

# **MUNICIPAL STATE AID (MSA)**

## **DESCRIPTION and OVERVIEW**

*Q. WHAT IS MSA?*

**A. Municipal State Aid is a financing source (MONEY) that is administered by the State and distributed to qualifying cities throughout Minnesota. This money is used for capital projects and for maintenance of the State Aid Roadway Transportation System in Saint Paul.**

*Q. WHERE DOES MSA COME FROM?*

**A. This funding comes from the tax paid on gasoline and vehicle license and registration fees in the State of Minnesota. This money is all put into the Highway Users Fund.**

*Q. WHO GETS THE HIGHWAY USER FUND MONEY?*

**A. The Highway User Fund money is split annually as follows:**

- **62% State**
- **29% Counties**
- **9% Cities (must have a population over 5,000 to be eligible to share in the allocation)**  
**There are currently 148 state aid cities in Minnesota - St. Paul being the 2<sup>nd</sup> largest.**

*Q. HOW IS MSA CALCULATED FOR EACH CITY?*

**A. MSA is calculated based on a city's population and their 'Construction Needs.'**  
**Construction Needs are identified as the amount it would take for a city to completely build out their State Aid Roadways to State Aid Standards**

- **50% Based on Population**
- **50% Based on Construction Needs**

*Q. HOW DOES A CITY DESIGNATE THEIR STATE AID ROADWAY SYSTEM*

**A. 20% of a city's total mileage can be designated as MSA. For St. Paul, this equates to approximately 165 miles. MSA routes in St. Paul are typically higher volume roads that are not Trunk Highways or County State Aid Highway routes. There are rules that govern the designation of a roadway as a Municipal State Aid route (examples include: must allow trucks on the roadway, must directly connect MSA segments to each other or to the Trunk Highway or County State Aid Roadway System, etc, etc ....). See the attached listing for all of the State Aid Street Segments in St. Paul. A City must pass a City Council Resolution if revoking and/or adding a MSA street segment to their roadway system.**

## 2016 MSA FACTS FOR SAINT PAUL

9% of Highway Users Fund in 2016 = \$173,612,036  
(148 Cities shared in this allocation)

### Saint Paul's Allotment

50% Based on Population =	\$6,772,319
50% Based on Construction Needs =	<u>\$5,551,830</u>
TOTAL 2016 MSA AMOUNT =	\$12,324,149

**NOTE:** *A city MUST dedicate/spend between 25% and 35% of their total allotment annually on maintenance of their State Aid Roadway System.*

In 2016, Saint Paul requested that a lump sum amount of \$3,644,187 (approx. 30%) be directed to maintenance of our State Aid system. The remaining \$8,679,962 was directed to capital projects.

A city may expend their MSA capital project funds on improving the Trunk Highway and/or County State Aid System within their city. This is known as an 'off system' expenditure. A City cannot spend their MSA allocation on improving or maintaining residential streets.

A city must obtain approval from the Mn/DOT Office of State Aid when requesting to construct a project using MSA funds. There must be a State Aid project number assigned and a Mn/DOT State Aid signature on the plan set.

A city's MSA allotment does not get sent to the city as a lump sum payment. Rather, it stays in an account at Mn/DOT and the city requests payment from that account when approved project expenditures have occurred.

A City requesting more than 25% for maintenance has to satisfy some reporting requirements before funds are released.