

Financial Legislative Briefing

June 2018

This Financial Legislative Briefing provides information about legislation enacted in the 2018 legislative session that has a fiscal impact on the Minnesota Department of Transportation. None of MnDOT's policy initiatives with fiscal impact recommended by the Governor were enacted.

Capital Budget – Laws 2018 – Chapter 214 (HF4425)

The list below describes MnDOT capital projects, as well as other transportation-related projects funded in the enacted 2018 capital budget. Some of these projects were 2018 Governor's recommendations for MnDOT as indicated below. The majority of the projects are grants to political subdivisions. Unless otherwise noted, projects are funded through General Obligation (GO) bonds.

Capital Budget

Local Road Improvement Program

The enacted amount provides funding for Rural Road Safety Projects, Routes of Regional Significance Projects and the local share of trunk highway improvements. \$78.6M
Funds can be used to match local and federal funding.

- Local Road Improvement Program Only \$35.0M
- Anoka County Thurston Blvd Interchange \$15.0M
- City of Dayton – Brockton Interchange \$13.5M
- City of Inver Grove Heights Argenta Trail 70th St \$ 6.1M
- Carver County – Highway 101 Realignment \$ 9.0M

Local Bridge Replacement Program \$5.0M

The enacted amount provides funding to replace or rehabilitate deficient bridges owned by local governments. Funds are used to match local and federal funding.

Port Development Assistance Program \$5.2M

The enacted amount is to fund the Minnesota Port Development Assistance Program, which supports infrastructure needs of Minnesota's public ports on the Great Lakes and Inland River Navigation Systems.

Safe Routes to School \$1.0M

The enacted amount is to fund infrastructure projects that increase safe and convenient opportunities for children to walk and bicycle to school in communities throughout the state.

Stone Arch Bridge \$1.0M

The enacted amount is for the design and engineering of the rehabilitation of the

Capital Budget

James J. Hill Stone Arch Bridge over the Mississippi River.

Corridors of Commerce – Trunk Highway Bonds

\$400.0M

The enacted amount includes funding for additional Corridors of Commerce projects ranked and scored on the Spring 2018 evaluation list. The language directs that at least the next two highest scored projects outside of MnDOT’s metropolitan district must be selected for construction under these appropriations. The appropriations are available in the amounts of: \$150M in FY2022, \$150M in FY2023 and \$100M in FY2024. The 2018 appropriation amounts are separate from previous Corridors of Commerce authorizations and cannot pay for projects previously selected.

MnDOT plans on completing the following projects using Corridors of Commerce funds:

- Hwy 14, Owatonna to Dodge Center - expand 2 lanes to 4 lanes – up to \$160.0M
- Hwy 23, Willmar-St Cloud- complete 4 lane gaps - up to \$105.0M
- Hwy 252/I-94, Hwy 610 to Dowling Ave - convert to freeway, add MnPass lane – up to \$163.0M

Minnesota Valley Regional Rail Authority – MRSI funds

\$1.0M

The enacted amount is for the rehabilitation of a portion of the railroad track between Winthrop and Hanley Falls.

Minnesota Commercial Railway Company –\$.55M MRSI funds, \$1.0M GO bonds

\$1.6M

The enacted amount is for a new railroad bridge over Rice Creek in New Brighton. These grants have several contingencies, including one that requires MnDOT to forgive the balance of a loan with this company. Note: due to some bill drafting errors, not all funds will be available until corrections occur.

Other Transportation grants to local entities:

Rochester Public Transit Bus Storage Garage Expansion

\$2.5M

Hennepin County CSAH 97 I-494 Bridge (Rockford Road) - \$4.86M TH bonds, \$4.86M GO bonds

\$9.7M

Pope County – TH 29 Rail Grade Separation - TH bonds

\$10.5M

Anoka County - Rail Grade Separation

\$2.0M

City of Becker – Industrial Park Improvements

\$3.3M

Brooklyn Park – Hwy 169/101st Avenue Interchange

\$4.0M

Chisago County – Hwy 8 Reconstruction

\$3.0M

Foley – Hwy 23 Safety Improvements – \$.3M General Fund, \$.2M GO bonds

\$.5M

Capital Budget

<i>City of Goodview – Railroad Crossing Quiet Zone</i>	<i>\$.3M</i>
<i>Cities of Loretto/Medina/Wayzata – Rail Crossing Safety Improvements</i>	<i>\$1.2M</i>
<i>City of Mankato – Hwy 169 Levee Reconstruction – TH Bonds</i>	<i>\$.8M</i>
<i>City of Moorhead – 21st Street South Rail Grade Separation</i>	<i>\$6.0M</i>
<i>City of Rosemount - Bonaire Path Railroad Quiet Zone</i>	<i>\$1.0M</i>
<i>City of Wadena - Hwy 10 Environmental Cleanup</i>	<i>\$5.0M</i>
<i>Town of Wakefield – Wakefield/Luxembourg 200th Street</i>	<i>\$.6M</i>
Total Funding:	\$543.8M
Totals by Fund:	
<i>Total General Obligation Bonds</i>	\$125.8M
<i>Total Trunk Highway Fund Bonds</i>	\$416.2M
<i>Total General Funds</i>	\$.3M
<i>Total Minnesota Rail Service Improvement Funds</i>	\$1.5M

In addition, the Department of Employment and Economic Development (DEED) received \$1.0M funding for the Transportation Economic Development (TED) program. TED is a collaborative grant program between MnDOT, DEED and the Public Facilities Authority.

Rail Service Improvement Accounts

The enacted statute change creates a bond proceeds account, allowing MnDOT to spend the bond appropriation under the MRSI Program.

Other Enacted Financial Provisions

Public Pension Sustainability Measures - Ch.211 (SF 2620)

This enacted many important reforms to the state employee pension system. Funds were appropriated to offset employer contribution rate increases in the Minnesota State Retirement System (MSRS). The amounts for MnDOT are:

- Trunk Highway Fund \$1.17M FY19 \$2.34M each FY20-22
- State Airports Fund \$.12M FY19 \$.23M each FY20-22
- General Fund \$.08M FY19 \$.17M each FY20-22

Ratification of State Employee Contracts - Ch. 102 (SF 3154)

This ratified certain state employee labor agreements and compensation plans, typically for the 2017-2019 period.

Mowing moratorium - Ch. 165 (SF 3569)

This enacted a one-year moratorium on enforcing permits to mow and hay trunk highway rights of way.

Legislative Budget Office - Ch.214, Art. 5

This modified and expanded the laws governing the new Legislative Budget Office which will complete fiscal and local impact notes from agencies. Fiscal note preparation will now be directed from this office starting in the 2020 session, rather than 2019.

References

[MnDOT Government Affairs](http://www.dot.state.mn.us/govrel/)

(<http://www.dot.state.mn.us/govrel/>)

[2018 Minnesota Session Law, Chapter 214 – Capital Bill Language](https://www.revisor.mn.gov/laws/?id=214&year=2018&type=0)

(<https://www.revisor.mn.gov/laws/?id=214&year=2018&type=0>)

[Chapter 214 Capital Budget Tracking Sheet](file:///N:/Budget/Budget%20-%20Capital/2018/Tracking%20Sheet/SS_CapitalInvestment_Chapter214_053018%20Final.pdf)

file:///N:/Budget/Budget%20-

%20Capital/2018/Tracking%20Sheet/SS_CapitalInvestment_Chapter214_053018%20Final.pdf

Contacts

Scott Peterson

Government Affairs

651-366-4817

Scott.r.peterson@state.mn.us

Josh Knatterud-Hubinger

Finance

651-366-4913

josh.knatterud-hubinger@state.mn.us