

Fiscal Note – 2009-10 Session

Bill #: H2801-1CE **Complete Date:** 03/08/10

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Title: COMPLETE STREETS POLICY DEF & IMPL

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

Agency Name: Transportation Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY09	FY10	FY11	FY12	FY13
Expenditures					
Municipal State Aid Street Fund			1	3	
County State Aid Highway Fund			4	9	
Trunk Highway Fund			6	18	
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
Municipal State Aid Street Fund			1	3	
County State Aid Highway Fund			4	9	
Trunk Highway Fund			6	18	
Revenues					
-- No Impact --					
Net Cost <Savings>					
Municipal State Aid Street Fund			1	3	
County State Aid Highway Fund			4	9	
Trunk Highway Fund			6	18	
Total Cost <Savings> to the State			11	30	

	FY09	FY10	FY11	FY12	FY13
Full Time Equivalent					
-- No Impact --					
Total FTE					

Bill Description

HF 2801-1CE would require Mn/DOT to implement a complete streets policy, which is defined as addressing the needs of all users (motorists, pedestrians, bicyclists, etc.) when planning, designing, implementing, and maintaining roads. The policy, after consultation with all stakeholders, shall address relevant protocols, guidance, standards, requirements, and training. Reports to the legislature would be required in 2010, 2011, and 2013. Also, when evaluating requests for variances in both the county state-aid and municipal state-aid programs, the standards in A Policy on Geometric Design of Highways and Streets (AASHTO) should be considered as well as the state-aid standards in MS 162.02 and 162.09. If a variance request is denied, Mn/DOT will provide a brief written reason for the denial.

Assumptions

The Commissioner of Transportation has committed the department in coordination with the Mn/DOT Context Sensitive Solutions initiative to implement a complete street vision. A report discussing the feasibility of implementing a complete streets policy in Minnesota was assigned to Mn/DOT by the 2008 Legislature, and has recently been published. Mn/DOT has now developed an implementation plan, and is completing the steps of that plan with currently appropriated budget authority. The plan will accomplish the implementation requirements of Article 2, subdivision 3 of this bill. Therefore, the additional costs noted below will be primarily be related to the reporting requirements.

It is difficult to determine the costs applicable to a given project when applying context sensitive solutions (as implied by a complete streets policy). Mn/DOT believes that, while costs may be higher on a particular project, they may also be lower on a different project. Therefore, Mn/DOT assumes that on a total program basis the cost difference should be negligible, and therefore this fiscal note does not provide any estimate of changes in construction costs.

It is also difficult to determine the ongoing costs related to applying context sensitive solutions on both Mn/DOT and local governments. There may be higher maintenance costs for some solutions. As an example, providing wider sidewalks or specific bicycle lanes may lead to increases in the cost of snow removal. These costs, however, may be offset by safety-related savings and lead to higher benefit to cost ratios or returns on investment. Because of the significant uncertainty about this issue no change in maintenance costs are being shown in this fiscal note.

Expenditure and/or Revenue Formula

There are three reports required, due November 15th of 2010, 2011 and 2013. We estimate the costs to prepare the reports are \$10,000 for the 2010 report (FY 11), \$30,000 for the 2011 report (FY 2012), and \$10,000 for the 2013 report (FY 14). These costs are assumed to be split in accordance with the constitutional 62% (Trunk Highway Fund -- THF), 29% (County State Aid Highway Fund -- CSAH), and 9% (Municipal State Aid Street Fund -- MSAS), as shown below.

	Total	THF	CSAH	MSAS
Reports		62%	29%	9%
2010 (FY11)	\$10,000	\$ 6,200	\$ 2,900	\$ 900
2011 (FY12)	30,000	18,600	8,700	2,700
2013 (FY14)	10,000	6,200	2,900	900
	\$50,000	\$31,000	\$14,500	\$4,500

This is approximately 125 person-hours to prepare the \$10,000 reports, and 375 person-hours for the \$30,000 report, at an average of \$70 per hour (\$35 per hr salary+ fringe benefits + labor additive + direct overhead). The 2013 report is considered a long-term cost.

Mn/DOT assumes the cost for updating their variance evaluation process would be to put together updated information packets. That would be 16 hours X \$70, or **\$1,120** in FY2011.

The total costs for both of these provisions are:

Costs by Fund and Fiscal Year				
	Total	THF	CSAH	MSAS
FY 2011	\$11,120	\$6,200	\$3,751	\$1,169
FY 2012	30,000	18,600	8,700	2,700
FY 2013	0	0	0	0
FY 2014	10,000	6,200	2,900	900
Total Cost	\$51,120	\$31,000	\$15,351	\$4,769
Less FY 2014 - Long-Term Cost	(\$10,000)	(\$6,200)	(\$2,900)	(\$900)
Total Short-Term Cost	\$41,120	\$24,800	\$12,451	\$3,869

Long-Term Fiscal Considerations

As noted in the assumptions above, it is difficult to determine the long-term fiscal impact of this policy, but Mn/DOT believes that the long term change in construction and maintenance costs will be minor (a belief share by many nationwide). The specific costs associated with this bill would not continue beyond FY 2014, but the final report cost of \$10,000 in FY2014 is a long-term cost.

Local Government Costs As noted in the assumptions above, it is difficult to determine the local government costs of this policy, but Mn/DOT believes that the long term change in construction and maintenance costs will be minor (a belief share by many nationwide).

References/Sources

Mn/DOT State Aid
Mn/DOT Engineering Services

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EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

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