971						
Biennial Change in Expenditures				(1,835)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	7.41	7.15	0.48					

3000 - Federal

Balance Forward In	657	321	213	493				
Receipts	26,181	46,317	45,631	124,733	141,301	95,127	141,301	95,127
Internal Billing Receipts	347	426	506	340	89	68	89	68
Transfers Out		20						
Balance Forward Out	195	195	493					

Transit and Active Transportation

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
Expenditures	26,643	46,424	45,351	125,226	141,301	95,127	141,301	95,127
Biennial Change in Expenditures				97,510		65,851		65,851
Biennial % Change in Expenditures				133		39		39
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	24.19	28.26	32.24	32.37	15.69	14.81	15.69	14.81

3010 - Coronavirus Relief

Direct Appropriation	600			
Expenditures	600			
Biennial Change in Expenditures			(600)	0
Biennial % Change in Expenditures				
Governor's Change from Base				0
Governor's % Change from Base				

Program: Multimodal Systems
Activity: Freight and Rail Safety

www.dot.state.mn.us/cvo

www.dot.state.mn.us/ofrw

AT A GLANCE

- \$1 million in state-funded Port Development Assistance Program grants
- \$100 million in federally funded Minnesota Highway Freight Program construction projects
- \$7 million in federal funds for 17 highway/rail grade crossing safety improvements, 22 outdated equipment replacements, and 18 preliminary engineering agreements
- Trunk Highway coordination on over \$400 million of Minnesota roadway projects involving a railroad
- \$4 million in state-funded Rail Service Improvement grants for seven freight rail infrastructure projects
- \$2 million in improvements to weigh stations and weight enforcement facilities
- 883 business operating credentials issued to for-hire limousine operators, Special Transportation Service (STS) transporters, general freight carriers, household goods movers, and large building movers
- 15,367 interstate motor carriers, brokers, and freight forwarders registered in the Unified Carrier Registration Program (UCR)
- 3,405 vehicle safety inspections on STS providers, for-hire limousine operators, and MN motor carriers
- 912 safety audits on new and existing interstate freight and passenger carrier operations
- 475 medical waivers issued to intrastate Commercial Motor Vehicle (CMV) drivers
- 80,917 permits issued to move over-sized or overweight loads

PURPOSE & CONTEXT

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

- Confirming railroad companies' compliance with state and federal safety standards
- Developing statewide and district freight plans that address mobility bottlenecks and safety gaps
- Improving public safety at highway-rail grade crossings by advancing infrastructure improvements
- Training on regulations and technical assistance
- Identifying and prioritizing freight infrastructure improvement projects
- Enforcing laws and rules governing motor carriers and other transportation service providers
- Auditing freight carriers and passenger services for sound transportation safety management practices
- Implementing improvements to weigh stations

MnDOT programs enhance Minnesota's freight mobility, safety, and economic competitiveness by improving access to regional, national, and global markets through the safe and efficient transportation of goods and people. MnDOT plans and invests in all the ways people and goods move throughout Minnesota—individually for each mode and collectively as a multimodal system. MnDOT helps build and maintain the infrastructure that supports our economy and local communities. To ensure all Minnesotans thrive now and into the future, MnDOT understands business-specific transportation requirements and identifies opportunities to provide a more responsive transportation system.

SERVICES PROVIDED

Oversize and Overweight Load Permits: Issue permits for trucks moving over-legal sized or overweight loads on MnDOT roads and assign routes that are suitable to protect road infrastructure and ensure traveler safety.

Operating Credentials: Register and license freight operators and passenger service providers. These include interstate and intrastate property carriers, household goods movers, building/house movers, Motor Carrier of Passenger (e.g., motor coaches), for-hire limousine services, Special Transportation Services (STS) for the elderly and disabled, and Non-Emergency Medical Transportation (NEMT).

Safety Audits, Complaint Investigations, and Vehicle Inspections: Conduct audits (annual and random) on property carriers and passenger services to ensure companies have properly qualified drivers, safe operating vehicles, and are operating and maintaining records as required by statutes, laws, and rules. MnDOT investigates complaints about unsafe equipment or improper operating practices by these companies.

Hazardous Materials Incident Response: Assist local authorities, when requested, by providing technical guidance to first responders when a commercial vehicle incident happens involving hazardous materials.

Commercial Driver Medical Waiver: Within the guidelines provided by Minnesota statute, determine whether to approve a waiver for a person who has a physical impairment that would otherwise disqualify them from driving a commercial motor vehicle. This program is not the Minnesota Department of Public Safety driver waiver program.

Technical Assistance, Training, and Outreach: Conduct presentations and outreach sessions, and provide technical guidance, on federal and state laws, rules, and regulations that govern motor carriers related to the safe transportation of people and goods.

Truck Weigh Stations: Build and maintain facilities operated by the Minnesota State Patrol's Commercial Vehicle Enforcement Division. MnDOT provides funding, technical support, and collaboration with the State Patrol and MnDOT districts in maintaining and improving weigh station technologies and facilities infrastructure.

Rail Safety Inspection Program: Inspect rail track, rail cars, locomotives, and hazardous materials shipments to ensure railroad compliance with federal and state safety standards.

Rail Crossing Safety Program: Monitor the safety performance of more than 4,100 rail grade crossings along Minnesota's public road system. Develop and implement MnDOT's Railroad Highway Grade Crossing Safety Improvement Program, a risk-based assessment used to identify at-risk crossing locations.

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

Minnesota Highway Freight Program (MHFP): Identify and secure funding opportunities for eligible statewide highway and intermodal construction projects that provide measurable freight transportation benefits.

Port Development Assistance Program (PDAP): Provide port infrastructure grants to promote effective freight movement through Great Lakes and Mississippi River port terminals.

Minnesota Rail Service Improvement Program (MRSI): Provide grants for freight rail economic development projects and loans for infrastructure that improve freight rail service.

Passenger Rail: Partner with local governments, regional rail authorities, neighboring state DOT's, community groups, and advocates to identify and prioritize passenger rail corridors for development, and deliver passenger rail services that are federally compliant, environmentally friendly, and sustainable.

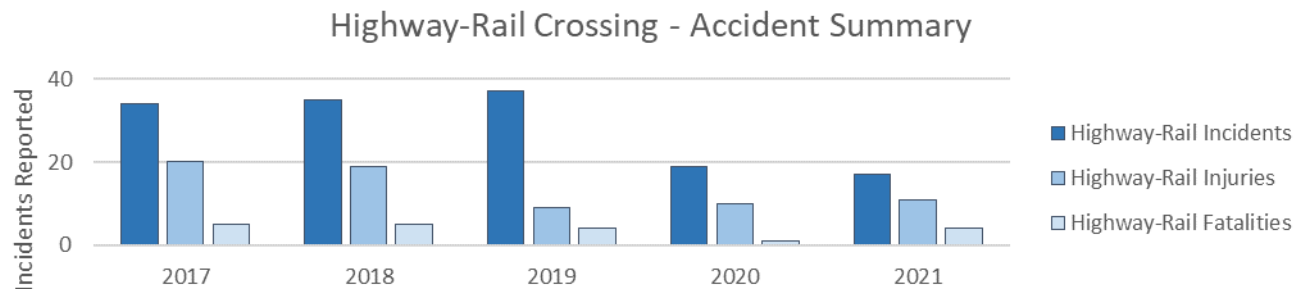
Minnesota Freight Advisory Committee (MFAC): Provide a forum for the exchange of ideas and address issues between MnDOT and the private sector to develop and promote a safe, reliable, and sustainable freight transportation system in Minnesota.

State Interagency Rail Group and State Rail Director: The Rail Director leads the State Interagency Rail Group that elevates coordination and partnership between the state and the railroads to actively promote safety and reduce risks and to ensure efficient movement of goods to support Minnesota’s economy while minimizing the impacts of those operations to our local communities.

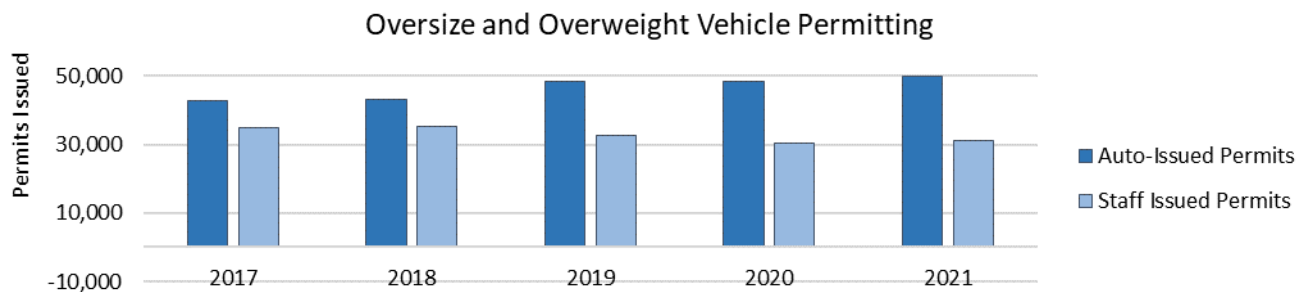
RESULTS

Rail Crossing Safety Program: Through improvements in infrastructure and public education, grade crossing incidents have substantially declined. Approximately one-third of Minnesota’s 4,100 public road grade crossings have gates and/or flashing lights.

Highway Rail Crossing Accident Summary, including rail incidents, injuries, and fatalities between 2017-2021



Oversize and Overweight Vehicle Permitting: Customer use of MnDOT’s online oversize/overweight permitting system generally increases each year. A new system replacement, Minnesota SUPERLOAD, rolled into production March 2022. Since rollout, the numbers for auto-issued permits have been trending upward.



Motor Carrier Credentialing, Vehicle Inspections, Safety Reviews: [M.S. 174.29](#), [174.30](#); MN Rules, Chapters [8840](#), [8880](#); and [M.S. 221](#)

Special Permits to Exceed Legal Size and Weight: [M.S. 169.86](#)

Port Development Assistance Program: [M.S. 457A](#)

Minnesota Rail Service Improvement (MRSI) Program and Rail Bank Program: [M.S. 222](#)

Railroad Safety: [M.S. 219](#)

Passenger Rail: [M.S. 174.632](#)

Freight and Rail Safety

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	2,229	1,471	1,692	13,947	1,945	1,945	10,051	6,547
2000 - Restrict Misc Special Revenue	1,855	1,278	2,225	27,999	9,133	2,185	9,883	3,685
2001 - Other Misc Special Revenue	41	99	63	111			300	300
2700 - Trunk Highway	5,438	5,217	5,222	6,830	6,041	6,041	11,530	6,829
3000 - Federal	4,776	5,170	11,135	119,954	20,262	22,991	20,262	22,991
Total	14,340	13,234	20,336	168,841	37,381	33,162	52,026	40,352
Biennial Change				161,603		(118,634)		(96,799)
Biennial % Change				586		(63)		(51)
Governor's Change from Base								21,835
Governor's % Change from Base								31

Expenditures by Category

Compensation	7,835	7,866	8,056	23,989	14,978	8,603	16,034	10,049
Operating Expenses	1,633	1,887	2,000	112,658	13,307	15,014	14,313	16,020
Grants, Aids and Subsidies	192		4,500	24,634	1,797	2,246	3,630	5,484
Capital Outlay-Real Property	4,647	3,476	5,748	7,523	7,262	7,262	18,012	8,762
Other Financial Transaction	34	6	32	37	37	37	37	37
Total	14,340	13,234	20,336	168,841	37,381	33,162	52,026	40,352

Full-Time Equivalents

78.35	76.29	74.93	75.49	75.21	75.03	78.21	78.03
--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

Freight and Rail Safety

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
1000 - General								
Balance Forward In	1,404	1,123	875	12,054				
Direct Appropriation	1,729	1,569	19,464	8,445	1,945	1,945	10,051	6,547
Transfers In	717	881						
Transfers Out	764	939	6,593	6,552				
Cancellations		292						
Balance Forward Out	857	872	12,054					
Expenditures	2,229	1,471	1,692	13,947	1,945	1,945	10,051	6,547
Biennial Change in Expenditures				11,939		(11,749)		959
Biennial % Change in Expenditures				323		(75)		6
Governor's Change from Base								12,708
Governor's % Change from Base								327
Full-Time Equivalents	9.81	9.63	10.45	13.04	11.89	11.76	12.89	12.76

2000 - Restrict Misc Special Revenue

Balance Forward In	6,924	7,189	7,766	13,343	1,477	1,477	1,477	1,477
Receipts	1,541	1,130	1,360	9,133	9,133	2,185	9,883	3,685
Transfers In			6,500	6,500				
Net Loan Activity	296	173	(57)	500				
Balance Forward Out	6,906	7,213	13,343	1,477	1,477	1,477	1,477	1,477
Expenditures	1,855	1,278	2,225	27,999	9,133	2,185	9,883	3,685
Biennial Change in Expenditures				27,090		(18,906)		(16,656)
Biennial % Change in Expenditures				865		(63)		(55)
Governor's Change from Base								2,250
Governor's % Change from Base								20
Full-Time Equivalents	5.52	5.73	5.93	5.93	5.93	5.93	5.93	5.93

2001 - Other Misc Special Revenue

Balance Forward In	250	271	174	111				
Receipts	63						300	300
Balance Forward Out	271	173	111					
Expenditures	41	99	63	111			300	300
Biennial Change in Expenditures				34		(174)		426
Biennial % Change in Expenditures				24		(100)		245

Freight and Rail Safety

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
Governor's Change from Base								600
Governor's % Change from Base								
Full-Time Equivalents	0.28	0.59	0.46	0.46	0.46	0.46	2.46	2.46

2700 - Trunk Highway

Balance Forward In	120	589	177	995	206	206	206	206
Direct Appropriation	5,654	5,788	5,878	5,878	5,878	5,878	11,367	6,666
Receipts	169	4,438	4,087	4,463	4,463	4,463	4,463	4,463
Transfers In	3,237	3,164						
Transfers Out	3,237	8,214	3,925	4,300	4,300	4,300	4,300	4,300
Cancellations		374						
Balance Forward Out	504	175	996	206	206	206	206	206
Expenditures	5,438	5,217	5,222	6,830	6,041	6,041	11,530	6,829
Biennial Change in Expenditures				1,397		30		6,307
Biennial % Change in Expenditures				13		0		52
Governor's Change from Base								6,277
Governor's % Change from Base								52
Full-Time Equivalents	58.72	55.89	52.88	52.70	52.66	52.62	52.66	52.62

3000 - Federal

Balance Forward In	13	39	25	86				
Receipts	4,770	5,131	11,195	119,868	20,262	22,991	20,262	22,991
Internal Billing Receipts	139	116	140	140	140	140	140	140
Balance Forward Out	6		86					
Expenditures	4,776	5,170	11,135	119,954	20,262	22,991	20,262	22,991
Biennial Change in Expenditures				121,142		(87,836)		(87,836)
Biennial % Change in Expenditures				1,218		(67)		(67)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	4.02	4.45	5.21	3.36	4.27	4.26	4.27	4.26

Program: State Roads

Activity: Program Planning and Delivery

<http://www.dot.state.mn.us/planning/program/plans.html>

AT A GLANCE

- \$30-33 billion in planned investments for state highways over the next 20 years
- The 20-year Minnesota State Highway Investment Plan (MnSHIP) is updated every five years, and the next update is scheduled for release in summer 2023
- The 10-year Capital Highway Investment Plan (CHIP) and 4-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 given time

PURPOSE & CONTEXT

MnDOT's transportation infrastructure is continuing to age. To address the systems shortcomings, MnDOT has adopted an asset management philosophy. This philosophy looks for the right fix at the right time to optimize system performance. The result is a comprehensive program of projects that rehabilitate and preserve Minnesota's infrastructure.

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

MnDOT uses resources available to plan for and preserve infrastructure while providing oversight for the replacement and expansion of the existing system. MnDOT strives to meet the need for safety, mobility, and reliability for all modes of transportation. In planning of the Trunk Highway system, MnDOT's objective is to enhance our customer's trust by listening to their needs, engaging them in planning, and communicating effectively about our programs and projects.

By eliminating barriers to equitable contracting and employment opportunities, MnDOT is helping to cultivate a transportation sector that reflects the diverse communities of Minnesota. To advance inclusion and equity in the agency's workforce and in the transportation community, MnDOT continues to increase the number of women- and minority-owned businesses participating in highway construction contracts and promote participation of underrepresented groups in the transportation industry through training, small business advising programs, and other strategies tailored to the needs of targeted communities.

SERVICES PROVIDED

Highway System Planning

Highway planning includes assessing statewide infrastructure conditions, determining future needs for all highway users including automobiles, 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

public and stakeholder input 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. Pavement and bridge reservation projects are selected based upon the projected condition detail 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 matures and updated revenue forecasts become available.

MnDOT develops corridor studies and plans to identify future potential investments on specific highways. These studies allow affected stakeholders to help shape a common vision for the future of the corridor and inform the development of future highway improvement projects.

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 to avoid, minimize, or mitigate environmental impacts.
- **Public Involvement and Engagement** includes public participation through meetings, media, local government input, 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 roads meet project goals while minimizing costs.

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.
- **Creating** opportunities for small business participation and employment opportunities for 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. 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.

Research and development includes preparing for changes in transportation related to connected and automated vehicles (CAV). MnDOT collaborates with stakeholders to identify short-, medium-, and long-term strategies to help the agency plan for advancing technology and mobility trends. MnDOT is working to study, assess, and prepare for the opportunities and challenges associated with the widespread adoption of CAVs and other transportation technologies.

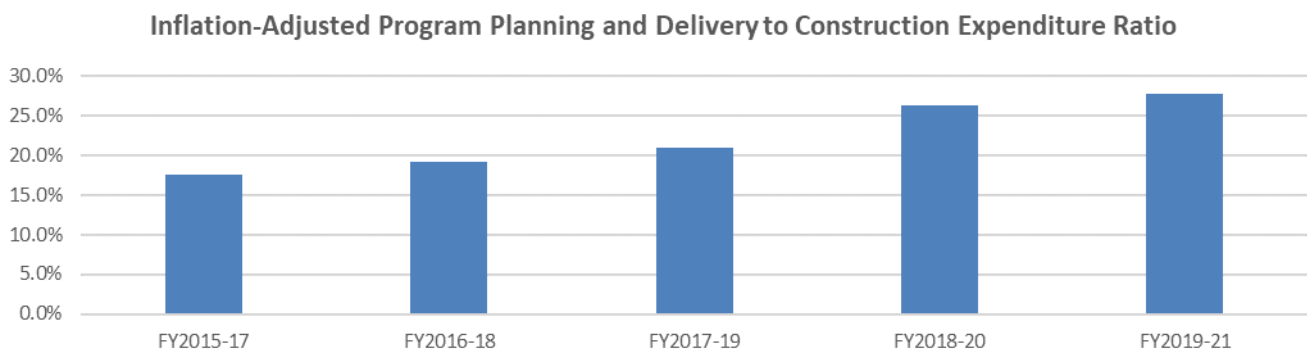
RESULTS

Project Delivery

To help ensure projects are delivered within budget and on time, MnDOT emphasizes project scheduling and monitoring. Balancing project lettings throughout the year increases the number of projects let during better bidding environments (October through March). This maximizes competition between bids and more evenly distributes the design work throughout the year, reducing the need for overtime.



Highway projects are much more complicated today than 20 years ago. Management of traffic in work zones, permitting regulations, and innovative design consume more design resources to minimize traffic disruptions and comply with state and federal regulations required to successfully deliver construction projects. Currently, program planning and delivery activities cost approximately 19 percent of construction project costs, which is less than it has been in recent years because of inflationary pressures on other components of construction.



* 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 and Delivery

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	68	956	4,900	32,230			15,600	2,000
2000 - Restrict Misc Special Revenue	15,667	9,968	6,895	13,737	8,423	7,778	8,423	7,778
2001 - Other Misc Special Revenue	1,278	967	913	1,154	985	1,000	985	1,000
2700 - Trunk Highway	236,700	249,011	236,746	291,068	263,707	263,724	295,176	306,956
3000 - Federal	21,748	27,260	30,047	98,476	92,000	66,400	92,000	66,400
Total	275,461	288,163	279,501	436,665	365,115	338,902	412,184	384,134
Biennial Change				152,543		(12,149)		80,152
Biennial % Change				27		(2)		11
Governor's Change from Base								92,301
Governor's % Change from Base								13

Expenditures by Category

Compensation	190,261	199,740	196,485	203,603	207,084	210,592	235,903	252,074
Operating Expenses	64,571	70,673	64,484	162,584	136,691	107,854	143,341	111,604
Grants, Aids and Subsidies	7,736	8,470	13,771	54,608	14,277	15,277	14,277	15,277
Capital Outlay-Real Property	11,916	8,259	4,098	8,870	3,987	3,679	15,587	3,679
Other Financial Transaction	977	1,021	664	7,000	3,076	1,500	3,076	1,500
Total	275,461	288,163	279,501	436,665	365,115	338,902	412,184	384,134

Full-Time Equivalents

1,912.33	1,918.67	1,854.99	1,853.12	1,853.12	1,853.12	1,944.12	1,953.12
-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------

Program Planning and Delivery

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24FY25		Governor's Recommendation FY24FY25	
1000 - General								
Balance Forward In		994		32,230				
Direct Appropriation	1,062		37,130				373,712	2,000
Transfers Out							358,112	
Cancellations		38						
Balance Forward Out	994		32,230					
Expenditures	68	956	4,900	32,230			15,600	2,000
Biennial Change in Expenditures				36,106	(37,130)		(19,530)	
Biennial % Change in Expenditures				3,527	(100)		(53)	
Governor's Change from Base							17,600	
Governor's % Change from Base								
Full-Time Equivalents							5.00	5.00

2000 - Restrict Misc Special Revenue

Balance Forward In	3,721	2,922	3,248	4,907				
Receipts	14,806	10,238	8,556	8,830	8,423	7,778	8,423	7,778
Transfers Out		44	0					
Balance Forward Out	2,859	3,147	4,908					
Expenditures	15,667	9,968	6,895	13,737	8,423	7,778	8,423	7,778
Biennial Change in Expenditures				(5,003)		(4,431)		(4,431)
Biennial % Change in Expenditures				(20)		(21)		(21)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	4.75	6.04	8.12	8.12	8.12	8.12	8.12	8.12

2001 - Other Misc Special Revenue

Balance Forward In	57	249	530	352	230	277	230	277
Receipts	1,277	1,226	735	1,032	1,032	1,032	1,032	1,032
Balance Forward Out	56	508	352	230	277	309	277	309
Expenditures	1,278	967	913	1,154	985	1,000	985	1,000
Biennial Change in Expenditures				(178)		(82)		(82)
Biennial % Change in Expenditures				(8)		(4)		(4)
Governor's Change from Base								0
Governor's % Change from Base								0

Program Planning and Delivery

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
Full-Time Equivalents	6.21	7.81	7.01	7.01	7.01	7.01	7.01	7.01

2700 - Trunk Highway

Balance Forward In	7,309	32,373	8,789	38,649	6,863	9,009	6,863	9,009
Direct Appropriation	255,906	258,518	262,718	262,218	262,218	262,218	293,687	305,450
Receipts	3,164	3,918	3,887	3,635	3,635	3,635	3,635	3,635
Transfers In	168,903	153,019		6,571		4,172		4,172
Transfers Out	168,895	179,019		6,571		4,172		4,172
Cancellations	8	11,031		6,571		4,172		4,172
Balance Forward Out	29,679	8,766	38,648	6,863	9,009	6,966	9,009	6,966
Expenditures	236,700	249,011	236,746	291,068	263,707	263,724	295,176	306,956
Biennial Change in Expenditures				42,103		(383)		74,318
Biennial % Change in Expenditures				9		(0)		14
Governor's Change from Base								74,701
Governor's % Change from Base								14
Full-Time Equivalents	1,829.41	1,821.79	1,755.31	1,755.31	1,755.31	1,755.31	1,841.31	1,850.31

2710 - Highway Users Tax Distribution

Open Appropriation	2,346,690	2,428,191	2,493,212	2,550,508	2,578,070	2,615,309	2,670,220	2,808,617
Transfers Out	2,346,690	2,428,191	2,493,212	2,550,508	2,578,070	2,615,309	2,670,220	2,808,617

3000 - Federal

Balance Forward In	1,429	691	428	63				
Receipts	20,406	26,632	29,683	98,413	92,000	66,400	92,000	66,400
Transfers Out	8							
Balance Forward Out	80	63	63					
Expenditures	21,748	27,260	30,047	98,476	92,000	66,400	92,000	66,400
Biennial Change in Expenditures				79,515		29,877		29,877
Biennial % Change in Expenditures				162		23		23
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	71.96	83.03	84.55	82.68	82.68	82.68	82.68	82.68

Program: State Roads

Activity: State Road Construction

<http://www.minnesotago.org/>

<http://www.dot.state.mn.us/planning/program/stip.html>

<http://www.dot.state.mn.us/planning/mnship/>

<http://dot.state.mn.us/planning/10yearplan/index.html>

<https://www.dot.state.mn.us/projectselection/>

AT A GLANCE

- State Road Construction is funded through direct appropriations from the Trunk Highway Fund, Federal Highway Trust Funds, and Trunk Highway Bond proceeds
- 328 construction projects were started in the 2020-21 biennium
- 360 construction projects are planned in the 2022-23 biennium
- 7 Corridors of Commerce projects received funding in 2017 and 2018 (for construction between 2019 and 2025)

PURPOSE & CONTEXT

The State Road Construction budget activity is the Trunk Highway System 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 reflect the priorities and policies identified in the planning documents developed by the agency based on state and federal goals and input from the public and transportation stakeholders.

MnDOT's objective is to deliver measurable results through effective and efficient stewardship of state road construction resources. These investments build and maintain the infrastructure that supports our economy and ensures communities thrive throughout the state.

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 within categories and programs using an objective and transparent scoring process based on the 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 existing vital connections throughout the state
- Selecting preservation projects that provide a safe and reliable 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

Other Trunk Highway system improvements involve 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
- 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, MnDOT will focus on the following:

System Stewardship

- **Strengths:** MnDOT focuses on maintaining the condition of existing roads, bridges, and roadside infrastructure. Federal pavement and bridge minimum condition requirements are likely to be met.
- **Drawbacks:** Infrastructure on non-NHS routes may decline as MnDOT will not be able to invest in all assets at optimal points in their life-cycles due to funding limitations.

Transportation Safety

- **Strengths:** MnDOT focuses on lower-cost, proactive treatments to prevent fatalities and serious injuries.
- **Drawbacks:** Limited locations with a sustained crash history will be addressed.

Critical Connections

- **Strengths:** MnDOT commits to achieving substantial compliance with the Americans with Disabilities Act (ADA) no later than 2037.
- **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 (TED) program, investments are made to support economic competitiveness and quality of life in Minnesota communities.
- **Drawbacks:** The investment direction limits MnDOT's ability to address other local concerns.

Efficiencies

MnDOT works to be good stewards of public funds. The department takes a targeted approach to systematically identify and quantify efficiencies as well as find new areas for improvement. When MnDOT identifies savings on current projects, we release those funds to advance other projects. MnDOT uses a best practice case-analysis

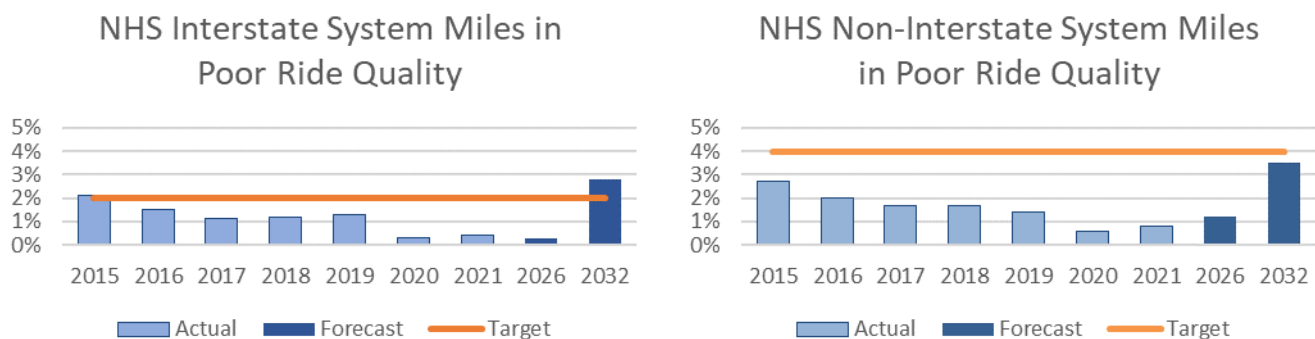
approach to evaluate and measure efficiency in project quality, time, and cost. MnDOT analyzes each case for implementation of cost saving strategies, designs, and processes. In FY 2021 there were approximately \$90 million in savings identified on major projects. Including fiscal year 2020 savings, MnDOT achieved an estimated \$191 million in saving from these practices over the previous two fiscal years. MnDOT efficiencies are reported in the [Major Highway Projects Report \(https://edocs-public.dot.state.mn.us/edocs_public/DMResultSet/download?docid=19552815\)](https://edocs-public.dot.state.mn.us/edocs_public/DMResultSet/download?docid=19552815).

Performance Indicators

MnDOT tracks the performance of the Trunk Highway system with measures which are published on the [transportation performance website \(https://performance.minnesotago.org/\)](https://performance.minnesotago.org/).

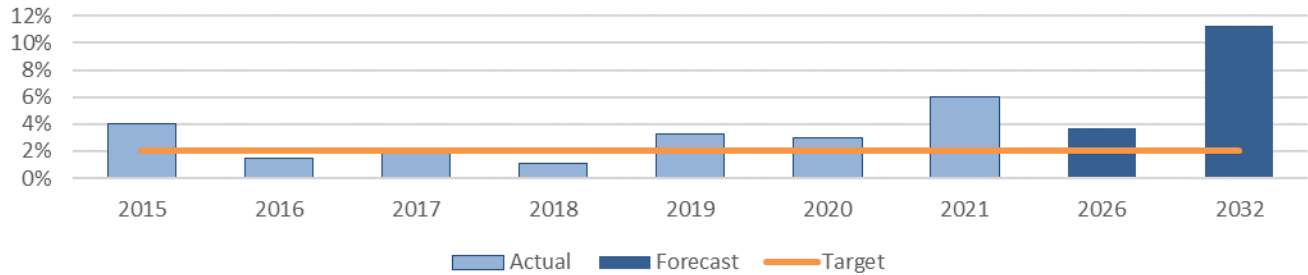
MnDOT prioritizes infrastructure improvements on National Highway System (NHS) routes and holds these roads to a higher performance standard than non-NHS routes. This approach allows MnDOT to comply with federal law and manage risks related to statewide travel. MnDOT prioritizes infrastructure improvements on National Highway System (NHS) routes. This approach allows MnDOT to comply with federal law and manage risks related to statewide travel. Pavement condition is measured by the percentage of miles of highway in poor condition. Poor ride quality can range from uneven surfaces to cracks in the road.

The target for the percent of miles in poor ride quality condition on NHS interstate routes is less than 2 percent. The target for NHS non-interstate routes is less than 4 percent. Poor ride quality is projected to increase above the target for NHS Interstate miles after 2026. Non-Interstate miles are projected to stay in good condition through 2032.



Bridge condition is measured by the percent of bridge deck area in poor condition. State highway bridges are inspected at least every two years. Bridges rated in poor condition are safe to drive on but are near the point where significant investment in repair or replacement is needed. The target for the percent of bridge deck in poor condition is less than 2 percent. The percent of bridge deck area in poor condition exceeded the target in 2019 where a set of very large twin bridges, together representing about 2 percent of the total NHS bridge deck area, fell into poor condition. These bridges are scheduled for repair work in 2023. This is why NHS bridge condition is projected to improve by 2026. As bridges age, more are projected to fall into poor condition. When MnDOT schedules repairs for these bridges, condition will be projected to improve.

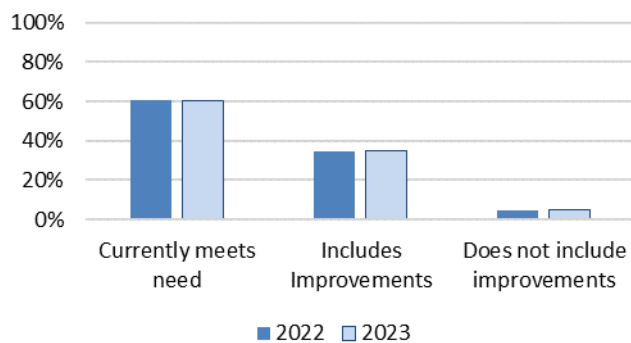
NHS Bridge Deck in Poor Condition



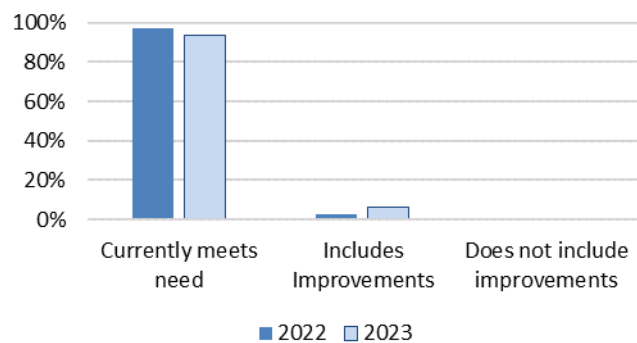
MnDOT's Complete Streets Policy considers the needs of pedestrians, bicyclists, the transit system, motorists, and commercial and emergency vehicles moving along and across roads, intersections, and crossings in a way that is sensitive to local context and recognizes that needs vary in urban, suburban, and rural settings. MnDOT follows a Complete Streets approach in all phases of planning, project development, operations, and maintenance activities. MnDOT documents how each user group (e.g., pedestrian, bicycle, transit, freight) has been considered and provides a written explanation for each type of use. MnDOT is making improvements in most projects where we identified unmet needs. 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 the 2022-23 biennium, approximately 75 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, have yet to complete their analysis, or are exempt from the reporting requirements.

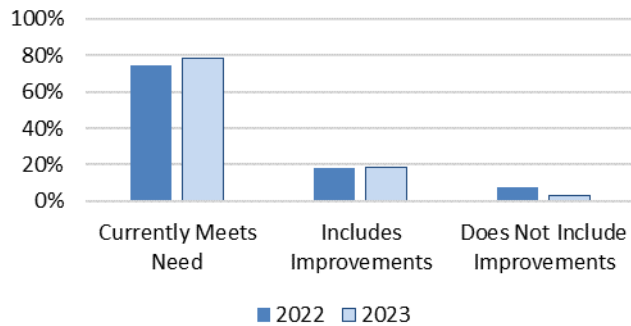
State Road Construction Projects with Identified Pedestrian Needs



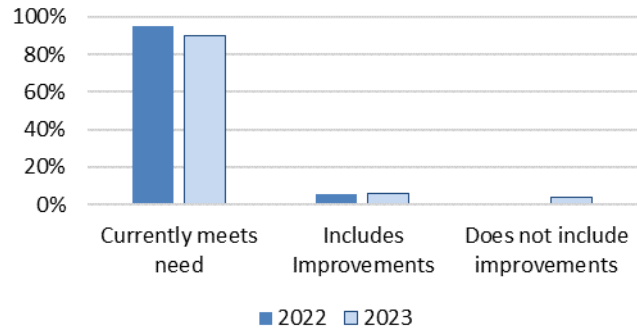
State Road Construction Projects with Identified Transit Needs



State Road Construction Projects with Identified Bicyclist Needs



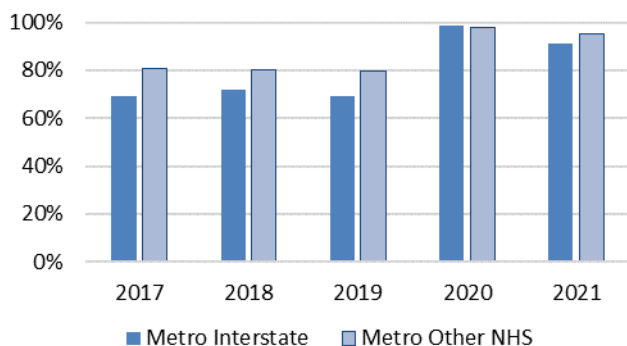
State Road Construction Projects with Identified Freight Needs



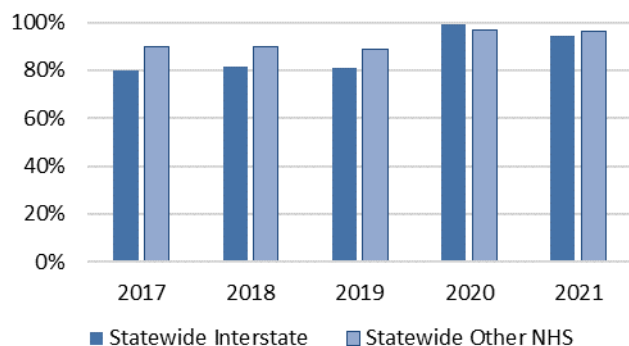
MnDOT defines metro area freeway congestion as traffic traveling at speeds less than 45 mph. Freeway system performance was stable from 2015 through 2019 with around 23-24 percent of metro freeway miles experiencing congestion during peak morning or evening hours. However, congestion dropped to 1.4 percent in 2020. This is a direct result of the COVID-19 Pandemic. Stay-at-home orders and remote work significantly changed travel patterns. Congestion, especially in traditional peak periods, was nearly non-existent. Although the 2021 datapoint is not yet available, some congestion returned as Minnesotans returned to work and policies related to the COVID-19 Pandemic were lifted. Congestion appeared in the afternoon while morning congestion has remained low.

In addition to freeway congestion, MnDOT also monitors the reliability of travel times. Travel time reliability is a measure of the consistency or dependability in travel times from day to day. MnDOT tracks the percent of all person-miles traveled that are reliable on the interstate system and other NHS highways. Reliability of Minnesota's interstate and other NHS systems remained relatively consistent at both the metro and statewide levels from 2017 to 2019. Statewide travel tends to be more reliable than the metro area since the metro area experiences higher traffic volumes and congestion levels. In 2020, reliability reached nearly 100 percent on all systems due to the COVID-19 Pandemic and changing travel patterns. Reliability remained high in 2021, although there was a slight reduction as travel resumed and new travel patterns started to emerge

Percent of Metro area person-miles traveled on the NHS that are reliable



Percent of Statewide person-miles traveled on the NHS that are reliable



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 FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
2000 - Restrict Misc Special Revenue	53,472	15,282	5,681	12,142	5,610	5,610	5,610	5,610
2700 - Trunk Highway	952,342	1,075,735	1,097,514	1,164,922	1,027,683	1,027,634	1,258,614	1,227,397
3000 - Federal	114		198	13,862	4,060	11,000	4,060	11,000
Total	1,005,928	1,091,017	1,103,393	1,190,926	1,037,353	1,044,244	1,268,284	1,244,007
Biennial Change				197,374		(212,722)		217,972
Biennial % Change				9		(9)		10
Governor's Change from Base								430,694
Governor's % Change from Base								21

Expenditures by Category

Compensation	20,404	22,948	27,049	27,465	27,085	27,085	27,085	27,085
Operating Expenses	135,352	132,017	184,095	164,689	152,064	159,064	152,064	159,064
Capital Outlay-Real Property	848,723	934,891	891,496	997,772	857,204	857,095	1,088,135	1,056,858
Other Financial Transaction	1,449	1,162	753	1,000	1,000	1,000	1,000	1,000
Total	1,005,928	1,091,017	1,103,393	1,190,926	1,037,353	1,044,244	1,268,284	1,244,007

Full-Time Equivalents

205.07	230.87	262.89	256.65	248.30	244.20	248.30	244.20
---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------

State Road Construction

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
2000 - Restrict Misc Special Revenue								
Balance Forward In	19,486	12,798	11,439	6,532				
Receipts	46,764	13,922	773	5,610	5,610	5,610	5,610	5,610
Balance Forward Out	12,778	11,438	6,532					
Expenditures	53,472	15,282	5,681	12,142	5,610	5,610	5,610	5,610
Biennial Change in Expenditures				(50,931)		(6,603)		(6,603)
Biennial % Change in Expenditures				(74)		(37)		(37)
Governor's Change from Base								0
Governor's % Change from Base								0

2700 - Trunk Highway

Balance Forward In	44,501	109,951	44,880	160,190	19,951	16,951	19,951	16,951
Direct Appropriation	964,295	949,282	1,156,925	999,282	999,282	999,282	1,230,213	1,199,045
Receipts	31,341	22,735	45,900	25,401	25,401	25,401	25,401	25,401
Transfers In	81,892	92,606	77,795	80,028	62,085	62,085	62,085	62,085
Transfers Out	81,892	47,806	67,795	80,028	62,085	62,085	62,085	62,085
Cancellations		6,407						
Balance Forward Out	87,795	44,626	160,190	19,951	16,951	14,000	16,951	14,000
Expenditures	952,342	1,075,735	1,097,514	1,164,922	1,027,683	1,027,634	1,258,614	1,227,397
Biennial Change in Expenditures				234,359		(207,119)		223,575
Biennial % Change in Expenditures				12		(9)		10
Governor's Change from Base								430,694
Governor's % Change from Base								21
Full-Time Equivalents	205.07	230.87	262.89	256.65	248.30	244.20	248.30	244.20

3000 - Federal

Receipts	114		198	13,862	4,060	11,000	4,060	11,000
Expenditures	114		198	13,862	4,060	11,000	4,060	11,000
Biennial Change in Expenditures				13,946		1,000		1,000
Biennial % Change in Expenditures						7		7
Governor's Change from Base								0
Governor's % Change from Base								0

Program: State Roads

Activity: Debt Service

<http://www.dot.state.mn.us/policy/financial/fm007.html>

AT A GLANCE

Trunk Highway General Obligation bonds:

- \$5.0 billion authorized since 2000
- \$3.8 billion sold since 2000
- \$176 million in three-year average annual expenditures of bond-funded projects
- Debt service payments have grown from 7.4 percent of state revenues in Trunk Highway Fund in FY 2009 to 16.2 percent in FY 2023
- \$4.0 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 each period. The Minnesota Department of Transportation is also authorized to enter into local government advance agreements and into loan agreements using the Transportation Revolving Loan Fund. 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 the debt service for Trunk Highway bonds.

SERVICES PROVIDED

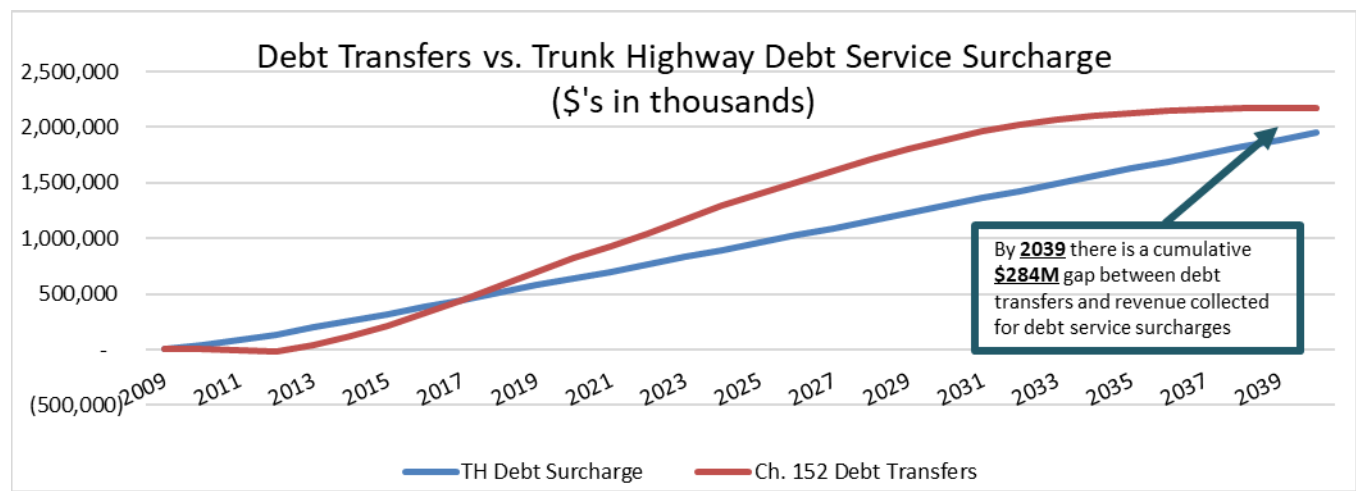
This activity encompasses repayment of all debt related to the Trunk Highway system. This includes the required annual payment of the principal and interest on Trunk Highway bonds to the State Debt Service Fund from the Trunk Highway Fund, as well as payments to the Transportation Revolving Loan Fund for Trunk Highway loan agreements and repayments of advances from local governments. MnDOT works 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, \$1.2 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 \$1.30 and \$1.50 for every \$1.00 of bonds authorized (depending on prevailing interest rates) and are repaid over 20 years.

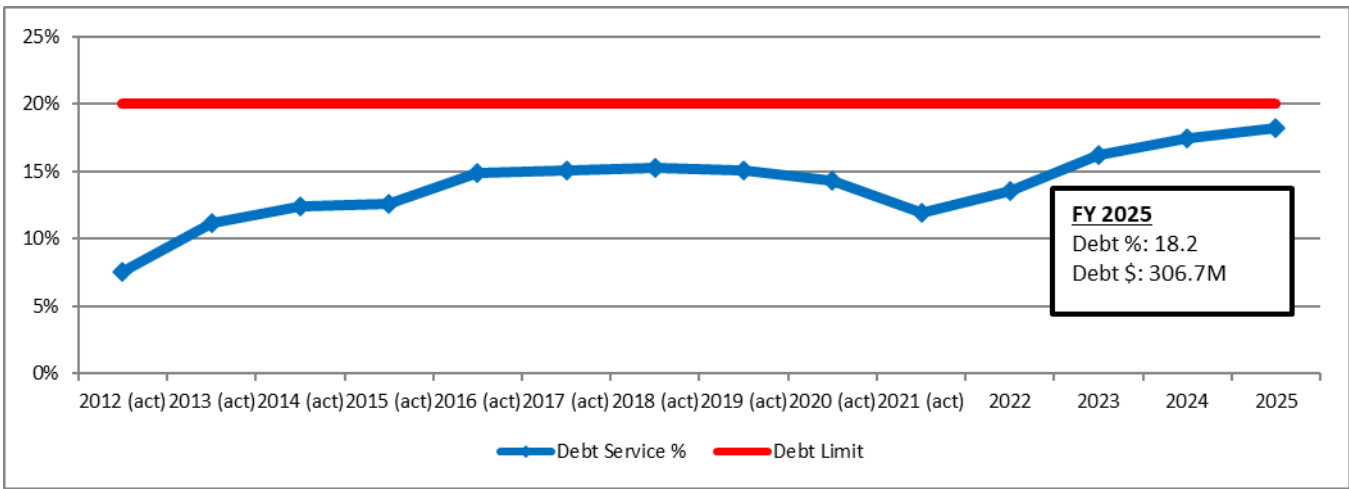
The current gas tax rate of 28.5 cents per gallon includes 3.5 cents dedicated to the debt service on the \$1.8 billion of trunk highway bonds authorized in Laws of Minnesota 2008, Chapter 152. The \$1.8 billion authorized in 2008 represents 36 percent of the bonds authorized since 2000. MnDOT prepares 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 FY 2009 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 \$440 million by the end of the FY 2024-25 biennium. This imbalance grows to just over \$600 million in FY 2031 and is \$284 million in FY2039. 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 financing, 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 current projected debt service peaks at 18.2 percent in FY 2025.



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>)

Trunk Highway Bond Account, M.S. 167.51

(<https://www.revisor.mn.gov/statutes/cite/167.51>)

Debt Service

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25

Expenditures by Fund

2700 - Trunk Highway	403	(50)	923	3,000	3,000	3,000	3,000	3,000
Total	403	(50)	923	3,000	3,000	3,000	3,000	3,000
Biennial Change				3,570		2,077		2,077
Biennial % Change				1,010		53		53
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Capital Outlay-Real Property			976	2,000	2,000	2,000	2,000	2,000
Other Financial Transaction	403	(50)	(52)	1,000	1,000	1,000	1,000	1,000
Total	403	(50)	923	3,000	3,000	3,000	3,000	3,000

Debt Service

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
2700 - Trunk Highway								
Balance Forward In		26,215		21,788				
Direct Appropriation	236,439	315,106	300,590	229,120	276,660	274,702	282,658	286,766
Transfers Out	209,821	241,910	213,138	247,908	273,660	271,702	279,658	283,766
Cancellations		99,459	64,741					
Balance Forward Out	26,215		21,788					
Expenditures	403	(50)	923	3,000	3,000	3,000	3,000	3,000
Biennial Change in Expenditures				3,570		2,077		2,077
Biennial % Change in Expenditures				1,010		53		53
Governor's Change from Base								0
Governor's % Change from Base								0

Program: State Roads

Activity: Operations and Maintenance

<http://www.dot.state.mn.us/>

<http://www.dot.state.mn.us/maintenance/>

AT A GLANCE

- 12,000 certified centerline state highway miles (approximately 29,000 lane miles), including the state-owned portion of the National Highway System (NHS)
- 3,375 traffic management systems
- 28,894 highway lighting fixtures
- 4,928 bridges greater than 10 feet in length on Trunk Highway routes, including railroad, pedestrian, and other structures (2021 Annual Bridge Report).
- 38,519 highway culverts
- Approximately 260,000 acres of highway right of way (including wetlands and ponds)
- 869 plow trucks
- 6.7 million square feet of total building area owned and operated by MnDOT

PURPOSE & CONTEXT

State-managed roads make up only 8.2 percent of Minnesota's roads but carry nearly 60 percent of total traffic volume with more than 91 million vehicle miles driven daily on average. Safety and efficiency are 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
- Responds to emergencies 24 hours per day, 365 days per year and provides services regardless of snow, rain, floods, construction, or emergencies

MnDOT Operations address changing traffic and environmental conditions to ensure best performance from our roadways. Doing this in a cost-effective way reflects MnDOT standards for stewardship of public resources.

SERVICES PROVIDED

Bridges and Structures Maintenance

MnDOT inspects 4,901 highway bridges in accordance with state and federal requirements. 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 as well as 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.

Bridge condition is identified during an inspection, maintenance, or when a vehicle damages a bridge. High-priority repairs include deficiencies that could affect safe function of the bridge or result in deterioration to a critical condition.

Traffic Devices Operation and Maintenance

To increase freeway and arterial efficiency, reduce crashes, and provide travelers with information, MnDOT operates the [Regional Transportation Management Center](http://www.dot.state.mn.us/rtmc) (RTMC) (<http://www.dot.state.mn.us/rtmc>), supports the Southern Regional Communication Center (SRCC), operates a central traffic signal control system, staffs district traffic engineering offices, and provides Electrical Services 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. MnDOT also operates and maintains traffic signals, signs, lighting, barriers, and guardrails statewide. See [MnDOT Traffic Engineering](http://www.dot.state.mn.us/trafficeng) (<http://www.dot.state.mn.us/trafficeng>) and MN 511 (<http://www.511mn.org>) for more information.

To maximize existing transportation infrastructure, MnDOT implemented Transportation System Management and Operations (TSMO) strategies. These are operational strategies that increase safety by reducing the frequency, severity, and clearance times of crashes. This leads to more reliability, mobility, and efficiency by maximizing the existing roadway capacity and reducing 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, MnDOT patches potholes, seals cracks, paves road surfaces, removes debris, repairs or replaces culverts, maintains roadway shoulders, and responds to flooding. 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/>).

In July 2022, MnDOT submitted a required [Transportation Asset Management Plan](http://www.dot.state.mn.us/assetmanagement/tamp.html) (TAMP) (<http://www.dot.state.mn.us/assetmanagement/tamp.html>) to the Federal Highway Administration. 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 as well as 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 is currently working across the agency to fully implement the TAMP through a strategic implementation planning process.

MnDOT collects operations and maintenance cost data and a broader range of asset inventory and condition information and stores the data in a statewide enterprise asset management system called Transportation Asset Management System (TAMS). The benefits of TAMS are seen in areas such as storing information on asset inventories, condition assessments or capturing labor, equipment and material quantities, and costs via work orders for maintenance and operations work activities. The system is nearing full maturity with over 1.5 million assets in inventory, and numerous integrations and functions to support items such as field creation of work orders, damage restitution billing, uploads to the timesheet system, geographic information systems mapping integrations and outputs, performance measurement, etc.

Snow and Ice

MnDOT's snow and ice activities include pre-storm preparation, snow plowing, ice removal, and post-storm clean-up. Snow plowing on Minnesota's 12,000 centerline miles of roads is both resource- and labor-intensive. MnDOT

maintains a flexible and responsive workforce to fight winter storms. During the winter, employees may be reassigned from other areas, such as construction or program planning and delivery, to plowing duties as needed.

MnDOT has statutory language (originally authorized in 2017 and modified in 2019) that allows using up to 50 percent of unappropriated Trunk Highway fund balance, instead of reducing other maintenance activities, for additional snow and ice needs in a fiscal year where expenditures exceed 100 percent of the established annual snow and ice expenditure level ([Minnesota Statute 174.57](#) (<https://www.revisor.mn.gov/statutes/cite/174.57>)). In compliance with this statute, MnDOT developed estimated annual expenditure levels for snow and ice management for the 2022-23 biennium of \$85 million per year. These estimates were based on historical average snow and ice management expenditures. In FY 2022, MnDOT expended approximately \$87 million on snow and ice management activities. For the 2024-25 biennium, the estimated annual expenditure level will increase to an estimated \$90 million per year.

MnDOT maximizes its winter resources through proactive implementation of new technology and practices. One such area is the use of liquid brine. When salt is prewetted with liquids, less salt is more effective than dry salt in some circumstances. Using less salt lowers costs and reduces the impact to the environment. 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/>) which includes the most current "Annual At-a-Glance Winter Report 2021-2022."

RESULTS

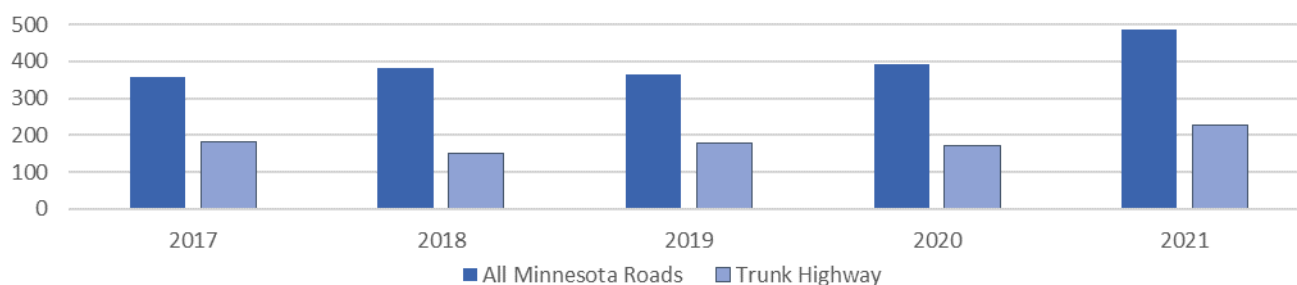
Bridges and Structures Maintenance Performance

MnDOT measures the timeliness of bridge inspections and of the completion of high-priority reactive maintenance. MnDOT aims to complete 100 percent of inspections on time. This goal exceeds the 95 percent target established in the National Bridge Inspection Standards. MnDOT also aims to complete 100 percent of high-priority reactive maintenance on time. This ensures the safe function and structural health of bridges. Additional performance measures are in development to track preventive maintenance activities.

Traffic Devices Operation and Maintenance

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

Minnesota Roadway Fatalities



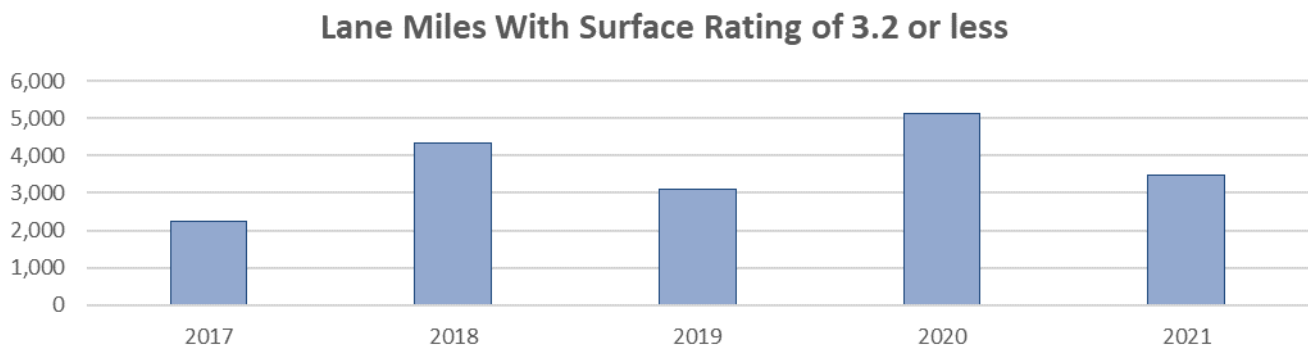
Recurring congestion is minimized through a sophisticated traffic management system, while non-recurring congestion (crashes, stalls) is reduced through quick clearance response. MnDOT expects congestion to remain the same or increase as the region continues to grow. Since 2010, MnDOT's strategy has 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

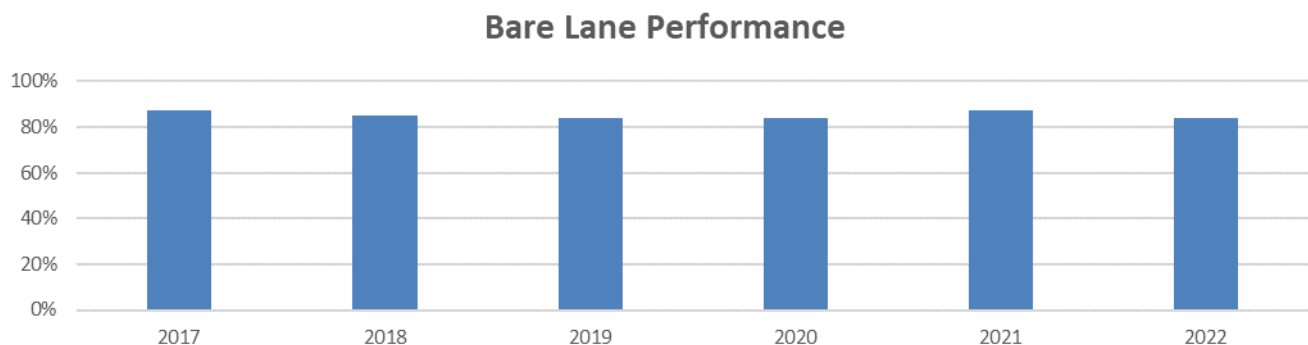
MnDOT is committed to protecting, maintaining, and preserving our roads. In doing so, we maximize taxpayers' investments in better, longer-lasting roads for smoother, safer, and more-efficient travel. MnDOT measures pavement cracking based on a surface ranking index that has a zero to four scale, with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

After a snow or ice event, MnDOT returns roads to an acceptable driving condition. This is described as the “time to bare lane.” MnDOT sets an objective window for time to bare lane which varies by the amount of traffic on the road. MnDOT strives to meet the objective for each roadway 70 percent of the time during the winter season.



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 FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25

Expenditures by Fund

2000 - Restrict Misc Special Revenue	13,315	10,704	17,482	23,702	23,079	21,635	23,079	21,635
2001 - Other Misc Special Revenue	442	306	301	374	465	469	465	469
2050 - Environment & Natural Resources	65	121	52	365				
2700 - Trunk Highway	353,091	399,528	367,025	407,463	381,149	381,130	425,770	438,872
3000 - Federal	359	277	2,807	7,109	10,900	11,100	10,900	11,100
Total	367,272	410,938	387,667	439,013	415,593	414,334	460,214	472,076
Biennial Change				48,470		3,247		105,610
Biennial % Change				6		0		13
Governor's Change from Base								102,363
Governor's % Change from Base								12

Expenditures by Category

Compensation	206,552	209,893	209,901	218,808	223,160	226,913	246,251	263,125
Operating Expenses	130,056	150,213	147,841	161,697	152,569	147,267	174,099	168,797
Grants, Aids and Subsidies	9	26	1	1	1	1	1	1
Capital Outlay-Real Property	25,010	40,867	27,233	48,783	35,277	35,277	35,277	35,277
Other Financial Transaction	5,644	9,938	2,690	9,724	4,586	4,876	4,586	4,876
Total	367,272	410,938	387,667	439,013	415,593	414,334	460,214	472,076

Total Agency Expenditures	367,272	410,938	387,667	439,013	415,593	414,334	460,214	472,076
Internal Billing Expenditures		8						
Expenditures Less Internal Billing	367,272	410,930	387,667	439,013	415,593	414,334	460,214	472,076

Full-Time Equivalents

	2,434.64	2,391.33	2,340.42	2,340.42	2,340.42	2,340.15	2,356.42	2,356.15
--	----------	----------	----------	----------	----------	----------	----------	----------

Operations and Maintenance

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
2000 - Restrict Misc Special Revenue								
Balance Forward In	13,111	12,643	14,115	11,221	6,086	3,113	6,086	3,113
Receipts	10,430	9,993	14,588	18,567	20,106	20,407	20,106	20,407
Transfers In	4,706	2						
Transfers Out	4,706	12						
Balance Forward Out	10,226	11,921	11,220	6,086	3,113	1,885	3,113	1,885
Expenditures	13,315	10,704	17,482	23,702	23,079	21,635	23,079	21,635
Biennial Change in Expenditures				17,164		3,530		3,530
Biennial % Change in Expenditures				71		9		9
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	15.55	14.28	17.24	17.24	17.24	17.24	17.24	17.24

2001 - Other Misc Special Revenue

Balance Forward In	8,143	8,233	8,256	8,235	8,265	8,244	8,265	8,244
Receipts	478	329	281	404	444	474	444	474
Balance Forward Out	8,179	8,256	8,237	8,265	8,244	8,249	8,244	8,249
Expenditures	442	306	301	374	465	469	465	469
Biennial Change in Expenditures				(74)		259		259
Biennial % Change in Expenditures				(10)		38		38
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.98	0.68	0.96	0.96	0.96	0.96	0.96	0.96

2050 - Environment & Natural Resources

Balance Forward In	202	138		165				
Direct Appropriation			217	200	0	0	0	0
Transfers Out		16						
Cancellations		1						
Balance Forward Out	137		165					
Expenditures	65	121	52	365				
Biennial Change in Expenditures				231		(417)		(417)
Biennial % Change in Expenditures				124		(100)		(100)
Governor's Change from Base								0

Operations and Maintenance

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
Governor's % Change from Base								
Full-Time Equivalents	0.68	1.12	0.16	0.16	0.16	0.16	0.16	0.16

2700 - Trunk Highway

Balance Forward In	10,888	31,631	10,883	33,841	8,798	7,939	8,798	7,939
Direct Appropriation	361,811	366,300	376,975	369,481	367,351	367,351	411,972	425,093
Receipts	7,750	13,146	13,009	12,939	12,939	12,939	12,939	12,939
Transfers In	163,208	182,384	30,779	29,922	29,922	29,922	29,922	29,922
Transfers Out	163,208	181,584	30,779	29,922	29,922	29,922	29,922	29,922
Cancellations		2,145						
Balance Forward Out	27,358	10,204	33,842	8,798	7,939	7,099	7,939	7,099
Expenditures	353,091	399,528	367,025	407,463	381,149	381,130	425,770	438,872
Biennial Change in Expenditures				21,869		(12,209)		90,154
Biennial % Change in Expenditures				3		(2)		12
Governor's Change from Base								102,363
Governor's % Change from Base								13
Full-Time Equivalents	2,417.43	2,375.25	2,322.06	2,322.06	2,322.06	2,321.79	2,338.06	2,337.79

3000 - Federal

Balance Forward In	16	16	16	15				
Receipts	354	274	2,806	7,094	10,900	11,100	10,900	11,100
Balance Forward Out	11	13	15					
Expenditures	359	277	2,807	7,109	10,900	11,100	10,900	11,100
Biennial Change in Expenditures				9,280		12,084		12,084
Biennial % Change in Expenditures				1,460		122		122
Governor's Change from Base								0
Governor's % Change from Base								0

Program: State Roads

Activity: Statewide Radio Communications

<http://www.dot.state.mn.us/oec>

<https://dps.mn.gov/divisions/ecn/programs/armer/>

AT A GLANCE

- Allied Radio Matrix for Emergency Response (ARMER) System
 - More than 95,000 active users/subscribers to the ARMER system
 - All 335 planned ARMER towers are now constructed and fully operational
 - Systems availability, when all sites are on the air and in service, is 99.9 percent
 - 640 tower leases with partners
- Radio/Electronic System Maintenance
 - 16 radio repair facilities statewide
 - 9,900 mobile and portable radios maintained for state agencies
 - 4,061 base station radios maintained for state agencies
 - 140 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) system. This is Minnesota's shared public safety radio communication system that provides around-the-clock interoperable radio communication service to multiple federal, tribal, state, and local agencies.

ARMER serves the day-to-day and emergency two-way radio communication needs of MnDOT, the Department of Public Safety (DPS), and other state agencies, along with most 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. Statewide Radio Communications strives for operational excellence by providing wide area network coverage of the interoperable system to its customers, of which there are more than 95,000 active 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 serves as the public safety radio spectrum frequency advisor for the state of Minnesota.

Management of the system requires monitoring, repairing, upgrading, and replacing the radio communications infrastructure, facilities, base stations, and mobile and portable radios. The agency also provides maintenance for

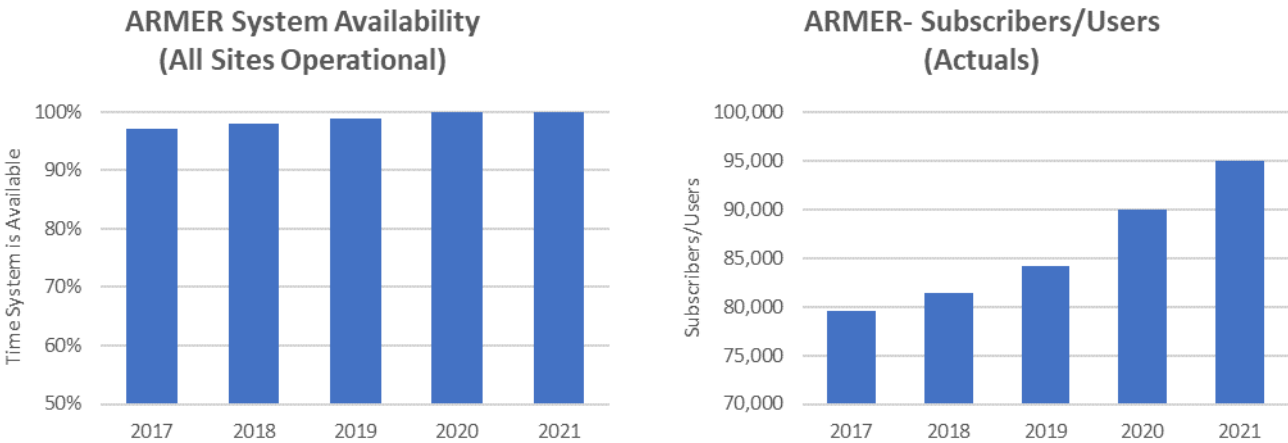
electronic equipment, such as road weather information systems. We manage private and public tower lease/rental space for antenna-use statewide.

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

Construction of the 335 planned tower sites is now complete. ARMER system coverage exceeds the legislatively mandated 95 percent mobile-level coverage within each county. The focus will now be ongoing system maintenance and operational needs, lifecycle planning to identify long-range replacement schedules and funding needs, and system upgrades to keep up with technology improvements. Lifecycle planning includes all elements of the system: radio system, microwave radio connectivity, radio towers, equipment buildings, and backup power systems.

RESULTS

MnDOT operates and provides routine maintenance to ARMER including monthly reports, FCC licensing, and system improvements. ARMER is currently version 7.15 and is in a five-year transition period to version 7.19. More than 95,000 active users/subscribers to the Allied Radio Matrix for Emergency Response (ARMER) system. The number of system users has grown steadily since the first towers were built in 2001. All 335 planned ARMER towers are now constructed and fully operational. Systems availability, when all sites are on the air and in service, is 99.9 percent.



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>) and M.S. 403 (<https://www.revisor.mn.gov/statutes/?id=403>)

Statewide Radio Communications

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
--	----------------	----------------	----------------	------------------	----------------------------	--	---	--

Expenditures by Fund

1000 - General	3	3	3	3	3	3	2,003	3
2000 - Restrict Misc Special Revenue	4,107	4,310	2,217	5,211	3,030	3,030	3,030	3,030
2001 - Other Misc Special Revenue	3,361	1,391	857	1,046	857	857	857	857
2700 - Trunk Highway	7,931	7,322	7,910	8,060	7,976	7,976	8,390	8,644
4900 - 911 Emergency	9,309	10,052	9,464	9,886	9,675	9,675	10,116	10,384
Total	24,710	23,078	20,451	24,206	21,541	21,541	24,396	22,918
Biennial Change				(3,130)		(1,575)		2,657
Biennial % Change				(7)		(4)		6
Governor's Change from Base								4,232
Governor's % Change from Base								10

Expenditures by Category

Compensation	8,635	8,895	8,746	9,041	8,940	8,891	9,795	10,268
Operating Expenses	13,658	11,617	10,230	13,579	11,076	11,125	11,076	11,125
Grants, Aids and Subsidies	1							
Capital Outlay-Real Property	2,280	373	417	421	421	421	2,421	421
Other Financial Transaction	137	2,193	1,057	1,165	1,104	1,104	1,104	1,104
Total	24,710	23,078	20,451	24,206	21,541	21,541	24,396	22,918

Full-Time Equivalents

85.26	84.88	81.96	81.96	79.45	77.68	79.45	77.68
--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

Statewide Radio Communications

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
1000 - General								
Balance Forward In	0	0						
Direct Appropriation	3	3	3	3	3	3	2,003	3
Cancellations		0						
Balance Forward Out			0					
Expenditures	3	3	3	3	3	3	2,003	3
Biennial Change in Expenditures				0		0		2,000
Biennial % Change in Expenditures				0		0		33,333
Governor's Change from Base								2,000
Governor's % Change from Base								33,333

2000 - Restrict Misc Special Revenue

Balance Forward In	4,259	4,252	2,066	2,181				
Receipts	4,097	1,881	2,332	3,030	3,030	3,030	3,030	3,030
Balance Forward Out	4,250	1,823	2,181					
Expenditures	4,107	4,310	2,217	5,211	3,030	3,030	3,030	3,030
Biennial Change in Expenditures				(988)		(1,368)		(1,368)
Biennial % Change in Expenditures				(12)		(18)		(18)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.12		0.01	0.01	0.01	0.01	0.01	0.01

2001 - Other Misc Special Revenue

Balance Forward In	115	186	306	189				
Receipts	3,432	1,511	741	857	857	857	857	857
Balance Forward Out	186	306	189					
Expenditures	3,361	1,391	857	1,046	857	857	857	857
Biennial Change in Expenditures				(2,849)		(189)		(189)
Biennial % Change in Expenditures				(60)		(10)		(10)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.84	1.44	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 FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
Balance Forward In	1,402	926	1,437	1,485	1,383	1,365	1,383	1,365
Direct Appropriation	5,986	6,156	6,236	6,236	6,236	6,236	6,650	6,904
Receipts	1,424	1,580	1,722	1,722	1,722	1,722	1,722	1,722
Cancellations		1						
Balance Forward Out	882	1,339	1,485	1,383	1,365	1,347	1,365	1,347
Expenditures	7,931	7,322	7,910	8,060	7,976	7,976	8,390	8,644
Biennial Change in Expenditures				717		(18)		1,064
Biennial % Change in Expenditures				5		(0)		7
Governor's Change from Base								1,082
Governor's % Change from Base								7
Full-Time Equivalents	38.08	37.58	37.67	37.67	36.67	36.00	36.67	36.00

4900 - 911 Emergency

Balance Forward In		378		211				
Direct Appropriation							441	709
Transfers In	9,675	9,675	9,675	9,675	9,675	9,675	9,675	9,675
Cancellations		1						
Balance Forward Out	366		211					
Expenditures	9,309	10,052	9,464	9,886	9,675	9,675	10,116	10,384
Biennial Change in Expenditures				(11)		0		1,150
Biennial % Change in Expenditures				(0)		0		6
Governor's Change from Base								1,150
Governor's % Change from Base								6
Full-Time Equivalents	45.22	45.86	42.71	42.71	41.20	40.10	41.20	40.10

Program: Local Roads

Activity: County State Aid Roads

<http://www.dot.state.mn.us/stateaid/>

AT A GLANCE

- 87 counties
- 30,796 miles of County State Aid Highways (CSAH) make up approximately 20 percent of all Minnesota roadways
- 5,840 bridges on the CSAH system
- 57,475 township road miles
- 5,629 township bridges
- Annually approved on average:
 - 530 CSAH projects
 - 114 federal aid projects
 - 20 Local Road Improvement Program projects (county/township)
 - 144 Local Bridge Replacement Program projects (county)
 - 72 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 (HUTDF), general obligation bonding, state general funding for local bridges and road improvements, and Federal Highway Administration (FHWA) funds.

A portion of funds from the HUTDF are for construction and system maintenance on the County State Aid Highways (CSAH) system, with a small portion available to townships for road and bridge improvements. 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.

Through engaging its customers, SALT assists in planning for, constructing, and maintaining the CSAH system. This ensures 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 actively partners with counties as they plan, construct, operate, and maintain Minnesota's multimodal transportation system to maximize investments and deliver a safe, efficient, and accessible transportation system for all. SALT provides counties with technical resources, materials, and subject matter expertise to assist them in delivering effective and efficient transportation system improvements. This includes crash information; interactive roadway and bridge mapping; program and project delivery guidance; communications; financial reimbursement, payment, and reporting processes; guidance and information on various state and federal funding sources; and training on many of these items. SALT provides technical assistance in highway and bridge design, transportation safety, construction administration, grant management for state and federal funding, administration of federally

funded projects, and overall management of the state aid system. SALT serves as a liaison between the counties and MnDOT and FHWA or other state and federal agencies to build upon a partnership that began over 60 years ago in creating a robust transportation system that serves all of Minnesota.

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. SALT assists local agencies in completing the requirements for federal aid, including public involvement, disadvantaged business participation, and documentation to comply with environment and historic preservation requirements.

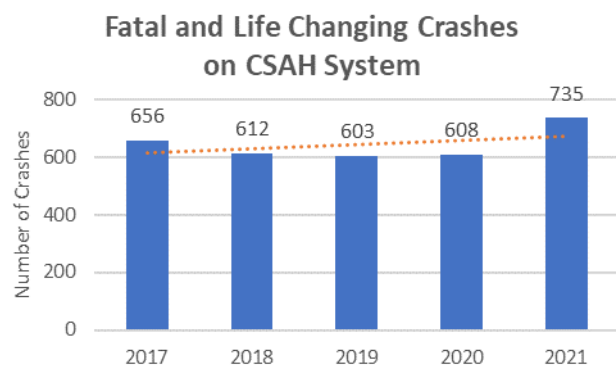
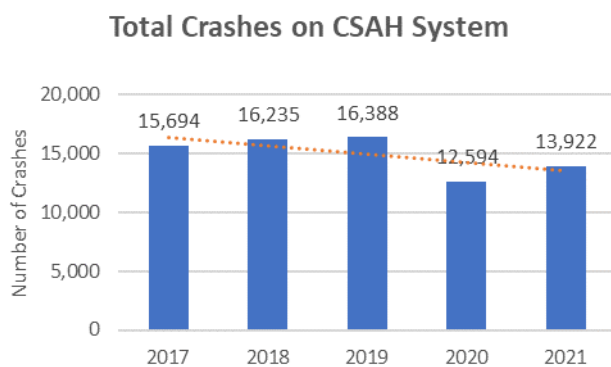
Other HUTDF Funding:

- Two percent of the available funds are set aside for an administrative account used for administrative costs incurred by SALT in carrying out the provisions relating to the state aid highway system.
- One percent of available funds are set aside for a disaster account to assist counties with extraordinary disaster costs when they arise.
- One-half of one percent of the available funds are set aside for a research account for the development, acquisition and application of new knowledge, and the exploration and implementation of new technologies for the local transportation system.
- Three-quarters of one percent of the available funds are set aside for the State Park Road Account to provide funding for access roads to state parks and recreational areas. These projects are selected by the Department of Natural Resources.
- The Town Road Account is distributed from the five percent set-aside from the HUTDF through the counties to townships for improvements of township roads.
- The Town Bridge Account is distributed from the five percent set aside from the HUTDF to counties for the replacement of deficient township bridges.

RESULTS

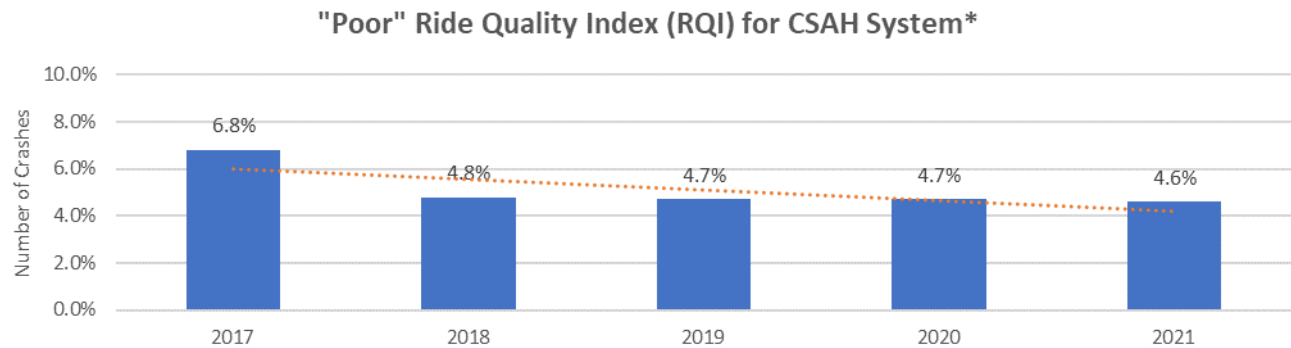
Safety

Safety on the CSAH system is measured in both the total number of crashes that occur and the number of fatalities or life-changing crashes. Total crashes on the CSAH system had been consistently declining since 2011. Prior to the pandemic, there was a slight uptick in total crashes. However, the pandemic changed travel patterns, impacting these trends. Total crashes decreased in 2020 and remained below pre-pandemic levels in 2021. However, fatal and life changing crashes rose in both 2020 and 2021. Despite the lower number of accidents, crashes that did occur were more severe.



Pavement Condition

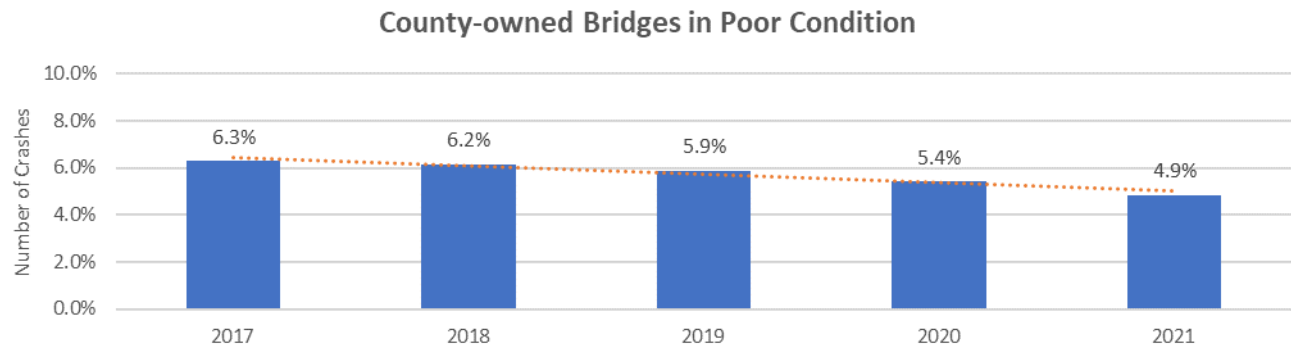
Over the past five years, pavement condition on the CSAH system has generally been improving as measured by a downward trend in the pavement condition metric, Ride Quality Index (RQI).



* Values for each year are based on that year or the previous most recent year for **all** counties.

Bridge Condition

The percentage of bridges rated in "Poor" condition has also decreased since 2017, indicating improving bridge conditions on the CSAH system.



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 FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25

Expenditures by Fund

1000 - General							104,300	1,000
2000 - Restrict Misc Special Revenue	452	748	1,076	1,184	1,157	1,164	1,157	1,164
2600 - County State Aid Highway	795,902	762,339	790,237	880,243	897,158	899,165	927,153	962,087
3000 - Federal	177,407	164,901	199,997	458,688	343,450	403,280	343,450	403,280
3520 - Transportation-Loc Bridge&Road	6,436	12,770	8,698	14,000	14,000	14,000	14,000	14,000
Total	980,197	940,757	1,000,008	1,354,115	1,255,765	1,317,609	1,390,060	1,381,531
Biennial Change				433,168		219,251		417,468
Biennial % Change				23		9		18
Governor's Change from Base								198,217
Governor's % Change from Base								8

Expenditures by Category

Compensation	7,671	7,702	8,099	8,423	8,591	8,737	8,591	8,737
Operating Expenses	6,586	6,883	6,605	15,068	14,559	14,663	14,559	14,663
Grants, Aids and Subsidies	961,230	910,596	976,732	1,238,658	1,182,511	1,244,105	1,316,806	1,308,027
Capital Outlay-Real Property	4,709	15,575	8,567	91,962	50,100	50,100	50,100	50,100
Other Financial Transaction	1	2	5	4	4	4	4	4
Total	980,197	940,757	1,000,008	1,354,115	1,255,765	1,317,609	1,390,060	1,381,531

Full-Time Equivalents

52.65	51.35	52.26	52.26	52.26	52.26	52.26	52.26
--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

County State Aid Roads

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Direct Appropriation			12,000				104,300	1,000
Transfers Out			12,000					
Expenditures							104,300	1,000
Biennial Change in Expenditures				0		0		105,300
Biennial % Change in Expenditures								
Governor's Change from Base								105,300
Governor's % Change from Base								

2000 - Restrict Misc Special Revenue

Balance Forward In	4,306	5,269	6,687	7,530	8,146	8,789	8,146	8,789
Receipts	1,332	2,138	1,919	1,800	1,800	1,800	1,800	1,800
Balance Forward Out	5,185	6,659	7,530	8,146	8,789	9,425	8,789	9,425
Expenditures	452	748	1,076	1,184	1,157	1,164	1,157	1,164
Biennial Change in Expenditures				1,060		61		61
Biennial % Change in Expenditures				88		3		3
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents		0.67	2.84	2.84	2.84	2.84	2.84	2.84

2600 - County State Aid Highway

Balance Forward In	678,068	735,352	748,510	835,489	852,939	870,535	852,939	870,535
Direct Appropriation	858,698	780,107	886,178	897,815	914,876	917,126	944,871	980,048
Transfers In			12,000					
Transfers Out	61	76	15,122	122	122	122	122	122
Cancellations	5,769	4,696	5,840					
Balance Forward Out	735,034	748,347	835,489	852,939	870,535	888,374	870,535	888,374
Expenditures	795,902	762,339	790,237	880,243	897,158	899,165	927,153	962,087
Biennial Change in Expenditures				112,239		125,843		218,760
Biennial % Change in Expenditures				7		8		13
Governor's Change from Base								92,917
Governor's % Change from Base								5
Full-Time Equivalents	52.03	50.65	49.42	49.42	49.42	49.42	49.42	49.42

County State Aid Roads

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25

3000 - Federal

Balance Forward In	49		80					
Receipts	177,358	164,968	199,917	458,688	343,450	403,280	343,450	403,280
Balance Forward Out		67						
Expenditures	177,407	164,901	199,997	458,688	343,450	403,280	343,450	403,280
Biennial Change in Expenditures				316,377		88,045		88,045
Biennial % Change in Expenditures				92		13		13
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.62	0.03						

3520 - Transportation-Loc Bridge&Road

Balance Forward In	24,528	29,281	26,743	26,925	22,987	18,815	22,987	18,815
Receipts	11,188	10,232	8,879	10,062	9,828	9,893	9,828	9,893
Balance Forward Out	29,281	26,743	26,925	22,987	18,815	14,708	18,815	14,708
Expenditures	6,436	12,770	8,698	14,000	14,000	14,000	14,000	14,000
Biennial Change in Expenditures				3,493		5,302		5,302
Biennial % Change in Expenditures				18		23		23
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Local Roads

Activity: Municipal State Aid Roads

<http://www.dot.state.mn.us/stateaid/>

AT A GLANCE

- 150 cities with a population greater than 5,000
- 3,857 miles of Municipal State Aid Streets (MSAS)
- 480 bridges on the MSAS system
- Annually approved on average:
 - 116 MSAS projects
 - 18 Local Road Improvement Program projects
 - 16 Local Bridge Replacement Program projects

PURPOSE & CONTEXT

State Aid for Local Transportation (SALT) provides customer service to Minnesota cities with populations of 5,000 or greater through distribution of the annual allocation from the Highway User Tax Distribution Fund (HUTDF), general obligation bonding, state general funding for local bridge and road improvements, and Federal Highway Administration (FHWA) funds. Primarily, funds are used for construction and system maintenance on the Municipal State Aid Street (MSAS) 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.

Through engaging its customers, SALT assists in planning for, constructing, and maintaining the MSAS system. This ensures 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 actively partners with cities as they plan, construct, operate, and maintain Minnesota's multimodal transportation system to maximize investments and deliver a safe, efficient, and accessible transportation system for all. SALT provides cities with technical resources, materials, and subject matter expertise to assist them in delivering effective and efficient transportation system improvements. This includes crash information; interactive roadway and bridge mapping; program and project delivery guidance; communications; financial reimbursement, payment, and reporting processes; guidance and information on various state and federal funding sources; and training on many of these items. SALT provides technical assistance in highway and bridge design, transportation safety, construction administration, grant management for state and federal funding, administration of federally funded projects, and overall management of the state aid system. SALT serves as a liaison between the cities and MnDOT and FHWA or other state and federal agencies to build upon a partnership that began over 60 years ago in creating a robust transportation system that serves all of Minnesota.

Federal Aid

SALT 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. SALT assists local agencies in completing the requirements for federal aid, including public involvement, disadvantaged business participation, and documentation to comply with environmental and historic preservation requirements.

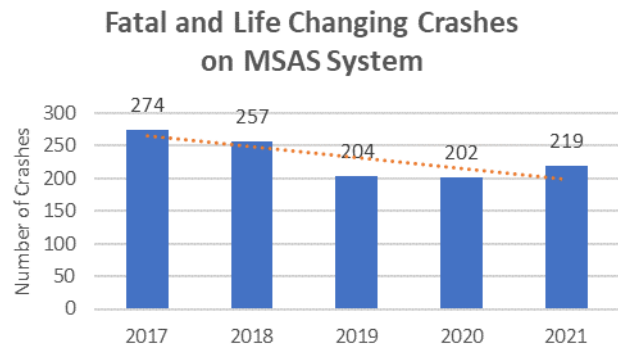
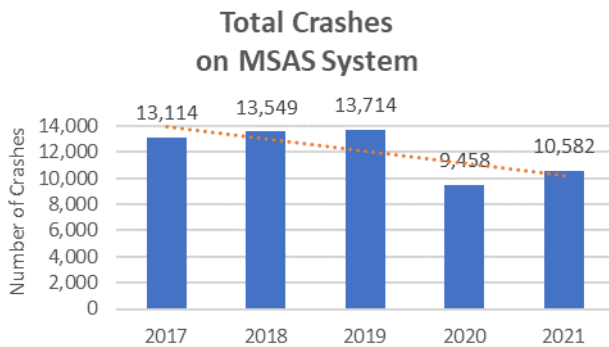
Other HUTD Funding:

- Two percent of the available funds are set aside for an administrative account used for administrative costs incurred by SALT in carrying out the provisions relating to the state aid highway system.
- Two percent of available funds are set aside for a disaster account to assist cities with extraordinary disaster costs when they arise.
- One-half of one percent of the available funds are set aside for a research account for the development, acquisition, and application of new knowledge, and the exploration and implementation of new technologies for the local transportation system.

RESULTS

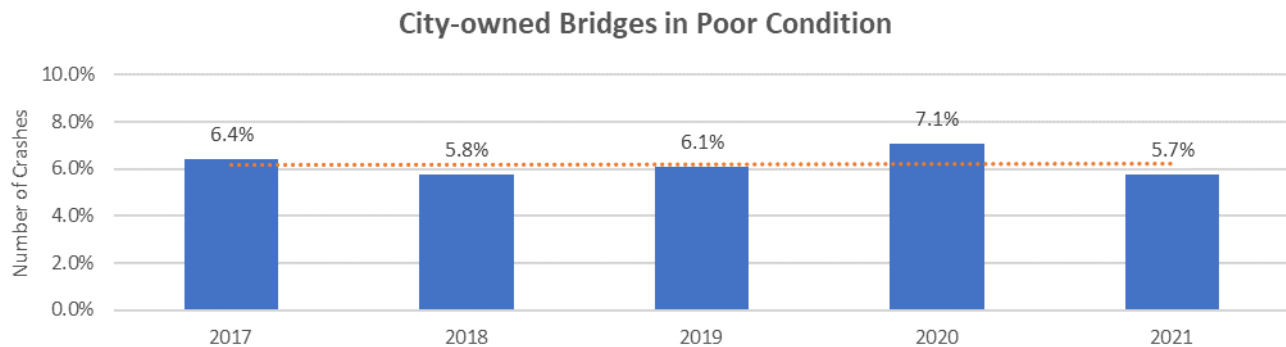
Safety

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). Total crashes on the MSAS system have remained between 13,000 and 14,000 since 2016. However, the pandemic changed travel patterns, impacting these trends. Total crashes decreased in 2020 and remained below pre-pandemic levels in 2021. Fatal and life changing crashes have been decreasing since 2016. In 2020 they did not fall in proportion to the decrease in overall crashes. In 2021 fatal and life changing crashes increased. Despite the lower number of accidents, crashes that did occur were more severe.



Bridges

The percentage of bridges rated in “Poor” condition has varied year-to-year since 2017.



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 FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25

Expenditures by Fund

1000 - General			776	18,723			40,000	
2000 - Restrict Misc Special Revenue				63	63	63	63	63
2500 - Municipal State Aid Street	237,270	175,770	152,566	226,905	232,099	232,241	239,978	248,769
3000 - Federal				3,400	2,700	2,700	2,700	2,700
Total	237,270	175,770	153,343	249,091	234,862	235,004	282,741	251,532
Biennial Change				(10,606)		67,432		131,839
Biennial % Change				(3)		17		33
Governor's Change from Base								64,407
Governor's % Change from Base								14

Expenditures by Category

Compensation	2,316	2,302	2,376	2,470	2,520	2,563	2,520	2,563
Operating Expenses	963	1,061	1,345	3,192	3,281	3,267	3,281	3,267
Grants, Aids and Subsidies	233,976	172,406	149,621	243,427	229,059	229,172	276,938	245,700
Capital Outlay-Real Property	14							
Other Financial Transaction	0	1	1	2	2	2	2	2
Total	237,270	175,770	153,343	249,091	234,862	235,004	282,741	251,532

Full-Time Equivalents

15.53	15.61	16.08	16.08	16.08	16.08	16.08	16.08
--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

Municipal State Aid Roads

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24FY25		Governor's Recommendation FY24FY25	
1000 - General								
Balance Forward In				18,723				
Direct Appropriation			37,500				40,000	
Transfers Out			18,000					
Balance Forward Out			18,724					
Expenditures			776	18,723			40,000	
Biennial Change in Expenditures				19,499		(19,499)		20,501
Biennial % Change in Expenditures						(100)		105
Governor's Change from Base								40,000
Governor's % Change from Base								

2000 - Restrict Misc Special Revenue

Receipts				63	63	63	63	63
Expenditures				63	63	63	63	63
Biennial Change in Expenditures				63		63		63
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0

2500 - Municipal State Aid Street

Balance Forward In	182,395	159,315	179,406	256,112	261,751	267,528	261,751	267,528
Direct Appropriation	216,063	197,431	226,238	232,582	237,914	238,085	245,793	254,613
Transfers In			5,000					
Transfers Out	19	24	38	38	38	38	38	38
Cancellations	1,964	1,597	1,927					
Balance Forward Out	159,205	179,356	256,112	261,751	267,528	273,334	267,528	273,334
Expenditures	237,270	175,770	152,566	226,905	232,099	232,241	239,978	248,769
Biennial Change in Expenditures				(33,568)		84,869		109,276
Biennial % Change in Expenditures				(8)		22		29
Governor's Change from Base								24,407
Governor's % Change from Base								5
Full-Time Equivalents	15.53	15.61	16.08	16.08	16.08	16.08	16.08	16.08

3000 - Federal

Municipal State Aid Roads

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
Receipts				3,400	2,700	2,700	2,700	2,700
Expenditures				3,400	2,700	2,700	2,700	2,700
Biennial Change in Expenditures				3,400		2,000		2,000
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Agency Management

Activity: Agency Services

<http://www.dot.state.mn.us/funding/index.html>

<http://www.dot.state.mn.us/about/index.html>

<https://dot.state.mn.us/careers/student-grad.html>

AT A GLANCE

- Accounts for 3 percent of MnDOT's direct-appropriated operating budget in FY22
- MnDOT workforce is 10 percent persons of color, 23 percent females, 7 percent persons who have declared disabilities, and 8 percent veterans in FY22
- Recent activities include:
 - Processed 143,133 payments to agency vendors in FY21
 - Processed approximately 1 billion in Construction & Right of Way payments in FY21
 - Completed 1,100 data practice requests in FY21
 - Completed 440 contract and grant audits (totaling \$195 million), 243 pre-award audits (totaling \$74 million), 97 overhead rate audits, 22 internal audits and reviews, and 16 highway construction project audits in FY22
 - Administered 2,426 contracts and amendments in FY22
- The MnDOT website received more than 4.5 million visits from 2.8 million unique visitors totaling 12.6 million page views.

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 MnDOT activities are based on sound policy, comply with federal and state measures, and use proper accounting procedures when handling federal, state, and local funds. Agency Services also manages planning for, employing, and servicing a diverse and talented workforce of 5,105 full-time equivalent employees as of FY22.

SERVICES PROVIDED

Human Resources/Workforce Development provides 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 directs, supports, and assists MnDOT with compliance and regulatory requirements. These services include emergency management response and preparedness, business continuity, occupational safety and health, business process analysis and improvement, workflow automation management, materials management, electronic document management support and training, print and electronic media, purchasing and payables, mobile device management, project management leadership support, vendor management, mail, inventory, information desk, fleet management, building and facility operations, and coordination of statewide security initiatives.

Financial services include statewide financial planning, accounting, payroll, forecasting, analysis, budgeting, and management of federal, state, local, and bond funds.

Technology Investment Management provides leadership and management of agency-wide information technology plans, resources, and investments. Technology Investment Management collaborates 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 delivers and supports implementation of the 5-Year Strategic Operating Plan as well as district and office business plans.

Audit provides both internal and external audit services to assess internal controls, ensure costs are allowable, paid in compliance with laws, rules, and regulations, and that contracts and highway construction projects are properly and efficiently administered. MnDOT also coordinates with the Office of the Legislative Auditor, Office of the State Auditor, Federal Highway Administration (FHWA), and Office of the Inspector General on audits and investigations.

Legal Services include providing legal counsel to MnDOT leadership, committees, offices, and districts, providing advice and transactional legal assistance to all offices and districts, and coordinating legal support from the Office of the Attorney General. Legal Services also include:

- Managing compliance with the Data Practices Act, the Official Records Act, and the Open Meeting Law
- Managing compliance with state and federal contracting laws
- Drafting, negotiating, reviewing, and approving agency contracts
- Managing discovery processes and producing documents for litigation
- Managing the tort claims process and litigation in coordination with the Department of Administration
- Managing administrative proceedings

Communications and Public Engagement provides clear, reliable, and timely information to diverse audiences about transportation projects, initiatives, and policies. This office also promotes continuity across the department's statewide public participation efforts by monitoring engagement practices, cultivating partnerships, capturing customer feedback, and ensuring a positive customer experience. The Office of Communications and Public Engagement manages many communication channels, including traditional news media, email, social media, websites, events, surveys, video, and print publications to ensure usage of plain language and 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.

Government Affairs facilitates communication between the department and elected officials, ensuring policy changes and legal authority 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 continues to work on strategic staffing and workforce development plans to identify skills and competencies needed for our future workforce. With an 8.4 percent turnover rate for fulltime permanent employees, we are below the industry standard of 10 percent. Our strategies for building a more diverse workforce include targeted recruitment efforts, internships and student worker positions, Employee Resource Groups, and an agency-wide unified diversity and inclusion plan.

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.

The Office of Communications and Public Engagement 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 of MnDOT's customers and stakeholders
- Community members' perceptions of agency communication, engagement, and project management
- 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

MnDOT had more than 213,000 email subscribers in FY22, a 20 percent year-over-year growth. MnDOT sent more than 1,200 emails to 3.64 million recipients with an overall engagement rate (recipients who open or click a link in an email) of 62.5 percent. MnDOT has adopted text messaging as an additional engagement tool. 68,000 subscribers received texts in FY22 and MnDOT sent 271 total messages. MnDOT has more than 129,000 Facebook followers and 62,000 followers of the agency's primary Twitter account (@mndot) in FY22.

Results from MnDOT's most recent statewide public opinion tracking study in 2021 of over 1,400 Minnesotans indicates that public confidence remains high as nearly seven in ten Minnesotans favorably rate MnDOT's performance. Trust in MnDOT for prioritizing roadway users' safety is at a near-record level of 86 percent, and more than 70 percent of Minnesotans say that MnDOT understands their needs and that our state's transportation system works for them.

In addition to the public opinion tracking study, MnDOT's customer experience survey is also given to those who have requested general information from MnDOT or specific assistance from the agency's Ombudsman program. In 2021, 67 percent of customer experience survey respondents rated MnDOT's response time as meeting or exceeding their expectations. Since the role was enacted in statute in 2013, Ombudsman staff have consistently gathered and provided information to the public while also facilitating discussions and mediating conflicts when appropriate. Common topics for investigation include construction, access, maintenance, encampments, drainage, signage, and noise.

One of the ways MnDOT builds public trust and confidence is through sound financial management practices. Our Office of Financial Management ensures adherence to legislatively approved budget and financial management 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

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25

Expenditures by Fund

1000 - General	225	402	856	939	805	805	125,224	5,836
2001 - Other Misc Special Revenue	5	8	3	27	25	25	25	25
2700 - Trunk Highway	56,075	58,715	64,453	79,791	74,752	74,752	88,110	93,160
2710 - Highway Users Tax Distribution	115	132	119	119	119	119	119	119
2720 - State Airports	42	46	46	46	46	46	46	46
Total	56,461	59,304	65,477	80,922	75,747	75,747	213,524	99,186
Biennial Change				30,634		5,095		166,311
Biennial % Change				26		3		114
Governor's Change from Base								161,216
Governor's % Change from Base								106

Expenditures by Category

Compensation	30,590	30,766	32,501	33,791	34,460	34,807	41,437	44,146
Operating Expenses	25,853	28,502	32,714	46,531	41,207	40,910	55,607	55,010
Grants, Aids and Subsidies							116,400	
Capital Outlay-Real Property	0		178	500				
Other Financial Transaction	18	35	85	100	80	30	80	30
Total	56,461	59,304	65,477	80,922	75,747	75,747	213,524	99,186

Full-Time Equivalents

286.15	280.78	279.96	279.89	279.82	277.90	313.82	314.90
---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------

Agency Services

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
1000 - General								
Balance Forward In		86		74				
Direct Appropriation	311	316	930	930	930	930	125,349	5,961
Transfers Out				65	125	125	125	125
Balance Forward Out	86		74					
Expenditures	225	402	856	939	805	805	125,224	5,836
Biennial Change in Expenditures				1,168		(185)		129,265
Biennial % Change in Expenditures				186		(10)		7,201
Governor's Change from Base								129,450
Governor's % Change from Base								8,040
Full-Time Equivalents	0.99	2.62	1.60	1.54	1.51	1.49	13.51	13.49

2001 - Other Misc Special Revenue

Balance Forward In	6	5	1	2				
Receipts	4	4	4	25	25	25	25	25
Balance Forward Out	5	1	2					
Expenditures	5	8	3	27	25	25	25	25
Biennial Change in Expenditures				18		20		20
Biennial % Change in Expenditures				141		65		65
Governor's Change from Base								0
Governor's % Change from Base								0

2700 - Trunk Highway

Balance Forward In	0	7,509	3	5,042	3	3	3	3
Direct Appropriation	54,479	54,985	58,469	63,269	63,269	63,269	76,627	81,677
Open Appropriation	8,409	9,866	11,019	11,480	11,480	11,480	11,480	11,480
Receipts	1	3	3	3	3	3	3	3
Transfers Out		9,000						
Cancellations		4,645						
Balance Forward Out	6,814	3	5,041	3	3	3	3	3
Expenditures	56,075	58,715	64,453	79,791	74,752	74,752	88,110	93,160
Biennial Change in Expenditures				29,454		5,260		37,026
Biennial % Change in Expenditures				26		4		26
Governor's Change from Base								31,766

Agency Services

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
Governor's % Change from Base								21
Full-Time Equivalents	285.16	278.16	278.36	278.35	278.31	276.41	300.31	301.41

2710 - Highway Users Tax Distribution

Open Appropriation	115	132	119	119	119	119	119	119
Expenditures	115	132	119	119	119	119	119	119
Biennial Change in Expenditures				(9)		0		0
Biennial % Change in Expenditures				(4)		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

2720 - State Airports

Open Appropriation	42	46	46	46	46	46	46	46
Expenditures	42	46	46	46	46	46	46	46
Biennial Change in Expenditures				3		0		0
Biennial % Change in Expenditures				4		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Agency Management

Activity: Building Services

<http://www.dot.state.mn.us/maintenance/facilities.html>

AT A GLANCE

MnDOT owns and operates nearly 900 individual buildings at 275 sites with the total area of buildings measuring over 6.7 million square feet, including:

- 126 truck station sites (5 additional truck station sites are leased)
- 18 regional headquarters and maintenance sites
- 4 special service sites (MnROAD Research Facility, Arden Hills Training Center, Central Shop, Maplewood Materials Lab)
- 26 miscellaneous sites with buildings (storage sites, tunnel service buildings, anti-icing buildings, etc.)
- 39 salt and sand reloading sites (1 additional salt and delivery site is leased and 8 are on other government entities' property)
- 56 rest area buildings
- 9 weigh stations

MnDOT leases the Central Office headquarters building managed by MnDOT's Office of Administration, Facility Operations Section

PURPOSE & CONTEXT

MnDOT facilities are located throughout the state to enable prompt and efficient service to the traveling public. MnDOT District and Special Service Site 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 for these facilities.

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. The objective is to effectively and efficiently plan, build, and operate facilities. We continue to strategically manage our resources to ensure that our facilities provide safety and security of our assets, employees, and the traveling public.

In addition, the MnDOT Office of Administration oversees the operations of the central office headquarters building. This includes coordinating with the Department of Administration as well as consultants and contractors to provide planning, design, and construction management for central office building repairs and improvements.

SERVICES PROVIDED

Long-range program planning and scoping, such as:

- Building programming and pre-design services for new and renovated buildings and sites
- Scheduling new facility projects
- Hiring and overseeing consultants for large capital projects and specialty projects
- Preparing designs, construction documents, and bid lettings
- Administering building 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
- Researching water use and wastewater treatment

- Ensuring facilities are safe for staff, accessible, and strategically located throughout the state to efficiently deploy services
- Providing centralized planning and coordination of space management and physical security programs

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 promptly addressed. These facilities provide building space for staff, equipment, and materials, including snowplows 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 annually deliver 60-90 projects and manage approximately 50 consultant contracts each 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 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 facility standards in compliance with building codes and regulatory requirements, evaluates building and building system conditions, and provides direction for the maintenance of major building systems. Districts and Special Service Sites spend operating dollars for building/facility operations and maintenance activities.

RESULTS

During the 2022-23 biennium, the design or construction of the following building projects will be completed.

Regional Headquarters: Willmar storage buildings (construction); Waters Edge HVAC and remodel (design and construction started)

Central Office Headquarters: Lobby/tunnel security improvement project; installation of six electric vehicle chargers; hybrid space remodel projects

Truck Stations and Special Service Sites: Northfield truck station campus (construction); Sleepy Eye truck station campus (construction); Moose Lake truck station (construction); Mendota Heights warm storage (construction); Eden Prairie warm storage (design and construction started); Clearwater truck station campus (design and construction started); Redwood Falls truck station and unheated storage (construction); Hawley truck station campus (design and construction started); Jordan truck station campus (design); MnROAD addition (design and construction started); Materials Certification Lab addition (design); Brine buildings (design and construction) at five sites statewide; and salt storage shelters (design and construction) at six sites statewide

Safety Rest Areas: Clear Lake; Des Moines River; and St. Croix

Truck Inspection Buildings: Red River (design and construction started)

Single Occupant Restrooms and Quiet Rooms: Waters Edge/RTMC; Morris, Oakdale; Mendota Heights truck station; Golden Valley; Mankato; Materials Lab; Northfield truck station; Sleepy Eye truck station

Facility Condition Assessment (FCA)

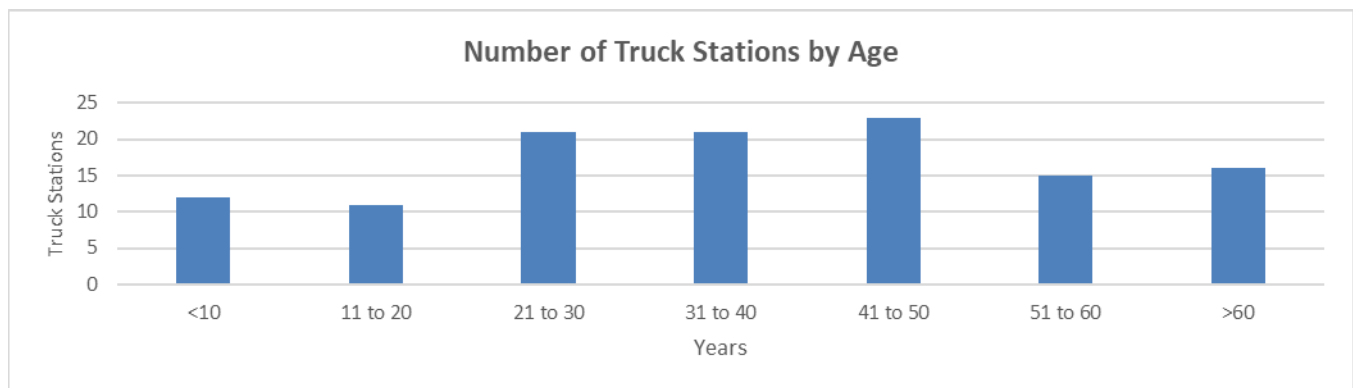
MnDOT is one of 19 state agencies implementing a program of periodic FCAs. The FCAs, combined with operational functionality assessments of buildings and sites, allow MnDOT to make data-driven building investment decisions and inform the development of the 4-, 10-, and 20-year plans. The continuous assessment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

The initial assessment in 2014 established a baseline condition for each of the 884 MnDOT-owned buildings which will allow MnDOT to track building condition changes over time. The assessments are updated every three years on a rolling basis. As of July 2022, 21 percent of buildings are rated 'excellent', 41 percent are rated 'good', 29 percent are rated 'fair', 6 percent are rated 'poor', and 3 percent are rated 'crisis/emergency'.

The current replacement value of all MnDOT buildings is approximately \$1.34 billion and deferred maintenance is approximately \$191 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 facilities maintenance standards including unfunded maintenance requirements, repairs, and replacement of obsolete items. This is the total work that should be accomplished to maintain the facilities but that cannot be achieved within available resources. It does not include new construction, additions, or modifications..

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, MnDOT is operating on a replacement cycle of approximately 70 years. As the graph below indicates, many MnDOT buildings have already exceeded their expected service life. Over half of the 126 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. In calendar year 2021, building energy use per square foot was 28.5 percent lower than in the baseline year of 2008. The MnDOT [Sustainability Report](http://ihub/sustainability/docs/2020-sustainability-report.pdf) (<http://ihub/sustainability/docs/2020-sustainability-report.pdf>) outlines our sustainability efforts and performance targets and 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-connected building automation systems, which provide more-advanced control sequences, monitor facility operational trends, and allow for adjustment of statewide mechanical systems from any remote location. Other efforts include assessment and recommissioning of existing equipment 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, M.S. 174.03 (<https://www.revisor.mn.gov/statutes/?id=174.03>)

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

Building Services

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25

Expenditures by Fund

1000 - General	54	54	55	55	55	55	55	55
2001 - Other Misc Special Revenue	798	954	866	1,019				
2700 - Trunk Highway	38,258	44,269	28,418	51,770	40,194	40,194	44,167	41,065
Total	39,110	45,278	29,339	52,844	40,249	40,249	44,222	41,120
Biennial Change				(2,204)		(1,685)		3,159
Biennial % Change				(3)		(2)		4
Governor's Change from Base								4,844
Governor's % Change from Base								6

Expenditures by Category

Compensation	4,587	4,856	5,116	5,335	5,436	5,527	5,977	6,398
Operating Expenses	29,356	33,858	23,540	46,825	34,129	34,038	34,129	34,038
Grants, Aids and Subsidies		0	23	23	23	23	23	23
Capital Outlay-Real Property	4,739	5,916	415	415	415	415	3,847	415
Other Financial Transaction	428	648	246	246	246	246	246	246
Total	39,110	45,278	29,339	52,844	40,249	40,249	44,222	41,120

Full-Time Equivalents

42.08	42.79	43.82	43.82	43.82	43.82	43.82	43.82
--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

Building Services

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
1000 - General								
Direct Appropriation	54	54	55	55	55	55	55	55
Expenditures	54	54	55	55	55	55	55	55
Biennial Change in Expenditures				2		0		0
Biennial % Change in Expenditures				2		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

2001 - Other Misc Special Revenue

Balance Forward In	220	264	160	152				
Receipts	842	850	859	867				
Balance Forward Out	264	160	152					
Expenditures	798	954	866	1,019				
Biennial Change in Expenditures				133		(1,885)		(1,885)
Biennial % Change in Expenditures				8		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.02	0.06	0.02	0.02	0.02	0.02	0.02	0.02

2700 - Trunk Highway

Balance Forward In		6,198		11,576				
Direct Appropriation	43,315	47,894	39,994	40,194	40,194	40,194	44,167	41,065
Transfers In	1,306	1,299	1,308	1,308	1,225	1,225	1,225	1,225
Transfers Out		8,800						
Cancellations	1,306	2,322	1,308	1,308	1,225	1,225	1,225	1,225
Balance Forward Out	5,057		11,576					
Expenditures	38,258	44,269	28,418	51,770	40,194	40,194	44,167	41,065
Biennial Change in Expenditures				(2,339)		200		5,044
Biennial % Change in Expenditures				(3)		0		6
Governor's Change from Base								4,844
Governor's % Change from Base								6
Full-Time Equivalents	42.06	42.73	43.80	43.80	43.80	43.80	43.80	43.80

Department of Transportation

Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actual	FY 2023 Budget	FY 2024 Base	FY 2025 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).	\$ 75,903	\$ 422,640	\$ 250,000	\$ 250,000	Match	9.00
Federal Aviation Administration CFDA 20.106	American Rescue Plan Act grants to be awarded as economic relief to eligible U.S. airports and eligible concessions at those airports to prevent, prepare for, and respond to the coronavirus pandemic. Funds may also be available for airport development grants awarded in FY 2021 or for grants awarded in FY 2020 that had less than a 100 percent federal share.	\$ 16,506	\$ 150,000	\$ 10,000	\$ 10,000	No	-
Federal Aviation Administration CFDA 20.106C CARES ACT	CARES ACT - 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.	\$ 38,599	\$ 360,914	\$ 20,000	\$ 10,000	No	-
Federal Aviation Administration CFDA 20.106	Airport Infrastructure Grants - The money can be invested in runways, taxiways, safety and sustainability projects, as well as terminal, airport-transit connections and roadway projects. This would also include the airport terminal program grants.	\$ -	\$ 120,000	\$ 200,000	\$ 200,000	No	3.00
Federal Aviation Administration CFDA 20.106	Airport Coronavirus Response Grant Program (ACRGP) Coronavirus Response and Relief Act- This grant is to be awarded as economic relief to eligible U.S. airports and eligible concessions at those airports to prevent, prepare for, and respond to the coronavirus disease 2019 (COVID-19) pandemic.	\$ 36,262	\$ 13,738	\$ 5,000	\$ 5,000	No	-
	Aeronautics Budget Activity Total	\$ 167,270	\$ 1,067,292	\$ 485,000	\$ 475,000		12.00
Federal Highway Administration CFDA 20.205	Federal Rideshare- Coordinate rideshare opportunities in Greater Minnesota.	\$ 109	\$ 287	\$ 250	\$ 250	Match	0.60
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.	\$ 149	\$ 274	\$ 250	\$ 250	Match	1.30
Federal Highway Administration CFDA 20.205	Transportation Alternatives- To fund transportation alternative type projects.	\$ 228	\$ 478	\$ 350	\$ 350	Match	0.80

Department of Transportation

Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actual	FY 2023 Budget	FY 2024 Base	FY 2025 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.	\$ 818	\$ 2,000	\$ 1,500	\$ -	No	-
Federal Transit Administration CFDA 20.505	FTA Section 5305 -Statewide planning activities and technical assistance for public transit services.	\$ 172	\$ 617	\$ 1,000	\$ 1,000	Match	-
Federal Transit Administration CFDA 20.509	Transit Vehicle Disposition – Reserve for salvaged transit vehicle disposition receipts that are used for mass transportation purposes.	\$ 48	\$ 703	\$ 200	\$ 200	No	-
Federal Transit Administration CFDA 20.509	FTA Section 5311 -Capital and operating transit funding for small urban and rural areas; includes administration for technical oversight of programs.	\$ 10,612	\$ 37,046	\$ 66,000	\$ 40,000	Match	25.00
Federal Transit Administration CFDA 20.509	American Rescue Plan Act - FTA Section 5311 -Capital and operating transit funding for small urban and rural areas; includes administration for technical oversight of programs.	\$ 5,882	\$ 11,134	\$ 5,000	\$ -	No	-
Federal Transit Administration CFDA 20.509C	Coronavirus Response and Relief Act - FTA Section 5311 -Capital and operating transit funding for small urban and rural areas; includes administration for technical oversight of programs.	\$ 7,610	\$ 7,500	\$ 5,000	\$ -	No	-
Federal Transit Administration CFDA 20.509C CARES Act	CARES ACT - FTA Section 5311 -Capital and operating transit funding for small urban and rural areas; includes administration for technical oversight of programs.	\$ 3,659	\$ 6,767	\$ 524	\$ -	No	-
Federal Transit Administration CFDA 20.513	FTA Section 5310 -Capital assistance grants for organizations that serve elderly and/or persons with disabilities.	\$ 6,049	\$ 13,028	\$ 13,077	\$ 13,077	Match	3.50
Federal Transit Administration CFDA 20.513	American Rescue Plan Act - FTA Section 5310 -Capital assistance grants for organizations that serve elderly and/or persons with disabilities.	\$ -	\$ 800	\$ 800	\$ -	No	-
Federal Transit Administration CFDA 20.513C	Coronavirus Response and Relief Act - FTA Section 5310 -Capital assistance grants for organizations that serve elderly and/or persons with disabilities.	\$ -	\$ 800	\$ 800	\$ -	No	-
Federal Transit Administration CFDA 20.526	Section 5339 Bus & Bus Facilities Programs -Provide funding for transit buses & bus facilities. This also includes the Low or No Emission Vehicle Program.	\$ 8,625	\$ 6,000	\$ 13,500	\$ 10,000	No	-

Department of Transportation

Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actual	FY 2023 Budget	FY 2024 Base	FY 2025 Base	Required State Match or MOE?	FTEs
Federal Transit Administration CFDA 20.526	Low or No Emission Vehicle Program The Low-No Program provides funding to state and local governmental authorities for the purchase or lease of zero-emission and low-emission transit buses, including acquisition, construction, and leasing of required supporting facilities.	\$ -	\$ 2,000	\$ -	\$ -	Match	-
Federal Transit Administration CFDA # 20.530	Public Transportation COVID-19 Research Demonstration Grant Program- To develop, deploy, and demonstrate innovative solutions that improve the operational efficiency of transit agencies, as well as enhance the mobility of transit users affected by the COVID-19 public health emergency.	\$ -	\$ 900	\$ 200	\$ -	No	-
Public Transportation Innovation CFDA 20.530	Integrated Mobility Innovation (IMI) Program funds projects that demonstrate innovative and effective practices, partnerships and technologies to enhance public transportation effectiveness, increase efficiency, expand quality, promote safety, and improve the experience of the traveler.	\$ 953	\$ 700	\$ 700	\$ -	Match	-
Public Transportation Innovation CFDA 20.530	Accelerated Innovative Mobility (AIM) funding to pilot a regional platform to enable multi-modal trip planning and payment for residents in southern Minnesota.	\$ 0	\$ 628	\$ 150	\$ -	Match	-
Federal Highway Administration CFDA 20.205	National Electric Vehicle Infrastructure Formula Program The U.S. Department of Transportation's (DOT) Federal Highway Administration (FHWA) NEVI Formula Program will provide funding to states to strategically deploy electric vehicle supply equipment (EVSE) and to establish an interconnected network to facilitate data collection, access, and reliability.	\$ -	\$ 30,000	\$ 30,000	\$ 30,000	Match	1.00
Federal Highway Administration CFDA 20.205	Clean Transportation Funding Pilot - Pilot program to reduce Green House Gas (GHG) emissions per the Next Generation Energy Act (NGEA).	\$ 436	\$ 3,564	\$ 2,000	\$ -	Match	0.10
	Transit Budget Activity Total	\$ 45,351	\$ 125,226	\$ 141,301	\$ 95,127		32.30
Federal Highway Administration CFDA 20.205	Federal Grade Crossing Safety - To promote grade crossing safety on Minnesota railroads.	\$ 4,785	\$ 7,228	\$ 7,000	\$ 7,000	No	4.75
Federal Highway Administration CFDA 20.205	State Planning & Research - develop and implement freight initiatives. STIP SP&R Part I	\$ 597	\$ 493	\$ 800	\$ 800	Match	1.00

Department of Transportation

Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actual	FY 2023 Budget	FY 2024 Base	FY 2025 Base	Required State Match or MOE?	FTEs
Federal Highway Administration CFDA 20.205	National Highway Freight Program - Funding for freight planning activities including development of plans and studies.	\$ 338	\$ 762	\$ 1,000	\$ -	No	0.50
Federal Motor Carrier Safety Administration CFDA 20.218	The Motor Carrier Safety Assistance Program (MCSAP) is a 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). Funds received from the Department of Public Safety.	\$ 910	\$ 3,336	\$ 2,160	\$ 2,160	Match	18.00
Federal Rail Administration CFDA 20.301	Railroad Safety State Participation Program - Program to help states defray some of the costs of the state Rail Safety Inspection Program by providing grants for eligible training, travel, equipment and administrative costs.	\$ 5	\$ 35	\$ 5	\$ 35	No	-
Federal Rail Administration CFDA 20.933	Willmar Wye Grant. Federal funds for design and construction of the Willmar Wye Project. State and local match provided.	\$ 4,500	\$ 5,500	\$ -	\$ -	Match	2.00
Federal Rail Administration CFDA 20.319	Twin Cities-Milwaukee-Chicago 2nd Train Project development and construction.	\$ -	\$ 40,000	\$ 2,000	\$ 1,200	Match	1.50
Federal Rail Administration CFDA 20.325	Intercity Passenger Rail (Northern Lights Express (NLX)) project development and construction.	\$ -	\$ 50,000	\$ 4,000	\$ 8,000	Match	2.00
Federal Railroad Administration CFDA 20.324	Restoration and Enhancement Grants Program - This program will fund operating assistance grants for initiating, restoring, or enhancing intercity rail passenger transportation.	\$ -	\$ 12,600	\$ 2,047	\$ 2,496	Match	-
Federal Railroad Administration	Corridor Identification and Development Program - Corridor ID Program establishes a comprehensive intercity passenger rail planning framework that will help guide future federal project development work and capital investments.	\$ -	\$ -	\$ 250	\$ 300	No	0.50
Federal Railroad Administration CFDA 20.327	Railroad Crossing Elimination Grant Program - The purpose of the RCE Program is to provide funding for highway-rail and pathway-rail grade crossing improvement projects that focus on improving the safety and mobility of people and goods.	\$ -	\$ -	\$ 1,000	\$ 1,000	Match	0.10
	Freight and Rail Safety Budget Activity Total	\$ 11,135	\$ 119,954	\$ 20,262	\$ 22,991		30.35
Federal Highway Administration CFDA 20.200	Statewide Transportation Innovation Council (STIC) Incentive Program Grants - Assistance for innovative practices in statewide transportation.	\$ -	\$ 400	\$ 500	\$ 500	Match	-

Department of Transportation

Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actual	FY 2023 Budget	FY 2024 Base	FY 2025 Base	Required State Match or MOE?	FTEs
Federal Highway Administration CFDA 20.205	FHWA Planning: Metropolitan Planning Organization (MPO) planning activities.	\$ 6,977	\$ 19,961	\$ 10,000	\$ 11,000	No	0.10
Federal Highway Administration CFDA 20.205	Transportation Alternatives- To fund transportation alternative type projects.	\$ 3,119	\$ 17,028	\$ 32,000	\$ 6,000	Match	0.10
Federal Highway Administration CFDA 20.205	State Planning & Research - funding for statewide and non-MPO program development, planning, and research activities, including data management.	\$ 7,995	\$ 22,005	\$ 17,000	\$ 17,000	Match	-
Federal Highway Administration CFDA 20.200	Advanced Transportation and Congestion Management Technologies Deployment Initiative Federal Grant - Federal grant supporting MnDOT's requirements to monitor, report, and respond to bridge scour, flooding, and slope stability.	\$ -	\$ 140	\$ 100	\$ -	Match	1.50
Federal Highway Administration CFDA 20.205	Cultural Resources- Funding for special interest projects providing historical, technical or other information pertinent to mobility.	\$ -	\$ 3,200	\$ 1,600	\$ 1,600	Match	0.70
National Highway Traffic Safety Administration CFDA 20.600	Roadway Safety Planning, Evaluation & Studies (RSEP&S) - Funds received via Department of Public Safety. Roadway Safety Plans and other safety studies.	\$ -	\$ 1,000	\$ 700	\$ 700	No	0.08
Federal Highway Administration 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.	\$ 1,163	\$ 4,840	\$ 4,000	\$ 4,000	No	3.00
National Highway Traffic Safety Administration CFDA 20.600	Toward Zero Deaths (TZD) Regional Coordination - Funds received via the Department of Public Safety. Regional TZD Coordinators Salaries & Out of State Travel. Funds received from the Department of Public Safety.	\$ 246	\$ 354	\$ 350	\$ 350	No	0.08
National Highway Traffic Safety Administration CFDA 20.600	Highway Road Safety Audits- Perform safety audits of trunk highways.	\$ -	\$ 120	\$ 100	\$ 100	No	0.02

Department of Transportation

Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actual	FY 2023 Budget	FY 2024 Base	FY 2025 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.	\$ -	\$ 1,000	\$ 700	\$ 700	No	0.08
Federal Highway Administration CFDA 20.205	USDOT FHWA Surface Transportation Program (STP) Formula Funds for Enterprise Asset Management (EAM) - Asset Management Software Development & Maintenance - For further implementation and project office staffing and consulting cost.	\$ 1,994	\$ 4,006	\$ 4,000	\$ 3,500	Match	7.75
Federal Highway Administration CFDA 20.205	Advanced Transportation Technologies and Innovative Mobility Development (ATTIMD)/Advanced Transportation Technologies and Innovation (ATTAIN) - Program Delivery. <i>[Previous Name was Advanced Transportation & Congestion Management Technologies Deployment (ATCMTD)]</i>	\$ -	\$ 2,000	\$ 1,000	\$ 1,000	Match	0.10
Federal Highway Administration CFDA 20.200	Surface Transportation System Funding Alternative. This project is a planning effort to chart a viable path toward a user based fee through the collaboration with shared service providers. The project goal is to create a model user based fee as an alternative revenue mechanism to help maintain the solvency of the Federal Highway Trust Fund.	\$ 148	\$ 57	\$ 2,500	\$ 2,500	Match	0.80
Federal Highway Administration CFDA 20.200	State Planning & Research -State planning and research funds for Pooled Fund (multi-state partnerships), road research and implementation projects conducted throughout the state.	\$ 1,864	\$ 4,135	\$ 3,000	\$ 3,000	No	2.00
Federal Highway Administration CFDA 20.200	State Planning & Research -State planning and research funds for National Road Research Alliance (NRRRA) Pooled Fund. Research projects are conducted at the MnROAD Research facility.	\$ 2,989	\$ 4,511	\$ 3,750	\$ 3,750	No	5.00
Federal Highway Administration CFDA 20.200	State Planning & Research -State planning and research funds for Minnesota only road research projects conducted throughout the state.	\$ 33	\$ 67	\$ 50	\$ 50	No	0.10
Federal Highway Administration CFDA 20.200	State Planning & Research -State planning and research funds used to conduct and support Minnesota only road research & implementation projects throughout the state which require a state match.	\$ 1,453	\$ 3,547	\$ 2,500	\$ 2,500	Match	5.00

Department of Transportation

Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actual	FY 2023 Budget	FY 2024 Base	FY 2025 Base	Required State Match or MOE?	FTEs
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.	\$ 113	\$ 288	\$ 150	\$ 150	Match	0.10
Federal Highway Administration CFDA 20.941	Strengthening Mobility and Revolutionizing Transportation (SMART) Grant - Program Delivery. To conduct demonstration projects focused on advanced smart city or community technologies and systems to improve transportation efficiency and safety.	\$ -	\$ -	\$ 1,000	\$ 1,000	No	0.10
Federal Highway Administration CFDA 20.200	State Planning & Research- Implementation of advanced technologies and systems to enhance pavement quality and life.	\$ 6	\$ 2,057	\$ 1,000	\$ 1,000	Match	0.10
Federal Highway Administration CFDA 20.205	Highway Safety Improvement Program (HSIP) Section 164 Sanction - Toward Zero Deaths (TZD) Coordinators salaries, Road Safety Plan Development, Road Safety Studies and Crash Database Improvements from FHWA.	\$ 1,948	\$ 7,760	\$ 6,000	\$ 6,000	No	0.30
	Program Planning & Delivery Budget Activity Total	\$ 30,047	\$ 98,476	\$ 92,000	\$ 66,400		27.01
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).	\$ 198	\$ 2,802	\$ 2,000	\$ 2,000	No	0.08
Federal Highway Administration CFDA 20.205	Advanced Transportation Technologies and Innovative Mobility Development (ATTIMD)/Advanced Transportation Technologies and Innovation (ATTAIN) - Construction. <i>[Previous Name was Advanced Transportation & Congestion Management Technologies Deployment (ATCMTD)]</i>	\$ -	\$ 11,000	\$ 2,000	\$ 9,000	Match	0.08
Federal Highway Administration CFDA 20.200	State Planning & Research- Implementation of advanced technologies and systems to enhance pavement quality and life.	\$ -	\$ 60	\$ 60	\$ -	Match	-
	State Road Construction Budget Activity Total	\$ 198	\$ 13,862	\$ 4,060	\$ 11,000		0.16
Federal Highway Administration CFDA 20.240	Red Dye Fuel Monitoring Program -To inspect and take diesel fuel samples from commercial vehicles being operated on MN roads.	\$ 285	\$ 415	\$ 500	\$ 700	No	0.50

Department of Transportation

Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actual	FY 2023 Budget	FY 2024 Base	FY 2025 Base	Required State Match or MOE?	FTEs
Dept. of Homeland Security CFDA 97.036	Federal Emergency Management Agency's (FEMA) Public Assistance (PA) Grant Program - Reimbursements for the costs of responding to disasters eligible under the Public Assistance program. Funds received from Department of Public Safety.	\$ 2,385	\$ 2,115	\$ -	\$ -	No	-
Federal Highway Administration CFDA 20.205	Intelligent Transportation Systems (ITS) Maintenance & Operations - when funds become available for maintaining ITS items like Variable Message Signs, Traffic Cameras and Ramp Meters.	\$ -	\$ 4,000	\$ 2,000	\$ 2,000	Match	0.05
Federal Highway Administration 20.941	Strengthening Mobility and Revolutionizing Transportation (SMART) Grant - Construction Implementation. To conduct demonstration projects focused on advanced smart city or community technologies and systems to improve transportation efficiency and safety.	\$ -	\$ -	\$ 8,000	\$ 8,000	No	0.08
Federal Highway Administration	Integ Mobile Observation (IMO) 3.0 To fund agency activities involving automated vehicle location and data collection from snowplows and light duty trucks.	\$ -	\$ 15	\$ -	\$ -		-
Federal Highway Administration CFDA 20.205	Toward Zero Deaths (TZD) Conference - Annual safety conference for all agencies and statewide partners. Funds received from the Department of Public Safety.	\$ 136	\$ 564	\$ 400	\$ 400	No	0.08
	Operations & Maintenance Total	\$ 2,807	\$ 7,109	\$ 10,900	\$ 11,100		0.71
Federal Highway Administration CFDA 20.205	Highway Safety Improvement Program (HSIP) - County & city road safety plans, studies and road safety construction.	\$ 844	\$ 4,201	\$ 3,000	\$ 3,000	No	0.25
Federal Highway Administration CFDA 20.205	Competitive Highway Bridge Program Grant (CHBP) - Grants to fund bridge improvements including replacement and rehabilitation.	\$ -	\$ 5,750	\$ 2,300	\$ 1,630	Match	1.00
Federal Highway Administration CFDA 20.224	Federal Lands Access Program (FLAP) - 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.	\$ -	\$ 5,200	\$ 2,450	\$ 950	Match	0.50

Department of Transportation

Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actual	FY 2023 Budget	FY 2024 Base	FY 2025 Base	Required State Match or MOE?	FTEs
Federal Highway Administration CFDA 20.205	Federal Aid Highway Program - Provides road construction and planning dollars, including discretionary grants, to the local county and city governments for their road systems.	\$ 150,617	\$ 295,873	\$ 283,000	\$ 345,000	Match	12.00
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.	\$ 8,138	\$ 91,862	\$ 50,000	\$ 50,000	Match	0.50
Federal Highway Administration CFDA 20.205	Federal Aid Highway Program- Funding for special interest projects providing historical, technical or other information pertinent to mobility.	\$ 1,039	\$ 1,961	\$ 1,500	\$ 1,500	Match	1.70
Federal Highway Administration CFDA 20.933	US 169 Freight Mobility, Scott County 2016	\$ 261	\$ 1,739	\$ -	\$ -	No	0.25
Federal Highway Administration CFDA 20.933	Rebuilding America Infrastructure with Sustainability and Equity (RAISE) - RAISE grants are for capital investments in surface transportation that will have a significant local or regional impact. The City of St. Paul was awarded a grant to develop a comprehensive transportation plan to address safety, equity, and quality of life concerns. The Federal Highway Administration agreement has designated MnDOT, as the pass through entity.	\$ -	\$ 1,400	\$ 700	\$ 700	No	0.50
Federal Highway Administration CFDA 20.205	Coronavirus Response and Relief Act- Federal Aid Highway Program - Provides road construction, maintenance, and operation dollars to the local county and city governments for their road systems.	\$ 39,098	\$ 50,902	\$ -	\$ -	No	-
Federal Highway Administration CFDA 20.200	Accelerated Innovation Deployment (AID) Program - FHWA has an annual grant program to assist in advancing innovative practices on specific projects.	\$ -	\$ 2,000	\$ 2,000	\$ 2,000	Match	-
Federal Highway Administration CFDA 20.205	Local Agency Cultural Resources Investigation (LACRI) - Provides funding for federally required survey and evaluation work to identify historic properties, mitigation plan development and implementation, construction monitoring, and related work on federal-aid eligible local roads.	\$ -	\$ 1,200	\$ 1,200	\$ 1,200	Match	0.10
	Local Roads Program Total	\$ 199,997	\$ 462,088	\$ 346,150	\$ 405,980		16.80
	Total Agency Federal Fund [3000 Fund]	\$ 456,806	\$ 1,894,007	\$ 1,099,673	\$ 1,087,598		119.33

Department of Transportation

Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actual	FY 2023 Budget	FY 2024 Base	FY 2025 Base	Required State Match or MOE?	FTEs
Federal Highway Administration CFDA 20.205	Federal Highway Administration (FHWA) Biennial Budget estimated Federal Agreement Revenue from appropriation bill.	\$ 488,996	\$ 633,507	\$ 730,398	\$ 699,230	Match	260.00
	Reimbursement for Trunk Highway Grant Expenses (Non-dedicated receipts 2700 Fund)	\$ 72	\$ -	\$ -	\$ -	No	-
	Total Trunk Highway Funds (2700 Fund Federal Revenue)	\$ 489,069	\$ 633,507	\$ 730,398	\$ 699,230		260.00
	Reimbursement for Municipal Grant Expenses (Non-Dedicated Receipts 2500 Fund)	\$ 401	\$ 500	\$ 500	\$ 500	No	-
	Reimbursement for County Grant Expenses (Non-Dedicated Receipts 2600 Fund)	\$ 516	\$ 600	\$ 600	\$ 600	No	-
	Total Non Dedicated (2500 and 2600 Fund)	\$ 917	\$ 1,100	\$ 1,100	\$ 1,100		-
	Total Federal Funds - Agency Total	\$ 946,791	\$ 2,528,614	\$ 1,831,171	\$ 1,787,928		379.33

Narrative

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. Agency legal authority to spend other than M.S. 3.3005 for executive branch agencies

Minnesota State Statute 161.36, subd. 2

4. Changing funding levels or trends that may impact future awards

The recently enacted IJA authorization includes increased funding for the next four years (FY 2023-26). This requires an annual federal appropriation to use the IJA contracting authority.

5. 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.


6. Basis for estimates

Estimates are based on the best funding information currently available to MnDOT program managers. Overall, federal funds anticipated during the FY 2024-25 biennium are relatively consistent with the FY 2022-23 biennium.

7. Indicate whether the federal funding has flexibility in how the funds are spent

Funds received are used in accordance with authorizing federal legislation and the program purpose described above.

District 1

	Counties	Supports
	Aitkin Carlton Cook Itasca Koochiching Lake Pine St. Louis	<p>Supports</p> <ul style="list-style-type: none"> • 354,592 people (6% of state population, 2020 estimate) • 19,446 sq. miles of land area (24% of state land area) • 1,554 centerline miles of state, U.S., and interstate highways (13% of state centerline miles) • 3,735 lane miles of state, U.S., and interstate highways (13% of state lane miles) • 546 bridges 10 ft or greater (11% of state bridges) • 838 miles of rail line (18% of state rail line miles) • 22 public airports (17% of state airports) • 8 public Class I rest areas (16% of state rest areas) <p>Resources in FY 2021</p> <ul style="list-style-type: none"> • 383 full-time employees • 2 regional offices • 84 snow removal trucks

SERVICES PROVIDED

Located in northeastern Minnesota, District 1 represents one-fourth of the state's total land area. Services provided by District 1 staff include the planning, design, construction, and maintenance of the state and federal highway system. District 1 staff offers aid and assistance to the county and city systems that qualify for state and federal dollars. District 1 also provides transit, trail, and rail coordination. Through many partnerships with local governments, agencies, and the public, District 1 provides a transportation system that meets the needs of Minnesotans.

District 1 is unique in many ways. It shares two of Minnesota's longest bridges—the Blatnik and Bong bridges—with Wisconsin. The district has two international border crossings. The Port of Duluth-Superior is one of the district's key partners. It is the largest freshwater port in the world, and it has access to four Class I railroads. It is a full-service multimodal hub for domestic and international trade. The district is home to hundreds of miles of paved trails. The Mesabi Trail—spanning from Grand Rapids to Ely—will be one of the nation's longest trail systems (155 miles) once complete. The four national scenic byways and six state scenic highways located in District 1 make up nearly half of Minnesota's scenic byways.

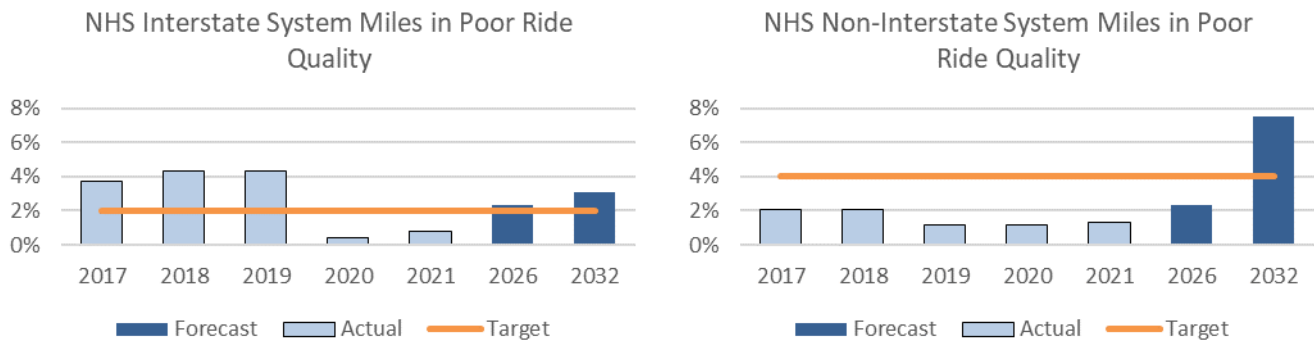
District 1's operations program strives to maintain, operate, and preserve our transportation assets so that they are safe, structurally sound, and aesthetically pleasing. These assets include highways, bridges, drainage structures, safety devices, facilities, rest areas, and equipment. Staff and equipment are located at 19 truck stations across the district, allowing efficient and independent mobilization for year-round maintenance operations. District 1 has harsh winter conditions and is committed to providing 24/7 service coverage for snow and ice condition response. Summer maintenance priorities include pavement repair, bridge inspection and repair, drainage, vegetation control, traffic services, guardrail maintenance, and natural disaster response.

District 1 averages 20 construction projects annually, costing approximately \$172 million per year. This district accounts for about 16 percent of state construction project spending annually. This average includes the Twin Ports Interchange project.

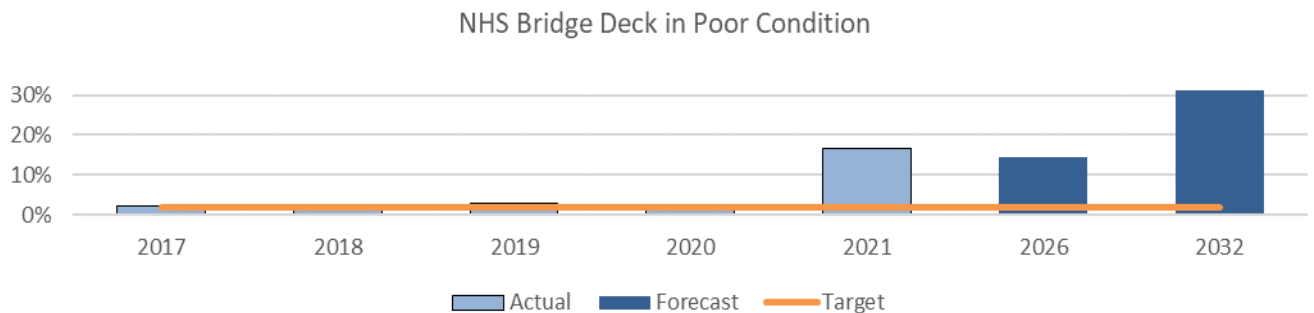
PERFORMANCE INDICATORS

MnDOT tracks the performance of the Trunk Highway system with a number of different measures, many of which are published on the [transportation performance website](https://performance.minnesotago.org/) (<https://performance.minnesotago.org/>). MnDOT prioritizes infrastructure improvements on National Highway System (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.

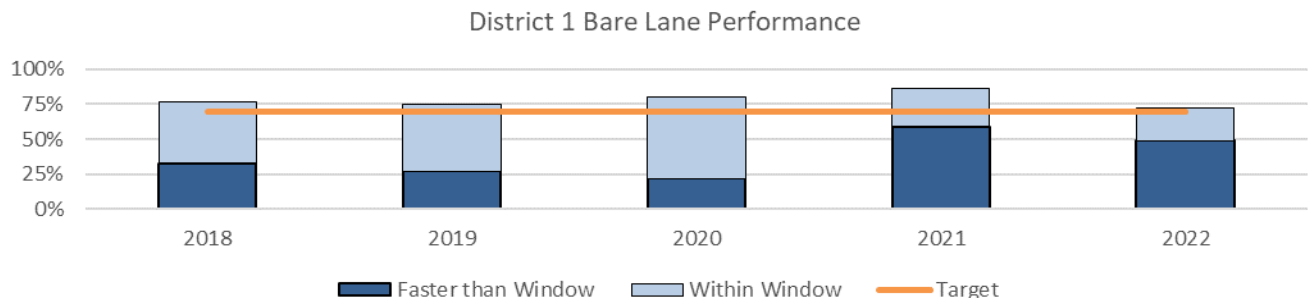
Pavement condition is measured by the percentage of miles of highway in poor condition. The system condition is projected to worsen and exceed the NHS Interstate System target goal after 2026.




Bridge condition is measured by the percentage of bridge deck area in poor condition. NHS bridge condition is a concern in District 1. The Blatnik bridge is a significant portion of NHS deck area in poor condition. Without a Blatnik bridge replacement project, NHS bridge condition is projected to remain steady through 2027 and then decline by 2032, with 31 percent of bridge deck area projected to be in poor condition.



After a snow or ice event, MnDOT returns roads to an acceptable driving condition. This is described as the “time to bare lane”. MnDOT sets an objective window for time to bare lane which varies by the amount of traffic on the road. MnDOT’s strives to meet the objective for each roadway 70 percent of the time during the winter season.



District 2

	Counties	Supports
	Beltrami Clearwater Hubbard Kittson Lake of the Woods Marshall Norman Pennington Polk Red Lake Roseau	<ul style="list-style-type: none"> • 163,997 people (3% of state population, 2020 estimate) • 14,158 sq. miles of land area (18% of state land area) • 1,802 centerline miles of state, U.S., and interstate highways (15% of state centerline miles) • 3,903 lane miles of state, U.S., and interstate highways (13% of state lane miles) • 362 bridges 10 ft or greater (8% of state bridges) • 609 miles of rail line (13% of state rail line miles) • 19 public airports (14% of state airports) • 3 public Class 1 rest areas (6% of state rest areas)
	*Parts of Cass, Itasca and Koochiching	<p>Resources in FY 2021</p> <ul style="list-style-type: none"> • 250 full-time employees • 3 regional offices • 68 snow removal trucks

SERVICES PROVIDED

District 2 is in northwest Minnesota, bordered by North Dakota and Canada. The MnDOT team in District 2 plans, designs, constructs, and maintains the state and federal trunk highways within the district. They also manage the aid and assistance provided to local governments that qualify for state and federal transportation funding for roadways, bridges, trails, and transit systems. The top priorities for the District 2 construction program are preserving the existing system, making cost-effective safety improvements, and enhancing accessibility for all modes of transportation. District 2 continues to prioritize safety and mobility needs of its customers while continuously looking for partnership opportunities to maximize budgets.

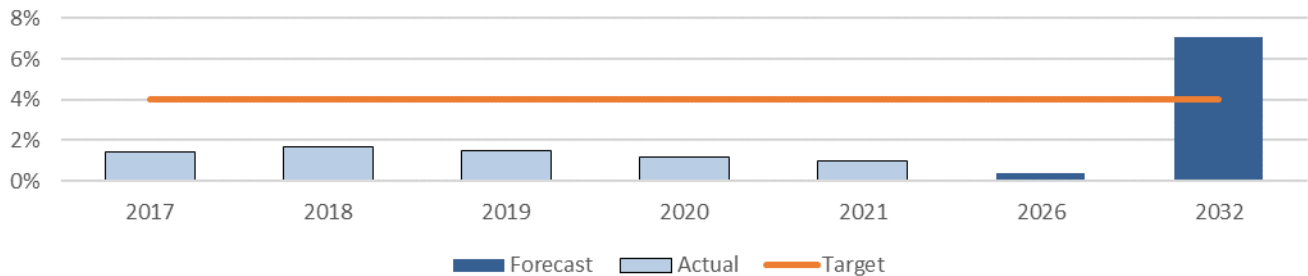
District 2 serves a large geographic area that is predominately rural, with farmland and prairie in the west and lakes and forests in the east. The area is characterized by the Red River Valley and the Northwoods. The Red River Valley is known for agriculture and is prone to flooding. The Northwoods is known for timber, lakes, and recreational opportunities. There are many small communities and four cities with a population of more than 5,000 within the district. All the lands of the Red Lake Nation and portions of the Leech Lake and White Earth reservations lie within the boundaries of District 2. There is a diverse economy in the district consisting of farming, timber production, manufacturing, and tourism. The major industries in District 2 include forestry, agriculture, and food processing.

District 2 averages 13 construction projects annually, costing approximately \$59 million per year. This district accounts for about 6 percent of state construction project spending annually.

PERFORMANCE INDICATORS

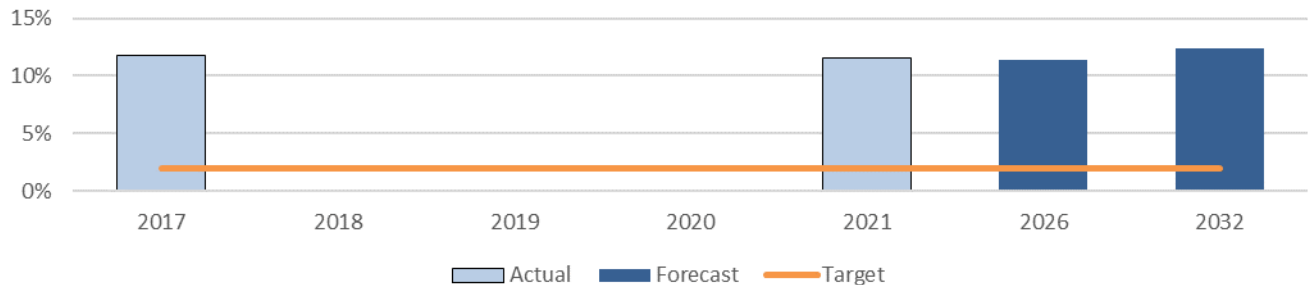
MnDOT tracks the performance of the Trunk Highway system with a number of different measures, many of which are published on the [transportation performance website \(https://performance.minnesotago.org/\)](https://performance.minnesotago.org/). MnDOT prioritizes infrastructure improvements on National Highway System (NHS) routes. This approach allows MnDOT to comply with federal law and manage risks related to statewide travel. Pavement condition is measured by the percentage of miles of highway in poor condition. Poor ride quality can range from uneven surfaces to cracks in the road. The condition of roads in District 2 is projected to worsen after 2026.

NHS Non-Interstate System Miles in Poor Ride Quality



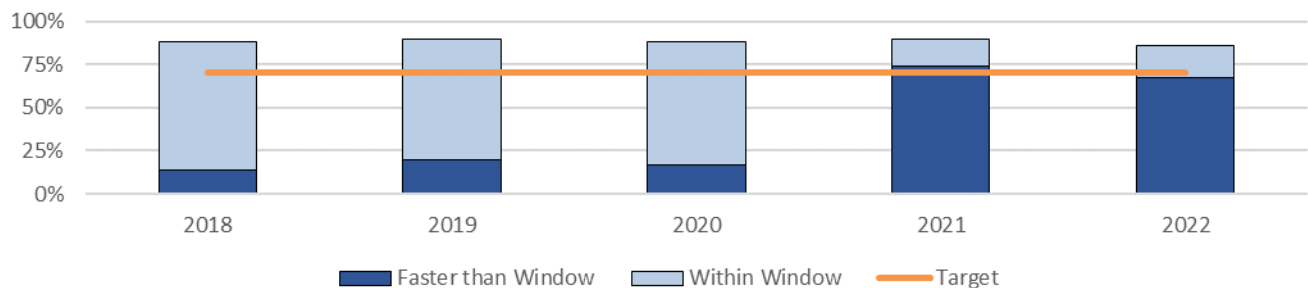
Bridge condition is measured by the percentage of bridge deck area in poor condition. State highway bridges are inspected at least every two years. Bridges rated in poor condition are safe to drive on but are near the point where significant investment in repair or replacement is needed. There was no District 2 bridge deck in poor condition from 2018 through 2020, but this figure grew to more than 10 percent in 2021.

NHS Bridge Deck in Poor Condition




After a snow or ice event, MnDOT returns roads to an acceptable driving condition. This is described as the “time to bare lane”. MnDOT sets an objective window for time to bare lane which varies by the amount of traffic on the road. MnDOT’s strives to meet the objective for each roadway 70 percent of the time during the winter season.

District 2 Bare Lane Performance



District 3

	Counties	Supports
	Aitkin	<ul style="list-style-type: none"> 691,343 people (12% of state population, 2020 estimate)
	Benton	<ul style="list-style-type: none"> 10,209 sq. miles of land area (13% of state land area)
	Cass	<ul style="list-style-type: none"> 1,586 centerline miles of state, U.S., and interstate highways (14% of state centerline miles)
	Crow Wing	<ul style="list-style-type: none"> 4,009 lane miles of state, U.S., and interstate highways (14% of state lane miles)
	Isanti	<ul style="list-style-type: none"> 426 bridges 10 ft or greater (9% of state bridges)
	Kanabec	<ul style="list-style-type: none"> 374 miles of rail line (8% of state rail line miles)
	Mille Lacs	<ul style="list-style-type: none"> 21 public airports (16% of state airports)
	Morrison	<ul style="list-style-type: none"> 7 public Class 1 rest areas (14% of state rest areas)
	Sherburne	
	Stearns	
	Todd	
	Wright	
	Wadena	
		<p>Resources in FY 2021</p> <ul style="list-style-type: none"> 415 full-time employees 2 regional offices 109 snow removal trucks

SERVICES PROVIDED

Located in central Minnesota, District 3 has the largest population base outside the Minneapolis/St. Paul metro area. The district covers 13 counties in the central part of the state and is home to 19 cities that have a population of over 5,000. These cities include Baxter, where District 3 is headquartered, and St. Cloud, which is home to another MnDOT office. There is a strong manufacturing presence in District 3, and there are several major corridors vital to freight movement cross the district. The tourism industry is a key driver within the district's economy, contributing to traffic volumes. The southern boundary of District 3 is located adjacent to the metro region and is rapidly becoming part of the greater urbanized area, with a strong commuter demand currently served by highways, buses, and park-and-ride lots.

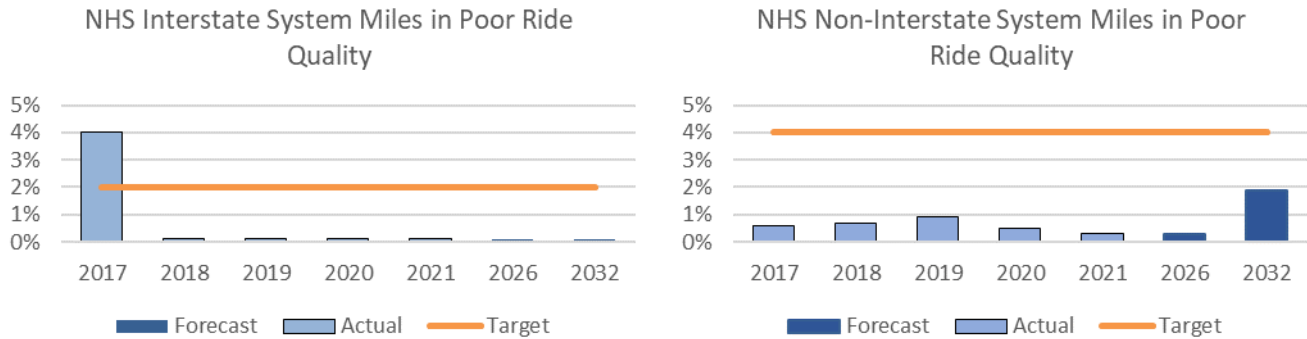
The MnDOT team in District 3 plans, designs, constructs, and maintains the state and federal trunk highways within the district. Staff also manages the aid and assistance provided to local governments that qualify for state and federal transportation funding for roadways, bridges, trails, and transit systems. There are several corridors from the metro area coming into the district with high traffic volumes where safety and mobility needs are top priorities.

The district is more urban in Wright, Sherburne, and Stearns counties due to their proximity to the metro area. The district includes two metropolitan planning areas: the St. Cloud Area Planning Organization and portions of Wright and Sherburne Counties are part of the Twin Cities Metropolitan Council's extended urbanized area. The northern part of District 3 is home to the Brainerd Lakes Area, Lake Mille Lacs, and many other popular tourist destinations where traffic volumes increase seasonally and on weekends. The district is diverse and has several traditionally underserved populations, including the Mille Lacs Band of Ojibwe and portions of the Leech Lake reservation, the Hispanic and Somali communities, and the Amish community.

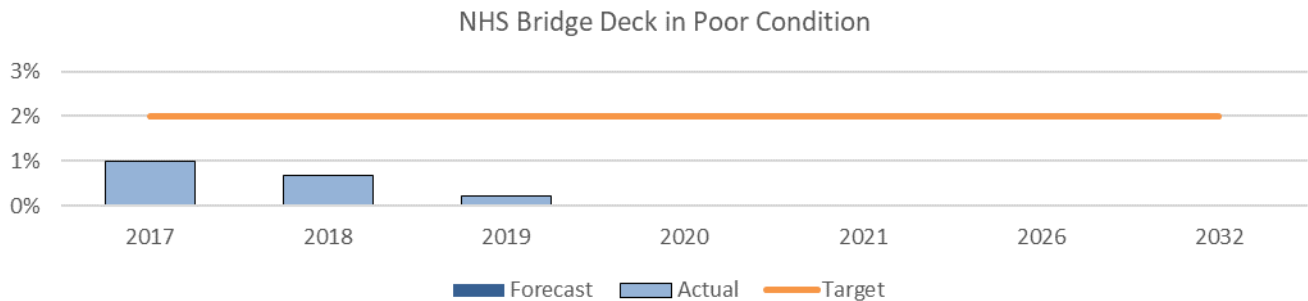
District 3 averages 19 construction projects annually, costing approximately \$122 million per year. This district accounts for about 11 percent of state construction project spending annually.

PERFORMANCE INDICATORS

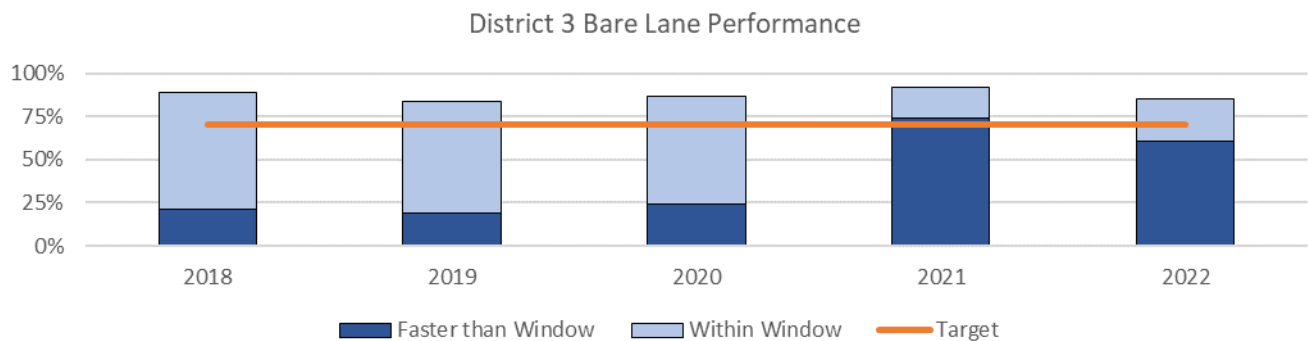
MnDOT tracks the performance of the Trunk Highway system with a number of different measures, many of which are published on the [transportation performance website \(https://performance.minnesotago.org/\)](https://performance.minnesotago.org/). MnDOT prioritizes infrastructure improvements on National Highway System (NHS) routes. This approach allows MnDOT to comply with federal law and manage risks related to statewide travel. Pavement condition is measured by the percentage of miles of highway in poor condition. Poor ride quality can range from uneven surfaces to cracks in the road. The percentage of miles rated as poor in District 3 is low and forecasted to remain below target.




Bridge condition is measured by the percentage of bridge deck area in poor condition. State highway bridges are inspected at least every two years. Bridges rated in poor condition are safe to drive on but are near the point where significant investment in repair or replacement is needed. There is currently no bridge deck in poor condition in District 3, and none are projected to reach poor condition within the next decade.



After a snow or ice event, MnDOT returns roads to an acceptable driving condition. This is described as the “time to bare lane”. MnDOT sets an objective window for time to bare lane which varies by the amount of traffic on the road. MnDOT’s strives to meet the objective for each roadway 70 percent of the time during the winter season.



District 4

	<p>Counties</p> <p>Becker Big Stone Clay Douglas Grant Mahnomon Otter Tail Pope Stevens Swift Traverse Wilkin</p>	<p>Supports</p> <ul style="list-style-type: none"> • 256,992 people (4% of state population, 2020 estimate) • 9,865 sq. miles of land area (12% of state land area) • 1,571 centerline miles of state, U.S., and interstate highways (13% of state centerline miles) • 3,576 lane miles of state, U.S., and interstate highways (12% of state lane miles) • 336 bridges 10 ft or greater (7% of state bridges) • 668 miles of rail line (15% of state rail line miles) • 19 public airports (14% of state airports) • 5 public Class 1 rest areas (10% of state rest areas) <p>Resources in FY 2021</p> <ul style="list-style-type: none"> • 260 full-time employees • 2 regional offices • 61 snow removal vehicles
---	--	---

SERVICES PROVIDED

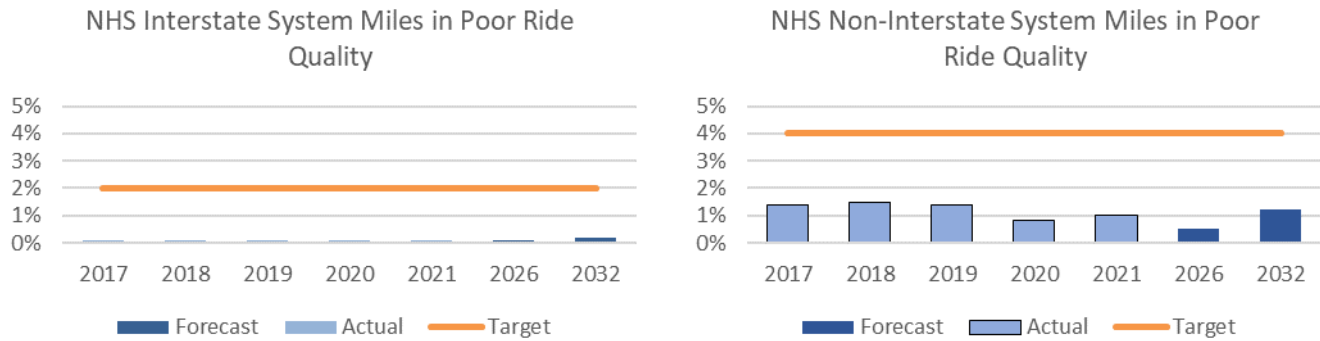
District 4 is in west central Minnesota, with offices and truck stations strategically placed throughout the region to ensure the safety and efficiency of transportation. District 4 staff plan, design, construct, and maintain the state and federal highway systems within district boundaries, and staff also manage the aid and assistance given to county and city systems that qualify for state and federal dollars. District 4's staff follow a community-focused approach during project development, and they work closely with local partners to meet the needs of all transportation system users while minimizing environmental and construction impacts.

District 4 staff are committed to delivering a high level of service on roadways. The district invests in long-term fixes on major corridors such as Interstate 94 and Highway 10 to improve safety and mobility for freight haulers and the traveling public. Winter winds across western Minnesota create significant blowing snow and ice conditions. Through outreach efforts with landowners and farm operators, District 4 is leading the state's snow fence program and has installed more than 31 miles of permanent and temporary snow fencing across the region.

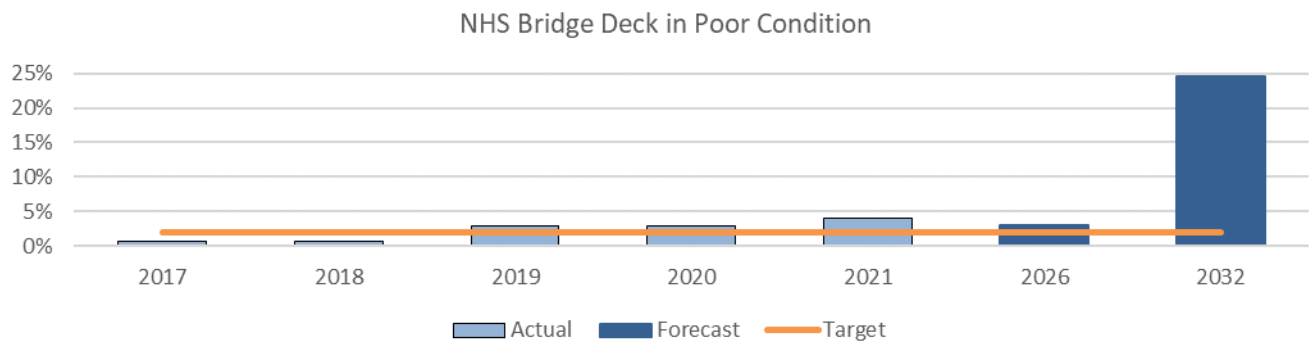
District 4 averages 9 construction projects annually, costing approximately \$65 million per year. This district accounts for about 6 percent of state construction project spending annually.

PERFORMANCE INDICATORS

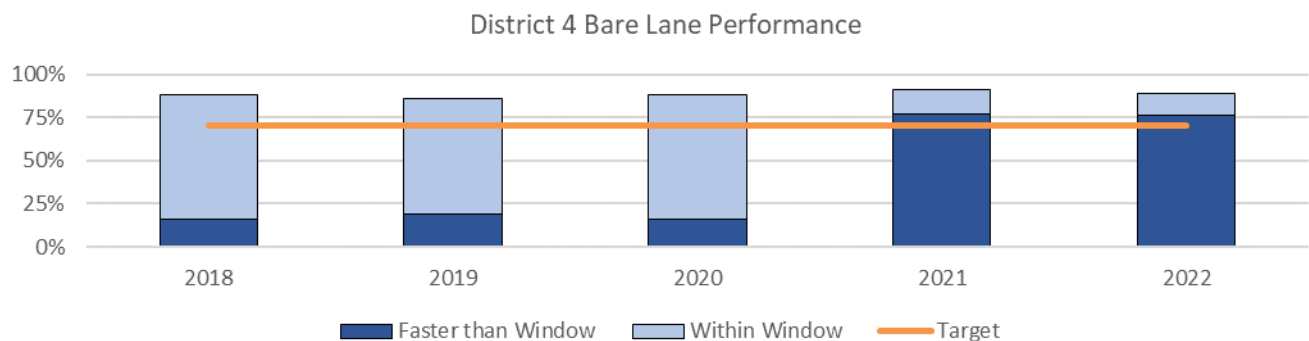
MnDOT tracks the performance of the Trunk Highway system with a number of different measures, many of which are published on the [transportation performance website](https://performance.minnesotago.org/) (<https://performance.minnesotago.org/>). MnDOT prioritizes infrastructure improvements on National Highway System (NHS) routes. This approach allows MnDOT to comply with federal law and manage risks related to statewide travel. Pavement condition is measured by the percentage of miles of highway in poor condition. Poor ride quality can range from uneven surfaces to cracks in the road. The percentage of miles rated as poor in District 4 is low and forecasted to remain below target.




Bridge condition is measured by the percentage of bridge deck area in poor condition. State highway bridges are inspected at least every two years. Bridges rated in poor condition are safe to drive on but are near the point where significant investment in repair or replacement is needed. Bridge condition is projected to significantly worsen beyond 2026, increasing from approximately 3 percent of miles in poor condition to almost 25 percent.



After a snow or ice event, MnDOT returns roads to an acceptable driving condition. This is described as the “time to bare lane”. MnDOT sets an objective window for time to bare lane which varies by the amount of traffic on the road. MnDOT’s strives to meet the objective for each roadway 70 percent of the time during the winter season.



Metro District

	Counties	Supports
	Anoka Carver Chisago Dakota Hennepin Ramsey Scott Washington	<ul style="list-style-type: none"> • 3,219,725 people (56% of state population, 2020 estimate) • 3,237 sq. miles of land area (4% of state land area) • 1,082 centerline miles of state, U.S., and interstate highways (9% of state centerline miles) • 4,006 lane miles of state, U.S., and interstate highways (14% of state lane miles) • 1,447 bridges 10 ft or greater (30% of state bridges) • 640 miles of rail line (14% of state rail line miles) • 10 public airports (8% of state airports) including the Minneapolis/St. Paul International Airport • 5 public Class 1 rest areas (10% of state rest areas) <p style="text-align: center;">Resources in FY 2021</p> <ul style="list-style-type: none"> • 1,375 full-time employees • 3 regional offices and the Regional Transportation Management Center (RTMC) • 228 snow removal trucks

SERVICES PROVIDED

Located in eastern Minnesota, MnDOT's Metro District maintains a multimodal transportation system that includes state, federal, and interstate highways and roads within the eight-county Twin Cities metropolitan area. There are 84 state-aid eligible municipalities (population of 5,000 or greater) in the Metro District, along with the state's largest metropolitan planning organization (MPO), the Metropolitan Council. Minnesota's two largest cities, Minneapolis and St. Paul, are located within Metro District.

Major industries in the Metro District include business services, information technology, insurance, printing and publishing services, and medical devices. Metro District includes many universities, colleges, hospitals, and Fortune-500 company headquarters.

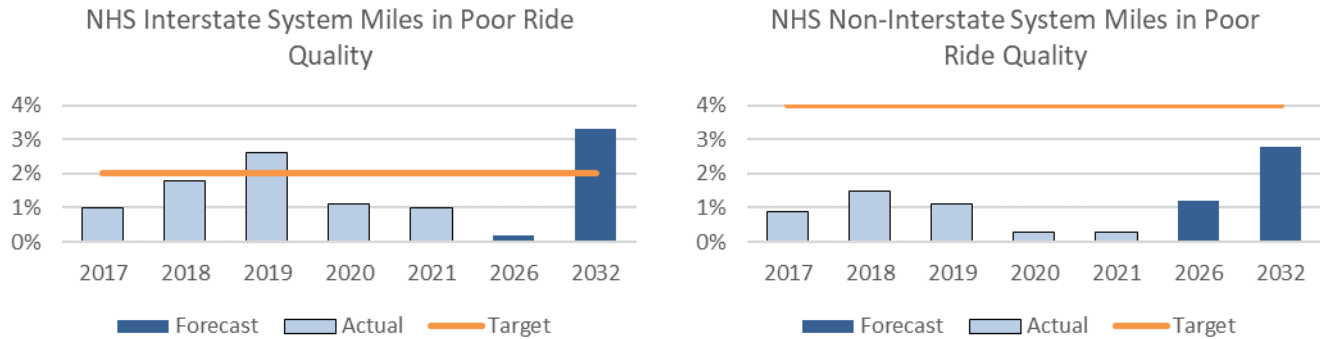
In coordination with cities, counties, MPOs, and consultants, the Metro District team plans, designs, constructs, and maintains highway systems. Metro District staff manage the aid and assistance given to regional, county and city systems that qualify for state and federal dollars. MnDOT provides support for multimodal transportation in Metro District, including transit, rail, bicycle, and pedestrian systems.

As commerce and the population grow in the Twin Cities, so does traffic congestion. Metro District manages congestion by operating the Regional Transportation Management Center (RTMC). The RTMC uses technologies and programs to benefit commuters in the Twin Cities metro area. These initiatives include ramp meters, traffic informational website 511mn.org (<https://511mn.org>), dynamic message signs, E-ZPASS system, and the Freeway Incident Response Safety Team (FIRST) program.

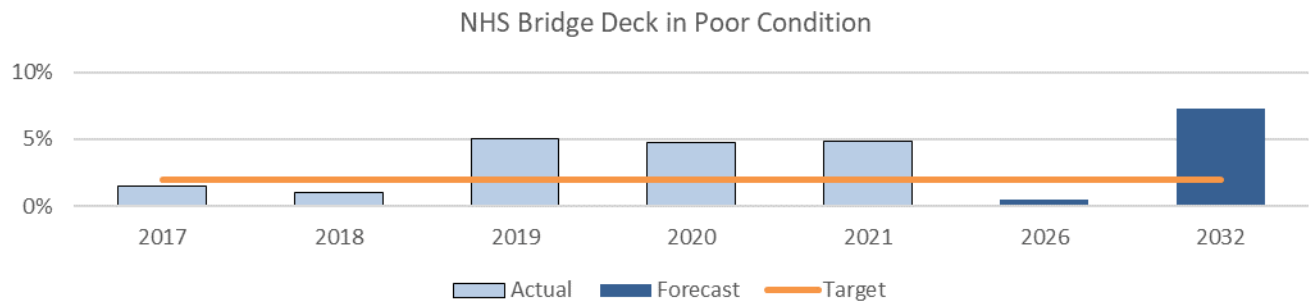
Metro District averages 47 construction projects annually, costing approximately \$389 million per year. This district accounts for about 36 percent of state construction project spending annually.

PERFORMANCE INDICATORS

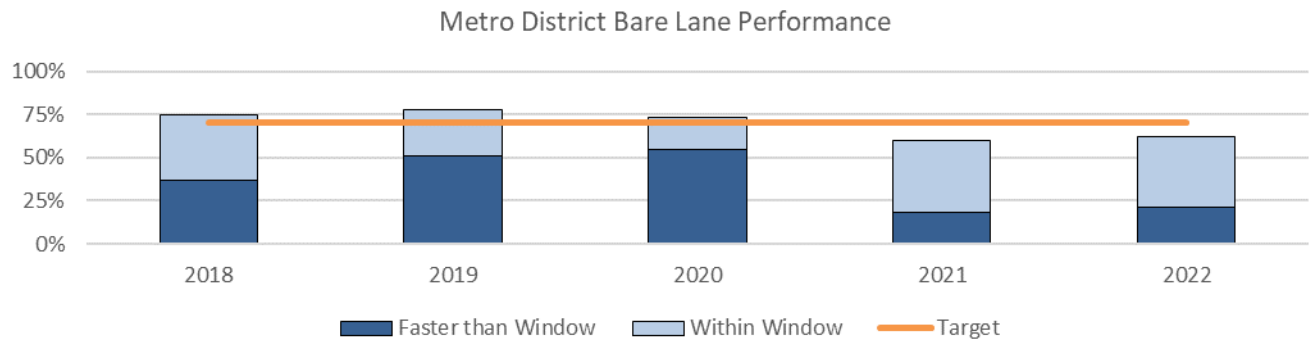
MnDOT tracks the performance of the Trunk Highway system with a number of different measures, many of which are published on the [transportation performance website](https://performance.minnesotago.org/) (<https://performance.minnesotago.org/>). MnDOT prioritizes infrastructure improvements on National Highway System (NHS) routes. This approach allows MnDOT to comply with federal law and manage risks related to statewide travel. Pavement condition is measured by the percentage of miles of highway in poor condition. Poor ride quality can range from uneven surfaces to cracks in the road. The percentage in poor condition is estimated to significantly increase after 2026.




Bridge condition is measured by the percentage of bridge deck area in poor condition. State highway bridges are inspected at least every two years. Bridges rated in poor condition are safe to drive on but are near the point where significant investment in repair or replacement is needed. The percentage in poor condition is estimated to significantly increase after 2026.



After a snow or ice event, MnDOT returns roads to an acceptable driving condition. This is described as the “time to bare lane”. MnDOT sets an objective window for time to bare lane which varies by the amount of traffic on the road. MnDOT’s strives to meet the objective for each roadway 70 percent of the time during the winter season.



District 6

	<p>Counties</p> <p>Dodge Fillmore Freeborn Goodhue Houston Mower Olmsted Rice Steele Wabasha Winona</p>	<p>Supports</p> <ul style="list-style-type: none"> • 517,852 people (9% of state population, 2020 estimate) • 6,801 sq. miles of land area (9% of state land area) • 1,433 centerline miles of state, U.S., and interstate highways (12% of state centerline miles) • 3,750 lane miles of state, U.S., and interstate highways (13% of state lane miles) • 863 bridges 10 ft or greater (18% of state bridges) • 432 miles of rail line (9% of state rail line miles) • 11 public airports (8% of state airports) • 12 public Class 1 rest areas (24% of state rest areas) <p>Resources in FY 2021</p> <ul style="list-style-type: none"> • 408 full-time employees • 3 regional offices • 95 snow removal trucks
---	--	--

SERVICES PROVIDED

District 6 is in southeastern Minnesota. It has three regional offices located in Rochester, Owatonna, and Winona, which are also regional trade centers. Major industries in the district include education and knowledge creation, food and livestock processing, and footwear. Rochester, the state's third most populous city, is also home to internationally renowned medical care and testing facilities. Besides Rochester, there are five other communities with more than 20,000 people. There are 23 truck stations located in District 6, including three which are at regional offices. The district borders Wisconsin and Iowa in the east and south.

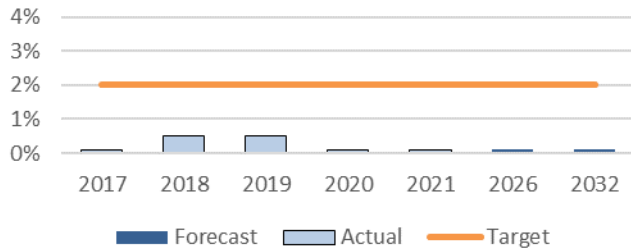
Over the next 10 years, most projects in District 6 will address pavement and bridge conditions. The district will also address roadside infrastructure (signage, culverts, guardrail, and lighting), safety improvements, pedestrian infrastructure that does not comply with the Americans with Disabilities Act, and bicycle infrastructure.

District 6 averaged 20 construction projects annually, costing approximately \$86 million per year. This district accounts for about 9 percent of state construction project spending annually.

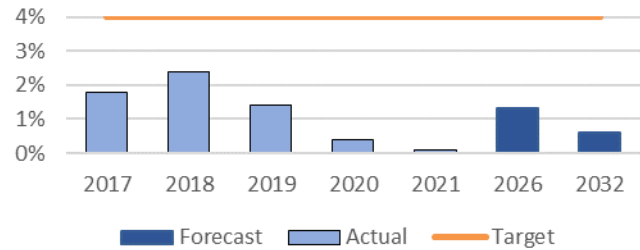
PERFORMANCE INDICATORS

MnDOT tracks the performance of the Trunk Highway system with a number of different measures, many of which are published on the [transportation performance website](https://performance.minnesotago.org/) (<https://performance.minnesotago.org/>). MnDOT prioritizes infrastructure improvements on National Highway System (NHS) routes. This approach allows MnDOT to comply with federal law and manage risks related to statewide travel. Pavement condition is measured by the percentage of miles of highway in poor condition. Poor ride quality can range from uneven surfaces to cracks in the road. The percentage of miles rated as poor in District 6 is low and forecasted to remain below target.

NHS Interstate System Miles in Poor Ride Quality

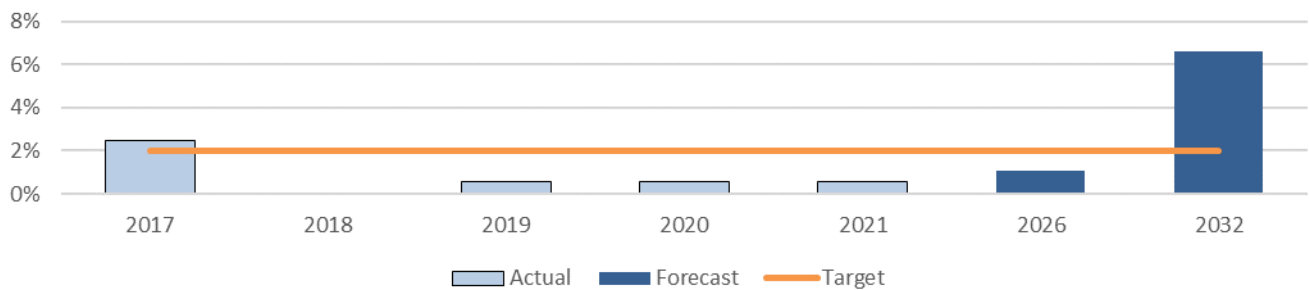


NHS Non-Interstate System Miles in Poor Ride Quality



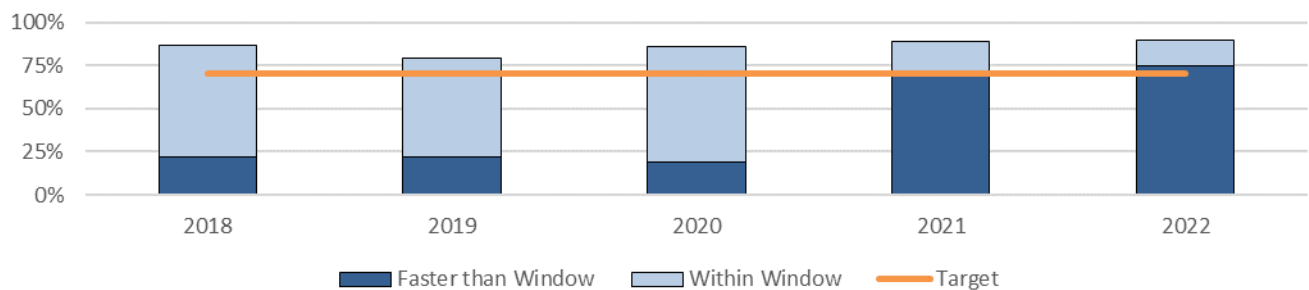
Bridge condition is measured by the percentage of bridge deck area in poor condition. State highway bridges are inspected at least every two years. Bridges rated in poor condition are safe to drive on but are near the point where significant investment in repair or replacement is needed. Bridge conditions are forecasted to significantly worsen after 2026.

NHS Bridge Deck in Poor Condition

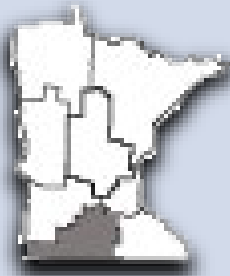


After a snow or ice event, MnDOT returns roads to an acceptable driving condition. This is described as the “time to bare lane”. MnDOT sets an objective window for time to bare lane which varies by the amount of traffic on the road. MnDOT’s strives to meet the objective for each roadway 70 percent of the time during the winter season.

District 6 Bare Lane Performance



District 7

	Counties	Supports
	Blue Earth	<ul style="list-style-type: none"> • 290,665 people (5% of state population, 2020 estimate) • 7,680 sq. miles of land area (10% of state land area) • 1,269 centerline miles of state, U.S., and interstate highways (11% of state centerline miles) • 3,233 lane miles of state, U.S., and interstate highways (11% of state lane miles) • 471 bridges 10 ft or greater (10% of state bridges) • 512 miles of rail line (11% of state rail line miles) • 14 public airports (10% of state airports) • 10 public Class 1 rest areas (20% of state rest areas)
	Brown	
	Cottonwood	
	Faribault	
	Jackson	
	Le Sueur	
	Martin	
	Nicollet	
	Nobles	
	Rock	
	Sibley	<p>Resources in FY 2021</p> <ul style="list-style-type: none"> • 338 full-time employees • 2 regional offices • 83 snow removal trucks
	Waseca	
	Watonswan	

SERVICES PROVIDED

District 7 comprises of 13 counties in south central Minnesota. District 7 staff plan, design, and maintain the state and federal highway system. They also provide aid and assistance to cities and counties using state and federal dollars. Through partnerships with local governments, planning agencies, and the public, District 7 provides a coordinated transportation system that meets the needs of the many communities it serves.

Minnesota is recognized nationally for pork production. While there are hog farming operations throughout Minnesota, the majority are located within District 7. Crop farming and production are also prominent in this district. District 7 is home to important freight corridors such as US Hwy 169, Interstate 90, Minnesota Hwy 60, and US Hwy 14.

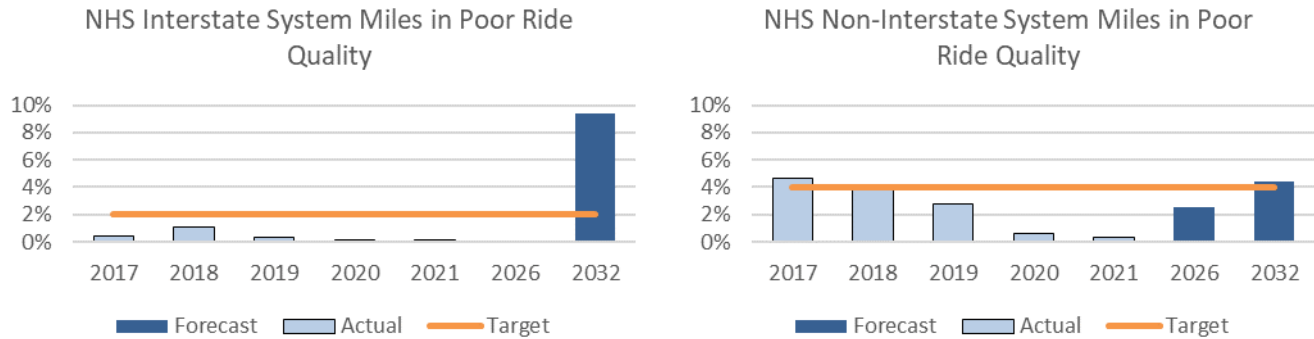
Maintaining farm-to-market roads through Minnesota's varying seasons is of great importance. In addition to the winter weather, flooding roads and mud slides present a challenge to District 7. There is also a growing need for urban reconstruction projects throughout District 7. These projects will help District 7 achieve ADA (Americans with Disabilities Act) compliance on its sidewalk and curb ramps by 2037.

District 7 is involved in several unique projects. Hwy 14 from New Ulm to Nicollet will be built in 2022 and 2023, completing a continuous four-lane road between New Ulm and Rochester. District 7 has five recently completed or active corridor studies, which involve working closely with the communities to plan future roadway projects. In the 2023-2026 Area Transportation Improvement Program (ATIP), District 7 identified 24 projects, with estimated construction costs of \$266 million, that will improve bridge, pavement, and safety performance on the state highway network. In the four years of the ATIP, District 7 is targeted to receive 6-7% of the state's total construction program.

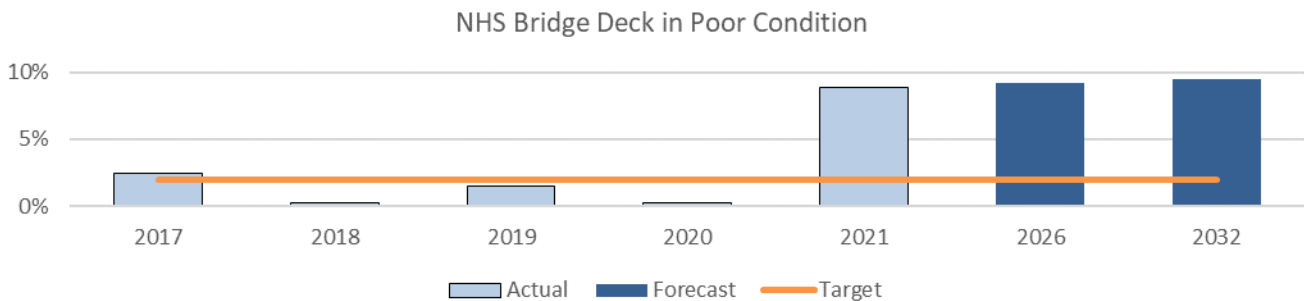
District 7 averages 13 construction projects annually, costing approximately \$98 million per year. This district accounts for about 9 percent of state construction project spending annually.

PERFORMANCE INDICATORS

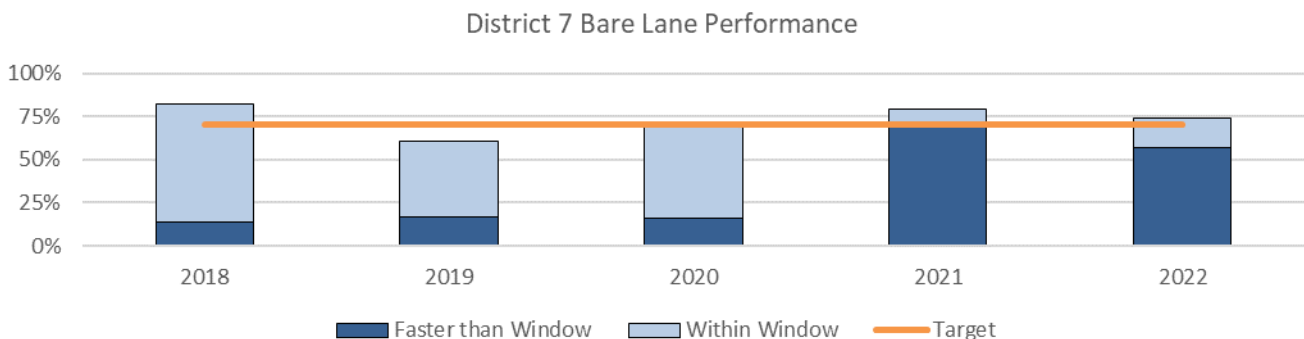
MnDOT tracks the performance of the Trunk Highway system with a number of different measures, many of which are published on the [transportation performance website](https://performance.minnesotago.org/) (<https://performance.minnesotago.org/>). MnDOT prioritizes infrastructure improvements on National Highway System (NHS) routes. This approach allows MnDOT to comply with federal law and manage risks related to statewide travel. Pavement condition is measured by the percentage of miles of highway in poor condition. Poor ride quality can range from uneven surfaces to cracks in the road. Road condition is projected to significantly worsen after 2026.




Bridge condition is measured by the percentage of bridge deck area in poor condition. State highway bridges are inspected at least every two years. Bridges rated in poor condition are safe to drive on but are near the point where significant investment in repair or replacement is needed. The percentage of bridge deck in poor condition are above target.



After a snow or ice event, MnDOT returns roads to an acceptable driving condition. This is described as the “time to bare lane”. MnDOT sets an objective window for time to bare lane which varies by the amount of traffic on the road. MnDOT’s strives to meet the objective for each roadway 70 percent of the time during the winter season.



District 8

	Counties	Supports
	Chippewa	<ul style="list-style-type: none"> • 211,408 people (4% of state population, 2020 estimate) • 8,305 sq. miles of land area (10% of state land area) • 1,406 centerline miles of state, U.S., and interstate highways (12% of state centerline miles) • 2,933 lane miles of state, U.S., and interstate highways (10% of state lane miles) • 356 bridges 10 ft or greater (5% of state bridges) • 479 miles of rail line (11% of state rail line miles) • 17 public airports (13% of state airports)
	Kandiyohi	
	Lac qui Parle	<p>Resources in FY 2021</p> <ul style="list-style-type: none"> • 229 full-time employees • 3 regional offices • 57 snow removal trucks
	Lincoln	
	Lyon	
	McLeod	
	Meeker	
	Murray	
	Pipestone	
	Redwood	
	Renville	
	Yellow Medicine	

SERVICES PROVIDED

District 8 covers 12 counties in the southwest portion of the state and is home to seven cities with a population over 5,000. These cities include Willmar, where District 8 is headquartered, along with Marshall and Hutchinson, which are home to additional MnDOT offices. There is a strong manufacturing presence in District 8 and several major corridors, such as Hwy 23 and 212, which are vital to freight movement cross the district. The district is diverse and has several traditionally underserved populations, including the Upper and Lower Sioux Communities as well as Hispanic, Somali, and Karen communities living throughout the district.

District 8 staff operate and maintain the state highway system in southwest Minnesota. District 8 staff also manage the financial aid and technical assistance given to county and city systems that qualify for state and federal dollars. The top priorities for the District 8 construction program are preserving the existing system, making cost-effective safety improvements, constructing two 4-lane segments of Highway 23 (the “north gap” and “south gap” on either side of the Paynesville bypass), and enhancing accessibility for all modes of transportation.

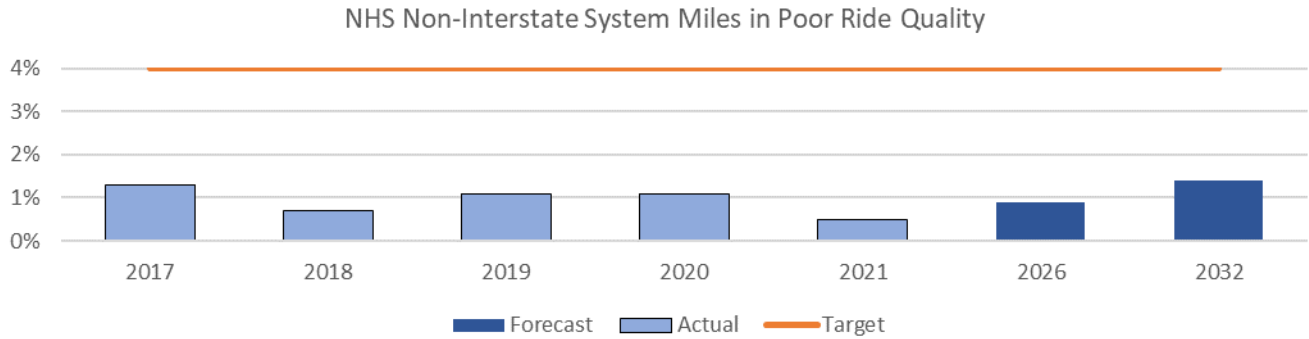
Agriculture is a large industry in the district, including soybeans, corn, and sugar beets. MnDOT is using technology to increase the use of salt brine and slurries to improve winter snow plowing operations. For example, District 8 has partnered with the sugar beet industry to use beet slurry to treat snow and ice on roadways. This partnership is a win for the environment, the sugar beet industry, and the state as it reduces expensive salt usage and works better in temperatures where salt is ineffective in certain applications.

Food processing and manufacturing are other major economic generators in District 8. Several large dairies have been developed in the counties west of Willmar. This type of operation adds significant heavy commercial and milk tanker trucks to the highway system.

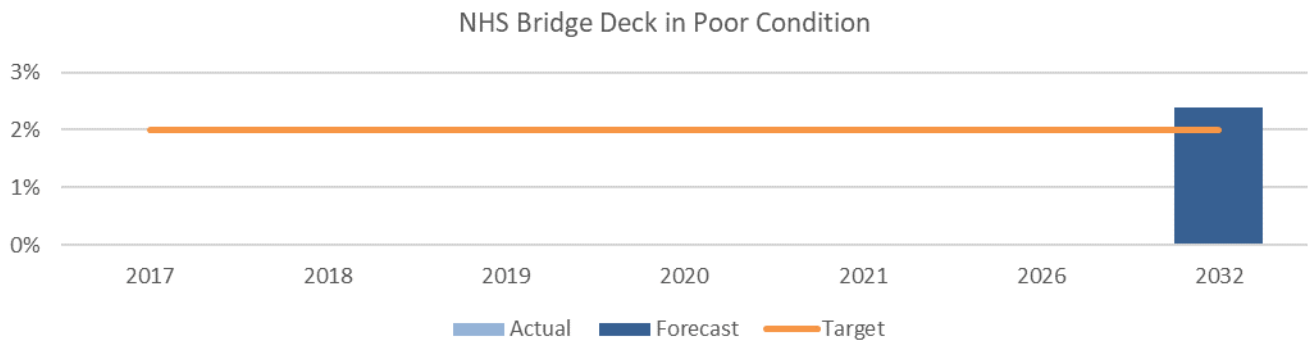
District 8 averages 16 construction projects annually, costing approximately \$65 million per year. This district accounts for about 6 percent of state construction project spending annually.

PERFORMANCE INDICATORS

MnDOT tracks the performance of the Trunk Highway system with a number of different measures, many of which are published on the [transportation performance website \(https://performance.minnesotago.org/\)](https://performance.minnesotago.org/). MnDOT prioritizes infrastructure improvements on National Highway System (NHS) routes. This approach allows MnDOT to comply with federal law and manage risks related to statewide travel. Pavement condition is measured by the percentage of miles of highway in poor condition. Poor ride quality can range from uneven surfaces to cracks in the road. The percentage of miles rated as poor in District 8 is low and forecasted to remain below target.



Bridge condition is measured by the percentage of bridge deck area in poor condition. State highway bridges are inspected at least every two years. Bridges rated in poor condition are safe to drive on but are near the point where significant investment in repair or replacement is needed. In District 8, there is currently no bridge deck in poor condition, but this figure is expected to increase above target by 2032.



After a snow or ice event, MnDOT returns roads to an acceptable driving condition. This is described as the “time to bare lane”. MnDOT sets an objective window for time to bare lane which varies by the amount of traffic on the road. MnDOT’s strives to meet the objective for each roadway 70 percent of the time during the winter season.

