

Agency Purpose

The Minnesota Department of Transportation was created by the state Legislature in 1976. Its role is to develop and implement transportation policies, plans and programs that enhance the quality of life for Minnesota citizens.

Meeting Minnesota’s transportation needs, now and in the future, is the top policy goal of the agency. Mn/DOT’s work will be guided by the principles of commitment to mission, a focus on customers, simplified government, management for results and improvement by innovation.

Mn/DOT’s vision is to be a global leader in transportation, committed to upholding public needs and collaboration with internal and external partners to create a safe, efficient and sustainable transportation system for the future.

Mn/DOT’s mission is to provide the highest quality, dependable, multi-modal transportation system through ingenuity, integrity, alliance and accountability.

Mn/DOT’s investment objectives are:

- Preserve Existing Infrastructure – Preserve the state’s assets and implement effective improvements that maintain the roads and bridges on the trunk highway system in a safe and sound condition.
- Improve Safety – Implement the Strategic Highway Safety Plan by investing in proactive strategies that reduce transportation-related fatalities and injuries through the use of new and improved technology and safety measures.
- Improve Mobility - Engineer solutions that reduce congestion and improve mobility. Expand multimodal transportation to create alternative means of travel.
- Innovation – Develop innovative and collaborative partnerships within the transportation community to deliver 21st century transportation solutions.

At a Glance

State Roads Program

- \$2 billion construction program for state fiscal years 2010 and 2011, including American Recovery and Reinvestment Act (ARRA) and Chapter 152 bonds
- Chapter 152 provided \$1.8 billion in trunk highway bonding for bridge and other highway improvements
- 64.1% of trunk highway principal arterial pavements are estimated in good condition in FY 2010
- Fatalities on state and local roads continue to decline
- In FY 2009, 18.2% of Metro freeways were congested in peak periods
- Snow and ice removal exceeds plowing performance targets

Local Roads Program

- Program support and project delivery services to 147 cities and 87 counties
- Apportion funds to construct and maintain 3,561 miles of state aid streets and 30,546 miles of county state aid highways

Multimodal Systems Program

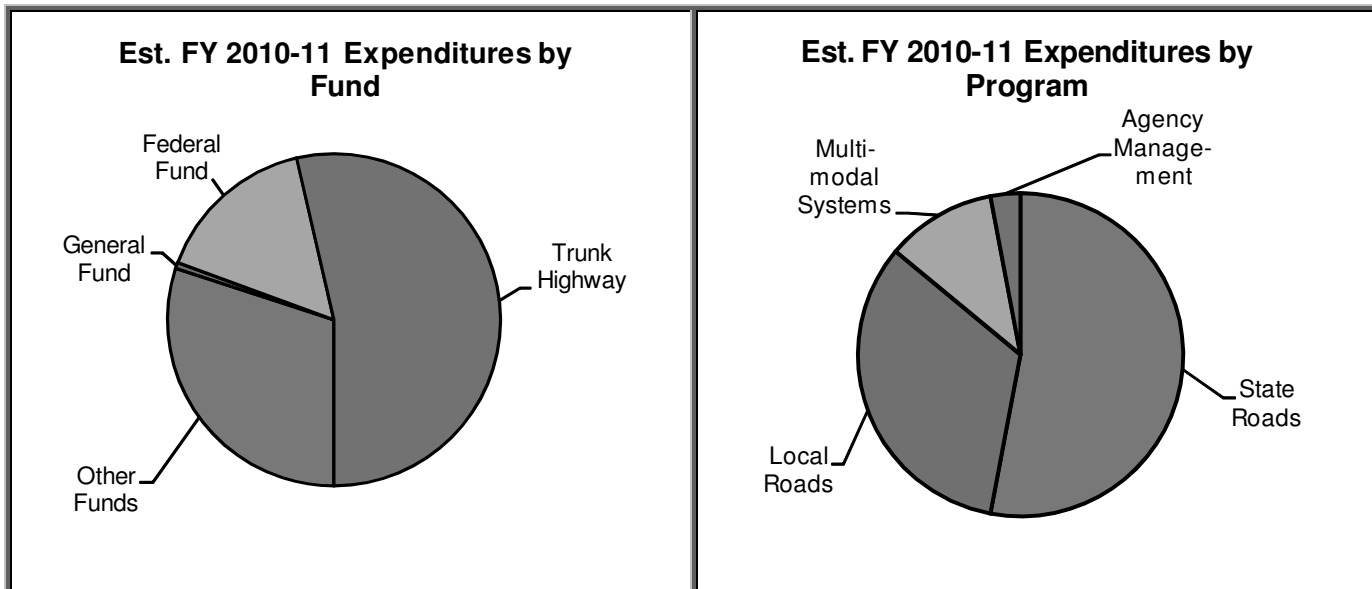
- In FY 2010, 83% of public airport runways and taxiways were in good or better condition
- The Northstar Commuter Rail project opened in November 2009
- \$3.7 million in rail improvements funded by the ARRA and \$3.5 million in project grants
- \$26 million in bond fund projects identified to match federal passenger rail program funds

Agency Management Program

- Currently developing strategic staffing and workforce development plans, enhanced by the early retirement incentive
- Drives the transition to SWIFT within the agency

**FY 2010-11 Budget by Program
Direct Appropriations (000s)**

State Roads	\$ 2,447,843
Local Roads	1,296,667
Agency Management	120,379
Multimodal Systems	84,967
Total	\$ 3,949,856



Source: Consolidated Fund Statement.

Source: MAPS

Strategies

- Safety – Promote and maintain a safe, reliable and modern transportation system
- Mobility – Improve access and enhance the movement of people and freight
- Innovation – Promote a culture of innovation in the organization
- Leadership – Become the transportation leader and employer of choice for Minnesota’s diverse population
- Transparency – Build public trust in Mn/DOT

The Commissioner has committed Mn/DOT to a Complete Street (CS) vision for our trunk highway system. Complete Streets are designed and operated to enable safe access for all users. Pedestrians, bicyclists, motorists and bus riders of all ages and abilities are able to safely move along and across a complete street. The goal of a CS Policy is to develop a balanced system that integrates all modes and users through integrated planning. We have started work on the effort to modify our processes and guidance documents so that projects are developed with an overall Complete Streets vision for the community. An External Advisory Group has been established and met for the first time to advise Mn/DOT in July of 2010.

Operations

State Roads - Mn/DOT constructs, operates and maintains the state trunk highway system that includes nearly 12,000 miles of roads and 4,840 bridges. This system carries about 58% of all travel for the entire 141,000-mile system of state and local roads.

- **State Road Construction** - Manages the development and implementation of the state road construction program and the federal funding programs. This service includes fiscal management of payments to consultants and contractors for road and bridge construction, property owners for right-of-way acquisition, and consultants for advanced design and research contracts. This service also includes financial tracking, regulation and transportation program guidance and analysis.
- **Program Planning & Delivery** - Sets performance goals and policy, develops long-range plans, evaluates transportation investments against specific performance targets, and recommends alternatives for future action. This activity also includes project design and development work ranging from soils testing to traffic forecasts. In addition, it develops and manages a program of transportation research to improve the tools and methods by which transportation improvements are made and implemented.
- **Operations & Maintenance** - Maintains, operates and preserves the state’s trunk and interstate highway system including roadways, bridges, roadsides, safety equipment, traffic control and traffic management devices and the equipment and buildings associated with those tasks.

- **Electronic Communications** - Provides expertise in electronic communication technologies and addresses the specialized transportation and public safety communications needs of state and local agencies.
- **Debt Service** - Provides for the repayment of trunk highway bond debt and debt related to local government advances and Transportation Revolving Loan Fund loans.

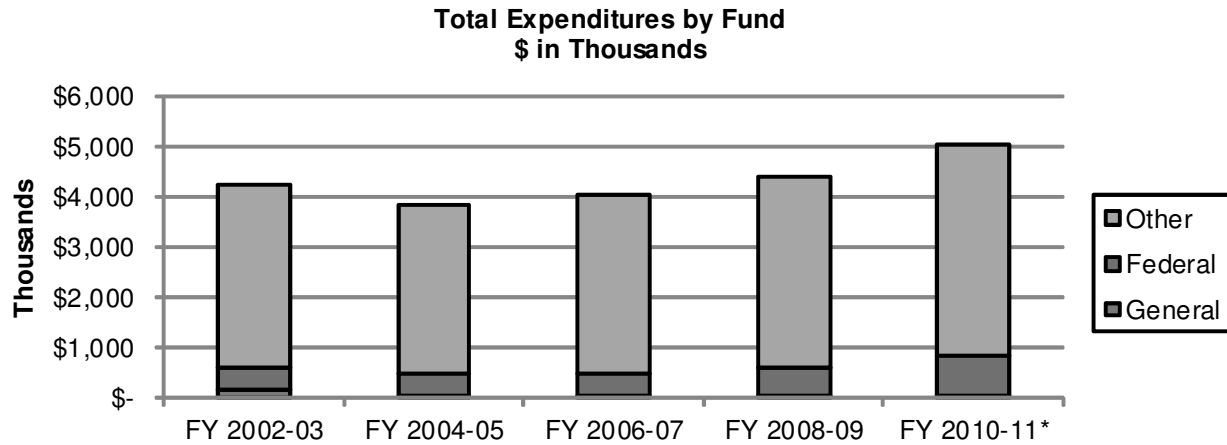
Local Roads – Includes the financial resources for county and municipal roads generated by the constitutional funding sources and federal aid funds.

Multimodal Systems – Includes supporting the use and development of cost-effective transportation modes—transit, air, railroads and waterways—owned and operated by local governments and private operators. This includes financial investments, technical assistance and operational reviews.

- **Aeronautics** - Mn/DOT promotes general and commercial aviation throughout the state, and provides services including aircraft registration, airport development, aviation system planning, aviation education, and maintains and operates aviation navigational systems and government aircraft services.
- **Transit** - The transit service helps people and communities in Greater Minnesota meet their mobility needs by supporting safe, responsive efficient and environmentally sound transit services and safely accommodates bicycles and pedestrians to help everyone move smarter, safer and more efficiently. It provides access to transit for persons who have no alternative mode of transportation available, increases the efficiency and productivity of public transit systems, maintains a state commitment to public transportation, and meets other needs of individual transit systems consistent with the objectives stated in M.S. 174.21. Mn/DOT is also responsible for planning design and construction of commuter rail (M.S.174.82) and working closely with the Metropolitan Council on design and construction of light rail transit (M.S.174.35).
- **Freight** - This service enhances Minnesota's economic competitiveness by improving access to regional, national and global markets through the safe and efficient movement of goods. This activity also advances highway safety by improving and enhancing the safety and security of commercial transportation operations, and by ensuring compliance with state and federal laws.
- **Passenger Rail** - Provides for improved transportation options for Minnesota residents by the development of an intrastate passenger rail system connecting regional centers and enhances Minnesota's connection to the expanding national passenger rail system. The department is charged with planning, design, development and construction of passenger rail services in Minnesota MS 174.632. The recently adopted Minnesota Statewide Freight and Passenger Rail Plan states that Mn/DOT will lead in the development of passenger rail services and coordinate with Midwest Regional Rail Initiative states in the development of a multi-state passenger rail system in the upper Midwest.

Agency Management – Provides executive leadership, sets policy and determines strategic direction to ensure the Minnesota Department of Transportation provides a coordinated transportation network that is safe, user-friendly and responds to the values of Minnesota's citizens. Agency Management also provides general management and specialized agency services that directs the management and administration of the department's information technology, financial, human and capital resources. It also includes the construction and centrally directed maintenance for all the department's 1,054 buildings.

Budget Trends



**FY 2010-11 is estimated, not actual.*

Source data for the previous chart is the Minnesota Accounting and Procurement System (MAPS) as of 7/02/2010.

Mn/DOT’s primary source of financing is the Trunk Highway Fund, which is supported by motor fuel taxes, motor vehicle registration fees, and motor vehicle sales taxes. Other sources include federal funds and state airport funds. Currently less than 1% of the operating budget is from the General Fund.

External Factors

- Minnesota transportation fuel consumption was down 8% in the years 2004-2009. Higher fuel prices, reduced travel and improved fuel efficiency have resulted in a decline in federal and state motor fuel tax revenues.
- The state’s transportation infrastructure is aging and in need of significant rehabilitation or reconstruction during the next 20 years. State highway pavement has not met system-wide performance targets since 2002. Other transportation assets--rail lines, ports, etc.--are also in need of reinvestment to maintain or improve existing service levels. Statewide bridge condition is expected to improve as Mn/DOT completes projects funded through the Chapter 152 bridge program.
- Public demand for an integrated, multimodal transportation system continues to increase due to concerns about health, the environment, energy consumption, economic competitiveness and community livability. New state and federal policy direction calls for greater modal balance and coordination in Mn/DOT policies, plans and programs.
- Oil price fluctuations have contributed to volatility in the costs of construction, which increased dramatically between 2004 and 2008 and then plummeted in 2009 and 2010.
- Federal Surface Transportation Funding for FY 2011 is forecast to remain flat at \$525 million.

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