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Mission:

The Minnesota Department of Transportation's (MnDOT's) mission is to provide the highest quality, dependable, multi-modal transportation system through ingenuity, integrity, alliance and accountability.

Statewide Outcome(s):

Transportation supports the following statewide outcome(s).

Sustainable options to safely move people, goods, services and information.

Context:

MnDOT exists to develop and implement transportation policies, plans and programs that enhance the quality of life for Minnesota citizens and promote the safety of the traveling public. In additional to quality of life, economic development is dependent on the ability of citizens to efficiently and economically transport goods and services. MnDOT was created to build and maintain the state's transportation network.

MnDOT's vision is to be a global leader in transportation, committed to upholding public needs and collaboration with internal and external partners to create a safe, efficient and sustainable transportation system for the future.

MnDOT's strategic objectives are:

- Safety – Promote and maintain a safe, reliable and modern transportation system
- Mobility – Improve access and enhance the movement of people and freight
- Innovation – Promote a culture of innovation in the organization
- Leadership – Become the transportation leader and employer of choice for Minnesota's diverse population
- Transparency – Build public trust in MnDOT

MnDOT's investment objectives are:

- Preserve Existing Infrastructure – Preserve the state's assets and implement effective improvements that maintain the roads and bridges on the trunk highway system in a safe and sound condition.
- Improve Safety – Implement the Strategic Highway Safety Plan by investing in proactive strategies that reduce transportation-related fatalities and injuries through the use of new and improved technology and safety measures.
- Improve Mobility - Engineer solutions that reduce congestion and improve mobility. Expand multimodal transportation to create alternative means of travel.
- Regional and Community Investment Priorities – Investments that respond to regional concerns and collaboration opportunities, beyond the performance based needs of the system, in order to support economic competitiveness and the quality of life in Minnesota.

MnDOT's funding is organized across four programs with 13 budget activities, as follows:

Multimodal Systems Program
- Aeronautics
- Transit
- Freight
- Passenger Rail

Local Roads Program
- Country State Aid Roads
- Municipal State Aid Roads

State Road Program
- Program Planning and Delivery
- Operations and Maintenance
- Electronic Communications
- Debt Service
- State Road Construction

Agency Management Program
- Agency Management
- Buildings

MnDOT's primary source of funding comes from the Trunk Highway Fund which is supported by motor fuel excise taxes, motor vehicle registration tax, and motor vehicle sales taxes. Other sources of department funding include Federal Funds, the Transit Assistance Fund, the State Airports Fund, the County State Aid Highway Fund and the Municipal State Aid Street Fund. Currently less than one percent of the operating budget is from the general fund.

Strategies:

Stakeholder Involvement and Customer Research

MnDOT engages a wide variety of key partners, including internal staff, the public, other state agency staff, local communities, cultural groups, professional organizations, the media, vendors, and consultants. MnDOT collaboratively works with partners and stakeholders to meet the needs of customers, the traveling public.

Over the past three years, MnDOT has managed an Online Customer Community, consisting of 400 customers serving as "citizen advisors" to MnDOT. Community members participate in weekly online discussions and surveys, on a multitude of transportation issues. In addition, MnDOT conducts an annual Omnibus survey designed to gather longitudinal data that monitors citizen feedback of services provided (snow plowing, smooth roads, signage, etc.). MnDOT uses the information captured in both of these programs to understand the needs of the public and works to incorporate that into the level of service provided. Over the past two years MnDOT has also studied what Quality of Life (QOL) means to its citizens. This study identified what QOL is and how transportation fits as one of the 11 factors contributing to Minnesotans' quality of life. This study also identified those transportation services that contribute to the QOL of Minnesotans and the satisfaction scores for each. This information is being used to inform our service delivery and future investment decisions.

Enterprise Risk Management (ERM)

To address a number of key agency issues, MnDOT recently adopted an approach to Enterprise Risk Management (ERM) that is designed to enable decision-making at all levels. The ERM framework assists in setting priorities across the agency and provides the policy, process, and accountability structure through which risks are identified and managed to accomplish the agency's vision, mission, and business objectives.

Innovation

MnDOT is committed to creating and maintaining a culture that invites innovation and rapid adoption of new practices that improve overall efficiency and service delivery.

Multimodal Planning

MnDOT has recently led the development of a 50-year multimodal vision for transportation in Minnesota. Moving forward, MnDOT is committed to being a leader in the planning for and investing in an efficient, and dependable multimodal transportation system that maximizes the health of people, the environment, and our economy, now and for future generations.

Complete Streets

MnDOT remains committed to a Complete Street (CS) vision for our trunk highway system. The goal of CS is to develop a balanced system that integrates all modes and uses integrated planning and design to enable safe access for all users including pedestrians, bicyclists, motorists and bus riders of all ages and abilities. MnDOT continues to meet with an External Advisory Group and work on revising our processes and guidance documents.

Measuring Success:

The success of these strategies is reflected in the customer research data and corroborated through ongoing communications with MnDOT customers, who voice that they see the alignment between their feedback and the services we deliver. For example:

- Stakeholder perception of transportation leadership – 80 percent favorable partner average on their level of agreement of responding county engineers, city engineers, and metropolitan planning organizations (MPO)/regional development commissions (RDC) with the following statement: "MnDOT is respected and credible as a transportation leader in our state."
- Stakeholder perception of innovation – 77 percent favorable partner average on their level of agreement of responding county engineers, city engineers, and MPOs/RDCs with: "MnDOT is a valued, innovative technical resource..."
- Public perception of MnDOT delivering the transportation system – 84 percent of Minnesotans agree that MnDOT can be relied on to deliver Minnesota's transportation system.

Transportation
Current, Base and Governor's Recommended Expenditures
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	$31,673	$4,211,226	$822,165	$5,065,064
Current Law Expenditures (FY 2014-15)	$34,291	$4,302,993	$945,747	$5,283,031
Governor's Recommended Expenditures (FY2014-15)	$54,291	$4,653,593	$947,747	$5,655,631
$ Change from FY 2014-15 Current Law to Governor's Rec	$20,000	$350,600	$2,000	$372,600
% Change from FY 2014-15 Current Law to Governor's Rec	58%	8%	0%	7%

Transportation
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		$220,203	$30	$220,233
REVENUE	$0	$240,547	$947,747	$1,188,295
TRANSFERS IN	$333	$380,213		$380,546
APPROPRIATION	$54,291	$4,727,613	$0	$4,781,904
SOURCES OF FUNDS	**$54,624**	**$5,568,576**	**$947,777**	**$6,570,977**
BALANCE FORWARD OUT		$200,253	$30	$200,283
TRANSFERS OUT	$333	$709,318		$709,651
CANCELLATIONS		$5,411		$5,411
EXPENDITURES	$54,291	$4,653,593	$947,747	$5,655,631
PAYROLL EXPENSE	$769	$737,903	$7,034	$745,705
OPERATING EXPENSES	$1,174	$525,554	$147,310	$674,038
OTHER FINANCIAL TRANSACTIONS	$10	$107,163	$46,320	$153,493
GRANTS, AIDS AND SUBSIDIES	$52,332	$1,639,209	$729,533	$2,421,075
CAPITAL OUTLAY-REAL PROPERTY	$7	$1,643,764	$17,550	$1,661,320
USES OF FUNDS	**$54,624**	**$5,568,575**	**$947,777**	**$6,570,977**

Transportation

Governor's Changes

(Dollars in Thousands)

		FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium

Transportation Economic Development (TED) Program

The Governor recommends funding for the Transportation Economic Development (TED) program. TED is a collaborative grant program between MnDOT, the Department of Employment and Economic Development, and the Public Facilities Authority. This multi-modal, multi-jurisdictional transportation, economic development and jobs creation program requires a local or private sector match and accelerates transportation projects in order to revitalize the Minnesota economy and improve economic competitiveness.

Performance Measures:
The methodology for evaluating projects will continue to be based on sound demographic and economic data. Project selection criteria would include the following; number of jobs created/retained, cost per job created/retained, level of local and private sector financial participation (at least 30% required) and average salary of jobs created.

General Fund	Expenditure	10,000	10,000	20,000	10,000	10,000	20,000
	Net Change	**10,000**	**10,000**	**20,000**	**10,000**	**10,000**	**20,000**

State Road Construction Appropriation

The Governor recommends increasing appropriations related to state road construction from the trunk highway fund due to changes in the new federal authorization law MAP-21. These changes make more federal funding available for projects in Minnesota.

Performance Measures:
The increased appropriation in conjunction with the request for State Road Construction Infrastructure Investments, would raise the percent of state roadway pavements in good condition from 63% to 65%. This funding will also be used to complete the funding package for projects currently in the 2013-16 State Transportation Improvement Program (STIP).

Other Funds	Expenditure	125,400	137,600	263,000	0	0	0
Other Funds	Revenue	125,400	137,600	263,000	0	0	0
	Net Change	**0**	**0**	**0**	**0**	**0**	**0**

State Road Construction Infrastructure Investments

The Governor recommends a one-time appropriation from the trunk highway fund for selected state road construction investments to improve Minnesota's transportation infrastructure, including Americans with Disability Act accommodations and the Better Roads Program. The Better Roads program is focused on improving the condition of roadway pavements.

Performance Measures:
The increased appropriations would primarily raise the percent of state roadway pavements in good condition from 63% to 65%. Besides pavement conditions, the increased appropriation would be used to address the emerging infrastructure needs (e.g., drainage structures) on existing projects, and continue investments towards Americans with Disabilities Act goals. Finally, the increased appropriation would fund a pilot program to address investments being identified through MnDOT's evolving Corridor Investment Management Strategy (CIMS).

Other Funds	Expenditure	75,000	0	75,000	0	0	0
	Net Change	**75,000**	**0**	**75,000**	**0**	**0**	**0**

Transportation

Governor's Changes

(Dollars in Thousands)

		FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium

Operations and Maintenance Increase

The Governor recommends a 2% increase to the operations and maintenance program to offset the cummulative cost increases in commodities like salt, sand and gasoline. MnDOT has experienced significant inflation in these heavily used commodities. Overall maintenance and operations inflation has been over 3% per year since 2005, and that trend is projected to continue. Some commodities have increased at higher rates.

Performance Measures:
Performance is measured by overall safety on state roads and the time it takes to clear snow and ice.

Other Funds	Expenditure	5,000	5,000	10,000	5,000	5,000	10,000
	Net Change	**5,000**	**5,000**	**10,000**	**5,000**	**5,000**	**10,000**

Economic Recovery Funds - Trunk Highway and Federal

The Governor recommends extending the authority to expend existing or new American Recovery and Reinvestment Act (ARRA) funds awarded to MnDOT from FY 2013 to the end of FY 2016. This change is consistent with the Federal Highway Administration which extended the time period that ARRA funds can be expended allowing states to move unused funds from one project to another. ARRA funds are one-time and have no base.

Performance Measures:
This date extension allows MnDOT to maximize the use of ARRA funds on trunk highway and passenger rail projects.

Federal Funds	Expenditure	1,000	1,000	2,000	1,000	0	1,000
Federal Funds	Revenue	1,000	1,000	2,000	1,000	0	1,000
Other Funds	Expenditure	1,000	1,000	2,000	1,000	0	1,000
Other Funds	Revenue	1,000	1,000	2,000	1,000	0	1,000
	Net Change	**0**	**0**	**0**	**0**	**0**	**0**

State Airport Fund Revenue/Expenditure Alignment

The 2012 November forecast fund balance for the State Airports Fund projects a negative balance assuming the current law forecast base expenditures in FY 2014 and 2015. The Governor recommends reducing the appropriated amount to eliminate the negative fund balance forecast in FY 2014-15. These are competitive grant funds going to airports across the state.

Performance Measures:
The proposed expenditure reduction would align spending with available resources.

Other Funds	Expenditure	(500)	(500)	(1,000)	0	0	0
	Net Change	**(500)**	**(500)**	**(1,000)**	**0**	**0**	**0**

Transportation

Governor's Changes

(Dollars in Thousands)

		FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium

Increase Funding to Regional Development Commission (RDC) State Planning Grants

The Governor recommends increasing the amount available to Regional Development Commissions (RDC's) to recognize that these grants have been set at $50,000 per year since 1997, and that the RDC's have assumed additional planning responsibilities at both the state and regional levels. The RDC appropriation comes out of the Program Planning and Delivery appropriation. This proposal would increase the RDC appropriation, but leave the Program Planning appropriation the same.

Performance Measures:
Expanding MnDOT's partnership with the Regional Development Commissions is a cost-effective way to increase the Department's ability to deliver sustainable, multimodal, and interdisciplinary planning products. An outcome will be the linking of planning and programming to support the area transportation partnerships process through various RDC planning products. Additional funding will allow RDCs to assist communities with planning and implementation of various MnDOT programs as well as supporting the RDCs integral role in local public and stakeholder involvement for MnDOT planning and programming processes.

Other Funds	Expenditure	0	0	0	0	0	0
	Net Change	**0**	**0**	**0**	**0**	**0**	**0**

Grade Crossing Safety Account

The Governor recommends eliminating the requirement that any remaining balance in the Grade Crossing Safety Account be transferred to the Trunk Highway fund at the end of each fiscal year. Instead, such a balance may be transferred at the end of a biennium. The effect of this change is to minimize the need to transfer balances between funds.

Performance Measures:
This is a net zero change item that creates a more efficient process than manually transferring across funds.

Other Funds	Expenditure	0	0	0	0	0	0
	Net Change	**0**	**0**	**0**	**0**	**0**	**0**

ARMER Maintenance

This change item recognizes a Department of Public Safety initiative to increase the maintenance budget for the ARMER system. If adopted, that appropriation will be made to Public Safety, and then transferered to the Department of Transportation (DOT). This item shows the transfer going to DOT.

Performance Measures:
Performance will be measured by the amount of time the system is operational.

Other Funds	Expenditure	600	1,000	1,600	1,000	1,000	2,000
Other Funds	Transfers In	600	1,000	1,600	1,000	1,000	2,000
	Net Change	**0**	**0**	**0**	**0**	**0**	**0**

Net All Change Items	Federal Funds	0	0	0	0	0	0
	General Fund	10,000	10,000	20,000	10,000	10,000	20,000
	Other Funds	79,500	4,500	84,000	5,000	5,000	10,000
	Net Change	**89,500**	**14,500**	**104,000**	**15,000**	**15,000**	**30,000**

Transportation
All Funds FTE by Activity

Activity	Current FY 2013	Forecast Base FY 2015	Governor's Recommendation FY 2015
Budget Activity: Aeronautics	38.8	37.8	37.8
Budget Activity: Transit	50.2	49.7	49.7
Budget Activity: Freight	63.2	62.5	62.5
Budget Activity: Passenger Rail	4.2	3.8	3.8
Budget Activity: Program Planning & Delivery	1,970.4	1,869.8	1,869.8
Budget Activity: Operations And Maintenance	2,214.6	2,239.0	2,239.0
Budget Activity: Electronic Communications	88.6	88.2	88.2
Budget Activity: County State Aid Roads	49.6	45.9	45.9
Budget Activity: Municipal State Aid Roads	18.1	17.1	17.1
Budget Activity: Agency Services - Transportation	358.2	239.5	239.5
Budget Activity: Building Services	26.9	22.9	22.9
Transportation	4,882.8	4,676.2	4,676.2

Transportation
Revenue Summary
(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	TAXES	0	40,455		40,455
	FEDERAL GRANTS		1,032,065		1,032,065
	DEPARTMENTAL EARNINGS		20,316		20,316
	INVESTMENT INCOME		14,693		14,693
	ALL OTHER	170	9,790		9,960
	Subtotal	170	1,117,319		1,117,489
Dedicated	TAXES		78,748		78,748
	FEDERAL GRANTS	0		947,747	947,747
	DEPARTMENTAL EARNINGS		20,867		20,867
	INVESTMENT INCOME		162		162
	ALL OTHER		140,770	0	140,770
	Subtotal	0	240,547	947,747	1,188,295
	Total	**170**	**1,357,866**	**947,747**	**2,305,783**

Transportation
Multimodal Systems/Aeronautics

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

Statewide Outcome(s):

Aeronautics supports the following statewide outcome(s).

Sustainable options to safely move people, goods, services and information.

Context:

Aeronautics plays an important role in the state transportation system. Consolidating the management of state and federal grants, statewide planning, aircraft registration, navigational aids, technical assistance, safety and educational information related to airplanes, airports, airline travel, and freight provides consistent administration at the lowest possible cost.

The purpose of the Aeronautics activity is to:

1. Construct, improve, and operate airports and other air navigation facilities
2. Assist municipalities in the zoning and comprehensive planning processes
3. Assist municipalities in initiating, enhancing and marketing scheduled air service
4. Promote interest and safety in aeronautics through education and information
5. Collect aircraft registration.
6. Provide safe air travel to state personnel to enhance efficiency

The aeronautics activity provides funding for safety, preservation, and expansion projects at Minnesota's airports. The aviation system allows Minnesota residents and businesses to utilize air travel as a safe, fast, and efficient mode of transportation. This furthers the economic growth of all regions of the state.

The primary customers of the aeronautics program are airport sponsors, including municipalities, counties, and airport commissions; the pilots and passengers who use of the system; and numerous aviation and non-aviation businesses.

The primary source of state funding for aeronautics is the state airports fund which is a statutorily dedicated fund. This fund has three primary revenue sources: aircraft registration fees, tax on aviation fuel, and air flight property tax.

Strategies:

The Minnesota Department of Transportation (MnDOT) administers the state airports fund and channels funds from the Federal Aviation Administration (FAA) Airport Improvement Program (AIP) to airport sponsors. The funds are used for safety, preservation, and expansion projects at airports, as well as for air navigation systems. The funded projects greatly enhance the safety of air travel, both in the air and on the ground, and improve the mobility of people and goods by creating greater economic competiveness and opportunities. This work is accomplished in partnership with MnDOT and FAA staff, airport sponsors/owners, aircraft owners, businesses, airlines, and other stakeholders.

In addition, the Aeronautics Office administers numerous regulatory tasks including aircraft registration, airport licensing, airport safety inspections, tall tower permitting, and airport safety zoning approvals.

Results:

For over two decades MnDOT aeronautics staff have been using a variety of performance measures to analyze the aviation system and direct investment priorities to produce the greatest public benefit. These measures suggest the following trends:

1. Airport pavement conditions have been degrading slightly in recent years
2. Most residents of the state live near a paved and lighted runway, providing convenient access to the aviation system
3. The number of aviation accidents has been diminishing in the last ten years

4. Pilots have adequate weather data available to make informed decisions on when and where to fly

The 2011 Legislature provided $3.7 million in bond funds to improve runway pavements at airports throughout the state. Airport system pavement conditions are expected to meet or exceed targets upon completion of the program for projects under construction in 2012.

Although stable, access to the aviation system as measured by the percent of population near an airport appears to have decreased because of changes used in the methodologies that determine service areas. In addition to a new census data approach, drive time analysis conducted as part of the 2012 State Aviation System Plan employed advanced Geographic Information Systems (GIS) software that was unavailable for previous analyses. The resulting changes in methodologies produced data that is more precise, but do not provide an equivalent comparison to previous years' information.

Minnesota residents who live within a 30 minute surface drive time of an airport with a paved and lighted runway have convenient access to the aviation system. The system provides access to passenger airlines, air charter providers, corporate aircraft, and package delivery services that connect Minnesota to regional, national, and international destinations. The air transportation system also supports agricultural needs in crop protection as well as the delivery of medical and emergency services such as those delivered by air ambulance providers, the Minnesota State Patrol, aerial fire fighters, the Civil Air Patrol, and local law enforcement.

The number of aviation accidents in Minnesota is trending downward. The primary tools used by MnDOT include improved weather information dissemination and outreach through pilot safety seminars. A common cause of aircraft accidents is continued flight into deteriorating weather conditions. Minnesota's continental climate provides a variety of quickly changing weather conditions from thunderstorms in spring and summer to ice storms in late fall and winter. Up-to-the-minute accurate weather reporting at airports helps pilots make good flight planning decisions. Weather stations at local airports provide instant reporting of current conditions at those airports. Providing weather stations at several airports creates a reliable network of available weather information along any flight route and enhances the safety of the flight; however, not every airport needs a weather observation station. A distance of 30 nautical miles is considered adequate spacing.

Performance Measures	Previous	Current	Trend
Airport pavement condition: Target = greater than 84% Good Target = less than 4% Poor	82.9% Good 4.5% Poor (2009)	85.9% Good 5.8% Poor (2011)	Improving Worsening
Aviation access: Percent of Minnesota population within 30 minute drive time of an airport with a paved and lighted runway	96% (2006)	71% (2011)	*Stable
Aviation accidents	45 (2002)	26 (2011)	Improving
Weather data: Percent of airports that have on-airport weather reporting stations or are within 30 nautical miles of one.	95.8% (2008)	100% (2012)	Improving

Performance Measures Notes:

Airport pavement condition: Additional information is available in the 2011 Annual Minnesota Transportation Performance Report.

*Aviation access: As referenced earlier in the document, changes in methodology resulted in a more precise set of data in 2011 that does not provide an equivalent comparison to past years' data. Additional information is available in the 2011 Annual Minnesota Transportation Performance Report. Previous data is available in the 2010 Annual Minnesota Transportation Performance Report both available at: http://www.dot.state.mn.us/measures/.

Aviation accidents: Aviation accidents are investigated by the National Transportation Safety Board (NTSB) further information is available at: http://www.ntsb.gov/aviationquery/index.aspx.

Weather data: Additional information is available at: http://www.dot.state.mn.us/aero/avoffice/weather.html.

Budget Activity: Aeronautics
Current, Base and Governor's Recommended Expenditures
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		$44,022	$149,862	$193,883
Current Law Expenditures (FY 2014-15)		$43,550	$200,000	$243,550
Governor's Recommended Expenditures (FY2014-15)		$42,550	$200,000	$242,550
$ Change from FY 2014-15 Current Law to Governor's Rec		(1,000)	$0	(1,000)
% Change from FY 2014-15 Current Law to Governor's Rec		(2%)	0%	0%

Budget Activity: Aeronautics
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		$1,533		$1,533
REVENUE		$2,510	$200,000	$202,510
TRANSFERS IN		$530		$530
APPROPRIATION		$40,368	$0	$40,368
SOURCES OF FUNDS		**$44,941**	**$200,000**	**$244,941**
BALANCE FORWARD OUT		$1,861		$1,861
TRANSFERS OUT		$530		$530
EXPENDITURES		$42,550	$200,000	$242,550
PAYROLL EXPENSE		$6,712		$6,712
OPERATING EXPENSES		$9,722	$69,790	$79,512
OTHER FINANCIAL TRANSACTIONS		$4,872	$20,000	$24,872
GRANTS, AIDS AND SUBSIDIES		$20,919	$101,510	$122,429
CAPITAL OUTLAY-REAL PROPERTY		$325	$8,700	$9,025
USES OF FUNDS		**$44,941**	**$200,000**	**$244,941**

Transportation
Multimodal Systems/Transit

http://www.dot.state.mn.us/transit/index.html
http://www.dot.state.mn.us/transit/reports/index.html

Statewide Outcome(s):

Transit supports the following statewide outcome(s).

Sustainable options to safely move people, goods, services and information.

Context:

The Minnesota Department of Transportation (MnDOT) is responsible for distributing state and federal funds to public transit organizations in greater Minnesota (outside the seven county Twin Cities metropolitan area) and shares responsibility for constructing rail transit projects in the Twin Cities with the Metropolitan Council. Transit provides an alternative to driving alone and allows people to live independently and participate fully in Minnesota's communities and economy. In greater Minnesota, transit services provide critical links to jobs and needed goods and services, especially for dependent populations…aging, disabled and low-income. The goals of the state transportation system include providing transit services throughout the state to meet the needs of transit users (Minnesota Statues (M.S.) 174.01).

MnDOT's transit offices help people and communities meet their mobility needs by supporting safe, responsive, efficient and environmentally sound transit services and by safely accommodating bicycles and pedestrians to help everyone move smarter, safer and more efficiently. They help provide access for persons who have no alternative mode of transportation available, increase the efficiency and productivity of public transit systems, maintain a state commitment to public transportation, and meet other needs of individual transit systems consistent with the objectives stated in M.S. 174.21.

Customers served include commuters (those traveling for the purpose of work) and personal travelers (those traveling to non-work destinations, including educational institutions, medical appointments, shopping centers, recreational facilities, etc.). This benefits thousands of Minnesotans in areas where public transit is often the only means of access to life-sustaining goods, services and work opportunities. The proportion of people who are dependent upon public transportation (the elderly, persons with disabilities and people with low income) is expected to increase more rapidly than the population as a whole. Transit use helps to extend investments on parallel roadways—people using transit occupy less roadway space, thereby benefiting those shoppers, commuters and travelers who must use the roadways.

In greater Minnesota, the public transit participation program (M.S. 174.24) is supported by the general fund, revenues from Motor Vehicle Sales Tax (MVST – M.S. 279B.09), revenues from sales tax on leased motor vehicles (M.S. 297A.815), and Federal Transit Administration grant funds. The program provides grants for operating and capital assistance to fund public transit service in 78 of greater Minnesota's 80 counties. Eight of those 78 counties only have service in a municipal area rather than county-wide. MnDOT's Office of Transit also maintains a statewide system plan for bicycle transportation, supports bicycle and pedestrian systems, and promotes non-travel alternatives such as teleworking.

Strategies:

MnDOT emphasizes several transit strategies to deliver its mission and support the statewide outcome of sustainable options to safely move people, goods, services and information. These include:

- Leading the development and implementation of transit, bicycle and pedestrian policies and programs within a multimodal network.
- Maximizing the value of MnDOT's investments in transit, the ABC Ramps and Safe Routes to Schools.
- Ensuring transparency and accountability in MnDOT's planning and investment decision-making.

Results:

The key measure of public transit service availability in greater Minnesota is bus service hours. A bus service hour measures the time that a vehicle is available to the general public with the expectation of carrying

passengers. Other than a small spike in 2007, greater Minnesota bus service hours have slowly trended upward since 2005. Service hours are projected to eventually flatten as inflation outpaces the combined total of federal, state and local funding sources for transit.

A methodology for estimating transit need was developed in the 2011 Greater Minnesota Transit Investment Plan. It uses demographic data about transit dependent segments of the population as inputs. To meet the transit service targets identified by the Legislature, the Transit Investment Plan estimated that 1.6 million service hours will be needed to meet 80 percent of total transit service needs in 2015. Transit systems will need to collectively operate 520,000 more service hours annually by 2015 to meet the 80 percent target.

The 2011 Greater Minnesota Transit Investment Plan also estimated passenger levels needed to meet the 80 percent ridership target in 2015 to be 15 million passenger trips. Between 2006 and 2008 ridership indicated a steady growth. Since 2008 the growth trend for greater Minnesota bus ridership appears to have slowed (11.3 million passenger trips in 2008 and 11.5 million in 2011).

Another measure of public transit service availability in greater Minnesota is the number of counties, out of 80, with county-wide public transit services. This number has increased substantially over the years, from 39 in 1994 to 66 in 2002, but has been at a more stable, slow growth rate since. An additional eight greater Minnesota counties contain public transit service at a municipal level, but not county-wide.

Performance Measures	Previous	Current	Trend
Number of greater Minnesota bus service hours[1]	950,000	1,080,000	Stable
Ridership on public transit vehicles in greater Minnesota[1]	9,800,000	11,500,000	Improving
Number of counties in greater Minnesota with county-wide public transit service[2]	66	70	Stable
Satisfaction with the availability of public transit in greater Minnesota (percentage very or somewhat satisfied)[3]	59%	60%	Stable
Annual rail and express transit ridership in the Twin Cities[4]	20.3 million	24.4 million	Improving

Performance Measures Notes:

Previous is 2006 and Current is 2011

Sources of performance measure data:

[1] Public transit operating data reported by public transit providers to MnDOT's Office of Transit

[2] MnDOT grant contracts with public transit providers

[3] MnDOT's 2010 omnibus survey, conducted by Accora Research, Inc.

[4] Metropolitan Council

Budget Activity: Transit
Current, Base and Governor's Recommended Expenditures
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	$30,046	$71,456	$109,641	$211,143
Current Law Expenditures (FY 2014-15)	$32,665	$81,751	$149,498	$263,914
Governor's Recommended Expenditures (FY2014-15)	$32,665	$81,751	$149,498	$263,914
$ Change from FY 2014-15 Current Law to Governor's Rec	$0	$0	$0	$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	0%	0%

Budget Activity: Transit
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	**Other State Funds**	**Federal Funds**	**Total Funds**
BALANCE FORWARD IN		$11,465	$0	$11,465
REVENUE		$83,636	$149,498	$233,134
TRANSFERS IN	$333	$832		$1,165
APPROPRIATION	$32,665	$1,550	$0	$34,215
SOURCES OF FUNDS	**$32,998**	**$97,483**	**$149,498**	**$279,979**
BALANCE FORWARD OUT		$14,900		$14,900
TRANSFERS OUT	$333	$832		$1,165
EXPENDITURES	$32,665	$81,751	$149,498	$263,914
PAYROLL EXPENSE	$153	$5,263	$3,171	$8,587
OPERATING EXPENSES	$164	$979	$900	$2,042
OTHER FINANCIAL TRANSACTIONS	$10	$26	$5,720	$5,756
GRANTS, AIDS AND SUBSIDIES	$32,332	$75,484	$139,707	$247,523
CAPITAL OUTLAY-REAL PROPERTY	$7		$0	$7
USES OF FUNDS	**$32,998**	**$97,483**	**$149,498**	**$279,979**

Transportation
Multimodal Systems/Freight

http://www.dot.state.mn.us/cvo/index.html
http://www.dot.state.mn.us/aboutrail/
http://www.dot.state.mn.us/ofrw/waterways.html
http://www.dot.state.mn.us/ofrw/freight.html

Statewide Outcome(s):

Freight supports the following statewide outcome(s).

Sustainable options to safely move people, goods, services and information.

Context:

This activity enhances Minnesota's economic competitiveness by improving access to regional, national and global markets through the safe and efficient movement of goods. The purpose of the program is to help ensure commercial motor carrier safety and railroad safety, including the traveling public, to mitigate damage due to large commercial vehicles on highways and bridges, as well as to improve freight mobility in the state. The primary customers are trucking companies, commercial passenger carriers, railroads, cities and counties, freight shippers, port authorities, and the traveling public. The freight activity seeks to:

1. Reduce truck crashes and truck hazardous materials incidents.
2. Reduce train-motor vehicle crashes at highway/rail grade crossings and ensure safe rail track condition.
3. Prevent highway and bridge damage from oversize/overweight trucks.
4. Support highway improvement projects involving rail.
5. Improve access, travel time and reliability of multimodal (highway, rail, water, air) goods movement in Minnesota.

Funding for projects and activities (capital and operating) is from a mix of federal funds, including the Federal Motor Carrier Administration, the Federal Highway Administration, and the Federal Railroad Administration. The state funds include the Trunk Highway Fund, the General Fund, bond appropriations, State Patrol fines, and railroad assessments. The freight activity also generates truck permit revenues for the Trunk Highway Fund.

Strategies:

- Safety reviews of regulated commercial transportation providers and shippers, administration of credentialing programs for intrastate and interstate motor carrier operations and shippers, issuance of permits with required axle configurations and routings of oversize/overweight vehicles. Motor carrier education activities are designed to ensure that drivers are properly qualified, carriers are properly insured, vehicles are properly equipped, configured and maintained, and compliance with motor carrier safety regulations. These activities help to ensure safety and to preserve roads and bridges, while supporting economic commerce.
- Highway/rail grade crossing safety improvements including gates/signals and signage, agreements with railroads to accommodate trunk highway construction projects, inspection of railroad track, investigation of railroad safety complaints, and education of the public regarding grade crossing safety helps ensure that railroads are operating safely in accordance with state and federal regulations and the general public is protected.
- Investments in rail and port infrastructure provide access to state, national and international markets for Minnesota's shippers and support local and regional economic development.
- Freight planning and development activities identify and address freight transportation system needs to eliminate bottlenecks, lower costs, mitigate freight impacts to communities, and foster an integrated, multimodal freight system.
- Key partners include other MnDOT offices including the districts, townships, cities and counties, regional planning organizations, federal government (Federal Motor Carrier Administration, Federal Highway Administration, Federal Railroad Administration), other state agencies (Minnesota State Patrol and other divisions of the Department of Public Safety, the Department of Employment and Economic Development, and the Department of Natural Resources), other states, the trucking industry, railroads, shippers moving their products, public port authorities, and rail labor.

Results:

Motor carrier (truck) crashes have been declining in Minnesota. In 2011, there were 4,025 truck-involved traffic crashes, representing a four percent decrease from 2010. There were 48 fatal truck crashes, killing a total of 51 people, versus 93 fatalities in 2010, a 45 percent decrease. In addition, there were 1,219 people injured in truck-related crashes in 2011 versus 1,385 in 2010.

Nationally, there was a 1.6 percent decrease in large truck crashes and a 5.8 percent drop in fatalities. Newly implemented comprehensive safety monitoring and compliance strategies developed by the federal government are now in active use by the states, including Minnesota. In 2011, MnDOT conducted nearly 600 motor carrier safety performance evaluations, held over 84 motor carrier safety classes, issued over 90,000 permits for oversize/overweight permits, and issued over 7,000 motor carrier credentials.

Approximately one-third of Minnesota's grade crossings on public roads have gates & signals (or flashers). In 2011, MnDOT implemented 135 grade crossing improvement projects (all types). Train-vehicle crashes have steadily declined over the years. In 1970, there were 392 crashes and 56 fatalities. In 2010, there were 45 highway/rail grade crossing crashes and two fatalities; in 2011 there were 41 crashes and five fatalities. In both 2010 and 2011, six pedestrians were killed by trains.

In 2011, shipments through the state's public ports of Duluth, St. Paul, Winona, and Red Wing were slightly below 2010 levels. Shipping volume can vary depending upon domestic and foreign demand for commodities such as taconite. Port capital projects funded through MnDOT's Port Development Assistance Program include dock wall reconstruction, road and rail access improvements, terminal upgrades and limited dredging. These projects help provide needed infrastructure capacity and condition to attract shippers. Freight shipped on the great lakes and Mississippi river helps to lessen road impacts.

Freight rail shipments increased 20 percent in 2010 from 2009 levels, reflecting improvements in the broader economy. Freight rail projects funded by the Minnesota Rail Service Improvement program address track and rail bridge condition for railroads and extend rail access to rail shippers. Fuel prices, commodity demand, and competition with other modes of transportation all affect the demand for and use of rail.

Performance Measures	Previous	Current	Trend
Truck-Related Fatalities (1)	93 fatalities	51 fatalities	Improving
Minnesota-Based Intrastate Passenger Carrier Scores (2)	97% satisfactory	96% satisfactory	Stable
Percent of Truck Permit Transactions Conducted On-Line (2)	69%	76%	Improving
Highway/Rail Grade Crossing Crashes (2)	45 Crashes	41 Crashes	Improving

Performance Measures Notes:

(1) MN Dept. of Public Safety, Minnesota Motor Vehicle Crash Facts, 2011
https://dps.mn.gov/divisions/ots/educational-materials/Documents/CRASH-FACTS-2011.pdf

(2) MnDOT Office of Freight & Commercial Vehicle Operations

Budget Activity: Freight
Current, Base and Governor's Recommended Expenditures
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	$513	$13,951	$20,952	$35,416
Current Law Expenditures (FY 2014-15)	$512	$14,466	$18,634	$33,612
Governor's Recommended Expenditures (FY2014-15)	$512	$14,466	$18,634	$33,612
$ Change from FY 2014-15 Current Law to Governor's Rec	$0	$0	$0	$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	0%	0%

Budget Activity: Freight
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	**Other State Funds**	**Federal Funds**	**Total Funds**
BALANCE FORWARD IN		$2,743		$2,743
REVENUE		$4,896	$18,634	$23,530
TRANSFERS IN		$6,422		$6,422
APPROPRIATION	$512	$9,794	$0	$10,306
SOURCES OF FUNDS	**$512**	**$23,855**	**$18,634**	**$43,001**
BALANCE FORWARD OUT		$2,967		$2,967
TRANSFERS OUT		$6,422		$6,422
EXPENDITURES	$512	$14,466	$18,634	$33,612
PAYROLL EXPENSE	$367	$8,095	$2,076	$10,538
OPERATING EXPENSES	$146	$1,710	$1,758	$3,614
OTHER FINANCIAL TRANSACTIONS		$4,571	$13,480	$18,051
GRANTS, AIDS AND SUBSIDIES			$1,170	$1,170
CAPITAL OUTLAY-REAL PROPERTY		$90	$150	$240
USES OF FUNDS	**$512**	**$23,855**	**$18,634**	**$43,001**

Transportation
Multimodal Systems/ Passenger Rail

http://www.dot.state.mn.us/passengerrail/

Statewide Outcome(s):

Passenger Rail supports the following statewide outcome(s).

Sustainable options to safely move people, goods, services and information.

Context:

M.S. 174.632 charges the Minnesota Department of Transportation (MnDOT) with planning, designing, developing and constructing intercity passenger rail services. The adopted 2010 Minnesota Statewide Freight and Passenger Rail Plan further directs MnDOT to lead the development of passenger rail services and to coordinate with the Midwest Regional Rail Initiative states in the development of a multi-state passenger rail system in the Upper Midwest. The State Rail Plan can be found at: http://www.dot.state.mn.us/planning/railplan/resources.html.

The goal of the passenger rail program is to improve mobility for Minnesotans and connect state regional centers with passenger rail services. Connecting regional centers will provide more access to employment, educational opportunities, health care services and commercial services particularly to end point corridor populations.

The Passenger Rail Office (PRO) is working with local governments, county railroad authorities, host railroads and corridor advocates to develop a system of passenger trains that connect Minnesota communities to each other. Ultimately, the residents of Minnesota are the primary customers of the service through increased choices to meet travel needs with reliable, sustainable, and environmentally friendly travel options.

The passenger rail activity is funded through a combination of local, state, and federal funds. County Regional Railroad Authorities (RRA) provide program dollars generated through county RRA property tax levies. The 2008 Minnesota Legislature required the department to prepare the state rail plan, and provided $26 million in state general obligation bonds to match federal passenger rail program development funds. Operating funds for passenger rail are from a direct appropriation from the General Fund as the constitution prohibits the use of the Trunk Highway Fund for passenger rail activities.

Strategies:

MnDOT's Passenger Rail Office is responsible for the planning and development of passenger rail service in Minnesota. Currently, Minnesota has one daily passenger train, the Empire Builder operated by Amtrak. The PRO is working with Midwest states to develop a system of high speed (90-110 mph) routes to connect the upper Midwest. These state-supported services will provide additional regional routes (up to six trains a day) to compliment Amtrak's national system.

PRO also works with local governments, county railroad authorities, host railroads and corridor advocates to develop a system of passenger trains that connect Minnesota communities to each other. Planning and project development activities are underway in five passenger rail corridors that will connect major economic centers with each other and national markets. PRO provides planning and project development expertise necessary to develop corridors, and is the liaison between the Federal Railroad Administration (FRA) and specific corridor development interests.

Results:

Since adoption of the state rail plan, PRO has initiated three corridor planning and project development processes, and has become involved with two additional projects that preceded the plan. Passenger rail project information may be found at: http://www.dot.state.mn.us/passengerrail/. Additionally, two specific projects have received capital investments at the discretion of the department, including the Minneapolis Transportation Interchange and the Saint Paul Union Depot. As a result, over $25 million of the $26 million GO bond appropriation made in 2009 has been committed to implementing passenger rail improvements in Minnesota, leveraging approximately $40 million in federal funding. Projects in the state rail plan are well along in the federal development process and will be ready to accept additional state and federal funding to complete preliminary engineering, finalize environmental approval, and begin design and construction activities during the biennium.

Performance measures for passenger rail are difficult to establish and build until necessary planning and federal funding is secured. In the short term, PRO is working with Amtrak to increase frequencies of existing Chicago to Minnesota service as high speed service continues to develop. Passenger rail service miles in development over the next five years include the Northern Lights Express service from the Twin Cities to Duluth. Longer term, PRO is working to develop ZIP Rail service to Rochester and 90 Miles of high speed rail service (110mph) between the Twin Cities and La Crescent.

Performance Measures	Previous	Current	Trend
Miles of operating passenger rail service	340 miles	340 miles	stable

Performance Measures Notes:

Current Amtrak service between Moorhead and La Crescent is 340 miles. PRO is working with Amtrak to identify the addition of a second daily train between potentially St. Cloud and La Crescent and on to Chicago. Capital funding for an additional daily round trip between Minnesota and Chicago is dependent on Minnesota, Wisconsin and federal funding. Wisconsin and Minnesota are responsible for providing funding for operations. That funding is not currently identified.

Budget Activity: Passenger Rail
Current, Base and Governor's Recommended Expenditures
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	$1,000	$6,013	$4,913	$11,926
Current Law Expenditures (FY 2014-15)	$1,000	$1,235	$2,126	$4,361
Governor's Recommended Expenditures (FY2014-15)	$1,000	$1,235	$4,126	$6,361
$ Change from FY 2014-15 Current Law to Governor's Rec	$0	$0	$2,000	$2,000
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	94%	46%

Budget Activity: Passenger Rail
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		$567		$567
REVENUE	$0	$668	$4,126	$4,794
APPROPRIATION	$1,000	$0	$0	$1,000
SOURCES OF FUNDS	**$1,000**	**$1,235**	**$4,126**	**$6,361**
BALANCE FORWARD OUT				
EXPENDITURES	$1,000	$1,235	$4,126	$6,361
PAYROLL EXPENSE	$250	$567		$817
OPERATING EXPENSES	$751		$2,126	$2,877
CAPITAL OUTLAY-REAL PROPERTY		$668	$2,000	$2,668
USES OF FUNDS	**$1,000**	**$1,235**	**$4,126**	**$6,361**

Transportation
State Roads/Program Planning and Delivery
http://www.dot.state.mn.us

Statewide Outcome(s):

Program Planning and Delivery supports the following statewide outcome(s).

Sustainable options to safely move people, goods, services and information.

Context:

Program planning and delivery includes all the program delivery activities of the department, including planning, program management, project development and construction project management of the Minnesota Department of Transportation's (MnDOT) road and bridge construction program.

This activity exists to plan for short and long-term capital investment on the trunk highway system and ensure all available dollars are invested as effectively as possible through projects and programs that are on time and within budget. The activity also provides for the development of projects and management of construction contracts necessary for the department to fulfill its responsibilities for constructing and maintaining a quality, dependable, multi-modal highway network.

The program planning and delivery activity serves the needs of the traveling public, local governments, public and private entities, and ensures compliance with federal and state government legislation. Funding comes from trunk highway appropriations, including federal aid reimbursement and trunk highway fund bonding.

Strategies:

The outcome of program planning and delivery is achieved through the following strategies:

Program Planning includes setting performance goals and targets, establishing priorities and policies, developing plans and strategies, evaluating outcomes, and recommending future actions.

State Road Construction (SRC) Program Management includes program financing, tracking, reporting, regulation, and the development of the State Transportation Improvement Program (STIP) and area Transportation Improvement Programs. The STIP is available online at http://www.dot.state.mn.us/planning/program/stip.html. In addition, the program planning and delivery activity also generates reports that track major construction investments, including the Chapter 152 Annual Inventory Report (http://www.dot.state.mn.us/planning/program/pdf/CH152AnnualInventoryReport2012.pdf), and the Major Projects Report (http://www.dot.state.mn.us/planning/program/pdf/MHP2012.pdf).

Construction Project Development and Management consists of the activities that must be done before a construction project begins, including the six milestones of scoping, construction limits, environmental documentation, right-of-way acquisition, design and plan delivery, and letting. A well scoped project reduces cost variations and allows MnDOT to better manage its overall capital program. Project management includes construction engineering, field inspection of materials, project documentation, and contractor payment approvals. In addition, Construction Project Development and Management develops and manages a program of transportation research to advance new technologies and methods by which transportation improvements are made and implemented.

Results:

MnDOT reports on the overall results of its performance in the Annual Minnesota Transportation Performance Report. This report is available online at http://www.dot.state.mn.us/measures/index.html.

The goal of program planning and delivery is to deliver projects on schedule and on budget. MnDOT measures on-schedule by the percentage of projects let on schedule. MnDOT measures on-budget by the percent difference between the program estimate and the contract award price.

Performance results for 2011 are as follows (see also the table below).

- 90 percent of projects were let on schedule.
- On average, projects were awarded for 15 percent less than the program estimate.

For projects that were delayed, a major cause was a delay or deficiency in plan production. Better scoping and cost estimating of projects improves MnDOT's ability to follow through on commitments made via the STIP, both on letting date and on project costs.

Cost variance measures are based on three critical milestones in project development: entry into the STIP (this is the point where the department commits to the project), the award amount (the contractor's bid amount), and construction completion. Cost variance is determined by comparing the STIP estimate to the award amount, cost at construction completion to the award amount, and cost at construction completion to the STIP estimate.

MnDOT is currently compiling the data for this more thorough measure for FY 2010 and FY 2011, and will soon be compiling data for FY 2012 after the 2012 construction season is complete. The reason for the increase in the negative cost variance between 2010 and 2011 may be due to greater uncertainty on prices reflected in the estimates and lower than expected bid prices. Additional years of data are needed to determine if there is a trend.

Performance Measures	Previous	Current	Trend
Construction Project Let on Schedule (target >90%)[1]	92% (2007)	90% (2011)	Stable
Construction Projects with Completed Scoping Documents	94% (10-13 STIP)	99% (12-15 STIP)	Improving
Cost Variance[2]	-7% (2010)	-15% (2011)	NA

Performance Measures Notes:

[1] Projects let on schedule are defined as projects scheduled for the first year of the STIP that are let for construction in that fiscal year.

[2] The cost variance measure shown is the difference between the sum of project STIP estimates and the sum of awards, divided by the sum of estimates. More years of data will be needed before a trend for this measure is apparent.

Budget Activity: Program Planning & Delivery
Current, Base and Governor's Recommended Expenditures
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		$459,402	$43,195	$502,597
Current Law Expenditures (FY 2014-15)		$456,791	$60,337	$517,128
Governor's Recommended Expenditures (FY2014-15)		$456,791	$60,337	$517,128
$ Change from FY 2014-15 Current Law to Governor's Rec		$0	$0	$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%	0%	0%

Budget Activity: Program Planning & Delivery
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		$24,659	$24	$24,683
REVENUE		$32,197	$60,337	$92,534
TRANSFERS IN		$5,386		$5,386
APPROPRIATION		$412,940	$0	$412,940
SOURCES OF FUNDS		**$475,182**	**$60,361**	**$535,543**
BALANCE FORWARD OUT		$12,884	$24	$12,909
TRANSFERS OUT		$2,702		$2,702
CANCELLATIONS		$2,804		$2,804
EXPENDITURES		$456,791	$60,337	$517,128
PAYROLL EXPENSE		$325,935	$1,107	$327,042
OPERATING EXPENSES		$99,972	$58,964	$158,936
OTHER FINANCIAL TRANSACTIONS		$1,860	$120	$1,980
GRANTS, AIDS AND SUBSIDIES		$27,871	$146	$28,017
CAPITAL OUTLAY-REAL PROPERTY		$1,154		$1,154
USES OF FUNDS		**$475,182**	**$60,361**	**$535,543**

Transportation
State Roads/State Road Construction

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

Statewide Outcome(s):

State Road Construction supports the following statewide outcome(s).

Sustainable options to safely move people, goods, services and information

Context:

The state road and bridge construction program is the "actual construction, reconstruction and improvement of trunk highways, including design-build contracts and consultant usage to support these activities and includes actual payment to landowners for highway right of way, payment to lessees, interest subsidies and relocation expenses", in accordance with the priorities and policies set out in the Minnesota Department of Transportation's (MnDOT) performance-based Statewide Transportation Plan. Funding is used for contracts for construction projects to provide sustainable options to safely move people, goods, and services on the state highway system. The primary customers for this program are the travelling public, and freight and commercial transportation. Funding for State Road Construction comes from federal funds and the State Highway User Tax Distribution Fund (HUTD) via direct appropriation from the Trunk Highway Fund and is exclusively used to fund contracts for consulting and construction services for the projects.

Strategies:

State Road Construction supports a balanced approach to address sustainable investments in system preservation, safety, mobility, and regional priorities for the highway system. Investments and project selection are prioritized through the Statewide Transportation Policy Plan (http://www.dot.state.mn.us/planning/stateplan/StPolicyPlan.html) and Statewide Highway Investment Plan (http://www.dot.state.mn.us/planning/statehighwayinvestmentplan/index.html). Minnesota works closely with the Federal Highway Administration (FHWA) and local agencies in investment direction and project selection.

Results:

Minnesota's goals for the highway system are established in the Department's Strategic Plan and Minnesota's Statewide Transportation Policy Plan and Statewide Highway Investment Plan and implemented through the State Transportation Improvement Program (STIP). MnDOT has a wide range of transportation system condition measures that include safety, pavement and bridge condition, congestion and travel speeds. These system condition measures are prioritized through an extensive planning and public outreach effort. Prioritization is necessary because the system needs exceed the available funding.

The State Road Construction program has led to mixed results across the various performance areas established in the Statewide Transportation Policy Plan – bridge conditions are improving, the number of traffic-related fatalities are decreasing, and the Interregional Corridors are meeting mobility targets. Meanwhile MnDOT continues to make investments to lessen the declining pavement conditions and the increase in Metro traffic congestion.

MnDOT is currently updating its 20-year highway investment plan. This plan will analyze the existing performance trends and develop new investment direction for the State Road Construction program.

This new investment direction – incorporating innovative financing and new technologies, focusing on high return-on-investment solutions, institutionalizing risk management, and continued refinement of investment prioritizing, will be used to support the positive trends in safety, Interregional mobility, and bridge preservation, and slow or reverse the negative trends in pavement preservation and Metro traffic congestion.

Results Notes:

State Transportation Improvement Program: (*http://www.dot.state.mn.us/planning/program/stip.html*)

Performance Measures	Previous	Current	Trend
Pavement Condition – Customer Ride Quality Index (RQI) – Pavements in Poor Condition – Principal Arterials	2.6% (2007)	4.8% (2011)	Declining
Pavement Condition – (RQI) – Pavement in Poor Condition – Non-Principal Arterials	6.5% (2007)	8.6% (2011)	Declining
Structural Condition of Bridges – Bridge Deck Area in Poor Structural Condition – Principal Arterials	3.1% (2007)	3.3% (2011)	Stable
Fatalities on the Trunk Highway System including interstates /(total fatalities statewide)	2007 265 (510)	2011 173 (368)	Improving
Twin Cities Urban Freeway System Congestion – Percent of Miles below 45 mph in AM or PM peak	20.9% (2007)	21.0% (2011)	Stable
Interregional Corridor (IRC) Mobility (Greater MN Mobility) – Percent of Miles +/- 2 mph of Target Speed or Faster	98% (2007)	98% (2011)	Stable

Performance Measures Notes:

Performance information taken from the 2011 Annual Transportation Performance Report, available at http://www.dot.state.mn.us/measures/index.html

Budget Activity: State Road Construction
Current, Base and Governor's Recommended Expenditures
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		$1,553,978		$1,553,978
Current Law Expenditures (FY 2014-15)		$1,397,998		$1,397,998
Governor's Recommended Expenditures (FY2014-15)	$20,000	$1,737,998		$1,757,998
$ Change from FY 2014-15 Current Law to Governor's Rec	$20,000	$340,000		$360,000
% Change from FY 2014-15 Current Law to Governor's Rec		24%		26%

Budget Activity: State Road Construction
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		$13,387		$13,387
REVENUE		$39,701		$39,701
TRANSFERS IN		$77,000		$77,000
APPROPRIATION	$20,000	$1,687,000		$1,707,000
SOURCES OF FUNDS	**$20,000**	**$1,817,089**		**$1,837,089**
BALANCE FORWARD OUT		$2,091		$2,091
TRANSFERS OUT		$77,000		$77,000
EXPENDITURES	$20,000	$1,737,998		$1,757,998
PAYROLL EXPENSE				
OPERATING EXPENSES		$58,196		$58,196
OTHER FINANCIAL TRANSACTIONS		$72,500		$72,500
GRANTS, AIDS AND SUBSIDIES	$20,000	$11,398		$31,398
CAPITAL OUTLAY-REAL PROPERTY		$1,595,904		$1,595,904
USES OF FUNDS	**$20,000**	**$1,817,089**		**$1,837,089**

Transportation
State Roads/Debt Service
http://www.dot.state.mn.us/funding/index.html

Statewide Outcome(s):

State Roads Program supports the following statewide outcome(s).

Sustainable options to safely move people, goods, services and information.

Context:

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. The State of Minnesota is authorized to issue general obligation bonds for trunk highway purposes under Article XIV of the constitution. MnDOT is also authorized to enter into loan agreements using the transportation revolving loan fund under M.S. 161.04, and to enter into local advance agreements under M.S. 161.361. The debt service activity is funded by a direct appropriation from the Trunk Highway Fund.

Trunk Highway Fund Bond appropriations authorized:

- Laws 2003 Chapter 19 – $506 million*
- Laws 2007 Chapter 2 – $20 million*
- Laws 2008 Chapter 152 – $1.8 billion
- Laws 2009 Chapter 36 and 93 – $42.7 million
- Laws 2010 Chapter 189 – $26.4 million
- Laws 2010 Chapter 388 – $100 million
- Laws 2012 Chapter 287 – $16.1 million
- Laws 2012 Chapter 1 – $30 million*

**First Special Session*

Strategies:

This activity contributes to statewide outcomes on the trunk highway system by leveraging low interest rates to advance the construction of road and bridge projects. These projects have a life of at least 20 years and support the safety of the traveling public, maintain and improve the freight movement, and promote the economic vitality of the state.

The Minnesota Department of Transportation (MnDOT) works closely with Minnesota Management and Budget (MMB) to coordinate activities related to selling bonds and forecasting both the debt cash flow and the debt service payments.

Results:

Minnesota's goals for the transportation system are established in the department's Strategic Plan and Minnesota's Statewide Transportation Policy Plan. 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.

Key Performance Measures:

Trunk Highway Fund Debt Management—Debt service for the Trunk Highway Fund (THF) should not exceed 20 percent of annual state revenues to the Trunk Highway Fund.

Trunk Highway Fund Balance—The Trunk Highway Fund should maintain a balance not less than the sum of:

(a) Six percent of annual projected state revenues to the fund, plus
(b) Two percent of authorized, unissued debt, plus
(c) A reasonable allowance for future debt service funding shortfalls when debt service is projected to exceed 20 percent of state revenues.

Performance Measures	Previous Actual (FY11)	Current Forecast (FY14)	Trend
Trunk Highway Fund Debt Management *(target: <20%)*[1]	6%	15%	Stable
Trunk Highway Fund Balance *(target: >$90M as of Feb 2012 forecast)*[1]	$200M	$237M	Stable

Performance Measures Notes:

[1]February 2012 Transportation Funds Forecast http://www.dot.state.mn.us/about/pdfs/TranspForecast2012.pdf.

Budget Activity: Debt Service
Current, Base and Governor's Recommended Expenditures
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		$17,393		$17,393
Current Law Expenditures (FY 2014-15)		$19,000		$19,000
Governor's Recommended Expenditures (FY2014-15)		$19,000		$19,000
$ Change from FY 2014-15 Current Law to Governor's Rec		$0		$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%		0%

Budget Activity: Debt Service
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION		$406,051		$406,051
SOURCES OF FUNDS		**$406,051**		**$406,051**
TRANSFERS OUT		$387,051		$387,051
EXPENDITURES		$19,000		$19,000
PAYROLL EXPENSE				
OTHER FINANCIAL TRANSACTIONS		$19,000		$19,000
USES OF FUNDS		**$406,051**		**$406,051**

Transportation
State Roads/Operations and Maintenance

http://www.dot.state.mn.us/maintenance/
http://www.dot.state.mn.us/trafficeng/safety/index.html
http://www.dot.state.mn.us/bridge/

Statewide Outcome(s):

Operations and Maintenance supports the following statewide outcome(s).

Sustainable options to safely move people, goods, services and information.

Context:

The purpose of this activity is to maintain, operate and preserve the state's trunk and interstate highway systems including roadways, bridges, roadsides, safety equipment, traffic control and traffic management devices and the equipment and buildings associated with those tasks. This includes approximately 12,000 miles of trunk highway, over 4,500 bridges of ten-foot spans or longer, 3,000 traffic management systems (signals, electronic message boards, cameras, weight sensors, traffic counters), 28,000 lighting fixtures, 400,000 signs, 254,000 acres of right of way including wetlands and ponds, over 3,600 vehicles and approximately 800 snow plows.

Our customers include anyone who travels on the state trunk highway or interstate system or relies upon the highway system to deliver goods and services including the primary customer segments of commuters, personal travelers, carriers, shippers, farmers, emergency vehicle operators, and communities.

This activity is funded by a direct appropriation from the Trunk Highway Fund.

Strategies:

The Operations and Maintenance activity encompasses many services necessary to operate and maintain the transportation system to provide a safe, smooth trip with a reliable travel time. These include:

- **Traffic Management:** installing and repairing signs, lighting, striping and message painting, installing and repairing guardrails, operating the Regional Transportation Management Center and the District Traffic Operations Communications Centers, operating and repairing traffic signals and devices, and traveler information via updates on radio, changeable message signs, internet and telephones.

- **Regulation:** issuing permits for all work on Minnesota Department of Transportation's (MnDOT) Right of Way including utilities, entrances and outdoor advertising (outdoor advertising can extend off the right of way), MnDOT also identifies and permits safe routes for commercial vehicles with wide or overweight loads.

- **Fleet Management:** acquiring, maintaining and remarketing MnDOT vehicles and equipment as well as providing fuel and insurance for the central office fleet (units that operate within the right of way on our highways). MnDOT monitors fleet performance measures of utilization and life cycle as well as preventative and reactive maintenance. These performance measures are currently undergoing a review.

- **Inventory Control:** purchasing, receiving, warehousing, handling and issuing materials, record keeping and hazardous waste coordination.

- **Clear Roads:** clearing roadways of snow and ice and debris. Targets have been established based on customer expectations for all roadway types based on volumes (i.e., the highest traveled road target is to achieve bare lanes in zero to three hours after a snowfall has ceased). Three effective techniques that MnDOT uses to inhibit ice formation and improve roadway surface are: Anti-icing, Pre-wetting and De-icing.

- **Smooth Roads:** paving, drainage repair, shoulder repair and surface repair to ensure a smooth ride. Roads are measured for surface ride-ability annually. MnDOT is currently looking at innovative patching techniques to extend the life of existing roads.

- **Roadsides:** brush and tree removal for improved visibility and safety, mowing, spraying for noxious weed control (legally mandated), litter pickup (Adopt a Highway) and planting vegetation. Although MnDOT focuses its resources to the road area of the right of way, there are specific roadside needs that require attention.

- **Bridges:** inspecting and maintaining bridges to keep them safe and in reliable service.

- **Building Management:** providing, building operations and maintenance services for state-owned buildings and facilities under MnDOT's jurisdiction.

- **Rest Area Management**: providing general maintenance, building operations, janitorial services and property management.

Key partners to achieving this goal include the Federal Highway Administration (FHWA), other state agencies, local governments, other federal agencies, Native American tribes, and other industry professionals.

Results:

MnDOT monitors a number of performance measures to help track progress toward statewide performance goals. The most prominent measures in the areas of maintenance and operations are listed here. Together, these measures show that MnDOT's maintenance & operations strategies are resulting in more timely bridge inspections and reactive maintenance repairs, faster incident clearance times, and more reliable snow plowing and ice removal. MnDOT has successfully met its snow and ice performance target in nine of the last ten seasons. Although severity impacts how we respond, MnDOT relies on training and technology to continue to meet customer expectations.

Unfortunately, positive trends on a series of individual maintenance measures have not prevented a gradual decrease in overall customer satisfaction with highway maintenance. It should be noted, however, that this decrease is likely heavily influenced by the condition of highway pavement, which is largely the product of the level of investment dedicated to pavement.

Operations and Maintenance significantly impact the overall safety of all Minnesota roadways. For example, providing visible pavement markings and signs are key to keeping drivers from running off the roadway which is one of the leading causes of serious injury crashes in rural Minnesota. While there are other behavioral factors that effect this measure, MnDOT uses fatalities as the measure of our overall safety performance as well as participates as a lead agency in the Toward Zero Deaths program. Fatalities on Minnesota's state and local roads continue their dramatic decade long decline. The 368 fatalities experienced in 2011 is the lowest number of fatalities in a generation.

Performance Measures	Previous	Current	Trend
Fatalities on the Trunk Highway System including interstates /(total fatalities statewide)	2007 265 (510)	2011 173 (368)	Improving
Incident Clearance Time for Metro Urban Freeway[1] (in minutes)	37.3 (2007)	33.0 (2011)	Improving
Snow & Ice Management -- Frequency of Achieving Bare Lanes within Targeted Number of Hours	75% ('07-'08)	88% ('11-'12)	Stable[2]
Bridge Inspections -- Percent Completed & Logged On Time	86.3% (2007)	96.2% (2011)	Improving
Bridge Reactive Maintenance Repairs -- Percent of High-Priority Items Completed on Time[3]	89% (2010)	99% (2011)	Improving
Customer Satisfaction with State Highway Maintenance (1 – 10 scale)	6.2	5.9	Declining

Performance Measures Notes:

[1] Three-year average, in minutes

[2] The trend for the snow and ice management measure is described as stable because performance has been above the target of 70 percent nine of the last ten years.

[3] MnDOT established its bridge reactive maintenance repair measure in 2009. As a result, the 2010 and 2011 figures are not comparable to data from previous years.

Budget Activity: Operations And Maintenance
Current, Base and Governor's Recommended Expenditures
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		$550,076	$11,549	$561,625
Current Law Expenditures (FY 2014-15)		$583,764	$20,548	$604,312
Governor's Recommended Expenditures (FY2014-15)		$593,764	$20,548	$614,312
$ Change from FY 2014-15 Current Law to Governor's Rec		$10,000	$0	$10,000
% Change from FY 2014-15 Current Law to Governor's Rec		2%	0%	2%

Budget Activity: Operations And Maintenance
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		$10,339	$6	$10,345
REVENUE		$69,648	$20,548	$90,196
TRANSFERS IN		$29,278		$29,278
APPROPRIATION		$524,790	$0	$524,790
SOURCES OF FUNDS		**$634,055**	**$20,554**	**$654,608**
BALANCE FORWARD OUT		$11,013	$6	$11,018
TRANSFERS OUT		$29,278		$29,278
EXPENDITURES		$593,764	$20,548	$614,312
PAYROLL EXPENSE		$320,701	$483	$321,184
OPERATING EXPENSES		$237,675	$6,365	$244,040
OTHER FINANCIAL TRANSACTIONS		$3,631	$7,000	$10,631
GRANTS, AIDS AND SUBSIDIES		$2		$2
CAPITAL OUTLAY-REAL PROPERTY		$31,754	$6,700	$38,454
USES OF FUNDS		**$634,054**	**$20,554**	**$654,608**

Transportation
State Roads/Electronic Communications

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

Statewide Outcome(s):

Electronic Communications supports the following statewide outcome(s).

Sustainable options to safely move people, goods, services and information.

Context:

The Minnesota Department of Transportation's (MnDOT) Office of Electronic Communications (OEC) provides management, engineering and technical expertise in electronic communication systems and technologies that address the specialized needs of transportation, public safety, and other state and local agencies. The activities address mobile radio communications statewide.

- Many Minnesota government agencies have large mobile work forces that rely on radio communications. OEC provides technical services to the Department of Public Safety (DPS), The Department of Natural Resources (DNR) and other state agencies. OEC also provides technical services to regional and local agencies upon request.

- OEC supports the statewide public safety radio communications system known as Allied Radio Matrix for Emergency Response (ARMER). ARMER is currently under construction with site acquisition, construction and maintenance of radio towers statewide. ARMER serves the day to day and emergency communication needs of many state agencies, and of the majority of local and regional law enforcement agencies. This includes law enforcement, fire, emergency medical and public works services. The system currently has over 60,000 mobile and portable radio users. As the system ages, it will require additional maintenance and a replacement cycle and schedule. Ongoing upgrades need to be planned.

- Citizens of Minnesota have high expectations of their public safety and emergency service providers. Emergency operations extend around the clock, and the communications systems must provide reliable service at all times.

- Funding for the Electronic Communications activity comes from a direct appropriation from the Trunk Highway Fund, a transfer from DPS from the 911 Fees (for ARMER operations and maintenance) and lease receipts authorized in MS 174.70.

Strategies:

- Electronic Communications Investment and Planning:
  - Provide overall electrical engineering directions for the strategic and tactical planning of wireless voice and data systems for ARMER and other public safety or transportation applications
  - Provide electronic communication system engineering, design and construction expertise to MnDOT offices and districts, other state and local agencies.
  - Act as public safety radio spectrum frequency advisor for the state of Minnesota

- Electronic Communications Management:
  - Administer, own, and operate the ARMER public safety radio backbone used by state and local governments.
  - Install, repair, replace, upgrade and maintain the radio communications infrastructure.
  - Maintain the facilities (towers, shelters, generators) needed to support the states wireless infrastructure
  - Provide maintenance for electronic equipment, such as road weather information systems, traffic weight scales, vehicle location systems, etc.
  - Provide emergency service response for public safety electronic communications systems

- External Transportation Systems Support:
  - Provides for sharing of expertise and technical services with other state and local agencies, including the Department of Public Safety, the Department of Natural Resources, The National Weather Service (NWS) and other state and local agencies.

- Key Partners:
  - Department of Public Safety, Department of Natural Resources, and other state agencies, cities, counties, the Metropolitan Council, the National Weather Service, and emergency service providers.

Results:

Eighty-one percent (264) of ARMER towers are operational and on-the-air out of a planned 324. An additional 35 towers are under construction and scheduled for completion in 2013. The right of way acquisition process is ongoing for 25 additional tower sites. Construction is on schedule and on budget.

Performance Measures	Previous	Current	Trend
Build out ARMER towers by 2013	65% (2010)	81% (2012)	Increasing
Mobile and portable radio users served by ARMER	40,000 (2011)	60,000 (2012)	Increasing

Performance Measures Notes:

Annually, OEC also maintains and services over 13,000 mobile radios, over 1,600 base stations, over 650 tower sites and performs over 1,600 preventative inspections. The trend is constant and steady. OEC also provides technical support, maintenance and oversight.

Budget Activity: Electronic Communications
Current, Base and Governor's Recommended Expenditures
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	$6	$32,563		$32,569
Current Law Expenditures (FY 2014-15)	$6	$32,204		$32,210
Governor's Recommended Expenditures (FY2014-15)	$6	$33,804		$33,810
$ Change from FY 2014-15 Current Law to Governor's Rec	$0	$1,600		$1,600
% Change from FY 2014-15 Current Law to Governor's Rec	0%	5%		5%

Budget Activity: Electronic Communications
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		$1,425		$1,425
REVENUE		$3,660		$3,660
TRANSFERS IN		$18,900		$18,900
APPROPRIATION	$6	$10,336	$0	$10,342
SOURCES OF FUNDS	**$6**	**$34,321**	**$0**	**$34,327**
BALANCE FORWARD OUT		$517		$517
EXPENDITURES	$6	$33,804		$33,810
PAYROLL EXPENSE		$14,304		$14,304
OPERATING EXPENSES	$6	$17,097		$17,103
OTHER FINANCIAL TRANSACTIONS		$4		$4
CAPITAL OUTLAY-REAL PROPERTY		$2,399		$2,399
USES OF FUNDS	**$6**	**$34,321**		**$34,327**

Transportation
Local Roads/County State Aid Roads

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

Statewide Outcome(s):

The local road/s county state aid roads activity supports the following statewide outcome(s).

Sustainable options to safely move people, goods, services and information.

Context:

Minnesota's constitution dedicates a portion of statewide revenues for local roads and bridges. The State Aid for Local Transportation (SALT) office was created to supervise the distribution of these funds to Minnesota's 87 counties for their use in building and maintaining the County State Aid Highway (CSAH) system. This definition of the CSAHsystem is found in Article 14 of the Minnesota State Constitution (https://www.revisor.leg.state.mn.us/constitution, Section 3.

- The CSAH system size is currently 30,590 miles.
- The primary funding is 29 percent of the 95 percent of the Highway User Tax Distribution Fund (HUTD) that is allocated to counties.
- Counties also compete for federal aid, bridge bonding and local road improvement funds.
- Counties receive money from the flexible account of the HUTD for turn-backs.
- A portion of the HUTD goes to the town bridge and the town road accounts. These accounts and the flexible account amount to five percent of the HUTD.
- Counties are generally responsible for administering the township projects and the projects for cities that have a population of less than 5,000.
- The counties select the construction projects and maintenance activities within their jurisdiction.
- SALT reviews and approves individual construction plans for compliance with standards and rules.
- The funding distribution among the counties is determined with the advice of a County Screening Board, consisting of county engineers. The money is for maintenance and construction work on their designated system of state aid highways.

Strategies:

- The SALT office works closely with local levels of government to help coordinate the provision of a safe, effective and coordinated highway network across the state.
- In addition to funding support, staff from SALT provides technical assistance in highway and bridge design, construction and maintenance. Minnesota Department of Transportation (MnDOT) SALT employees also authorize grants for bridge construction, coordinate local federally-funded projects, and provide overall management of the state aid system.
- SALT conducts a needs assessment, computes the funding allocations for each county, makes payments and maintains fiscal records.
- Safety is promoted through the development of safety plans at the county level that then assist in the decision-making process.
- Bridge safety is accomplished through a robust bridge inspection program and management of bridge replacement dollars from state bonding and federal bridge programs.
- Counties prioritize most on preservation and safety projects above other needs.
- Counties contribute some of their funding to the Local Road Research Board (LRRB, http://www.lrrb.org), which responds to their needs for training, best practice analysis, and information for their staffs and the public.
- Counties are responsible for developing their own rules and standards updates for approval by the Commissioner of Transportation. Recently, changes have been made to respond to changes in law and policy regarding ten ton roads and complete streets.

Results:

Fatalities on Minnesota's state and local roads continue their dramatic, decade-long decline. The 368 fatalities experienced in 2011 is the lowest number of fatalities in a generation. This positive downward trend is also true on a more granular level, as 127 fatalities were experienced on the county state aid highway system, down from a high of 236 in 2002.

There are no methods currently available to specifically measure the health of the county state aid highway system. MnDOT does monitor the number of miles constructed or reconstructed to meet standards. Most roads need substantial reconstruction every 50 years. In 2009 there were 181 miles of construction or reconstruction. In 2010, this increased to 196 miles, and dropped to 79 miles in 2011. If a 50 year reconstruction cycled were being followed, an average of 612 miles should be worked on each year. The difference between the actual number of CSAH miles constructed/reconstructed in recent years and the 612 average suggests that an increasing share of the CSAH system is in poor condition.

Performance Measures	Previous	Current	Trend
Fatalities on the county state aid highway system	170 (2007)	127 (2011)	Improving
Total crashes on the county state aid highway system	39,826 (2008/2009)	36,681 (2010/2011)	Improving
Miles of the county state aid highway system constructed or reconstructed to meet standard (612 = number of miles constructed/reconstructed if CSAH were maintained at lowest life-cycle cost) [1]	196 (2010)	79 (2011)	Worsening

Performance Measures Notes:

[1] 3-year average

Budget Activity: County State Aid Roads
Current, Base and Governor's Recommended Expenditures
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		$1,020,932	$482,054	$1,502,986
Current Law Expenditures (FY 2014-15)		$1,201,322	$494,604	$1,695,926
Governor's Recommended Expenditures (FY2014-15)		$1,201,322	$494,604	$1,695,926
$ Change from FY 2014-15 Current Law to Governor's Rec		$0	$0	$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%	0%	0%

Budget Activity: County State Aid Roads
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		$142,489		$142,489
REVENUE		$1,240	$494,604	$495,844
TRANSFERS IN		$208,716		$208,716
APPROPRIATION		$1,196,872	$0	$1,196,872
SOURCES OF FUNDS		**$1,549,317**	**$494,604**	**$2,043,921**
BALANCE FORWARD OUT		$142,492		$142,492
TRANSFERS OUT		$205,503		$205,503
EXPENDITURES		$1,201,322	$494,604	$1,695,926
PAYROLL EXPENSE		$8,952	$196	$9,148
OPERATING EXPENSES		$18,169	$7,408	$25,577
OTHER FINANCIAL TRANSACTIONS		$29		$29
GRANTS, AIDS AND SUBSIDIES		$1,174,172	$487,000	$1,661,172
USES OF FUNDS		**$1,549,317**	**$494,604**	**$2,043,921**

Transportation
Local Roads/Municipal State Aid Roads

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

Statewide Outcome(s):

Municipal State Aid Roads supports the following statewide outcome(s).

Sustainable options to safely move people, goods, services and information.

Context:

Minnesota's constitution dedicates a portion of statewide revenues for local roads and bridges. The State Aid for Local Transportation (SALT) office was created to supervise the distribution of these funds to Minnesota's state aid cities for their use in building and maintaining the Municipal State Aid Street (MSAS) system. This definition of the Municipal State Aid Street System is found in Article 14 of the Minnesota State Constitution (https://www.revisor.leg.state.mn.us/constitution, Section 4. There are 147 cities that qualify for an appropriation from this fund.

- The system size is 3,598 miles.
- The primary source of funding is nine percent of the 95 percent of the Highway User Tax Distribution Fund (HUTD) that is allocated to State Aid cities.
- Cities also compete for federal aid, bridge bonding and local road improvement funds.
- Cities also receive money from the Flexible Account of the HUTD for turn-backs.
- The cities select the construction projects and maintenance activities within their jurisdiction.
- SALT reviews and approves individual construction plans for compliance with standards and rules.
- The funding distribution among the cities is determined with the advice of a Municipal Screening Board, consisting of city engineers. The money is for maintenance and construction work on their designated system of state aid streets, which typically amount to 20 percent of their city system.

Strategies:

- The SALT office works closely with local units of government to help coordinate the provision of a safe, effective and coordinated highway network across the state.
- In addition to funding support, SALT provides technical assistance in highway and bridge design, construction and maintenance. MnDOT SALT employees also authorize grants for bridge construction, coordinate local federally funded projects, and provide overall management of the state aid system.
- SALT conducts needs assessments, computes the funding allocations for each city, makes payments and maintains fiscal records.
- Safety is promoted through the development of safety plans at the county level that then assist in decision making.
- Bridge safety is supported through a robust bridge inspection program and through management of bridge replacement dollars from state bonding and the federal bridge program.
- Cities prioritize most on preservation and safety projects above other needs.
- Cities contribute some of their funding to the Local Road Research Board (LRRB, http://www.lrrb.org), which responds to their need for training, best practice analysis, and information for their staffs and the public.
- Cities are responsible for developing their own rules and standards updates for approval by the Commissioner of Transportation. Recently, changes have been made to respond to changes in law and policy regarding ten-ton roads and complete streets.

Results:

Fatalities on Minnesota's state and local roads continue their dramatic, decade-long decline. The 368 fatalities experienced state-wide in 2011 is the lowest number of fatalities in a generation. This positive downward trend is also true on a more granular level, as 18 fatalities were experienced on the municipal state aid streets, down from a high of 30 in 2005.

There are no methods currently available to specifically measure the health of the municipal state aid system. MnDOT does monitor the number of miles constructed or reconstructed to meet standards. Most roads need substantial reconstruction every 50 years. In 2009 there were 43 miles of construction or reconstruction. In both 2010 and 2011, there were 37 miles reconstructed in each year. If a 50-year reconstruction cycle were being followed, an average of 72 miles would be worked on every year. The difference between the actual number of MSAS miles constructed/reconstructed in 2009, 2010, and 2011 and the 72-mile number suggests that an increasing share of the MSAS is in poor condition.

Performance Measures	Previous	Current	Trend
Fatalities on the municipal state aid system	24 (2007)	19 (2011)	Improving
Total crashes on the municipal state aid system	25,950 (2008/2009)	23,957 (2010/2011)	Improving
Miles of the municipal state aid system constructed or reconstructed to meet standard (72 = number of miles constructed/reconstructed if MSAS were maintained at lowest life-cycle cost)[1]	107 (2010)	39 (2011)	Worsening

Performance Measures Notes:

[1] Three-year average

Budget Activity: Municipal State Aid Roads
Current, Base and Governor's Recommended Expenditures
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		$298,246		$298,246
Current Law Expenditures (FY 2014-15)		$337,205		$337,205
Governor's Recommended Expenditures (FY2014-15)		$337,205		$337,205
$ Change from FY 2014-15 Current Law to Governor's Rec		$0		$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%		0%

Budget Activity: Municipal State Aid Roads
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		$11,334		$11,334
TRANSFERS IN		$30,541		$30,541
APPROPRIATION		$306,664		$306,664
SOURCES OF FUNDS		**$348,539**		**$348,539**
BALANCE FORWARD OUT		$11,334		$11,334
EXPENDITURES		$337,205		$337,205
PAYROLL EXPENSE		$3,310		$3,310
OPERATING EXPENSES		$4,523		$4,523
OTHER FINANCIAL TRANSACTIONS		$7		$7
GRANTS, AIDS AND SUBSIDIES		$329,364		$329,364
CAPITAL OUTLAY-REAL PROPERTY		$2		$2
USES OF FUNDS		**$348,539**		**$348,539**

Transportation
Agency Management/Agency Services - Transportation

http://www.dot.state.mn.us/strategicvision/vision.html
http://www.dot.state.mn.us/about/index.html
http://www.dot.state.mn.us/ombudsman

Statewide Outcome(s):

Agency management supports the following statewide outcome(s).

Sustainable options to safely move people, goods, services and information.

Context:

Agency Services provides executive leadership, sets policy, and determines strategic direction to ensure that the Minnesota Department of Transportation (MnDOT) delivers a safe and effective transportation network. Agency management directs the department's administrative, financial, human and capital resources, and serves all of MnDOT's approximately 4,800 employees.

Agency Services ensures that MnDOT's workforce is skilled, productive, and diverse so that it can effectively serve citizens. Department leadership provides an array of planning, policy and administrative services, including financial, communications, government relations, transportation ombudsman, internal and external audit functions, and management of partnerships that make the transportation system responsive to stakeholder needs.

Financial services provided include planning, forecasting, analysis, budgeting and management of federal and state funds, and innovative finance initiatives. Communication services help MnDOT gather customer input for improved decision making, and provide transportation-related information to the public. General administrative support incorporates a wide range of services including materials management, contracting accounting, payroll services, administrative rule-making, occupational safety, health services, and business processes. Corporate services staff coordinate technology products and services with Information Technology for Minnesota Government (MnIT) and oversees agency IT management.

Key issues include recruitment and retention of a skilled, diverse workforce, due to a lack of competitive advantage with the private sector, and effective knowledge transfer as large numbers of experienced employees retire from the agency.

Agency Services is funded by direct appropriation from the Trunk Highway Fund.

Strategies:

Staffing:

- In response to concerns about the retirement of many experienced MnDOT employees along with a shrinking applicant pool, Human Resources staff developed and implemented innovative staffing strategies, including student worker and internship programs, and the Graduate Engineer and Land Surveyor program.
- District offices have developed and implemented strategic staffing plans to identify skills and competencies that match the current and future needs of the agency.
- To recruit more diverse candidates, MnDOT has developed partnerships with other entities. This includes MnDOT's Community Advisors on Recruitment and Retention Solutions (MnCARRS), a community partnership composed of MnDOT employees and community leaders representing minority communities, women, veterans and people with disabilities. The group was created to build recruitment partnerships between MnDOT and communities underrepresented in MnDOT's workforce to assist the agency in recruiting and retaining qualified candidates from a variety of backgrounds. (Key technical positions are critically evaluated when they become vacant to assure that the agency is making the right hire at the right location at the right time.)

Knowledge Transfer:

MnDOT has a dedicated Business Process section that assists the department in streamlining and managing various processes, records, and administrative policies. To date, the group has facilitated 7 LEAN Kaizen events and 18 process improvement workshops Finance:

- In response to ongoing financial constraints and recent state legislation, MnDOT has initiated an Efficiency Measures project to identify and/or create, track, and report on the efficiency of MnDOT's products and services. The outcomes of this project will assist MnDOT in continuing to provide the public with the most effective and efficient transportation system possible.
- MnDOT is also in the process of implementing a more formal and robust internal control program, called Safeguarding MnDOT. This includes conducting financial risk assessments, staff training and certifycation, the creation of an internal control board, and the development of a three year program plan.

Ombudsman:

- MnDOT offers an external ombudsman service to ensure fairness when businesses or members of the public cannot resolve a dispute with the agency through other processes. These strategies for engaging stakeholders and responding to citizen needs are designed to increase transparency and build public trust.

Results:

Key factors affecting the Agency Management area include challenges in recruiting and retaining qualified staff for key positions, and managing the uncertainty of ongoing federal funding levels.

Additional performance measures are under development.

Performance Measures	Previous	Current	Trend
Employee turnover – separations from MnDOT[1]	FY 2009 – 420	FY 2011 - 929	Increasing
Overall ethnic and gender diversity[2]	7-8% - minority 22% - women	8% - minority 22% - women	Stable
Trunk Highway Fund Debt Management[3] *(target: <20%)*	12.6% (FY 2013)	15.1% - 16.8% (FY 2014-2015)	Increasing
Trunk Highway Fund Balance[4] *(target: >$90M as of Feb 2012 forecast)*	$219M (FY 2013)	$237M-246M (FY 2014-2015)	Stable
Ombudsman cases received & resolved	FY 2009 – 113	FY 2011– 20151	Increasing

Performance Measures Notes:

1. The FY 2011 count for employee separations includes 410 MnDOT employees who departed under the Early Retirement Incentive authorized by the 2010 Minnesota Legislature.
2. MnDOT regularly compares the gender and minority composition of its workforce to the composition of available candidates in specific employment categories. MnDOT's goal is to increase the multicultural competency of all of its employees to attract and retain a diverse workforce to better serve the increasingly diverse population of the state. MnDOT's overall minority employment has remained relatively constant over the past four years, between seven and eight percent. Women continue to comprise 22 percent of the MnDOT workforce. These results reflect the availability of qualified applicants, the constraints imposed by the civil service system and the competition for the best applicants from other governmental agencies and the private sector.
3. Trunk Highway Fund Debt Management—Debt service for the Trunk Highway Fund (THF) should not exceed 20 percent of annual state revenues to the Trunk Highway Fund.
4. Trunk Highway Fund Balance—The Trunk Highway Fund should maintain a balance not less than the sum of:
   (a) Six percent of annual projected state revenues to the fund, plus
   (b) Two percent of authorized, unissued debt, plus
   (c) A reasonable allowance for future debt service funding shortfalls when debt service exceeds 20 percent of state revenues.

Budget Activity: Agency Services - Transportation
Current, Base and Governor's Recommended Expenditures
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		$104,946		$104,946
Current Law Expenditures (FY 2014-15)		$96,568		$96,568
Governor's Recommended Expenditures (FY2014-15)		$96,568		$96,568
$ Change from FY 2014-15 Current Law to Governor's Rec		$0		$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%		0%

Budget Activity: Agency Services - Transportation
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		$71		$71
REVENUE		$820	$0	$820
APPROPRIATION		$95,680	$0	$95,680
SOURCES OF FUNDS		**$96,571**	**$0**	**$96,571**
BALANCE FORWARD OUT		$3		$3
EXPENDITURES		$96,568		$96,568
PAYROLL EXPENSE		$40,015		$40,015
OPERATING EXPENSES		$56,204		$56,204
OTHER FINANCIAL TRANSACTIONS		$200		$200
GRANTS, AIDS AND SUBSIDIES		$1		$1
CAPITAL OUTLAY-REAL PROPERTY		$148		$148
USES OF FUNDS		**$96,571**		**$96,571**

Transportation
Agency Management/Building Services
http://www.dot.state.mn.us/maintenance/facilities/facility.html

Statewide Outcome(s):

Building Services supports the following statewide outcome(s).

Sustainable options to safely move people, goods, services and information.

Context:

This activity provides uniform management of buildings owned or operated by MnDOT. Major services include: (1) planning, designing, and constructing MnDOT facilities; and (2) facility repair, operation and maintenance. The building services activity allows MnDOT to maximize consistency in administration and minimize costs.

This activity is governed by Minnesota Statute (M.S.) 174.03 Duties of the Commissioner, Subd. 4 (1), construct and maintain transportation facilities as authorized by law, and M.S. 161.20 Powers of the Commissioner, Subd 2.

The Building Services activity is funded by direct appropriation from the trunk highway fund and from trunk highway bonds. MnDOT often uses trunk highway direct operating dollars to fund small capital projects under a certain threshold (typically $1.5 to $2.0 million in total cost), minimizing the need to request numerous small projects in bonding bills. However, it can be challenging to complete complex, capital projects within the constraints of biennium spending requirements for operating appropriations.

Strategies:

MnDOT facilities are built and maintained to support and meet transportation systems user expectations (Safely move people) and quickly respond to environmental and safety concerns. Space is required for vehicle storage and repairs, ancillary and installed supporting equipment. Facilities placed in strategic locations allow MnDOT employees to respond efficiently and promptly to customer needs, such as quick deployment of snow clearance equipment during a snow or ice event.

MnDOT owns and operates – 1,072 buildings with a total of 5,745,426 square feet, including:

- 138 truck station sites
- 18 regional/headquarters maintenance sites
- Five special service sites: MNRoad Research Facility, Arden Hills Training Center, Central Shop, Maplewood Materials Lab and the Aeronautics building
- 173 salt/sand storage sites
- Estimated facilities replacement cost of $746,905,380 (at $130 per square foot)

This activity supports MnDOT through two product and service lines.

Facilities Investment and Planning: Provides planning, programming, budget development, design and construction of MnDOT facilities. Every year, MnDOT uses the building budget process to review and plan future building space requirements. The process generally results in a six-year construction plan. This process also identifies annual maintenance and repair projects that require plans and/or specifications developed by licensed architects and engineers. Over 90 major maintenance and repair projects were planned, bid and awarded for completion in FY 2012. Wherever and whenever possible, MnDOT partners with local government subdivisions to construct facilities that will leverage opportunities for cost savings and efficiencies through co-location of facilities and operations.

Facilities Operations and Maintenance: Keeps facilities useful for their intended purpose. It includes development and enforcement of facility standards, building codes, other regulatory requirements compliance and partnership agreements with other political subdivisions. It also includes the administrative functions associated with custodial work, supplies and services, and telecommunications support.

Results:

In recent years, MnDOT has tracked the degree to which building services strategies are working by measuring building adequacy, quantified as the percentage of MnDOT buildings meeting functional needs. The measure is based on the “Facilities Assessment Report” developed by MnDOT Facilities Management Services and performed by the district physical plant supervisors. Facility assessments provide MnDOT planners with information concerning building primary and secondary systems, site conditions, safety concerns, functional standards, energy conservation, barrier-free access and environmental conditions. MnDOT’s target is to have 80 percent of its buildings meet functional needs.

Going forward, MnDOT will be one of 19 state agencies to implement a new Enterprise Real Property Facilities Condition Assessment. When fully implemented, this tool will monitor over 30 million square feet of space at over 5,000 building locations. A Request for Proposal is currently being prepared for the integration of the condition assessment with the current Archibus software application system. These efforts are being led by the Department of Administration. A comprehensive assessment of the condition of MnDOT's facilities is expected to start in the spring of FY 2013.

Performance Measures	Previous	Current	Trend
Building Adequacy: percent of truck stations meeting functional needs[1] (based on Facility Assessment Report)	65.6% (2006)	77.6% (2011)	Improving
Building Adequacy: percent of buildings meeting functional needs (based on Enterprise Facilities Condition Assessment)	Under Development		

Performance Measures Notes:

[1] Although MnDOT use the facility assessment report to measure the adequacy of many different types of buildings, a comprehensive, statewide data set is only available for truck stations.

Budget Activity: Building Services
Current, Base and Governor's Recommended Expenditures
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	$108	$38,247		$38,355
Current Law Expenditures (FY 2014-15)	$108	$37,139		$37,247
Governor's Recommended Expenditures (FY2014-15)	$108	$37,139		$37,247
$ Change from FY 2014-15 Current Law to Governor's Rec	$0	$0		$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%		0%

Budget Activity: Building Services
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		$191		$191
REVENUE		$1,571		$1,571
TRANSFERS IN		$2,607		$2,607
APPROPRIATION	$108	$35,568		$35,676
SOURCES OF FUNDS	**$108**	**$39,938**		**$40,046**
BALANCE FORWARD OUT		$191		$191
CANCELLATIONS		$2,607		$2,607
EXPENDITURES	$108	$37,139		$37,247
PAYROLL EXPENSE		$4,050		$4,050
OPERATING EXPENSES	$108	$21,306		$21,414
OTHER FINANCIAL TRANSACTIONS		$462		$462
CAPITAL OUTLAY-REAL PROPERTY		$11,320		$11,320
USES OF FUNDS	**$108**	**$39,938**		**$40,046**

Transportation Department - Federal Funds Summary

Federal Award Name	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State Match Yes / No	Required State MOE Yes /No	State-wide Outcome
Multimodal									
Aeronautics									
Federal Airports		To assist local units of government maintain and improve Minnesota publically owned airports. Funds are sub-granted to the local government units who oversee their projects.	49,489	100,000	100,000	100,000			Mobility
Recovery FAA Aeronautics		Federal Stimulus funding for runway and other improvements at eleven Minnesota airports.	373	-	-	-			Mobility
Budget Activity: Aeronautics			**49,862**	**100,000**	**100,000**	**100,000**			
Transit									
Rideshare - Federal		Coordinate rideshare opportunities in Greater Minnesota. Programs include, but not limited to: the Commuter Challenge and the "Try It" campaign.	108	272	148	148			Mobility
Transit Vehicle Disposition		Transit vehicle disposition receipts for mass transportation purposes.	94	160	50	50			Mobility
FTA Section 5310		Capital assistance grants for organizations that serve elderly and/or persons with disabilities.	1,806	2,138	4,231	4,231			Mobility
FTA Section 5311		Capital and operating funding for small urban and rural areas; including intercity bus. RTAP funding for research, training and technical assistance for transit operators in non-urbanized areas. Administration for technical oversite of programs.	12,939	30,832	31,576	31,576			Mobility
FTA Section 5303/5304		Metropolitan Planning Organization (MPO) and statewide planning activities and technical assistance for public transit services.	3,895	8,787	8,689	8,689			Mobility
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 ADA implementation within MnDOT.	136	150	150	150			Mobility
Transit Bike/Ped PR		Metro Ped/Bike planner senior position responsible for the State Planning & Research project part I.	38	82	60	60	x		Mobility
Mississippi River Trail Bike Route		Statewide: Bicycle Policy Planning Study & Mississippi River trail U.S. Bicycle Route Implementation.	250	65	-	-	x		Mobility
Veterans Transportation and Community Living Initiative		To implement, expand, or increase access to one-call/one-click transportation resource centers that improve access to transportation resources for veterans, military families, and other clients.	-	2,376	1,722	1,723	x		Mobility
FTA JARC		Funding for projects that transport low-income individuals to employment.	836	1,690	1,690	845			Mobility
FTA New Freedom		Funding for transportation projects that go beyond ADA requirements for persons with disabilities.	542	1,049	1,049	503			Mobility
Northfield Environmental Assessment		Assess environmental effects to ensure compliance with National Environmental Policy Act (NEPA) requirements prior to building the Northfield Transit Hub.	14	242	121	-			Mobility
FTA Cedar Valley/Albert Lea		Construction of Albert Lea transit facility	-	646	300	50			Mobility

Transportation Department - Federal Funds Summary

Federal Award Name	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State Match Yes / No	Required State MOE Yes /No	State-wide Outcome
Transitways /Red Rock/Northstar		Federal Transit Authority (FTA) Grant #MN-03-0088 closed 8-31-12	291	-	-	-			Mobility
FTA Northstar Construction		Northstar Commuter Rail project	6,367	25,160	18,792	18,793			Mobility
ARRA Vehicle		Administration funds to support the remaining American Recovery and Reinvestment Act (ARRA) Transit projects	156	243	-	-			Mobility
FTA - Trailblazer		FTA Grant #MN-86-X002 closed 4-9-12	24	-	-	-			Mobility
FTA - ITS Project		ARRA rural ITS projects for Arrowhead Transit and Meeker County Public Transit	493	115	-	-			Mobility
FTA - Three Rivers Facility		ARRA funded Three Rivers transit hub and facility	174	423	-	-			Mobility
Mankato Transit Facility		New Transit Facility in Mankato, MN		2,800	2,800	2,800			Mobility
Section 5339 Bus & Bus Facilities Programs (MAP-21)	x	Provide funding for transit buses & bus facilities	-	4,250	4,252	4,250			Mobility
Budget Activity: Transit			**28,161**	**81,480**	**75,630**	**73,868**			
Freight									
Federal/Local Rail Project		To promote grade crossing safety on Minnesota railroads	3,341	11,000	7,000	7,000			Mobility
Motor Carrier Safety Assistance Program		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).	930	1,380	1,380	1,380	x		Mobility
Truck Parking Availability Study		Provide funding to improve transportation safety, traffic congestion, and air quality by implementing and deploying a comprehensive system for identifying trucks and truck parking spaces through the dissemination of parking availability information to truck drivers and carriers, through the use of ITS video technology.	291	1,273	684	20			Mobility
Southern Rail Corridor Alternatives Analysis		To perform an alternatives analysis of relocating or mitigating the freight railroad line in and around Rochester, MN	53	434	-	-	x		Mobility
Minnesota Valley Regional Rail Authority Rehabilitation Project FFY 2009		Provides funding to Minnesota Valley Regional Rail Authority (MVRRA) to complete railroad rehabilitation activities	7	943	-	-	x		Mobility
Non-Trunk Highway Projects		ARRA Non-trunk highway projects	1	-	-	-			Mobility
Minnesota Valley Regional Rail Authority Rehabilitation Project FFY 2010		Provides funding to MVRRA to complete railroad rehabilitation activities	18	982	-	-	x		Mobility
K-Line Rail Improvement-Wadena	x	To improve and extend municipally owned rail spur to an existing industrial park.	-	300	585	585	x		Mobility
Budget Activity: Freight			**4,640**	**16,312**	**9,649**	**8,985**			

Transportation Department - Federal Funds Summary

Federal Award Name	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State Match Yes / No	Required State MOE Yes /No	State-wide Outcome
Passenger Rail									
Hi-Speed Intercity Pass Rail (NLX PE/NEPA)		To conduct Preliminary Engineering and the National Environmental Policy Act (NEPA) process	-	3,000	2,000	2,000	x		Mobility
Duluth Passenger Rail (2009 - EA)		To conduct environmental review to meet the conditions of NEPA.	278	187	-	-	x		Mobility
MN WI NEPA Service (Tier 1 EIS)		To conduct environmental review to meet the conditions of NEPA.	173	400	26	-	x		Mobility
Northern Lights Express (2010 - LiDAR, Mapping & SDP)		To create mapping for preliminary engineering & complete a Service Development Plan (SDP)	240	260	-	-			Mobility
Northern Lights Express (2009 - Hinckley Loop Study)		To Conduct an alternatives analysis, engineering and feasibility study	-	375	100	-	x		Mobility
Budget Activity: Passenger Rail			**691**	**4,222**	**2,126**	**2,000**			
Program: Multimodal Systems			**83,354**	**202,014**	**187,405**	**184,853**			
State Roads									
Pooled Fund Project (190830)		State planning/research-MnRoad research activities regarding pavement performance	17	28	-	-			Mobility
Wadena Transportation Study		Wadena Transportation Study	135	45	-	-			Mobility
I-94-TH280 Value Pricing Study		To consider design and operational alternatives that will enhance MnPASS performance in the corridor	-	320	80				Mobility
Snelling TH51 Value Price Study		To study multi-modal transportation issues along Snelling Avenue-Trunk Highway (TH) 51	-	450	-	-			Mobility
Survey Mileage Based User Fee		Study potential designs of Mileage Based User Fee systems	1,185	443	-	-			Mobility
Great River Road-Burns Avenue Overlook		Partially fund historic restoration of this site on MnDOT right of way, eligible for the National Register of Historic Places, on the Great River Road National Scenic Byway	-	103	-	-		x	Mobility
Hazard Elimination NHTSA		Construct cable median barriers and county & district road safety design planning	1,083	12,000	12,000	12,000			Mobility
Road Research	x	Implementation of Intelligent Construction Systems to provide for the continuous monitoring of equipment location, activities, and quality.	34	4,750	3,750	3,750			Mobility
Seat Belt Performance Grant		Construct cable median barriers and Department of Public Safety (DPS) Heightened Enforcement of Aggressive Traffic (HEAT)	866	157	-	-			Mobility
ITS Special Projects		Intelligent Transportation Systems Research		100	-	-			Mobility
MN Technology Transfer Funds		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.	141	140	140	140	x		Mobility
MnROAD LVR Support		To support the MnROAD low volume road section at the MnROAD test facility.	9	46	46	46	x		Mobility
Towards Zero Deaths HSIP FLEX		Fund regional Toward Zero Deaths (TZD) coordinators salaries, Federal Highway Administration (FHWA) and Road Safety Public Service announcements	51	1,500	1,500	1,500	x		Mobility
Integrated Corridor Management Stage One		Integrated Corridor Management FHWA Paid Engineering Out of State Travel	-	19	-	-			Mobility
Parking-Pricing Demonstration		To demonstrate parking pricing incentives that might change travel behavior	59	166			x		Mobility

Transportation Department - Federal Funds Summary

Federal Award Name	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State Match Yes / No	Required State MOE Yes /No	State-wide Outcome
Civil Rights Office		To support such programs as statewide on the job training programs, disadvantaged business enterprises, etc.	1,941	2,215	2,415	2,415			Mobility
Non-TH Projects SRC		ARRA non- trunk highway state road construction projects	315	335	-	-			Mobility
I-35 Managed Lanes Study Little Canada Rd. to County Rd. 96	x	To develop design and operational alternatives compatible with I-35E managed lanes operations between Little Canada		50	555		x		Mobility
SPR Pooled Fund Projects - 100%		State planning and research funds for Pooled Fund (multi state partnerships) road research projects conducted throughout the state which are billed at 100%	673	2,000	3,000	3,000			Mobility
MnRoad SPR Pooled Fund Projects 100%		State planning and research funds for Pooled Fund (multi state partnerships) research projects billed at 100% which are conducted at the MnRoad Research facility.	609	1,000	1,000	1,000			Mobility
MnRoad SPR Pooled Fund Projects 80%		State planning and research funds for Minnesota only research projects which are conducted at the MnRoad Research facility.	164	225	300	300	x		Mobility
MN SPR projects - 100%		State planning and research funds for Minnesota only road research projects conducted throughout the state which have been authorized at !00% federal reimbursement.	1,614	3,000	1,200	1,200			Mobility
MN SPR projects - 80%		State planning and research funds used to conduct and support Minnesota only road research projects throughout the state which require a state match.	707	4,500	4,500	4,500	x		Mobility
Budget Activity: Program Planning & Delivery			**9,603**	**33,591**	**30,486**	**29,851**			
Integrating Mobile Observations (IMO) 2.0	x	To fund agency activities involving automated vehicle location and data collection from snowplows and light duty trucks.	717	300	150	-	x		Mobility
Better Roads - Turn Lanes		Construction of trunk highway safety improvements (primarily turn lanes)	875	3,500	3,500	3,500			Mobility
Safe Intersections CWS		Construction of trunk highway Intersection Collision Warning System	-	10	120	-			Mobility
TH14 Road Safety Audit		Perform safety audits of trunk highways	25	5	35	35			Mobility
Best Ped & Bike Proct Handbk		Publish handbook on bike and pedestrian infrastructure designs	6	98	-	-			Mobility
Reduced Conflict Intersections		Construction of intersections with less vehicle movement conflicts		3,350	3,350	3,350			Mobility
National Traffic Highway Safety Act(NHTSA) funding from Department of Public Safety		Video on restricted crossing U-Turn Intersection Designs/Traffic records Traffic Information Systems (TIS) mainframe improvements and Traffic Records forum out of state travel	9	2,104	2,104	3,604			Mobility
TZD Coordinators NHTSA		Regional TZD Coordinators Salaries & Out of State Travel, National Highway Traffic Safety Administration (NHTSA)	87	150	200	200			Mobility
TZD Conference		TZD Annual Conference for all agencies and statewide partners	130	183	200	200			Mobility
Budget Activity: Operations & Maintenance			**1,849**	**9,700**	**9,659**	**10,889**			
Subtotal: State Roads			**11,452**	**43,291**	**40,145**	**40,740**			
Federal Formula Highway Agreements		Federal Highway Administration (FHWA) funding							Mobility
Estimated Federal Aid			393,993	500,607	518,880	512,080			
Program: State Roads			**405,445**	**543,898**	**559,025**	**552,820**			
Local Roads									

Transportation Department - Federal Funds Summary

Federal Award Name	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State Match Yes / No	Required State MOE Yes /No	State-wide Outcome
County/Municipal State Aid Roads									
Federal County Road & Bridge (Includes: Safe Routes to School-Infrastructure Projects Only)		Provides road construction dollars to the local county and city governments for their road systems.	187,142	225,006	215,000	250,000	x		Mobility
ARRA TIGR Union Depot		ARRA TIGER Grant provided to the Union Depot Restoration Project.	28,282	7,046	-	-			Mobility
County Mini Grants NHTSA		Funding for construction of county road safety improvements	74	1,000	1,000	1,000			Mobility
Safe Routes to School		To coordinate improvement of safety and facilities in and around school zones.	71	1,939	1,912	1,912			Mobility
Federal County Road and Bridge Cultural Resources Grants		Funding for special interest projects providing historical, technical or other information pertinent to mobility.	1,067	1,727	1,890	1,890	x		Mobility
ARRA Funding for Local Governments		Provides road construction dollars to the local county and city governments for their road systems.	7,046	1,654					Mobility
Federal Rail Authority		Funding for the Union Depot restoration project.	-	20,000	20,000		x		Mobility
Program: Local Roads			**223,683**	**258,371**	**239,802**	**254,802**			
Reimbursement for Municipal Grant Expenses (Non Dedicated Receipts)		Reimbursement for Municipal Grant Expenses	252	252	252	252			Mobility
Reimbursement for County Grant Expenses (Non Dedicated Receipts)		Reimbursement for County Grant Expenses	297	300	300	300			Mobility
Federal Funds - Agency Total			**713,030**	**1,004,835**	**986,784**	**993,027**			
Federal Funds Total - Net of Federal Formula Highway Agreements and Local Roads Non Dedicated Receipts			**318,488**	**503,676**	**467,352**	**480,395**			

Mn/DOT Federal Funds Narrative
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.

Maintenance Level of Effort:
The regular formula federal funds are typically split 80% federal 20% state. One of the federal fund appropriations relates to the restoration of historical sites along the Minnesota section of the Great River Road. These sites require ongoing site maintenance comparable to that typically afforded MnDOT Class IV rest areas.

Related State Spending:
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. General funds, revenues from the motor vehicle sales tax and local government funds match the federal funding from the Federal Transit Administration (FTA) programs.

Basis for Estimates:
Estimates are based on the best funding information currently available to MnDOT program managers. Overall, federal funds anticipated during the FY2014-15 biennium will be a reduction from the 2012-13 biennium due to American Recovery and Reinvestment Act (ARRA) projects nearing completion.

Potential Impact of Sequestration:
The Gramm-Rudman-Hollings (GRH) sequester process is written in Part C of the Balanced Budget and Emergency Deficit Control Act of 1985 and sequestration provides for automatic, across-the board budget cuts in many programs beginning in 2013 and continuing until 2021.

The Budget Control Act of 2011 imposed caps on discretionary spending that will reduce their funding by $1 trillion from 2012 to 2021. This act also established the Joint Select Committee on Deficit Reduction (the "Super Committee") to propose legislation reducing deficits by another $1.2 trillion over the same period, and established a backup "sequestration" procedure to ensure that $1.2 trillion in deficit reduction would be achieved in the event the Super Committee failed to pass legislation reducing the deficit. The Super Committee failed to enact a bill, so sequestration is scheduled to take effect in March 2013 (unless superseding legislation is passed) and would cover the period of time from 2013 to 2021.

Transportation Impact:
Contract authority programs that receive obligation limitation, like the highway and transit formula programs supported by the Highway Trust Fund, are exempt from sequestration. Beyond the Highway Trust Fund programs and Social Security, however, almost everything else is subject to sequestration in March 2013.
Specifically for highway and transit programs, this translates to the following (national) spending cuts due to sequester:

- Transportation Investment Generating Economic Recovery (TIGER) program: 8.2% or $41M out of $500M
- FHWA Emergency Relief Program: 8.2% or $136M out of $1.662B
- First federal General Fund transfer to the Highway Account of the Highway Trust Fund occurred in October 2012 as contained in Moving Ahead for Progress in the 21st Century (MAP-21): 7.6% or $471M out of $6.2B
- FHWA Budget Authority Exempt from Obligation Limitation (traditionally a portion of Equity Bonus): 7.6% or $56M out of $739M
- FTA administrative expenses: 8.2% or $8M out of $99M
- FTA Capital Investment Grants: 8.2% or $156M out of $1.906B
- FTA research: 8.2% or $4M out of $44M