

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH SESSION

S.F. No. 2662

(SENATE AUTHORS: PEDERSON, J.)

DATE	D-PG	OFFICIAL STATUS
03/13/2014	6216	Introduction and first reading Referred to Transportation and Public Safety

1.1 A bill for an act
1.2 relating to transportation; requiring the legislative auditor to examine results
1.3 of efficiencies adopted by the Department of Transportation and Metropolitan
1.4 Council; requiring a report; amending Minnesota Statutes 2012, sections
1.5 3.972, by adding subdivisions; 174.56, subdivision 1, by adding a subdivision;
1.6 proposing coding for new law in Minnesota Statutes, chapter 473.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. Minnesota Statutes 2012, section 3.972, is amended by adding a subdivision
1.9 to read:

1.10 Subd. 2a. **Audit of Department of Transportation efficiencies.** The legislative
1.11 auditor shall, in every even-numbered fiscal year in connection with its audit of the
1.12 Department of Transportation under subdivision 2: (1) examine the department's efforts to
1.13 achieve the level of construction expenditure reduction due to implemented efficiencies
1.14 required under section 174.56, subdivision 2b; and (2) determine whether the savings have
1.15 been appropriately and transparently applied to advance priority projects of statewide or
1.16 regional significance through the corridors of commerce program.

1.17 Sec. 2. Minnesota Statutes 2012, section 3.972, is amended by adding a subdivision to
1.18 read:

1.19 Subd. 2b. **Audit of Metropolitan Council efficiencies.** The legislative auditor shall,
1.20 in every even-numbered fiscal year: (1) examine the efforts of the Metropolitan Council
1.21 to achieve the level of metropolitan transit expenditure reduction due to implemented
1.22 efficiencies required under section 473.4485; and (2) determine whether the savings have
1.23 been appropriately and transparently applied to expand the metropolitan area transit system.

2.1 Sec. 3. Minnesota Statutes 2012, section 174.56, subdivision 1, is amended to read:

2.2 Subdivision 1. **Report required.** (a) The commissioner of transportation shall
2.3 submit a report by December 15 of each year on (1) the status of major highway projects
2.4 completed during the previous two years or under construction or planned during the year
2.5 of the report and for the ensuing 15 years, and (2) trunk highway fund expenditures, and
2.6 (3) efficiencies achieved in the previous fiscal year.

2.7 (b) For purposes of this section, a "major highway project" is a highway project that
2.8 has a total cost for all segments that the commissioner estimates at the time of the report
2.9 to be at least (1) \$15,000,000 in the metropolitan highway construction district, or (2)
2.10 \$5,000,000 in any nonmetropolitan highway construction district.

2.11 Sec. 4. Minnesota Statutes 2012, section 174.56, is amended by adding a subdivision
2.12 to read:

2.13 Subd. 2b. **Efficiencies.** The commissioner shall include in the report information
2.14 on efficiencies implemented in the previous year in operations, planning, and project
2.15 management and delivery, along with an explanation of the efficiency measures utilized
2.16 to calculate efficiency-related savings. The level of savings achieved must equal, in
2.17 comparison with the previous three-year average of construction expenditures, a minimum
2.18 of five percent in fiscal year 2015, ten percent in fiscal year 2016, and 15 percent each
2.19 fiscal year thereafter. The savings must be utilized to advance priority projects of statewide
2.20 or regional significance through the corridors of commerce program under section
2.21 161.088. The report must identify the projects that have been advanced or completed due
2.22 to the implementation of efficiency measures.

2.23 Sec. 5. [473.4485] **METROPOLITAN COUNCIL TRANSIT EFFICIENCIES.**

2.24 Subdivision 1. **Reduction of expenditures and expansion of system.** The council
2.25 shall adopt innovations in financial management, planning, operations, procurement, and
2.26 use of technology in order to reduce expenditures related to metropolitan area transit. The
2.27 level of savings achieved in the annual transit operating budget must equal or exceed five
2.28 percent in calendar year 2015, ten percent in calendar year 2016, and 15 percent each
2.29 calendar year thereafter. Savings achieved must be reinvested in a transparent manner to
2.30 expand the metropolitan area transit system.

2.31 Subd. 2. **Report.** Beginning in 2015 and annually thereafter, by February 15, the
2.32 Metropolitan Council shall submit a report to the chairs and ranking minority members of
2.33 the house of representatives and senate committees and divisions with jurisdiction over
2.34 transportation policy and budget, describing the efficiencies implemented and the resulting

- 3.1 savings realized under this section. The report must also include details concerning the
- 3.2 application of the savings to the expansion of the metropolitan area transit system.