

HF3548 - 0 - "Amend Special Transp Svc Prov Regs"

Chief Author: **Kim Norton**
 Committee: **Transportation Policy and Finance**
 Date Completed: **03/30/2016**
 Agency: **Transportation Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
Dollars in Thousands					
Trunk Highway	-	-	2	2	2
Total	-	-	2	2	2
Biennial Total			2		4

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
Trunk Highway	-	-	((.33))	((.33))	((.33))
Total	-	-	((.33))	((.33))	((.33))

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Stewart McMullan Date: 3/30/2016 11:55:40 AM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium
Dollars in Thousands		FY2015	FY2016	FY2017	FY2018
					FY2019
Trunk Highway	-	-	2	2	2
Total	-	-	2	2	2
Biennial Total			2		4
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Trunk Highway	-	-	(23)	(23)	(23)
Total	-	-	(23)	(23)	(23)
Biennial Total			(23)		(46)
2 - Revenues, Transfers In*					
Trunk Highway	-	-	(25)	(25)	(25)
Total	-	-	(25)	(25)	(25)
Biennial Total			(25)		(50)

Bill Description

This bill would modify regulations for special transportation service providers, primarily as technical changes needed as a result of language passed in 2015. It replaces an exception from various special transportation service (STS) regulations for fixed route common carriers with a broader exemption for public transit providers receiving state funds. It also reinstates a MnDOT process for suspending or revoking the operating authority of an STS provider if a background check identifies a disqualification among those subject to such checks. The bill establishes a process to allow DHS to bar a provider of nonemergency medical transportation services from enrollment as a provider in medical assistance, if: (1) the provider has not initiated background checks on certain persons with an ownership interest, controlling individuals, and managerial officials; or (2) the provider has initiated background checks on these individuals, and the commissioner has notified the provider that an individual has been disqualified and the individual has not received a disqualification set-aside specific to the special transportation services provider.

Assumptions

The only fiscal impact is from Section 1, which would exempt public transit providers receiving state funds primarily Metro Mobility. The vehicles operated under contract with the Metropolitan Council are held contractually to the same types or higher standards as those under these statutes.

Revenue:

MnDOT assumes 5 carriers and approximately 550 vehicles will no longer fall under these statutes. Beginning in FY17, a \$45 annual decal/vehicle inspection fee will be charged.

Expenditure:

In last years fiscal note, we had assumed a total of 4.5 employees would be needed to perform vehicle inspections and company/driver audits for 3,200 vehicles. While the decrease of 550 vehicles would indicate .75 fewer employees would be needed, it would be somewhat less due to their contractual standards. In addition, it is now assumed the influx of new providers/vehicles/drivers will lead to more additional time for MnDOT employees than originally assumed to provide resources/information, answer questions, explain rules and operating standards, etc. Therefore, MnDOT estimates the net decrease of FTEs needed would be .33 for each year it would be difficult to estimate whether a change in later years will occur. The cost of one employees salary is \$49,000; plus fringe benefits and other costs totals \$68,000.

Note: Total revenue and costs related to this program is still difficult to estimate.

Expenditure and/or Revenue Formula

The reduced revenue to the trunk highway fund will be $550 \times \$45 = \$24,750$ (\$25,000).

The reduced expenditure to the trunk highway fund will be $\$68,000 \times .33 = \$22,400$ (\$23,000)

Long-Term Fiscal Considerations

These impacts will continue

Local Fiscal Impact

None

References/Sources

MnDOT Office of Freight and Commercial Vehicle Operations

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