

1.1 CONFERENCE COMMITTEE REPORT ON S.F. No. 1060

1.2 A bill for an act

1.3 relating to transportation; modifying management, priorities, research, and
1.4 planning provisions related to Department of Transportation; requiring reports;
1.5 amending Minnesota Statutes 2008, sections 161.53; 165.03, by adding a
1.6 subdivision; 174.02, subdivision 1a; 174.03, subdivision 1a, by adding a
1.7 subdivision; proposing coding for new law in Minnesota Statutes, chapter 167.

1.8 May 10, 2010

1.9 The Honorable James P. Metzen
1.10 President of the Senate

1.11 The Honorable Margaret Anderson Kelliher
1.12 Speaker of the House of Representatives

1.13 We, the undersigned conferees for S.F. No. 1060 report that we have agreed upon
1.14 the items in dispute and recommend as follows:

1.15 That the House recede from its amendments and that S.F. No. 1060 be further
1.16 amended as follows:

1.17 Delete everything after the enacting clause and insert:

1.18 "Section 1. Minnesota Statutes 2008, section 161.53, is amended to read:

1.19 **161.53 RESEARCH ACTIVITIES.**

1.20 (a) The commissioner may set aside in each fiscal year up to two percent of the
1.21 total amount of all funds appropriated to the commissioner other than county state-aid
1.22 and municipal state-aid highway funds for transportation research including public and
1.23 private research partnerships. The commissioner shall spend this money for (1) research
1.24 to improve the design, construction, maintenance, management, and environmental
1.25 compatibility of transportation systems, including research into and implementation of
1.26 innovations in bridge-monitoring technology and bridge inspection technology; bridge
1.27 inspection techniques and best practices; and the cost-effectiveness of deferred or lower
1.28 cost highway and bridge design and maintenance activities and their impacts on long-term
1.29 trunk highway costs and maintenance needs; (2) research on transportation policies that
1.30 enhance energy efficiency and economic development; (3) programs for implementing

2.1 and monitoring research results; and (4) development of transportation education and
2.2 outreach activities.

2.3 (b) Of all funds appropriated to the commissioner other than state-aid funds, the
2.4 commissioner shall spend at least 0.1 percent, but not exceeding \$1,200,000 in any fiscal
2.5 year, for research and related activities performed by the Center for Transportation Studies
2.6 of the University of Minnesota. The center shall establish a technology transfer and
2.7 training center for Minnesota transportation professionals.

2.8 Sec. 2. Minnesota Statutes 2008, section 165.03, is amended by adding a subdivision
2.9 to read:

2.10 Subd. 8. **Biennial report on bridge inspection quality assurance.** By February
2.11 1 of each odd-numbered year, the commissioner shall submit a report electronically to
2.12 the members of the senate and house of representatives committees with jurisdiction over
2.13 transportation policy and finance concerning quality assurance for bridge inspections.

2.14 At a minimum, the report must:

2.15 (1) summarize the bridge inspection quality assurance and quality control procedures
2.16 used in Minnesota;

2.17 (2) identify any substantive changes to quality assurance and quality control
2.18 procedures made in the previous two years;

2.19 (3) summarize and provide a briefing on findings from bridge inspection quality
2.20 reviews performed in the previous two years;

2.21 (4) identify actions taken and planned in response to findings from bridge inspection
2.22 quality reviews performed in the previous two years;

2.23 (5) summarize the results of any bridge inspection compliance review by the Federal
2.24 Highway Administration; and

2.25 (6) identify actions in response to the Federal Highway Administration compliance
2.26 review taken by the department in order to reach full compliance.

2.27 Sec. 3. **[167.60] DEBT-FINANCING MANAGEMENT POLICY.**

2.28 (a) By July 1, 2010, the commissioner shall develop a debt-financing management
2.29 policy for trunk highway bonds, federal advanced construction funds, and other forms of
2.30 highway financing based on debt or future repayment. The policy must be used by the
2.31 department to guide decision making related to debt financing. The commissioner may
2.32 update the policy as necessary. In developing and updating the policy, the commissioner
2.33 shall consult with the commissioner of management and budget and the chairs and ranking

3.1 minority members of the senate and house of representatives committees with jurisdiction
3.2 over transportation finance.

3.3 (b) The debt-financing management policy must address relevant financial issues,
3.4 including, but not limited to:

3.5 (1) limits on cumulative amounts of debt for the trunk highway system from all
3.6 state and federal sources;

3.7 (2) eligibility of projects for debt-financing funds;

3.8 (3) allocation and use of funds;

3.9 (4) terms of debt service and methods of repayment;

3.10 (5) management of trunk highway fund balance impacts; and

3.11 (6) mitigation of risks from different forms of debt financing.

3.12 (c) Upon creation or formal revision of the debt-financing management policy, the
3.13 commissioner shall distribute electronic copies to the members of the senate and house of
3.14 representatives committees with jurisdiction over transportation finance, and as required
3.15 for reports to the legislature under section 3.195, subdivision 1.

3.16 Sec. 4. Minnesota Statutes 2008, section 174.02, subdivision 1a, is amended to read:

3.17 Subd. 1a. **Mission; efficiency; legislative report, recommendations.** It is part
3.18 of the department's mission that within the department's resources the commissioner
3.19 shall endeavor to:

3.20 (1) prevent the waste or unnecessary spending of public money;

3.21 (2) use innovative fiscal and human resource practices to manage the state's
3.22 resources and operate the department as efficiently as possible;

3.23 (3) minimize the degradation of air and water quality;

3.24 (4) coordinate the department's activities wherever appropriate with the activities
3.25 of other governmental agencies;

3.26 (5) use technology where appropriate to increase agency productivity, improve
3.27 customer service, increase public access to information about government, and increase
3.28 public participation in the business of government;

3.29 (6) utilize constructive and cooperative labor-management practices to the extent
3.30 otherwise required by chapters 43A and 179A;

3.31 (7) ensure that the safety, maintenance, and preservation of Minnesota's
3.32 transportation infrastructure is a primary priority;

3.33 (8) report to the legislature on the performance of agency operations and the
3.34 accomplishment of agency goals in the agency's biennial budget according to section
3.35 16A.10, subdivision 1; and

4.1 ~~(8)~~ (9) recommend to the legislature appropriate changes in law necessary to carry
4.2 out the mission and improve the performance of the department.

4.3 Sec. 5. Minnesota Statutes 2008, section 174.02, is amended by adding a subdivision
4.4 to read:

4.5 Subd. 8. **Electronic reports.** For any legislative report required to be submitted by
4.6 the commissioner by law, in which the report may or must be submitted electronically, the
4.7 commissioner shall meet the requirements under section 3.195, subdivision 1.

4.8 Sec. 6. Minnesota Statutes 2008, section 174.03, subdivision 1a, is amended to read:

4.9 Subd. 1a. **Revision of ~~state~~ statewide multimodal transportation plan.** (a) The
4.10 commissioner shall revise the ~~state~~ statewide multimodal transportation plan by January
4.11 ~~15, 1996, January 1, 2000,~~ and, if the requirements of clauses (1) and (2) have been met
4.12 ~~in the previous revision~~ 2013, and by January ~~15~~ of every ~~third even-numbered year~~
4.13 four years thereafter. Before final adoption of a revised plan, the commissioner shall hold
4.14 a hearing to receive public comment on the preliminary draft of the revised plan.

4.15 ~~The~~ (b) Each revised ~~state~~ statewide multimodal transportation plan must:

4.16 (1) incorporate the goals of the state transportation system in section 174.01; ~~and~~

4.17 (2) establish objectives, policies, and strategies for achieving those goals; ~~and~~

4.18 (3) identify performance targets for measuring progress and achievement of

4.19 transportation system goals, objectives, or policies.

4.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

4.21 Sec. 7. Minnesota Statutes 2008, section 174.03, is amended by adding a subdivision
4.22 to read:

4.23 Subd. 1c. **Statewide highway 20-year capital investment plan.** By January
4.24 15, 2013, and in conjunction with each future revision of the statewide multimodal
4.25 transportation plan, the commissioner shall prepare a 20-year statewide highway capital
4.26 investment plan that:

4.27 (1) incorporates performance measures and targets for assessing progress and

4.28 achievement of the state's transportation goals, objectives, and policies identified in this

4.29 chapter for the state trunk highway system, and those goals, objectives, and policies

4.30 established in the statewide multimodal transportation plan. Performance targets must be

4.31 based on objectively verifiable measures, and address, at a minimum, preservation and

4.32 maintenance of the structural condition of state highway bridges and pavements, safety,

4.33 and mobility;

5.1 (2) summarizes trends and impacts for each performance target over the past five
5.2 years;

5.3 (3) summarizes the amount and analyzes the impact of the department's capital
5.4 investments and priorities over the past five years on each performance target, including a
5.5 comparison of prior plan projected costs with actual costs;

5.6 (4) identifies the investments required to meet the established performance targets
5.7 over the next 20-year period;

5.8 (5) projects available state and federal funding over the 20-year period, including
5.9 any unique, competitive, time-limited, or focused funding opportunities;

5.10 (6) identifies strategies to ensure the most efficient use of existing transportation
5.11 infrastructure, and to maximize the performance benefits of projected available funding;

5.12 (7) establishes investment priorities for projected funding, including a schedule of
5.13 major projects or improvement programs for the 20-year period together with projected
5.14 costs and impact on performance targets; and

5.15 (8) identifies those performance targets identified under clause (1) not expected to
5.16 meet the target outcome over the 20-year period together with alternative strategies that
5.17 could be implemented to meet the targets.

5.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

5.19 Sec. 8. **[174.93] GUIDEWAY INVESTMENT.**

5.20 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms
5.21 have the meanings given:

5.22 (1) "commissioner" means the commissioner of transportation; and

5.23 (2) "guideway" means a form of transportation service provided to the public on a
5.24 regular and ongoing basis, that operates on exclusive or controlled rights-of-way or rails
5.25 in whole or in part, and includes each line for intercity passenger rail, commuter rail, light
5.26 rail transit, streetcars, and bus rapid transit.

5.27 (b) For purposes of this section, "sources of funds" includes, but is not limited to,
5.28 money from federal aid, state appropriations, the Metropolitan Council, special taxing
5.29 districts, local units of government, fare box recovery, and nonpublic sources.

5.30 Subd. 2. **Legislative report.** (a) By November 15 in every odd-numbered year,
5.31 the commissioner shall prepare, in collaboration with the Metropolitan Council, and
5.32 submit a report electronically to the chairs and ranking minority members of the house
5.33 of representatives and senate committees with jurisdiction over transportation policy
5.34 and finance concerning the status of guideway projects (1) currently in study, planning,
5.35 development, or construction; (2) identified in the transportation policy plan under section

6.1 473.146; or (3) identified in the comprehensive statewide freight and passenger rail plan
6.2 under section 174.03, subdivision 1b.

6.3 (b) At a minimum, the report must include, for each guideway project:

6.4 (1) a brief description of the project, including projected ridership;

6.5 (2) a summary of the overall status and current phase of the project;

6.6 (3) a timeline that includes (i) project phases or milestones; (ii) expected and known
6.7 dates of commencement of each phase or milestone; and (iii) expected and known dates
6.8 of completion of each phase or milestone;

6.9 (4) a brief progress update on specific project phases or milestones completed since
6.10 the last previous submission of a report under this subdivision; and

6.11 (5) a summary financial plan that identifies, to the extent available:

6.12 (i) capital expenditures, including expenditures to date and total projected
6.13 expenditures, with a breakdown by committed and proposed sources of funds for the
6.14 project; and

6.15 (ii) estimated annual operations and maintenance expenditures reflecting the level
6.16 of detail available in the current phase of the project development, with a breakdown by
6.17 committed and proposed sources of funds for the projects in the Metropolitan Council's
6.18 transportation policy plan.

6.19 **Sec. 9. REPORT ON DEPARTMENT OF TRANSPORTATION MANAGEMENT**
6.20 **CHANGES.**

6.21 (a) By February 1, 2011, the commissioner of transportation shall submit a report
6.22 electronically to the members of the senate and house of representatives committees
6.23 with jurisdiction over transportation policy and finance concerning recent changes in the
6.24 department's organizational structure, internal procedures and practices, and anticipated
6.25 budget. The report must include, but is not limited to:

6.26 (1) a summary and review of the department organizational structure for bridge
6.27 management, maintenance, and inspections, including a brief explanation of any relevant
6.28 structural or organizational changes made since August 1, 2007;

6.29 (2) an analysis of the division of bridge-related duties and decision-making
6.30 responsibilities between districts and central administration;

6.31 (3) a summary of current agency procedures and processes, and any changes made
6.32 since August 1, 2007, related to:

6.33 (i) initiation of bridge re-rating and use of bridge inspection findings in the re-rating
6.34 process;

7.1 (ii) implementation of agencywide standards for documenting bridge inspection
7.2 findings and decision making for postinspection bridge maintenance; and

7.3 (iii) other changes designed to ensure or enhance the safety of Minnesota's
7.4 transportation infrastructure; and

7.5 (4) a budget analysis of anticipated funding and funding allocations for pavement
7.6 preservation and highway maintenance, safety projects, mobility enhancement projects,
7.7 and highway and bridge construction, for fiscal years 2012 through 2018, including a
7.8 discussion of any anticipated budgetary challenges or risks.

7.9 (b) In addition to an electronic report, the commissioner shall prepare a summary of
7.10 findings from the report for distribution and oral testimony to the chairs of the senate and
7.11 house of representatives committees with jurisdiction over transportation finance, who
7.12 shall make every reasonable effort to arrange testimony from the department during the
7.13 2011 legislative session."

7.14 Delete the title and insert:

7.15 "A bill for an act
7.16 relating to transportation; modifying management, priorities, research, and
7.17 planning provisions related to Department of Transportation; requiring reports;
7.18 amending Minnesota Statutes 2008, sections 161.53; 165.03, by adding a
7.19 subdivision; 174.02, subdivision 1a, by adding a subdivision; 174.03, subdivision
7.20 1a, by adding a subdivision; proposing coding for new law in Minnesota Statutes,
7.21 chapters 167; 174."

We request the adoption of this report and repassage of the bill.

Senate Conferees:

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D. Scott Dibble

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Kathy Saltzman

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Joe Gimse

House Conferees:

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Melissa Hortman

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Frank Hornstein

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Carol McFarlane