

Minnesota State Highway Investment Plan

2017 Update

WHAT IS MNSHIP?

MnSHIP directs capital investment for Minnesota's state highway system over the next twenty years. This fiscally constrained plan identifies investment priorities given current and expected funding. MnSHIP describes how MnDOT will use capital investments to repair, replace, and improve the 12,000 mile state highway system. MnDOT takes into account many factors in developing MnSHIP, including federal and state laws, MnDOT policy, and current and expected future conditions of the state highway system. The MnSHIP process included extensive public outreach throughout the state both on-line and in-person.

MnSHIP is updated every four years, as required by the Minnesota State Legislature. This MnSHIP update is due on January 15, 2017 and covers the 20-year planning period from fiscal year 2018 to fiscal year 2037.

WHAT ARE THE KEY MESSAGES OF THE PLAN?

- The state highway system is aging. Much of the system was originally constructed during the buildout of the Interstate System between the 1950's and the 1980's, and is now reaching the end of its service life. It will require increased capital investment and additional maintenance in the years ahead.
- MnDOT will put approximately 69% of its available revenues toward maintaining the existing transportation system, giving priority to roads on the National Highway System. This focus on investment in existing roads and bridges is consistent with public and stakeholder input. Despite this level of investment, the condition of the system will deteriorate over the 20 years. Even if MnDOT allocated the maximum amount available to maintain the existing state highway system, the condition of the system would be worse at the end of the 20 years than it is today.
- Given the emphasis on maintaining the current system, the proposed plan does not include any investment in congestion relief (mobility) beyond 2023.
- MnDOT estimates it will have approximately \$21 billion to invest in state highways over the next 20 years, compared to approximately \$39 billion in estimated needs. This results in an unmet need of \$18 billion.
- The funding gap in MnSHIP will result in significant unmet needs which will affect system conditions and increasingly the experience for the traveling public.

HOW WERE NEEDS IDENTIFIED?

MnDOT estimated its 20-year investment needs for the state highway system by aiming to achieve both performance targets and other key system goals consistent with the Minnesota GO Vision in 14 investment categories. MnDOT has used performance measures to help guide capital investment and operational decisions since the 1990s. MnSHIP continues and improves upon the use of performance measures in transportation planning at MnDOT. Performance measures are identified for investment categories that have robust data, such as bridge condition and pavement condition. Then, targets are set for those measures. These targets represent the desired condition level for the investment category. However, not all investment categories have performance measures or targets. For these categories, needs are identified by estimating the cost to achieve key system goals such as being substantially compliant with the Americans with Disabilities Act. The costs necessary to meet performance-based targets and the costs related to achieving key system goals over the next 20 years are estimated to be \$39 billion.

HOW HAVE NEEDS CHANGED?

MnSHIP identifies that approximately \$39 billion is needed over the next 20 years on the state highway system. Revenue over this period is projected to be approximately \$21 billion which results in an unmet need of \$18 billion. The previous MnSHIP, completed in 2013, identified an unmet need of \$12 billion. Between 2013 and 2016, the estimated unmet need grew by \$6 billion. The primary reasons for change in need include:

- Investments not keeping pace with need over the last four years resulting in increased costs for deferred maintenance (+\$3 billion)
- Increased impacts of inflation as the years change from 2014-2033 to 2018-2037 (+\$3 billion)
- A more accurate assessment of the actual cost of program and project delivery including real estate costs, engineering, and consultant support (+\$2 billion)
- Applying program and project delivery costs to a larger need number.(\$1 billion)
- An additional \$3 billion in revenue from the FAST Act and projected revenue growth from state sources which partially offsets the growth in investment need (-\$3 billion)

HOW IS MNDOT PLANNING TO INVEST?

The 20-year investment direction established in MnSHIP focuses on maintaining the existing state highway system while making limited mobility investments. This approach reflects both MnDOT and stakeholder input and meets key requirements and agency commitments. It also continues a shift for MnDOT from being a builder of the system to the maintainer and operator of the system. The figure to the left shows the distribution of expenditures through all years of the plan. More detailed information on the investment direction in MnSHIP can be found in **Chapter 5, "Investment Direction."**

LET US KNOW WHAT YOU THINK

MnDOT is accepting written comments through October 14, 2016. To view and comment on the full plan, visit www.MinnesotaGO.org.

