

HF1733 - 0 - "Transportation Cost Share Policy"

Chief Author: **Tim Kelly**
 Committee: **Transportation Policy and Finance**
 Date Completed: **03/16/2015**
 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		
	Dollars in Thousands	FY2015	FY2016	FY2017	FY2018	FY2019
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
Total	-	-	-	-	-

Executive Budget Officer's Comment

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

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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	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

House File 1733 would require MnDOT, in consultation with local units of government, to create and adopt a policy concerning cost participation for cooperative construction projects and maintenance responsibilities. The policy would minimize the share of costs funded by the local units of government, within the limits of constitutional requirements related to allowable uses for trunk highway funds. The policy would have to be completed and adopted no later than September 1, 2015.

Assumptions

MnDOT has a cost share policy with local governments that was updated within the last year. Currently, the share of costs paid by MnDOT and the locals varies for each project, and changes based on a variety of factors specific to each project. The bill language would require changes to the policy so that the share of costs funded by the local government is minimized. This would increase MnDOT's costs for cooperative projects if there are trunk highway eligible costs that MnDOT was not paying. These costs would vary significantly from project to project, and if costs increased on one project there would be less available to fund other projects. Overall, this could result in fewer cooperative projects.

Expenditure and/or Revenue Formula

None

Long-Term Fiscal Considerations

None

Local Fiscal Impact

On specific cooperative projects with MnDOT, local governments could pay less. However, this would decrease the funding available for other projects.

References/Sources

MnDOT Office of State Aid for Local Transportation (SALT)

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