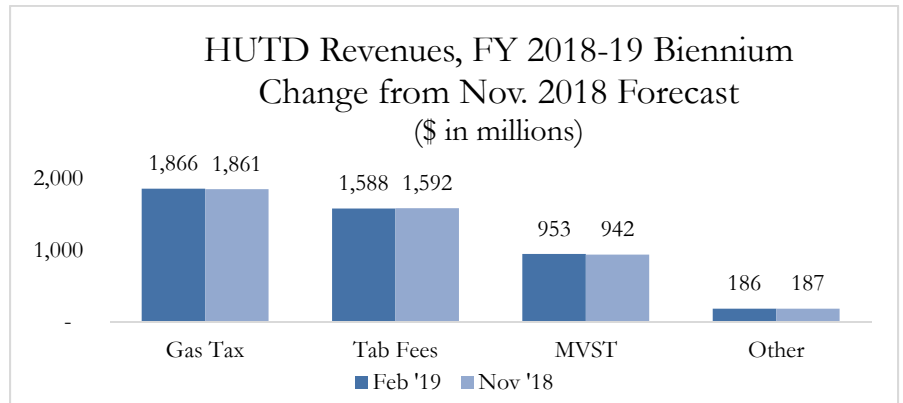


Forecast Highlights

FY 2018-19 HUTD revenues are up \$11.8 million - 0.3 percent

Gas tax is up \$5.1 million (0.3 percent), registration tax is down \$4.1 million (0.3 percent) and motor vehicle sales tax is up \$11.0 million (1.2 percent) in the FY 2018-19 biennium compared to the November 2018 forecast.



HUTD Allocations by Fund
Biennial Totals and Change from Nov. '18 Forecast
(\$ in millions)

Fund	FY 18-19	Change	FY 20-21	Change
Trunk Highway	2,663	6.8	2,931	44.6
CSAH	1,472	3.8	1,620	24.7
MSAS	387	1.0	425	6.5
Other (DNR, DPS, Revenue)	72	0.2	73	0.7
Total	\$4,593	\$11.8	\$5,049	\$76.5

HUTD Allocations by Fund

HUTD revenues are transferred to the Trunk Highway, County State Aid Highway (CSAH) and Municipal State Aid Street (MSAS) funds based on formulas established in the Minnesota Constitution and statute. Total HUTD revenues increased in both biennia.

New HUTD Revenues

In 2017, the Legislature statutorily dedicated several transportation related revenues, previously deposited in the General Fund, to the HUTD Fund. In the FY 2018-19 biennium, these new revenues total \$175.9 million; an approximate four percent increase to the fund. In FY 2020-21 these revenues total \$417.9; an approximate nine percent increase to the fund.

New HUTD Revenues FY 2020-21

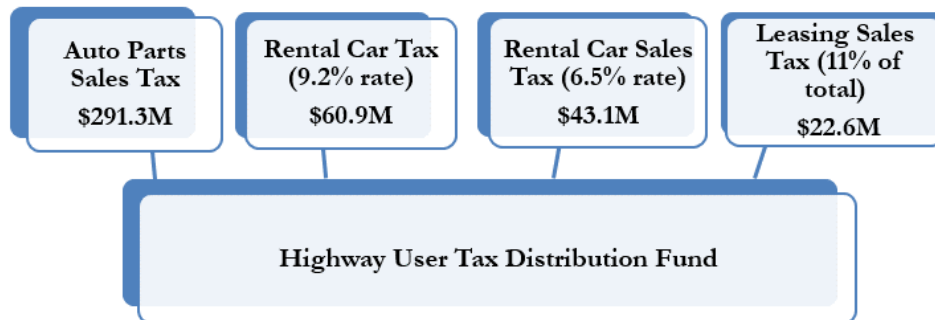


Table of Contents

Introduction to Transportation Funding..... 3

Legal Authority for Collection of Revenue 4

Revenue Forecast 6

 Motor Fuel Excise Tax (Gas Tax)..... 6

 Motor Vehicle Registration Tax (Tab Fees) 9

 Motor Vehicle Sales Tax (MVST)..... 10

 State Sales Taxes (previously deposited in General Fund)..... 11

 Motor Vehicle Lease Sales Tax (MVLST) 11

 Transit Assistance Fund Revenue..... 12

 State Airports Revenue..... 13

 Investment Income 15

Fund Statements..... 16

 Transfers from HUTD Fund..... 16

 Trunk Highway Fund..... 18

 Debt Service – Trunk Highway Fund 18

 County State Aid Highway (CSAH) Fund 23

 Municipal State Aid Street (MSAS) Fund 24

 Transit Assistance Fund (TAF) 25

 State Airports Fund (SAF) 27

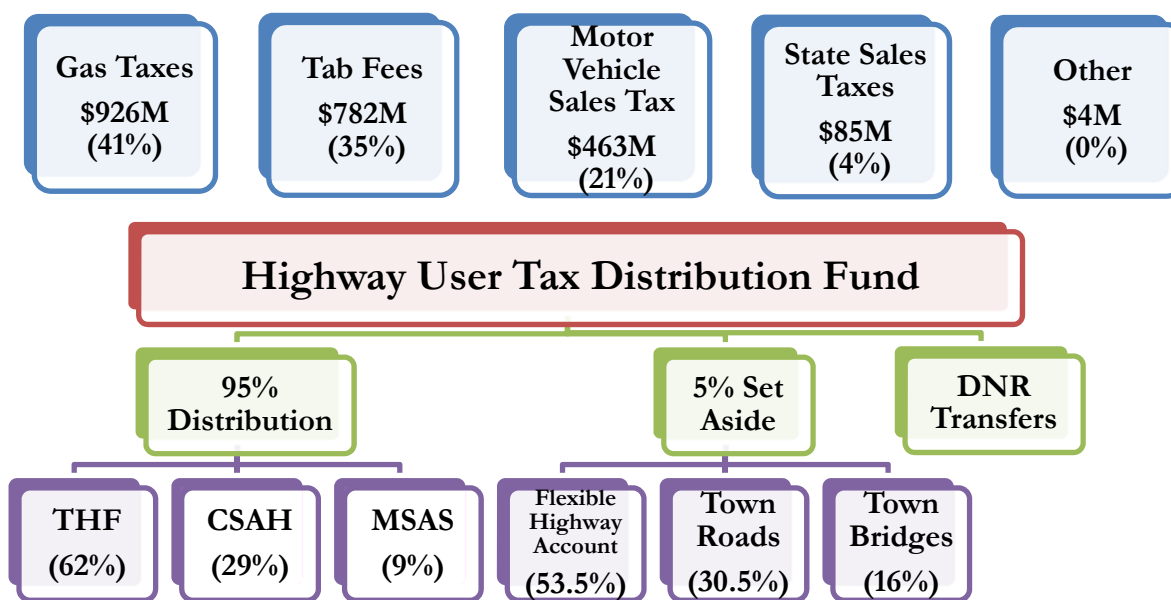
 Appendices 28

Introduction to Transportation Funding

MnDOT is a multimodal agency encompassing not only highway construction and maintenance but aeronautics, rail and transit activities. In consultation with the Department of Minnesota Management and Budget (MMB) and Minnesota Department of Revenue (DOR), we prepare fund statements for six transportation funds. The fund statements are prepared in November and February of each fiscal year. 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 document to the prior forecast reflect the difference from the November 2018 fund statements. This document also includes information for the FY2022-23 biennium. 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 2018 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 1.25 percent 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.

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 in 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: Revenue from a portion of the general sales tax on motor vehicle repair or replacement parts must be transferred to the HUTD Fund on a monthly basis beginning in FY 2018. 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. Previously, this revenue 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. Previously, this revenue 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 carry out aviation functions in Minn. Stat. 360.017.

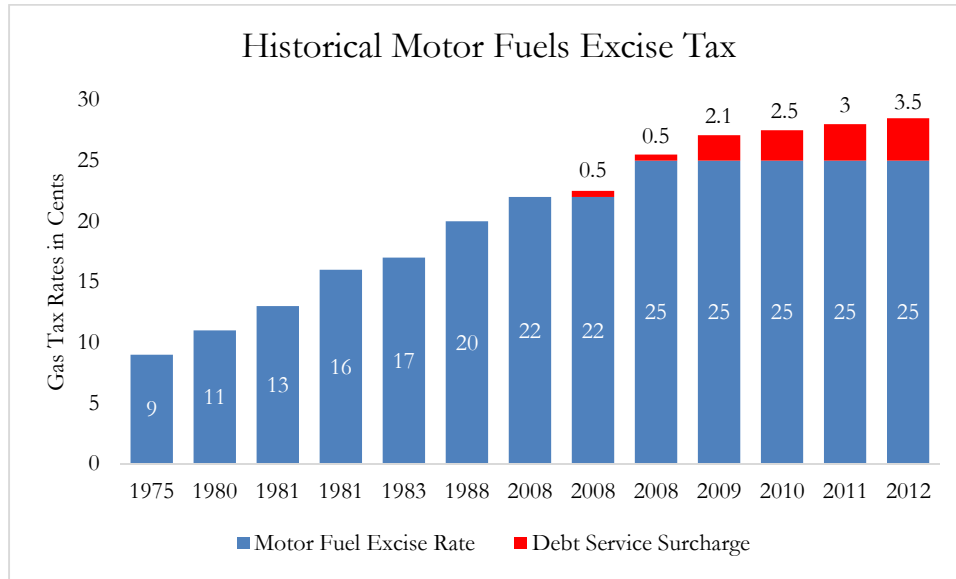
All of the funds, except the TAF, receive investment income earned on the cash balances in the funds.

Legal Citation – Quick Reference Guide	
Motor Fuel Tax	<ul style="list-style-type: none"> • 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
State Sales Taxes	<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

Revenue Forecast

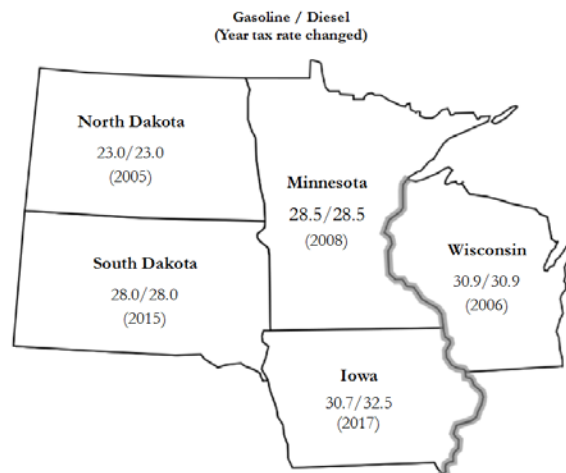
Motor Fuel Excise Tax (Gas Tax)

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 system¹.



The map below provides information about how Minnesota’s gas tax rates compare with those in the surrounding states and with federal tax rates:

Comparison of January 2019 Motor Fuel Tax Rates (per gallon)
American Petroleum Institute



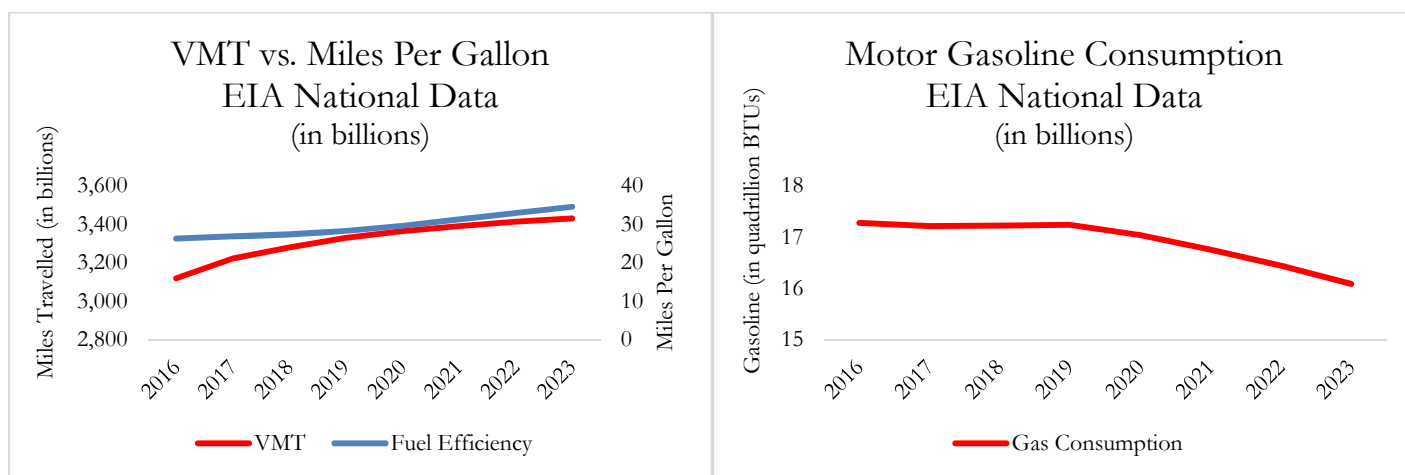
Note: Federal gas tax rate is 18.4 cents per gallon

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
- 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 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. Finally, this information is compared with actual fuel consumption history in Minnesota.

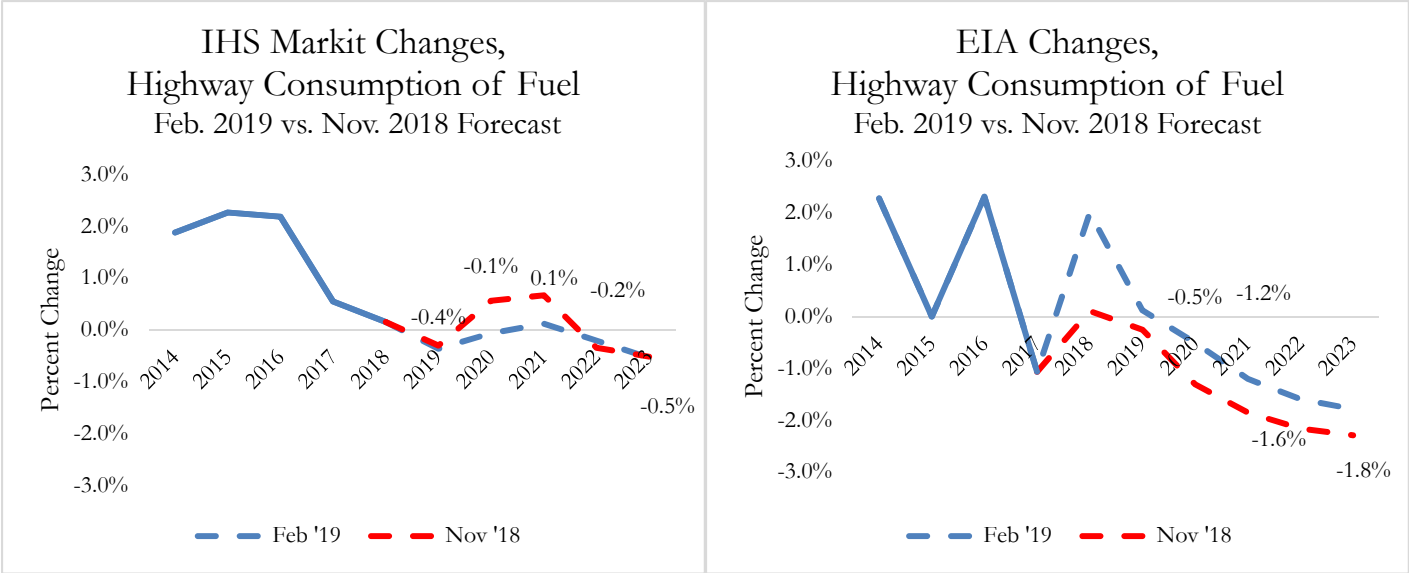
IHS Forecast

The most current IHS forecast, from February 2019, projects declining consumption in the forecast years.

EIA Forecast

The most current forecast from EIA, the Annual Energy Outlook released once a year in January, also projects declining consumption in the forecast years.

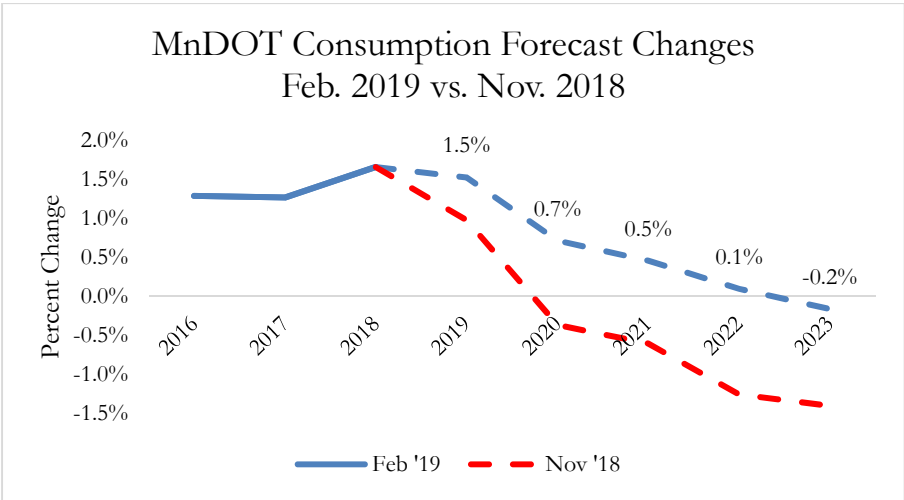
The specific forecasts are shown in the tables below:

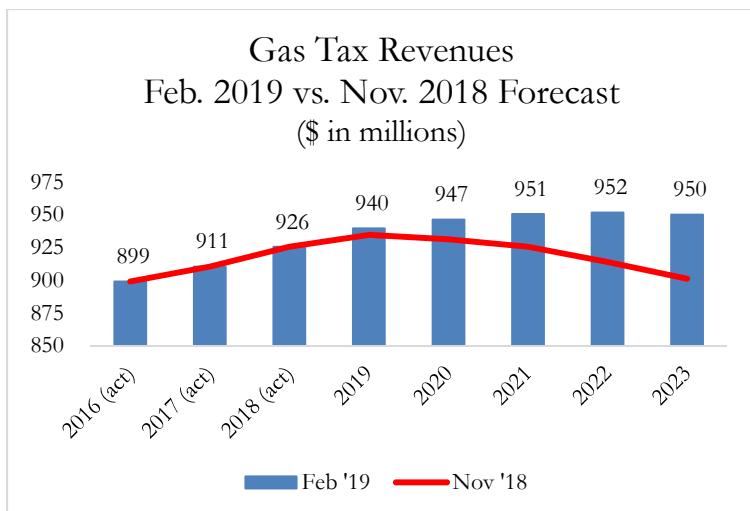


MnDOT Blended Average

MnDOT uses a blended average of the consumption forecasts by EIA and IHS. Although the two forecasts are somewhat divergent during the forecast years, the long-term projections from both agencies are for reduced fuel consumption as vehicle fuel efficiencies increase at a faster pace than vehicle miles traveled.

However, despite EIA/IHS forecasts, the gas tax revenues increased compared to the November 2018 forecast based on several factors including the recent history of year over year growth of gasoline consumption in Minnesota and the high percentage of less fuel efficient vehicles in the state’s vehicle fleet. The general trend is still for year over year revenue growth to decline, but at a slower pace than the EIA/IHS and November 2018 forecasts.





Gas Tax Revenues (\$ in millions)				
FY	Feb '19	Nov '18	\$ Change	% Change
2016 (act)	899	899	-	0.0%
2017 (act)	911	911	-	0.0%
2018 (act)	926	926	-	0.0%
2019	940	935	5.1	0.5%
2020	947	931	15.2	1.6%
2021	951	926	25.1	2.7%
2022	952	914	37.7	4.1%
2023	950	901	49.0	5.4%

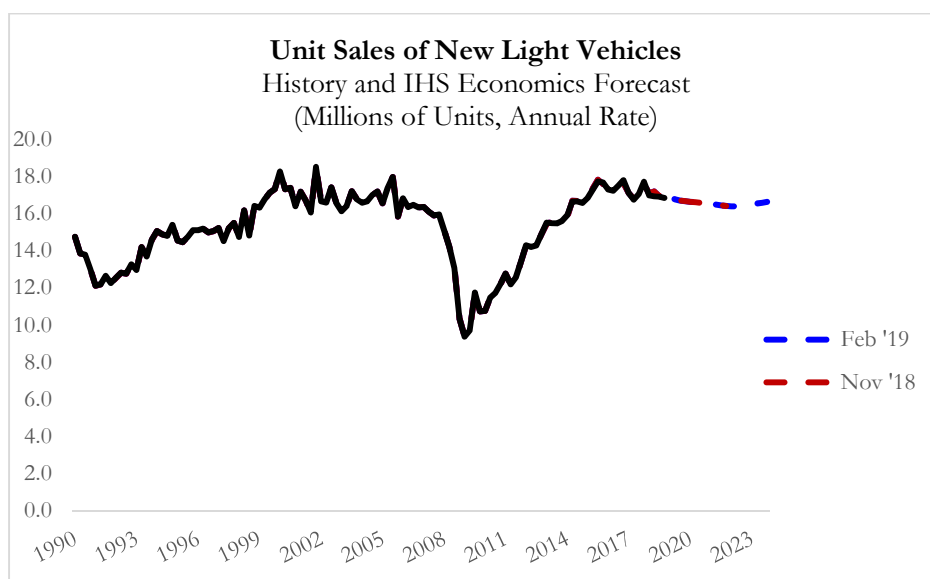
Motor Vehicle Registration Tax (Tab Fees)

Revenue collected on passenger vehicles comprises about 80 percent of the total revenue from registration taxes, 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. This revenue is based on weight and age of the vehicle.

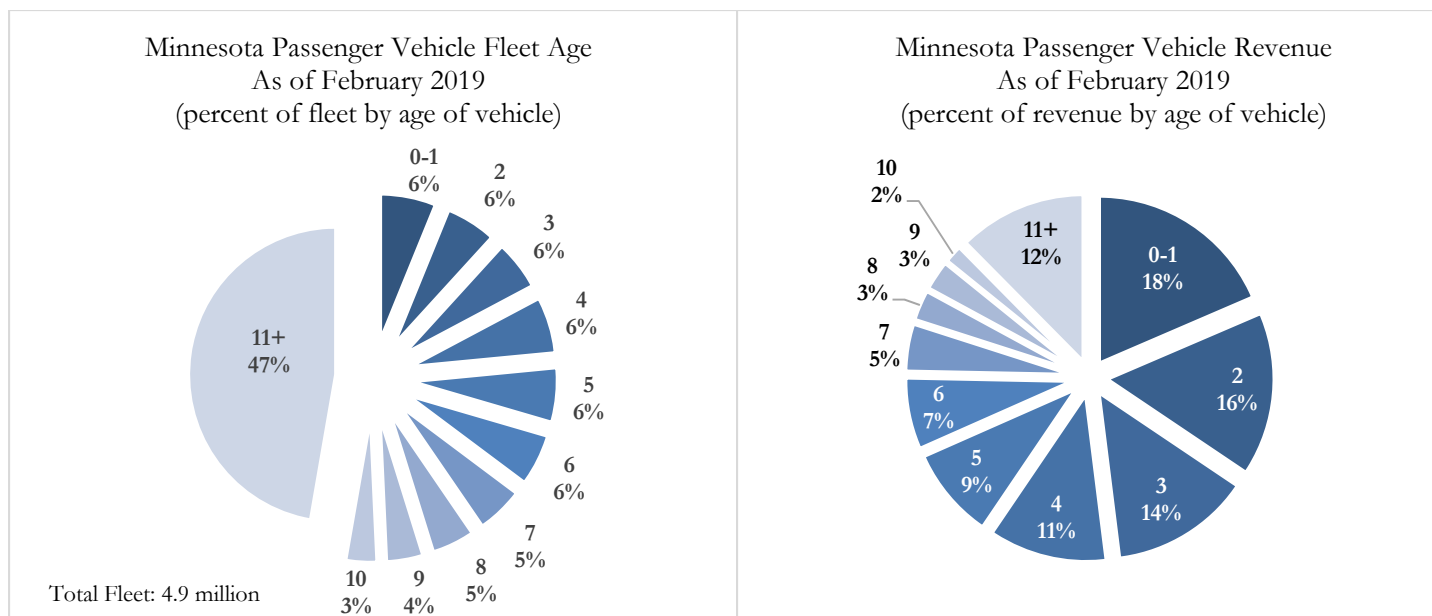
The forecast for the sale of new passenger vehicles is based on long term trends such as:

- households spending behavior
- increased length of vehicle ownership
- shrinking population of licensed drivers
- utilization of alternative transportation options

MnDOT has a model to forecast revenue from passenger vehicle sales that is largely based on the forecast of the purchase of new passenger vehicles. Forecasts of the sales of new vehicles are provided by IHS and reflect national levels.

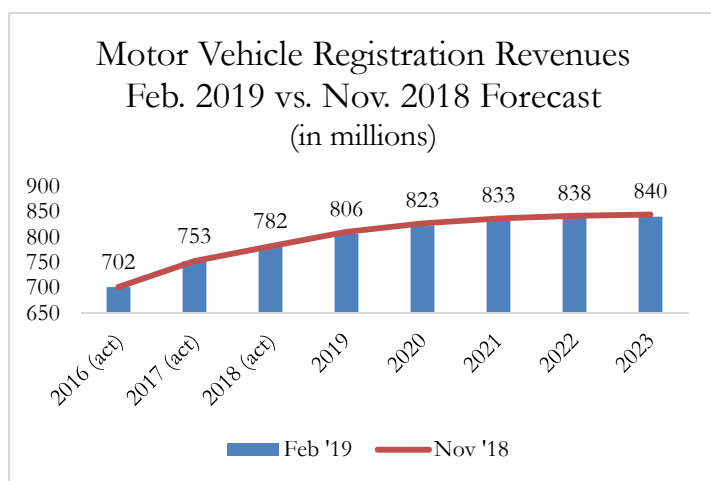


In addition to IHS data, the forecast reflects detailed information on the state’s existing fleet of vehicles by base value and age. The data is supplied by the Department of Public Safety (DPS) annually in February and updated for the February forecast.



Year-to-date revenues in FY 2019 were below the November forecast, which combined with the slightly reduced new vehicle sales projections from IHS resulted in decreased revenue projections in the forecast period. MnDOT assumes that an additional \$143 million, on average, per year of registration tax revenue is received from taxes on various other types of vehicles, primarily commercial vehicles.

The current forecast of revenues is shown below:



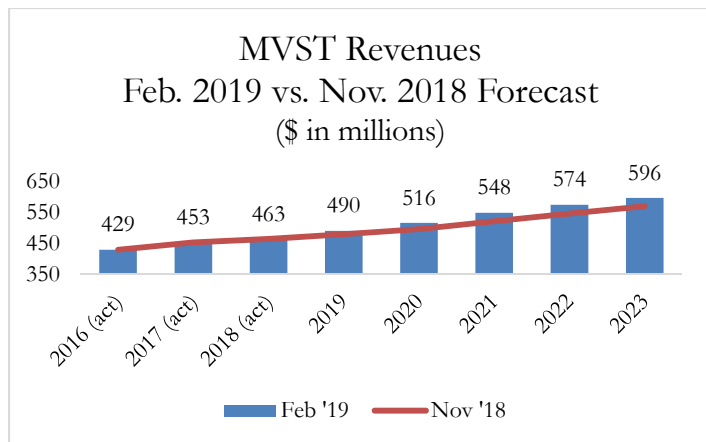
Motor Vehicle Registration Revenues (\$ in millions)				
FY	Feb '19	Nov '18	\$ Change	% Change
2016 (act)	702	702	-	-
2017 (act)	753	753	-	-
2018 (act)	782	782	-	-
2019	806	810	(4.1)	(0.5%)
2020	823	827	(4.1)	(0.5%)
2021	833	837	(4.2)	(0.5%)
2022	838	842	(4.2)	(0.5%)
2023	840	845	(4.2)	(0.5%)

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 compared to the November 2018 forecast.

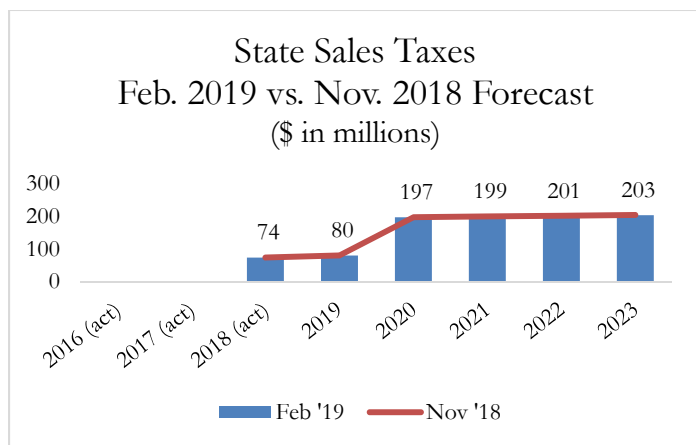
The current forecast of revenues is shown below:



MVST Revenues (\$ in millions)				
FY	Feb '19	Nov '18	\$ Change	% Change
2016 (act)	429	429	-	-
2017 (act)	453	453	-	-
2018 (act)	463	463	-	-
2019	490	479	11.0	2.3%
2020	516	496	19.7	4.0%
2021	548	521	27.4	5.3%
2022	574	546	28.3	5.2%
2023	596	570	26.7	4.7%

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 the 9.2 percent tax collected on short-term motor vehicle rentals and the 6.5 percent general sales tax on short-term motor vehicle rentals. The revenue collected on both taxes is forecast by MMB. A fixed portion of revenue from the general sales tax on motor vehicle repair or replacement parts is deposited in the HUTD Fund each month. This includes revenue collected on all motor vehicle parts, tires and accessories. The fixed statutory amount totals \$31.5 million annually in FY2018-19 and, beginning in FY 2020, totals \$145.6 million annually. The current forecast for these three new General Fund revenues are shown below:



State Sales Taxes (\$ in millions)				
FY	Feb '19	Nov '18	\$ Change	% Change
2016 (act)	N/A	N/A	-	-
2017 (act)	N/A	N/A	-	-
2018 (act)	74	74	-	-
2019	80	80	0.1	0.1%
2020	197	197	(0.2)	(0.1%)
2021	199	199	(0.3)	(0.1%)
2022	201	201	(0.3)	(0.1%)
2023	203	203	(0.3)	(0.1%)

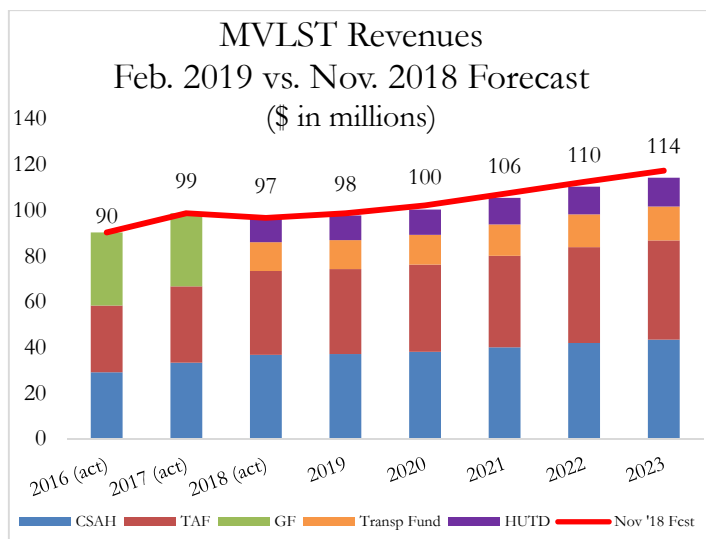
Motor Vehicle Lease Sales Tax (MVLST)

The MVLST forecast is prepared by the DOR. The 6.5 % sales tax is collected by the lessor and reported and paid directly to DOR. The forecast in all future years decreased slightly compared to the November 2018 forecast. As of FY 2018, all revenue from MVLST is reallocated for transportation purposes. MVLST revenues 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:

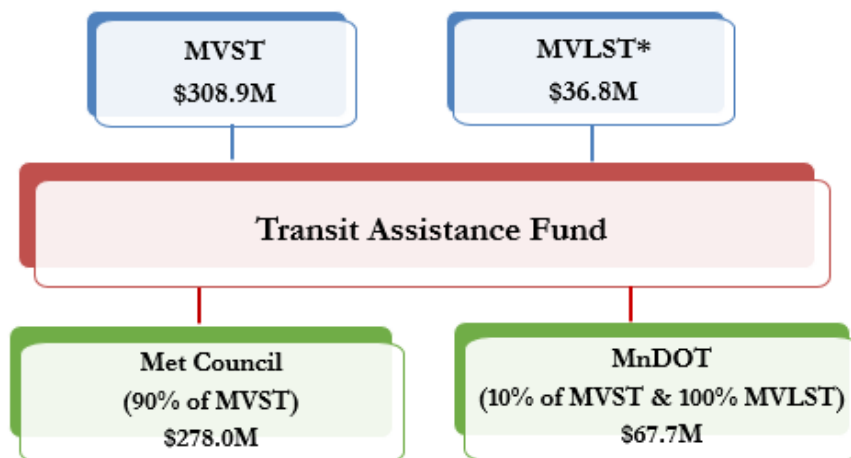


MVLST Revenues (\$ in millions)				
FY	Feb '19	Nov '18	\$ Change	% Change
2016 (act)	90	90	-	-
2017 (act)	99	99	-	-
2018 (act)	97	97	-	-
2019	98	99	(0.9)	(0.9%)
2020	100	102	(1.8)	(1.8%)
2021	106	107	(1.8)	(1.7%)
2022	110	113	(2.1)	(1.9%)
2023	114	117	(3.1)	(2.6%)

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 2018**



*38 percent of MVLST is allocated to TAF.

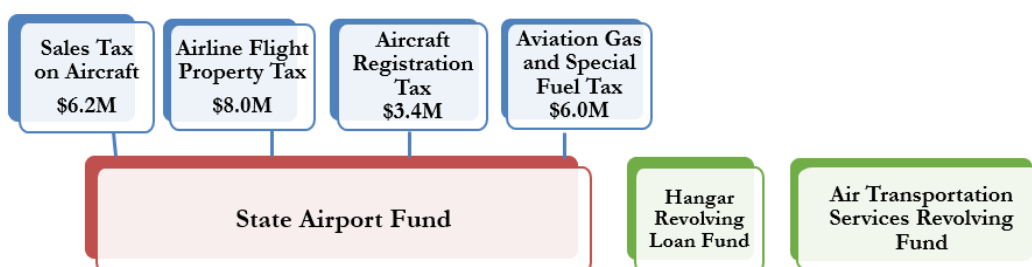
State Airports Revenue

Three funds make up the total consolidated SAF:

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

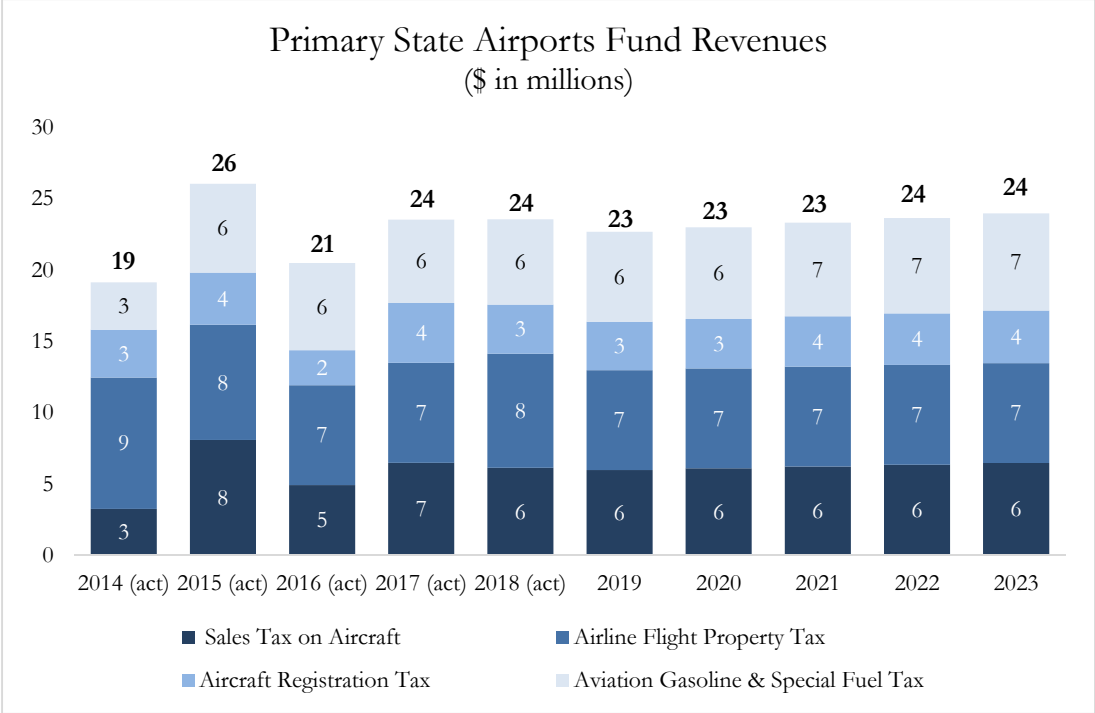
The two revolving funds (Hangar and Air Transportation Services) are not included in the consolidated fund statement ending balance because their receipts are dedicated to specific functions.

**State Airports Sources of Revenue
FY 2018**



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 uses the regional jet fuel consumption forecast from the EIA. 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 only notable change for the February forecast is aviation fuel taxes increased about 7% compared to November, due to favorable year to date revenue collections in FY 2019.

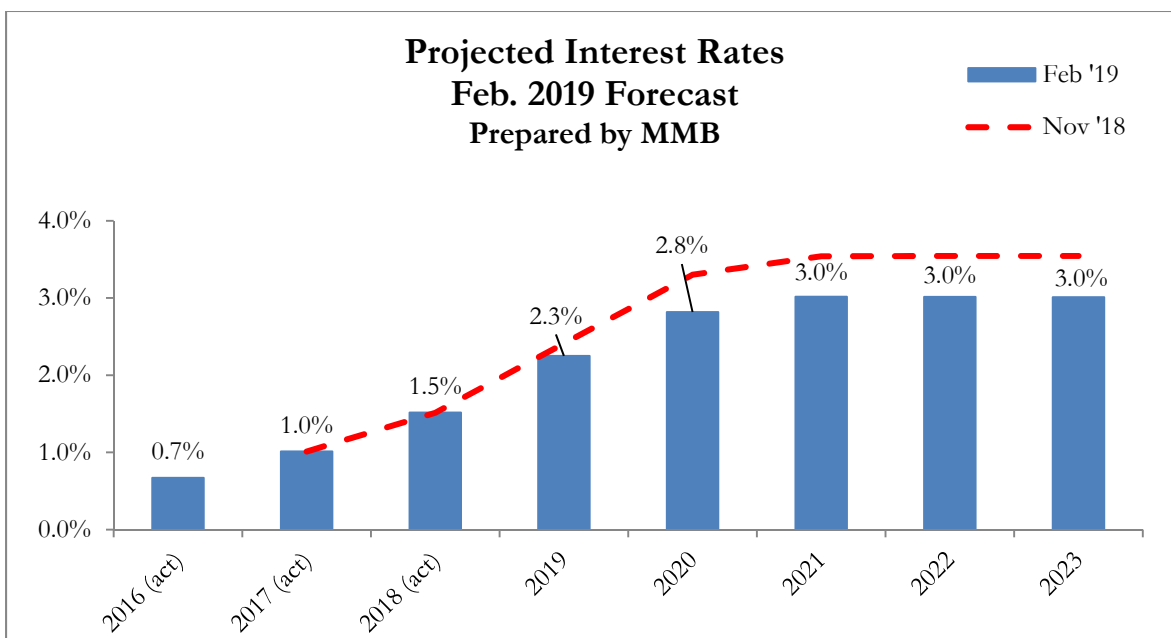
The current forecast of revenues is shown below:



Investment Income

All of the transportation funds discussed in this document, with the exception of 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 about 2.5 percent and are projected to grow to 3 percent over the next few years. The rates are slightly lower than November 2018 in all years. Cash balances in all funds are expected to be similar to the November 2018 forecast, so the net impact is decreased interest income in all funds in all years.



Fund Statements

Transfers from HUTD Fund

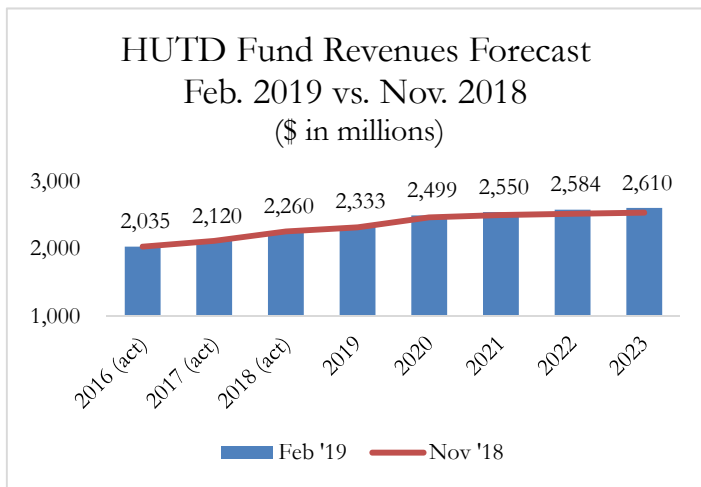
The HUTD Fund receives revenues from the three sources dedicated to highways and transit (gas tax, tab fees and MVST), as well as several minor sources of revenue. With the exception of the 40 percent of MVST dedicated to public transit, revenues from these three taxes are deposited into the HUTD Fund. In addition, beginning in FY 2018 four new revenues sources are statutorily dedicated from the General Fund to the HUTD Fund, including a fixed portion of the sales tax on auto parts, 11 percent of MVLST, and all of both 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

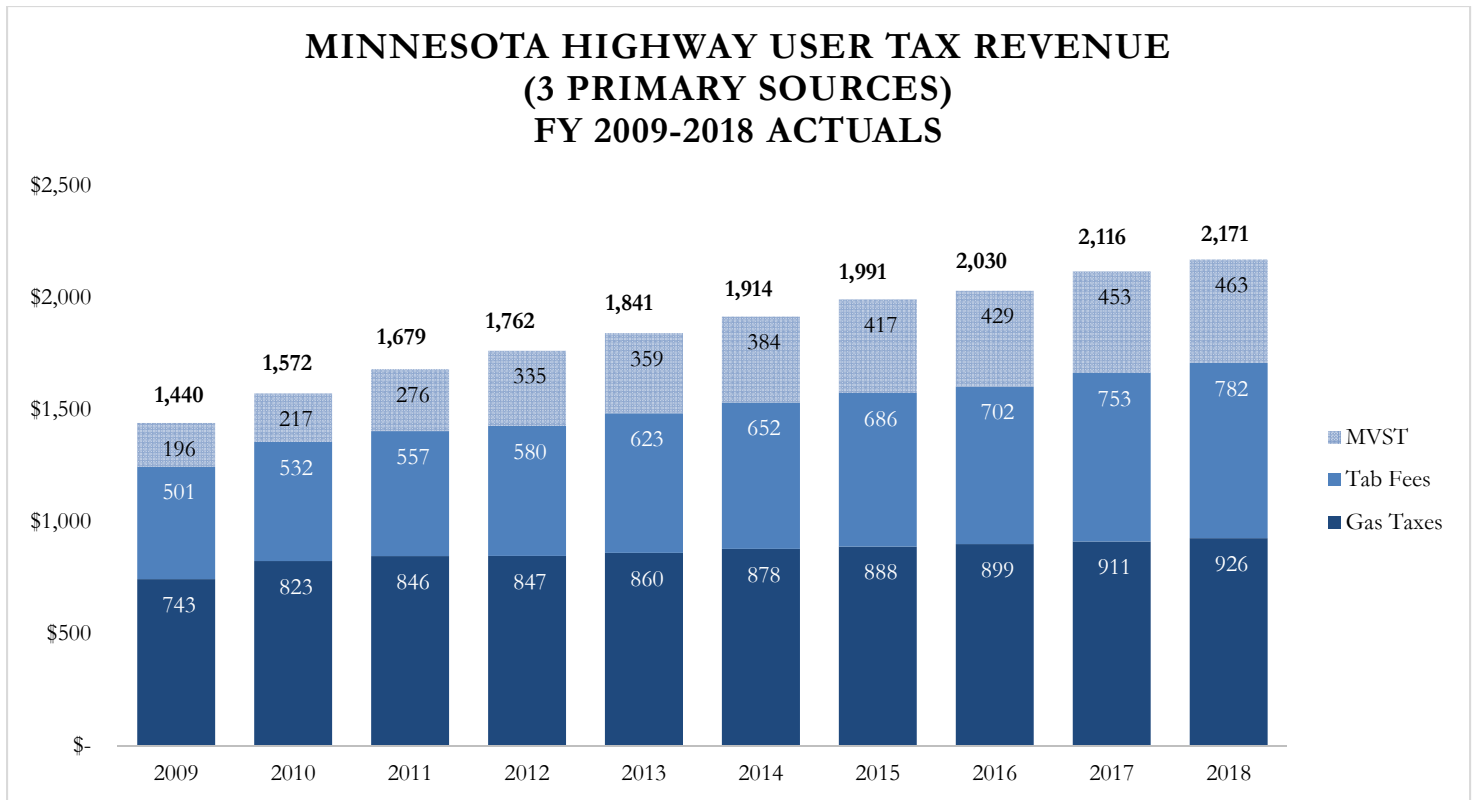
The remaining five percent, referred to as the five percent set-aside, is allocated to the CSAH Fund. This funding is further allocated to Township Roads, Township Bridges and the Flexible Highway Account.

The current forecast is shown below:



HUTD Fund Revenues (\$ in millions)				
FY	Feb '19	Nov '18	\$ Change	% Change
2016 (act)	2,035	2,035	-	-
2017 (act)	2,120	2,120	-	-
2018 (act)	2,260	2,260	-	-
2019	2,333	2,321	11.8	0.5%
2020	2,499	2,470	29.6	1.2%
2021	2,550	2,503	46.9	1.9%
2022	2,584	2,523	60.4	2.4%
2023	2,610	2,540	70.0	2.8%

The bar chart below details a 10-year history of actual revenues for the HUTD Fund (2009-18), and the relative shares of revenue attributed to gas taxes, tab fees and MVST over that period. During the last ten years, gas taxes have decreased as a percentage of total revenue, while tab fees and MVST provide increased percentages of total revenue.

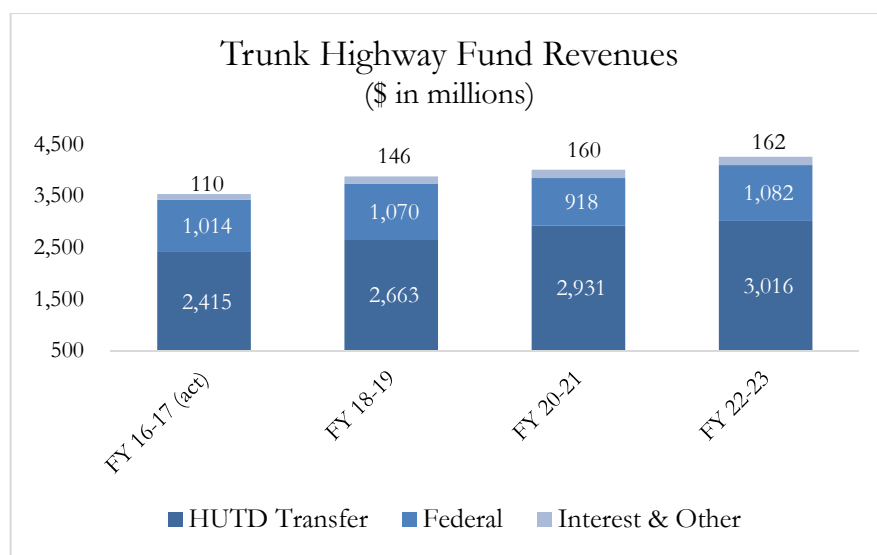


Trunk Highway Fund

The TH Fund receives transfers from the HUTD Fund and revenue from investment income. One other 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, known as FAST Act, ends on September 30, 2020. While the federal government has never reduced the major federal transportation spending programs in the past, the potential for Minnesota to receive less federal funds in the future is increasingly likely. Over the forecast period, the estimated reimbursements vary each year based on the projected mix of state and federal funds on projects.

In addition, the fund receives revenues and transfers from several other smaller sources. For FY 2018-21, 71 percent of resources are transfers from the HUTD Fund, 25 percent of resources are federal aid agreements and 4 percent of resources are other sources such as investment income.

The current forecast, by biennium, is shown below:



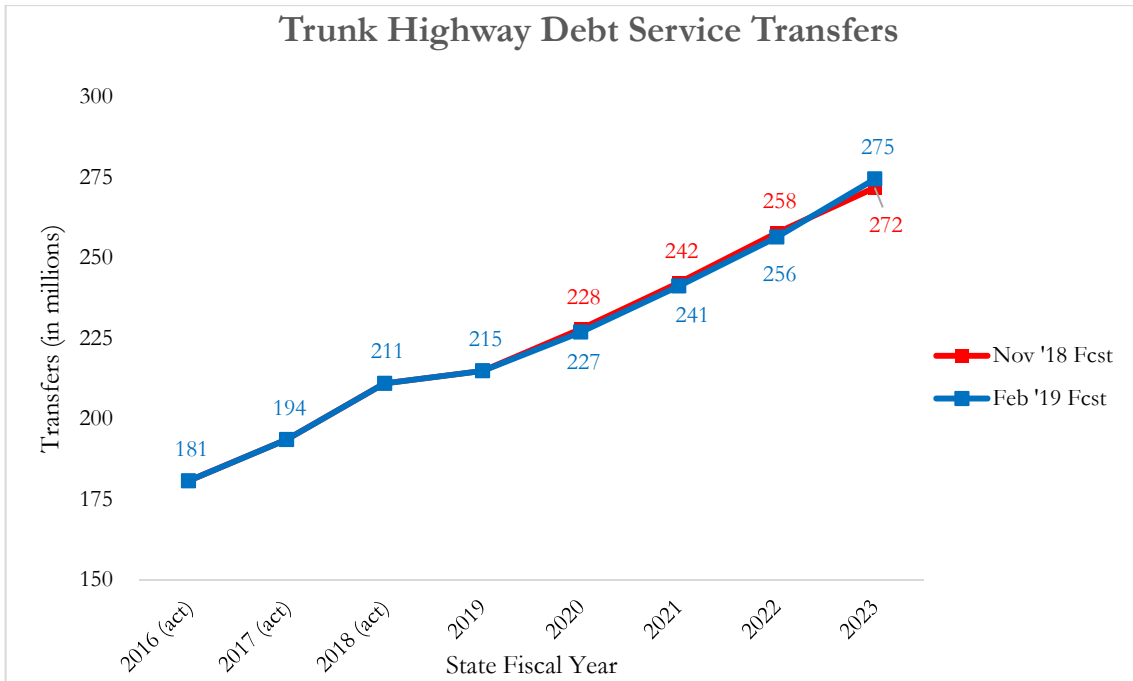
Debt Service – Trunk Highway Fund

The forecast for expenditures is generally based on the previously enacted biennial budget, so there are typically no significant changes in forecasted spending. However, the TH Fund has unique constitutional authority to sell authorized Trunk Highway bonds². 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, but 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.

Compared to the November 2018 forecast, the debt service estimates for future years have decreased slightly, with the exception of the last year in the forecast period. The primary change is an increase in the projected premiums received on future bond sales due to lower projected interest costs on the bonds. 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.

² See Article XIV, section 11 of the Minnesota Constitution

The graph below depicts the debt service transfer amounts by year, compared to the November 2018 forecast:



MnDOT’s 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 Fund³. 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.

Our debt management policy estimates include FY 2024-25 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 between 16 percent and 18 percent through the end of FY 2025, increasing each year and peaking at 18.0 percent in FY 2025.

³ Developed to comply with Minn. Stat. 167.60

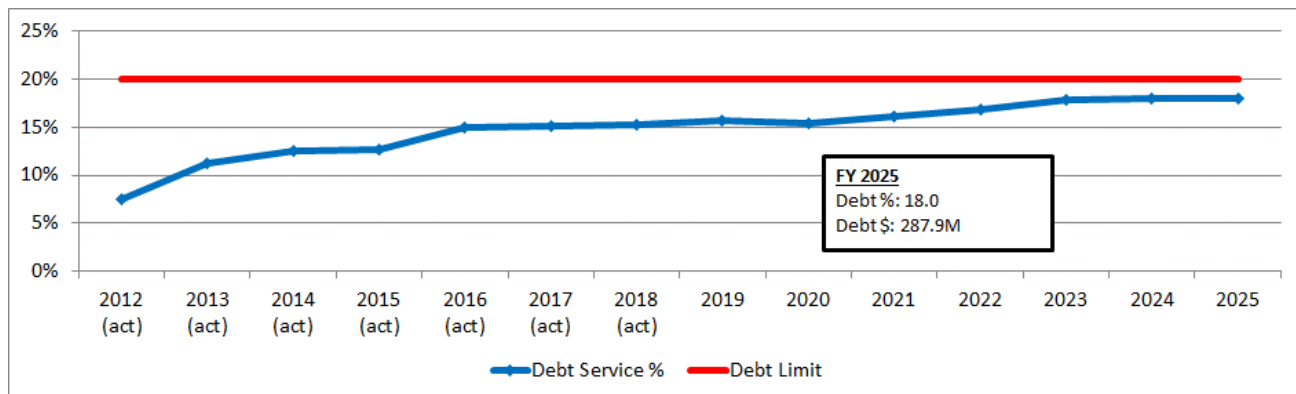
Debt Management Policy
(\$ in millions)

Year	Total Debt Service ⁽¹⁾	Estimated Current %	Variance from 20% Policy Limit ⁽²⁾
2014 (act)	144.2	12.5%	87.4
2015 (act)	157.0	12.6%	92.2
2016 (act)	183.2	14.9%	62.9
2017 (act)	195.7	15.1%	63.2
2018 (act)	211.4	15.3%	65.0
2019	224.4	15.7%	61.0
2020	236.4	15.5%	69.6
2021	250.8	16.1%	61.4
2022	266.0	16.8%	50.4
2023	284.0	17.8%	35.3
2024	287.5	18.0%	31.8
2025	287.9	18.0%	31.5

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

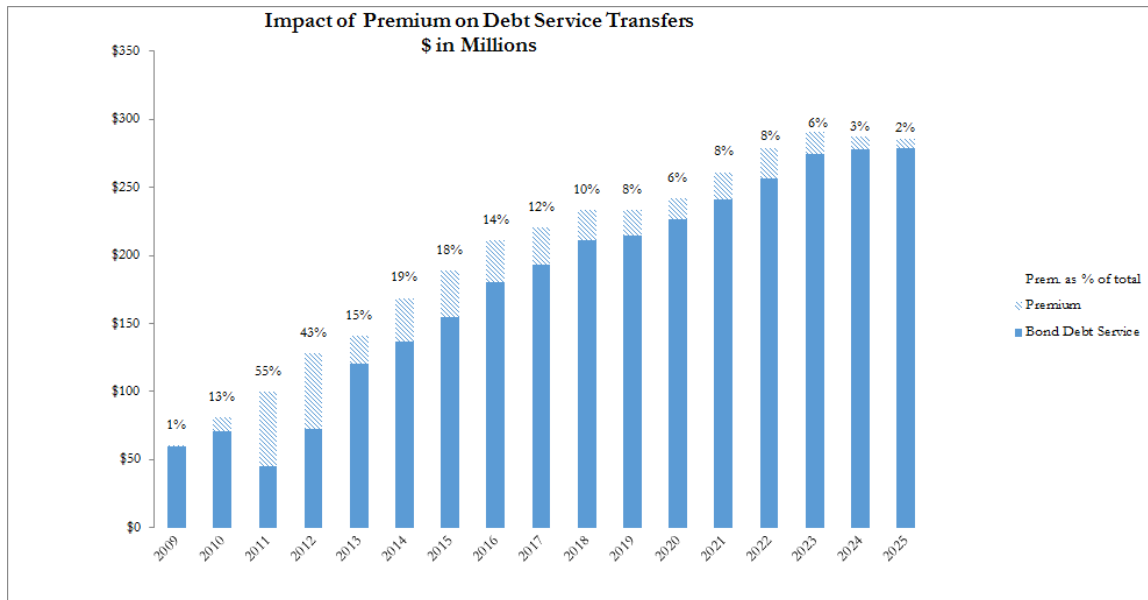
(2) Represents amount of additional debt service to reach 20 percent limit – a general guideline is to multiply this amount by 10 for an estimate of the additional bond capacity e.g. \$31.5M x 10 = \$315M in additional bond capacity.

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 of the agency’s control. 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’s 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) and 2018 (Laws of 2018, Chapter 214 - \$416 million). MnDOT anticipates bond sales from the 2008 program to end in FY 2022 and sales from all current authorized debt to end in FY 2026.

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 previously discussed (amounts in millions).

	FY18-19	FY20-21
Transfers from HUTD	6.8	44.6
Federal Aid Agreements	-	-
Interest	(0.5)	(5.7)
Other Revenues and Transfers	-	-
Prior Year Adjustments	-	-
Total Revenue and Transfer Impact	6.4	39.0
Transportation Expenditures	-	-
Other Agencies	-	-
Debt Service Transfer	-	(2.0)
Total Expenditure and Transfer Impact	-	(2.0)
Fund Balance Change	6.4	40.9
Total Cumulative Change	6.4	47.3
Nov '18 Forecast	249.3	404.3
Feb '19 Forecast	255.7	451.5
Change	6.4	47.3
<i>Reserved Fund Balance (Feb '19)</i>	92.5	104.2
<i>Unreserved Fund Balance (Feb '19)</i>	163.1	347.4

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 Minnesota's 87 counties. 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.

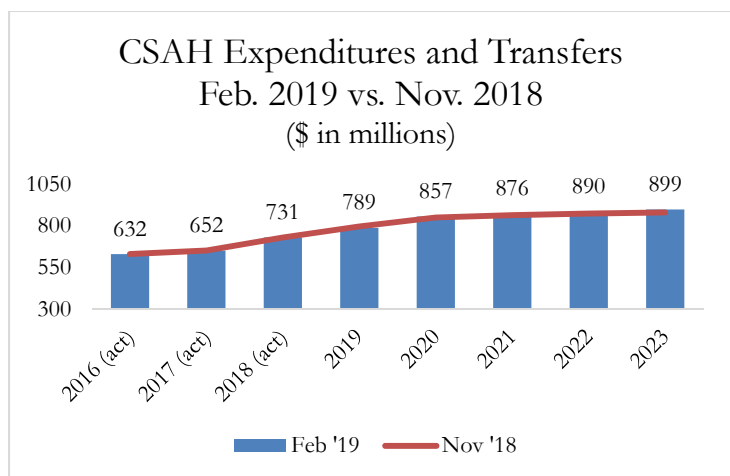
These allocations also include the five percent set-aside portion of the total revenues from the HUTD Fund. The Constitution allows the legislature to allocate this five percent in a manner different from the constitutional formula (62 percent to the TH Fund, 29 percent to the CSAH Fund and nine percent 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 so 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/commorder2019.pdf) (http://www.dot.state.mn.us/safinance/appmt/commorder2019.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.

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:



CSAH Expenditures and Transfers (\$ in millions)				
FY	Feb '19	Nov '18	\$ Change	% Change
2016 (act)	632	632	-	-
2017 (act)	652	652	-	-
2018 (act)	731	731	-	-
2019	789	798	(8.5)	(1.1%)
2020	857	851	6.1	0.7%
2021	876	865	11.5	1.3%
2022	890	874	15.6	1.8%
2023	899	881	18.3	2.1%

Municipal State Aid Street (MSAS) Fund

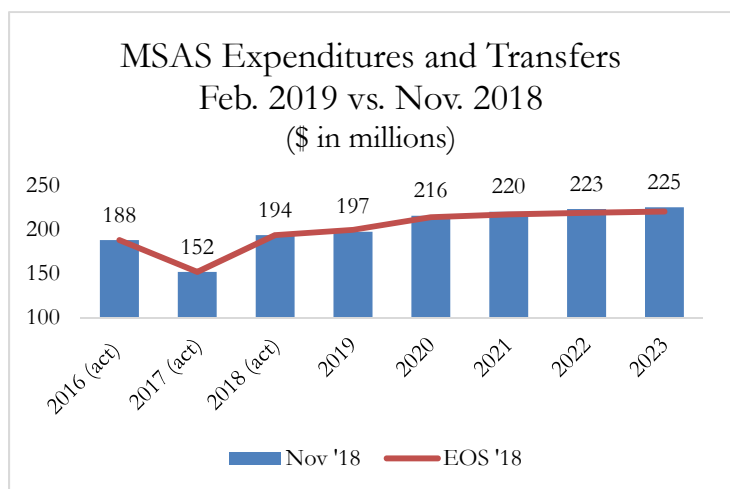
The MSAS Fund receives transfers from the HUTD Fund, authorized transfers from the CSAH Fund and revenues from investment income. Minnesota Statutes, Chapter 162 provides the criteria by which funds are allocated to statutory accounts within the MSAS fund and to each of the Minnesota State Aid cities 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/commorder2019.pdf) (<http://www.dot.state.mn.us/safinance/appmt/commorder2019.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.

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:

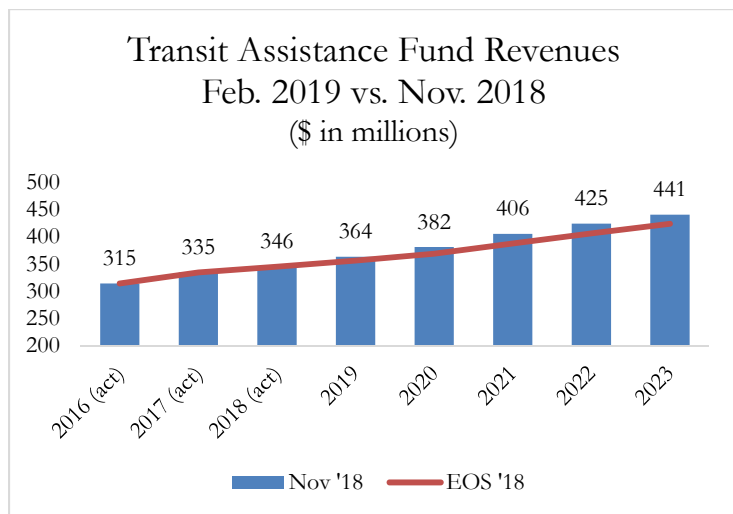


MSAS Expenditures and Transfers (\$ in millions)				
FY	Feb '19	Nov '18	\$ Change	% Change
2016 (act)	188	188	-	-
2017 (act)	152	152	-	-
2018 (act)	194	194	-	-
2019	197	200	(2.1)	(1.1%)
2020	216	214	1.7	0.8%
2021	220	217	3.1	1.4%
2022	223	219	4.2	1.9%
2023	225	220	5.0	2.3%

Transit Assistance Fund (TAF)

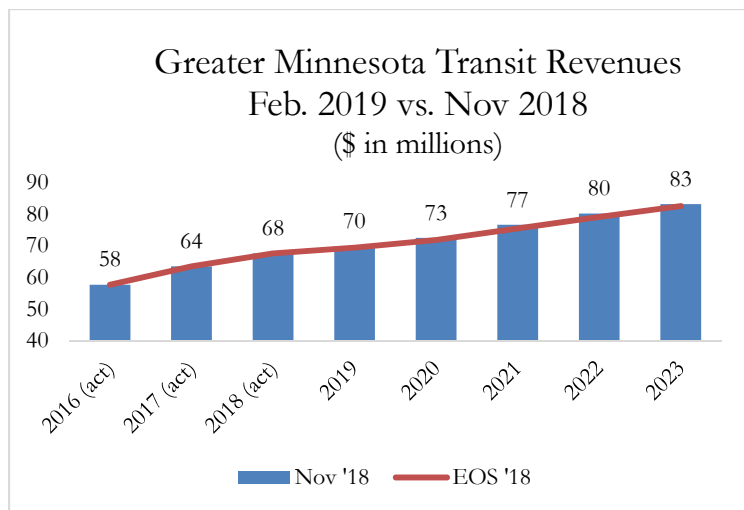
Beginning in FY 2018, 38 percent of MVLST revenue is allocated to the TAF – Greater Minnesota Transit account. In previous years, half of the MVLST revenues (net of \$32 million that remained in the General Fund) were allocated to this fund. The fund also receives 40 percent of MVST revenues.

The total estimated revenue for the TAF is shown below:



Transit Assistance Funds Revenues (\$ in millions)				
FY	Feb '19	Nov '18	\$ Change	% Change
2016 (act)	315	315	-	-
2017 (act)	335	335	-	-
2018 (act)	346	346	-	-
2019	364	357	7.0	2.0%
2020	382	369	12.5	3.4%
2021	406	388	17.6	4.5%
2022	425	407	18.1	4.4%
2023	441	424	16.6	3.9%

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	Feb '19	Nov '18	\$ Change	% Change
2016 (act)	58	58	-	-
2017 (act)	64	64	-	-
2018 (act)	68	68	-	-
2019	70	69	0.4	0.6%
2020	73	72	0.6	0.9%
2021	77	76	1.1	1.5%
2022	80	79	1.1	1.4%
2023	83	83	0.6	0.7%

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 the MnDOT allocation, a spending plan was developed by the Transit Office to spend down the available resources over the next four years. 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.

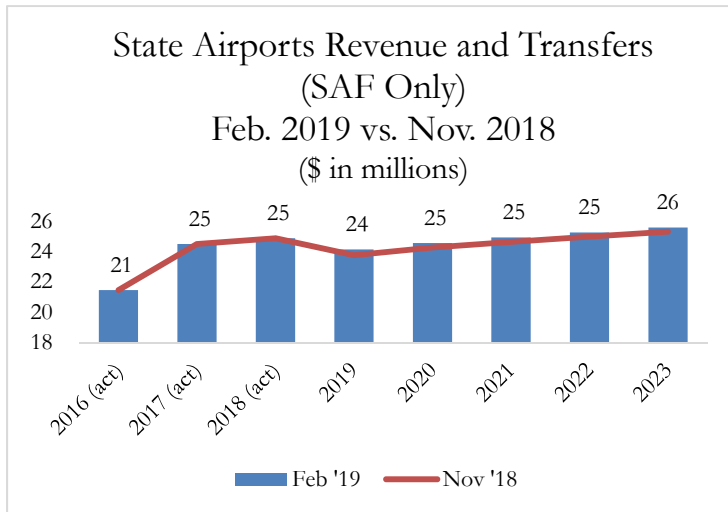
Account Balance Policy

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.

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	Feb '19	Nov '18	\$ Change	% Change
2016 (act)	21	21	-	-
2017 (act)	24	24	-	-
2018 (act)	24	24	-	-
2019	23	23	0.4	1.6%
2020	24	23	0.3	1.3%
2021	24	24	0.3	1.2%
2022	24	24	0.3	1.2%
2023	25	24	0.3	1.3%

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.

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 Through
Policy Links:	Policy Links

Contacts

Kristi Schroedl, Chief Financial Officer
 Robin Sylvester, Financial Management Director
 Josh Knatterud-Hubinger, Budget Director

651-366-4859
 651-366-3165
 651-366-4913

kristi.schroedl@state.mn.us
 robin.sylvester@state.mn.us
 josh.knatterud-hubinger@state.mn.us

Appendix 1

Highway User Tax Distribution Fund
February 2019 Forecast
Comparison to November 2018 Forecast

(\$ in thousands)	February 2019 Forecast								Change from November 2018				
	Close	Close	Close	Budget	Budget	Budget	Planning Est	Planning Est	Budget	Budget	Budget	Planning Est	Planning Est
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Balance Forward from Prior Year	\$11,617	\$11,042	\$11,403	\$12,050	\$12,000	\$12,000	\$12,000	\$12,000	-	-	-	-	-
Prior Year Adjustments	(2,341)	(28)	177	-	-	-	-	-	-	-	-	-	-
Adjusted Balance Forward	9,276	11,014	11,581	12,050	12,000	12,000	12,000	12,000	-	-	-	-	-
Net Revenue and Transfers-In													
Motor Fuel Excise Tax	899,251	910,640	925,737	939,900	946,600	950,900	951,900	950,400	5,100	15,200	25,100	37,700	49,000
Motor Vehicle Registration Tax	701,635	752,676	781,867	806,149	822,766	832,716	837,591	840,278	(4,051)	(4,135)	(4,185)	(4,209)	(4,223)
Motor Vehicle Sales Tax	428,831	452,578	463,435	489,960	515,520	548,460	574,140	596,340	11,040	19,740	27,360	28,320	26,700
Sales Tax on Auto Parts	-	-	31,536	31,536	145,644	145,644	145,644	145,644	-	-	-	1	2
Motor Vehicle Rental Tax (9.2%)	-	-	25,927	28,600	29,830	31,100	32,380	33,690	30	(127)	(169)	(164)	(156)
Motor Vehicle Rental Tax (6.5%)	-	-	16,706	20,210	21,080	21,970	22,880	23,800	25	(85)	(122)	(113)	(113)
Leased Vehicle Sales Tax	-	-	10,641	10,758	11,044	11,605	12,144	12,573	(99)	(198)	(198)	(231)	(341)
Other Income	5,035	3,630	4,471	5,979	6,864	7,206	7,204	7,198	(241)	(791)	(878)	(885)	(894)
Total Net Revenue and Transfers-In	2,034,751	2,119,524	2,260,320	2,333,092	2,499,348	2,549,601	2,583,883	2,609,923	11,804	29,605	46,909	60,418	69,974
Expenditures and Transfers-Out													
Appropriations to MnDOT, Revenue, DPS	2,962	3,366	11,746	13,890	12,219	13,502	12,238	13,513	-	-	-	-	-
Transfers--DNR	22,514	22,800	23,028	23,530	23,640	23,750	23,850	23,750	201	248	473	791	998
Transfers--5% Set-Aside	100,375	104,648	111,254	114,786	123,174	125,617	127,390	128,633	580	1,468	2,322	2,981	3,449
Transfers--County State-Aid Highway	553,069	576,613	613,009	632,471	678,691	692,152	701,918	708,768	3,197	8,088	12,793	16,427	19,003
Transfers--Municipal State-Aid Highway	171,642	178,949	190,244	196,284	210,628	214,806	217,836	219,962	992	2,510	3,970	5,098	5,897
Transfers--Trunk Highway	1,182,423	1,232,758	1,310,570	1,352,180	1,450,995	1,479,773	1,500,651	1,515,296	6,834	17,291	27,351	35,120	40,627
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	2,032,986	2,119,135	2,259,851	2,333,142	2,499,348	2,549,601	2,583,883	2,609,923	11,804	29,605	46,909	60,418	69,974
Ending Balance	\$11,042	\$11,403	\$12,050	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	-	-	-	-	-

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
February 2019 Forecast
Comparison to November 2018 Forecast

(\$ in thousands)	February 2019 Forecast								Change from November 2018				
	Close	Close	Close	Budget	Budget	Budget	Planning Est	Planning Est	Budget	Budget	Budget	Planning Est	Planning Est
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Balance Forward from Prior Year	\$275,790	\$381,830	\$376,507	\$436,605	\$255,664	\$316,880	\$451,532	\$657,269	-	6,369	21,918	47,307	80,712
Prior Year Adjustments	30,857	41,612	33,366	30,000	30,000	30,000	30,000	30,000	-	-	-	-	-
Adjusted Balance Forward	306,647	423,441	409,872	466,605	285,664	346,880	481,532	687,269	-	6,369	21,918	47,307	80,712
Net Revenue and Transfers-In													
Transfer from HUTD	1,182,423	1,232,758	1,310,570	1,352,180	1,450,995	1,479,773	1,500,651	1,515,296	6,834	17,291	27,351	35,120	40,627
Federal Aid Agreements	426,391	587,537	601,332	468,175	440,995	476,995	540,995	540,995	-	-	-	-	-
Other Income and Transfers-In	48,008	61,569	71,558	74,775	79,215	80,928	81,146	81,348	(465)	(2,721)	(2,955)	(2,995)	(3,031)
Total Net Revenue and Transfers-In	1,656,822	1,881,864	1,983,461	1,895,130	1,971,205	2,037,696	2,122,792	2,137,639	6,369	14,570	24,396	32,125	37,596
Expenditures and Transfers-Out													
Transportation Department	1,307,532	1,624,366	1,640,971	1,775,071	1,600,144	1,575,897	1,575,927	1,571,625	-	-	-	-	-
Public Safety and Other Depts.	93,382	110,895	104,748	116,096	112,905	115,881	114,656	116,756	-	-	-	-	-
Transfers-Out and Other	-	-	-	-	-	-	1	2	-	-	-	-	-
Debt Service	180,725	193,539	211,009	214,903	226,939	241,266	256,471	274,512	-	(979)	(993)	(1,280)	2,679
Total Expenditures and Transfers-Out	1,581,640	1,928,799	1,956,728	2,106,070	1,939,988	1,933,044	1,947,055	1,962,895	-	(979)	(993)	(1,280)	2,679
Balance Before Reserves	381,830	376,507	436,605	255,664	316,880	451,532	657,269	862,014	6,369	21,918	47,307	80,712	115,629
Ending Balance	\$381,830	\$376,507	\$436,605	\$255,664	\$316,880	\$451,532	\$657,269	\$862,014	6,369	21,918	47,307	80,712	115,629
Reserved Fund Balance per Policy	85,142	84,616	90,633	92,528	101,109	104,163	101,764	100,794	107	838	653	1,880	4,797
Unreserved Fund Balance per Policy	296,687	291,891	345,972	163,136	215,772	347,369	555,505	761,220	6,263	21,081	46,654	78,832	110,832
Debt Service Percentage Compared to State Revenue	14.9%	15.1%	15.3%	15.7%	15.5%	16.1%	16.8%	17.8%	-0.1%	-0.2%	-0.3%	-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

County State Aid Fund
 February 2019 Forecast
 Comparison to November 2018 Forecast

(5 in thousands)	February 2019 Forecast								Change from November 2018				
	Close	Close	Close		Budget		Planning Est		Budget	Budget	Budget	Planning Est	Planning Est
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Balance Forward from Prior Year	\$508,749	\$563,509	\$631,865	\$673,186	\$684,137	\$684,061	\$683,985	\$683,909	-	10,958	10,885	10,816	10,753
Prior Year Adjustments	139	246	165	-	-	-	-	-	-	-	-	-	-
Adjusted Balance Forward	508,889	563,754	632,030	673,186	684,137	684,061	683,985	683,909	-	10,958	10,885	10,816	10,753
Net Revenue and Transfers-In													
Leased Vehicle Sales Tax	29,171	33,388	36,761	37,164	38,152	40,090	41,952	43,434	(342)	(684)	(684)	(798)	(1,178)
Other Income	3,583	5,917	9,270	13,728	17,140	18,316	18,306	18,274	(961)	(2,807)	(3,011)	(3,045)	(3,073)
Transfer from HUTD	653,444	681,261	724,263	747,257	801,866	817,769	829,307	837,401	3,777	9,556	15,115	19,409	22,452
Transfer from General	-	-	2,000	2,000	-	-	-	-	-	-	-	-	-
Total Net Revenue and Transfers-In	686,199	720,565	772,294	800,149	857,158	876,175	889,565	899,109	2,474	6,065	11,420	15,566	18,201
Expenditures and Transfers-Out													
Grants to Local Governments	621,664	641,945	720,530	773,391	840,582	859,015	872,142	881,500	(7,526)	7,557	12,805	16,904	19,518
MnDOT Administrative and Research	9,880	10,479	10,558	15,732	16,576	17,160	17,423	17,609	(958)	(1,419)	(1,316)	(1,276)	(1,254)
Transfers to MSAS Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to Special Revenue	35	30	51	76	76	76	76	76	-	-	-	-	-
Transfers to Trunk Highway Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	631,579	652,454	731,138	789,198	857,234	876,251	889,641	899,185	(8,485)	6,138	11,489	15,628	18,264
Balance Before Reserves	563,509	631,865	673,186	684,137	684,061	683,985	683,909	683,833	10,958	10,885	10,816	10,753	10,690
Less Appropriation Carryforward	563,509	631,865	673,186	684,137	684,061	683,985	683,909	683,833	10,958	10,885	10,816	10,753	10,690
Ending Balance	-	-	-	-	-	-	-	-	-	-	-	-	-

Appendix 4

Municipal State Aid Fund
February 2019 Forecast
Comparison to November 2018 Forecast

(\$ in thousands)	February 2019 Forecast								Change from November 2018				
	Close	Close	Close	Budget	Budget	Budget	Planning Est	Planning Est	Budget	Budget	Budget	Planning Est	Planning Est
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Balance Forward From Prior Year	\$167,954	\$152,926	\$181,968	\$181,431	\$184,259	\$184,259	\$184,259	\$184,259	-	2,829	2,831	2,832	2,836
Prior Year Adjustments	42	81	53	-	-	-	-	-	-	-	-	-	
Adjusted Balance Forward	167,996	153,008	182,021	181,431	184,259	184,259	184,259	184,259	-	2,829	2,831	2,832	2,836
Net Revenue and Transfers-In :													
Other Income	1,286	1,876	2,804	3,989	4,932	5,256	5,253	5,244	(263)	(783)	(844)	(853)	(861)
Transfer From HUTD	171,642	178,949	190,244	196,284	210,628	214,806	217,836	219,962	992	2,510	3,970	5,098	5,897
Transfer From CSAH	-	-	-	-	-	-	-	-	-	-	-	-	
Net Revenue and Transfers In	172,928	180,824	193,048	200,273	215,560	220,062	223,089	225,206	729	1,727	3,126	4,245	5,036
Expenditures and Transfers-Out													
Grants to Local Governments	184,751	148,677	190,378	192,535	210,287	214,583	217,527	219,587	(2,034)	1,751	3,078	4,165	4,935
MnDOT Administrative and Research	3,237	3,177	3,245	4,886	5,250	5,455	5,538	5,596	(66)	(25)	47	76	99
Transfers to Special Revenue	10	9	16	24	24	24	24	24	-	-	-	-	
Total Expenditures and Transfers-Out	187,998	151,864	193,639	197,445	215,560	220,062	223,089	225,206	(2,100)	1,725	3,125	4,241	5,033
Balance before Reserves	152,926	181,968	181,431	184,259	184,259	184,259	184,259	184,259	2,829	2,831	2,832	2,836	2,839
Less Appropriation Carryforward	152,926	181,968	181,431	184,259	184,259	184,259	184,259	184,259	2,829	2,831	2,832	2,836	2,839
Ending Balance	-	-	-	-	-	-	-	-	-	-	-	-	-

Transit Assistance Fund
February 2019 Forecast
Comparison to November 2018 Forecast

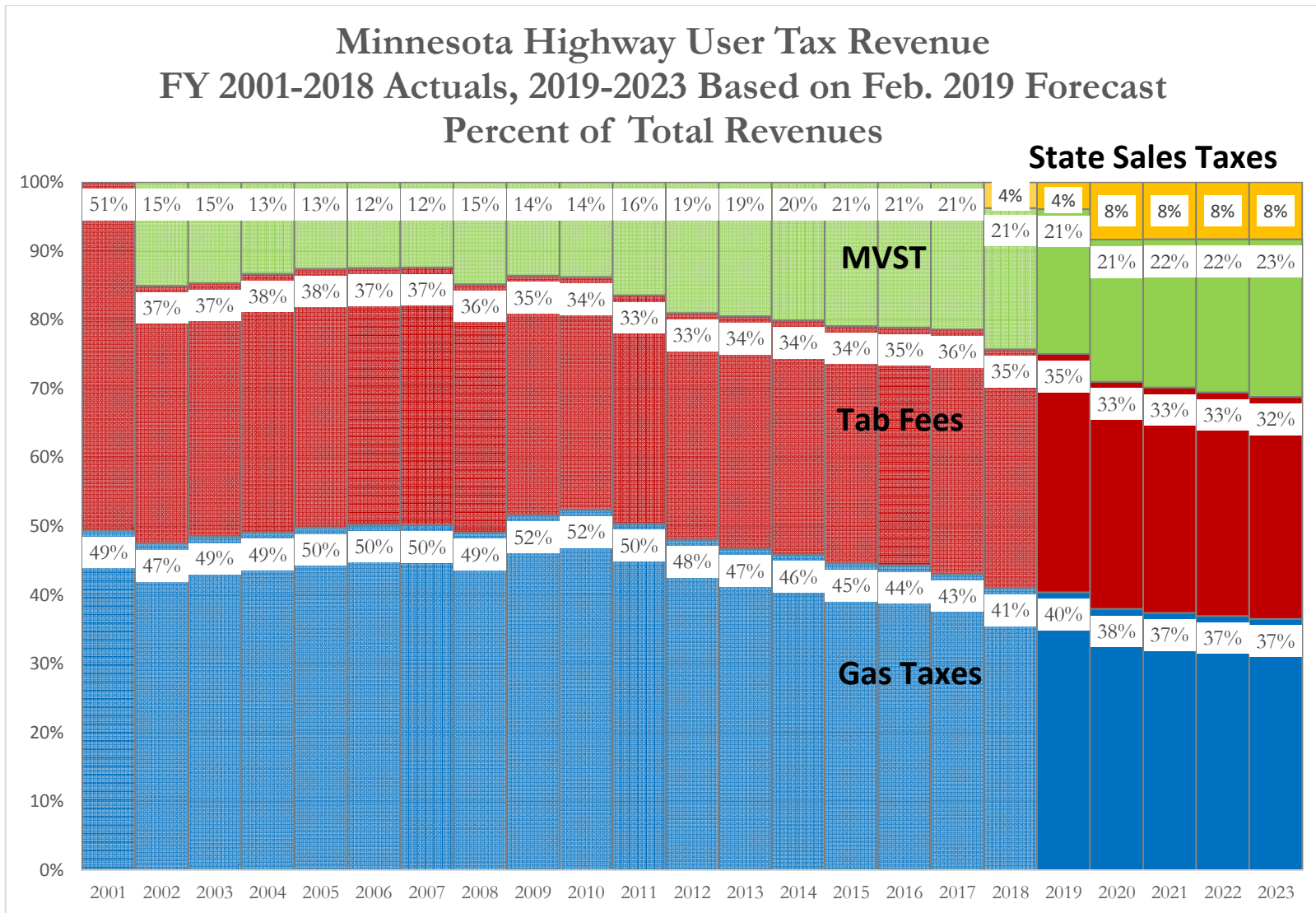
(\$ in thousands)	February 2019 Forecast								Change from November 2018				
	Close	Close	Close	Budget	Budget	Budget	Planning Est	Planning Est	Budget	Budget	Budget	Planning Est	Planning Est
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Balance Forward from Prior Year	\$56,246	\$69,634	\$71,445	\$53,073	\$47,884	\$42,940	\$44,384	\$46,390	-	394	(645)	(749)	(873)
Prior Year Adjustments	672	2,766	2,406	-	-	-	-	-	-	-	-	-	-
Adjusted Balance Forward	56,917	72,399	73,851	53,073	47,884	42,940	44,384	46,390	-	394	(645)	(749)	(873)
Net Revenue and Transfers-In													
Metropolitan Area Transit Account	257,099	271,535	278,035	293,976	309,312	329,076	344,484	357,804	6,624	11,844	16,416	16,992	16,020
Greater Minnesota Transit Account	28,567	30,171	30,888	32,664	34,368	36,564	38,276	39,756	736	1,316	1,824	1,888	1,780
Total Motor Vehicle Sales Tax	285,665	301,706	308,923	326,640	343,680	365,640	382,760	397,560	7,360	13,160	18,240	18,880	17,800
Leased Vehicle Sales Tax	29,171	33,388	36,761	37,164	38,152	40,090	41,952	43,434	(342)	(684)	(684)	(798)	(1,178)
Total Net Revenue and Transfers-In	314,836	335,094	345,684	363,804	381,832	405,730	424,712	440,994	7,018	12,476	17,556	18,082	16,622
Expenditures and Transfers-Out													
Metropolitan Council	257,172	271,535	278,040	293,993	309,312	329,076	344,484	357,804	6,624	11,844	16,416	16,992	16,020
Transportation Department	44,948	64,513	88,422	75,000	77,464	75,210	78,222	81,507	-	1,671	1,244	1,214	994
Total Expenditures and Transfers-Out	302,120	336,048	366,462	368,993	386,776	404,286	422,706	439,311	6,624	13,515	17,660	18,206	17,014
Balance Before Reserves	69,634	71,445	53,073	47,884	42,940	44,384	46,390	48,073	394	(645)	(749)	(873)	(1,265)
Less Appropriation Carryforward	69,634	33,388	36,761	37,164	38,152	40,090	41,952	43,434	(342)	(684)	(684)	(798)	(1,178)
Less Met Council Balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	-	\$38,057	\$16,311	\$10,720	\$4,788	\$4,294	\$4,438	\$4,639	736	39	(65)	(75)	(87)
Reserved Balance	-	-	7,144	5,307	4,788	4,294	4,438	4,639	-	39	(65)	(75)	(87)
Unreserved Fund Balance	-	-	9,167	5,413	-	-	-	-	736	-	-	-	-

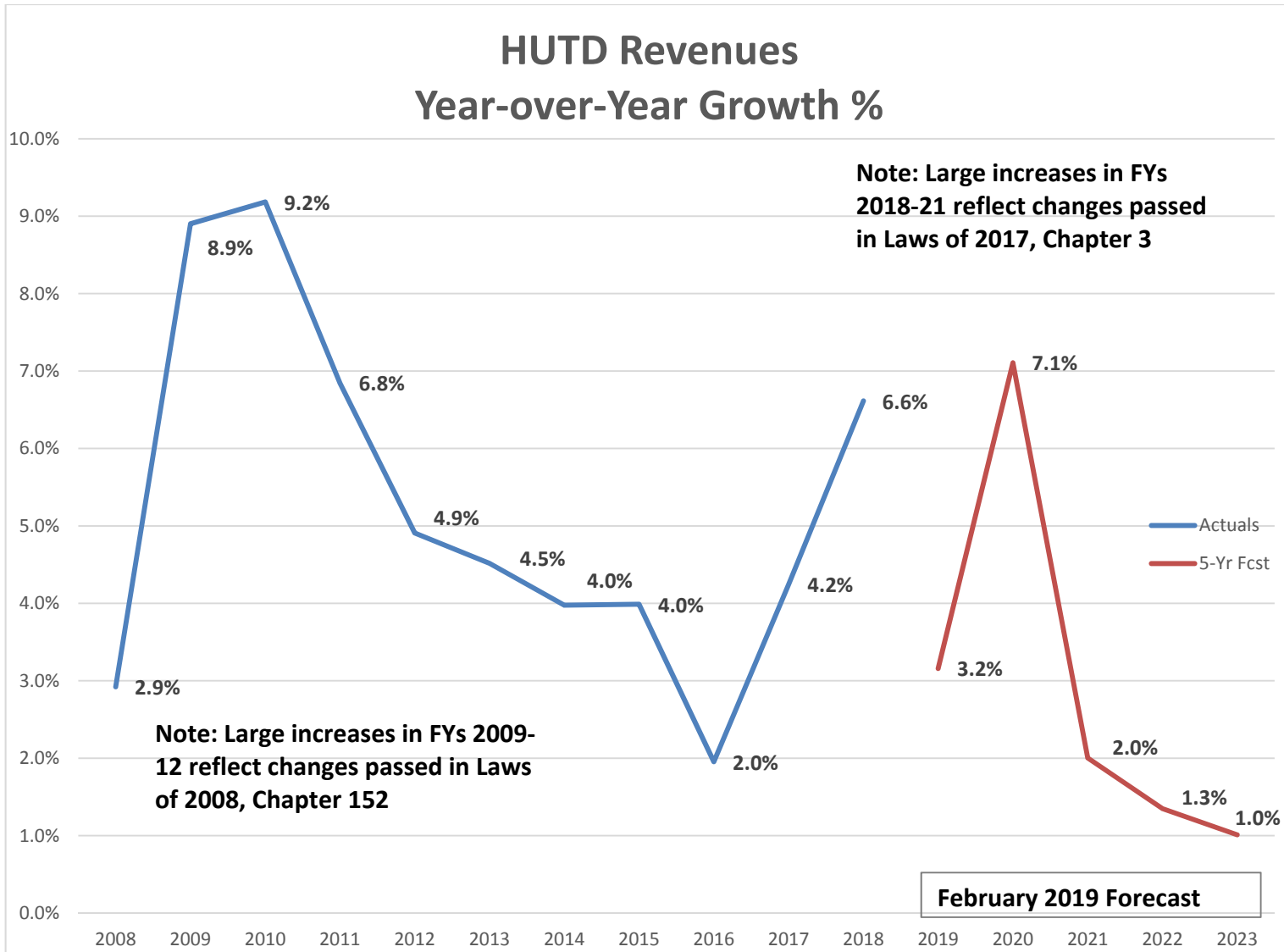
State Airports Fund
February 2019 Forecast
Comparison to November 2018 Forecast

(5 in thousands)	February 2019 Forecast								Change from November 2018				
	Close	Close	Close	Budget	Budget	Budget	Planning Est	Planning Est	Budget	Budget	Budget	Planning Est	Planning Est
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Balance Forward from Prior Year	\$24,346	\$17,629	\$19,222	\$13,139	\$7,381	\$11,193	\$15,368	\$19,870	-	871	1,666	2,458	3,258
Prior Year Adjustments	642	593	458	500	500	500	500	500	500	500	500	500	500
Adjusted Balance Forward	24,988	18,222	19,680	13,639	7,881	11,693	15,868	20,370	500	1,371	2,166	2,958	3,758
Net Revenue and Transfers-In													
Transfer from General Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales Tax on Aircraft	4,941	6,501	6,153	6,000	6,120	6,242	6,367	6,495	-	-	-	-	-
Airline Flight Property Tax	7,000	7,006	8,000	7,000	7,000	7,000	7,000	7,000	-	-	-	-	-
Aircraft Registration Tax	2,455	4,202	3,440	3,400	3,468	3,537	3,608	3,680	-	-	-	-	-
Gasoline & Special Fuel Tax	6,118	5,843	5,987	6,300	6,426	6,555	6,686	6,819	400	408	416	424	433
Other Income	955	950	1,303	1,445	1,560	1,603	1,603	1,602	(29)	(113)	(124)	(125)	(126)
Total Net Revenue and Transfers-In	21,469	24,503	24,883	24,145	24,574	24,937	25,264	25,596	371	295	292	300	307
Expenditures and Transfers-Out													
Transportation Department	29,074	23,907	31,767	29,972	21,662	21,662	21,662	21,662	-	-	-	-	-
Total Expenditures and Transfers-Out	29,074	23,907	31,767	30,003	21,662	21,662	21,662	21,662	-	-	-	-	-
Net Change in Loan Fund	246	405	344	(400)	400	400	400	400	-	-	-	-	-
Balance Before Reserves	17,629	19,222	13,139	7,381	11,193	15,368	19,870	24,704	871	1,666	2,458	3,258	4,065
Less Appropriation Carryforward	2,817	3,264	2,833	3,151	3,469	3,787	4,105	4,423	-	-	-	-	-
Ending Balance	\$14,812	\$15,957	\$10,306	\$4,230	\$7,724	\$11,582	\$15,765	\$20,282	871	1,666	2,458	3,258	4,065
Reserved Balance	1,416	1,166	1,504	1,490	1,034	1,034	1,034	1,034	-	-	-	-	-
Unreserved Fund Balance	13,394	14,790	8,801	2,739	6,689	10,546	14,730	19,246	871	1,666	2,458	3,258	4,065

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 OF MINNESOTA
REVENUE AND EXPENDITURES FOR TRANSPORTATION PURPOSES
ALL SOURCES OF FUNDS THAT FLOW THROUGH MnDOT (\$ MILLIONS)
 FY 2018 (BUDGETARY BASIS)

