



MnDOT November 2022 Forecast Update

Sam Brown

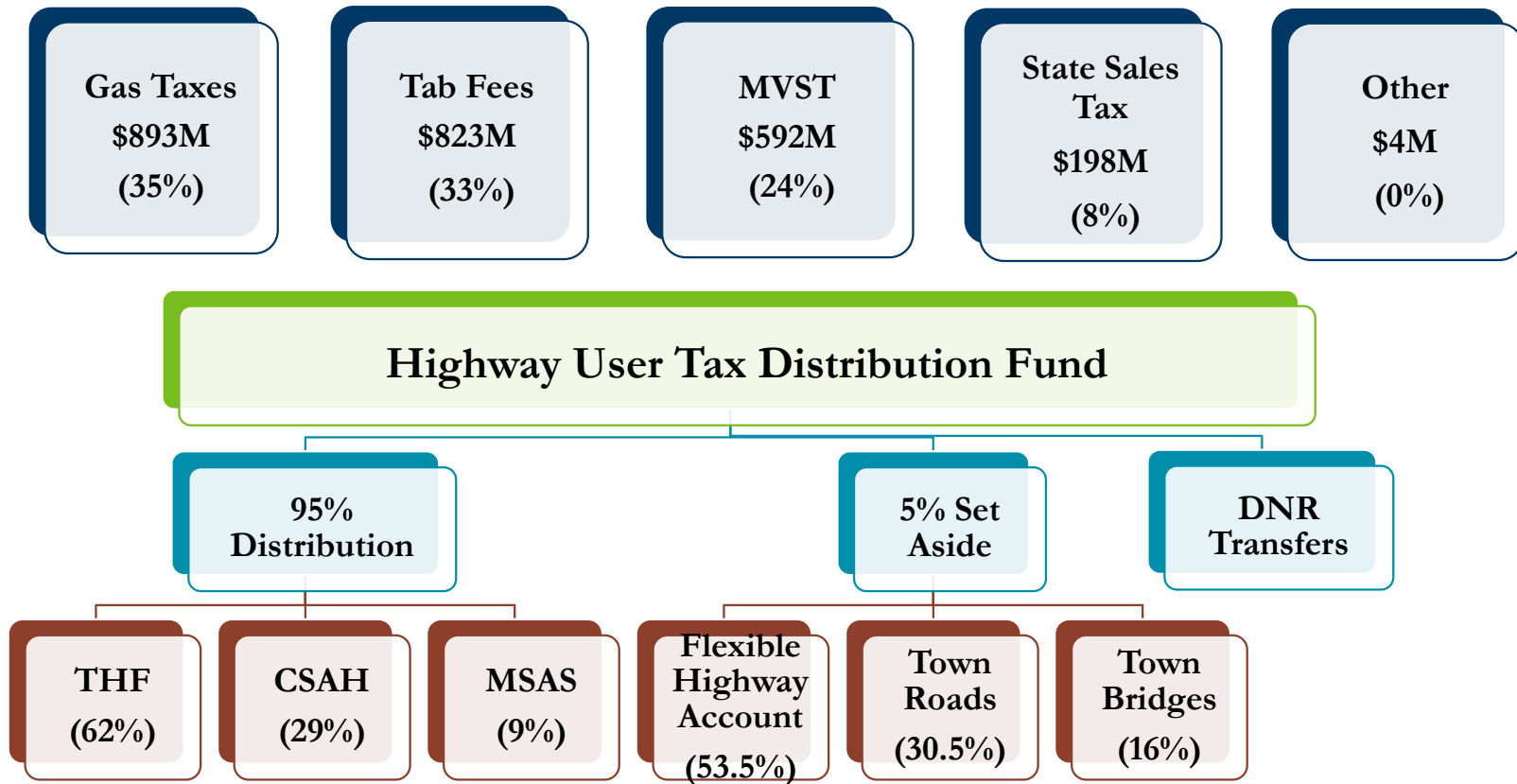
MnDOT Agency Budget Director

Forecast Overview

- MMB prepares forecast for state General Fund
 - Overall estimated FY 2024-25 surplus = \$17.6B balance (+\$5.5B)
- MnDOT prepares forecasts for 6 transportation funds:
 - Highway User Tax Distribution (HUTD)
 - Trunk Highway
 - County State Aid Highway (CSAH)
 - Municipal State Aid Street (MSAS)
 - State Airport
 - Transit Assistance

HUTD Sources and Uses

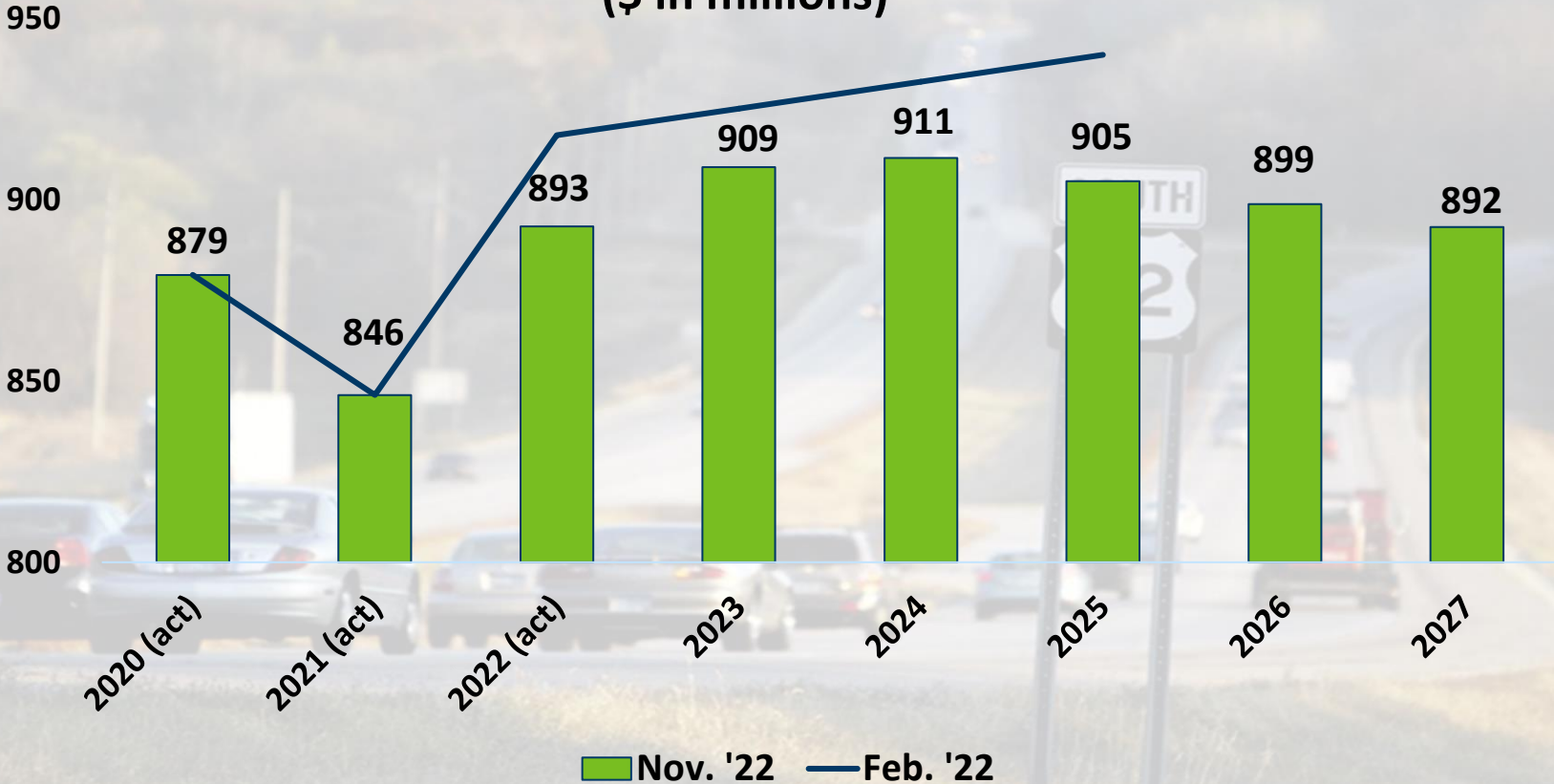
Based on FY 2022 Actuals



Gas Tax Forecast

Gas Tax Revenues

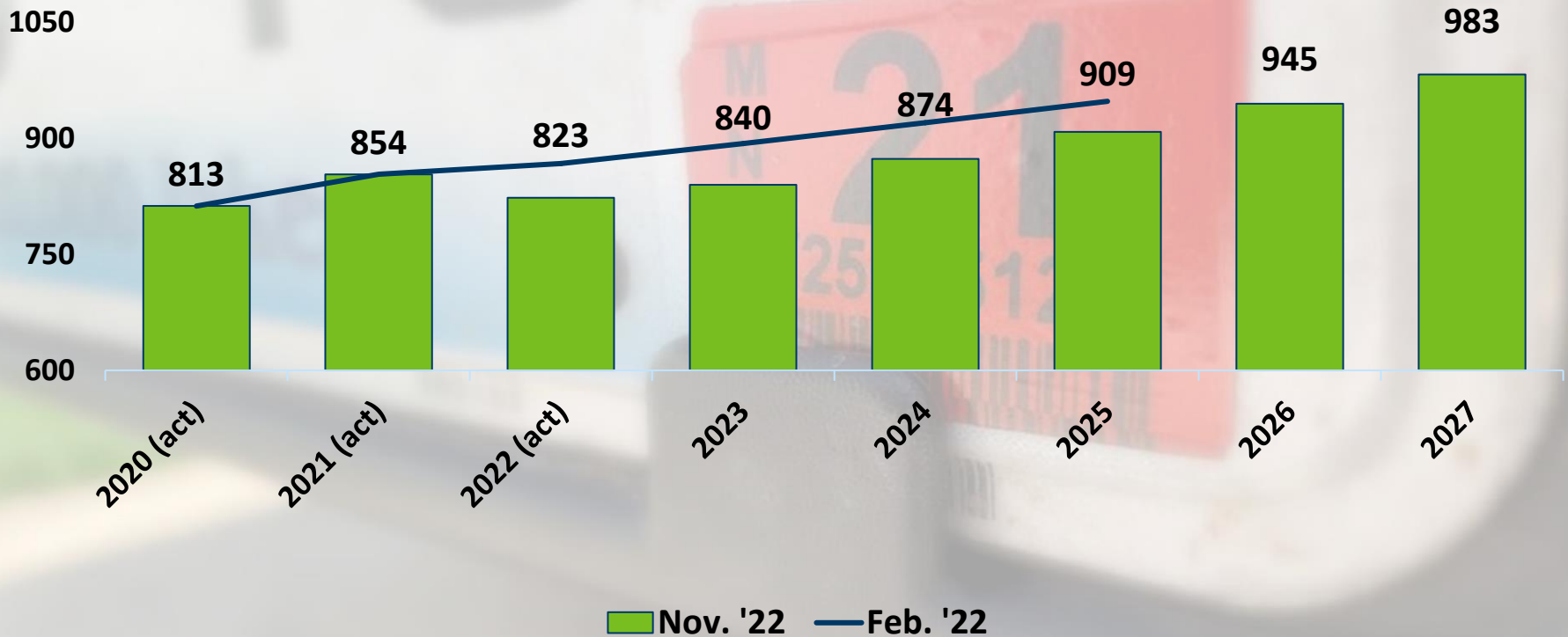
Nov. 2022 vs. Feb. 2022 Forecast
(\$ in millions)



Registration Forecast

Motor Vehicle Registration Revenues

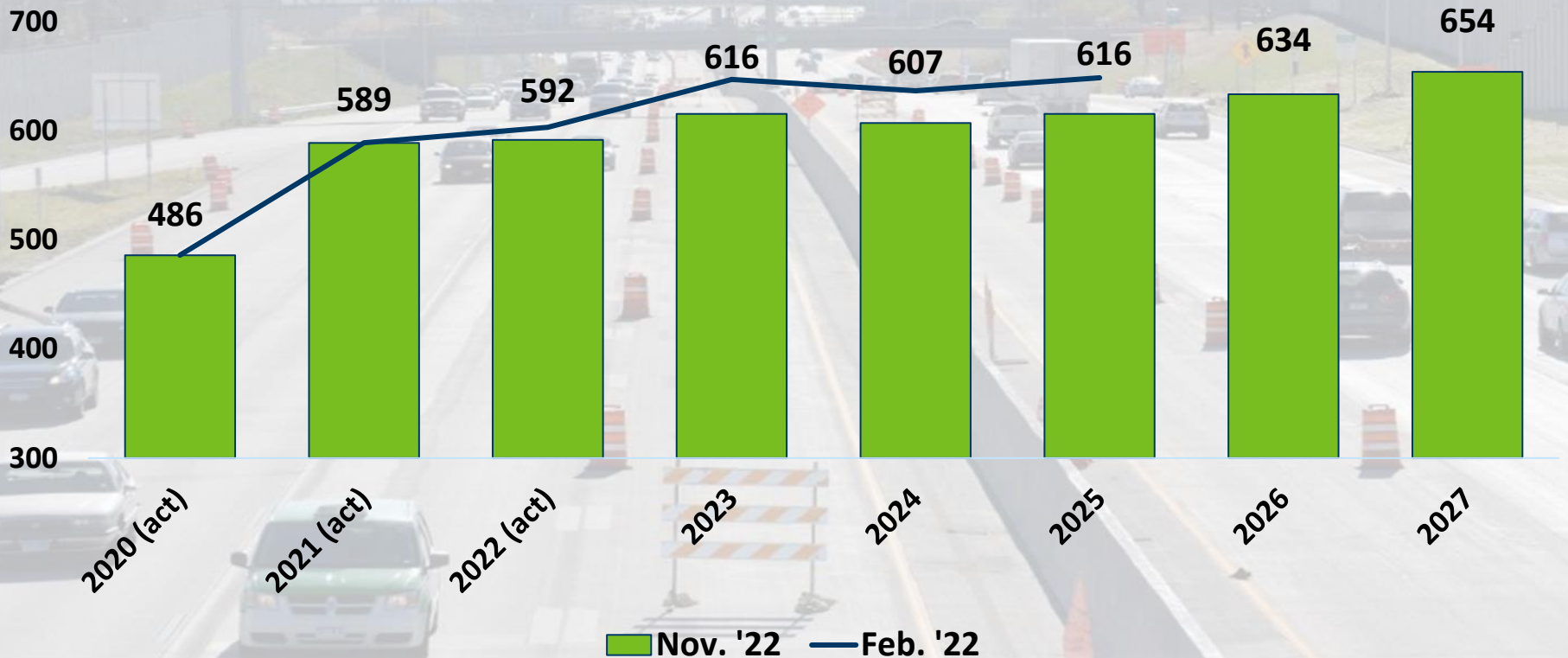
Nov. 2022 vs. Feb 2022 Forecast
(in millions)



MVST Forecast

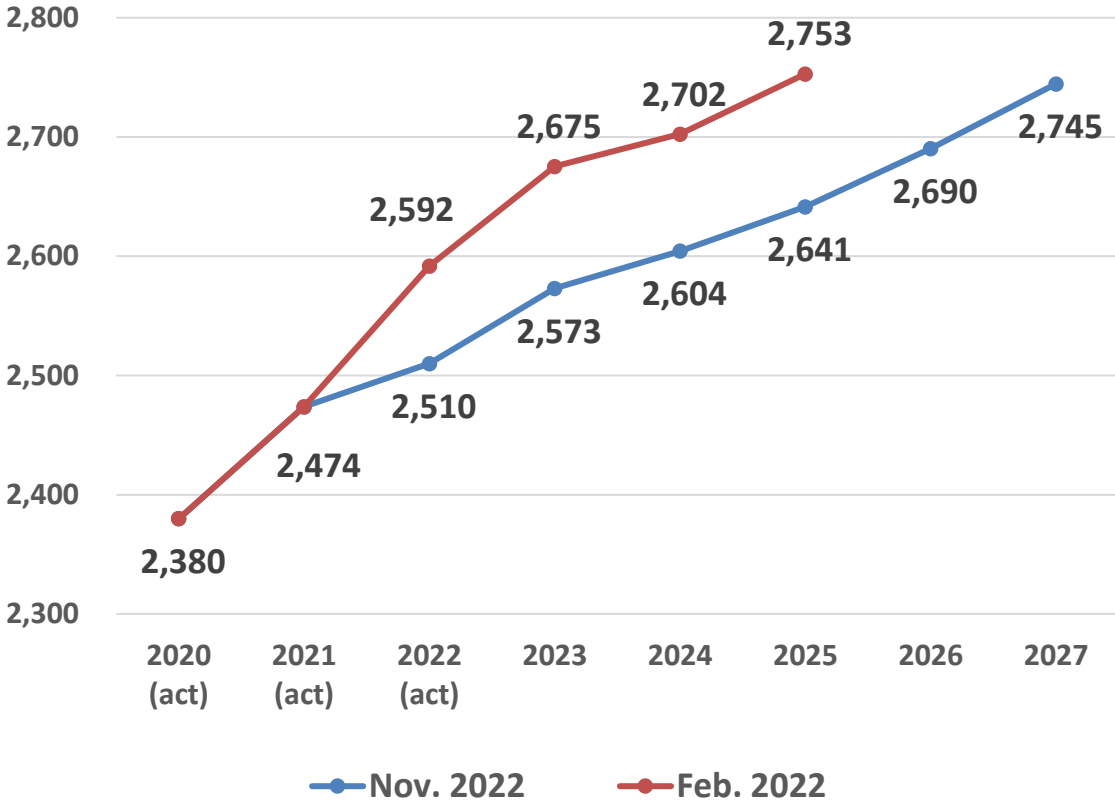
MVST Revenues

Nov. 2022 vs. Feb 2022 Forecast
(\$ in millions)



HUTD Revenues

HUTD Revenues
Nov. 2022 vs. Feb. 2022 Forecast
(\$ in millions)



- FY 2022-23 biennial revenues decreasing -\$184M (-3.5%) compared to Feb. '22
- FY 2024-25 revenues decreasing -\$209M (-3.8%) compared to Feb. '22

HUTD Revenues

Year-Over-Year Growth Rates

Revenue	FY 20 (act)	FY 21 (act)	FY 22 (act)	FY 23 (fcst)	FY 24 (fcst)	FY 25 (fcst)	FY 26 (fcst)	FY 27 (fcst)
Gas tax	-6.2%	-3.8%	5.5%	1.8%	0.3%	-0.7%	-0.7%	-0.7%
Tab fees	1.1%	5.1%	-3.6%	2.0%	4.0%	4.0%	4.0%	4.0%
MVST	0.0%	21.2%	0.4%	4.1%	-1.4%	1.4%	2.9%	3.2%
State sales taxes	119.0%	-8.4%	9.3%	1.6%	0.7%	0.9%	1.1%	1.1%
Other	-26.1%	-15.5%	18.6%	61.6%	29.7%	-16.7%	-16.6%	-1.6%
Total	2.4%	3.9%	1.5%	2.5%	1.2%	1.4%	1.9%	2.0%

Feb '22

4.8%

3.2%

1.0%

1.9%

Trunk Highway Fund Balance

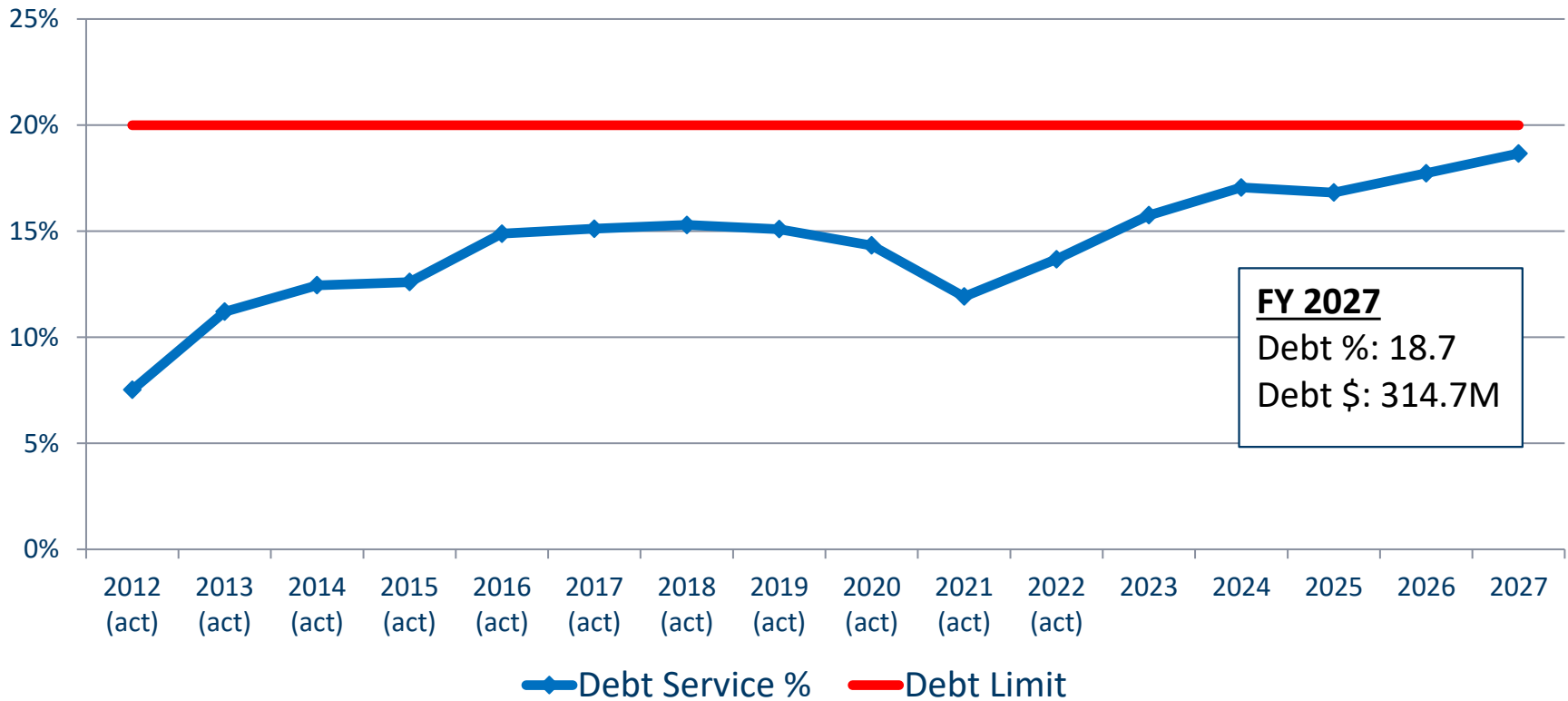
\$ in millions

All activity reflects TH Fund

	FY 22	FY 23	FY 24	FY 25
<u>February '22 Forecast</u>	<u>\$178</u>	<u>\$268</u>	<u>\$272</u>	<u>\$291</u>
HUTD Revenues (TH portion)	-49	-58	-57	-65
Federal Revenues	32	-	180	149
Other TH Revenues	21	17	25	12
Prior Year Adjustments	9	5	5	5
MnDOT Spending	-157	211	6	6
DPS Spending	-10	17	-0.8	-0.8
Debt Service	-0.4	-14	-12	-32
Other Transfers	-	-	-	-
<u>November '22 Forecast</u>	<u>\$359</u>	<u>\$200</u>	<u>\$364</u>	<u>\$511</u>
Reserved	\$114	\$108	\$105	\$102
Unreserved*	\$245	\$92	\$259	\$409

*Note: unreserved available balance net of additional federal funds = ~\$23M/year

Trunk Highway Debt Policy



*Roughly \$225M in additional bonding capacity

CSAH/MSAS Expenditures

\$ in millions

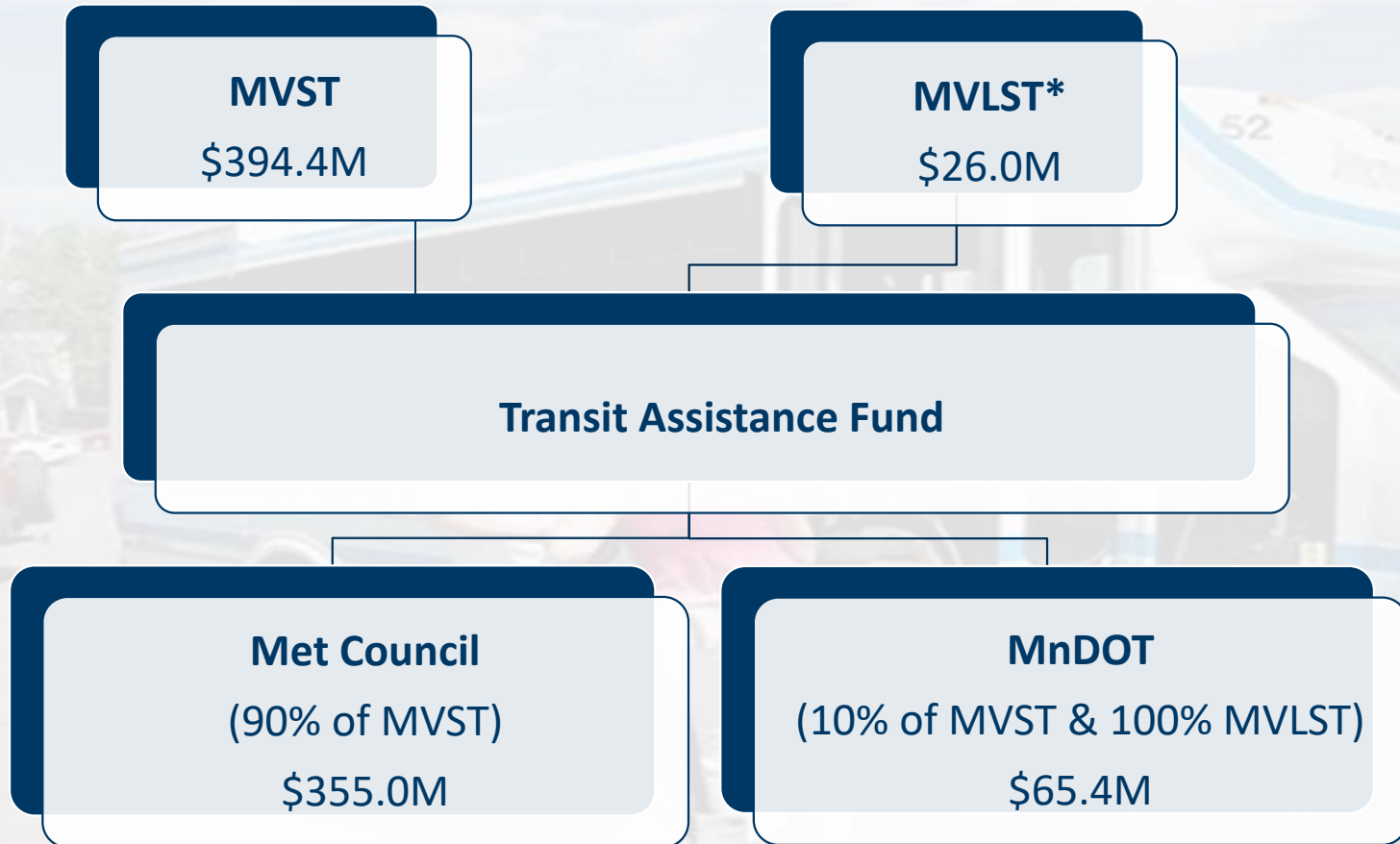
county state-aid highway (CSAH) / municipal state-aid street (MSAS) funds

Commissioner's Order Distributions

	Actual			Forecast				
	2020	2021	2022	2023	2024	2025	2026	2027
Net Revenues Available	2,453	2,384	2,576	2,535	2,566	2,603	2,652	2,707
Total Distributions to Local Governments								
Counties	778	709	786	782	794	807	821	837
Municipalities	210	193	235	216	219	223	227	231
Town Roads and Bridges	57	53	73	59	60	61	62	63

Transit Assistance Fund

Based on FY 2022 Actuals



***38% of MVLST is allocated to TAF**

Transit Assistance Fund

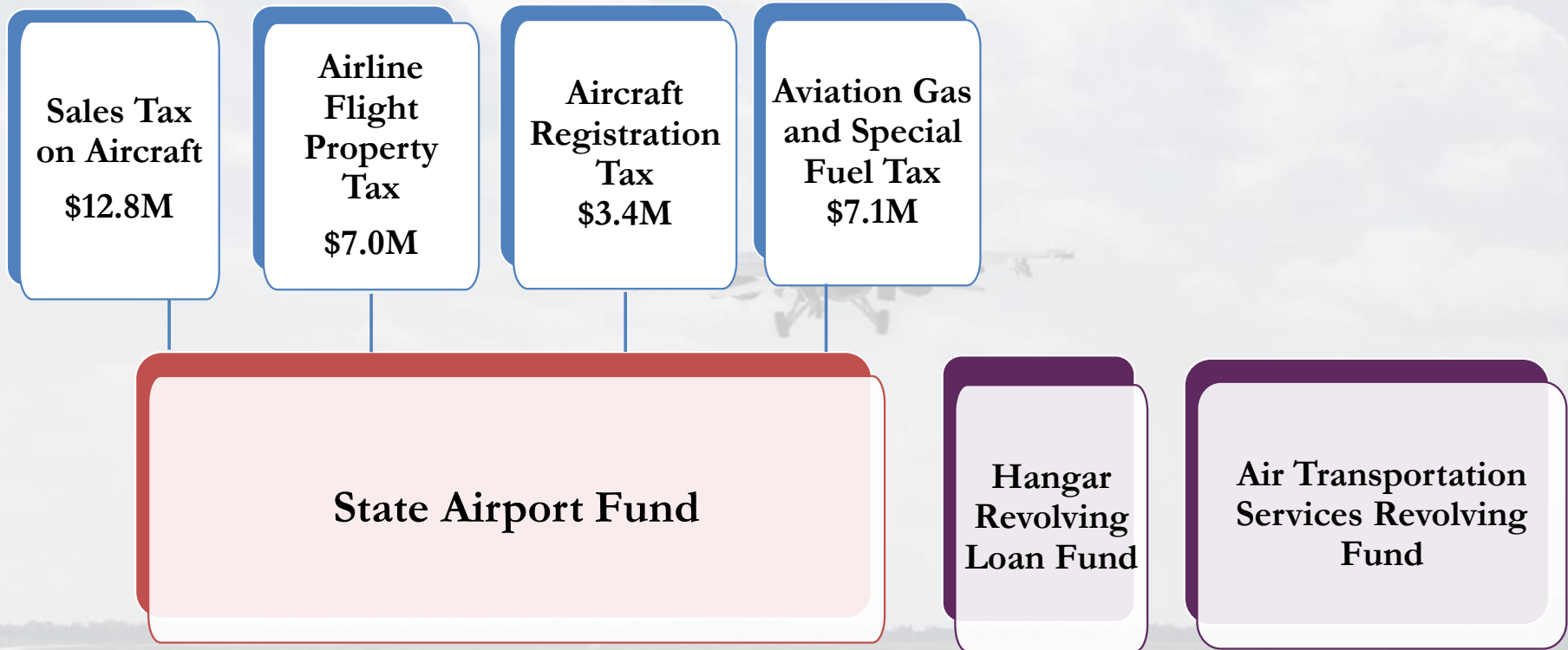
\$ in thousands

	2022 Nov Close FY 2020	2022 Nov Close FY 2021	2022 Nov Close FY 2022	2022 Nov Budget FY 2023	2022 Nov Budget FY 2024	2022 Nov Budget FY 2025	2022 Nov Planning Est FY 2026	2022 Nov Planning Est FY 2027
ACTUAL & ESTIMATED RESOURCES								
Balance Forward From Prior Year	47,064	46,313	54,009	42,903	26,639	25,371	24,125	24,235
Prior Year Adjustments	5,365	2,813	7,162	-	-	-	-	-
Adjusted Balance Forward	52,429	49,126	61,171	42,903	26,639	25,371	24,125	24,235
Receipts:								
Metropolitan area transit account	291,607	353,426	354,976	369,367	364,374	369,356	380,192	392,530
Greater Minnesota transit account	32,402	39,270	39,442	41,041	40,486	41,040	42,244	43,614
Total Motor Vehicle Sales Tax	324,009	392,696	394,418	410,408	404,860	410,396	422,436	436,144
Leased Vehicle Sales Tax (Greater MN transit account)	32,704	29,909	25,955	23,066	22,116	21,584	21,736	21,926
Total Receipts	356,712	422,605	420,373	433,474	426,976	431,980	444,172	458,070
Other Income	-	-	-	-	-	-	-	-
Net Receipts	356,712	422,605	420,373	433,474	426,976	431,980	444,172	458,070
Transfers from Other Funds:								
Total Transfers	-	-	-	-	-	-	-	-
Total Resources Available	409,141	471,731	481,544	476,377	453,615	457,351	468,297	482,305
ACTUAL & ESTIMATED USES								
Expenditures:								
Metropolitan Council	291,630	353,449	355,077	369,367	364,374	369,356	380,192	392,530
Transportation Department	71,198	64,273	83,564	80,370	63,870	63,870	63,870	63,870
Total Expenditures	362,828	417,722	438,641	449,737	428,244	433,226	444,062	456,400
Total Uses	362,828	417,722	438,641	449,737	428,244	433,226	444,062	456,400
Balance before Reserves	46,313	54,009	42,903	26,639	25,371	24,125	24,235	25,905
Less Carryforward for Leased Sales Tax (1)	32,704	29,909	25,955	23,066	22,116	21,584	21,736	21,926
Less Met Council Balance	-	-	-	-	-	-	-	-
Budgetary Balance	13,609	24,099	16,948	3,573	3,255	2,541	2,499	3,979
Fund Balance Reserve (10% of RFW)	4,706	4,631	5,401	4,290	2,664	2,537	2,413	2,423
Unreserved Fund Balance	8,903	19,468	11,547	(717)	592	4	86	1,556

*Base spending in FY24 and beyond \$63.87M/year. Forecast is down from \$73M/year in Feb '22 (-\$9.1M, -12.5%)

SAF Revenues

Based on FY 2022 Actuals



State Airports Fund

\$ in thousands

(\$ in thousands)	November 2022 Forecast							
	Close FY 2020	Close FY 2021	Close FY 2022	Budget FY 2023	Planning Est FY 2024	Planning Est FY 2025	Planning Est FY 2026	Planning Est FY 2027
Balance Forward from Prior Year	\$15,566	\$21,880	\$18,101	\$19,495	\$21,284	\$24,296	\$26,836	\$29,041
Prior Year Adjustments	3,633	3,752	3,636	500	500	500	500	500
Adjusted Balance Forward	19,199	25,632	21,737	19,995	21,784	24,796	27,336	29,541
Net Revenue and Transfers-In								
Transfer from General Fund	-	-	-	-	-	-	-	-
Sales Tax on Aircraft	9,906	12,330	12,806	10,000	10,000	10,000	10,000	10,000
Airline Flight Property Tax	7,025	7,008	7,004	7,000	7,000	7,000	7,000	7,000
Aircraft Registration Tax	3,573	3,866	3,382	3,600	3,600	3,600	3,600	3,600
Gasoline & Special Fuel Tax	4,467	3,090	7,092	5,000	5,000	5,000	5,000	5,000
Other Income	1,253	1,279	1,330	4,224	2,917	2,445	2,110	2,090
Total Net Revenue and Transfers-In	26,224	27,573	31,613	29,824	28,517	28,045	27,710	27,690
Expenditures and Transfers-Out								
Transportation Department	23,929	35,400	34,127	28,835	26,305	26,305	26,305	26,305
Transfer Out (General Fund)	-	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	23,929	35,400	34,127	28,835	26,305	26,305	26,305	26,305
Net Change in Loan Fund	387	296	272	300	300	300	300	300
Balance Before Reserves	21,880	18,101	19,495	21,284	24,296	26,836	29,041	31,226
Less Appropriation Carryforward	2,217	2,169	2,259	2,770	3,281	3,792	4,303	4,814
Ending Balance	\$17,504	\$14,160	\$15,464	\$16,742	\$20,243	\$22,272	\$23,966	\$25,640
Reserved Balance	1,080	1,697	1,586	1,397	1,271	1,271	1,271	1,271
Unreserved Fund Balance	16,424	12,463	13,878	15,345	18,973	21,001	22,696	24,369

Questions?

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