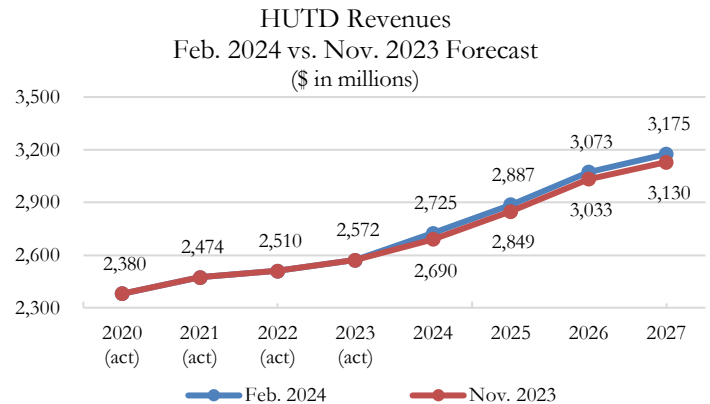


Forecast Highlights

Highway User Tax Distribution (HUTD) Fund revenues are anticipated to increase slightly in FY 2024, compared to the November 2023 forecast, and increase minimally each year from FY 2025 through FY 2027.

Overall, revenues are projected to be higher in the current FY 2024-25 biennium compared to the November 2023 forecast, increasing by +\$73M (+1.3 percent). In the FY 2026-27 biennium, revenues are projected to increase +\$86M (+1.4 percent) compared to November 2023 estimates.



FY 2024 HUTD Revenue Forecast
Feb. 2024 vs. Nov. 2023
(\$ in millions)

Revenue Source	Feb. '24	Nov. '23	\$ Change	% Change
Gas Tax	874	881	(7)	-0.8%
Tab Fees	929	921	7	0.8%
MVST	700	667	33	4.9%
Interest/Other	19.1	17.9	1	7.1%
State Sales Tax	196	196	0	0.2%
MVLST	7.4	6.6	1	12.7%
Total	2,725	2,690	36	1.3%

Change in HUTD revenues compared to the November 2023 forecast in FY 2024

Gas tax is down -\$7M (-0.8 percent), registration tax is up +\$7M (+0.8 percent), and motor vehicle sales tax is up +\$33M (+4.9 percent) in FY 2024.

Summary of Significant Federal and State Funding

The Infrastructure Investment and Jobs Act (IIJA) will provide nearly \$5B to Minnesota over five years in federal formula funding for highways and bridges. This includes a continuation of existing federal formula programs at increased funding levels plus four completely new programs. In total, IIJA represents an estimated 30 percent increase in the state's highway formula funding. MnDOT, along with local and tribal governments, is also eligible for new and expanded competitive grant programs as part of this law. To date, nearly 100 grants have been awarded across the state totaling over \$900M.

Various programs were enacted in the 2023 Legislative Session that will help leverage federal formula funds and also to provide the state, local, and tribal governments with matching funds for competitive discretionary grants. The state-funded [IIJA Match Program](#) is one example of these programs. It was funded with \$216.4M in general funds and is a competitive program that provides up to \$10M in non-federal match for entities that have secured a federal IIJA transportation-related discretionary grant. Grant funds are available to federally recognized Tribal governments, local units of government, MnDOT, ports, transit providers, and metropolitan planning organizations. MnDOT awards these funds on a rolling monthly basis, and maintains information on a [public website](#) that details funds allocated under this program. Through January 2024, 38 grants have been approved for a total of \$82M.

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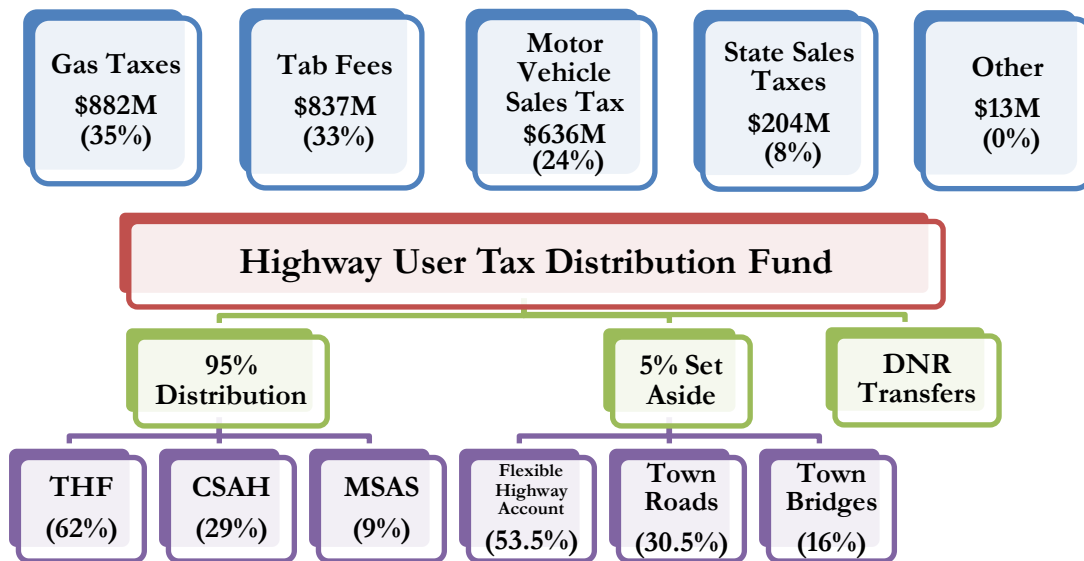
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Introduction to Transportation Funding

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 traditionally prepared at the end of each legislative session (EOS) to incorporate law-change impacts to the transportation funds. **All comparisons made in this forecast reflect the difference from the November 2023 fund statements.** This forecast includes actuals for FY 2023 and updated estimates for FY 2024-27. 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)
- Transportation Advancement Account (TAA) – new account in the Special Revenue Fund

HUTD Sources and Uses
FY 2023 Actuals
 (\$ in millions)



-Article XIV of the Minnesota Constitution

-State Sales Taxes include: 43.5 percent 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 2.4 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 that use public streets and highways. The current passenger motor vehicle registration tax policy was instituted in 2008. 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 6.875 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:

- No more than 60 percent must be deposited in the HUTD Fund.
- No 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: The 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. Effective in FY 2024, 43.5 percent of the revenue is directed to the HUTD Fund; and the remainder is phased into the TAA with increasing percentages over FYs 2024-33 (with corresponding reductions to the General Fund).

Rental Sales Tax: Revenue collected from the short-term motor vehicle rental tax under Minn. Stat. 297A.64 (9.2 percent) and from the general sales tax for 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 include 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 on the funds' cash balances.

Legal Citation – Quick Reference Guide

Motor Fuel Tax	<ul style="list-style-type: none"> • Article XIV of the Minnesota Constitution • Minn. Stat. 296A - Tax on petroleum and other fuels • Minn. Stat. 296A.083 - Debt service surcharge
Vehicle Registration Tax	<ul style="list-style-type: none"> • Article XIV of the Minnesota Constitution • Minn. Stat. 168.013 - Tax on passenger vehicles
Motor Vehicle Sales Tax	<ul style="list-style-type: none"> • Article XIV of the Minnesota Constitution • Minn. Stat. 297B.09 - Allocation of revenue
General Fund Transfers	<ul style="list-style-type: none"> • Minn. Stat. 297A.94 – Sales tax on auto parts and transfer of rental tax • Minn. Stat. 297A.64 – Tax on rental vehicles (9.2 percent) • Minn. Stat. 297A.62 subd. 1– Sales tax on rental vehicles (6.5 percent)
Motor Vehicle Lease Sales Tax	<ul style="list-style-type: none"> • Minn. Stat. 297A.815 - Allocation of revenue
Transit Assistance Fund	<ul style="list-style-type: none"> • Minn. Stat. 297B.09 - Allocation of motor vehicle sales tax revenue • Minn. Stat. 297A.815 - Allocation of motor vehicle lease sales tax revenue
State Airport Fund	<ul style="list-style-type: none"> • Minn. Stat. 360.017 – Creates State Airport Fund • Minn. Stat. 270.075 – Air flight property tax • Minn. Stat. 296A.09 – Aviation gasoline and special fuel taxes • Minn. Stat. 360.531 – Aircraft registration taxes • Minn. Stat. 297A.82 – Sales tax on aircraft
Transportation Fund	<ul style="list-style-type: none"> • Minn. Stat. 297A.815 - Allocation of motor vehicle lease sales tax revenue
Transportation Advancement Account	<ul style="list-style-type: none"> • Minn. Stat. 174.49 – Allocation of delivery tax and remaining portion of sales tax on auto parts.

Revenue Forecast

Motor Fuel Excise Tax (Gas Tax)

A Minnesota gas tax is collected on all fuel used to propel vehicles on the public roads of the State and includes gasoline, diesel fuel, and other special fuels. 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 system¹.

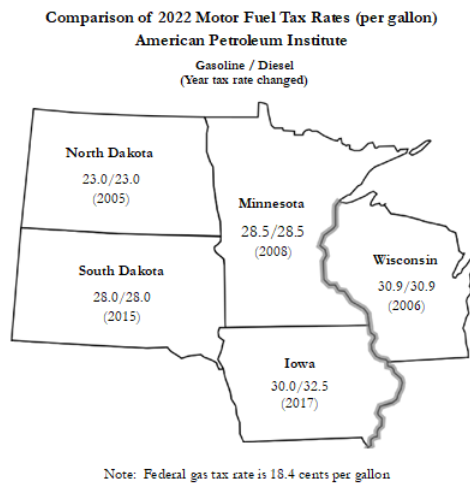
In 2023, the Legislature approved an annual indexing factor, to be determined by August 1st each year for a rate change beginning the following January 1st, using the Minnesota Highway Construction Index (MnDOT’s internal inflation index). Beginning with the August 1, 2025 calculation, the percentage change in the calculation must not exceed three percent. The change is anticipated to adjust the motor fuel tax by approximately 3 cents in FY 2025 and grow to approximately 5 cents in FY 2027.

Legislative Session Gas Tax Rate Changes

Base Rate: Twenty Cents/Gallon in 2008

Fiscal Year	Effective Date	Increase (Cents/Gallon)	New Effective Rate (Cents/Gallon)
2008	Apr-08	2.0	22.0
2009	Aug-08	0.5	22.5
2009	Oct-08	3.0	25.5
2010	Jul-09	1.6	27.1
2011	Jul-10	0.4	27.5
2012	Jul-11	0.5	28.0
2013	Jul-12	0.5	28.5
2025	Jan-25	3.3	31.8

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



¹ 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:

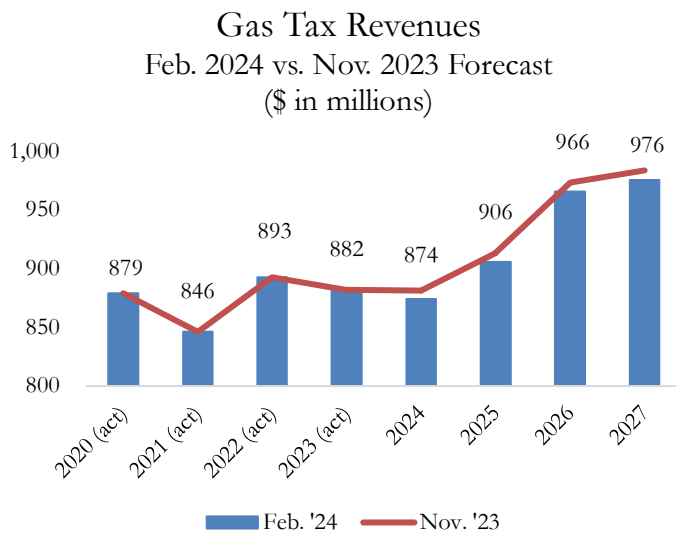
- the economy and world oil prices
- long-term policy (e.g., Corporate Average Fuel Economy (CAFE) standards)
- consumer trends toward more fuel-efficient vehicles including hybrid and electric vehicles
- utilization of other transportation options

To forecast the gas tax, MnDOT reviews regional forecast information from the U.S. Energy Information Administration (EIA), the federal agency that collects and analyzes energy data. This information is traditionally released at the beginning of each calendar year. 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, adjusted with actual fuel consumption history in Minnesota, to forecast future revenue.

The most current IHS forecast has not changed since November 2023 and projects a decrease in fuel consumption over the forecast period, on average about -1.0 percent per year. The most current EIA forecast, from March 2023, projects similar consumption decreases of -1.0 percent per year on average over the forecast period.

In response to these trends, revenues are anticipated to decrease slightly in all years compared to the November 2023 forecast. However, despite fuel consumption decreasing, revenue estimates overall increase due to the annual indexing factor increasing the tax rate.

The current forecast of revenues is shown below:



Gas Tax Revenues (\$ in millions)				
FY	Feb. '24	Nov. '23	\$ Change	% Change
2020 (act)	879	879	-	0.0%
2021 (act)	846	846	-	0.0%
2022 (act)	893	893	-	0.0%
2023 (act)	882	882	-	0.0%
2024	874	881	(7.1)	-0.8%
2025	906	913	(7.5)	-0.8%
2026	966	973	(7.9)	-0.8%
2027	976	984	(8.0)	-0.8%

Motor Vehicle Registration Tax (Tab Fees)

Revenue collected on passenger vehicles comprises almost 90 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.

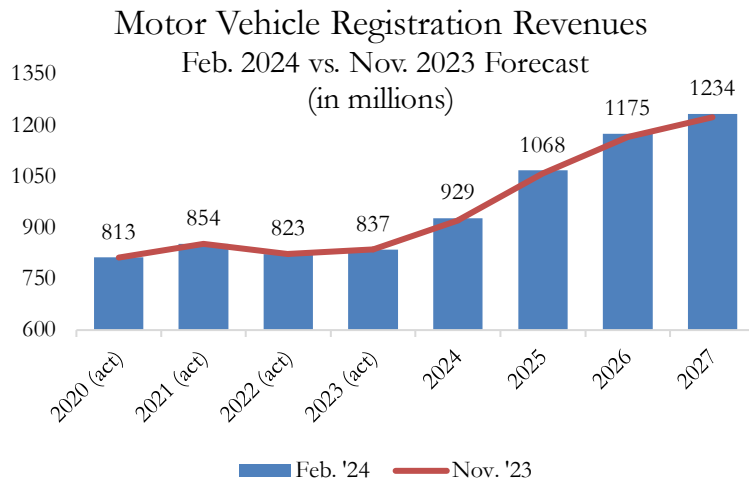
In 2023, the Legislature amended the passenger vehicle tax from \$10 plus 1.285 percent times a declining percentage of the original value of the vehicle, to \$10 plus 1.575 percent times an altered declining percentage of the original value of the vehicle. The minimum tax decreased from \$35 to \$30. The law went into effect on January 1, 2024.

Below is a summary registration taxes paid on a \$40,000 vehicle over 11 years under the amended motor vehicle registration tax statute:

Year	Rate	Base Tax \$	Depreciation %	Tax \$
1	1.575%	10	100%	640
2	1.575%	10	95%	609
3	1.575%	10	90%	577
4	1.575%	10	80%	514
5	1.575%	10	70%	451
6	1.575%	10	60%	388
7	1.575%	10	50%	325
8	1.575%	10	40%	262
9	1.575%	10	25%	168
10	1.575%	10	10%	61
11+	\$20	10	0%	30
Total				\$4,024

Revenues are anticipated to grow throughout the forecast period because of the amended registration tax. Revenue collected thus far in FY 2024 is above forecasted amounts. Revenue is projected to increase an average of 10 percent per year over the remaining forecast period and is anticipated to grow slightly compared to the November 2023 forecast.

The current forecast of revenues is shown below:

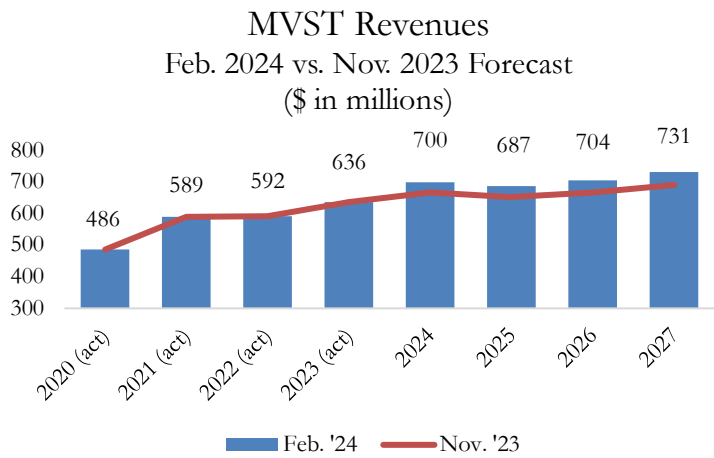


Motor Vehicle Registration Revenues (\$ in millions)				
FY	Feb. '24	Nov. '23	\$ Change	% Change
2020 (act)	813	813	-	0.0%
2021 (act)	854	854	-	0.0%
2022 (act)	823	823	-	0.0%
2023 (act)	837	837	-	0.0%
2024	929	921	7.3	0.8%
2025	1068	1060	8.4	0.8%
2026	1175	1166	9.2	0.8%
2027	1234	1224	9.6	0.8%

Motor Vehicle Sales Tax (MVST)

In 2023, the Legislature increased the tax rate from 6.5 percent to 6.875 percent. This includes sales by car dealers and private individuals. Since 2012, MVST revenues have been distributed 60 percent to HUTD and 40 percent to transit. In 2023, the Legislature changed the distribution of the 40% portion of MVST, so that in FY 2024 and beyond Greater Minnesota transit receives 5.7% (increased from 4%) and the Twin Cities metro area receives 34.3% (decreased from 36%).

DOR prepares the official forecast of this revenue, which is based on data provided by IHS. MVST revenue is projected to increase substantially compared to the November 2023 forecast for all years. The current forecast for the HUTD portion of revenues is shown below:



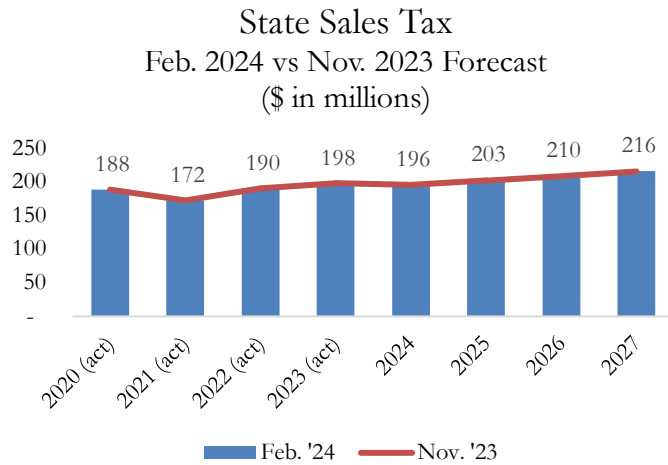
MVST Revenues (\$ in millions)				
FY	Feb. '24	Nov. '23	\$ Change	% Change
2020 (act)	486	486	-	0.0%
2021 (act)	589	589	-	0.0%
2022 (act)	592	592	-	0.0%
2023 (act)	636	636	-	0.0%
2024	700	667	32.8	4.9%
2025	687	652	34.8	5.3%
2026	704	667	37.2	5.6%
2027	731	691	40.9	5.9%

State Sales Taxes (previously deposited in General Fund)

Beginning in FY 2018, a portion of general sales tax revenue 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 forecasted by MMB. Each of these tax revenues are expected to increase compared to the November 2023 fund statements.

Previously, a fixed portion of revenue from sales tax on auto parts was deposited into the HUTD Fund each month. This includes revenue collected on all motor vehicle parts, tires, and accessories. The fixed statutory amount totaled \$145.6 million annually. Beginning in FY 2024, 43.5 percent of the revenue is dedicated to the HUTD Fund, and the remainder is phased into the TAA with increasing percentages over FY 2024-33 (with corresponding reductions to the General Fund).

The current forecast for these three General Fund revenues is shown below:



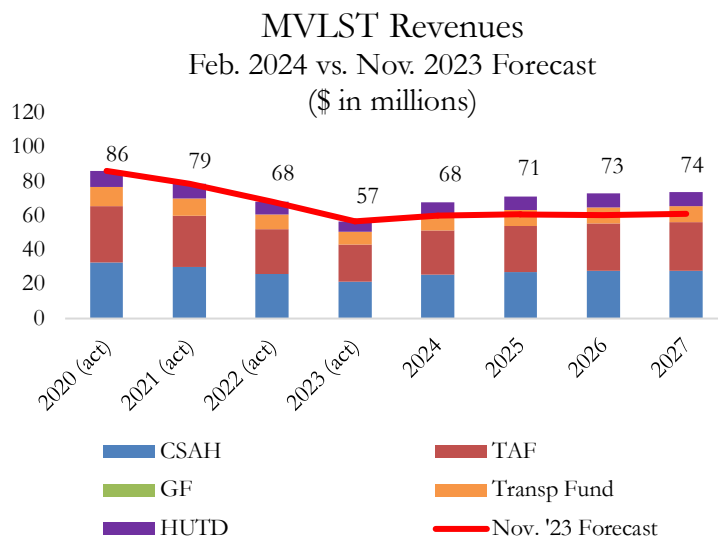
State Sales Taxes (\$ in millions)				
FY	Feb. '24	Nov. '23	\$ Change	% Change
2020 (act)	188	188	-	0.0%
2021 (act)	172	172	-	0.0%
2022 (act)	190	190	-	0.0%
2023 (act)	198	198	-	0.0%
2024	196	196	0.5	0.2%
2025	203	202	0.7	0.3%
2026	210	209	0.7	0.4%
2027	216	216	0.9	0.4%

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 the DOR. The forecast is anticipated to increase compared to the November 2023 forecast. As of FY 2018, all revenue from MVLST is reallocated for transportation purposes, deposited into 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 (for Local Bridge Program)
- 11 percent to the HUTD Fund (for TH Fund, CSAH and, MSAS)

The current forecast of revenues is shown below:



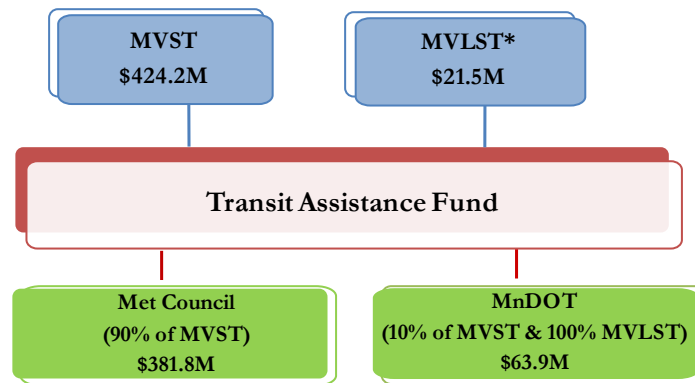
MVLST Revenues (\$ in millions)				
FY	Feb. '24	Nov. '23	\$ Change	% Change
2020 (act)	86	86	-	0.0%
2021 (act)	79	79	-	0.0%
2022 (act)	68	68	-	0.0%
2023 (act)	57	57	-	0.0%
2024	68	60	7.6	12.7%
2025	71	61	10.2	16.8%
2026	73	60	12.7	21.1%
2027	74	61	12.8	21.0%

Transit Assistance Fund Revenue

The TAF receives revenue from MVST and MVLST. The MVST appropriation must constitute at least 40 percent of the total revenue according to the Minnesota Constitution. The appropriation is currently set at 40 percent by statute (Minn. Stat. 297B.09). Previously, of this revenue, 90 percent was allocated to metropolitan transit (36 percent of total MVST) and 10 percent was allocated to Greater Minnesota Transit (4 percent of total MVST). In 2023, the Legislature changed the distribution of the 40% portion of MVST, so that Greater Minnesota transit receives 5.7% (increasing from 4%) and the Twin Cities metro area receives 34.3% (decreasing from 36%).

As of FY 2018, 38 percent of all MVLST revenue is allocated to the TAF for Greater Minnesota Transit.

Transit Assistance Fund Sources of Revenue FY 2023



*38 percent of MVLST is allocated to TAF

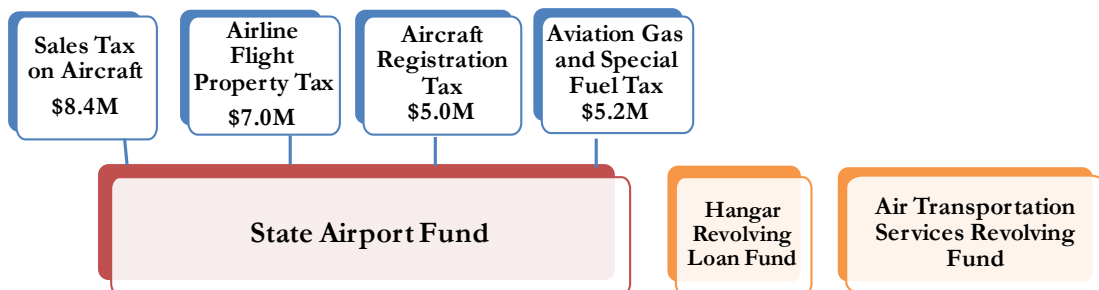
State Airports Revenue

Three funds make up the total consolidated SAF:

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

The consolidated fund statement ending balance does not include the two revolving funds (Hanger Loan and Air Transportation Services) because their receipts are dedicated to specific functions.

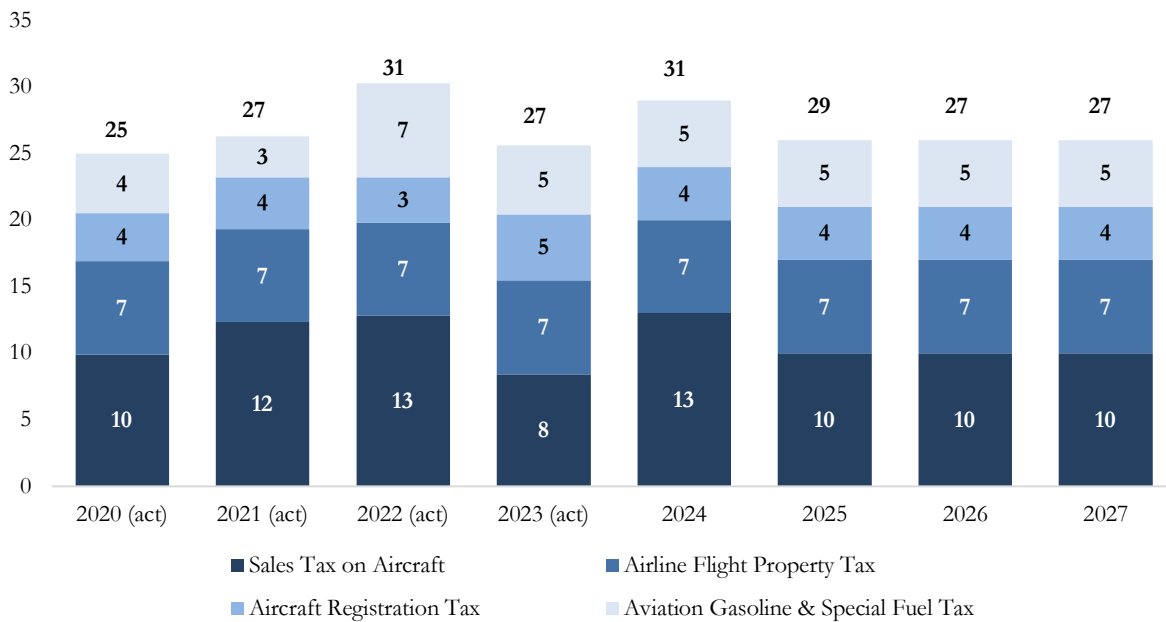
State Airports Sources of Revenue FY 2023



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 forecasts for sales tax on aircraft and registration taxes are both based primarily on prior history but have varied significantly by year. Aviation fuel tax is not anticipated to change compared to the November 2023 forecast. 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:

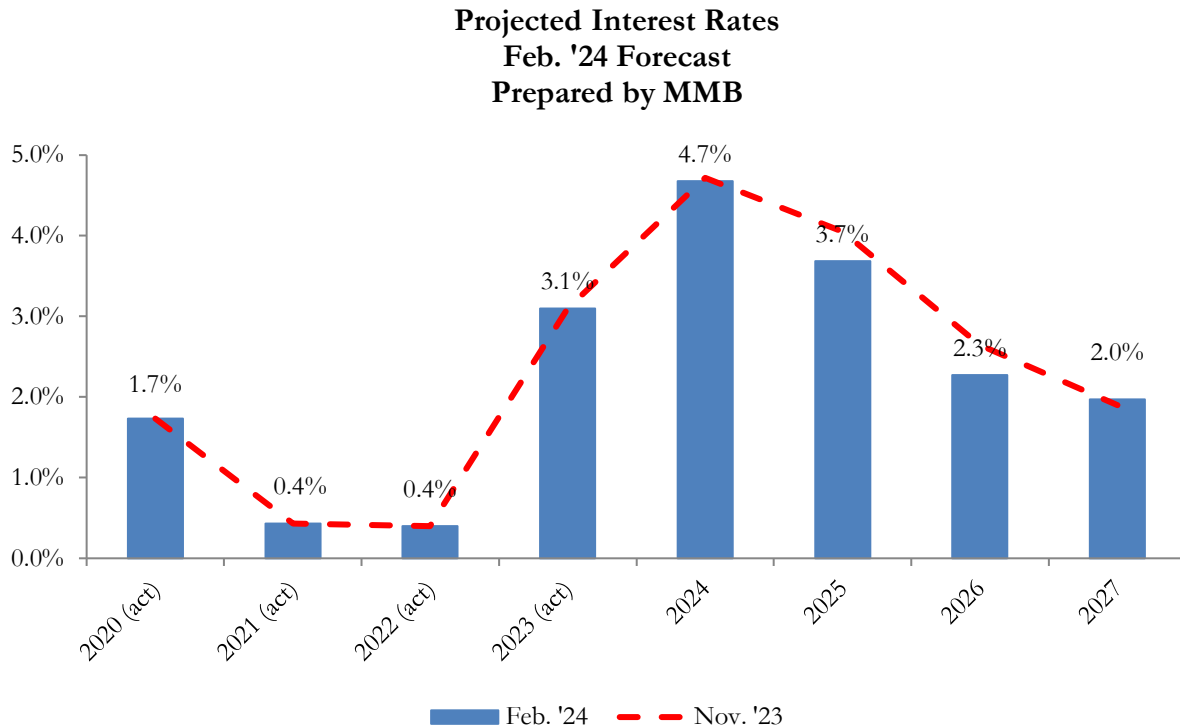
Primary State Airports Fund Revenues
(\$ in millions)



Investment Income

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

Interest rates are projected to peak at 4.7 percent in FY 2024, before falling to 2 percent over the forecast period. Overall, interest rates in future years remain relatively unchanged and only decrease slightly compared to the November 2023 forecast and interest income in all funds is expected to decrease slightly compared to the previous forecast.



Fund Statements

Transfers from HUTD Fund

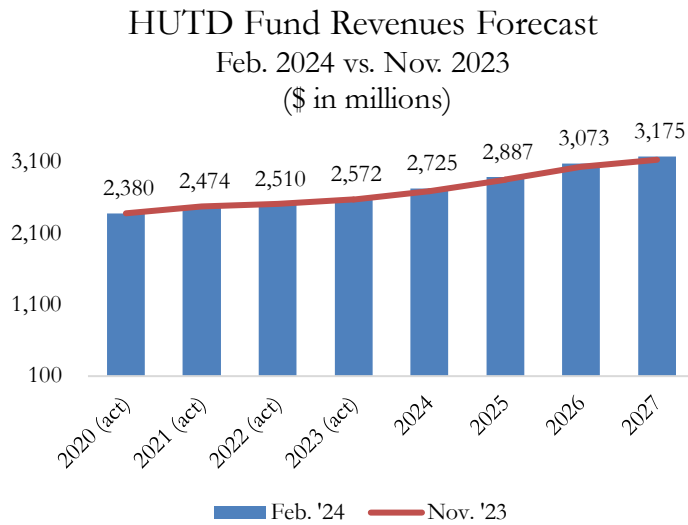
The HUTD Fund receives revenues from the three sources constitutionally dedicated to highways and transit (gas tax, tab fees, and MVST), as well as several minor sources of revenue. With the exception of 40 percent of MVST dedicated to public transit, revenues from these three taxes are deposited into the HUTD Fund. In addition, revenue sources are statutorily dedicated from the General Fund to the HUTD Fund. These include a portion of 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).

After distributions to the DNR, 95 percent of total revenue to the HUTD Fund 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.

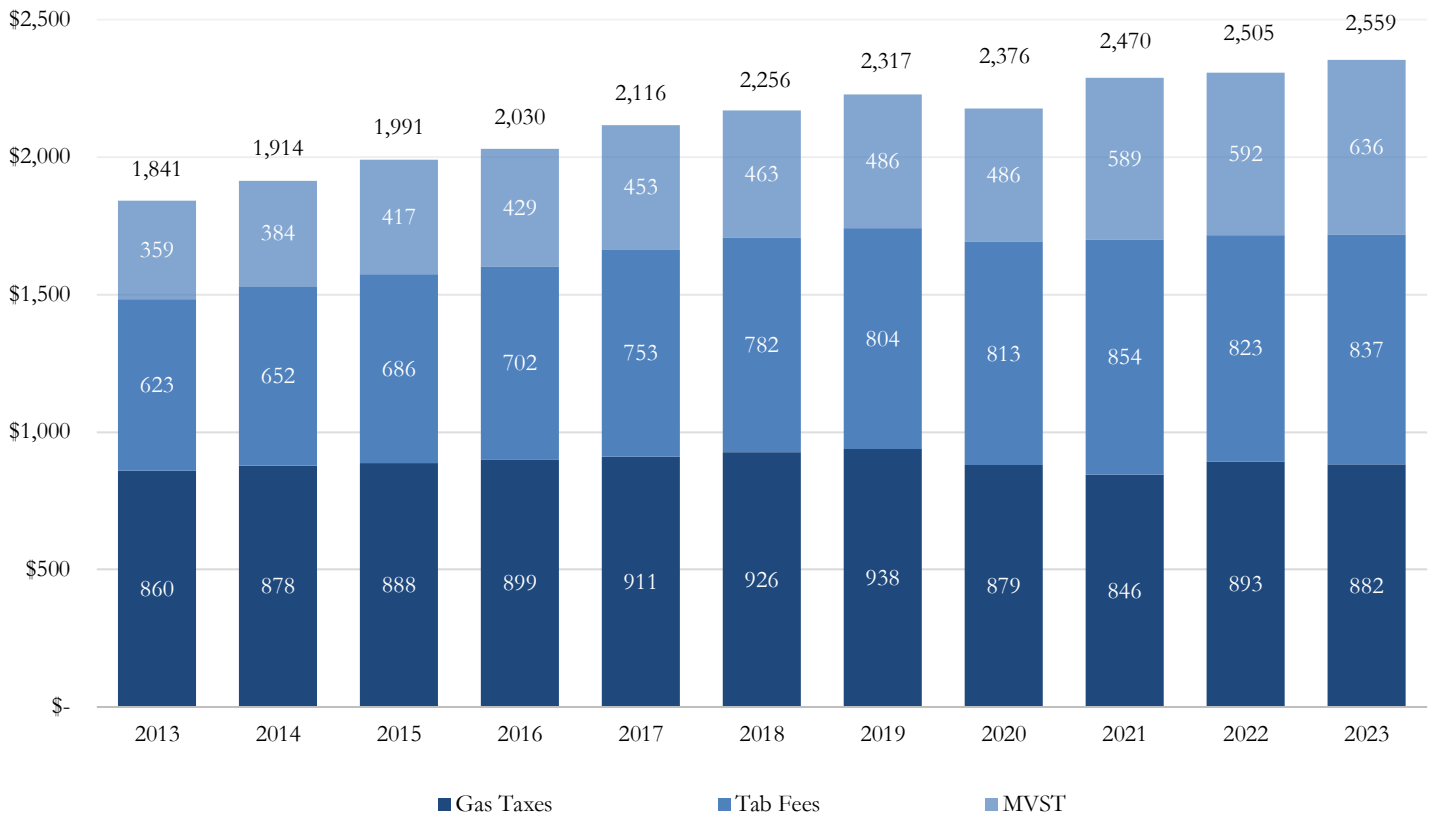
The current forecast is shown below:



HUTD Fund Revenues (\$ in millions)				
FY	Feb. '24	Nov. '23	\$ Change	% Change
2020 (act)	2,380	2,380	-	0.0%
2021 (act)	2,474	2,474	-	0.0%
2022 (act)	2,510	2,510	-	0.0%
2023 (act)	2,572	2,572	-	0.0%
2024	2,725	2,690	35.6	1.3%
2025	2,887	2,849	37.3	1.3%
2026	3,073	3,033	40.1	1.3%
2027	3,175	3,130	45.7	1.5%

The bar chart below details history of actual revenues for the HUTD Fund (FY 2013-23). It includes the relative shares of revenue attributed to gas taxes, tab fees, and MVST. During the last ten years, gas taxes and tab fees as a percentage of total revenue have decreased slightly while MVST as a percentage of total revenue has increased.

MINNESOTA HIGHWAY USER TAX REVENUE (3 PRIMARY SOURCES) FY 2013-2023 ACTUALS

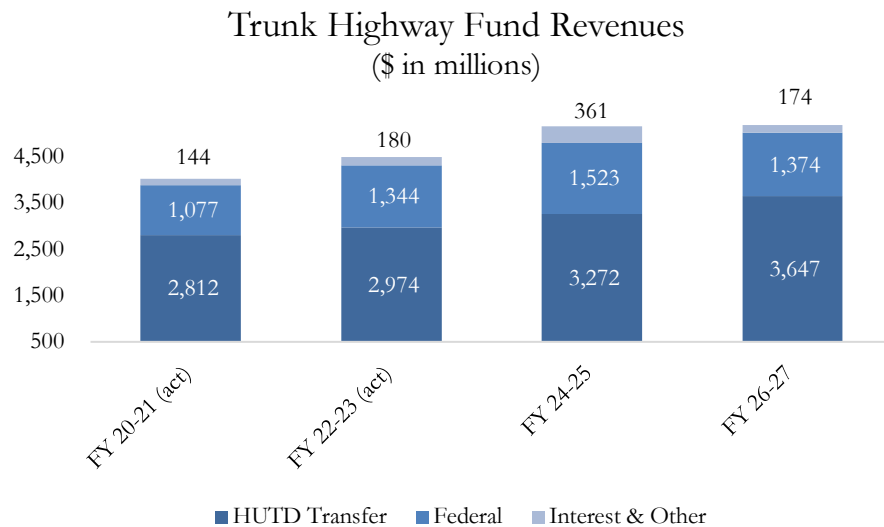


Trunk Highway Fund

The TH Fund receives both 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. Over the forecast period, the estimated reimbursements vary each year based on the projected mix of state and federal funds recognized on specific projects. The current IJA authorization includes significantly increased funding for five fiscal years (FYs 2022-26), totaling about 30 percent more than the previous authorization. The federal process also requires an annual appropriation each federal fiscal year. For the current fiscal year, appropriations have been approved through March 8, 2024, essentially at the prior year funding level. While the federal government has never reduced major federal transportation spending programs in the past, the potential for Minnesota to receive fewer federal funds in the future is a possibility.

In addition to federal funds, the TH Fund receives revenues and transfers from several other smaller sources. For FY 2023-27, 68 percent of resources are transfers from the HUTD Fund, 28 percent of resources are federal aid agreements, and 4 percent of resources come from other sources such as investment income. Note that in FY 2024, other sources include a one-time General Fund transfer of \$152.65 million to help cover the spending increases approved by the 2023 Legislature.

The current forecast, by biennium, is shown below:

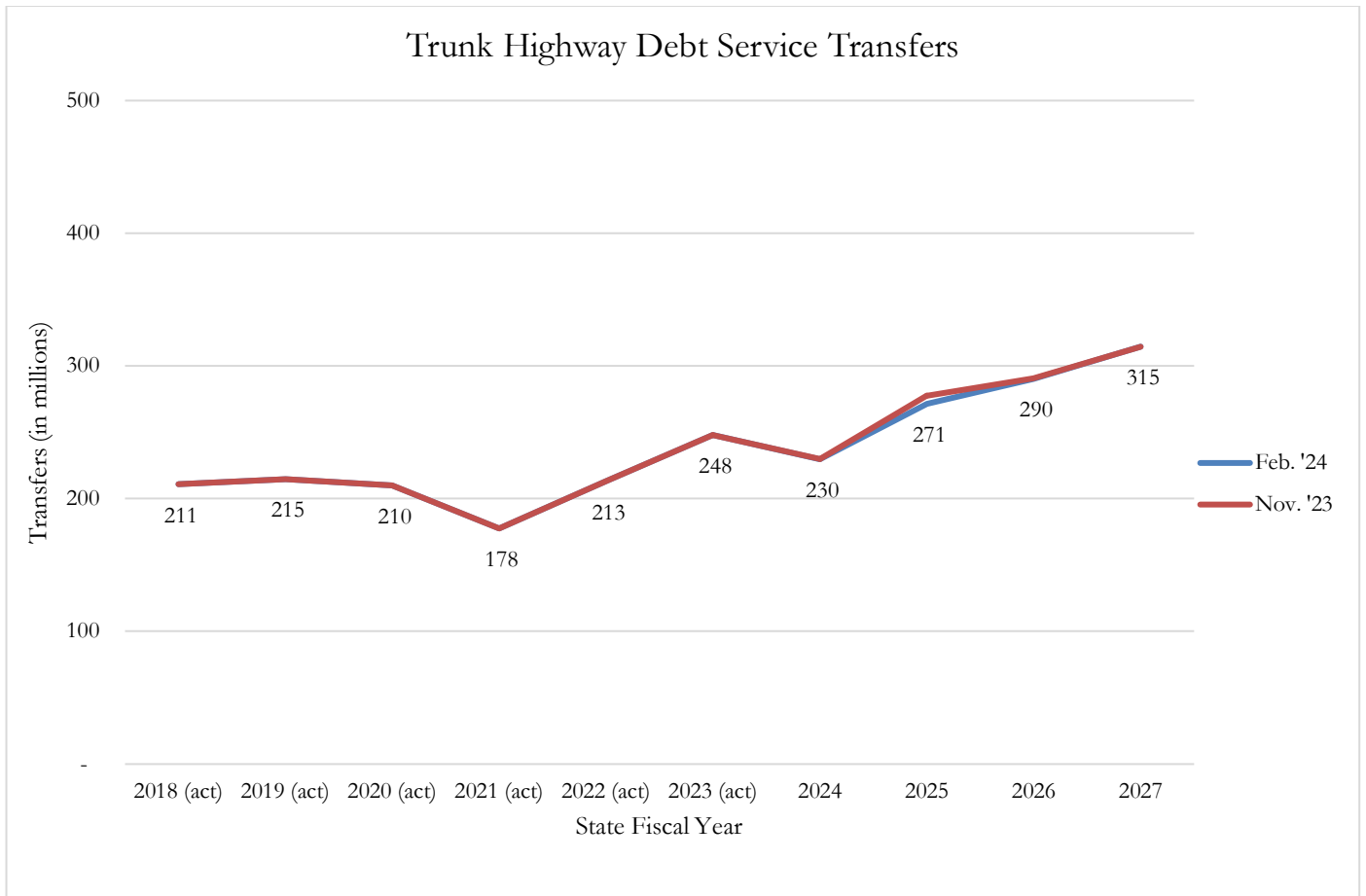


Debt Service – Trunk Highway Fund

The forecast for expenditures is generally based on the most recently 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 bonds¹. 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 TH Fund debt service.

¹ See Article XIV, section 11 of the Minnesota Constitution

Due to future bond sale interest rates decreasing, debt service estimates decrease slightly in FY 2025-26, compared to the November 2023 forecast. The graph below depicts actual and forecasted debt service transfer amounts by year, compared to the November 2023 forecast:



The TH Fund is governed by four financial policies: Debt Management, Fund Balance, Cash Balance, and Advance Construction (policy link 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 Fund². Debt service 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; Transportation Revolving Loan Fund (TRLF) repayments in accordance with Minn. Stat. 161.04, subdivision 4; and the federal Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) loan payments authorized under Minnesota Statutes, Section 174.525. The combined projected annual spending for TRLF and LGA is \$3 million. The Legislature authorized MnDOT to pursue a TIFIA loan for a specific project on Trunk Highway 14 in Nicollet County costing approximately \$48 million. MnDOT applied for and received the loan, and the debt obligation is repaid through oversize and overweight transportation permit fee revenues, projected at \$4.0 million annually.

The table below shows the estimated debt service costs from the TH Fund, which range from just under 16 percent in FY 2023, to a peak of approximately 17 percent in FY 2028.

² Developed to comply with Minn. Stat. 167.60

Debt Management Policy

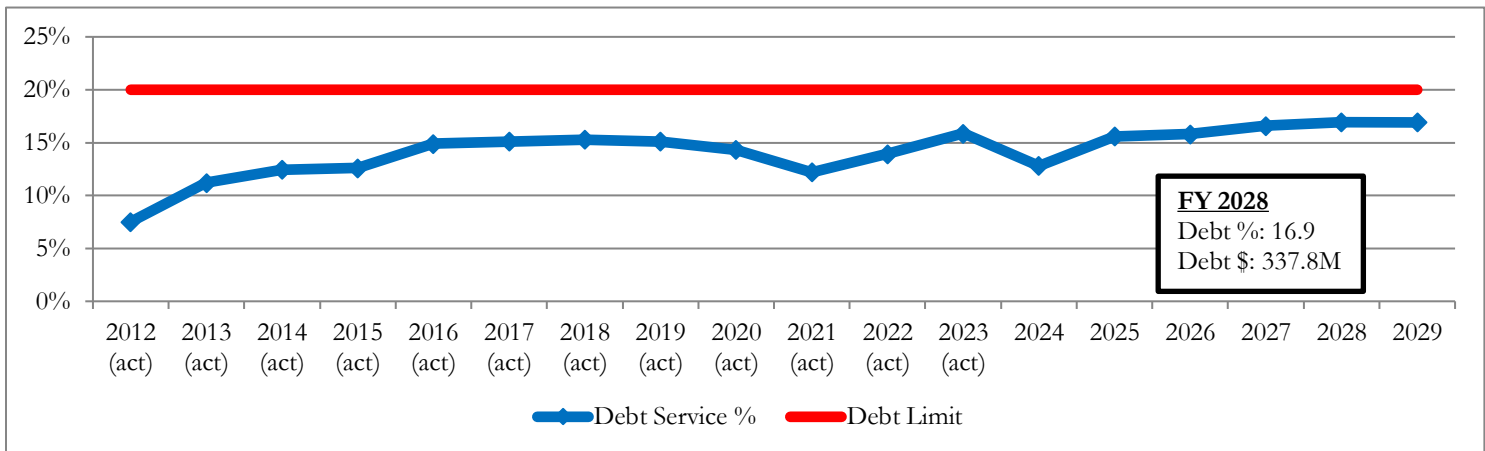
(\$ in millions)

Year	Total Debt Service ⁽¹⁾	Estimated Current %	Variance from 20% Policy Limit ⁽²⁾
2020 (act)	210,224	14.3%	83,158
2021 (act)	181,771	12.2%	116,181
2022 (act)	217,987	13.9%	94,986
2023 (act)	251,994	15.9%	65,680
2024	236,906	12.8%	132,907
2025	278,390	15.6%	78,468
2026	297,395	15.8%	78,964
2027	321,583	16.6%	66,265
2028	337,798	16.9%	61,173
2029	347,102	16.9%	63,325

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

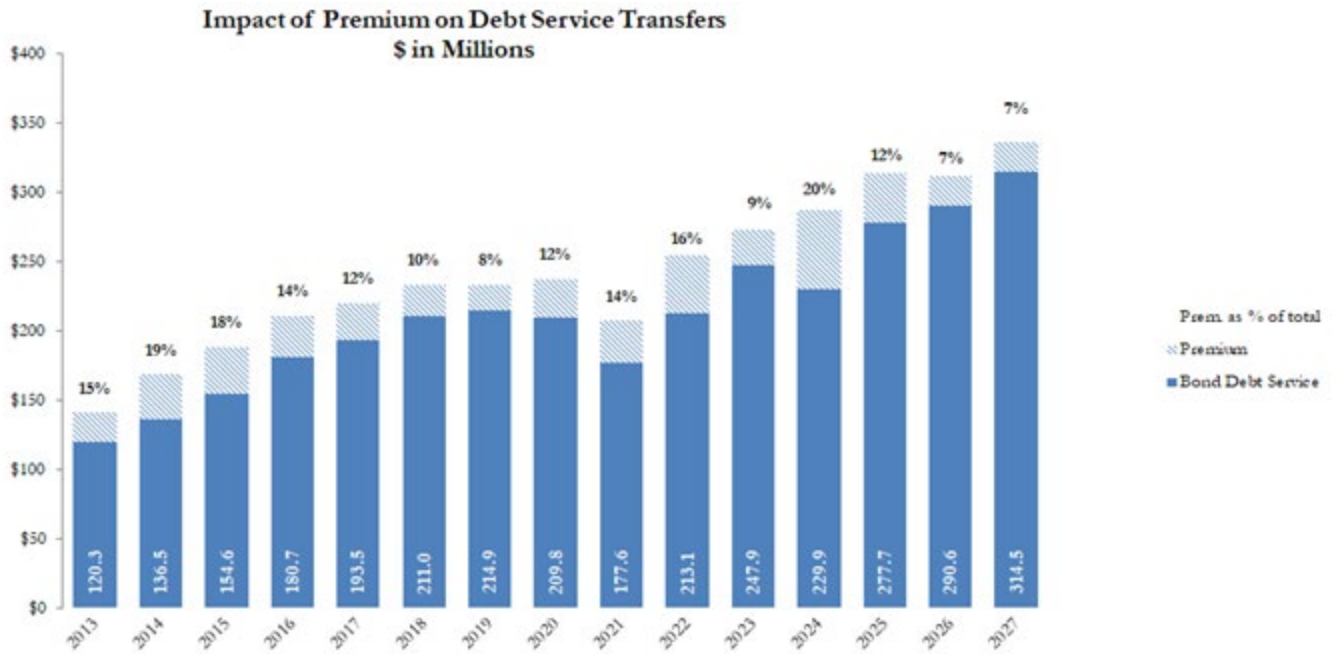
(2) Represents amount of additional debt service to reach 20 percent limit – a general guideline is to multiply this amount by 10 for an estimate of the additional bond capacity e.g., \$61.1M x 10 = \$611M in additional bond capacity.

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



As MnDOT manages this policy, there are variables to the debt management calculation outside of MnDOT’s control. One of the largest variables is interest rate fluctuation, which can lead to large debt service expenditure variations. 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), 2020 (Laws 2020, Fifth Special Session, Chapter 3, \$300 million), 2021 (Laws of 2021, First Special Session, Chapter 5, \$413 million), and 2023 (Laws of Chapter 68, \$599 million). Bond sales from the Chapter 152 program originally authorized in 2008 are now complete, and sales from all current authorized debt are anticipated to end in FY 2028.

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.

	FY24-25	FY26-27
Transfers from HUD	43.1	50.8
Federal Aid Agreements	-	-
Interest	(15.3)	(8.5)
Other Revenues and Transfers	-	-
Prior Year Adjustments	-	-
Total Revenue and Transfer Impact	27.8	42.3
Transportation Expenditures	-	-
Other Agencies	-	-
Transfers Out		
Debt Service Transfer	(6.3)	(0.1)
Total Expenditure and Transfer Impact	(6.3)	(0.1)
Fund Balance Change	34.1	42.4
Total Cumulative Change	34.1	76.5
Feb. '24 Forecast	201.0	285.3
Nov. '23 Forecast	166.8	208.8
Change	34.2	76.5
<i>Reserved Fund Balance (Feb '24)</i>	<i>125.5</i>	<i>125.9</i>
<i>Unreserved Fund Balance (Feb '24)</i>	<i>75.5</i>	<i>159.4</i>

County State Aid Highway (CSAH) Fund

The CSAH Fund receives transfers from the HUTD Fund as well as revenues from investment income, the MVLST, and TAA. Minnesota Statutes, Chapter 162 provides the criteria by which funds are allocated to statutory accounts in 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 the 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.

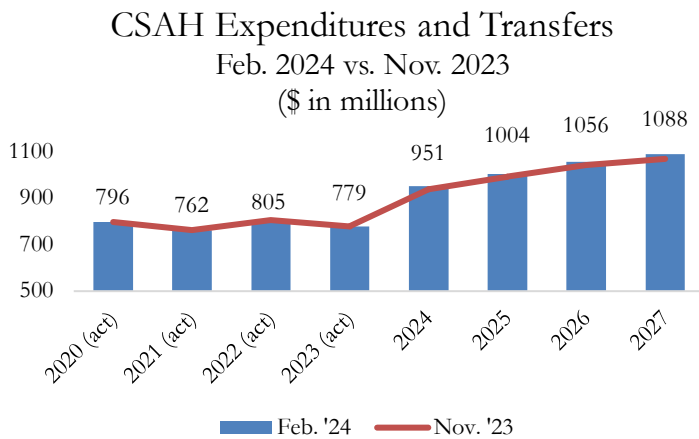
These allocations include the five percent set-aside portion of the total revenues from the HUTD Fund. The Constitution allows the Legislature to allocate this five percent in a manner different from the constitutional formula (62 percent to the TH Fund, 29 percent to the CSAH Fund, and nine percent 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. The totals shown below include any transfers authorized by the current appropriation law.

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](https://edocs-public.dot.state.mn.us/edocs_public/DMResultSet/download?docId=38081760) (https://edocs-public.dot.state.mn.us/edocs_public/DMResultSet/download?docId=38081760), issued on a calendar year basis, and allocates the funds each year based on revenue estimates in the preceding November forecast. The result is an increase or decrease to the direct appropriation amount each year after the Commissioner’s Order is executed in January.

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’s State Aid division.

The current forecast is shown below:



FY	Feb. '24	Nov. '23	\$ Change	% Change
2020 (act)	796	796	-	0.0%
2021 (act)	762	762	-	0.0%
2022 (act)	805	805	-	0.0%
2023 (act)	779	779	-	0.0%
2024	951	938	13.1	1.4%
2025	1,004	992	12.5	1.3%
2026	1,056	1,041	14.5	1.4%
2027	1,088	1,068	19.9	1.9%

Municipal State Aid Street (MSAS) Fund

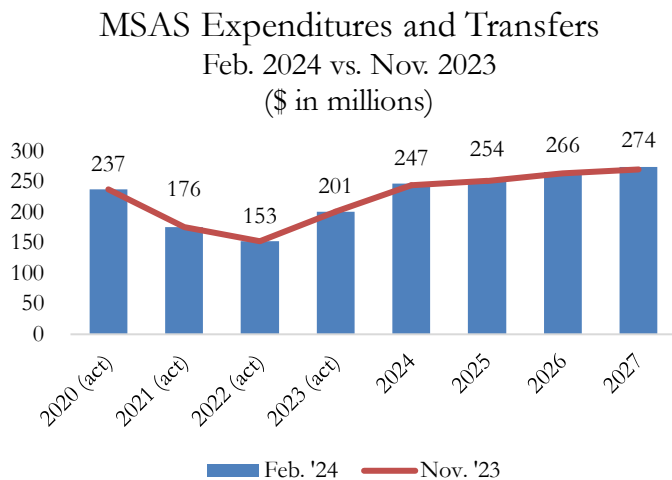
The MSAS Fund receives transfers from the HUTD Fund, authorized transfers from the CSAH Fund and revenues from investment income. Minnesota Statutes, Chapter 162 provides the criteria by which funds are allocated to statutory accounts within the MSAS Fund and to each of the Minnesota State Aid cities 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 (https://edocs-public.dot.state.mn.us/edocs_public/DMResultSet/download?docId=38081760) 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.

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's State Aid division.

The current forecast is shown below:



MSAS Expenditures and Transfers (\$ in millions)				
FY	Feb. '24	Nov. '23	\$ Change	% Change
2020 (act)	237	237	-	0.0%
2021 (act)	176	176	-	0.0%
2022 (act)	153	153	-	0.0%
2023 (act)	201	201	-	0.0%
2024	247	244	2.8	1.1%
2025	254	252	2.3	0.9%
2026	266	264	2.5	1.0%
2027	274	270	4.0	1.5%

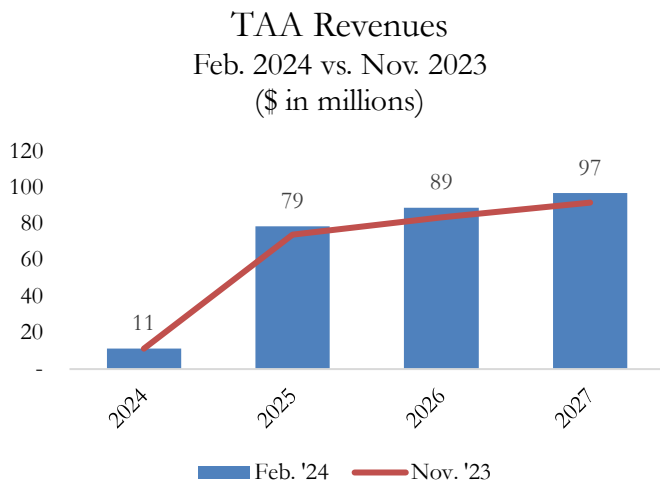
Transportation Advancement Account (TAA)

In 2023, the Legislature also established a Transportation Advancement Account (TAA) in the Special Revenue Fund to be allocated to metro counties (36%), County State Aid Highway Fund (10%), larger cities (15%), small cities (27%), town roads (11%), and food delivery support grants (1%). Revenues deposited into the account include a new 50-cent retail delivery tax and a portion of the sales tax on auto parts, previously deposited in the General Fund. Revenue available in this account is anticipated to grow to nearly \$100 million by FY 2027, and more than \$300 million in FY 2033 once the full phase-in of the sales tax on auto parts is complete.

The table below summarizes the funds to be allocated (\$ in thousands), effective dates, and the timing of the distributions (note "CO" refers to Commissioner's Order process followed for counties and cities):

Rate/Recipient	Effective Date	Distribution Timing	FY 2024	FY 2025	FY 2026	FY 2027
36%: 7 Metro counties based on population and money need	FY 2024	Once per year in July after end of FY	4,052	28,350	31,985	34,898
10%: included with "normal" HUDT revenues in CO distribution	CY 2024	Include in CO	1,126	7,875	8,885	9,694
15%: all MSAS cities based on 50/50 pop/money needs	FY 2024	Once per year in July after end of FY	1,688	11,813	13,327	14,541
27%: all non-MSAS cities based on MS 162.145	FY 2024	Commissioner of Revenue distributes the funds to cities in the same manner as local government aid in July and December. <i>Note: due to statute and deposit requirements, there is essentially a one-year lag for distributions e.g., receipts for July 2023-April 2024 (FY 2024) will be distributed in July and December 2024 (FY 2025)</i>	3,039	21,263	23,989	26,173
11%: included with "normal" HUDT revenues in CO distribution	CY 2024	Include in CO	1,238	8,663	9,773	10,663
1%: appropriated to DHS for grants to non-profits supporting food delivery	FY 2024	To be determined	113	788	888	969
Total Uses			11,256	78,751	88,846	96,938

The current forecast is shown below:

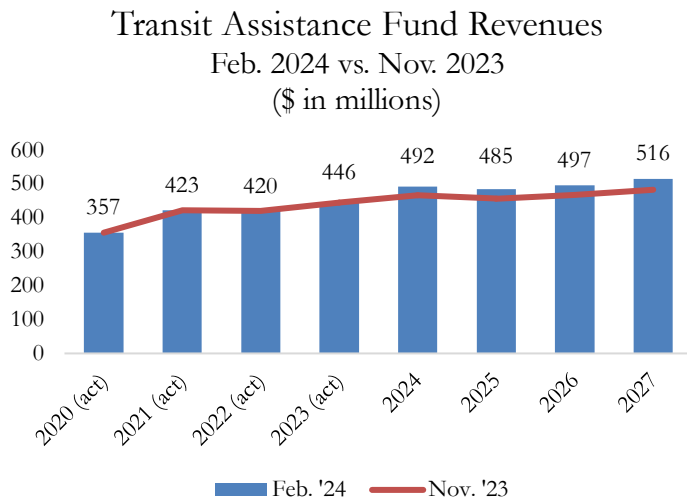


TAA Revenues (\$ in millions)				
FY	Feb. '24	Nov. '23	\$ Change	% Change
2020 (act)	-	-	-	0.0%
2021 (act)	-	-	-	0.0%
2022 (act)	-	-	-	0.0%
2023 (act)	-	-	-	0.0%
2024	11	11	-	0.0%
2025	79	74	4.8	6.5%
2026	89	84	5.2	6.2%
2027	97	92	5.2	5.7%

Transit Assistance Fund (TAF)

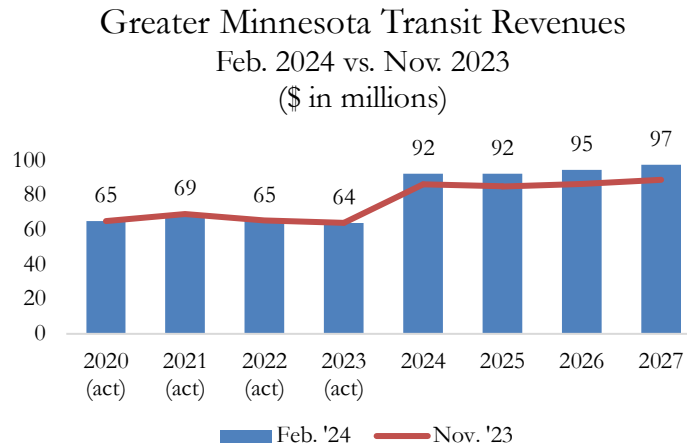
Beginning in FY 2018, 38 percent of MVLST revenue is allocated to the TAF – Greater Minnesota Transit account. In previous years, half of the MVLST revenues (net of \$32 million that remained in the General Fund) were allocated to the TAF. The Fund also receives 40 percent of MVST revenues. In 2023, the Legislature increased MVST from 6.5 percent to 6.875 percent.

The total estimated revenues for the TAF are shown below:



Transit Assistance Fund Revenues (\$ in millions)				
FY	Feb. '24	Nov. '23	\$ Change	% Change
2020 (act)	357	357	-	0.0%
2021 (act)	423	423	-	0.0%
2022 (act)	420	420	-	0.0%
2023 (act)	446	446	-	0.0%
2024	492	467	24.8	5.3%
2025	485	458	27.1	5.9%
2026	497	467	29.6	6.3%
2027	516	484	32.1	6.6%

Of total revenues, the estimated revenues for the Greater Minnesota portion of the TAF are shown below:



Greater Minnesota Transit Revenues (\$ in millions)				
FY	Feb. '24	Nov. '23	\$ Change	% Change
2020 (act)	65	65	-	0.0%
2021 (act)	69	69	-	0.0%
2022 (act)	65	65	-	0.0%
2023 (act)	64	64	-	0.0%
2024	92	86	6.0	7.0%
2025	92	85	7.2	8.4%
2026	95	86	8.4	9.7%
2027	97	89	8.7	9.9%

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. Because revenue is not transferred until the following fiscal year, the amount estimated for the MVLST for the current year is shown as an appropriation carryforward into the next year.

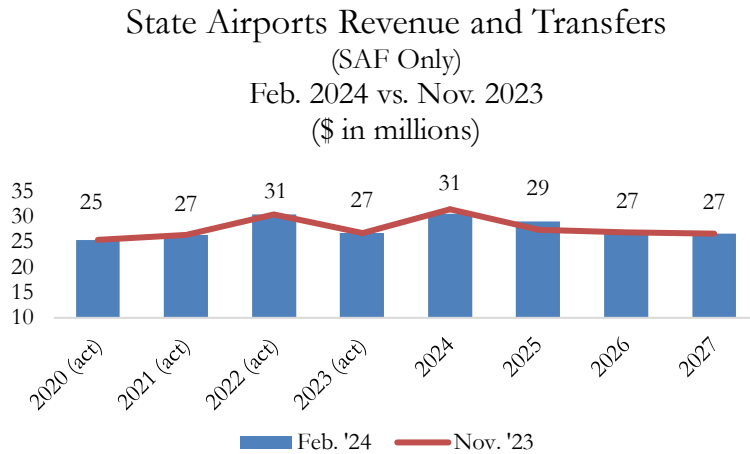
Account Balance Policy

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. Currently, the fund is in compliance with this policy.

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 administration, operations, airport development and assistance grants, and aeronautic planning.

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	Feb. '24	Nov. '23	\$ Change	% Change
2020 (act)	25	25	-	0.0%
2021 (act)	27	27	-	0.0%
2022 (act)	31	31	-	0.0%
2023 (act)	27	27	-	0.0%
2024	31	32	(0.8)	-2.7%
2025	29	28	1.6	5.9%
2026	27	27	(0.1)	-0.5%
2027	27	27	0.0	0.0%

Fund Balance Policy

The 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 SAF (excluding 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). Currently, the fund complies with this policy and projects an available balance of approximately \$8 million by FY 2027.

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:	Transportation Advancement Account Fund Statement
Appendix 8:	Minnesota Highway User Tax Revenue – Percentage of Total Revenues
Appendix 9:	HUTD Revenues Year-over-Year Growth Percentage Trend
Policy Links:	<u>Policy Links</u>

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Appendix 1

Highway User Tax Distribution Fund

February 2024 Forecast

Comparison to Nov. 2023 Forecast

(\$ in thousands)	February 2024 Forecast								Change from Nov. 2023			
	Close	Close	Close	Close	Budget	Budget	Planning Est	Planning Est	Budget	Budget	Planning Est	Planning Est
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2024	FY 2025	FY 2026	FY 2027
Balance Forward from Prior Year	11,932	10,674	24,338	15,897	7,578	11,999	12,000	12,000	-	(2)	(1)	1
Prior Year Adjustments	87	91	255	(50)	-	-	-	-	-	-	-	-
Adjusted Balance Forward	12,019	10,765	24,593	15,848	7,578	11,999	12,000	12,000	-	(2)	(1)	1
Net Revenue and Transfers-In												
Motor Fuel Excise Tax	879,237	846,125	892,597	881,971	874,200	905,820	965,522	975,764	(7,116)	(7,478)	(7,885)	(7,971)
Motor Vehicle Registration Tax	812,605	853,657	823,287	836,522	928,717	1,068,025	1,174,828	1,233,569	7,262	8,351	9,186	9,645
Motor Vehicle Sales Tax	486,031	589,043	591,627	636,327	699,618	686,652	703,992	731,394	32,838	34,812	37,212	40,854
Sales Tax on Auto Parts	145,644	145,644	145,644	145,644	139,897	144,524	149,059	153,338	-	-	-	-
Motor Vehicle Rental Tax (9.2%)	24,952	15,735	26,244	30,797	32,949	34,246	35,555	36,962	278	402	434	516
Motor Vehicle Rental Tax (6.5%)	17,629	11,117	18,542	21,759	23,279	24,195	25,120	26,115	196	283	306	365
Leased Vehicle Sales Tax	9,467	8,658	7,513	6,231	7,436	7,810	8,019	8,107	836	1,122	1,397	1,408
Other Income	4,452	3,763	4,463	13,162	19,123	15,467	11,042	10,247	1,261	(222)	(530)	843
Total Net Revenue and Transfers-In	2,380,017	2,473,743	2,509,917	2,572,414	2,725,219	2,886,739	3,073,136	3,175,496	35,554	37,270	40,121	45,661
Expenditures and Transfers-Out												
Appropriations to MnDOT, Revenue, DPS	11,607	11,662	4,004	3,607	3,666	3,751	3,776	3,759	-	-	-	-
Transfers--DNR	23,066	20,317	21,397	21,520	21,855	22,646	24,138	24,394	(178)	(186)	(197)	(199)
Transfers--5% Set-Aside	117,335	121,410	124,661	127,778	134,764	143,017	152,261	157,367	1,787	1,873	2,016	2,293
Transfers--County State-Aid Highway	646,513	668,967	686,880	704,056	742,549	788,024	838,959	867,093	9,845	10,319	11,107	12,634
Transfers--Municipal State-Aid Highway	200,642	207,610	213,170	218,500	230,446	244,559	260,366	269,098	3,055	3,202	3,447	3,921
Transfers--Trunk Highway	1,382,200	1,430,204	1,468,502	1,505,222	1,587,518	1,684,741	1,793,636	1,853,785	21,047	22,061	23,746	27,012
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	2,381,363	2,460,170	2,518,613	2,580,683	2,720,798	2,886,738	3,073,136	3,175,496	35,556	37,269	40,119	45,661
Ending Balance	10,674	24,338	15,897	7,578	11,999	12,000	12,000	12,000	(2)	(1)	1	0

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

Appendix 2

Trunk Highway Fund
February 2024 Forecast
Comparison to Nov. 2023 Forecast

(\$ in thousands)	February 2024 Forecast								Change from Nov. 2023			
	Close FY 2020	Close FY 2021	Close FY 2022	Close FY 2023	Budget FY 2024	Budget FY 2025	Planning Est FY 2026	Planning Est FY 2027	Budget FY 2024	Budget FY 2025	Planning Est FY 2026	Planning Est FY 2027
Balance Forward from Prior Year	424,314	491,015	335,408	327,279	241,553	317,376	200,954	215,457	-	13,789	34,136	51,753
Prior Year Adjustments	27,739	46,061	102,909	105,882	40,000	40,000	40,000	40,000	-	-	-	-
Adjusted Balance Forward	452,052	537,076	438,317	433,161	281,553	357,376	240,954	255,457	-	13,789	34,136	51,753
Net Revenue and Transfers-In												
Transfer from HUDT	1,382,200	1,430,204	1,468,502	1,505,222	1,587,518	1,684,741	1,793,636	1,853,785	21,047	22,061	23,746	27,012
Federal Aid Agreements	547,643	528,939	489,069	855,140	824,264	699,230	686,998	686,998	-	-	-	-
Other Income and Transfers-In	84,713	59,553	96,362	83,148	261,547	99,547	88,163	85,454	(7,258)	(8,030)	(6,338)	(2,132)
Total Net Revenue and Transfers-In	2,014,556	2,018,697	2,053,933	2,443,510	2,673,329	2,483,518	2,568,797	2,626,237	13,789	14,031	17,408	24,880
Expenditures and Transfers-Out												
Transportation Department	1,652,140	1,841,885	1,808,212	2,230,041	2,215,307	2,188,816	2,124,116	2,102,032	-	-	-	-
Public Safety and Other Depts.	113,632	132,427	139,696	153,084	188,292	175,735	175,782	175,782	-	-	-	-
Transfers-Out and Other	-	68,589	3,925	4,086	4,000	4,000	4,000	4,000	-	-	-	-
Debt Service	209,821	177,571	213,138	247,908	229,906	271,390	290,395	314,583	-	(6,316)	(209)	86
Total Expenditures and Transfers-Out	1,975,594	2,220,472	2,164,971	2,635,119	2,637,505	2,639,940	2,594,294	2,596,397	-	(6,316)	(209)	86
Balance Before Reserves	491,015	335,301	327,279	241,553	317,376	200,954	215,457	285,297	13,789	34,136	51,753	76,547
Less Appropriation Carryforward	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	491,015	335,301	327,279	241,553	317,376	200,954	215,457	285,297	13,789	34,136	51,753	76,547
Reserved Fund Balance per Policy	112,148	105,631	115,211	118,867	134,509	125,465	128,272	125,855	827	842	1,044	1,493
Unreserved Fund Balance per Policy	378,867	229,669	212,068	122,686	182,868	75,489	87,185	159,442	12,962	33,294	50,709	75,054
Debt Service Percentage Compared to State Revenue	14.3%	12.2%	13.9%	15.9%	12.8%	15.6%	15.8%	16.6%	-0.1%	-0.5%	-0.2%	-0.2%

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
February 2024 Forecast
Comparison to Nov. 2023 Forecast

(\$ in thousands)	February 2024 Forecast								Change from Nov. 2023			
	Close	Close	Close	Close	Budget	Budget	Planning Est	Planning Est	Budget	Budget	Planning Est	Planning Est
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2024	FY 2025	FY 2026	FY 2027
Balance Forward from Prior Year	690,463	702,465	763,678	811,391	911,259	904,341	904,272	904,204	-	-	-	-
Prior Year Adjustments	286	385	219	674	-	-	-	-	-	-	-	-
Adjusted Balance Forward	690,749	702,850	763,898	812,065	911,259	904,341	904,272	904,204	-	-	-	-
Net Revenue and Transfers-In												
Leased Vehicle Sales Tax	32,704	29,909	25,955	21,526	25,688	26,980	27,702	28,006	2,888	3,876	4,826	4,864
Other Income	11,128	2,957	3,357	24,960	38,634	30,442	18,965	16,474	(1,455)	(3,545)	(3,421)	148
Transfer from HUTD	763,848	790,376	811,541	831,834	877,313	931,041	991,220	1,024,460	11,632	12,192	13,123	14,927
Transfer from TAA	-	-	-	-	2,364	15,530	17,566	19,265	-	-	-	-
Transfer from General	-	-	12,000	-	-	-	-	-	-	-	-	-
Total Net Revenue and Transfers-In	807,679	823,243	852,853	878,320	943,999	1,003,993	1,055,453	1,088,205	13,065	12,523	14,528	19,939
Expenditures and Transfers-Out												
Grants to Local Governments	784,739	751,053	777,927	765,694	925,553	984,265	1,034,372	1,066,263	12,683	12,267	14,253	19,630
MnDOT Administrative and Research	11,163	11,286	12,310	13,364	18,446	19,728	21,081	21,942	382	256	275	309
Transfers to MSAS Fund	-	-	5,000	-	5,000	-	-	-	-	-	-	-
Transfers to Special Revenue	61	76	122	68	68	68	68	68	-	-	-	-
Transfers to Trunk Highway Fund	-	-	10,000	-	1,850	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	795,963	762,415	805,359	779,126	950,917	1,004,061	1,055,521	1,088,273	13,065	12,523	14,528	19,939
Balance Before Reserves	702,465	763,678	811,391	911,259	904,341	904,272	904,204	904,136	(0)	0	(0)	(0)
Less Appropriation Carryforward	702,465	763,678	811,391	911,259	904,341	904,272	904,204	904,136	-	-	-	-
Ending Balance	-	-	-	-	-	-	-	-	(0)	0	(0)	(0)

Appendix 4

Municipal State Aid Fund
February 2024 Forecast
Comparison to Nov. 2023 Forecast

(\$ in thousands)	February 2024 Forecast								Change from Nov. 2023			
	Close	Close	Close	Close	Budget	Budget	Planning Est	Planning Est	Budget	Budget	Planning Est	Planning Est
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2024	FY 2025	FY 2026	FY 2027
Balance Forward From Prior Year	183,006	149,365	182,132	248,945	274,342	274,342	274,342	274,342	-	-	-	-
Prior Year Adjustments	88	128	59	194	-	-	-	-	-	-	-	-
Adjusted Balance Forward	183,095	149,493	182,192	249,140	274,342	274,342	274,342	274,342	-	-	-	-
Net Revenue and Transfers-In :												
Other Income	2,917	823	1,188	7,849	11,770	9,363	5,959	5,212	(251)	(916)	(927)	118
Transfer From HUTD	200,642	207,610	213,170	218,500	230,446	244,559	260,366	269,098	3,055	3,202	3,447	3,921
Transfer From CSAH	-	-	5,000	-	5,000	-	-	-	-	-	-	-
Net Revenue and Transfers In	203,559	208,433	219,358	226,349	247,216	253,922	266,325	274,310	2,804	2,286	2,520	4,039
Expenditures and Transfers-Out												
Grants to Local Governments	233,976	172,406	148,845	197,311	241,313	247,608	259,729	267,492	2,865	2,227	2,457	3,946
MnDOT Administrative and Research	3,293	3,363	3,722	3,815	5,882	6,293	6,575	6,796	(61)	59	62	94
Transfers to Special Revenue	19	24	38	21	21	21	21	21	-	-	-	-
Total Expenditures and Transfers-Out	237,289	175,793	152,604	201,147	247,216	253,922	266,325	274,310	2,804	2,286	2,520	4,039
Balance before Reserves	149,365	182,132	248,945	274,342	274,342	274,342	274,342	274,342	0	0	-	(0)
Less Appropriation Carryforward	149,365	182,132	248,945	274,342	274,342	274,342	274,342	274,342	-	-	-	-
Ending Balance	-	-	-	-	-	-	-	-	0	0	-	(0)

Transit Assistance Fund
 February 2024 Forecast
 Comparison to Nov. 2023 Forecast

(\$ in thousands)	February 2024 Forecast								Change from Nov. 2023			
	Close FY 2020	Close FY 2021	Close FY 2022	Close FY 2023	Budget FY 2024	Budget FY 2025	Planning Est FY 2026	Planning Est FY 2027	Budget FY 2024	Budget FY 2025	Planning Est FY 2026	Planning Est FY 2027
Balance Forward from Prior Year	47,064	46,313	54,009	42,903	35,023	33,981	31,788	30,881	-	1,008	2,830	4,747
Prior Year Adjustments	5,365	2,813	7,162	4,790	-	-	-	-	-	-	-	-
Adjusted Balance Forward	52,429	49,126	61,171	47,693	35,023	33,981	31,788	30,881	-	1,008	2,830	4,747
Net Revenue and Transfers-In												
Metropolitan Area Transit Account	291,607	353,426	354,976	381,796	399,948	392,536	402,449	418,114	18,772	19,901	21,273	23,355
Greater Minnesota Transit Account	32,402	39,270	39,442	42,422	66,464	65,232	66,879	69,482	3,120	3,307	3,535	3,881
Total Motor Vehicle Sales Tax	324,009	392,696	394,418	424,218	466,412	457,768	469,328	487,596	21,892	23,208	24,808	27,236
Leased Vehicle Sales Tax	32,704	29,909	25,955	21,526	25,688	26,980	27,702	28,006	2,888	3,876	4,826	4,864
Total Net Revenue and Transfers-In	356,712	422,605	420,373	445,743	492,100	484,748	497,030	515,602	24,780	27,084	29,634	32,100
Expenditures and Transfers-Out												
Metropolitan Council	291,630	353,449	355,077	381,900	399,948	392,536	402,449	418,114	18,772	19,901	21,273	23,355
Transportation Department	71,198	64,273	83,564	76,514	93,194	94,405	95,488	97,275	5,000	5,361	6,444	8,231
Total Expenditures and Transfers-Out	362,828	417,722	438,641	458,414	493,142	486,941	497,937	515,389	23,772	25,262	27,717	31,586
Balance Before Reserves	46,313	54,009	42,903	35,023	33,981	31,788	30,881	31,094	1,008	2,830	4,747	5,261
Less Appropriation Carryforward	32,704	29,909	25,955	21,526	25,688	26,980	27,702	28,006	2,888	3,876	4,826	4,864
Less Met Council Balance	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	13,609	24,099	16,948	13,497	8,293	4,808	3,179	3,088	(1,880)	(1,046)	(79)	397
Reserved Balance	4,706	4,631	5,401	4,290	3,502	3,398	3,179	3,088	-	101	283	475
Unreserved Fund Balance	8,903	19,468	11,547	9,207	4,790	1,410	0	0	(1,880)	(1,147)	(362)	(78)

Appendix 6

State Airports Fund
February 2024 Forecast
Comparison to Nov. 2023 Forecast

(\$ in thousands)	February 2024 Forecast								Change from Nov. 2023			
	Close	Close	Close	Close	Budget	Budget	Planning Est	Planning Est	Budget	Budget	Planning Est	Planning Est
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2024	FY 2025	FY 2026	FY 2027
Balance Forward from Prior Year	\$15,566	\$21,880	\$18,101	\$19,200	\$22,700	\$11,757	\$15,124	\$15,550	-	3,160	3,435	1,289
Prior Year Adjustments	3,633	3,752	3,340	3,954	500	500	500	500	-	-	-	-
Adjusted Balance Forward	19,199	25,632	21,441	23,153	23,200	12,257	15,624	16,050	-	3,160	3,435	1,289
Net Revenue and Transfers-In												
Transfer from General Fund	-	-	-	-	-	-	-	-	-	-	-	-
Sales Tax on Aircraft	9,906	12,330	12,806	8,420	13,000	10,000	10,000	10,000	1,000	-	-	-
Airline Flight Property Tax	7,025	7,008	7,004	7,031	6,988	7,000	7,000	7,000	(12)	-	-	-
Aircraft Registration Tax	3,573	3,866	3,382	4,980	4,000	4,000	4,000	4,000	-	-	-	-
Gasoline & Special Fuel Tax	4,467	3,090	7,092	5,196	5,000	5,000	5,000	5,000	-	-	-	-
Other Income	1,253	1,279	1,330	2,149	2,722	4,792	1,863	1,751	(1,828)	2,276	(146)	12
Total Net Revenue and Transfers-In	26,224	27,573	31,613	27,776	31,709	30,792	27,863	27,751	(840)	2,276	(146)	12
Expenditures and Transfers-Out												
Transportation Department	23,929	35,400	34,127	27,723	43,452	28,225	28,236	26,229	(4,000)	2,000	2,000	-
Transfer Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	23,929	35,400	34,127	27,723	43,452	28,225	28,236	26,229	(4,000)	2,000	2,000	-
Net Change in Loan Fund	387	296	272	(506)	300	300	300	300	-	-	-	-
Balance Before Reserves	21,880	18,101	19,200	22,700	11,757	15,124	15,550	17,873	3,160	3,435	1,289	1,302
Less Appropriation Carryforward	2,217	2,169	2,259	4,010	3,910	5,060	5,560	6,060	-	650	650	650
Ending Balance	\$17,504	\$14,160	\$15,464	\$16,564	\$5,721	\$7,938	\$7,865	\$9,687	3,160	2,785	639	652
Reserved Balance	1,080	1,697	1,586	1,366	2,103	1,371	1,372	1,271	(200)	100	100	-
Unreserved Fund Balance	16,424	12,463	13,878	15,198	3,619	6,567	6,493	8,416	3,360	2,685	539	652

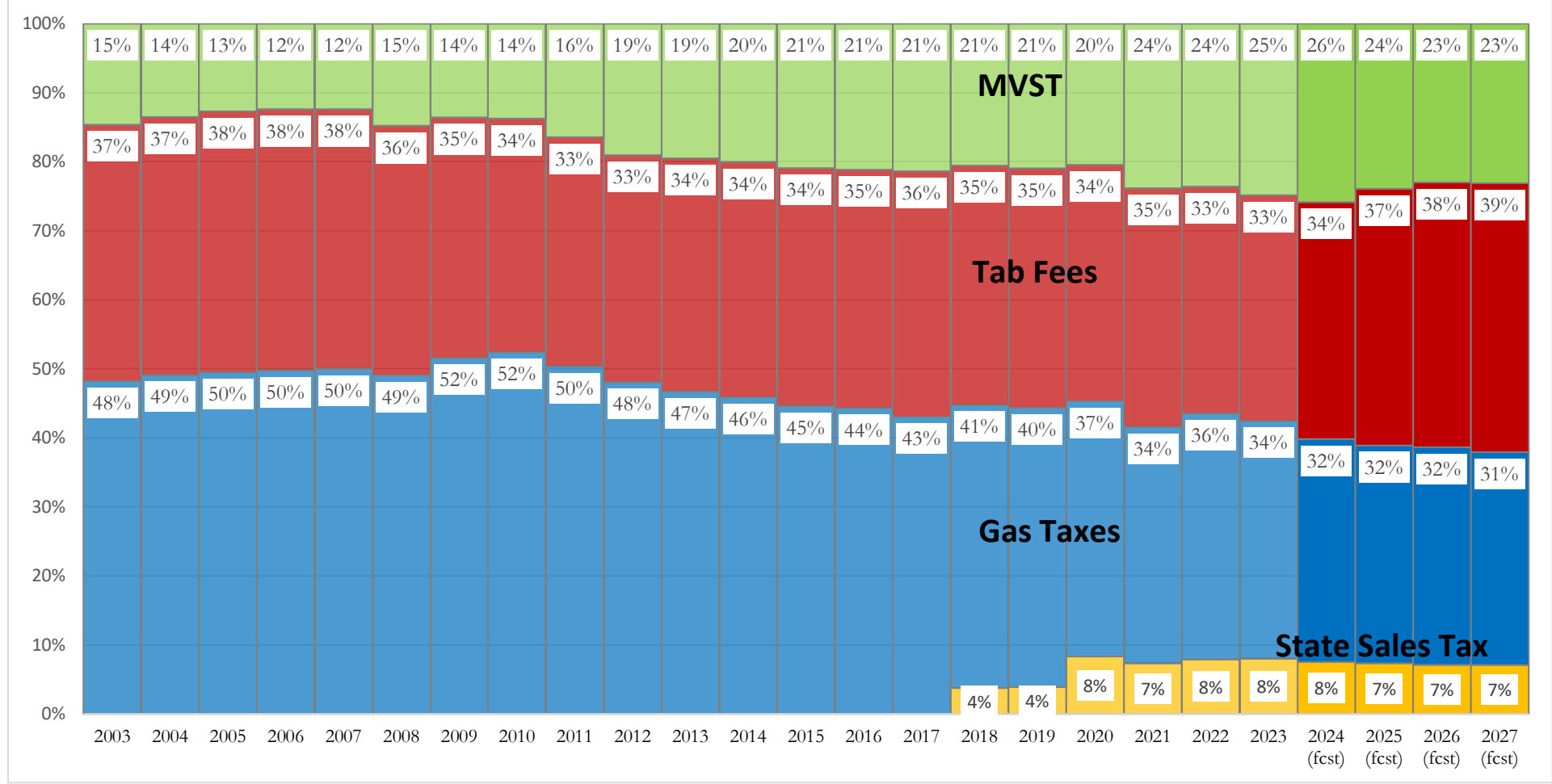
This fund statement consists of three funds: State Airports Fund, Hangar Revolving Loan Fund, and Air Transportation Services Fund. Ending balances in the two revolving funds are not included in the consolidated fund statement ending balance since their receipts are dedicated to their specific functions.

Transportation Advancement Account Fund
 February 2024 Forecast
 Comparison to Nov. 2023 Forecast

(\$ in thousands)	February 2024 Forecast								Change from Nov. 2023			
	Close FY 2020	Close FY 2021	Close FY 2022	Close FY 2023	Budget FY 2024	Budget FY 2025	Planning Est FY 2026	Planning Est FY 2027	Budget FY 2024	Budget FY 2025	Planning Est FY 2026	Planning Est FY 2027
Net Revenue and Transfers-In												
Delivery Fee	-	-	-	-	-	63,800	70,000	70,500	-	4,800	5,200	5,200
Sales Tax on Auto Parts	-	-	-	-	11,256	14,951	18,846	26,438	-	-	-	-
Total Receipts	-	-	-	-	11,256	78,751	88,846	96,938	-	4,800	5,200	5,200
Other Income	-	-	-	-	-	-	-	-	-	-	-	-
Net Receipts	-	-	-	-	11,256	78,751	88,846	96,938	-	4,800	5,200	5,200
Total Net Revenue and Transfers-In	-	-	-	-	11,256	78,751	88,846	96,938	-	4,800	5,200	5,200
Expenditures and Transfers-Out												
Metro Counties (36%)	-	-	-	-	4,052	28,350	31,985	34,898	-	1,728	1,872	1,872
County State Aid Highway (CSAH) (10%) *	-	-	-	-	1,126	7,875	8,885	9,694	-	480	520	520
Larger Cities (15%)	-	-	-	-	1,688	11,813	13,327	14,541	-	720	780	780
Small Cities (27%)	-	-	-	-	3,039	21,263	23,989	26,173	-	1,296	1,404	1,404
Town Road (11%) *	-	-	-	-	1,238	8,663	9,773	10,663	-	528	572	572
Food Delivery Support (1%)	-	-	-	-	113	788	888	969	-	48	52	52
Total Expenditures and Transfers-Out	-	-	-	-	11,256	78,751	88,846	96,938	-	4,800	5,200	5,200
Total Uses	-	-	-	-	11,256	78,751	88,846	96,938	-	4,800	5,200	5,200
Ending Balance	-	-	-	-	-	-	-	-	-	-	-	-

* CSAH and Town Road transfers are also itemized in the CSAH fund statement

Minnesota Highway User Tax Revenue FY 2003-2023 Actuals, 2024-2027 Based on Feb. 2024 Forecast % of Total Revenues



Year-over-Year Growth Rates HUTD Revenues Feb. 2024 vs Nov. 2023 Forecast

