



MnDOT FY 2022-23 Supplemental Budget
February 15, 2022

Commissioner Margaret Anderson Kelliher

Vision and Mission



- **Vision** – Minnesota’s multimodal transportation system that maximizes the health of people, the environment and our economy.
- **Mission** – plan, build, operate and maintain a safe, accessible, efficient and reliable multimodal transportation system that connects people to destinations and markets throughout the state, regionally and around the world.

MnDOT at a Glance

- **4th largest** roadway system in the nation
- Over **145,000 centerline miles** (including trunk highways and local roads)
- **4,901 bridges** greater than 10 feet in length on Trunk Highway routes



MnDOT at a Glance



- **50%** of state highways and **35%** of state bridges are more than 50 years old
- Average **156 construction projects** statewide over FY2021-22
- **\$21 billion** in planned investments for state highways over the next 20 years (MnSHIP)

MnDOT at a Glance

We work with our partners to support:

- 7 active ports:
 - 3 Lake Superior ports
 - 4 Mississippi River system ports
- Transit services in all 80 non-metro counties
- 133 publicly owned state-funded airports
- 4,420 track miles serving 21 railroad companies



Prioritization and Evaluation

MnDOT's key priorities include:

Addressing the need for sustainable funding for the transportation system, sufficient to keep the system in a state of good repair.

Promoting equity in the MnDOT workforce and contracts, including transportation planning and programming.

Improved environmental stewardship, sustainability, and reduction of greenhouse gas emissions from transportation.

Change Item Requests

\$ in \$1,000s

Rank	Request Name	Fund	FY 2022	FY 2023
1	Multimodal Transportation Package	Multiple	113,084	166,916
2	Maximize Federal Transportation Climate Funding	GF	-	2,000
3	Compensation Operating Impacts	TH	3,500	20,400
4	Corridors of Commerce Project Scoring and Statute Clarification	TH	-	-
5	ARMER Radio Tower and Equipment Building Replacements	GF	-	2,000
6	Rail Grade Crossing Safety	TH/SR	-	1,500
7	Utility Aircraft Replacement (“pickups in the sky”)	GF	-	7,000

Multimodal Transportation Package

Current State



Emphasis on maintaining the condition of roads, bridges, and roadside infrastructure



NHS Pavement condition of the national highway system is projected to continuously worsen after 2020



Bridge condition is projected to significantly decline in future years, with 12% of NHS bridge deck area being in poor condition by 2031

Multimodal Transportation Package

Federal Infrastructure Investment and Jobs Act

- \$4.8 billion over five years in Federal highway formula funding for roads and bridges
 - Represents a ~30 percent increase in the state's highway formula funding
 - ~20% increase for existing core programs + four new programs (Carbon, PROTECT, Bridge, EVs)
- New and expanded competitive grant programs for state, local, and tribal governments

Multimodal Transportation Package

Minnesota's Estimated Allocation

All amounts in table below reflect rough estimates in millions:

Program	Federal Funds	State/Local Match
FHWA – MnDOT (@70%)	\$170M/Year	\$40M (@20%)/Year
FHWA – Locals (@30%)	\$70M/Year	\$20 (@20%)/Year
FAA	\$60M/Year	\$7M (@10%)/Year
FTA – MnDOT portion only	\$13M/Year	\$7M (@36%)/Year
<i>Discretionary programs*</i>	<i>\$450M (@2% of total)/Year</i>	<i>\$112M (@20%)/Year</i>
Grand Total	\$760M/Year	\$185M/Year

****Estimates of Minnesota's portion of the many new and expanded discretionary grant programs are for illustrative purposes only***

Multimodal Transportation Package

- Dedicate **\$852 million** from the General Fund to various transportation investments over the next 5 years:
 - \$384 million: Trunk Highway Fund largely to cover state match needed for MnDOT's portion of IIA
 - \$268 million: Distributed for roads and bridges on CSAH and MSAS
 - \$200 million: General Fund match for activities off the trunk highway system



Multimodal Transportation Package

Budget authority required to spend federal funds coming to MnDOT as part of IJA (~\$156 million per year)



Multimodal Transportation Package Summary of Spending by Year

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	40,000	40,000	40,000	40,000
Trunk Highway Fund				
Expenditures (NEW State Funds)	43,046	74,754	82,298	90,469
Expenditures (NEW IJA Federal Funds)	152,177	163,280	174,512	186,131
County State Aid Highway Fund				
Expenditures	23,789	41,311	45,481	49,995
Municipal State Aid Street Fund				
Expenditures	6,249	10,851	11,947	13,132
TOTAL	265,261	330,196	354,238	379,727

Multimodal Transportation Package Safety Emphasis

- MnDOT's goal to reduce fatalities and serious injuries on all roadways in Minnesota
 - No more than 225 traffic fatalities by 2025
- Investments in safety through the IJA are critical in meeting these safety goals in the coming years



 **TOWARD
ZERO**

DEATHS

Multimodal Transportation Package Economic Impact

- Investment will grow Minnesota's economy and create jobs
- New and improved infrastructure making it less costly for workers and businesses to operate, putting downward pressure on consumer prices



2/14/2022



15

Maximize Federal Transportation Climate Funding

\$2 million in general funds annually to leverage funding opportunities through the IJA that reduce greenhouse gas emissions or build resiliency to address climate change

Estimate **+\$350 million** in 5 years through guaranteed formula programs that target emission reductions or climate resiliency



Compensation Operating Impacts

- Base increase in the TH Fund of \$3.5 million in FY22, and \$20.4 million each year thereafter
- Compensation costs for MnDOT employees have increased an average of nearly 3% per year
- Allow MnDOT to continue to provide high levels of service to the public



Compensation Operating Impacts Funding by Budget Activity

OPERATING APPROPRIATIONS (\$000s)	FY 23 \$	FY 23 %
Freight	\$165	1%
Operations & Maintenance	\$8,366	41%
Planning and Research	\$531	3%
Program Delivery	\$8,618	42%
Statewide Radio Communication	\$166	1%
Agency Services	\$2,347	12%
Building Services	\$207	1%
TOTAL	\$20,400	100%

Corridors of Commerce Project Scoring and Statute Clarification

- Revise Corridors of Commerce statute to improve clarity, public involvement, and cost-effectiveness
 - Clarify both the program and scoring expectations for project recommendations
 - Clarify the definition of “regional balance”
 - Create a “small project” category for projects under \$10 million



ARMER Radio Communication Tower and Building Replacement

- **\$2 million** in state funds for the replacement of ARMER system radio communication towers and equipment buildings.
- Operates 24/7 for essential Federal, State, Tribal, and local public safety personnel:
 - 82,000 active radios on the system
 - Over 8 million push-to-talks per month
 - 335 ARMER towers across Minnesota
- Existing towers were built in the 1950s and 1960s



Rail Grade Crossing Safety Trunk Highway Fund/Special Revenue Fund

Increase funding for the Grade Crossing Safety Account, from \$1 to **\$2.5 million/year**, in response to increasing needs for rail safety improvements (revenues from Trunk Highway Fund)



Utility Aircraft Replacement \$7 Million General Funds

\$7 million in general funds to replace two aircraft which transport MnDOT Aeronautics employees:

- Used to bring technicians and replacement parts to airports in cases of equipment failures
- Essential for accessing seaplane bases, heliports, and airports



Questions?