

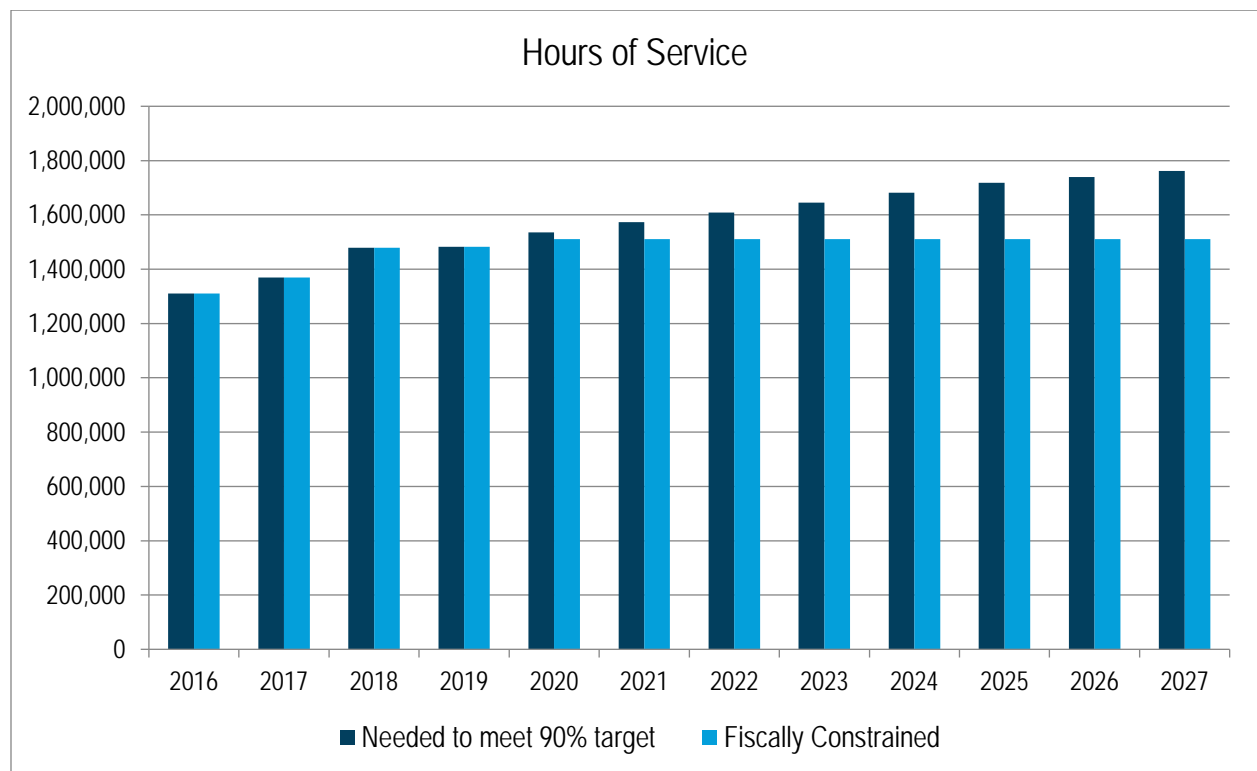
Addendum to the 2017 Greater Minnesota Transit Investment Plan

February 2018

This addendum provides updated information related to the 2017 Greater Minnesota Transit Investment Plan (GMTIP) based on funding changes during the 2017 legislative session. In May 2017, the Minnesota Legislature and Governor agreed on [a budget](#) to fund the state government for 2018-2019, including funds for MnDOT's programs and projects. While MnDOT received an overall budget increase, the transportation Finance Omnibus bill reduced the general fund appropriation to the Greater Minnesota Transit Account (GMTA) for fiscal year 2018 by approximately \$16 million. This altered funding environment affects the goals of the GMTIP and MnDOT's ability to meet the target of 90 percent of transit need in the state as established by the legislature.

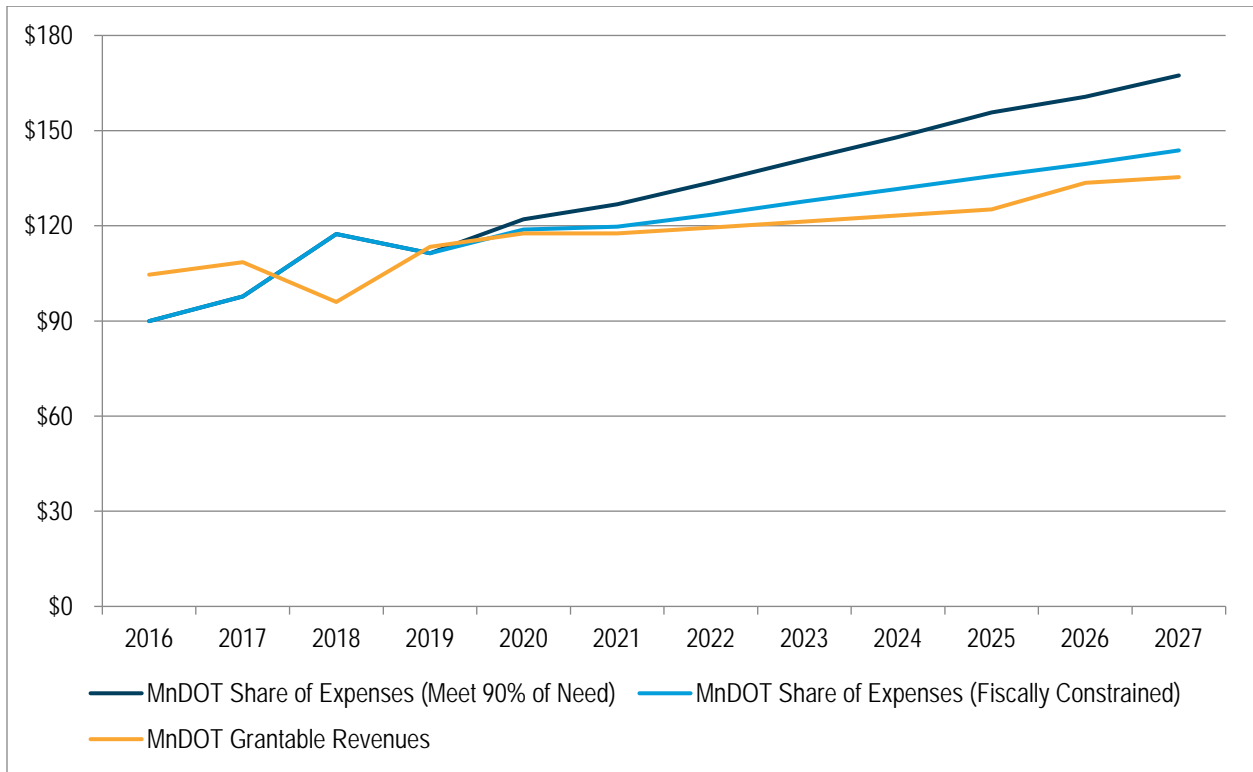
Greater Minnesota transit is able to meet 90 percent of transit need based on 2019 demographics, as shown in Figure 1. The gap in service hours between what is needed to meet the 90 percent target and what is provided under the fiscally constrained scenario represent reduced or eliminated service hours, or transit availability for Greater Minnesota's residents.

Figure 1: Projected hours of service under updated GMTIP funding scenarios



The \$16.285 million cut to the GMTA means additional funding will be needed to sustain existing transit service even under the fiscally constrained scenario beginning in 2020, as shown in Figure 2. The additional funding needed to meet the 90 percent target increases through 2027 primarily due to Minnesota's aging population. MnDOT's grantable revenues do not keep pace with the fiscally constrained scenario during any year from now through 2027.

Figure 2: MnDOT Greater Minnesota Transit expense scenarios vs. grantable revenues



If MnDOT funds transit service growth at the rate necessary to meet the 90 percent target, the agency's transit funding account will fall below its minimum targeted balance of \$10 million in 2021. Alternatively, if MnDOT funds transit service at the fiscally constrained level, the transit account will fall below its minimum targeted balance in 2027. Although MnDOT's funding will be more stable, the transit systems will not have enough financial support to meet the 90 percent target, meeting only 77 percent of transit need in 2027.