

Subject Small cities assistance program
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Overview

This bill appropriates \$10 million from the general fund in each of fiscal years 2020 and 2021 for the Small Cities Assistance program, and sets a general fund base for the program at \$10 million annually.

The Small Cities Assistance program is administered by the Minnesota Department of Transportation (MnDOT) and the Minnesota Department of Revenue. It provides aid to cities that do not have a population sufficiently large to qualify for municipal state-aid street (MSAS) funding (due to constitutional limitations). Aid is distributed following a formula that has factors for equal shares as well as for proportional allocation based on city population, municipal street lane miles, and lane miles of county state-aid highway within the city.

The program was first funded in fiscal year 2016 through a \$12.5 million general fund appropriation. No funding was provided in fiscal year 2017, and \$8.0 million was appropriated from the general fund for each of fiscal years 2018 and 2019. The program does not have base funding for the 2020-21 biennium.