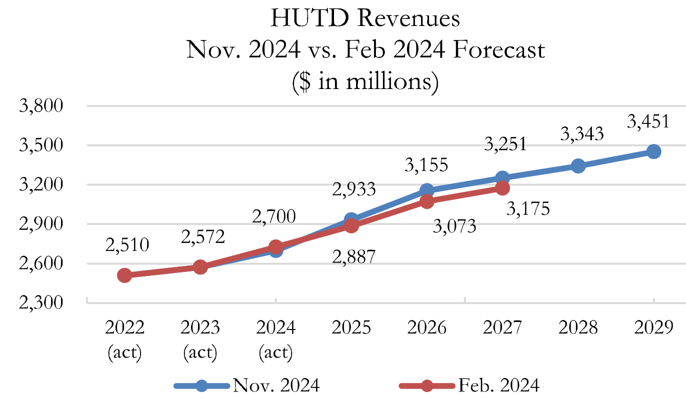
Transportation Funds Forecast November 2024

Released December 10, 2024

Forecast Highlights

Highway User Tax Distribution (HUTD) Fund revenues are anticipated to increase slightly in FY 2025, and continue to increase each year from FY 2026 through FY 2029 compared to the February 2024 forecast.

Overall, revenues are projected to be higher in the current FY 2024-25 biennium compared to the February 2024 forecast, increasing by +$21M (+0.4 percent). In the FY 2026-27 biennium, revenues are projected to increase +$157M (+2.5 percent) compared to February 2024 estimates.



FY 2025 HUTD Revenue Forecast
Nov. 2024 vs. Feb. 2024
($ in millions)

Revenue Source	Nov. '24	Feb. '24	$ Change	% Change
Gas Tax	926	906	**20**	**2.2%**
Tab Fees	1,079	1,068	**11**	**1.0%**
MVST	689	687	**2**	**0.3%**
Interest/Other	15.9	15.5	**0**	**3.1%**
State Sales Tax	215	203	**12**	**5.9%**
MVLST	9.2	7.8	**1**	**17.6%**
Total	**2,933**	**2,887**	**47**	**1.6%**

Change in FY 2025 HUTD Fund revenues compared to the February 2024 forecast

Gas tax is up +$20M (+2.2 percent), registration tax is up +$11M (+1.0 percent), and motor vehicle sales tax is up +$2M (+0.3 percent) in FY 2025.

Summary of Significant Federal and State Funding

MnDOT created the IIJA Discretionary Match Program with $216.4 million in general funds provided by the Minnesota Legislature in the Laws of 2023, Chapter 68. In the 2024 legislative session, this program was reduced by $11 million (Laws of 2024, Chapter 127), changing the total funding to $205.4 million. This funding is available to grant recipients that have directly received a federal discretionary award for a transportation-related purpose under IIJA and will be used as matching funds.

Eligible applicants must be recipients of IIJA discretionary grant awards, specifically for a transportation-related purpose, and may include state government, local government, federally recognized Tribal governments, planning and project organizations, transportation providers and operators, academic research institutions, job training applicants, private sector applicants, and nonprofits. Funds are available for the non-federal match up to the maximum of $10 million and are approved monthly on a first-come basis.

Through November 2025, over $160 million in state funds have been awarded, leveraging over $1 billion in federal funds. At this point in time, across all recipient types, the average state match is approximately $2 million.

Recipient Type	Federal Funds	IIJA Match Funds	IIJA Match %	Projects
Local	209,328,197	70,529,767	43.4%	41
MnDOT	735,541,517	52,070,163	32.0%	11
Airport	56,929,500	23,664,323	14.6%	9
Other	63,176,894	14,343,428	8.8%	8
Tribal Nation	8,229,672	1,927,968	1.2%	7
Grand Total	**1,073,205,780**	**162,535,648**	**100.0%**	**76**

Highway User Tax Distribution Fund
November 2024 Forecast
Comparison to Feb. 2024 Forecast

($ in thousands)	Close	Close	Close	November 2024 Forecast Budget	Budget	Budget	Planning Est	Planning Est	Change from Feb. 2024 Close	Budget	Budget	Budget
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2024	FY 2025	FY 2026	FY 2027
Balance Forward from Prior Year	24,338	15,897	7,578	16,167	11,999	12,000	12,001	12,000	-	4,168	(2)	(0)
Prior Year Adjustments	255	(50)	(61)	-	-	-	-	-	(61)	-	-	-
Adjusted Balance Forward	24,593	15,848	7,517	16,167	11,999	12,000	12,001	12,000	(61)	4,168	(2)	(0)
Net Revenue and Transfers-In												
Motor Fuel Excise Tax	892,597	881,971	886,111	925,676	992,592	999,910	1,007,369	1,023,905	11,912	19,856	27,070	24,147
Motor Vehicle Registration Tax	823,287	836,522	914,474	1,078,841	1,186,725	1,246,061	1,289,674	1,334,812	(14,243)	10,816	11,898	12,493
Motor Vehicle Sales Tax	591,627	636,327	677,184	688,878	731,520	756,060	787,422	825,456	(22,434)	2,226	27,528	24,666
Sales Tax on Auto Parts	145,644	145,644	139,897	155,041	157,260	162,923	169,131	175,109	(0)	10,517	8,202	9,584
Motor Vehicle Rental Tax (9.2%)	26,244	30,797	32,962	35,110	36,630	38,160	39,681	41,321	13	864	1,075	1,198
Motor Vehicle Rental Tax (6.5%)	18,542	21,759	23,288	24,806	25,880	26,961	28,035	29,194	9	611	760	846
Leased Vehicle Sales Tax	7,513	6,231	8,212	9,185	9,537	9,922	10,428	10,681	776	1,375	1,518	1,815
Other Income	4,463	13,162	17,600	15,939	14,475	10,910	10,914	10,914	(1,523)	472	3,432	663
Total Net Revenue and Transfers-In	2,509,917	2,572,414	2,699,728	2,933,476	3,154,619	3,250,907	3,342,654	3,451,391	(25,490)	46,737	81,483	75,412
Expenditures and Transfers-Out												
Appropriations to MnDOT, Revenue, DPS	4,004	3,607	3,440	4,109	3,936	3,876	3,876	3,876	(226)	359	160	117
Transfers--DNR	21,397	21,520	21,614	22,541	24,169	24,348	24,529	24,932	(241)	(105)	31	(46)
Transfers--5% Set-Aside	124,661	127,778	133,301	145,550	156,326	161,134	165,713	171,129	(1,463)	2,533	4,065	3,767
Transfers--County State-Aid Highway	686,880	704,056	734,490	801,979	861,354	887,849	913,076	942,922	(8,059)	13,955	22,395	20,756
Transfers--Municipal State-Aid Highway	213,170	218,500	227,945	248,890	267,317	275,539	283,368	292,631	(2,501)	4,331	6,951	6,441
Transfers--Trunk Highway	1,468,502	1,505,222	1,570,289	1,714,575	1,841,516	1,898,160	1,952,093	2,015,901	(17,229)	29,834	47,880	44,375
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	2,518,613	2,580,683	2,691,079	2,937,644	3,154,618	3,250,906	3,342,655	3,451,391	(29,719)	50,907	81,482	75,410
Ending Balance	**15,897**	**7,578**	**16,167**	**11,999**	**12,000**	**12,001**	**12,000**	**12,000**	**4,168**	**(2)**	**(0)**	**1**

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 2024 Forecast

Comparison to Feb. 2024 Forecast

($ in thousands)	November 2024 Forecast								Change from Feb. 2024			
	Close	Close	Close	Budget	Budget	Budget	Planning Est	Planning Est	Close	Budget	Budget	Budget
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2024	FY 2025	FY 2026	FY 2027
Balance Forward from Prior Year	335,408	327,279	241,552	462,581	187,804	258,071	364,492	506,578	(0)	145,204	(13,151)	42,614
Prior Year Adjustments	102,909	105,882	47,527	45,000	45,000	45,000	45,000	45,000	7,527	5,000	5,000	5,000
Adjusted Balance Forward	438,317	433,161	289,079	507,581	232,804	303,071	409,492	551,578	7,526	150,204	(8,151)	47,614
Net Revenue and Transfers-In												
Transfer from HUTD	1,468,502	1,505,222	1,570,289	1,714,575	1,841,516	1,898,160	1,952,093	2,015,901	(17,229)	29,834	47,880	44,375
Federal Aid Agreements	489,069	855,140	705,776	817,718	686,998	686,998	686,998	686,998	(118,488)	118,488	-	-
Other Income and Transfers-In	96,362	83,148	275,231	111,215	105,577	94,145	94,376	94,611	13,684	11,668	17,414	8,692
Total Net Revenue and Transfers-In	2,053,933	2,443,510	2,551,296	2,643,508	2,634,091	2,679,303	2,733,467	2,797,510	(122,033)	159,990	65,294	53,067
Expenditures and Transfers-Out												
Transportation Department	1,808,212	2,230,041	1,973,274	2,515,418	2,135,366	2,121,325	2,117,302	2,117,305	(242,033)	326,602	11,250	19,293
Public Safety and Other Depts.	139,696	153,084	170,476	194,950	175,782	175,782	175,782	175,782	(17,816)	19,215	-	-
Transfers-Out and Other	3,925	4,086	4,138	4,100	4,100	4,100	4,100	4,100	138	100	100	100
Debt Service	213,138	247,908	229,906	248,817	293,575	316,675	339,198	343,317	-	(22,572)	3,180	2,092
Total Expenditures and Transfers-Out	2,164,971	2,635,119	2,377,794	2,963,285	2,608,823	2,617,882	2,636,382	2,640,504	(259,711)	323,345	14,529	21,485
Balance Before Reserves	327,279	241,552	462,581	187,804	258,071	364,492	506,578	708,584	145,204	(13,151)	42,614	79,195
Less Appropriation Carryforward	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	**327,279**	**241,552**	**462,581**	**187,804**	**258,071**	**364,492**	**506,578**	**708,584**	**145,204**	**(13,151)**	**42,614**	**79,195**
Reserved Fund Balance per Policy	117,213	120,869	129,841	123,776	126,466	123,734	123,946	126,631	(4,668)	(1,689)	(1,806)	(2,121)
Unreserved Fund Balance per Policy	210,066	120,683	332,740	64,028	131,605	240,758	382,632	581,953	149,872	(11,461)	44,420	81,316
Debt Service Percentage Compared to State Revenue	13.9%	15.9%	12.7%	14.0%	15.4%	16.3%	16.9%	16.6%	-0.1%	-1.6%	-0.4%	-0.3%

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

Appendix 5

Transit Assistance Fund

November 2024 Forecast

Comparison to Feb. 2024 Forecast

($ in thousands)	November 2024 Forecast								Change from Feb. 2024			
	Close	Close	Close	Budget	Budget	Budget	Planning Est	Planning Est	Close	Budget	Budget	Budget
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2024	FY 2025	FY 2026	FY 2027
Balance Forward from Prior Year	54,009	42,903	35,023	79,553	72,758	65,028	58,539	48,373	-	45,573	40,970	34,147
Prior Year Adjustments	7,162	4,790	35,235	2,000	2,000	2,000	2,000	2,000	35,235	2,000	2,000	2,000
Adjusted Balance Forward	61,171	47,693	70,258	81,553	74,758	67,028	60,539	50,373	35,235	47,573	42,970	36,147
Net Revenue and Transfers-In												
Metropolitan Area Transit Account	354,976	381,796	387,124	393,809	418,186	432,214	450,143	471,886	(12,825)	1,273	15,737	14,101
Greater Minnesota Transit Account	39,442	42,422	64,332	65,443	69,494	71,826	74,805	78,418	(2,131)	211	2,615	2,343
Total Motor Vehicle Sales Tax	394,418	424,218	451,456	459,252	487,680	504,040	524,948	550,304	(14,956)	1,484	18,352	16,444
Leased Vehicle Sales Tax	25,955	21,526	28,369	31,730	32,946	34,276	36,024	36,898	2,681	4,750	5,244	6,270
											-	-
Total Net Revenue and Transfers-In	420,373	445,743	479,825	490,982	520,626	538,316	560,972	587,202	(12,275)	6,234	23,596	22,714
Expenditures and Transfers-Out												
Metropolitan Council	355,077	381,900	387,189	393,809	418,186	432,214	450,143	471,886	(12,759)	1,273	15,737	14,101
Transportation Department	83,564	76,514	83,340	105,969	112,171	114,590	122,996	122,996	(9,854)	11,564	16,683	17,315
											-	-
Total Expenditures and Transfers-Out	438,641	458,414	470,530	499,778	530,356	546,804	573,139	594,881	(22,613)	12,837	32,419	31,416
											-	-
Balance Before Reserves	42,903	35,023	79,553	72,758	65,028	58,539	48,373	42,694	45,573	40,970	34,147	27,445
Less Appropriation Carryforward	25,955	21,526	28,369	31,730	32,946	34,276	36,024	36,898	2,681	4,750	5,244	6,270
Less Met Council Balance	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	16,948	13,497	51,185	41,028	32,082	24,263	12,349	5,796	42,892	36,220	28,903	21,175
Reserved Balance	5,401	4,290	3,502	7,955	7,276	6,503	5,854	4,837	-	4,557	4,097	3,415
Unreserved Fund Balance	11,547	9,207	47,682	33,072	24,806	17,761	6,495	958	42,892	31,663	24,806	17,760

Transportation Advancement Account Fund

November 2024 Forecast

Comparison to Feb. 2024 Forecast

($ in thousands)				November 2024 Forecast						Change from Feb. 2024		
	Close	Close	Close	Budget	Budget	Budget	Planning Est	Planning Est	Close	Budget	Budget	Budget
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2024	FY 2025	FY 2026	FY 2027
Net Revenue and Transfers-In												
Delivery Fee	-	-	-	35,000	45,000	55,000	55,000	55,000	-	(28,800)	(25,000)	(15,500)
Sales Tax on Auto Parts	-	-	11,256	16,039	19,883	28,090	56,377	86,548				
Total Receipts	-	-	11,256	51,039	64,883	83,090	111,377	141,548				
Other Income	-	-	-	-	-	-	-	-	-	1,088	-	-
Net Receipts	-	-	11,256	51,039	64,883	83,090	111,377	141,548	-	(27,712)	(23,963)	(13,848)
											-	-
Total Net Revenue and Transfers-In	-	-	11,256	51,039	64,883	83,090	111,377	141,548	-	(27,712)	(23,963)	(13,848)
Expenditures and Transfers-Out												
Metro Counties (36%)	-	-	4,052	18,374	23,358	29,912	40,096	50,957	-	(9,976)	(8,627)	(4,985)
County State Aid Highway (CSAH) (10%) *	-	-	1,126	5,104	6,488	8,309	11,138	14,155	-	(2,771)	(2,396)	(1,385)
Larger Cities (15%)	-	-	1,688	7,656	9,733	12,464	16,707	21,232	-	(4,157)	(3,594)	(2,077)
Small Cities (27%)	-	-	3,039	13,780	17,519	22,434	30,072	38,218	-	(7,482)	(6,470)	(3,739)
Town Road (11%) *	-	-	1,238	5,614	7,137	9,140	12,251	15,570	-	(3,048)	(2,636)	(1,523)
Food Delivery Support (1%)	-	-	113	510	649	831	1,114	1,415	-	(277)	(240)	(138)
Total Expenditures and Transfers-Out	-	-	11,256	51,039	64,883	83,090	111,377	141,548	-	(27,712)	(23,963)	(13,848)
Total Uses	-	-	11,256	51,039	64,883	83,090	111,377	141,548	-	(27,712)	(23,963)	(13,848)
Ending Balance	-	-	-	-	-	-	-	-	-	-	-	-

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