

HF4468 - 0 - Pavement Selection Guidelines

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 Committee: **Transportation Finance**
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 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	FY2023	FY2024	FY2025	FY2026	FY2027
Trunk Highway	-	-	-	1,500	1,500	
Total	-	-	-	1,500	1,500	
Biennial Total						3,000

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Trunk Highway	-	-	-	10	10
Total	-	-	-	10	10

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Laura Cecko **Date:** 3/22/2024 1:11:47 PM
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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		FY2023	FY2024	FY2025	FY2026	FY2027
Trunk Highway	-	-	-	-	1,500	1,500
Total	-	-	-	-	1,500	1,500
	Biennial Total			-		3,000
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Trunk Highway	-	-	-	-	1,500	1,500
Total	-	-	-	-	1,500	1,500
	Biennial Total			-		3,000
2 - Revenues, Transfers In*						
Trunk Highway	-	-	-	-	-	-
Total	-	-	-	-	-	-
	Biennial Total			-		-

Bill Description

This bill requires MnDOT to develop, implement, and adhere to a pavement investment guide. This guide must optimize pavement investments; minimize long- and short-term environmental impacts; enact performance measures that examine effects to users, costs based on use, remaining service life, and investment stability; and determine the funding needed to meet established performance targets over a 50-year analysis period.

By July 1 each year, the commissioner must submit a report on guidelines to the legislative committees with jurisdiction over transportation finance and policy.

The bill is effective July 1, 2025.

Assumptions

MnDOT assumes that a position would be required in the Office of Materials and Road Research (OMRR) to:

- Review current performance targets.
- Assist districts in determining performance strategies that optimize pavement investment and meet performance targets.
- Work with the assistant Pavement Design Engineer in determining environmental impacts (Life-cycle Assessment) on various rehab strategies.
- Assist districts in determining how each rehab affects operational and user effects for different traffic levels across the district in question.
- Develop a procedure for how to determine remaining service life based on the rehab type and on how past performance will affect the remaining service life.
- Develop a procedure to determine what funding is needed to meet current performance targets for the next 50 years for each district network and the statewide network.
- Review and approving all pavement selections that are consistent with the pavement investment guide.
- Submit a report on pavement selection guidelines to the legislative committees annually before July 1.
- Analyze the actual money spent on pavement compared to planned spending by the districts.
- Review the overall health of the pavement system compared to predicted results.

MnDOT assumes the hourly wage for these positions would be \$56.10, plus an additional 50% to account for related

overhead costs including fringe benefits.

MnDOT also assumes 9 employees would be needed across MnDOT's districts to develop, implement, and adhere to a pavement investment guide, along with meeting reporting requirements. One FTE would be required at each of MnDOT's 7 greater Minnesota districts and two FTEs at the metro district, for the following activities.:

- Determine performance strategies that optimize pavement investment and meet performance targets for the district network.
- Determine how each rehab affects operational and user effects for different traffic levels across the district.
- Determine remaining service life based on the rehab type and on how past performance will affect the remaining service life in the district network.
- Determine what funding is needed to meet current performance targets for the next 50 years for the district network.
- Submit pavement selections to OMRR for approval.
- Compare actual money spent on pavement with planned spending.
- Review the health of the pavement system compared to predicted results for the district network.

MnDOT assumes the hourly wage for these positions would be \$47.20, plus an additional 50% to account for related overhead costs including fringe benefits.

Expenditure and/or Revenue Formula

With the salaries in the assumptions above, including an additional 50% for overhead and fringe benefits, the rounded salary breakdown in thousands is as follows:

	FY26	FY27
1 OMRR (\$56.10 X 1.5 overhead X 2080 hours)	\$175	\$175
9 District Staff (\$47.20 X 1.5 overhead X 2080 hours X 9 FTEs)	\$1,325	\$1,325
Total	\$1,500	\$1,500

Long-Term Fiscal Considerations

MnDOT costs would be ongoing as the analysis is required annually under the legislation.

Local Fiscal Impact

None

References/Sources

MnDOT Office of Materials and Road Research

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