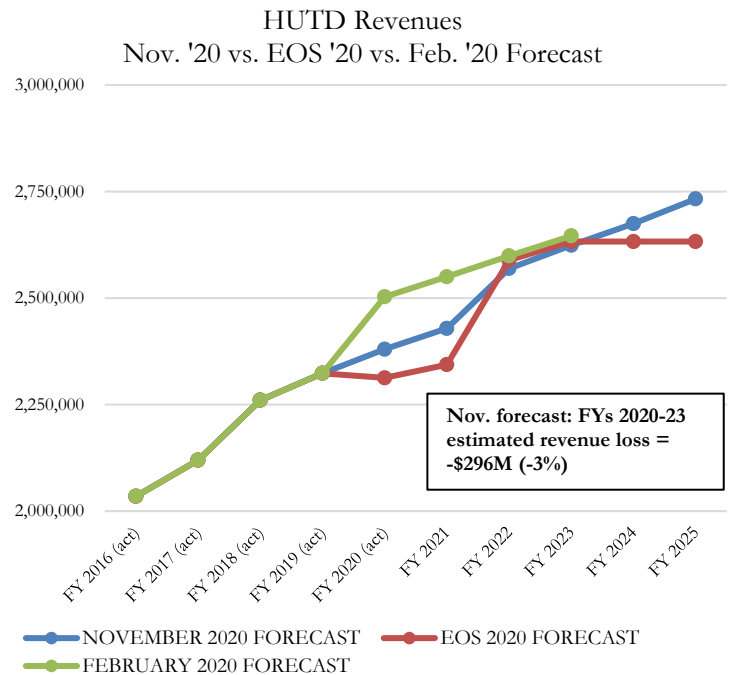


## Forecast Highlights

### HUTD Revenues

Highway User Tax Distribution (HUTD) Fund revenues are projected to be higher in the FY 2020-21 biennium compared to the End of 2020 Sessions (EOS) forecast, increasing +\$152M (3.3 percent). The increase is largely attributable to very strong motor vehicle sales tax (MVST) revenues. However, this still reflects a reduction of -\$244M (-4.8 percent) compared to the February forecast estimates prior to the COVID-19 pandemic.

In the FY 2022-23 biennium, revenues are projected to decrease slightly (-\$29M, -0.5 percent) compared to EOS estimates, and beginning in FY 2023 revenues are projected to stabilize and grow about 2 percent per year.



### Federal Stimulus Funds

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, enacted on March 27, 2020 provided federal financial assistance to 3 significant elements related to transportation:

- Established the \$150 billion Coronavirus Relief Fund with Minnesota receiving \$2.187 billion
  - Greater Minnesota Transit received \$750,000 for COVID-19 positive client transportation
- Federal Transit Administration (FTA) received \$25 billion. Below are the specific amounts for Minnesota:
  - \$54 million for greater Minnesota transit (administered by MnDOT)
  - \$27 million for transit systems in urban areas with populations of 50,000+ (administered directly by transit systems)
  - \$227 million for Twin Cities metro transit (administered by Met Council)
  - \$4.4 million to replace 47 buses for 20 transit agencies in rural areas across the state
- Federal Aviation Administration (FAA) received \$10 billion. Below are the specific amounts for Minnesota:
  - \$158 million for operations grants to 97 airports (flows through MnDOT, specific amounts by airport):
    - \$125 million for Minneapolis-St. Paul (MSP)
    - \$30 million for other 8 commercial service airports
    - \$3 million for 88 general aviation airports
    - 36 airports receive nothing

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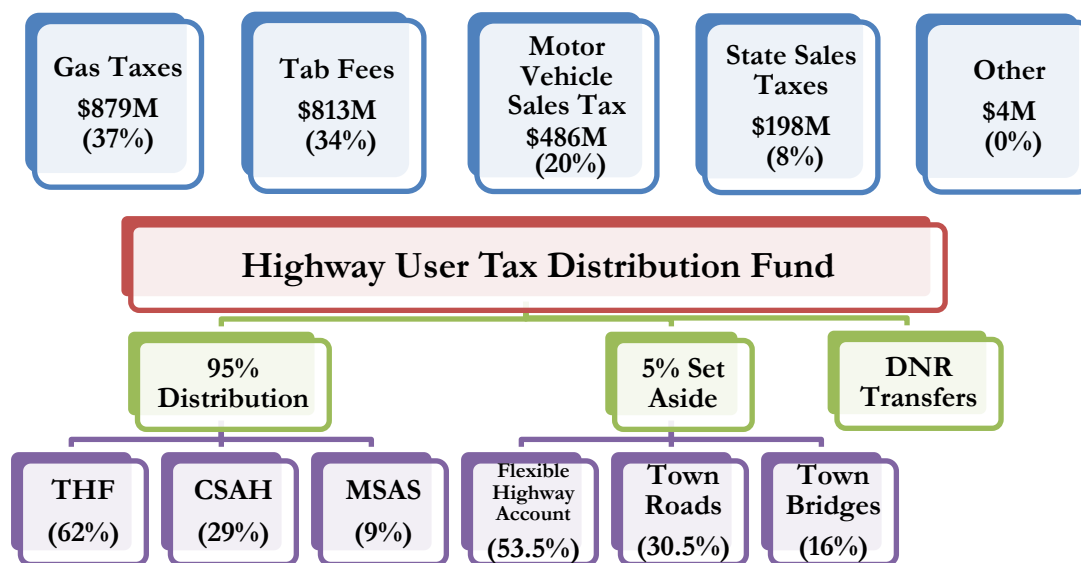
## Introduction to Transportation Funding

The Minnesota Department of Transportation (MnDOT) is a multimodal agency encompassing highway construction, maintenance, aeronautics, rail, and transit activities. In consultation with Minnesota Management and Budget (MMB) and Minnesota Department of Revenue (DOR), MnDOT prepares fund statements for six transportation funds. These fund statements are prepared in November and February of each fiscal year (FY). An additional update is prepared at the end of each legislative session (EOS) to incorporate law-change impacts to the transportation funds.

Comparisons made in this forecast to the prior forecast reflect the difference from the EOS 2020 fund statements. Due to unprecedented economic impacts of the current COVID-19 pandemic, an interim budget projection was produced in May 2020 to assess the revenue impacts in the current FY 2020-21 biennium only. Assumptions from the interim budget projection are incorporated into the EOS 2020 Fund Statement. This forecast also includes information for the FY 2022-23 and FY2024-25 biennia. MnDOT prepares fund statements for the following funds:

- Highway User Tax Distribution Fund (HUTD)
- Trunk Highway Fund (TH)
- County State Aid Highway Fund (CSAH)
- Municipal State Aid Street Fund (MSAS)
- Transit Assistance Fund (TAF)
- State Airports Fund (SAF)

### HUTD Sources and Uses FY 2020 Actuals (\$ in millions)



-Article XIV of the Minnesota Constitution

-State Sales Taxes include: fixed portion of sales tax on auto parts, 11 percent of total Motor Vehicle Lease Sales Tax (MVLST) and rental sales taxes (both 6.5 percent & 9.2 percent)

-DNR transfers for unrefunded gas taxes per Minn. Stat. 296A.18 (totals about 2.5 percent of gas taxes)

Note: Numbers in the text and tables may not add to the totals due to rounding. Unless otherwise noted, years used to describe the budget outlook are state fiscal years, from July 1 to June 30.

## Legal Authority for Collection of Revenue

Article XIV of the Minnesota Constitution establishes three primary sources of revenue for transportation programs that are deposited into the HUTD:

**Motor Fuel Excise Tax (Gas Tax):** The Legislature may levy an excise tax on any means or substance used for propelling vehicles on the public highways of this state. This tax is levied on gasoline, diesel fuel, compressed natural gas and a variety of other special fuels.

**Motor Vehicle Registration Tax (Tab Fees):** A tax may be put in place, by law, on motor vehicles using public streets and highways. The current passenger motor vehicle registration tax policy was instituted in 2008, wherein vehicles are taxed based on \$10 plus 1.285 percent (which increased from 1.25 percent in 2020) of the vehicle's value, depreciated over time through the 10th year of registration, after which the additional tax is \$25 (\$35 total). These rates are set according to Minn. Stat. 168.013, subdivision 1a. The tax for commercial vehicles is based on vehicle weight and age. As of January 1, 2018, there is also an additional \$75 surcharge for all-electric vehicles.

**Motor Vehicle Sales Tax (MVST):** There is a 6.5 percent tax on the sale of new and used motor vehicles. Revenue from a tax on the sale of a new or used motor vehicle must be allocated for the following transportation purposes:

- Not more than 60 percent must be deposited in the HUTD Fund
- Not less than 40 percent must be deposited in a fund dedicated solely to public transit

Current statute: 60 percent of this revenue is deposited in the HUTD Fund and 40 percent is deposited in the TAF.

### Other Revenue:

**MVLST:** MVLST is a 6.5 percent tax on leased motor vehicles. According to Minn. Stat 297A.815, the MVLST revenue is allocated according to the following percentages, beginning in FY 2018: 38 percent to CSAH, 38 percent to the TAF (Greater Minnesota Transit account), 13 percent to the Minnesota State Transportation Fund (for local bridges) and 11 percent to the HUTD.

**Sales Tax on Auto Parts:** Beginning in 2018, revenue from a portion of the general sales tax on motor vehicle repair or replacement parts has been transferred to the HUTD Fund on a monthly basis. According to Minn. Stat. 297A.94, in FY 2018-19 the monthly deposit amount is \$2,628,000 and, subsequently, the monthly amount is \$12,137,000. This revenue previously remained in the General Fund.

**Rental Sales Tax:** Revenue collected for the short-term motor vehicle rental tax under Minn. Stat. 297A.64 (9.2 percent) and for the general sales tax from short-term motor vehicle rentals under Minn. Stat. 297A.62 (6.5 percent) is deposited in the HUTD Fund, beginning in FY 2018 per Minn. Stat. 297A.94. This revenue previously remained in the General Fund.

**State Airports Fund:** The SAF receives revenue from four different dedicated revenue sources. These revenues are: sales tax on aircraft, airline flight property tax, aircraft registration tax, and aviation gasoline and special fuels tax. This fund was statutorily created to perform aviation functions detailed in Minn. Stat. 360.017.

All the funds, except the TAF, receive investment income earned on the cash balances in the funds.

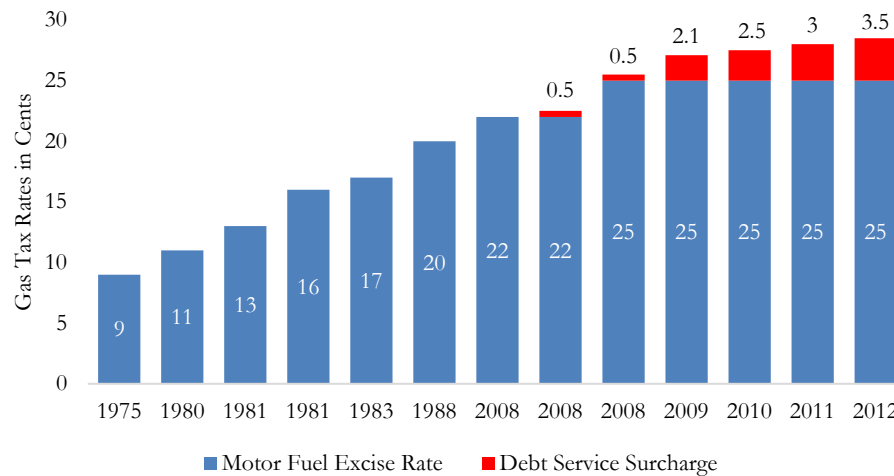
Legal Citation – Quick Reference Guide	
Motor Fuel Tax	<ul style="list-style-type: none"> <li>• Article XIV of the Minnesota Constitution</li> <li>• Minn. Stat. 296A - Tax on petroleum and other fuels</li> <li>• Minn. Stat. 296A.083 - Debt service surcharge</li> </ul>
Vehicle Registration Tax	<ul style="list-style-type: none"> <li>• Article XIV of the Minnesota Constitution</li> <li>• Minn. Stat. 168.013 - Tax on passenger vehicles</li> </ul>
Motor Vehicle Sales Tax	<ul style="list-style-type: none"> <li>• Article XIV of the Minnesota Constitution</li> <li>• Minn. Stat. 297B.09 - Allocation of revenue</li> </ul>
General Fund Transfers	<ul style="list-style-type: none"> <li>• Minn. Stat. 297A.94 – Sales tax on auto parts and transfer of rental tax</li> <li>• Minn. Stat. 297A.64 – Tax on rental vehicles (9.2 percent)</li> <li>• Minn. Stat. 297A.62 subd. 1– Sales tax on rental vehicles (6.5 percent)</li> </ul>
Motor Vehicle Lease Sales Tax	<ul style="list-style-type: none"> <li>• Minn. Stat. 297A.815 - Allocation of revenue</li> </ul>
Transit Assistance Fund	<ul style="list-style-type: none"> <li>• Minn. Stat. 297B.09 - Allocation of motor vehicle sales tax revenue</li> <li>• Minn. Stat. 297A.815 - Allocation of motor vehicle lease sales tax revenue</li> </ul>
State Airport Fund	<ul style="list-style-type: none"> <li>• Minn. Stat. 360.017 – Creates State Airport Fund</li> <li>• Minn. Stat. 270.075 – Air flight property tax</li> <li>• Minn. Stat. 296A.09 – Aviation gasoline and special fuel taxes</li> <li>• Minn. Stat. 360.531 – Aircraft registration taxes</li> <li>• Minn. Stat. 297A.82 – Sales tax on aircraft</li> </ul>
Transportation Fund	<ul style="list-style-type: none"> <li>• Minn. Stat. 297A.815 - Allocation of motor vehicle lease sales tax revenue</li> </ul>

## Revenue Forecast

### Motor Fuel Excise Tax (Gas Tax)

The current gas tax rate in Minnesota is 28.5 cents per gallon (25 cents plus a 3.5 cent debt service surcharge). This surcharge is intended to partially cover the debt obligations for capital projects on the trunk highway system<sup>1</sup>.

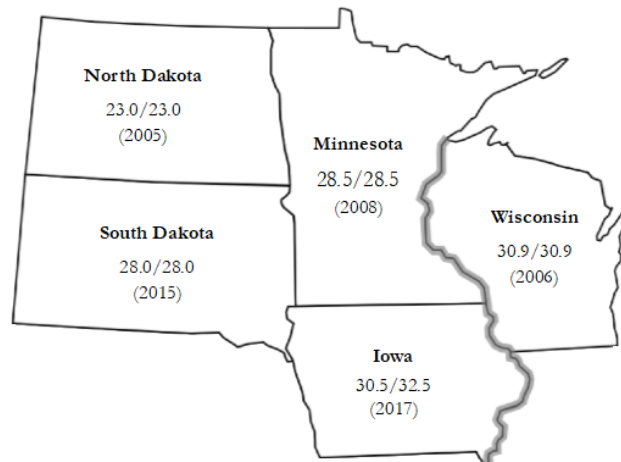
Historical Motor Fuels Excise Tax



The map below highlights Minnesota's gas tax rates and compares them with those in the surrounding states:

Comparison of July 2020 Motor Fuel Tax Rates (per gallon)  
American Petroleum Institute

Gasoline / Diesel  
(Year tax rate changed)



Note: Federal gas tax rate is 18.4 cents per gallon

<sup>1</sup> Authorized in the Laws of 2008, Chapter 152. The final debt service surcharge increase of a half cent was implemented on July 1, 2012.

## Fuel Consumption Outlook

The outlook for fuel consumption is affected by vehicle miles traveled (VMT) and the fuel efficiency of vehicles, which are impacted by:

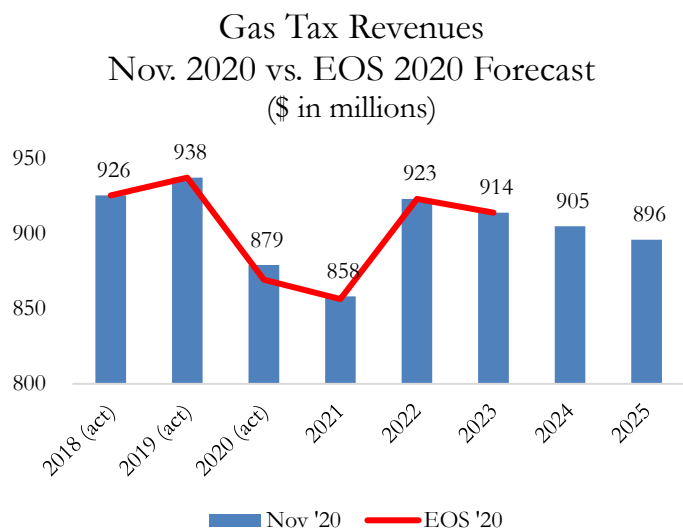
- the economy and world oil prices
- long-term policy (e.g. corporate average fuel economy (CAFE) standards)
- consumer trends toward more fuel-efficient vehicles
- utilization of other transportation options

To forecast the gas tax MnDOT typically reviews regional forecast information from the U.S. Energy Information Administration (EIA), the federal agency that collects and analyzes energy information. MnDOT also consults the macroeconomic national forecast of U.S. gasoline consumption produced by IHS Markit (IHS). IHS provides economic information and analysis and is the same macroeconomic consultant that MMB uses to assist with forecasting the General Fund. MnDOT uses a blended average of the consumption forecasts by EIA and IHS, compared with actual fuel consumption history in Minnesota, to forecast future revenue.

In preparing this forecast MnDOT looked at multiple indicators through the end of calendar year (CY) 2021. According to the EIA November Short-Term Energy Outlook (STEO), reduced economic activity related to the COVID-19 pandemic has caused changes in demand and supply patterns in CY 2020 and will continue in CY 2021. The EIA STEO remains subject to heightened levels of uncertainty because responses to COVID-19 continue to evolve.

However, revenue is not expected to decrease as much as projected in the EOS 2020 forecast. While travel patterns were down significantly during the spring of 2020, this summer and fall traffic has largely rebounded to historic averages. In addition, year-to-date actual revenue has increased compared to the EOS 2020 projections.

Looking to the future, revenue is projected to decrease by 1 percent per year as both EIA and IHS predict reduced fuel consumption as vehicle fuel efficiencies increase at a faster pace than vehicle miles traveled.



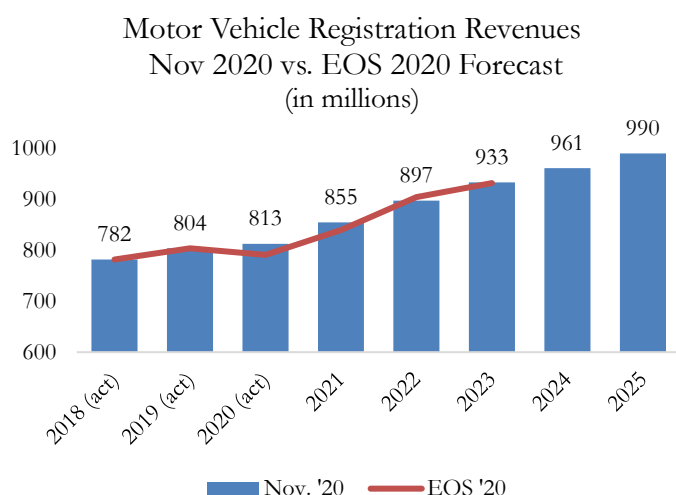
Gas Tax Revenues (\$ in millions)				
FY	Nov. '20	EOS '20	\$ Change	% Change
2018 (act)	926	926	-	0.0%
2019 (act)	938	938	-	0.0%
2020 (act)	879	869	9.8	1.1%
2021	858	857	1.8	0.2%
2022	923	923	-	0.0%
2023	914	914	-	0.0%
2024	905	-	-	0.0%
2025	896	-	-	0.0%

## Motor Vehicle Registration Tax (Tab Fees)

Revenue collected on passenger vehicles comprises about 80 percent of the total revenue from registration taxes. This revenue is based on the value and age of the vehicle. The remaining revenue is provided primarily by taxes on commercial vehicles, such as trucks and buses, which is based on weight and age of the vehicle.

Tab fee revenue is anticipated to increase compared to EOS fund statements. The COVID-19 pandemic impacts have been minimal to this revenue source. Tab fee revenue actuals have largely been above EOS 2020 projections. Tab fee revenues even exceeded the February 2020 forecast estimate in June and July. Vehicle sales projections from IHS are expected to increase slightly in future years. This has led to increased revenue projections in all years within the forecast period. This revenue growth is projected to be 4 percent per year on average over the forecast period.

The current forecast of revenues is shown below:



Motor Vehicle Registration Revenues (\$ in millions)				
FY	Nov. '20	EOS '20	\$ Change	% Change
2018 (act)	782	782	-	0.0%
2019 (act)	804	804	-	0.0%
2020 (act)	813	791	21.6	2.7%
2021	855	840	14.8	1.8%
2022	897	904	(6.9)	-0.8%
2023	933	932	1.4	0.2%
2024	961	-	-	0.0%
2025	990	-	-	0.0%

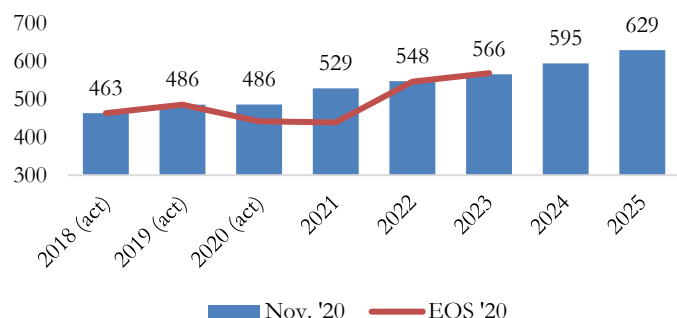
## Motor Vehicle Sales Tax (MVST)

The sale of motor vehicles is exempt from the general sales tax. Instead, most vehicles are subject to a 6.5 percent motor vehicle sales tax. This includes sales by car dealers and private individuals.

DOR prepares the official forecast of this revenue, which is based on data provided by IHS. Overall, MVST revenue is projected to increase significantly compared to the EOS 2020 forecast for all years. Since June 2020, except for August 2020, MVST monthly revenue has exceeded February 2020 forecast projections. The current forecast of revenues is shown below:



**MVST Revenues**  
Nov. 2020 vs. EOS 2020 Forecast  
(\$ in millions)

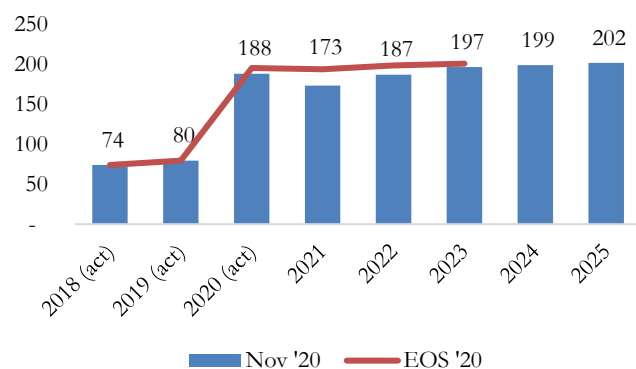


MVST Revenues (\$ in millions)				
FY	Nov. '20	EOS '20	\$ Change	% Change
2018 (act)	463	463	-	0.0%
2019 (act)	486	486	-	0.0%
2020 (act)	486	442	44.1	10.0%
2021	529	439	89.8	20.5%
2022	548	547	1.1	0.2%
2023	566	569	(2.9)	-0.5%
2024	595	-	-	0.0%
2025	629	-	-	0.0%

### State Sales Taxes (previously deposited in General Fund)

Beginning in FY 2018, a portion of general sales tax revenues was allocated to the HUTD Fund as a transfer from the General Fund. This revenue includes a 9.2 percent tax collected on short-term motor vehicle rentals and a 6.5 percent general sales tax on short-term motor vehicle rentals. The revenue collected on both taxes is forecast by MMB. Each of these tax revenues are expected to decrease compared to the EOS 2020 fund statements. A fixed portion of revenue from the general sales tax on motor vehicle repair or replacement parts is deposited into the HUTD Fund each month. This includes revenue collected on all motor vehicle parts, tires, and accessories. The fixed statutory amount totaled \$31.5 million annually in FY 2018-19. Beginning in FY 2020, the fixed statutory amount totals \$145.6 million annually. The current forecast for these three General Fund revenues are shown below:

**State Sales Taxes**  
Nov. 2020 vs EOS 2020 Forecast  
(\$ in millions)



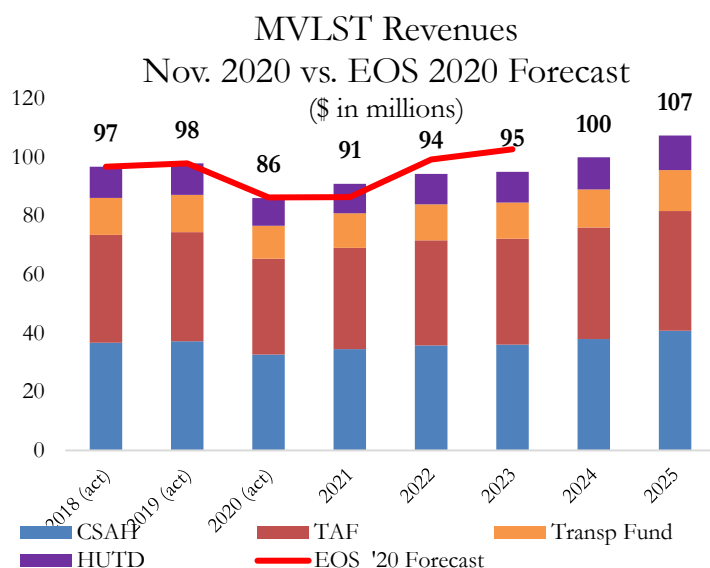
State Sales Taxes (\$ in millions)				
FY	Nov. '20	EOS '20	\$ Change	% Change
2018 (act)	74	74	-	0.0%
2019 (act)	80	80	-	0.0%
2020 (act)	188	195	(7.1)	-3.6%
2021	173	194	(20.4)	-10.5%
2022	187	199	(11.6)	-5.8%
2023	197	201	(4.3)	-2.1%
2024	199	-	-	0.0%
2025	202	-	-	0.0%

### Motor Vehicle Lease Sales Tax (MVLST)

The MVLST forecast is prepared by the DOR. The 6.5 percent sales tax is collected by the lessor, and reported and paid directly to DOR. The forecast in future years largely decreased compared to the EOS 2020 forecast. As of FY 2018, all revenue from MVLST is reallocated for transportation purposes and are deposited in the General Fund and transferred as follows at the end of the fiscal year:

- 38 percent to CSAH
- 38 percent to Greater Minnesota Transit
- 13 percent to Minnesota Transportation Fund (to be used for Local Bridge Program)
- 11 percent to the HUTD Fund (to be used for Trunk Highway Fund, CSAH, MSAS)

The current forecast of revenues is shown below:

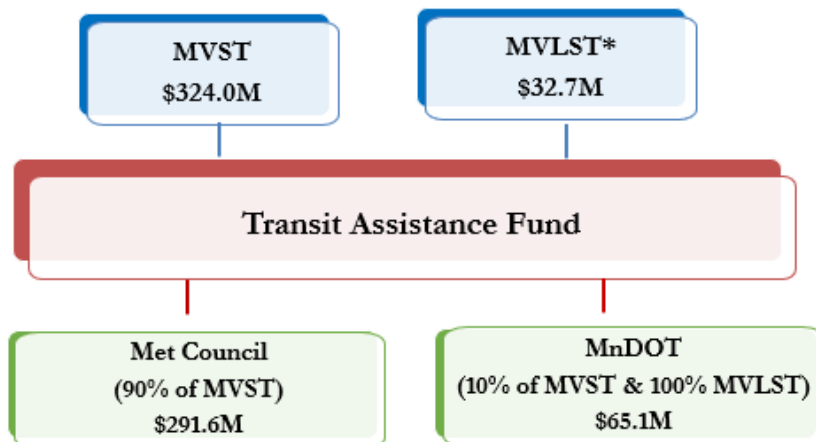


MVLST Revenues (\$ in millions)				
FY	Nov. '20	EOS '20	\$ Change	% Change
2018 (act)	97	97	-	0.0%
2019 (act)	98	98	-	0.0%
2020 (act)	86	86	0.1	0.1%
2021	91	86	4.9	5.7%
2022	94	99	(4.7)	-4.7%
2023	95	103	(8.0)	-7.8%
2024	100	-	-	0.0%
2025	107	-	-	0.0%

### Transit Assistance Fund Revenue

The TAF receives revenue from MVST and MVLST. The MVST appropriation must be at least 40 percent of the total revenue according to the Minnesota Constitution and is currently set at 40 percent by statute (Minn. Stat. 297B.09). Of this revenue, 90 percent is allocated to metropolitan transit (36 percent of total MVST) and 10 percent is allocated to Greater Minnesota Transit (four percent of total MVST). As of FY 2018, 38 percent of all MVLST revenue is allocated to the Transit Assistance Fund for Greater Minnesota Transit. Previously, the fund received 50 percent of the total MVLST revenues above the first \$32 million that was dedicated to the General Fund.

**Transit Assistance Fund Sources of Revenue  
FY 2020**



\*38 percent of MVLST is allocated to TAF.

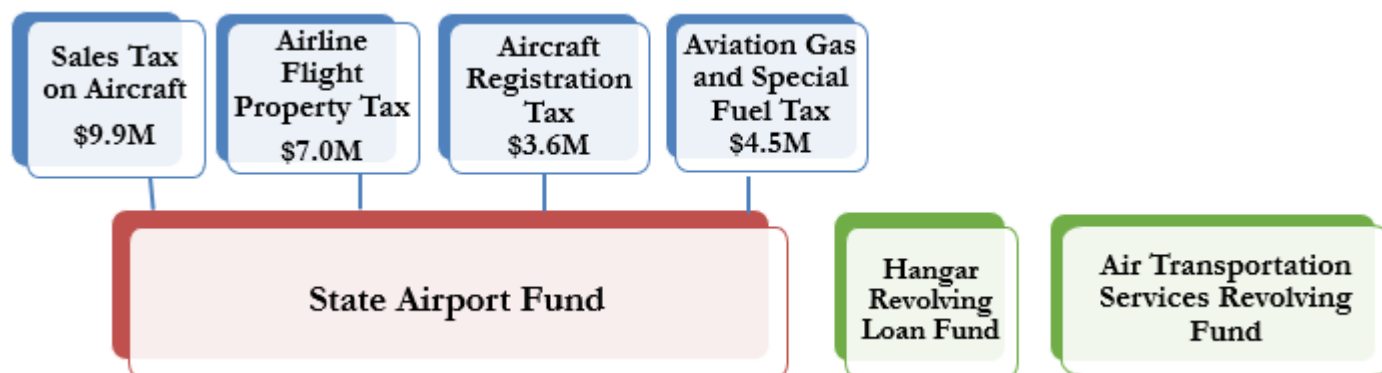
### State Airports Revenue

Three funds make up the total consolidated SAF:

- State Airport Fund
- Hangar Revolving Loan Fund
- Air Transportation Services Revolving Fund

The two revolving funds (Hangar and Air Transportation Services) are not included in the consolidated fund statement ending balance because their receipts are dedicated to specific functions.

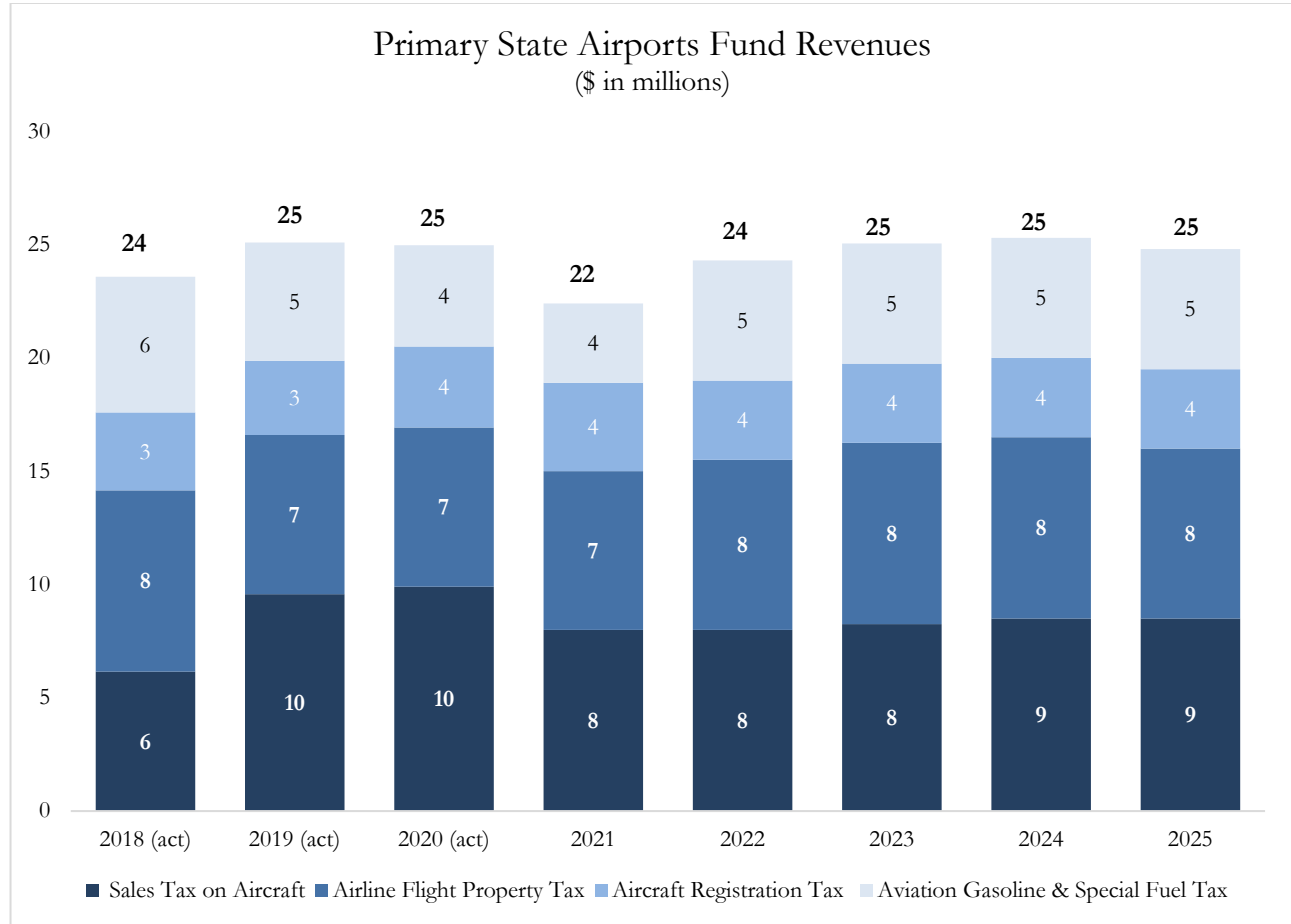
**State Airports Sources of Revenue  
FY 2020**



The forecast for the SAF is focused on aviation gasoline and special fuel taxes, sales taxes on aircraft, aircraft registration taxes and investment income. The forecast for sales tax on aircraft and registration taxes are both based primarily on prior history but have varied significantly by year. The aviation fuel tax forecast decreased slightly, due to reduced year-to-date revenues in FY 2021. The airline flight property tax amount is a calculation specified in Minn.

Stat. 270.075. This statute requires MnDOT to determine the amount as the difference between the “total fund appropriation and the estimated total fund revenues from other sources for the state fiscal year in which the tax is payable”.

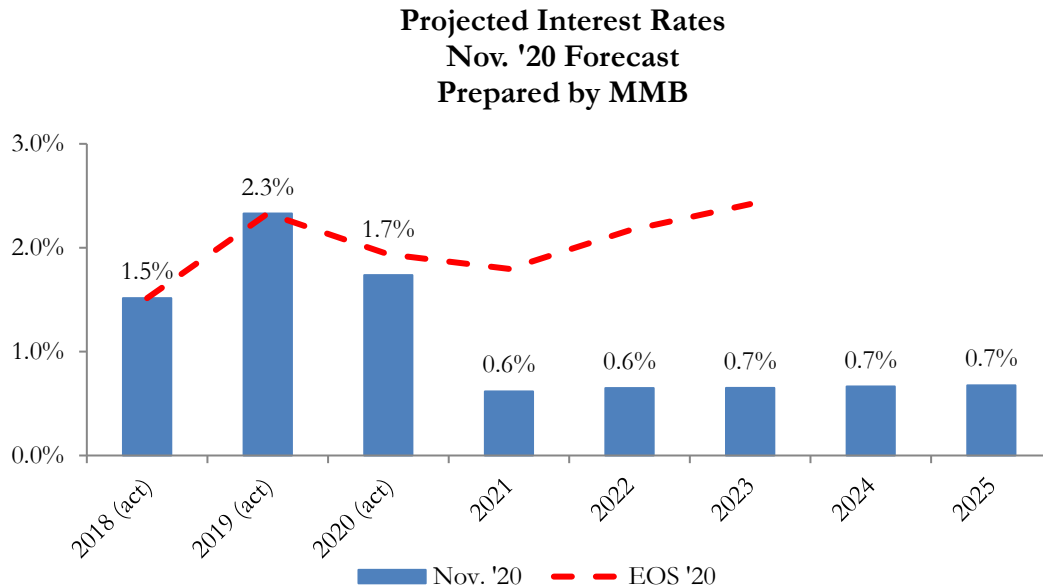
The current forecast of revenues is shown below:



## Investment Income

All the transportation funds discussed in this document, except for the TAF, earn investment income on cash balances in the fund. The amount of revenue is based on the amount of cash anticipated to be in the funds and the forecast interest rates for the invested cash.

Interest rates are currently just under 0.5 percent and are not projected to grow above 0.7 percent. The rates are significantly lower than February 2020 in all forecast years. As a result, interest income in all funds is expected to decrease compared to the EOS 2020 forecast.



## Fund Statements

### Transfers from HUTD Fund

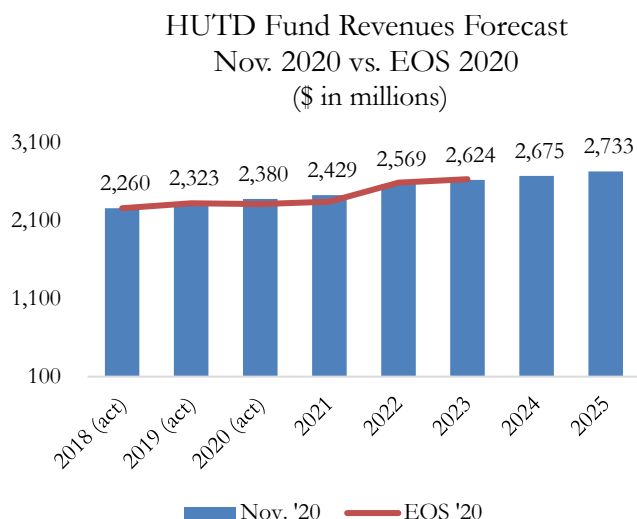
The HUTD Fund receives revenues from the three sources dedicated to highways and transit (gas tax, tab fees and MVST), as well as several minor sources of revenue. Except for the 40 percent of MVST dedicated to public transit, revenues from these three taxes are deposited into the HUTD Fund. In addition, beginning in FY 2018 four new revenue sources are statutorily dedicated from the General Fund to the HUTD Fund. This includes a fixed portion of the sales tax on auto parts, 11 percent of MVLST, and the 6.5 percent and 9.2 percent tax on rental vehicles. The revenues are transferred to the TH, CSAH, and MSAS Funds, with small distributions specified in statute to the Department of Natural Resources (DNR).

Of the total revenue to the HUTD Fund, after distributions to the DNR, 95 percent is allocated by the following formula specified in the Minnesota Constitution (visual provided on page 3):

- TH Fund – 62 percent
- CSAH Fund – 29 percent
- MSAS Fund – 9 percent

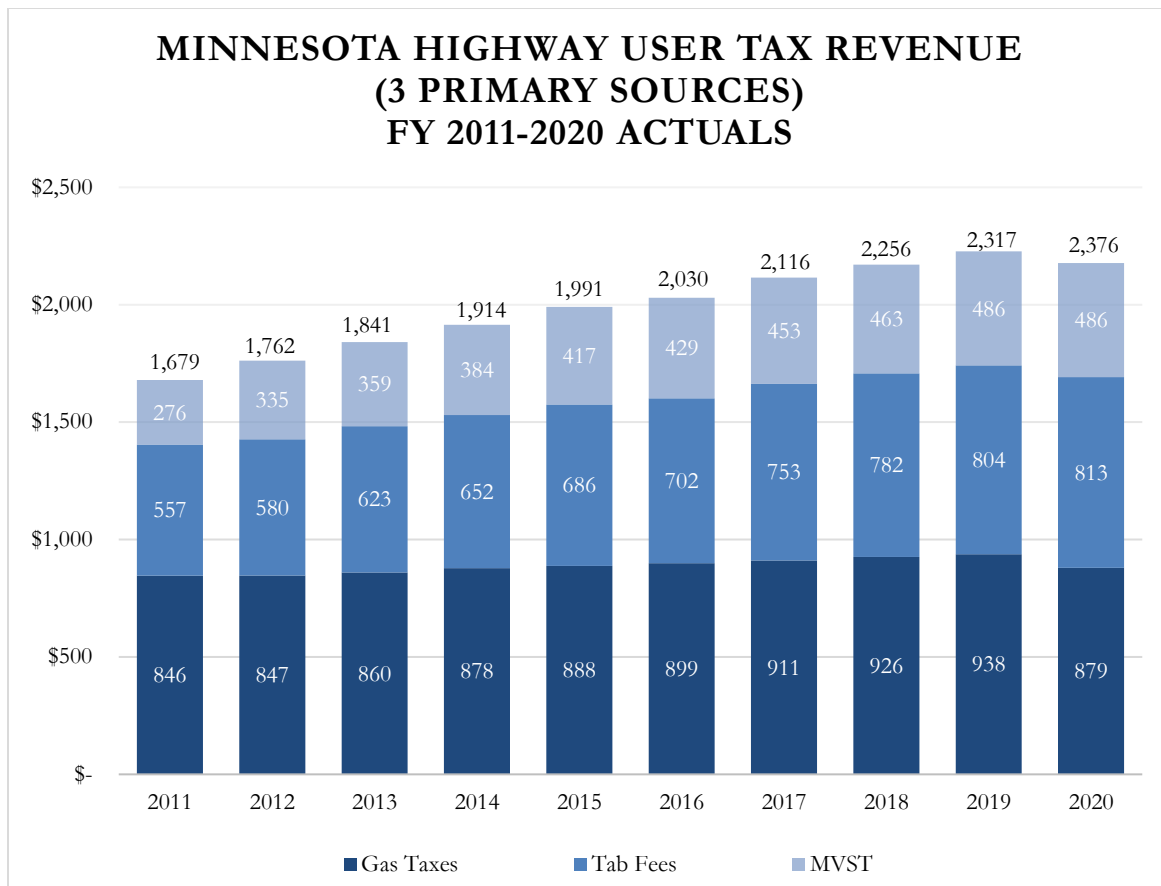
The remaining five percent, referred to as the five percent set-aside, is allocated to the CSAH Fund. This funding is further allocated to Township Roads, Township Bridges, and the Flexible Highway Account.

The current forecast is shown below:



HUTD Fund Revenues (\$ in millions)				
FY	Nov. '20	EOS '20	\$ Change	% Change
2018 (act)	2,260	2,260	-	0.0%
2019 (act)	2,323	2,323	-	0.0%
2020 (act)	2,380	2,313	67.3	2.9%
2021	2,429	2,344	85.0	3.6%
2022	2,569	2,589	(19.8)	-0.8%
2023	2,624	2,633	(8.8)	-0.3%
2024	2,675	-	-	0.0%
2025	2,733	-	-	0.0%

The bar chart below details a 10-year history of actual revenues for the HUTD Fund (2011-20). It includes the relative shares of revenue attributed to gas taxes, tab fees and MVST. During the last ten years, gas taxes have decreased as a percentage of total revenue while tab fees and MVST have increased as a percentage of total revenue.



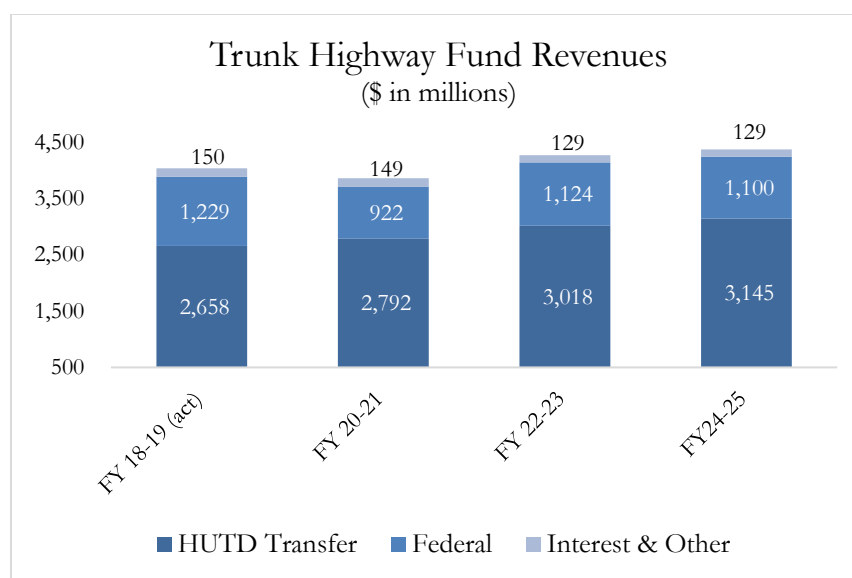
## Trunk Highway Fund

The TH Fund receives transfers from the HUTD Fund and revenue from investment income. Another substantial source of revenue is federal aid agreements with the Federal Highway Administration (FHWA), where reimbursements for the federal share of highway construction projects are received. The current federal authorization act (FAST Act) was scheduled to end on September 30, 2020, but was extended through September 30, 2021, essentially at the prior year funding level. While the federal government has never reduced the major federal transportation spending programs in the past, the potential for Minnesota to receive fewer federal funds in the future is possible but unlikely. Over the forecast period, the estimated reimbursements vary greatly each year based on the projected mix of state and federal funds recognized on specific projects.

In the upcoming FY 2022-23 biennium, estimated federal revenues increased by \$176 million. This is completely a function of the timing and mix of specific projects and does not reflect an overall increase in federal funds. Over the course of the current biennium and upcoming 2 biennia, federal funds account for a fairly consistent 25 percent of the total sources.

In addition, the fund receives revenues and transfers from several other smaller sources. For FY 2020-25, 72 percent of resources are transfers from the HUTD Fund, 25 percent of resources are federal aid agreements and 3 percent of resources are other sources such as investment income.

The current forecast, by biennium, is shown below:



## Debt Service – Trunk Highway Fund

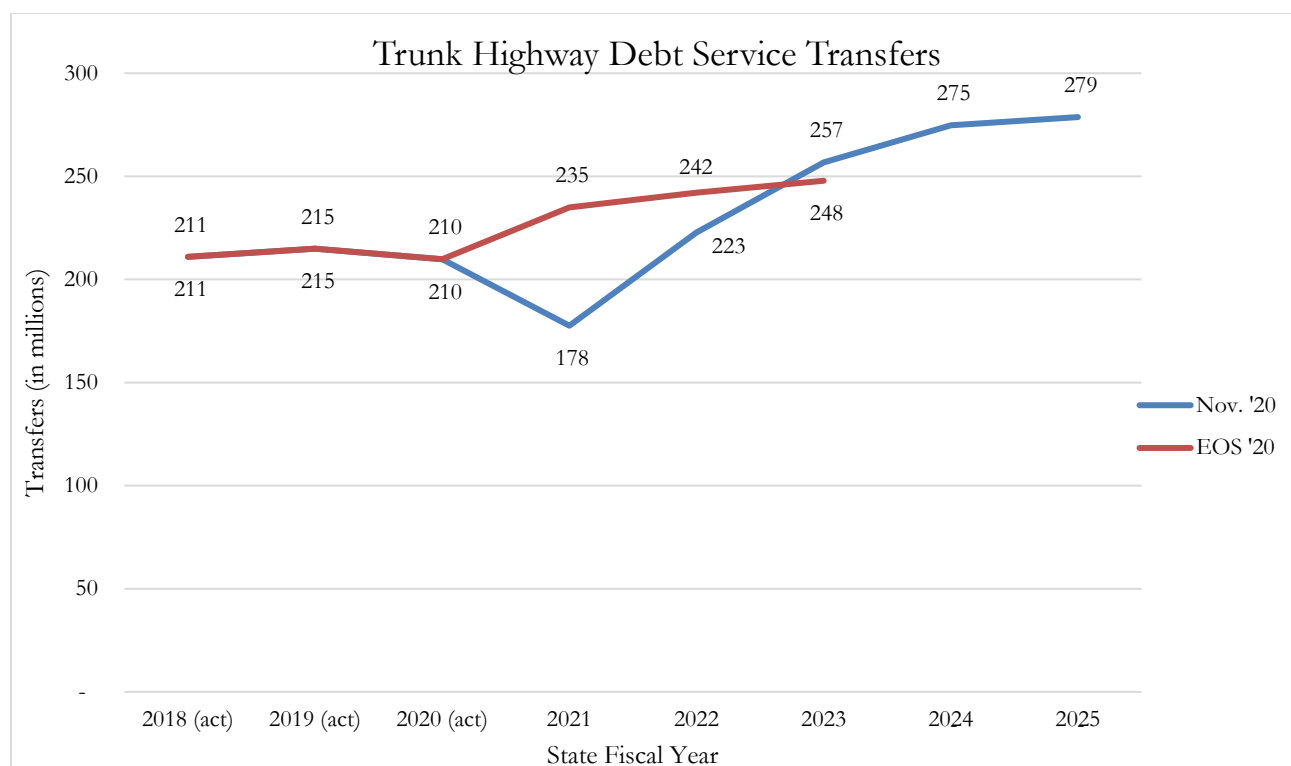
The forecast for expenditures is generally based on the previously enacted biennial budget. There are typically no significant changes in estimated spending. However, the TH Fund has unique constitutional authority to sell authorized Trunk Highway bonds<sup>2</sup>. The debt service on these bonds (payment of principal and interest) is specified as the first obligation of the fund. The biennial budget includes appropriation amounts for debt service. However, the law also states that any increase in the amount of estimated debt service is to be transferred because there is a statutory open appropriation for trunk highway debt service.

<sup>2</sup> See Article XIV, section 11 of the Minnesota Constitution



Forecast debt service estimates for future years have decreased since the EOS 2020. The primary change is an increase in the projected premiums received on future bond sales due to significantly lower projected interest costs on the bonds. The transfers also include an estimated \$57 million in savings due to refinancing existing outstanding debt. Cash flow estimates, used in forecasting future bond sales and debt service amounts, are revised for scheduled bond sales and also impact the estimated debt service payments.

The graph below depicts actual and forecast debt service transfer amounts by year, compared to EOS 2020 forecast:



The TH Fund is governed by four financial policies: Debt Management, Fund Balance, Cash Balance, and Advance Construction (a link to all of the policies is included in the appendices index). The Debt Management Policy states that debt service should not exceed 20 percent of annual state revenues to the TH Fund<sup>3</sup>. This includes transfers to the state bond fund for debt service on Trunk Highway bonds, repayments of local government advances (LGA) in accordance with Minn. Stat. 161.361 and Transportation Revolving Loan Fund (TRLF) repayments in accordance with Minn. Stat. 161.04, subdivision 4. The projected annual spending for TRLF and LGA combined is \$3 million.

The debt management policy estimates include FY 2026-27 to be consistent with the approach MMB uses when publishing the Debt Capacity Forecast. The table below demonstrates that estimated debt service costs from the TH Fund range from nearly 12 percent to just over 17 percent through the end of FY 2027, peaking at 17.1 percent in FY 2024.

<sup>3</sup> Developed to comply with Minn. Stat. 167.60

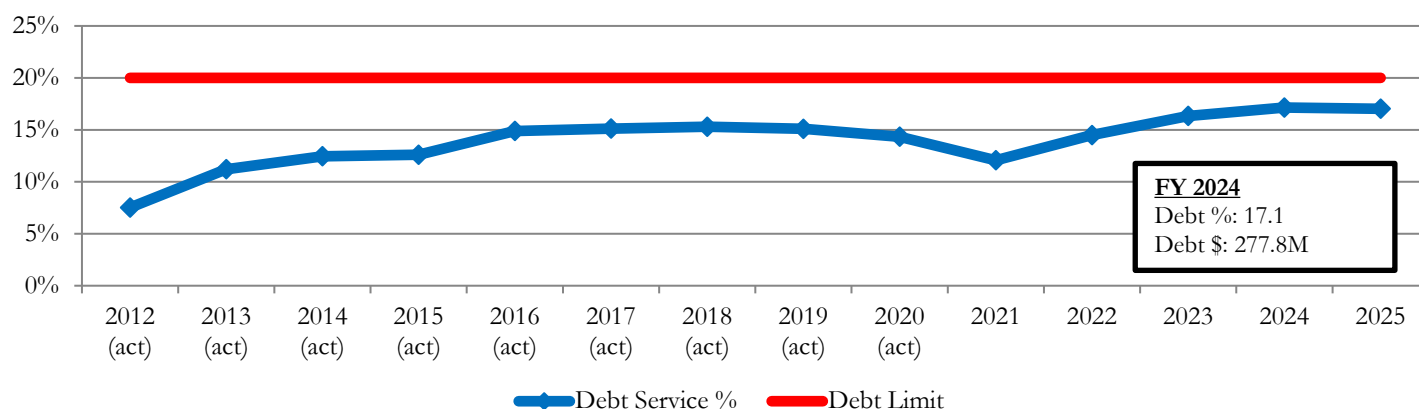
### Debt Management Policy (\$ in millions)

Year	Total Debt Service <sup>(1)</sup>	Estimated Current %	Variance from 20% Policy Limit <sup>(2)</sup>
2018 (act)	211.4	15.3%	65.0
2019 (act)	215.3	15.1%	69.9
2020 (act)	210.2	14.3%	83.2
2021	178.0	12.1%	116.9
2022	225.8	14.5%	85.7
2023	259.7	16.3%	58.2
2024	277.8	17.1%	46.2
2025	281.7	17.0%	49.1
2026	279.2	16.9%	51.7
2027	277.7	16.8%	53.2

(1) Includes bond debt transfers, transportation revolving loans and local government advances.

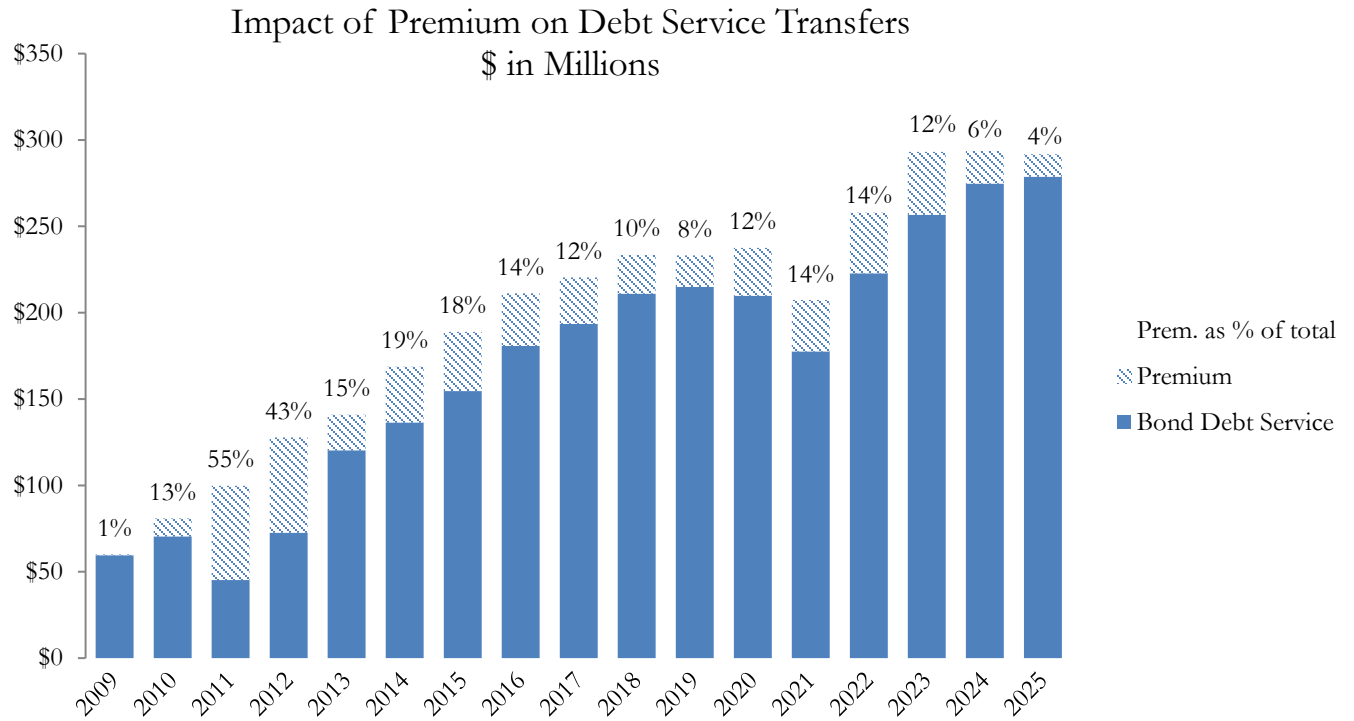
(2) Represents amount of additional debt service to reach 20 percent limit – a general guideline is to multiply this amount by 10 for an estimate of the additional bond capacity e.g. \$46.2M  $\times$  10 = \$462M in additional bond capacity.

The graph below depicts the debt service estimates compared with the policy limit for the forecast period:



As MnDOT manages to this policy, there are variables to the debt management calculation outside the control of the agency. One of the largest variables is interest rate fluctuation, which can lead to large debt service expenditure fluctuations. Due to low interest rates, the fund balance has benefited the past several years. When bond interest rates drop below 5 percent, Trunk Highway General Obligation bonds command a premium which is accounted for in the year of sale. Therefore, debt service is lower the year the bonds are sold, but this decrease is then offset over the 20-year life of the bonds. In recent years, MnDOT debt has increased primarily as a result of large bonding programs in 2008 (Laws of 2008, Chapter 152 - \$1.8 billion) as well as bonding from subsequent years, including 2017 (Laws of 2017, First Special Session, Chapter 3 - \$940 million), 2018 (Laws of 2018, Chapter 214 - \$416 million), and 2020 (Laws 2020, Fifth Special Session, Chapter 3 - \$300 million). MnDOT anticipates bond sales from the 2008 program to end in FY 2023 and sales from all current authorized debt to end in FY 2027.

The bar chart below illustrates the reduction to debt service as the result of bond sale premiums:



**Fund Balance Impacts**

The table below summarizes the impacts on the TH Fund balance for the revenue and expenditure forecasts.

Trunk Highway Fund Balance Changes			
Nov '20 vs. EOS '20			
(\$ in millions)			
	<b>FY20-21</b>	<b>FY22-23</b>	<b>FY24-25</b>
Transfers from HUTD	89.6	(17.0)	-
Federal Aid Agreements	36.6	176.2	-
Interest	(11.9)	(27.8)	-
Other Revenues and Transfers	17.1	9.6	-
Prior Year Adjustments	(2.3)	-	-
<b>Total Revenue and Transfer Impact</b>	<b>129.2</b>	<b>141.0</b>	<b>-</b>
Transportation Expenditures	(33.4)	9.7	-
Other Agencies	19.2	22.6	-
Transfers Out	-	-	-
Debt Service Transfer	(57.3)	(10.5)	-
<b>Total Expenditure and Transfer Impact</b>	<b>(71.5)</b>	<b>21.9</b>	<b>-</b>
<b>Fund Balance Change</b>	<b>200.7</b>	<b>119.1</b>	<b>-</b>
<b>Total Cumulative Change</b>	<b>200.7</b>	<b>319.8</b>	<b>-</b>
EOS '20 Forecast	(8.9)	(0.1)	-
Nov. '20 Forecast	191.8	319.8	478.7
Change	<b>200.7</b>	<b>319.8</b>	<b>-</b>
<i>Reserved Fund Balance (Nov '20)</i>	<i>107.5</i>	<i>104.3</i>	<i>102.3</i>
<i>Unreserved Fund Balance (Nov '20)</i>	<i>84.4</i>	<i>215.4</i>	<i>376.4</i>

As part of this forecast there are minimal changes in spending. The EOS fund statements assumed an end balance of (\$9) million and utilizing all the fund balance reserve established by the internal MnDOT policy in FY 2021. This forecast now assumes a fund balance of \$192 million, while maintaining a reserved fund balance in accordance with the policy. This largely due to due to increased HUTD revenues compared to EOS and reduced debt service transfers.

## County State Aid Highway (CSAH) Fund

The CSAH Fund receives transfers from the HUTD Fund and revenues from investment income and MVLST. Minnesota Statutes, Chapter 162 provides the criteria by which funds are allocated to statutory accounts within the CSAH fund and 87 counties in Minnesota. Beginning in 2016, estimated revenues for counties are split between “apportionment sum” and “excess sum” based on fixed percentages. 68 percent is allocated to apportionment sum and 32 percent is allocated to excess sum. These two amounts are then allotted to counties using different formulas specified in statute. These allotments are calculated each year based primarily on revenue estimates for the CSAH Fund. The portion of revenue received from MVLST is allocated to five of the seven metropolitan counties, excluding Hennepin and Ramsey counties. These funds are added to the regular allocation for these counties.

These allocations include the five percent set-aside portion of the total revenues from the HUTD Fund. The Constitution allows the legislature to allocate this five percent in a manner different from the constitutional formula (62 percent to the TH Fund, 29 percent to the CSAH Fund and nine percent to the MSAS Fund). The current allocation is 100 percent to the CSAH Fund (Minn. Stat. 161.081). This funding is further allocated to Township Roads (30.5 percent), Township Bridges (16.0 percent), and the Flexible Highway Account (53.5 percent). The portion allocated to the Flexible Highway Account is also available for transfer to the TH and MSAS Funds, if designated in the appropriation law. Any transfers authorized by the current appropriation law are included in the totals shown below.

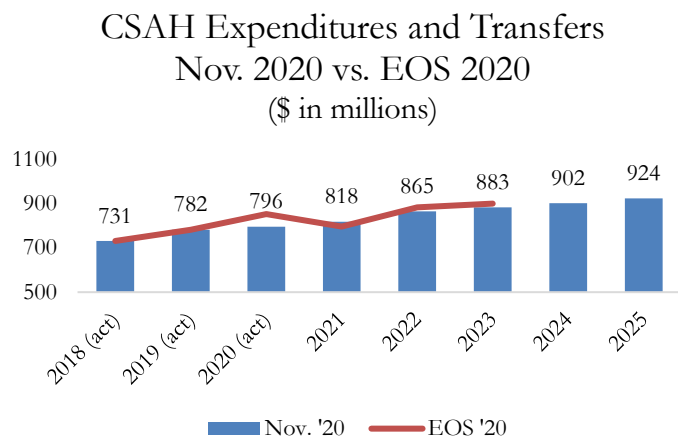
The CSAH Fund is directly appropriated based on the most current revenue forecast at the time the biennial budget is prepared. The [Commissioner’s Order](http://www.dot.state.mn.us/safinance/appmt/commorder2020.pdf) (<http://www.dot.state.mn.us/safinance/appmt/commorder2020.pdf>) is on a calendar year basis and allocates the funds based on revenue estimates in the preceding November forecast each year. The result is an increase or decrease to the direct appropriation amount each year after the Commissioner’s Order is executed in January.

The Commissioners Order always also includes an adjustment for the actual revenues received in the previous year. Typically, this adjustment is fairly small (less than one percent), but due to the impacts of the COVID-19 pandemic on 2020 revenues, this adjustment in 2021 will be a -4 percent to -5 percent reduction. Combined with the estimated available revenues in 2021, the allocations will be about -9 percent less than the distributions in 2020.

### CSAH Expenditure Forecast

Once allocations are made to the counties the funds are considered committed. Actual spending is at the discretion of the counties, with guidance from MnDOT State Aid Division.

The current forecast is shown below:



CSAH Expenditures and Transfers (\$ in millions)				
FY	Nov. '20	EOS '20	\$ Change	% Change
2018 (act)	731	731	-	0.0%
2019 (act)	782	782	-	0.0%
2020 (act)	796	853	(56.6)	-6.6%
2021	818	796	21.8	2.7%
2022	865	883	(18.0)	-2.0%
2023	883	900	(16.7)	-1.9%
2024	902	-	-	0.0%
2025	924	-	-	0.0%

## Municipal State Aid Street (MSAS) Fund

The MSAS Fund receives transfers from the HUTD Fund, authorized transfers from the CSAH Fund and revenues from investment income. Minnesota Statutes, Chapter 162 provides the criteria by which funds are allocated to statutory accounts within the MSAS fund and to each of the Minnesota State Aid cities defined as having a population of 5,000 or greater. The allocations are calculated based primarily on revenue estimates for the MSAS Fund, not including transfers from the CSAH Fund.

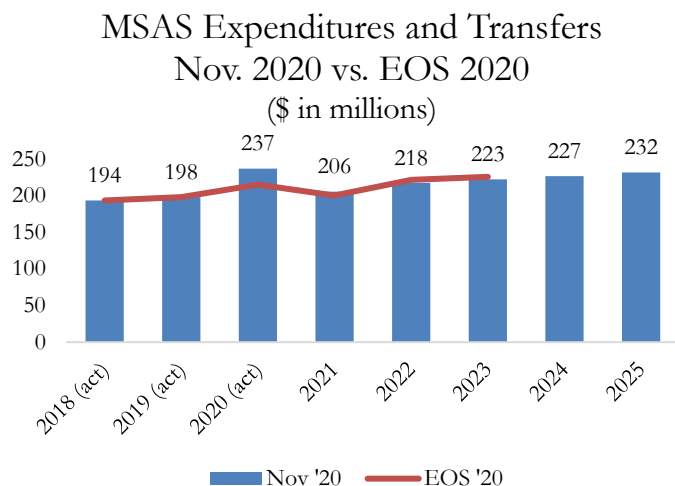
The MSAS Fund is also directly appropriated based on the most current revenue forecast at the time the biennial budget is prepared. The [Commissioner's Order](http://www.dot.state.mn.us/safinance/appmt/commorder2020.pdf) (<http://www.dot.state.mn.us/safinance/appmt/commorder2020.pdf>) is on a calendar year basis and allocates the funds based on revenue estimates in the preceding November forecast each year. The result is an increase or decrease to the direct appropriation amount each year after the Commissioner's Order is executed in January.

The Commissioners Order always also includes an adjustment for the actual revenues received in the previous year. Typically, this adjustment is fairly small (less than one percent), but due to the impacts of the COVID-19 pandemic on 2020 revenues, this adjustment in 2021 will be a -4 percent to -5 percent reduction. Combined with the estimated available revenues in 2021, the allocations will be about -9 percent less than the distributions in 2020.

### MSAS Expenditure Forecast

Once allocations are made to the municipalities, the funds are considered committed. Actual spending is at the discretion of the municipalities, with guidance from MnDOT State Aid Division.

The current forecast is shown below:

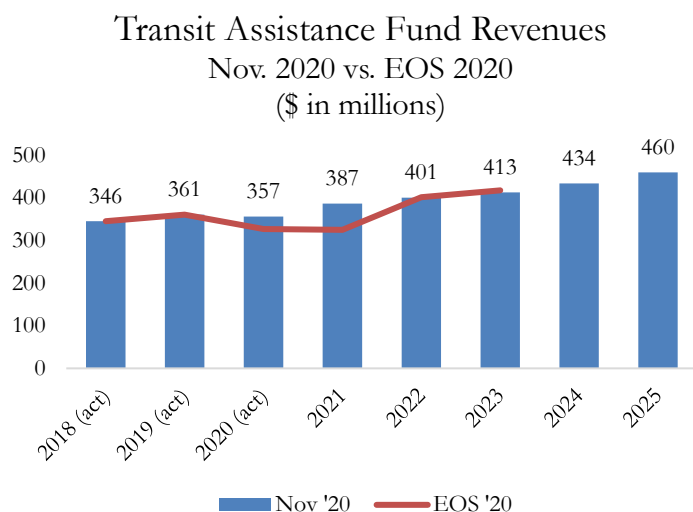


MSAS Expenditures and Transfers (\$ in millions)				
FY	Nov. '20	EOS '20	\$ Change	% Change
2018 (act)	194	194	-	0.0%
2019 (act)	198	198	-	0.0%
2020 (act)	237	216	21.8	10.1%
2021	206	201	5.3	2.6%
2022	218	222	(4.2)	-1.9%
2023	223	226	(3.5)	-1.6%
2024	227	-	-	0.0%
2025	232	-	-	0.0%

## Transit Assistance Fund (TAF)

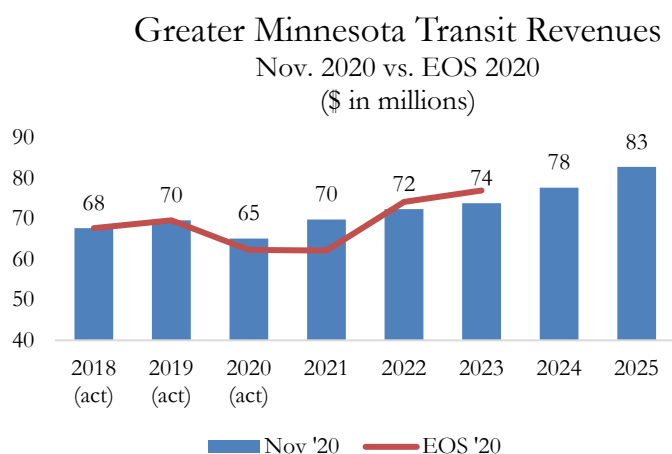
Beginning in FY 2018, 38 percent of MVLST revenue is allocated to the TAF – Greater Minnesota Transit account. In previous years, half of the MVLST revenues (net of \$32 million that remained in the General Fund) were allocated to this fund. The fund also receives 40 percent of MVST revenues.

The total estimated revenue for the TAF is shown below:



Transit Assistance Fund Revenues (\$ in millions)				
FY	Nov '20	EOS '20	\$ Change	% Change
2018 (act)	346	346	-	0.0%
2019 (act)	361	361	-	0.0%
2020 (act)	357	327	29.2	8.9%
2021	387	326	61.5	18.9%
2022	401	402	(1.1)	-0.3%
2023	413	418	(4.9)	-1.2%
2024	434	-	-	0.0%
2025	460	-	-	0.0%

Of this total revenue, the estimated revenue for the Greater Minnesota portion of the TAF is shown below:



Greater Minnesota Transit Revenues (\$ in millions)				
FY	Nov. '20	EOS '20	\$ Change	% Change
2018 (act)	68	68	-	0.0%
2019 (act)	70	70	-	0.0%
2020 (act)	65	62	2.8	4.5%
2021	70	62	7.7	12.3%
2022	72	74	(1.8)	-2.4%
2023	74	77	(3.1)	-4.1%
2024	78	-	-	0.0%
2025	83	-	-	0.0%

## Transit Assistance Fund Expenditure Forecast

MVST revenues are statutorily appropriated. The share allocated to metropolitan transit is appropriated to the Metropolitan Council, and the share allocated to Greater Minnesota transit is appropriated to MnDOT. For the Metropolitan Council allocation, this means that forecast revenues are typically the same as forecast expenditures in the fund statement. For MVLST, because revenue is not transferred until the following fiscal year, the amount estimated for the current year is shown as an appropriation carry forward into the next year.

**Federal Stimulus Funds**

As part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act signed into law in March, the Federal Transit Administration (FTA) received funding to allow transit systems to operate their adjusted public service (in response to the COVID-19 pandemic), or to purchase eligible capital items with the federal government reimbursing 100% of the net costs (transit expenses minus transit revenues). Below is a summary of the funding Minnesota is receiving:

- \$750,000 for COVID-19 positive client transportation
- \$54 million for greater Minnesota transit (administered by MnDOT);
- \$27 million for transit systems in urban areas with populations of 50,000+ (administered directly by transit systems);
- \$227 million for Twin Cities metro transit (administered by Met Council);
- \$4.4 million to replace 47 buses for 20 transit agencies in rural areas across the state.

**Account Balance Policy**

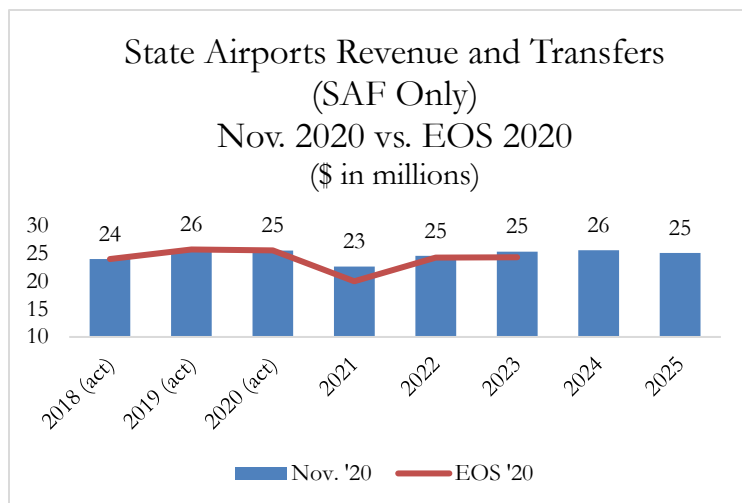
A Greater Minnesota Transit Account policy was developed in 2018 to provide an appropriate amount of reserves in the fund to protect against significant shifts in revenue or spending. The policy specifies the fund maintain a minimum of 10 percent of the total balance forward from the previous year. At this time, the fund is not in compliance with this policy due to the immediate challenges facing public transit in Greater Minnesota. FY 2021-23 assumes utilizing all the fund balance reserve established, and then gradually restoring the fund balance over the FY 2024-25 biennium.



## State Airports Fund (SAF)

The SAF receives revenues from aviation gasoline and special fuel taxes, aircraft registration taxes, sales taxes on aircraft, and other small sources such as investment income. These revenues must be sufficient to support the direct appropriations from the Legislature, which are used to carry out aviation functions such as airport development and assistance grants, aeronautic planning, administration and operations.

The total estimated revenues and transfers for the SAF are shown below (note these amounts reflect only the State Airports Fund, and do not include the activity in the two revolving funds):



State Airports Fund Revenues and Transfers (\$ in millions)				
FY	Nov. '20	EOS '20	\$ Change	% Change
2018 (act)	24	24	-	0.0%
2019 (act)	26	23	2.4	10.3%
2020 (act)	25	24	1.9	8.1%
2021	23	24	(1.2)	-5.2%
2022	25	24	0.3	1.1%
2023	25	25	0.6	2.5%
2024	26	0	-	0.0%
2025	25	0	-	0.0%

## Federal Stimulus Funds

As part of the CARES Act signed into law in March, the Federal Aviation Administration (FAA) received funding for two primary categories. Below is a summary of the funding Minnesota is receiving:

- \$158 million for operations grants to 97 airports (flows through MnDOT, specific amounts by airport);
  - \$125 million for Minneapolis-St. Paul (MSP);
  - \$30 million for other 8 commercial service airports;
  - \$3 million for 88 general aviation airports;
  - 36 airports receive nothing;
  - 100% federal funding for Airport Improvement Program (AIP) grants (administered by MnDOT).

## Fund Balance Policy

A State Airports Fund Balance policy exists to provide an appropriate level of reserve in the SAF to protect against major fluctuations in revenue. The policy requires that the State Airports Fund (not including the revolving funds) maintain a minimum of 5 percent of the total appropriations in each fiscal year and a maximum of 15 percent or \$3 million (whichever is lower, currently \$3 million). Due to the challenge facing aeronautics, the fund is anticipated to be below the policy minimum in FY 2022-23.

## Appendices

Appendix 1:	Highway User Tax Distribution Fund Statement
Appendix 2:	Trunk Highway Fund Statement
Appendix 3:	County State Aid Highway Fund Statement
Appendix 4:	Municipal State Aid Street Fund Statement
Appendix 5:	Transit Assistance Fund Statement
Appendix 6:	State Airports Fund Statement
Appendix 7:	Minnesota Highway User Tax Revenue – Percentage of Total Revenues
Appendix 8:	HUTD Revenues Year-over-Year Growth Percentage Trend
Appendix 9:	Revenue and Expenditures for Transportation Purposes Flow Chart
Policy Links:	<a href="#">Policy Links</a>

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Highway User Tax Distribution Fund														
November 2020 Forecast														
Comparison to EOS 2020 Forecast														
(\$ in thousands)	November 2020 Forecast								Change from EOS 2020					
	Close	Close	Close	Budget	Budget	Budget	Planning Est	Planning Est	Close	Budget	Budget	Budget	Planning Est	Planning Est
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2020	FY 2021	FY 2022	FY 2023	FY2024	FY2025
Balance Forward from Prior Year	11,403	12,050	11,932	10,674	12,000	12,000	12,000	12,000	-	(1,326)	-	-	-	-
Prior Year Adjustments	177	1,763	87	-	-	-	-	-	87	-	-	-	-	-
Adjusted Balance Forward	11,581	13,812	12,019	10,674	12,000	12,000	12,000	12,000	87	(1,326)	-	-	-	-
Net Revenue and Transfers-In														
Motor Fuel Excise Tax	925,737	937,561	879,237	858,414	923,400	914,200	905,149	896,187	9,794	1,838	-	-	-	-
Motor Vehicle Registration Tax	781,867	803,733	812,605	854,550	897,270	933,160	961,160	989,990	21,637	14,821	(6,941)	1,399	-	-
Motor Vehicle Sales Tax	463,435	485,904	486,031	528,720	547,680	565,800	594,660	629,280	44,131	89,820	1,080	(2,940)	-	-
Sales Tax on Auto Parts	31,536	31,536	145,644	145,644	145,644	145,644	145,644	145,644	-	-	-	-	-	-
Motor Vehicle Rental Tax (9.2%)	25,927	28,108	24,952	16,240	24,234	29,821	31,228	32,837	(4,169)	(11,930)	(6,803)	(2,508)	-	-
Motor Vehicle Rental Tax (6.5%)	16,706	19,859	17,629	11,474	17,122	21,069	22,063	23,200	(2,946)	(8,429)	(4,806)	(1,772)	-	-
Leased Vehicle Sales Tax	10,641	10,772	9,467	9,999	10,373	10,450	11,000	11,814	(26)	495	(539)	(847)	-	-
Other Income	4,471	6,024	4,452	3,654	3,722	3,723	3,758	3,796	(1,100)	(1,650)	(1,744)	(2,166)	-	-
Total Net Revenue and Transfers-In	2,260,320	2,323,498	2,380,017	2,428,695	2,569,445	2,623,867	2,674,662	2,732,748	67,320	84,965	(19,753)	(8,835)	-	-
Expenditures and Transfers-Out														
Appropriations to MnDOT, Revenue, DPS	11,746	13,977	11,607	11,744	11,704	11,714	11,704	11,714	581	(546)	777	(488)	-	-
Transfers--DNR	23,028	23,274	23,066	21,288	22,901	22,673	22,448	22,226	120	45	-	-	-	-
Transfers--5% Set-Aside	111,254	114,406	117,335	119,717	126,742	129,474	132,025	134,940	3,402	4,207	(1,026)	(417)	-	-
Transfers--County State-Aid Highway	613,009	630,379	646,513	659,640	698,348	713,402	727,460	743,522	18,743	23,181	(5,656)	(2,300)	-	-
Transfers--Municipal State-Aid Highway	190,244	195,635	200,642	204,716	216,729	221,401	225,764	230,748	5,817	7,194	(1,755)	(714)	-	-
Transfers--Trunk Highway	1,310,570	1,347,707	1,382,200	1,410,265	1,493,021	1,525,204	1,555,260	1,589,598	40,071	49,559	(12,092)	(4,916)	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	2,259,851	2,325,378	2,381,363	2,427,369	2,569,445	2,623,867	2,674,662	2,732,748	68,734	83,639	(19,753)	(8,835)	-	-
Ending Balance	12,050	11,932	10,674	12,000	12,000	12,000	12,000	12,000	(1,326)	-	-	-	-	-
Beginning in FY 2016, the ending balance in all forecast years will equal \$12 million, to align with MnDOT practices to maintain positive cash and fund balances														

Trunk Highway Fund														
November 2020 Forecast														
Comparison to EOS 2020 Forecast														
(\$ in thousands)	November 2020 Forecast								Change from EOS 2020					
	Close	Close	Close	Budget	Budget	Budget	Planning Est	Planning Est	Close	Budget	Budget	Budget	Planning Est	Planning Est
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY2024	FY 2025	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Balance Forward from Prior Year	376,507	436,605	424,314	491,015	191,846	209,255	319,750	383,996	-	207,835	200,721	302,342	-	-
Prior Year Adjustments	33,366	61,699	27,739	30,000	30,000	30,000	30,000	30,000	(2,261)	-	-	-	-	-
Adjusted Balance Forward	409,872	498,304	452,052	521,015	221,846	239,255	349,750	413,996	(2,261)	207,835	200,721	302,342	-	-
Net Revenue and Transfers-In														
Transfer from HUTD	1,310,570	1,347,707	1,382,200	1,410,265	1,493,021	1,525,204	1,555,260	1,589,598	40,071	49,559	(12,092)	(4,916)	-	-
Federal Aid Agreements	601,332	627,708	547,643	373,995	515,721	608,507	549,995	549,995	6,648	30,000	117,726	58,512	-	-
Other Income and Transfers-In	71,558	78,228	84,713	63,857	64,357	64,525	64,654	64,776	10,461	(5,299)	(8,056)	(10,191)	-	-
Total Net Revenue and Transfers-In	1,983,461	2,053,643	2,014,556	1,848,117	2,073,099	2,198,236	2,169,909	2,204,369	57,180	74,260	97,578	43,405	-	-
Expenditures and Transfers-Out														
Transportation Department	1,640,971	1,796,050	1,652,140	1,862,382	1,734,453	1,732,542	1,732,442	1,732,442	(152,216)	118,866	2,918	6,803	-	-
Public Safety and Other Depts.	104,748	116,680	113,632	137,333	128,463	128,463	128,463	128,463	(700)	19,851	12,363	10,263	-	-
Transfers-Out and Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service	211,009	214,903	209,821	177,571	222,773	256,735	274,759	278,734	-	(57,343)	(19,324)	8,873	-	-
Total Expenditures and Transfers-Out	1,956,728	2,127,633	1,975,594	2,177,286	2,085,689	2,117,740	2,135,664	2,139,639	(152,916)	81,374	(4,043)	25,939	-	-
Balance Before Reserves	436,605	424,314	491,015	191,846	209,255	319,750	383,996	478,726	207,835	200,721	302,342	319,807	-	-
Ending Balance	436,605	424,314	491,015	191,846	209,255	319,750	383,996	478,726	207,835	200,721	302,342	319,807	-	-
Reserved Fund Balance per Policy	90,633	92,467	98,134	107,486	108,000	104,342	103,552	102,307	3,432	10,201	1,314	(3,583)	-	-
Unreserved Fund Balance per Policy	345,972	331,847	392,881	84,360	101,255	215,408	280,444	376,419	204,403	190,520	301,028	323,390	-	-
Debt Service Percentage Compared to State Revenue	15.3%	15.1%	14.3%	12.1%	14.5%	16.3%	17.1%	17.0%	(0.01)	-4.6%	-1.0%	0.7%	0.0%	0.0%
Reserved Fund Balance reflects reserved amounts to mitigate risk from state revenue fluctuations, federal funding uncertainty, severe winters, etc.														
Unreserved Fund Balance reflects amounts available to be appropriated for specific purposes														

County State Aid Fund														
November 2020 Forecast														
Comparison to EOS 2020 Forecast														
(\$ in thousands)	November 2020 Forecast								Change from EOS 2020					
	Close	Close	Close	Budget	Budget	Budget	Planning Est	Planning Est	Close	Budget	Budget	Budget	Planning Est	Planning Est
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Balance Forward from Prior Year	631,865	673,186	690,463	702,465	702,389	702,313	702,237	702,161	-	77,939	77,939	77,939	-	-
Prior Year Adjustments	165	320	286	-	-	-	-	-	286	-	-	-	-	-
Adjusted Balance Forward	632,030	673,506	690,749	702,465	702,389	702,313	702,237	702,161	286	77,939	77,939	77,939	-	-
Net Revenue and Transfers-In														
Leased Vehicle Sales Tax	36,761	37,212	32,704	34,542	35,834	36,100	38,000	40,812	(90)	1,710	(1,862)	(2,926)	-	-
Other Income	9,270	14,549	11,128	4,098	4,298	4,301	4,392	4,454	(1,057)	(7,333)	(9,476)	(11,040)	-	-
Transfer from HUTD	724,263	744,786	763,848	779,357	825,090	842,876	859,486	878,462	22,145	27,388	(6,682)	(2,717)	-	-
Transfer from General	2,000	2,000	-	-	-	-	-	-	-	-	-	-	-	-
Total Net Revenue and Transfers-In	772,294	798,547	807,679	817,997	865,222	883,277	901,878	923,728	20,998	21,765	(18,020)	(16,683)	-	-
Expenditures and Transfers-Out														
Grants to Local Governments	720,530	770,121	784,739	801,507	848,033	865,393	883,838	905,296	(50,849)	21,301	(18,023)	(16,609)	-	-
MnDOT Administrative and Research	10,558	11,393	11,163	16,490	17,189	17,684	18,040	18,431	(5,792)	464	3	(74)	-	-
Transfers to MSAS Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to Special Revenue	51	76	61	76	76	76	76	76	(15)	-	-	-	-	-
Transfers to Trunk Highway Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	731,138	781,590	795,963	818,073	865,298	883,353	901,954	923,804	(56,656)	21,765	(18,020)	(16,683)	-	-
Balance Before Reserves	673,186	690,463	702,465	702,389	702,313	702,237	702,161	702,085	77,939	77,939	77,939	77,939	-	-
Less Appropriation Carryforward	673,186	690,463	702,465	702,389	702,313	702,237	702,161	702,085	77,939	77,939	77,939	77,939	-	-
Ending Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Municipal State Aid Fund													
November 2020 Forecast													
Comparison to EOS 2020 Forecast													
(\$ in thousands)	November 2020 Forecast							Change from EOS 2020					
	Close	Close	Close	Budget	Budget	Budget	Planning Est	Close	Budget	Budget	Budget	Planning Est	Planning Est
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Balance Forward From Prior Year	181,968	181,431	183,006	149,365	149,365	149,365	149,365	-	(16,163)	(16,163)	(16,163)	-	-
Prior Year Adjustments	53	78	88	-	-	-	-	88	-	-	-	-	-
Adjusted Balance Forward	182,021	181,509	183,095	149,365	149,365	149,365	149,365	88	(16,163)	(16,163)	(16,163)	-	-
Net Revenue and Transfers-In :													
Other Income	2,804	4,269	2,917	1,120	1,162	1,162	1,183	(309)	(1,893)	(2,420)	(2,807)	-	-
Transfer From HUTD	190,244	195,635	200,642	204,716	216,729	221,401	225,764	5,817	7,194	(1,755)	(714)	-	-
Transfer From CSAH	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Revenue and Transfers In	193,048	199,904	203,559	205,836	217,891	222,563	226,947	5,507	5,301	(4,175)	(3,521)	-	-
Expenditures and Transfers-Out													
Grants to Local Governments	190,378	194,879	233,976	200,668	212,504	217,022	221,295	23,731	5,195	(4,118)	(3,429)	-	-
MnDOT Administrative and Research	3,245	3,504	3,293	5,144	5,363	5,517	5,628	(1,966)	106	(57)	(91)	-	-
Transfers to Special Revenue	16	24	19	24	24	24	24	(5)	-	-	-	-	-
Total Expenditures and Transfers-Out	193,639	198,407	237,289	205,836	217,891	222,563	226,947	21,759	5,301	(4,175)	(3,521)	-	-
Balance before Reserves	181,431	183,006	149,365	149,365	149,365	149,365	149,365	(16,163)	(16,163)	(16,163)	(16,163)	-	-
Less Appropriation Carryforward	181,431	183,006	149,365	149,365	149,365	149,365	149,365	(16,163)	(16,163)	(16,163)	(16,163)	-	-
Ending Balance	-	-	-	-	-	-	-	-	-	-	-	-	-

Transit Assistance Fund  
November 2020 Forecast  
Comparison to EOS 2020 Forecast

(\$ in thousands)	November 2020 Forecast								Change from EOS 2020					
	Close FY 2018	Close FY 2019	Close FY 2020	Budget FY 2021	Budget FY 2022	Budget FY 2023	Planning Est FY 2024	Planning Est FY 2025	Close FY 2020	Budget FY 2021	Budget FY 2022	Budget FY 2023	Planning Est FY 2024	Planning Est FY 2025
Balance Forward from Prior Year	71,445	53,073	47,064	46,313	34,542	35,834	36,100	39,805	-	9,955	1,709	(1,863)	-	-
Prior Year Adjustments	2,406	2,163	5,365	-	-	-	-	-	5,365	-	-	-	-	-
Adjusted Balance Forward	73,851	55,236	52,429	46,313	34,542	35,834	36,100	39,805	5,365	9,955	1,709	(1,863)	-	-
<b>Net Revenue and Transfers-In</b>														
Metropolitan Area Transit Account	278,035	291,554	291,607	317,232	328,608	339,480	356,796	377,568	26,407	53,832	648	(1,764)	-	-
Greater Minnesota Transit Account	30,888	32,393	32,402	35,248	36,512	37,720	39,644	41,952	2,902	5,948	72	(196)	-	-
Total Motor Vehicle Sales Tax	308,923	323,948	324,009	352,480	365,120	377,200	396,440	419,520	29,309	59,780	720	(1,960)	-	-
Leased Vehicle Sales Tax	36,761	37,212	32,704	34,542	35,834	36,100	38,000	40,812	(90)	1,710	(1,862)	(2,926)	-	-
Other Income	-	5	-	-	-	-	-	-	-	-	-	-	-	-
Total Net Revenue and Transfers-In	345,684	361,165	356,712	387,022	400,954	413,300	434,440	460,332	29,218	61,490	(1,142)	(4,886)	-	-
<b>Expenditures and Transfers-Out</b>														
Metropolitan Council	278,040	291,617	291,630	317,232	328,608	339,480	356,796	377,568	26,430	53,832	648	(1,764)	-	-
Transportation Department	88,422	77,719	71,198	81,561	71,054	73,554	73,939	77,776	(1,802)	15,904	1,782	1,711	-	-
Total Expenditures and Transfers-Out	366,462	369,337	362,828	398,793	399,662	413,034	430,735	455,344	24,628	69,736	2,430	(53)	-	-
Balance Before Reserves	53,073	47,064	46,313	34,542	35,834	36,100	39,805	44,793	9,955	1,709	(1,863)	(6,696)	-	-
Less Appropriation Carryforward	36,761	37,212	32,704	34,542	35,834	36,100	38,000	40,812	(90)	1,710	(1,862)	(2,926)	-	-
Less Met Council Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	16,311	9,852	13,609	-	-	-	1,805	3,981	10,046	(1)	(1)	(3,770)	-	-
Reserved Balance	7,144	5,307	4,706	4,631	3,454	3,583	3,610	3,981	-	996	171	(186)	-	-
Unreserved Fund Balance	9,167	4,544	8,903	(4,631)	(3,454)	(3,583)	(1,805)	1	10,046	(996)	(172)	(3,583)	-	-

State Airports Fund  
November 2020 Forecast  
Comparison to EOS 2020 Forecast

(\$ in thousands)	November 2020 Forecast								Change from EOS 2020					
	Close	Close	Close	Budget	Budget	Budget	Planning Est	Planning Est	Close	Budget	Budget	Budget	Planning Est	Planning Est
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Balance Forward from Prior Year	\$19,222	\$13,139	\$14,170	\$19,723	\$4,837	\$2,793	\$3,662	\$4,826	(1,396)	5,871	385	493	-	-
Prior Year Adjustments	458	1,947	2,872	500	500	500	500	500	2,372	-	-	-	-	-
Adjusted Balance Forward	19,680	15,086	17,042	20,223	5,337	3,293	4,162	5,326	976	5,871	385	493	-	-
<b>Net Revenue and Transfers-In</b>														
Transfer from General Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales Tax on Aircraft	6,153	9,572	9,906	8,000	8,000	8,250	8,500	8,500	6	2,000	-	250	-	-
Airline Flight Property Tax	8,000	7,026	7,025	7,000	7,500	8,000	8,000	7,500	25	-	500	1,000	-	-
Aircraft Registration Tax	3,440	3,273	3,573	3,900	3,500	3,500	3,500	3,500	1,233	1,425	200	200	-	-
Gasoline & Special Fuel Tax	5,987	5,223	4,467	3,500	5,300	5,300	5,300	5,300	(1,233)	(475)	-	-	-	-
Other Income	1,303	1,529	1,253	974	1,336	1,338	1,342	1,345	(306)	(651)	(387)	(451)	-	-
Total Net Revenue and Transfers-In	24,883	26,623	26,224	23,374	25,636	26,388	26,642	26,145	(275)	2,299	313	999	-	-
<b>Expenditures and Transfers-Out</b>														
Transportation Department	31,767	26,747	23,929	39,060	28,480	26,319	26,278	26,278	(5,084)	7,785	205	44	-	-
Transfer Out (General Fund)	-	31	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	31,767	26,778	23,929	39,060	28,480	26,319	26,278	26,278	(5,084)	7,785	205	44	-	-
<b>Net Change in Loan Fund</b>	344	(761)	387	300	300	300	300	300	87	-	-	-	-	-
Balance Before Reserves	13,139	14,170	19,723	4,837	2,793	3,662	4,826	5,493	5,871	385	493	1,448	-	-
Less Appropriation Carryforward	2,833	2,239	2,217	2,172	2,472	2,935	3,439	3,943	78	(471)	(675)	(716)	-	-
<b>Ending Balance</b>	<b>\$10,306</b>	<b>\$11,931</b>	<b>\$17,506</b>	<b>\$2,665</b>	<b>\$321</b>	<b>\$727</b>	<b>\$1,387</b>	<b>\$1,550</b>	<b>5,793</b>	<b>856</b>	<b>1,168</b>	<b>2,164</b>	-	-
Reserved Balance	1,504	1,256	1,080	1,898	1,369	1,269	1,269	1,269	(300)	380	-	-	-	-
Unreserved Fund Balance	8,801	10,674	16,424	765	(1,050)	(544)	116	279	7,489	1,873	2,564	3,560	-	-

This fund statement consists of three funds: State Airports Fund, Hangar Revolving Loan Fund, and Air Transportation Services Fund.

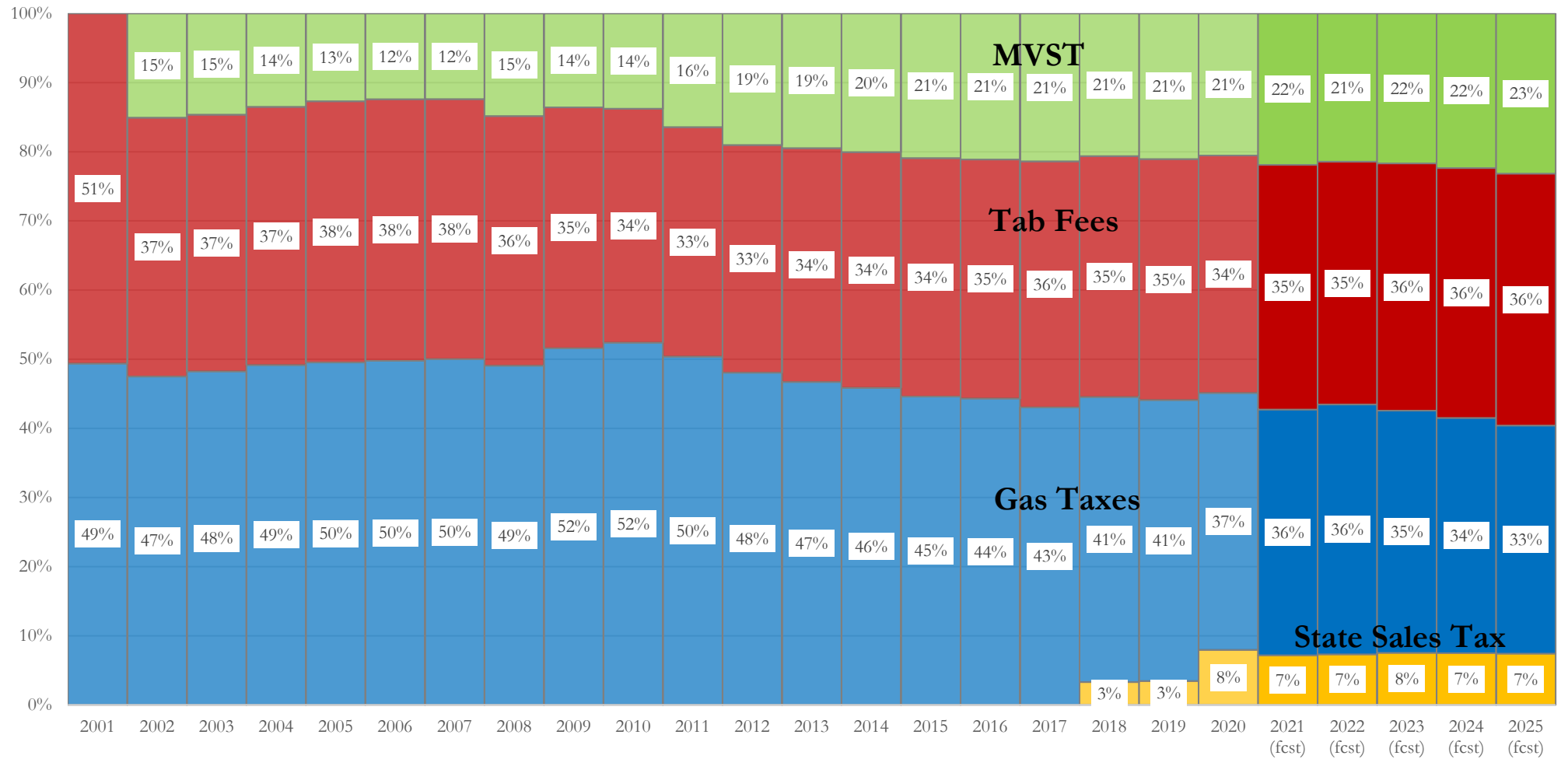
Ending balances in the two revolving funds are not included in the consolidated fund statement ending balance since their receipts are dedicated to their specific functions.

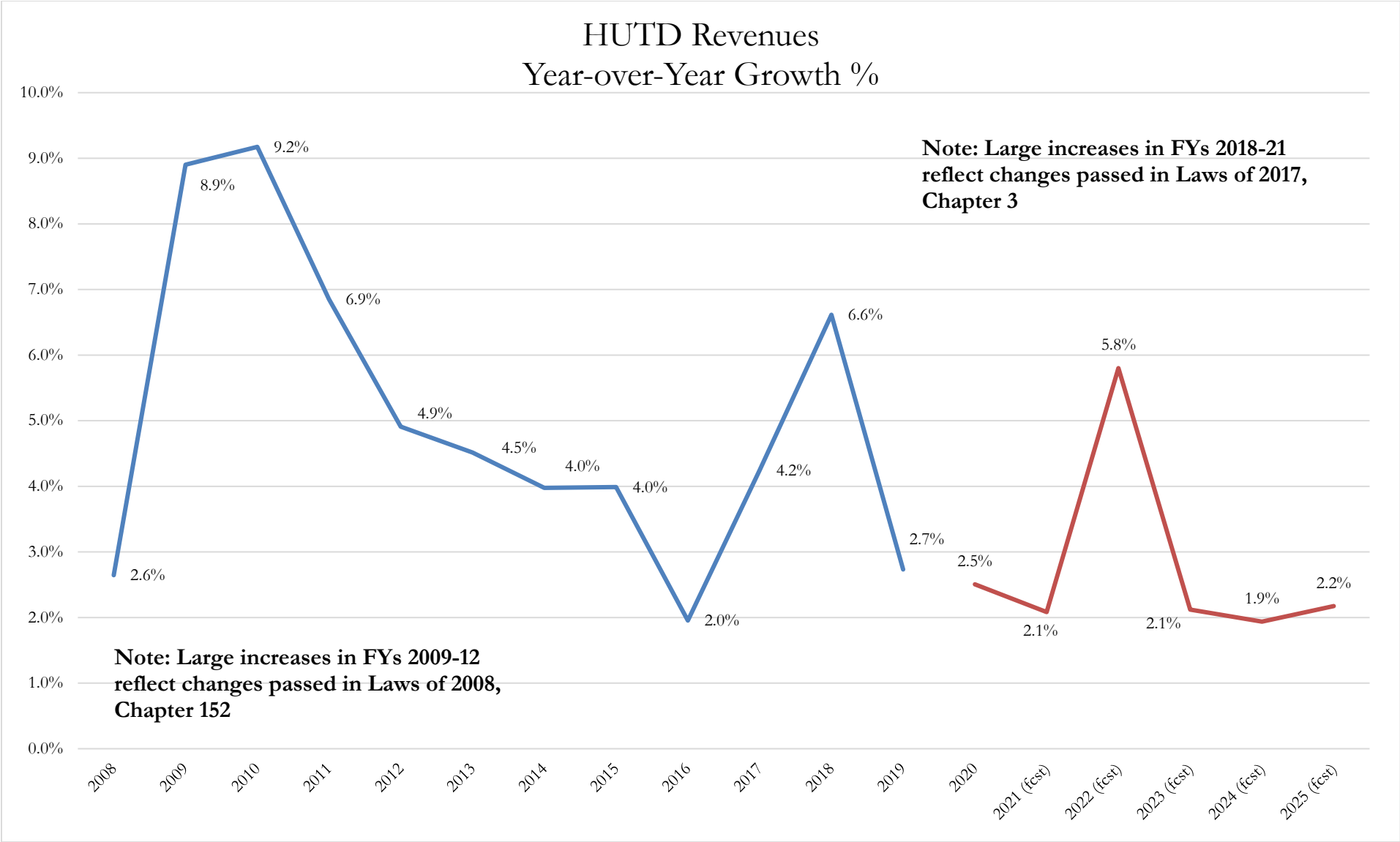
State Airports Fund (Only) Fund Balance Policy

Policy Min	1,504	1,256	1,080	1,898	1,369	1,269	1,269	1,269
Policy Max	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
"Excess" Balance	8,801	10,674	16,424	765	(1,050)	(544)	116	279

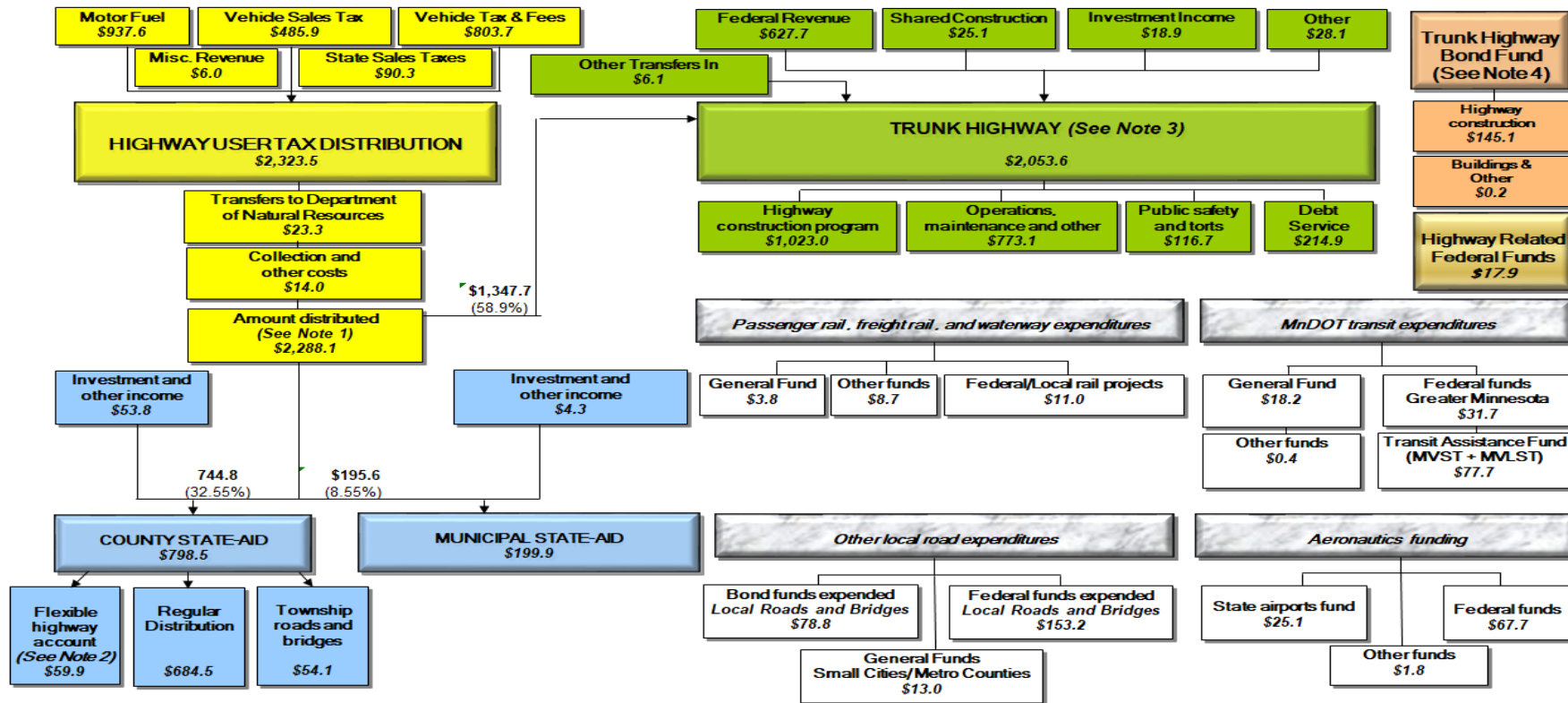


Minnesota Highway User Tax Revenue  
FY 2001-2020 Actuals, 2021-2025 Based on Nov. 2020 Forecast  
% of Total Revenues





STATE OF MINNESOTA  
**REVENUE AND EXPENDITURES FOR TRANSPORTATION PURPOSES**  
**ALL SOURCES OF FUNDS THAT FLOW THROUGH MnDOT (\$ MILLIONS)**  
 FY 2019 (BUDGETARY BASIS)



**Note 1** - Net revenues \$2,286.2 plus \$13.8 balance forward less \$11.9 to fund balance = \$2,288.1 distributed

**Note 2** - County turnback = \$59.9, municipal turnback = \$0, TH turnback = \$0

**Note 3** - Net revenues \$2,053.6 plus \$74.0 from fund balance = \$2,127.6 expends & transfers out

**Note 4** - Bond funds reflect actual cash expenditures

Prepared by MnDOT Office of Financial Management  
 Budget and Forecasts Unit  
 February 28, 2020