

Memo

Date: May 4, 2023

To:

The Honorable Frank Hornstein, Chair House Transportation Finance & Policy Committee
563 Rev. Dr. Martin Luther King Jr. Blvd. Saint Paul, MN 55155

The Honorable John Petersburg, Republican Lead House Transportation Finance & Policy Committee
217 Rev. Dr. Martin Luther King Jr. Blvd. Saint Paul, MN 55155

The Honorable Scott Dibble, Chair Senate Transportation Committee
3107 Minnesota Senate Building Saint Paul, MN 55155

The Honorable John Jasinski, Ranking Minority Member Senate Transportation Committee
2227 Minnesota Senate Building Saint Paul, MN 55155

From: Josh Knatterud-Hubinger, MnDOT Chief Financial Officer

Trunk Highway Funds Reprogramming Notification, State Fiscal Year 2023

This memo is notification that MnDOT has utilized the budget transfer language in [Minnesota Session Laws of 2021, 1st Special Session, Chapter 5 \(article 1, section 2, subdivision 6\)](#):

Subd. 6. Transfers

(a) With the approval of the commissioner of management and budget, the commissioner of transportation may transfer unencumbered balances among the appropriations from the trunk highway fund and the state airports fund made in this section. Transfers under this paragraph must not be made: (1) between funds; (2) from the appropriations for state road construction or debt service; or (3) from the appropriations for operations and maintenance or program delivery, **except for a transfer to state road construction or debt service.**

(b) The commissioner of transportation must immediately report transfers under paragraph (a) to the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance. The authority for the commissioner of transportation to make transfers under Minnesota Statutes, section 16A.285, is superseded by the authority and requirements under this subdivision.

Trunk Highway Fund Transfers

The transfers reflect available balances in the Program Planning and Delivery budget activity in the Trunk Highway Fund being reallocated to State Road Construction to allow for additional preventative maintenance projects on the trunk highway system. The surplus balance is largely a result of existing budget reserve funds

that are traditionally set aside to finance unforeseen expenditures required to maintain existing services across the state. The historic snow and ice season has caused pavements to deteriorate, and potholes to develop even more quickly than the typical freeze/thaw cycles. The existing Program Planning and Delivery budget reserves will be reprogrammed for these improvements. MnDOT also anticipates possible subsequent transfers if additional balances become available before the end of the biennium. The Commissioner of Minnesota Management and Budget has approved these transfers.

Summary of Transfers by Program (\$ in Millions)

Program (Budget Activity)	Transfer From	Transfer To
State Roads (Program Planning and Delivery)	(\$8.55)	
State Roads (State Road Construction)		\$8.55

Please feel free to contact me if you have any questions.

CC:

Nancy Daubenger, MnDOT Commissioner
Jim Schowalter, MMB Commissioner
Ahna Minge, MMB State Budget Director
Nick Lardinois, MMB Executive Budget Officer
Rachel Dame, Governor's Office