



# Minnesota



## Overview

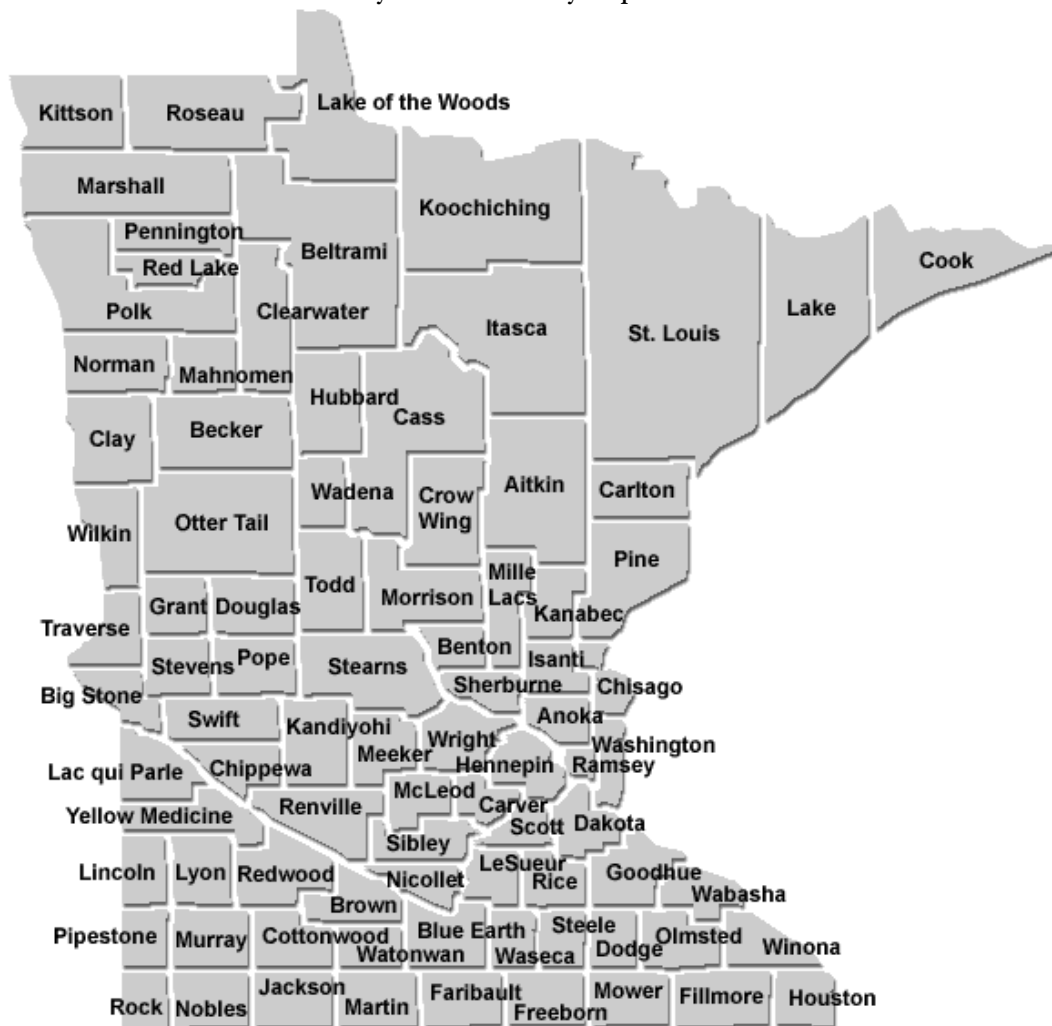
There are several different processes and relationships through which rural transit planning is conducted in Minnesota. The Minnesota Department of Transportation (Mn/DOT) conducts most of its planning work with agencies and commissions outside of the seven-county Twin Cities (Minneapolis and St. Paul) region. Regional Development Commissions (RDCs) conduct limited transportation planning work in the rural areas of the State, but there are a few non-urbanized areas of the State where there are no RDCs. For those areas, Mn/DOT conducts or contracts with a regional agency to do the regional transportation planning. Rural transit agencies work with the RDCs or in absence of an RDC, directly with Mn/DOT district staff. The Metropolitan Council (Met Council) is responsible for transportation planning and programming in the Twin Cities region. There are six other urbanized areas with metropolitan planning organizations (MPOs) outside of the seven county Twin Cities region. These MPOs coordinate with Mn/DOT by working with it to develop and carry out their Federal and State planning programs and processes.

## Context

### *Rural Transit*

In 2009, there were 63 public transit systems serving Minnesota, providing a range of service options to residents in 76 counties. Mn/DOT has a [county transit directory](#) (see Figure 1) and a [city transit directory](#) online. The majority of services in rural areas are demand response, although some of the larger communities have fixed-route service. Ultimately, Mn/DOT would like to support the implementation of countywide public transit in each county. One of the drivers of that goal is demographics; a recent on-board survey of Greater Minnesota public transit systems indicated users 65 and older make up 16 percent of the overall ridership.

Figure 1: Screenshot of Minnesota's County Transit Directory Map



Source: [Mn/DOT website](#)

### *Institutional Structure*

There are [six divisions](#) under the Commissioner and Deputy Commissioner of Mn/DOT, one of which is the [Modal Planning and Program Management Division](#). This division has eight offices, one of which is the [Office of Transit](#).

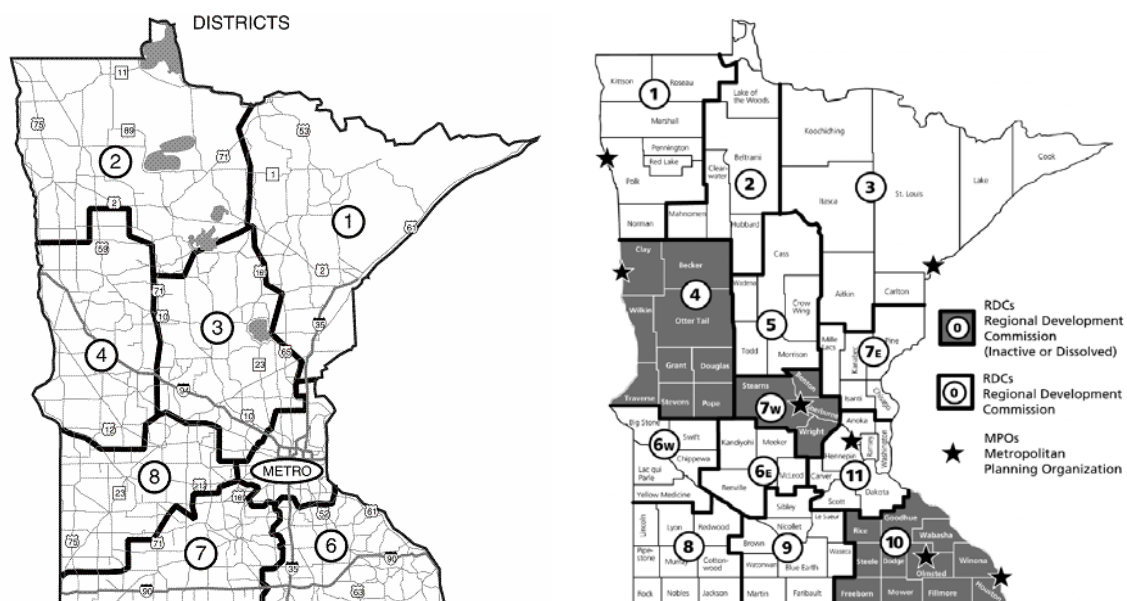
Figure 2 (left) shows that there are eight Mn/DOT districts. Within each district (except for the Twin Cities), there is a Mn/DOT transit project manager who works under the district planner. Transit project managers have operations experience and have been with Mn/DOT for over 10 years. District transit project managers work closely with transit providers at the project level.

Figure 2 (right) shows that there are 12 regional non-urbanized areas with only nine RDCs. One of the remaining areas is overseen by a private nonprofit regional development entity that effectively functions as a RDC. Mn/DOT district staff take a more involved role in transit planning in the other two areas.<sup>1</sup> [Minnesota's RDCs](#) were established by the State legislature in 1969. RDCs are governed by a volunteer board of directors; 50 percent of the board must be local elected officials and the board must include:

- a county commissioner from each county;
- an additional county board member from each county of over 100,000 population;
- the township clerk, treasurer, or township board supervisor from each county;
- a mayor or council member from one city in each county;
- a mayor or council member from each city of over 10,000 population;
- two school board members;
- a member from each council of government; and
- one member appointed by each Native American Tribal Council in the region.

In addition, boards may be required to have representatives from special interest groups such as farming, soil and conservation districts, business groups, and aging groups, as identified by each region's by-laws. RDCs are also designated economic development districts (EDDs; see text box below).

Figure 2: Mn/DOT Districts (Left) and Regional Areas (Right)



Source: [Mn/DOT Roadside Partners website](#) and [Mn/DOT Transportation Planning Partners website](#)

<sup>1</sup> The MPOs in these two areas – St. Cloud and Rochester – do not cover the regional areas outside the metropolitan areas.

### Economic Development Districts

[Economic Development Districts \(EDDs\)](#), commonly referred to as Regional Development Organizations (RDOs), were created in 1965 by the Department of Commerce's Economic Development Administration (EDA). EDDs were part of the 701 planning program under the U.S. Department of Housing and Urban Development and were designed to encourage comprehensive planning in metropolitan areas. EDDs are charged with the maintenance and implementation of Comprehensive Economic Development Strategies.

There are over 500 RDOs that are designated EDDs that currently serve most of the rural and small metropolitan areas in the United States. RDO service areas have a total population of 77 million people, nearly one-third of the U.S. population. RDOs are known by 111 different names, and their functions and services depend on the governmental system of their states and the desires of their Board of Directors.

Another set of regional entities are the [Area Transportation Partnerships \(ATPs\)](#), which are committees of local elected officials, engineers, planners, and other agency representatives that meet a minimum of twice a year. Several ATPs meet much more often than just twice a year. The composition of ATPs varies across the State (see text box below) but some ATPs include a representative from a rural transit agency. ATPs were established in Minnesota as a result of the 1991 Intermodal Surface Transportation Efficiency Act (ISTEA). RDCs assisted Mn/DOT in establishing ATPs to facilitate broad and local input into the selection process of Federally funded projects across the State. ATP boundaries are roughly the same as Mn/DOT State Aid Districts (see Figure 3).

Figure 3: ATP boundaries



#### Example ATP Committee Membership

Members of [ATP-7](#) include:

- Four Mn/DOT District 7 representatives
- Two RDC representatives
- Four county representatives
- Two city (more than 5,000 population) representatives
- Two transit representatives (from the staff or board)

Source: [Area Transportation Partnerships website](#)

## Funding

The Office of Transit's [grant programs](#) provide operating and capital assistance to fund public transit service outside the Twin Cities metropolitan area and capital assistance to non-profit organizations to fund vehicles to transport elderly and persons with disabilities statewide. In addition to State funds, the Office of Transit administers several Federal Transit Administration (FTA) grants (see Table 1). Section 5311 (Formula Grants for Other than Urbanized Areas) recipients can also access Federal surface transportation funds for vehicle replacement. The Office of Transit also maintains a statewide system plan for bicycle transportation, supports bicycle and pedestrian systems, and promotes non-travel alternatives such as teleworking.

Funding for rural transit agencies outside of the seven urbanized areas comes from the State General Fund as authorized under State legislation, which amounted to \$17.2 million in 2009. Additional funding comes from a portion of the State motor vehicle sales tax (MVST) that is dedicated to the Greater Minnesota Transit Fund. The funding from this tax is significant: in FY08, rural transit agencies received 1.8 percent of the MVST; in 2012, the tax will increase to 4 percent (which amounts to \$17-18 million).<sup>2</sup> Forty percent of the MVST is dedicated to transit (the majority goes to the Metropolitan Area Transit Fund) while the remaining 60 percent goes to the Highway User Tax Distribution Fund.<sup>3</sup> The Greater Minnesota Transit Fund supports the [Public Transit Participation Program](#), which provides [planning, capital, and operating grants](#) to transit agencies outside of the metropolitan areas through a fixed share funding formula.

**Table 1: Transit Funding in Fiscal Year 2009 (in millions)**

Funding Program	Level of Funding
Section 5311 (Formula Grants for Other than Urbanized Areas)	\$12.7
Tribal	\$0.8
Section 5310 (Transportation for Elderly Persons and Persons with Disabilities)	\$2.0 (50 percent for inside the Twin Cities, 50 percent for outside)
Sections 5303/4 (Metropolitan and Statewide Planning)	\$1.3
Section 5304 (Statewide Planning)	\$0.3
Section 5307 (Urbanized Area Formula)	\$5.7 million (just for urban areas by formula through the FTA)
Section 5309 (Bus and Bus Facilities)	Varies
Section 5316 (Job Access and Reverse Commute)	\$1.0 for Twin Cities, \$0.3 for other urban areas, \$0.6 for rural areas
Section 5317 (New Freedom)	\$0.6 for Twin Cities, \$0.2 for other urban areas, \$0.4 for rural areas
STP Flex	\$3.0
<b>Federal Total</b>	<b>\$28.9</b>

<sup>2</sup> [Minnesota Statewide Transportation Plan 2009 - 2028: Chapter 5 – Minnesota Transportation Funding](#). August 2009.

<sup>3</sup> [Minnesota Department of Transportation: 2006 Transportation Amendment](#).

## Participation of Rural Transit in Statewide Planning Process

### *Rural Transit Agencies*

Rural transit providers generally coordinate with Mn/DOT district staff at the project level or with RDC staff at the programmatic level. The Mn/DOT district staff is more involved at the programmatic level in the few areas of the State without RDC coverage. In addition to project planning, all rural transit agencies are encouraged to participate in statewide planning processes. Rural, small urban, and metro area transit agencies were involved in the 2006 [Minnesota Public Transit – Human Services Transportation Coordination Study](#), which helped prepare the agencies for Section 5316 (Job Access and Reverse Commute) and Section 5317 (New Freedom) programs. Some rural transit agencies have been involved on periodic task forces with Mn/DOT on such topics as ridesharing. These task forces are a first start to implementing a more permanent program on these various topics.

Some rural transit agencies have worked or are working with their Mn/DOT transit project manager to develop long-range plans for their agency. No specific funding from the State is made available for this work. The transit agency board is usually involved through discussions and an approval process of the long range plan; the entire planning process usually takes four or five months.

Rural transit providers are overseen by a board of directors if they are a joint powers or nonprofit organization or by their city council or county commissioners if they are formed under a governmental structure. As an example of how some rural transit boards are structured, the Transit Board for Rainbow Rider, which serves five counties in west central Minnesota, governs the service and is composed of two commissioners from each county. Each county also has a Transit Advisory Committee (TAC) appointed by the respective counties. The TAC meets quarterly to provide input regarding the service to the Transit Board. Human service representatives, senior coordinators, commissioners, and representatives from cities, nursing homes, churches, and riders are represented on the TAC.

### *Regional Development Commissions*

Mn/DOT has an agreement with each RDC that funds and covers transportation planning activities identified in a work plan. The funding, \$50,000 annually, is from a highway source at the State level so RDCs can perform only a limited amount of non-highway work. A local match is required; some RDCs use a local tax levy to match this funding. Activities that are beyond the scope of this agreement are funded with additional funding. For example, Mn/DOT contracts with RDCs on an as-needed basis to help with major statewide planning initiatives such as the [Greater Minnesota Transit Investment Plan](#).<sup>4</sup>

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<sup>4</sup> As required by Minnesota Session Laws 2010, Chapter 351, Article 1, Section 45 Minnesota Statute 174.24, Subd. 1a: Greater Minnesota transit investment plan, which states: “The Commissioner shall develop a Greater Minnesota transit investment plan that contains a goal of meeting at least 80 percent of total transit service needs in greater Minnesota by July 1, 2015, and meeting at least 90 percent of total transit service needs in greater Minnesota by July 1, 2025. The plan must include, but is not limited to, the following: an analysis of ridership and total transit service needs throughout greater Minnesota; a calculation of the level and type of service required to meet total transit service needs, for the transit system classifications as provided under subdivision 3b, paragraph (c), of urbanized area, small urban area, rural area, and elderly and disabled service; an analysis of costs and revenue options; a plan to reduce total transit service needs as specified in this subdivision; and identification of the capital and operating costs necessary to meet 100 percent of the greater Minnesota transit targeted and projected bus service hours, as identified in the greater Minnesota transit plan for

Since 2006, Mn/DOT has contracted with RDCs to work on regional public transit – human services transportation coordination plans,<sup>5</sup> which describe gaps and opportunities for public transit, human services, and other publicly subsidized transportation that are updated every four years and that are required for several FTA funding programs. The State’s [Public Transit – Human Services Transportation Coordination Study](#) was completed in early 2006 and served as a guidance document for the regional plans. The State plan presented data by district while the RDCs were asked to present data within their region. Mn/DOT now contracts with RDCs to complete the coordination plan updates. In addition to the coordination plans, four RDCs have comprehensive transportation plans that cover roadway and public transit development; two of these plans are current.

Where present, RDC Area Agency on Aging staff work with county transit programs to provide assistance with obtaining Area Agency on Aging funding, which comes from Federal, State, and local sources, to improve transportation services to the elderly. RDC staff also serve on Welfare to Work Transportation Committees that develop transportation programs to assist with getting people to and from work.

Several RDCs worked on the transit needs assessment studies in the early 1990s that led to the establishment of transit systems across the State. Some RDC executive directors and transportation planners were then involved in the first transit boards and establishing transit service in each of these counties. RDCs are available to help transit agencies when requested. Today, many RDCs have transportation advisory committees that make recommendations to the RDCs on transportation activities. Committee members often include representatives from rural transit agencies.

RDCs share roles and information when serving on State committees. RDC executive directors and staff sit on several State transportation and non-transportation-related committees, represent RDCs in general on these committees, and report back to other RDCs across the State.

As designated EDDs, all RDCs have to develop comprehensive economic development plans, which must be updated annually. These plans have a transportation component with a needs section in which transportation is discussed.

Two regional areas are not covered by an RDC. One area has a transportation policy board that meets three times a year or more if necessary. This group recently developed a multimodal transportation plan. The Mn/DOT project manager works with this group and performs document writing, which the group then reviews. While the policy board is composed of elected officials, rural transit providers are on various advisory committees.

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2010, 2015, 2020, 2025 and 2030. The plan must specifically address special transportation service ridership and needs. The plan must also provide that recipients of operating assistance under this section provide fixed route public transit service without charge for disabled veterans in accordance with subdivision 7.”

<sup>5</sup> An example of one from the Mid-Minnesota Development Commission can be found [here](#).

**RDCs and Livability**

RDCs expressed a keen interest in Senator Dodd's [proposed Livable Communities Act](#). If passed, the RDCs believe this Act would provide them with funding that would allow them to delve into areas in which they would like to focus more deeply. Within the context of this Act, one RDC sees an opportunity to work with its cities and towns to become more livable. More specifically, this RDC would like to pursue improved trails and housing options, particularly for elderly populations. Cities' and towns' comprehensive plans have identified these desires.

***Area Transportation Partnerships***

Involvement with ATPs is a key role of RDCs. RDCs participate on ATPs, assist in developing ATP policy and procedures, help prioritize projects for Federal funding, and assist in facilitating public involvement.

In general, ATPs make recommendations to the District Engineers on which projects should receive Federal funding through the development of an Area Transportation Improvement Program (ATIP). Mn/DOT will inform an ATP if it is using funds in a way that is inconsistent with State and Federal guidance and allocation and authorization levels, which are tracked centrally at Mn/DOT by the Office of Capital Programs and Performance Measures. Every year, ATPs develop an ATIP. Similar to TIPS, ATIPs cover a minimum four-year period. ATIPs include all projects seeking Federal aid highway, State trunk highway, and Federal transit sources of funding. ATPs frequently project needs to determine what capital needs, such as transit buses, they need in the future.

While RDC involvement in the ATIP development process varies widely, RDCs in some areas assist in this process by soliciting new candidate projects in their region and then participating in a subcommittee to rank the projects seeking Federal transportation funding. The subcommittee consists of representatives from rural transit agencies and an RDC representative (or more than one representative where RDC boundaries overlap multiple ATPs). The subcommittee develops and applies criteria, which vary from ATP to ATP, to create a list for recommended capital projects, mainly buses. The ATPs merge the prioritized lists submitted by each subcommittee and Mn/DOT into an integrated draft ATIP. Each RDC facilitates a public meeting to review and comment on the draft ATIP. Most ATPs meet to receive the public comments and make final changes to the draft ATIP before the document is forwarded to Mn/DOT in St. Paul, compiled into the State Transportation Improvement Program (STIP), and then sent to the appropriate Federal transportation agencies for final approval.

***Minnesota Public Transit Association***

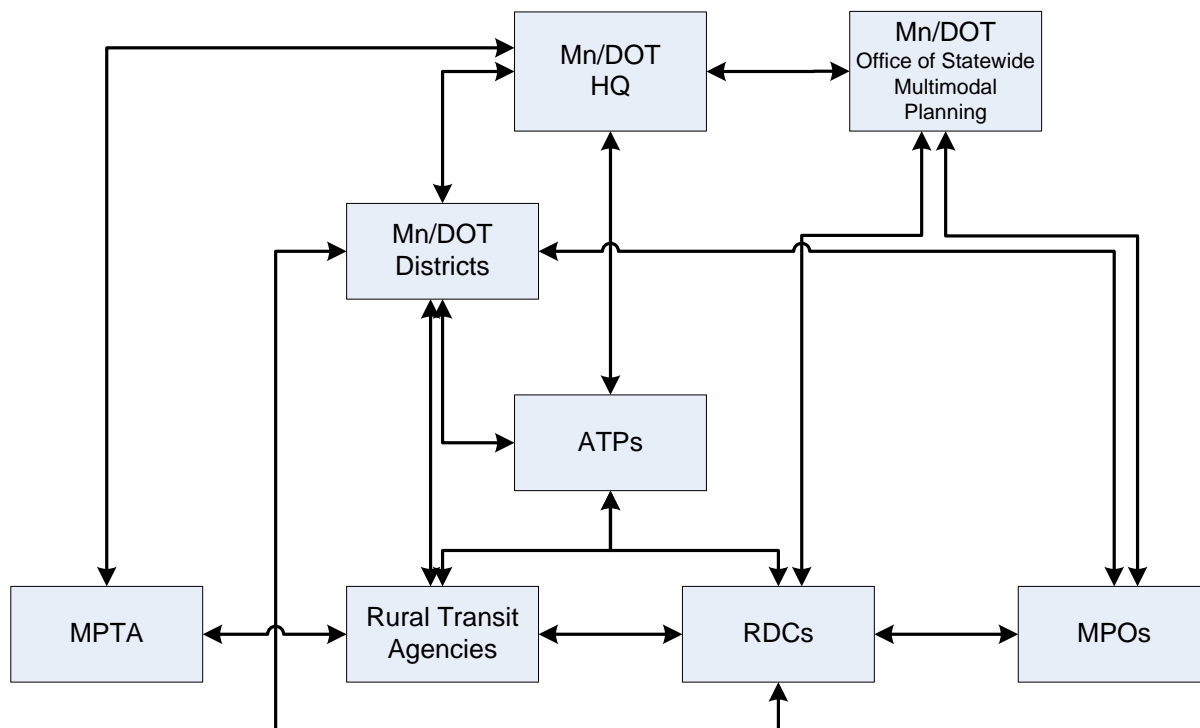
The [Minnesota Public Transit Association](#) (MPTA) is a statewide coalition of transit systems and transit advocates. The MPTA shares information on transit activities, produces research, hosts training sessions and events – including the [Annual Minnesota Public Transit Conference](#) – and advocates for transit with State and Federal elected officials. The MPTA works closely with State legislators to ensure steady funding streams and to provide a voice for transit-related policy. MPTA has a lobbyist that advocates the Minnesota legislature for transit funding. The president of the MPTA is also a staff member of St. Cloud's transit agency, MetroBus. The MPTA does not have staff and is an all-volunteer based organization.



## Summary

Figure 4 shows the relationships and connections between agencies involved in rural transportation planning in the State. Each of these agencies is discussed in more detail below.

**Figure 4: Relationships between Agencies Involved in Rural Transportation Planning**



## Major Planning and Project Initiatives

There is a “family of plans” in Minnesota that guides transit decision making. These plans, produced by Mn/DOT, include the Statewide Transportation Policy Plan and the Greater Minnesota Transit Investment Plan. Transit’s input in these plans is evolving; according to Mn/DOT, the agency involves rural planners in all of their planning initiatives.

The [Statewide Transportation Policy Plan \(STPP\)](#) is the State’s long-range transportation plan. The STPP is increasingly multimodal; transit is mentioned in two of its ten goals. All RDCs are involved in the STPP’s planning process. Based in part on the STPP, MPOs are responsible for developing Transit Development Plans, which are updated annually.

The [Greater Minnesota Transit Plan 2010-2030](#) discusses transit in general terms. It was developed in 2010 and replaced the former plan, completed in 2001. This plan establishes a 20-year strategic plan that sets forth directions for the future of public transportation in Greater Minnesota (i.e., the area outside the seven-county metro area). The plan describes current challenges, examines future transit service needs, and estimates future levels of funding that would be required to meet that need. The plan contains

performance targets for service hours to meet 80 percent of the State’s estimated demand for public transit. Table 2 summarizes these targets. Finally, the plan establishes policies to guide future transit investments in Greater Minnesota.

**Table 2: Estimate of Service Hours Required to meet Estimated 80 Percent Demand Target**

Service Classification	Annual Service Hours (thousands)			
	2008 (Actual)	2010 (Target)	2020 (Target)	2030 (Target)
Urban Areas	389	471	545	608
Small Urban/Rural Areas	626	782	867	930
Underserved Areas/Unserviced Areas	N/A	167	181	190
<b>Total</b>	<b>1,013</b>	<b>1,420</b>	<b>1,593</b>	<b>1,728</b>

As part of this plan, Mn/DOT involved stakeholders to identify current issues in public transportation and develop a vision for transit in Greater Minnesota. Government agencies, transit providers, human services organizations, healthcare organizations, business organizations, elected officials, and the general public were all included in the stakeholder assessment. Three main stakeholder assessment strategies were used in the development of the plan: facilitated workshops, structured interviews, and an electronic survey.

Mn/DOT updated its [Intercity Bus Network Study](#) in April 2010 in an effort to properly meet basic mobility needs of rural populations, promote practical travel mode options, and enhance the quality of life for all Minnesotans. An RDC and an MPO representative served on the study’s steering committee.

An example of a major transportation project linking rural, small urban, and large metropolitan areas in the State is the [Northstar commuter rail line](#). Opened in November 2009, the 40-mile Northstar line connects downtown Minneapolis with suburbs and small towns northwest of city. While the suburbs are within the seven-county Twin Cities metropolitan region, the other towns are outside of the region. There are six daily trips in each direction along the line during the week and three daily trips on the weekend. For the first quarter of 2010, ridership had reached 97 percent of experts’ projections.<sup>6</sup>

In January 2011, Mn/DOT completed the [Greater Minnesota Transit Investment Plan 2010-2030](#) as directed by the Minnesota State Legislature. Based on identified needs, the objective of the plan was to determine the level of funding required to meet at least 80 percent of total transit service needs in greater Minnesota by July 1, 2015, and at least 90 percent of total transit service needs in greater Minnesota by July 1, 2025. The investment plan included an analysis of ridership and total transit service needs throughout Greater Minnesota, a calculation of the level and type of service required to meet total transit service needs, an analysis of costs and revenue options, and the development of investment priorities.

## Observations and Challenges

Due to the diverse way in which rural transit planning is done in Minnesota, State priorities do not consistently trickle down to rural areas. Mn/DOT plans to develop and distribute planning curriculums to help rural transit planning become more consistent.

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<sup>6</sup> Star News. “More becoming comfortable with Northstar.” May 13, 2010. <http://erstarnews.com/2010/05/13/more-becoming-comfortable-with-northstar/>

### *Jurisdictions*

Throughout the State, existing and potential rural transit routes that bridge multiple counties and jurisdictions are difficult to establish and fund. These routes can be grouped into three types. First are transit lines from outer communities to the Twin Cities, particularly since Met Council plans for and funds transit within the Twin Cities and Mn/DOT funds transit outside. This demarcation is becoming more problematic as the region grows. Second are routes that connect regional hubs to outlying areas that cross county boundaries. Third is the mismatch of regions and districts, which can complicate funding and planning decisions. However, to overcome these complications, these kinds of mismatches can actually cause improved communication between agencies.

The Northstar commuter rail line is an exception to this problem. Several agencies from different jurisdictions have coordinated not only implement and fund Northstar, but to also provide bus and shuttle connections to its commuter rail stations. Northstar is jointly funded by Met Council within the MPO's jurisdiction and by Mn/DOT outside of that area. Northstar is illustrative of how integrated rural and urban transit can successfully link rural areas to major metropolitan areas in support of providing access to jobs and other livable community goals.

RDCs and transit agencies would like to see better planning and funding structures in place to help address this issue. Ideally, Federal funding should transcend jurisdictional boundaries.

### *Performance Measures*

In order to make service cost effective, a component of Mn/DOT plans are performance measures on productivity. These performance measures have made it difficult for rural transit agencies to provide demand response out of their region since it is often not possible to efficiently and affordably get people from one corner of the service area to another. One transit agency stated that “It’s really a numbers game that we have to play most of the time; we just can’t give a lot of attention to one rider at the expense of a lot of other people.”

### *Commuter and other service challenges*

Rural transit agencies would like to provide better services for commuters on a regular basis, but they are limited by funding. There are extensive but dispersed commuter sheds around the small urban areas and the Twin Cities. One transit agency stated, “The road to success is the road to work” – people need to get to their jobs to keep their jobs. Rural transit agencies would need to expand their hours and range to accomplish this goal. Workforce transportation is discussed in the Transit Plan, with a focus on commuting from the Twin Cities and surrounding counties and from outlying areas to small urban areas.

Some transit agencies have capacity issues during certain times of the day and week because the service needs of the various consumer groups coincide during certain times of the day. Many transit systems contract for service. These contracts allow for the expansion of public transit service into areas that would not receive service without the existence of contractual services.

## *Human Services Transportation*

Despite efforts to better integrate public and human service transportation, transit agencies see transportation differently than human service agencies. In some areas, transit focuses on moving people but not specifically people with disabilities. At the same time, some human service agencies do not see the connection or importance of public transit. Yet human service agencies need to be involved in the transit planning process to achieve economies of scale and efficient use of resources. For example, human services vans may go to the Twin Cities, but they do not coordinate with rural transit agencies that have a need for this kind of service.

In 2005, the Governor created a statewide [Interagency Committee on Transit Coordination \(ICTC\)](#), which was succeeded by the [Minnesota Council on Transportation Access \(MCOTA\)](#), established by the State Legislature in 2010. The formation of ICTC paralleled that of the Federal Interagency Transportation Coordinating Council and was similarly intended to coordinate health and human service programs with public transportation systems. The ICTC surveyed existing best practices and coordination strategies in Minnesota and made recommendations for how to improve coordination statewide. MCOTA's purpose is to "study, evaluate, oversee, and make recommendations to improve the coordination, availability, accessibility, efficiency, cost-effectiveness, and safety of transportation services provided to the transit public."

MCOTA is comprised of representatives from the Departments of Transportation, Employment and Economic Development, Education, Health, and Human Services, Veterans Affairs, Commerce, and Management and Budget, as well as from the Governor's Office, Council on Disability, Board on Aging, Minnesota Public Transit Association, and the Met Council. Rural transit agencies feel that they need to tie their work into human services issues to gain attention and resources.

## **Conclusions**

- Rural transit planning is conducted in diverse ways in the State, mainly depending on the lack or presence of RDCs, which determines the level of involvement by Mn/DOT.
- The type of funding source can limit opportunities to expand and diversify rural transit service but Northstar is a good example of a major project being funded that bridges jurisdictional and rural and urban boundaries and opens opportunities for multimodal connections and improved access for rural communities.
- Identified as a challenge to address, transit and human service agencies are beginning to work to better integrate their rural transit planning and services at the State and local level.