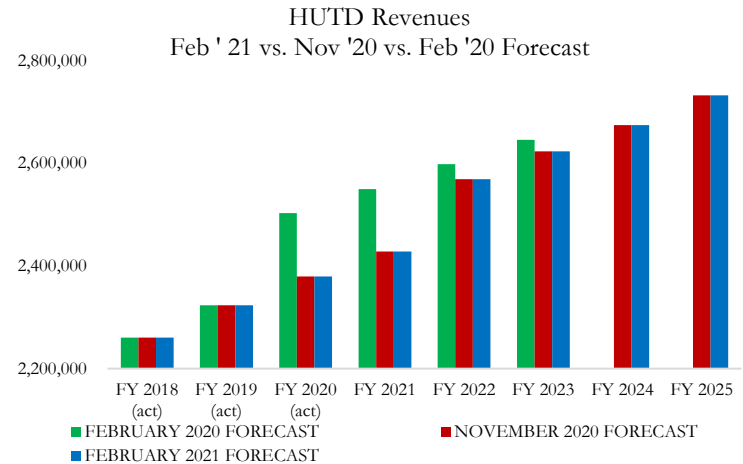


Forecast Highlights

HUTD Revenues

Highway User Tax Distribution (HUTD) Fund revenues are projected to decrease slightly in the FY 2020-21 biennium compared to the November 2020 forecast, decreasing -\$4.5M (-0.1 percent). In the FY 2022-23 biennium, revenues are also projected to decrease slightly, decreasing -\$0.5 million (-0.01 percent) compared to November 2020 forecast. Beginning in FY 2023 revenues are projected to stabilize and grow on average by nearly 3 percent per year.



Federal Stimulus Funds

The Coronavirus Response & Relief Supplemental Appropriations (CRRSA) Act, enacted on December 27, 2020 provided federal financial assistance to 3 significant areas related to transportation:

- \$162 million for roads and bridges from the Federal Highway Administration (FHWA) for State Road Construction and local partners
- \$42 million for airports from the Federal Aviation Administration (FAA)
- \$15.4 million for transit from the Federal Transit Administration. Of this total:
 - \$14.7 million is for the Section 5311 Rural Transit Program serving populations under 50,000
 - \$727,000 is for the Section 5310 Contact Enhanced Mobility of Seniors and Individuals with Disabilities Program

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

- Of the \$2.187 billion Coronavirus Relief Fund Minnesota received, Greater Minnesota Transit received \$600,000 for COVID-19 positive client transportation, which is fully expended
- Federal Transit Administration (FTA) received \$25 billion. Below are the specific amounts for Minnesota:
 - \$54 million for greater Minnesota transit (administered by MnDOT)
 - \$27 million for transit systems in urban areas with populations of 50,000+ (administered directly by transit systems)
 - \$227 million for Twin Cities metro transit (administered by Met Council)
 - \$4.4 million to replace 47 buses for 20 transit agencies in rural areas across the state
- \$158 million for operations grants to 97 airports (flows through MnDOT, specific amounts by airport).
 - \$125 million for Minneapolis-St. Paul (MSP)
 - \$30 million for other 8 commercial service airports
 - \$3 million for 88 general aviation airports
 - 36 airports receive nothing
 - 100% federal funding for Airport Improvement Program (AIP) grants (administered by MnDOT).

For further details on federal stimulus expenditures through January 2021, please refer to the [COVID-19 Federal Funds Expenditures Legislative Report](#).

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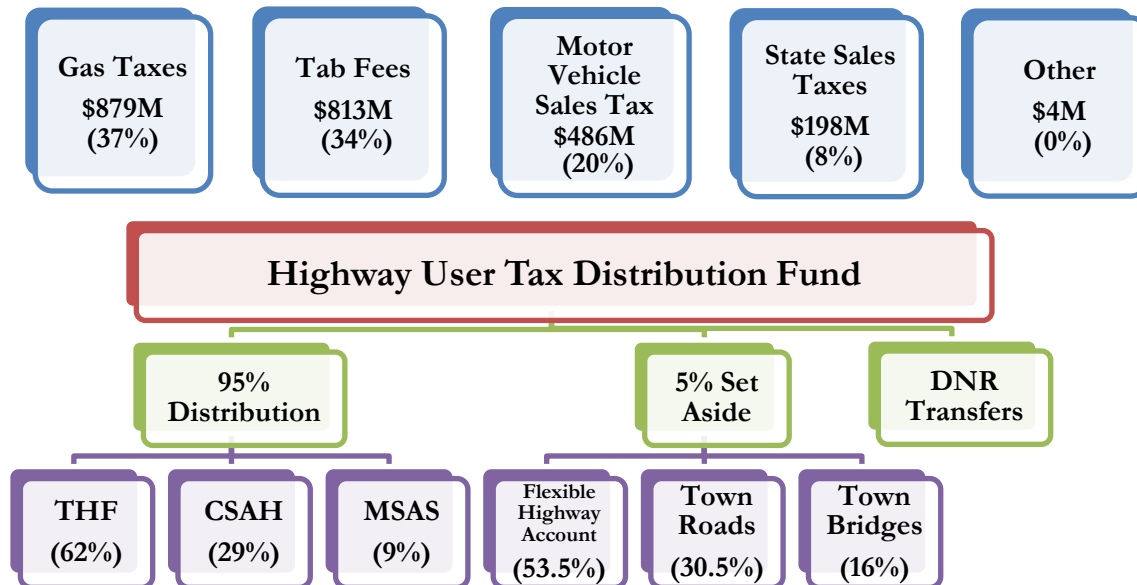
Introduction to Transportation Funding

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

Comparisons made in this forecast to the prior forecast reflect the difference from the November 2020 fund statements. This forecast also includes information for the FY 2022-23 and FY2024-25 biennia. MnDOT prepares fund statements for the following funds:

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

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



-Article XIV of the Minnesota Constitution

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

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

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

Legal Authority for Collection of Revenue

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

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

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

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

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

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

Other Revenue:

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

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

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

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

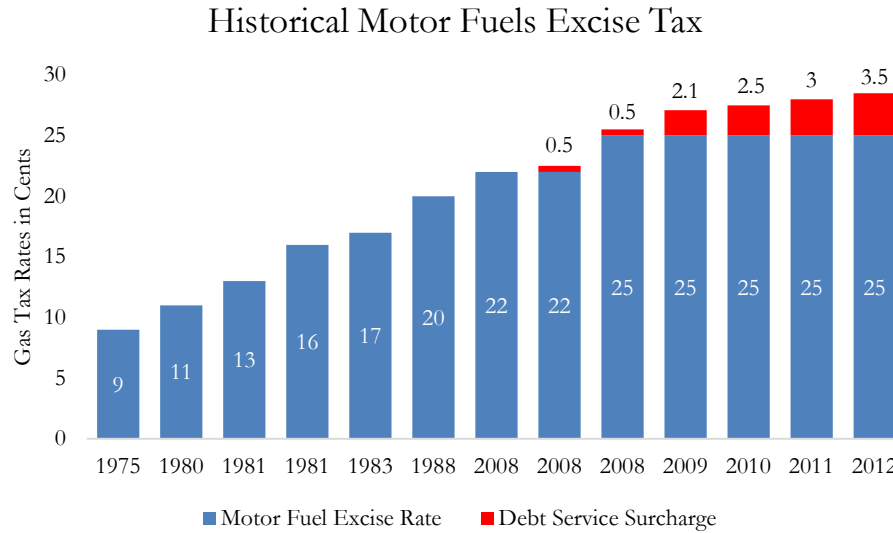
All the funds, except the TAF, receive investment income earned on the cash balances in the funds.

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

Revenue Forecast

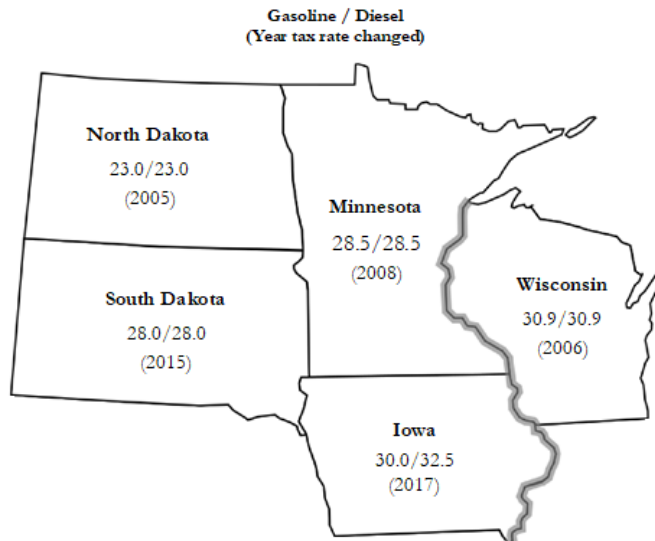
Motor Fuel Excise Tax (Gas Tax)

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

Comparison of January 2021 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.

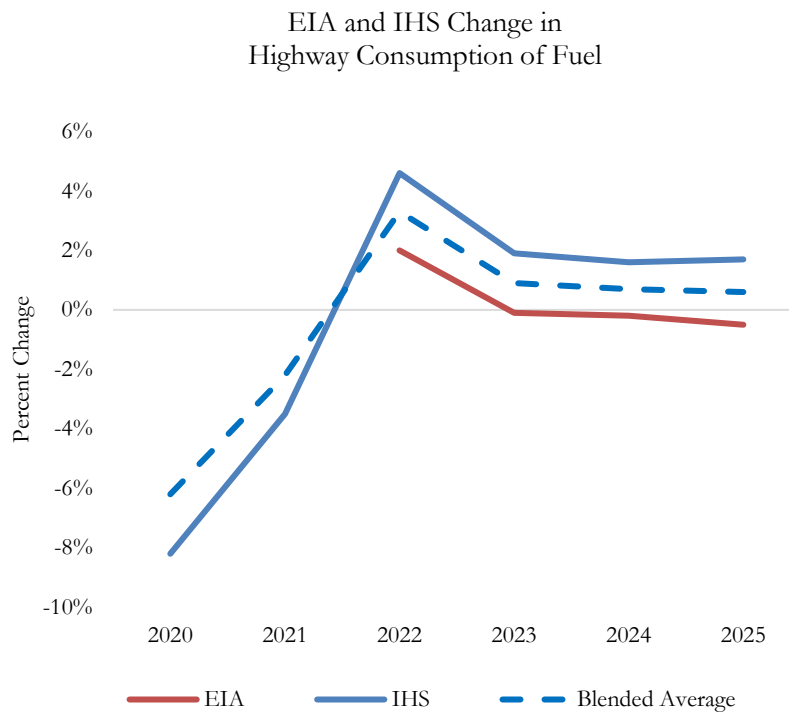
Fuel Consumption Outlook

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

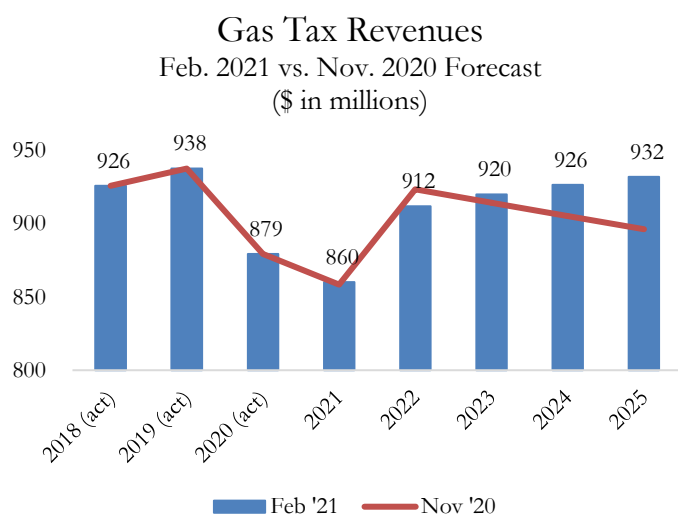
To forecast the gas tax MnDOT typically reviews regional forecast information from the U.S. Energy Information Administration (EIA), the federal agency that collects and analyzes energy information. MnDOT also consults the macroeconomic national forecast of U.S. gasoline consumption produced by IHS Markit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

Although the two forecasts are somewhat divergent for the future biennia, 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. Reduced economic activity related to the COVID-19 pandemic has caused changes in demand and supply patterns in CY 2020 and will continue further in CY 2021. However, revenue is not expected to decrease as much as anticipated by IHS as travel patterns in Minnesota have largely rebounded to historic averages.



**The EIA/IHS blended average for FY2020 of -8 percent and for FY2021 of -4 percent was adjusted to -6 percent in FY2020 and -2 in percent FY2021 to account for current travel patterns.*

Revenue is largely anticipated to bounce back in FY2022 and then begin to stabilize in FY2023 and grow by less than 1 percent in future years throughout the forecast period. The current forecast of revenues is shown below:



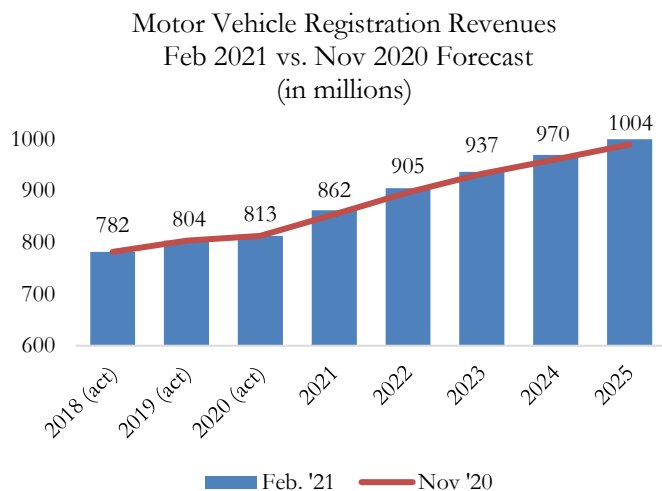
Gas Tax Revenues (\$ in millions)				
FY	Feb. '21	Nov. '20	\$ Change	% Change
2018 (act)	926	926	-	-
2019 (act)	938	938	-	-
2020 (act)	879	879	-	-
2021	860	858	1.8	0.2%
2022	912	923	(11.6)	-1.3%
2023	920	914	5.8	0.6%
2024	926	905	21.3	2.3%
2025	932	896	35.8	4.0%

Motor Vehicle Registration Tax (Tab Fees)

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

Tab fee revenue is anticipated to increase compared to the November 2020 forecast. The COVID-19 pandemic impacts have been minimal to this revenue source. Vehicle sales projections from IHS are expected to remain relatively stable, resulting in revenue projections increasing slightly in all years within the forecast period.

The current forecast of revenues is shown below:

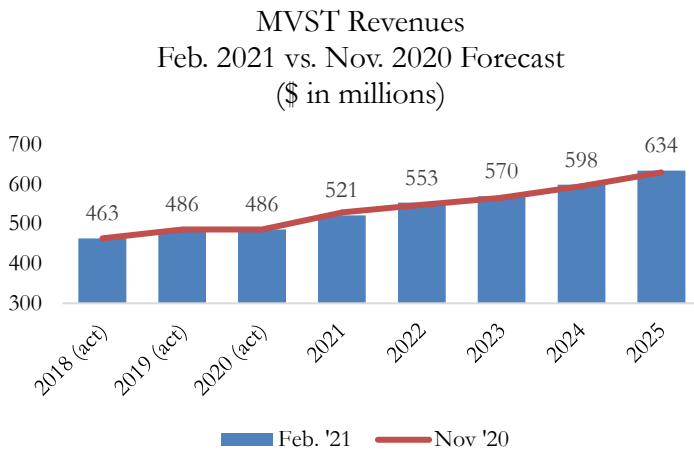


Motor Vehicle Registration Revenues (\$ in millions)				
FY	Feb. '21	Nov. '20	\$ Change	% Change
2018 (act)	782	782	-	-
2019 (act)	804	804	-	-
2020 (act)	813	813	-	-
2021	862	855	7.7	0.9%
2022	905	897	8.0	0.9%
2023	937	933	3.8	0.4%
2024	970	961	8.6	0.9%
2025	1,004	990	13.7	1.4%

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.

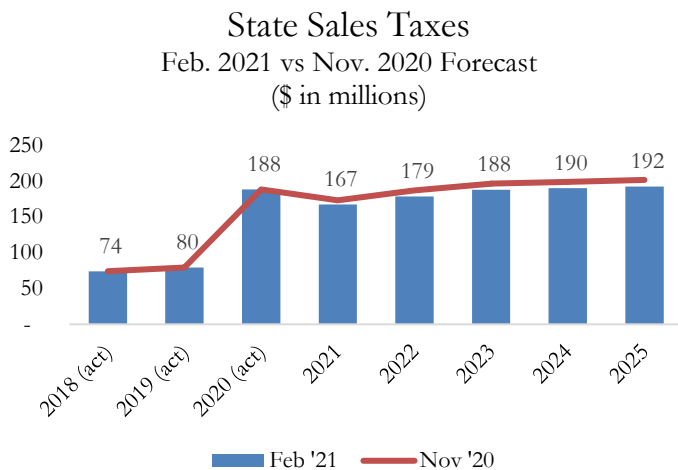
DOR prepares the official forecast of this revenue, which is based on data provided by IHS. Overall, MVST revenue is projected to increase compared to the November 2020 forecast for all years, except FY 2021. The current forecast of revenues is shown below:



MVST Revenues (\$ in millions)				
FY	Feb. '21	Nov '20	\$ Change	% Change
2018 (act)	463	463	-	-
2019 (act)	486	486	-	-
2020 (act)	486	486	-	-
2021	521	529	(7.5)	-1.4%
2022	553	548	5.3	1.0%
2023	570	566	3.8	0.7%
2024	598	595	3.7	0.6%
2025	634	629	4.5	0.7%

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



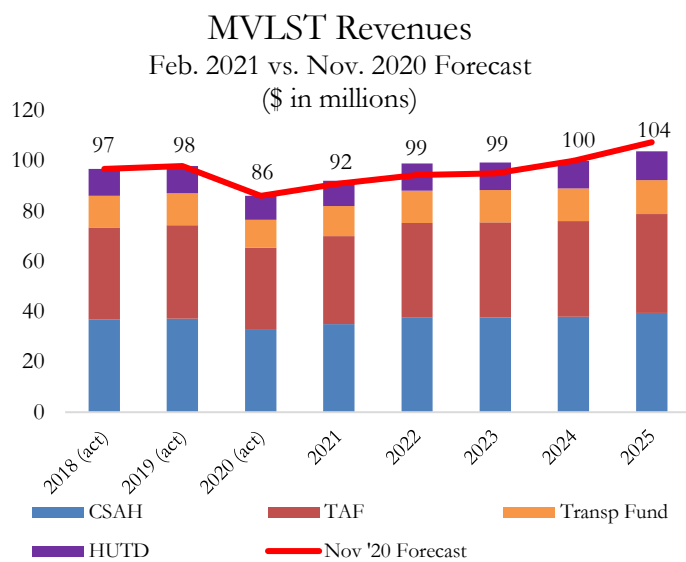
State Sales Taxes (\$ in millions)				
FY	Feb. '21	Nov '20	\$ Change	% Change
2018 (act)	74	74	-	-
2019 (act)	80	80	-	-
2020 (act)	188	188	-	-
2021	167	173	(6.2)	-3.6%
2022	179	187	(8.3)	-4.4%
2023	188	197	(8.4)	-4.3%
2024	190	199	(8.9)	-4.5%
2025	192	202	(9.4)	-4.7%

Motor Vehicle Lease Sales Tax (MVLST)

The MVLST forecast is prepared by the DOR. The 6.5 percent sales tax is collected by the lessor, and reported and paid directly to DOR. The forecast in future years largely increases compared to the November 2020 forecast, with no change in FY2024 followed by a decline in FY2025. As of FY 2018, all revenue from MVLST is reallocated for transportation purposes and are deposited in the General Fund and transferred as follows at the end of the fiscal year:

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

The current forecast of revenues is shown below:

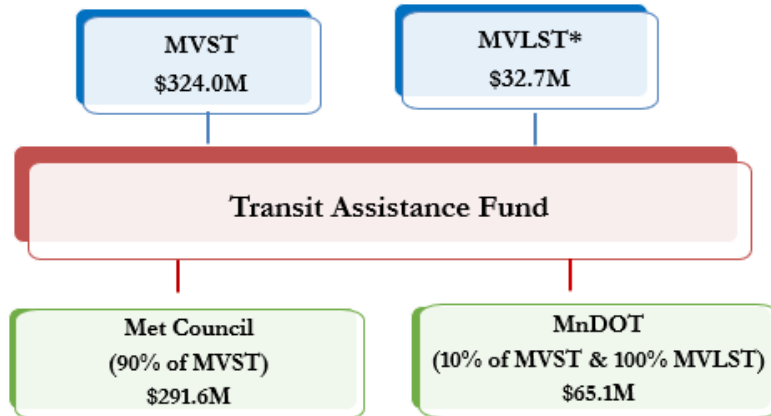


MVLST Revenues (\$ in millions)				
FY	Feb. '21	Nov '20	\$ Change	% Change
2018 (act)	97	97	-	-
2019 (act)	98	98	-	-
2020 (act)	86	86	-	-
2021	92	91	1.2	1.3%
2022	99	94	4.7	5.0%
2023	99	95	4.3	4.5%
2024	100	100	-	0.0%
2025	104	107	(3.6)	-3.4%

Transit Assistance Fund Revenue

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

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



*38 percent of MVLST is allocated to TAF.

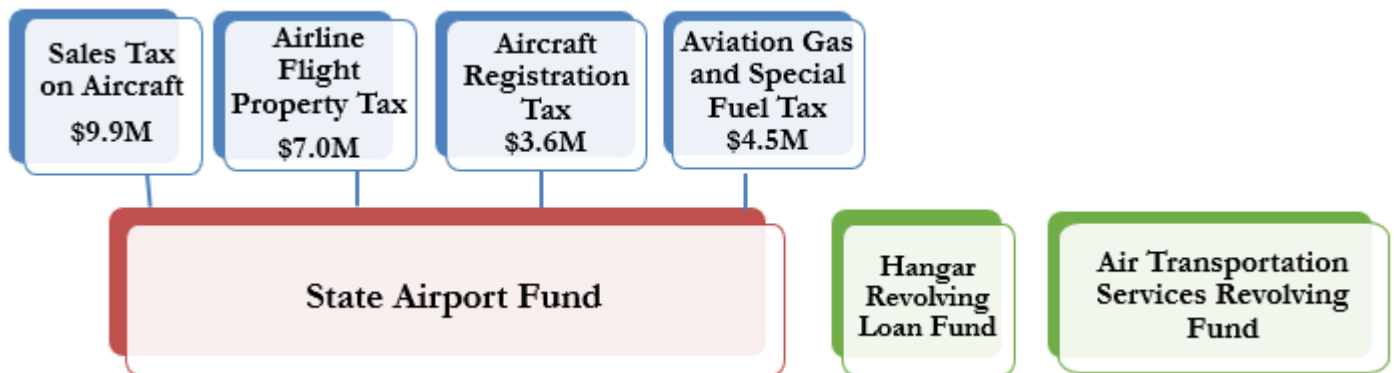
State Airports Revenue

Three funds make up the total consolidated SAF:

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

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

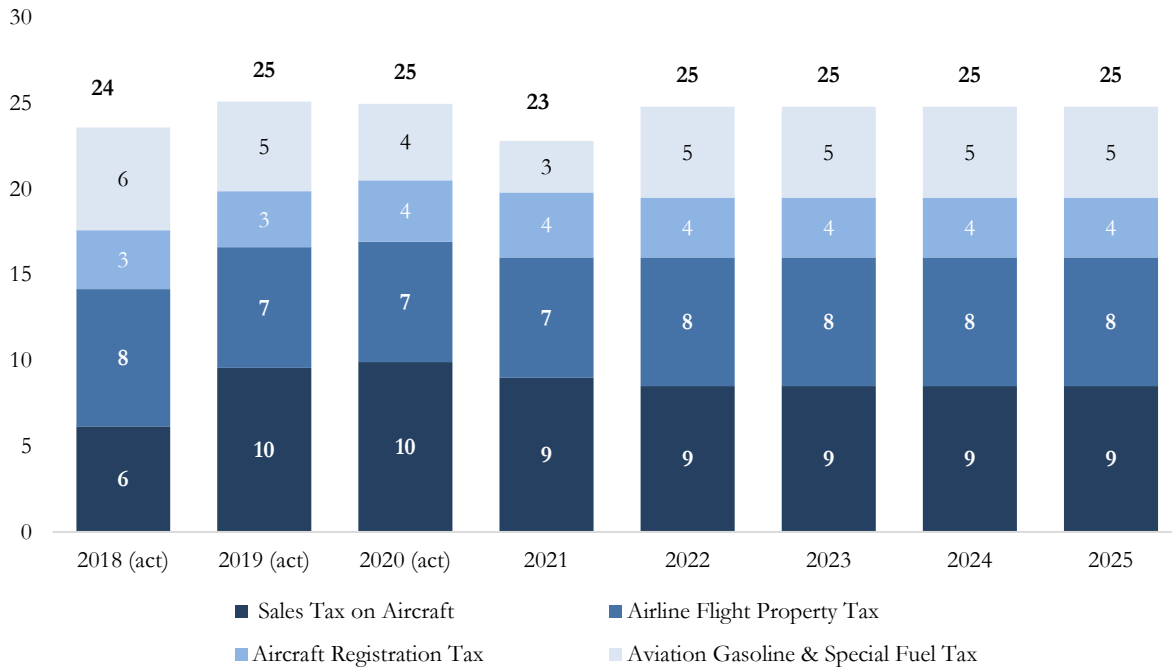
**State Airports Sources of Revenue
FY 2020**



The forecast for the SAF is focused on aviation gasoline and special fuel taxes, sales taxes on aircraft, aircraft registration taxes, and investment income. The forecast for sales tax on aircraft and registration taxes are both based primarily on prior history but have varied significantly by year. The aviation fuel tax February 2021 forecast decreased slightly due to reduced year-to-date revenues in FY 2021 compared to the November 2020 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:

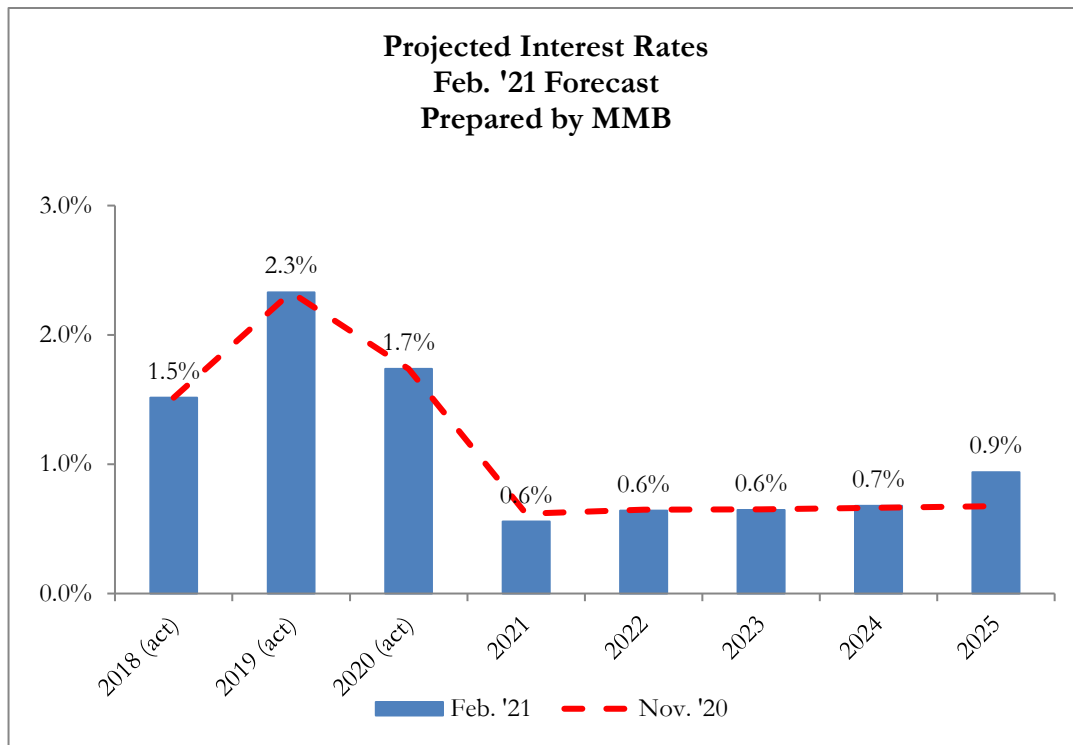
Primary State Airports Fund Revenues
(\$ in millions)



Investment Income

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

Interest rates are currently just under 0.6 percent and are not projected to grow above 1.0 percent in the forecast period. The rates are slightly higher than the November 2020 forecast in all years. As a result, interest income in all funds is expected to increase compared to the November 2020 forecast.



Fund Statements

Transfers from HUTD Fund

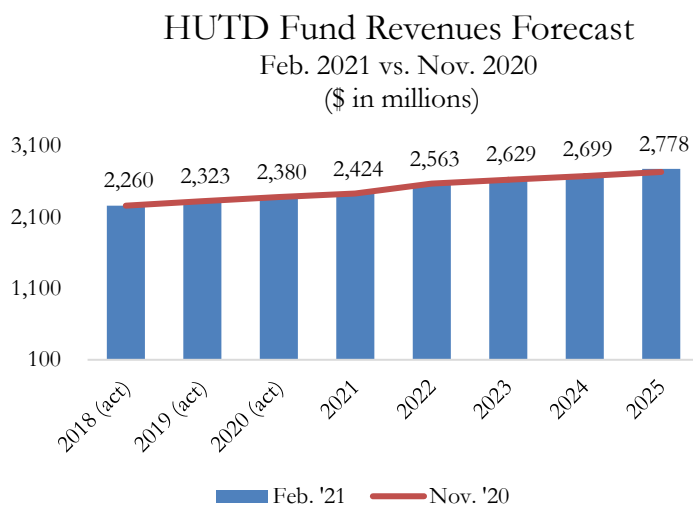
The HUTD Fund receives revenues from the three sources dedicated to highways and transit (gas tax, tab fees and MVST), as well as several minor sources of revenue. Except for the 40 percent of MVST dedicated to public transit, revenues from these three taxes are deposited into the HUTD Fund. In addition,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

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

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

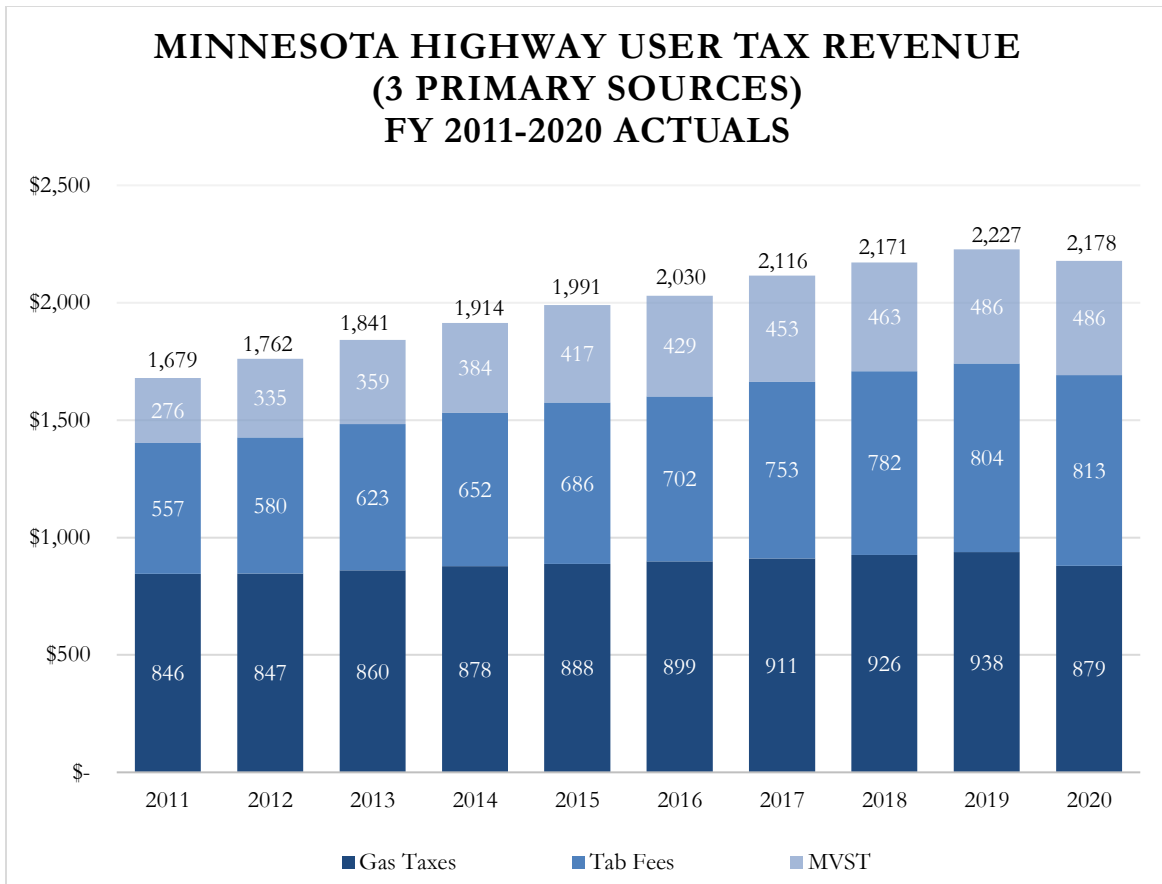
The remaining five percent, referred to as the five percent set-aside, is allocated to the CSAH Fund. This funding is further allocated to Township Roads, Township Bridges, and the Flexible Highway Account.

The current forecast is shown below:



HUTD Fund Revenues (\$ in millions)				
FY	Feb. '21	Nov. '20	\$ Change	% Change
2018 (act)	2,260	2,260	-	-
2019 (act)	2,323	2,323	-	-
2020 (act)	2,380	2,380	-	-
2021	2,424	2,429	(4.5)	-0.2%
2022	2,563	2,569	(6.0)	-0.2%
2023	2,629	2,624	5.5	0.2%
2024	2,699	2,675	24.8	0.9%
2025	2,778	2,733	44.9	1.6%

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



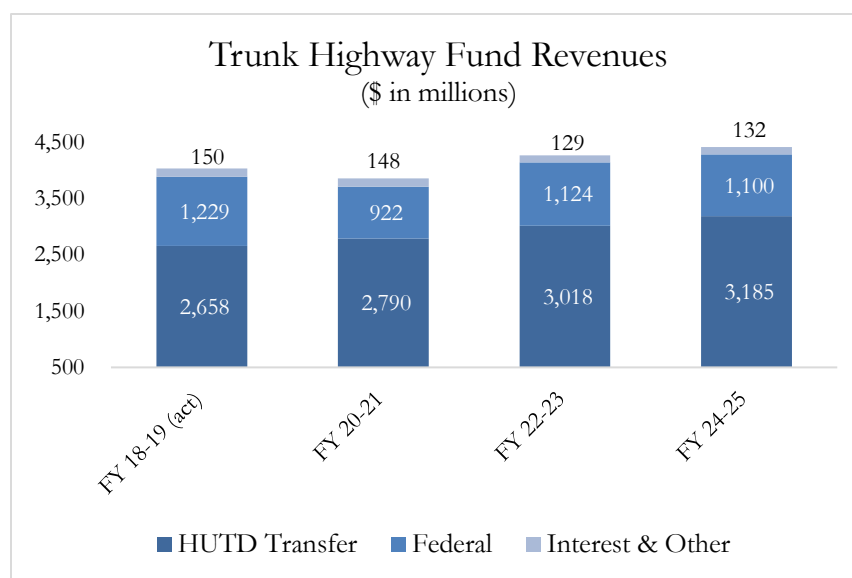
Trunk Highway Fund

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

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

In addition, the fund receives revenues and transfers from several other smaller sources. For FY 2020-25, 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:



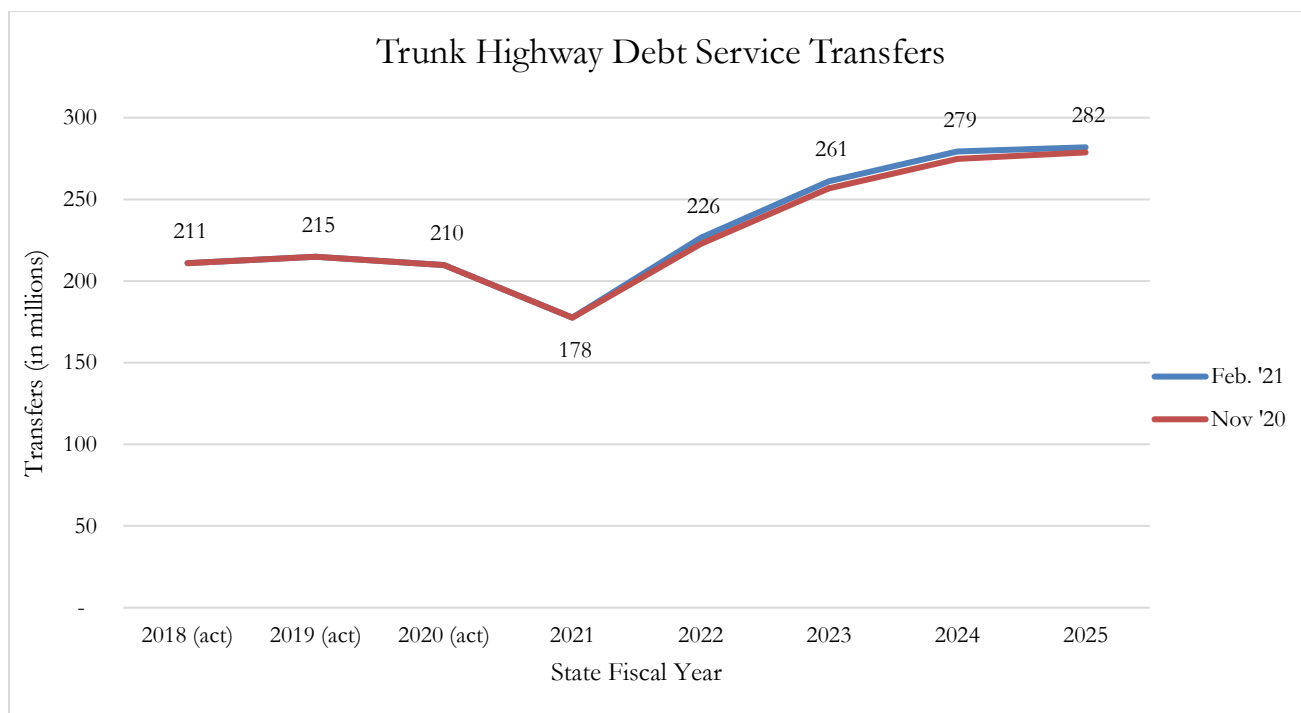
Debt Service – Trunk Highway Fund

The forecast for expenditures is generally based on the previously enacted biennial budget. There are typically no significant changes in estimated 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. However, the law also states that any increase in the amount of estimated debt service is to be transferred because there is a statutory open appropriation for trunk highway debt service.

² See Article XIV, section 11 of the Minnesota Constitution

Forecast debt service estimates for future years have increased slightly since the November 2020 forecast. The primary change is an increase in the projected premiums received on future bond sales due to slightly higher projected interest costs on the bonds. Cash flow estimates are used in forecasting future bond sales and debt service amounts. Cash flow estimates are revised for scheduled bond sales and impact the estimated debt service payments.

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



The TH Fund is governed by four financial policies: Debt Management, Fund Balance, Cash Balance, and Advance Construction (a link to all of the policies is included in the appendices index). The Debt Management Policy states that debt service should not exceed 20 percent of annual state revenues to the TH 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. The projected annual spending for TRLF and LGA combined is \$3 million.

The debt management policy estimates include FY 2026-27 to be consistent with the approach MMB uses when publishing the Debt Capacity Forecast. The table below demonstrates that estimated debt service costs from the TH Fund range from 12.1 percent to just over 17 percent through the end of FY 2027, peaking at 17.3 percent in FY 2024.

³ Developed to comply with Minn. Stat. 167.60

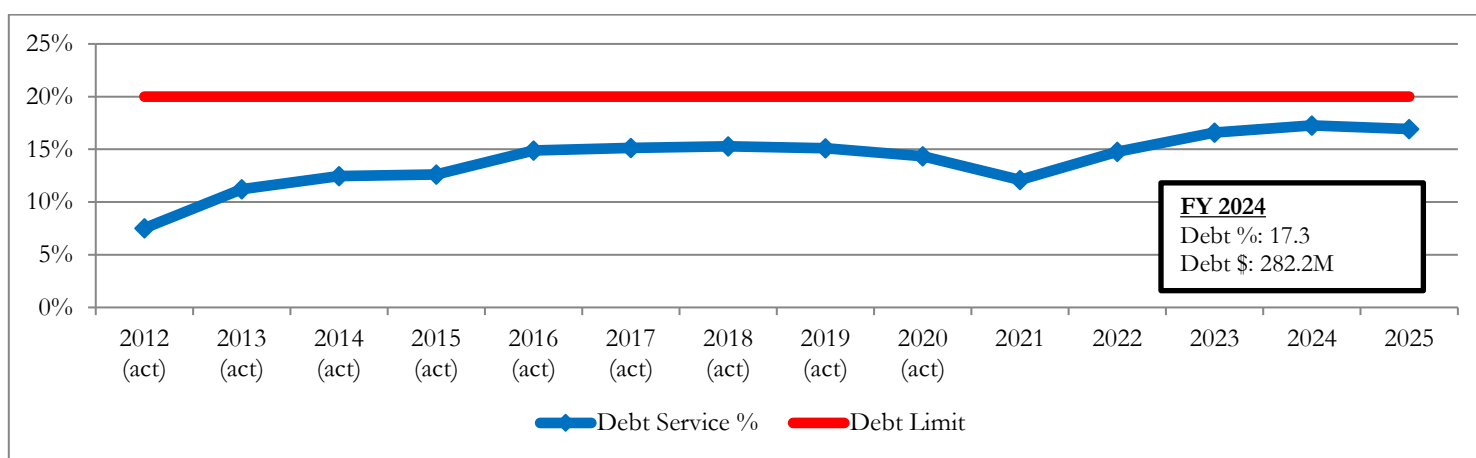
Debt Management Policy
(\$ in millions)

Year	Total Debt Service ⁽¹⁾	Estimated Current %	Variance from 20% Policy Limit ⁽²⁾
2018 (act)	211.4	15.3%	65.0
2019 (act)	215.3	15.1%	69.9
2020 (act)	210.2	14.3%	83.2
2021	178.0	12.1%	116.2
2022	229.4	14.8%	81.4
2023	264.2	16.6%	54.4
2024	282.2	17.3%	44.7
2025	284.8	16.9%	51.6
2026	282.1	16.8%	54.4
2027	280.0	16.6%	56.5

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

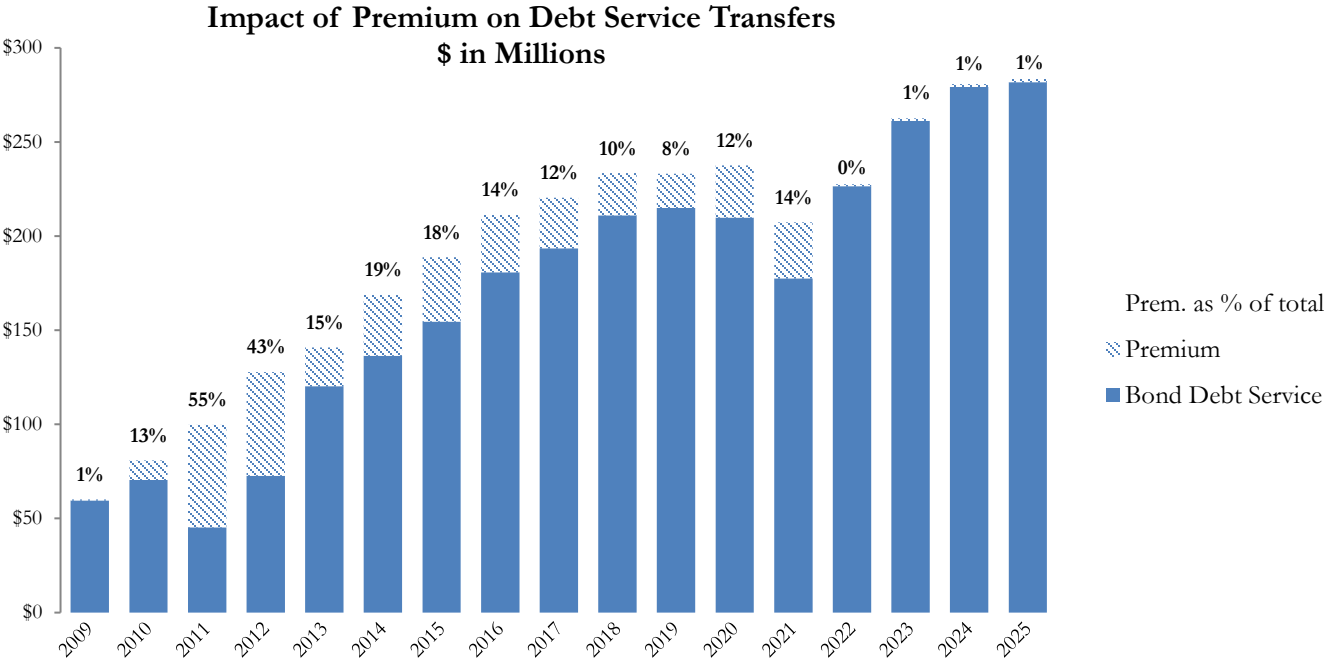
(2) Represents amount of additional debt service to reach 20 percent limit – a general guideline is to multiply this amount by 10 for an estimate of the additional bond capacity e.g. \$44.7M x 10 = \$447M in additional bond capacity.

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



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

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



Fund Balance Impacts

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

Trunk Highway Fund Balance Changes			
Feb '21 vs. Nov '20			
(\$ in millions)			
	FY20-21	FY22-23	FY24-25
Transfers from HUTD	(2.6)	(0.1)	40.4
Federal Aid Agreements	-	-	-
Interest	(0.4)	0.1	2.4
Other Revenues and Transfers	-	-	-
Prior Year Adjustments	-	-	-
Total Revenue and Transfer Impact	(3.0)	0.1	42.8
Transportation Expenditures	-	-	-
Other Agencies	-	-	-
Transfers Out	-	-	-
Debt Service Transfer	-	8.1	7.6
Total Expenditure and Transfer Impact	-	8.1	7.6
Fund Balance Change	(3.0)	(8.0)	35.2
Total Cumulative Change	(3.0)	11.0	24.2
Nov. '20 Forecast	191.8	319.8	478.7
Feb. '21 Forecast	188.8	315.8	517.1
Change	(3.0)	(11.2)	23.9
<i>Reserved Fund Balance (Feb '21)</i>	107.3	104.5	104.0
<i>Unreserved Fund Balance (Feb '21)</i>	81.5	211.3	413.1

County State Aid Highway (CSAH) Fund

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

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

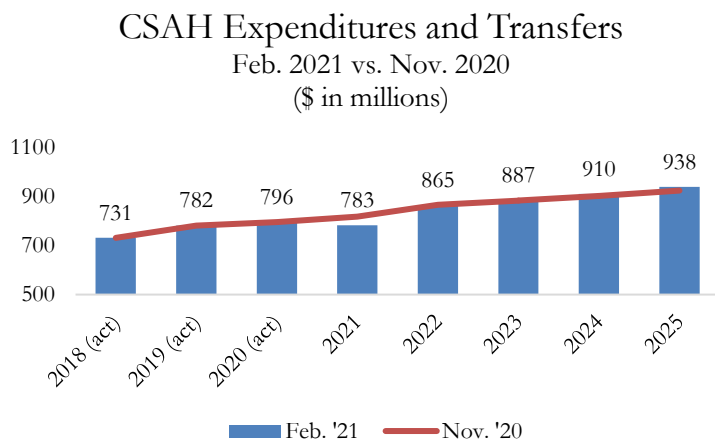
The CSAH Fund is directly appropriated based on the most current revenue forecast at the time the biennial budget is prepared. The [Commissioner’s Order](http://www.dot.state.mn.us/safinance/appmt/commorder2021.pdf) (http://www.dot.state.mn.us/safinance/appmt/commorder2021.pdf) is on a calendar year basis and allocates the funds based on revenue estimates in the preceding November forecast each year. The result is an increase or decrease to the direct appropriation amount each year after the Commissioner’s Order is executed in January.

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

CSAH Expenditure Forecast

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

The current forecast is shown below:



CSAH Expenditures and Transfers (\$ in millions)				
FY	Feb. '21	Nov. '20	\$ Change	% Change
2018 (act)	731	731	-	-
2019 (act)	782	782	-	-
2020 (act)	796	796	-	-
2021	783	818	(35.5)	-4.3%
2022	865	865	(0.2)	0.0%
2023	887	883	3.3	0.4%
2024	910	902	7.9	0.9%
2025	938	924	14.6	1.6%

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.

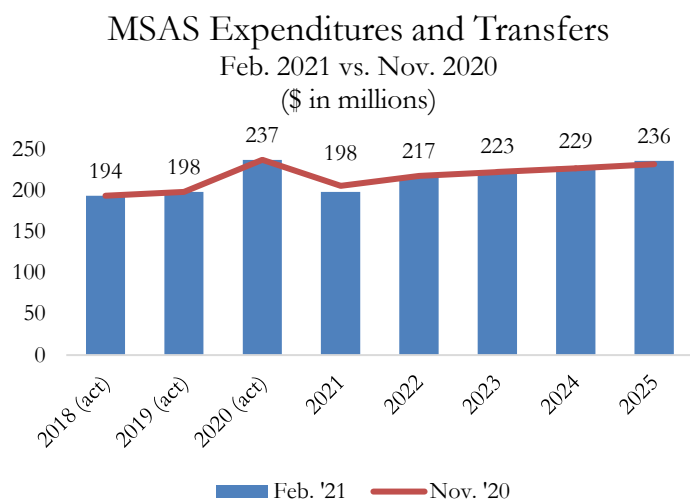
The MSAS Fund is also directly appropriated based on the most current revenue forecast at the time the biennial budget is prepared. The [Commissioner’s Order](http://www.dot.state.mn.us/safinance/appmt/commorder2021.pdf) (http://www.dot.state.mn.us/safinance/appmt/commorder2021.pdf) is on a calendar year basis and allocates the funds based on revenue estimates in the preceding November forecast each year. The result is an increase or decrease to the direct appropriation amount each year after the Commissioner’s Order is executed in January.

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

MSAS Expenditure Forecast

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

The current forecast is shown below:

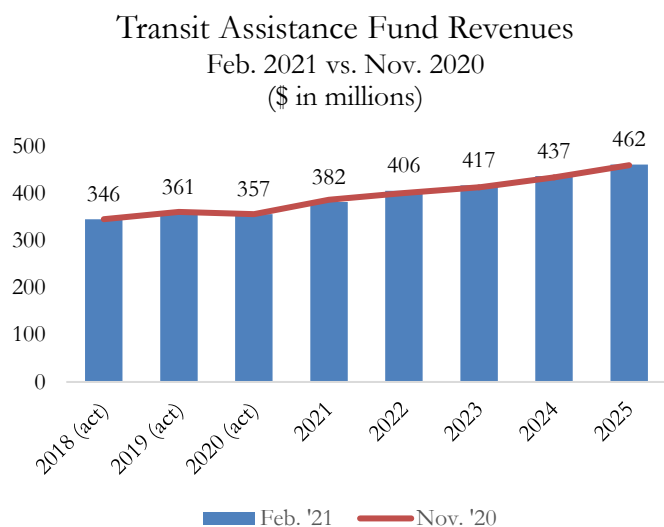


MSAS Expenditures and Transfers (\$ in millions)				
FY	Feb. '21	Nov. '20	\$ Change	% Change
2018 (act)	194	194	-	-
2019 (act)	198	198	-	-
2020 (act)	237	237	-	-
2021	198	206	(7.5)	-3.7%
2022	217	218	(0.5)	-0.2%
2023	223	223	0.4	0.2%
2024	229	227	2.1	0.9%
2025	236	232	4.1	1.8%

Transit Assistance Fund (TAF)

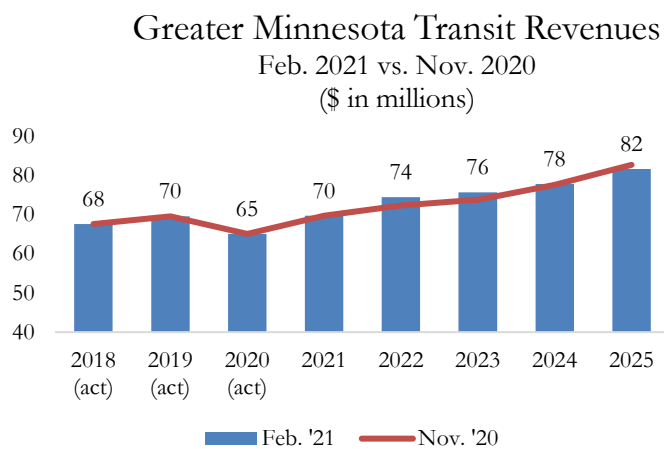
Beginning in FY 2018, 38 percent of MVLST revenue is allocated to the TAF – Greater Minnesota Transit account. In previous years, half of the MVLST revenues (net of \$32 million that remained in the General Fund) were allocated to this fund. The fund also receives 40 percent of MVST revenues.

The total estimated revenue for the TAF is shown below:



Transit Assistance Fund Revenues (\$ in millions)				
FY	Feb. '21	Nov. '20	\$ Change	% Change
2018 (act)	346	346	-	-
2019 (act)	361	361	-	-
2020 (act)	357	357	-	-
2021	382	387	(4.5)	-1.2%
2022	406	401	5.3	1.3%
2023	417	413	4.2	1.0%
2024	437	434	2.5	0.6%
2025	462	460	1.6	0.4%

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. '21	Nov. '20	\$ Change	% Change
2018 (act)	68	68	-	-
2019 (act)	70	70	-	-
2020 (act)	65	65	-	-
2021	70	70	(0.0)	-0.1%
2022	74	72	2.1	3.0%
2023	76	74	1.9	2.6%
2024	78	78	0.2	0.3%
2025	82	83	(1.1)	-1.3%

Transit Assistance Fund Expenditure Forecast

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

Federal Stimulus Funds

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

- \$600,000 for COVID-19 positive client transportation
- \$54 million for greater Minnesota transit (administered by MnDOT);
- \$27 million for transit systems in urban areas with populations of 50,000+ (administered directly by transit systems);
- \$227 million for Twin Cities metro transit (administered by Met Council);
- \$4.4 million to replace 47 buses for 20 transit agencies in rural areas across the state.

On December 27, 2000 the CRSSA Act was signed into law, which included \$15.4 million for transit from the Federal Transit Administration. Of this total, \$14.7 million is for the Section 5311 Rural Transit Program serving populations under 50,000, and \$727,000 is for the Section 5310 Contact Enhanced Mobility of Seniors and Individuals with Disabilities Program.

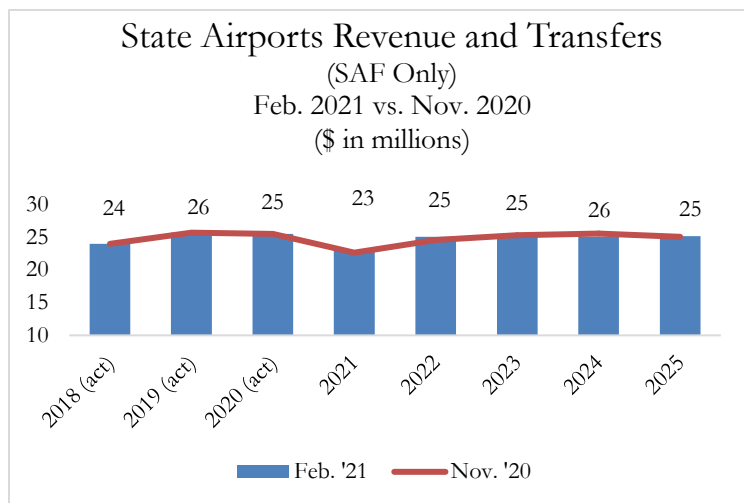
Account Balance Policy

A Greater Minnesota Transit Account policy was developed in 2018 to provide an appropriate amount of reserves in the fund to protect against significant shifts in revenue or spending. The policy specifies the fund maintain a minimum of 10 percent of the total balance forward from the previous year. At this time, the fund is again in compliance with this policy. At the time of the November forecast the fund was not in compliance due to the immediate challenges facing public transit in Greater Minnesota.

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. '21	Nov. '20	\$ Change	% Change
2018 (act)	24	24	-	-
2019 (act)	26	23	-	-
2020 (act)	25	25	-	-
2021	23	23	0.4	1.7%
2022	25	25	0.5	2.1%
2023	25	25	(0.2)	-1.0%
2024	25	26	(0.5)	-1.9%
2025	25	25	0.1	0.3%

Federal Stimulus Funds

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

- \$158 million for operations grants to 97 airports (flows through MnDOT, specific amounts by airport)
 - \$125 million for Minneapolis-St. Paul (MSP)
 - \$30 million for other 8 commercial service airports
 - \$3 million for 88 general aviation airports
 - 36 airports receive nothing

The CRSSA Act included \$42 million from the FAA. The funds are to provide economic relief to eligible airports throughout Minnesota.

Fund Balance Policy

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

Appendices

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

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Highway User Tax Distribution Fund
February 2021 Forecast
Comparison to November 2020 Forecast

(\$ in thousands)	February 2021 Forecast								Change from November 2020				
	Close	Close	Close	Budget	Budget	Budget	Planning Est	Planning Est	Budget	Budget	Budget	Planning Est	Planning Est
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2021	FY 2022	FY 2023	FY2024	FY2025
Balance Forward from Prior Year	11,403	12,050	11,932	10,674	12,001	12,000	11,999	12,000	-	1	(0)	(1)	(0)
Prior Year Adjustments	177	1,763	87	-	-	-	-	-	-	-	-	-	-
Adjusted Balance Forward	11,581	13,812	12,019	10,674	12,001	12,000	11,999	12,000	-	1	(0)	(1)	(0)
Net Revenue and Transfers-In													
Motor Fuel Excise Tax	925,737	937,561	879,237	860,200	911,800	920,000	926,400	932,000	1,786	(11,600)	5,800	21,251	35,813
Motor Vehicle Registration Tax	781,867	803,733	812,605	862,200	905,300	937,000	969,800	1,003,700	7,650	8,030	3,840	8,640	13,710
Motor Vehicle Sales Tax	463,435	485,904	486,031	521,220	553,020	569,640	598,380	633,780	(7,500)	5,340	3,840	3,720	4,500
Sales Tax on Auto Parts	31,536	31,536	145,644	145,644	145,644	145,644	145,644	145,644	-	1	2	3	4
Motor Vehicle Rental Tax (9.2%)	25,927	28,108	24,952	11,975	18,844	24,389	25,500	26,746	(4,265)	(5,390)	(5,432)	(5,728)	(6,091)
Motor Vehicle Rental Tax (6.5%)	16,706	19,859	17,629	9,559	14,192	18,090	18,922	19,847	(1,915)	(2,930)	(2,979)	(3,141)	(3,353)
Leased Vehicle Sales Tax	10,641	10,772	9,467	10,131	10,890	10,923	11,000	11,418	132	517	473	-	(396)
Other Income	4,471	6,024	4,452	3,316	3,706	3,713	3,790	4,556	(338)	(16)	(10)	32	760
Total Net Revenue and Transfers-In	2,260,320	2,323,498	2,380,017	2,424,245	2,563,396	2,629,399	2,699,436	2,777,691	(4,450)	(6,049)	5,532	24,774	44,943
Expenditures and Transfers-Out													
Appropriations to MnDOT, Revenue, DPS	11,746	13,977	11,607	11,744	11,570	11,570	11,570	11,570	-	(134)	(144)	(134)	(144)
Transfers--DNR	23,028	23,274	23,066	21,333	22,613	22,816	22,975	23,113	45	(288)	143	527	887
Transfers--5% Set-Aside	111,254	114,406	117,335	119,492	126,461	129,751	133,245	137,150	(225)	(281)	277	1,220	2,210
Transfers--County State-Aid Highway	613,009	630,379	646,513	658,401	696,798	714,926	734,177	755,699	(1,239)	(1,550)	1,524	6,717	12,177
Transfers--Municipal State-Aid Highway	190,244	195,635	200,642	204,331	216,248	221,874	227,848	234,527	(385)	(481)	473	2,084	3,779
Transfers--Trunk Highway	1,310,570	1,347,707	1,382,200	1,407,617	1,489,707	1,528,463	1,569,620	1,615,632	(2,648)	(3,314)	3,259	14,360	26,034
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	2,259,851	2,325,378	2,381,363	2,422,918	2,563,397	2,629,400	2,699,435	2,777,691	(4,451)	(6,048)	5,533	24,773	44,943
Ending Balance	12,050	11,932	10,674	12,001	12,000	11,999	12,000	12,000	1	-	(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
February 2021 Forecast
Comparison to November 2020 Forecast

(\$ in thousands)	February 2021 Forecast								Change from November 2020				
	Close	Close	Close		Budget		Planning Est		Budget	Budget	Budget	Planning Est	Planning Est
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY2024	FY 2025	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Balance Forward from Prior Year	376,507	436,605	424,314	491,015	188,843	202,862	315,824	393,753	-	(3,003)	(6,393)	(3,926)	9,757
Prior Year Adjustments	33,366	61,699	27,739	30,000	30,000	30,000	30,000	30,000	-	-	-	-	-
Adjusted Balance Forward	409,872	498,304	452,052	521,015	218,843	232,862	345,824	423,753	-	(3,003)	(6,393)	(3,926)	9,757
Net Revenue and Transfers-In													
Transfer from HUTD	1,310,570	1,347,707	1,382,200	1,407,617	1,489,707	1,528,463	1,569,620	1,615,632	(2,648)	(3,314)	3,259	14,360	26,034
Federal Aid Agreements	601,332	627,708	547,643	373,995	515,721	608,507	549,995	549,995	-	-	-	-	-
Other Income and Transfers-In	71,558	78,228	84,713	63,502	64,405	64,610	64,895	66,932	(355)	48	85	241	2,156
Total Net Revenue and Transfers-In	1,983,461	2,053,643	2,014,556	1,845,114	2,069,833	2,201,580	2,184,510	2,232,559	(3,003)	(3,266)	3,344	14,601	28,190
Expenditures and Transfers-Out													
Transportation Department	1,640,971	1,796,050	1,652,140	1,862,382	1,734,453	1,732,542	1,732,442	1,732,442	-	-	-	-	-
Public Safety and Other Depts.	104,748	116,680	113,632	137,333	124,912	124,912	124,912	124,912	-	(3,551)	(3,551)	(3,551)	(3,551)
Transfers-Out and Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service	211,009	214,903	209,821	177,571	226,449	261,164	279,228	281,848	-	3,675	4,429	4,469	3,114
Total Expenditures and Transfers-Out	1,956,728	2,127,633	1,975,594	2,177,286	2,085,814	2,118,618	2,136,582	2,139,202	-	124	878	918	(437)
Balance Before Reserves	436,605	424,314	491,015	188,843	202,862	315,824	393,753	517,110	(3,003)	(6,393)	(3,926)	9,757	38,384
Ending Balance	436,605	424,314	491,015	188,843	202,862	315,824	393,753	517,110	(3,003)	(6,393)	(3,926)	9,757	38,384
Reserved Fund Balance per Policy	90,633	92,467	98,134	107,306	107,804	104,543	104,428	103,998	(180)	(196)	201	876	1,691
Unreserved Fund Balance per Policy	345,972	331,847	392,881	81,537	95,058	211,281	289,325	413,111	(2,823)	(6,197)	(4,127)	8,881	36,693
Debt Service Percentage Compared to State Revenue	15.3%	15.1%	14.3%	12.1%	14.8%	16.6%	17.3%	16.9%	0.0%	0.3%	0.2%	0.1%	-0.1%

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 2021 Forecast
Comparison to November 2020 Forecast

(\$ in thousands)	February 2021 Forecast								Change from November 2020				
	Close	Close	Close	Budget	Budget	Budget	Planning Est	Planning Est	Budget	Budget	Budget	Planning Est	Planning Est
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Balance Forward from Prior Year	631,865	673,186	690,463	702,465	736,390	736,314	736,238	736,162	-	34,000	34,000	34,000	34,000
Prior Year Adjustments	165	320	286	-	-	-	-	-	-	-	-	-	-
Adjusted Balance Forward	632,030	673,506	690,749	702,465	736,390	736,314	736,238	736,162	-	34,000	34,000	34,000	34,000
Net Revenue and Transfers-In													
Leased Vehicle Sales Tax	36,761	37,212	32,704	34,998	37,620	37,734	38,000	39,444	456	1,786	1,634	-	(1,368)
Other Income	9,270	14,549	11,128	3,626	4,210	4,242	4,448	6,059	(472)	(88)	(59)	56	1,605
Transfer from HUTD	724,263	744,786	763,848	777,893	823,259	844,677	867,422	892,849	(1,464)	(1,831)	1,801	7,936	14,387
Transfer from General	2,000	2,000	-	-	-	-	-	-	-	-	-	-	-
Total Net Revenue and Transfers-In	772,294	798,547	807,679	816,517	865,089	886,653	909,870	938,352	(1,480)	(133)	3,376	7,992	14,624
Expenditures and Transfers-Out													
Grants to Local Governments	720,530	770,121	784,739	764,285	848,140	868,946	891,687	919,643	(37,223)	107	3,353	7,849	14,346
MnDOT Administrative and Research	10,558	11,393	11,163	18,232	16,949	17,707	18,183	18,709	1,742	(240)	23	143	278
Transfers to MSAS Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to Special Revenue	51	76	61	76	76	76	76	76	-	-	-	-	-
Transfers to Trunk Highway Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	731,138	781,590	795,963	782,593	865,165	886,729	909,946	938,428	(35,480)	(133)	3,376	7,992	14,624
Balance Before Reserves	673,186	690,463	702,465	736,390	736,314	736,238	736,162	736,086	34,000	34,000	34,000	34,000	34,000
Less Appropriation Carryforward	673,186	690,463	702,465	736,390	736,314	736,238	736,162	736,086	34,000	34,000	34,000	34,000	34,000
Ending Balance	-	-	-	-	-	-	-	-	-	-	-	-	-

Municipal State Aid Fund
February 2021 Forecast
Comparison to November 2020 Forecast

(\$ in thousands)	February 2021 Forecast								Change from November 2020				
	Close	Close	Close	Budget	Budget	Budget	Planning Est	Planning Est	Budget	Budget	Budget	Planning Est	Planning Est
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Balance Forward From Prior Year	181,968	181,431	183,006	149,365	156,393	156,393	156,393	156,393	-	7,028	7,028	7,028	7,028
Prior Year Adjustments	53	78	88	-	-	-	-	-	-	-	-	-	-
Adjusted Balance Forward	182,021	181,509	183,095	149,365	156,393	156,393	156,393	156,393	-	7,028	7,028	7,028	7,028
Net Revenue and Transfers-In :													
Other Income	2,804	4,269	2,917	991	1,110	1,118	1,164	1,513	(129)	(52)	(44)	(19)	316
Transfer From HUDT	190,244	195,635	200,642	204,331	216,248	221,874	227,848	234,527	(385)	(481)	473	2,084	3,779
Transfer From CSAH	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Revenue and Transfers In	193,048	199,904	203,559	205,322	217,358	222,992	229,012	236,040	(514)	6,496	7,458	9,094	11,123
Expenditures and Transfers-Out													
Grants to Local Governments	190,378	194,879	233,976	192,431	212,046	217,445	223,317	230,174	(8,237)	(458)	423	2,022	4,003
MnDOT Administrative and Research	3,245	3,504	3,293	5,838	5,288	5,523	5,671	5,842	694	(75)	7	43	92
Transfers to Special Revenue	16	24	19	24	24	24	24	24	-	-	-	-	-
Total Expenditures and Transfers-Out	193,639	198,407	237,289	198,294	217,358	222,992	229,012	236,040	(7,542)	(533)	429	2,065	4,095
Balance before Reserves	181,431	183,006	149,365	156,393	156,393	156,393	156,393	156,393	7,028	7,028	7,028	7,028	7,028
Less Appropriation Carryforward	181,431	183,006	149,365	156,393	156,393	156,393	156,393	156,393	7,028	7,028	7,028	7,028	7,028
Ending Balance	-	-	-	-	-	-	-	-	-	-	-	-	-

Transit Assistance Fund
February 2021 Forecast
Comparison to November 2020 Forecast

(\$ in thousands)	February 2021 Forecast								Change from November 2020				
	Close	Close	Close	Budget	Budget	Budget	Planning Est	Planning Est	Budget	Budget	Budget	Planning Est	Planning Est
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Balance Forward from Prior Year	71,445	53,073	47,064	46,313	44,059	43,547	43,257	43,149	-	9,517	7,713	7,157	3,344
Prior Year Adjustments	2,406	2,163	5,365	-	-	-	-	-	-	-	-	-	-
Adjusted Balance Forward	73,851	55,236	52,429	46,313	44,059	43,547	43,257	43,149	-	9,517	7,713	7,157	3,344
Net Revenue and Transfers-In													
Metropolitan Area Transit Account	278,035	291,554	291,607	312,732	331,812	341,784	359,028	380,268	(4,500)	3,204	2,304	2,232	2,700
Greater Minnesota Transit Account	30,888	32,393	32,402	34,748	36,868	37,976	39,892	42,252	(500)	356	256	248	300
Total Motor Vehicle Sales Tax	308,923	323,948	324,009	347,480	368,680	379,760	398,920	422,520	(5,000)	3,560	2,560	2,480	3,000
Leased Vehicle Sales Tax	36,761	37,212	32,704	34,998	37,620	37,734	38,000	39,444	456	1,786	1,634	-	(1,368)
Other Income	-	5	-	-	-	-	-	-	-	-	-	-	-
Total Net Revenue and Transfers-In	345,684	361,165	356,712	382,478	406,300	417,494	436,920	461,964	(4,544)	5,346	4,194	2,480	1,632
Expenditures and Transfers-Out													
Metropolitan Council	278,040	291,617	291,630	312,732	331,812	341,784	359,028	380,268	(4,500)	3,204	2,304	2,232	2,700
Transportation Department	88,422	77,719	71,198	72,000	75,000	76,000	78,000	81,086	(9,561)	3,946	2,446	4,061	3,310
Total Expenditures and Transfers-Out	366,462	369,337	362,828	384,732	406,812	417,784	437,028	461,354	(14,061)	7,150	4,750	6,293	6,010
Balance Before Reserves	53,073	47,064	46,313	44,059	43,547	43,257	43,149	43,759	9,517	7,713	7,157	3,344	(1,034)
Less Appropriation Carryforward	36,761	37,212	32,704	34,998	37,620	37,734	38,000	39,444	456	1,786	1,634	-	(1,368)
Less Met Council Balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	16,311	9,852	13,609	9,061	5,927	5,523	5,149	4,315	9,061	5,927	5,523	3,344	334
Reserved Balance	7,144	5,307	4,706	4,631	4,406	4,355	4,326	4,315	-	-	-	-	-
Unreserved Fund Balance	9,167	4,544	8,903	4,430	1,521	1,168	823	-	-	-	-	-	-

State Airports Fund
February 2021 Forecast
Comparison to November 2020 Forecast

(\$ in thousands)	February 2021 Forecast								Change from November 2020				
	Close FY 2018	Close FY 2019	Close FY 2020	Budget FY 2021	Budget FY 2022	Budget FY 2023	Planning Est FY 2024	Planning Est FY 2025	Budget FY 2021	Budget FY 2022	Budget FY 2023	Planning Est FY 2024	Planning Est FY 2025
Balance Forward from Prior Year	\$19,222	\$13,139	\$14,170	\$19,723	\$5,225	\$3,684	\$4,307	\$4,980	(2,157)	(1,769)	(1,266)	(1,512)	(2,003)
Prior Year Adjustments	458	1,947	2,872	500	500	500	500	500	-	-	-	-	-
Adjusted Balance Forward	19,680	15,086	17,042	20,223	5,725	4,184	4,807	5,480	(2,157)	(1,769)	(1,266)	(1,512)	(2,003)
Net Revenue and Transfers-In													
Transfer from General Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales Tax on Aircraft	6,153	9,572	9,906	9,000	8,500	8,500	8,500	8,500	1,000	500	250	-	-
Airline Flight Property Tax	8,000	7,026	7,025	7,000	7,500	7,500	7,500	7,500	-	-	(500)	(500)	-
Aircraft Registration Tax	3,440	3,273	3,573	3,800	3,500	3,500	3,500	3,500	(100)	-	-	-	-
Gasoline & Special Fuel Tax	5,987	5,223	4,467	3,000	5,300	5,300	5,300	5,300	(500)	-	-	-	-
Other Income	1,303	1,529	1,253	962	1,339	1,342	1,351	1,427	(12)	3	4	9	82
Total Net Revenue and Transfers-In	24,883	26,623	26,224	23,762	26,139	26,142	26,151	26,227	388	503	(246)	(491)	82
Expenditures and Transfers-Out													
Transportation Department	31,767	26,778	23,929	39,060	28,480	26,319	26,278	26,278	-	-	-	-	-
Transfer Out (General Fund)	-	31	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	31,767	26,778	23,929	39,060	28,480	26,319	26,278	26,278	-	-	-	-	-
Net Change in Loan Fund	344	(761)	387	300	300	300	300	300	-	-	-	-	-
Balance Before Reserves	13,139	14,170	19,723	5,225	3,684	4,307	4,980	5,729	(1,769)	(1,266)	(1,512)	(2,003)	(1,921)
Less Appropriation Carryforward	2,833	2,239	2,217	2,172	2,472	2,935	3,439	3,943	-	-	-	-	-
Ending Balance	\$10,306	\$11,931	\$17,506	\$3,053	\$1,212	\$1,372	\$1,541	\$1,786	(1,769)	(1,266)	(1,512)	(2,003)	(1,921)
Reserved Balance	1,504	1,254	1,080	1,898	1,369	1,269	1,269	1,269	-	-	-	-	-
Unreserved Fund Balance	8,801	10,675	16,424	1,153	(159)	101	270	515	388	891	645	154	236

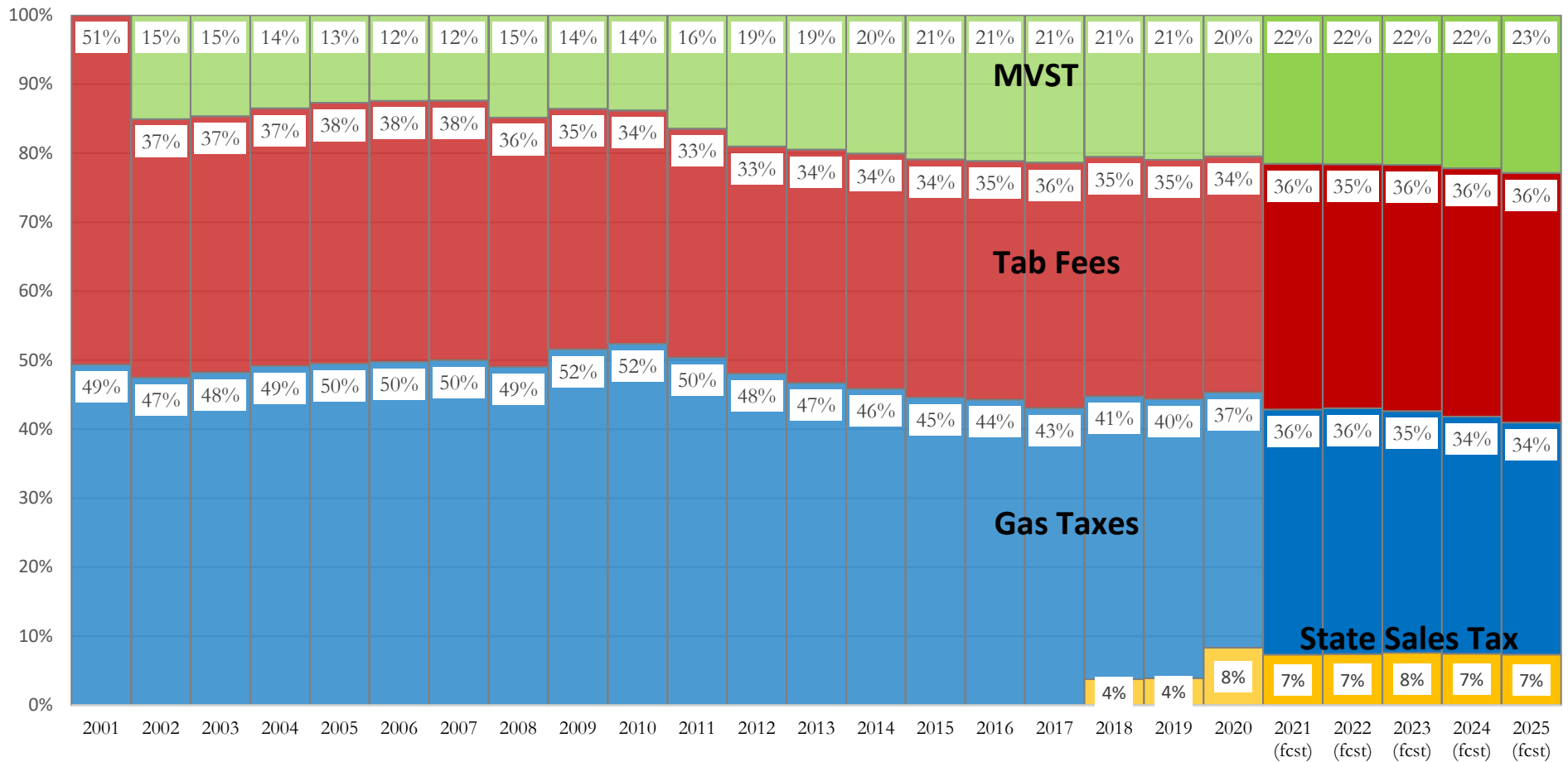
This fund statement consists of three funds: State Airports Fund, Hangar Revolving Loan Fund, and Air Transportation Services Fund.

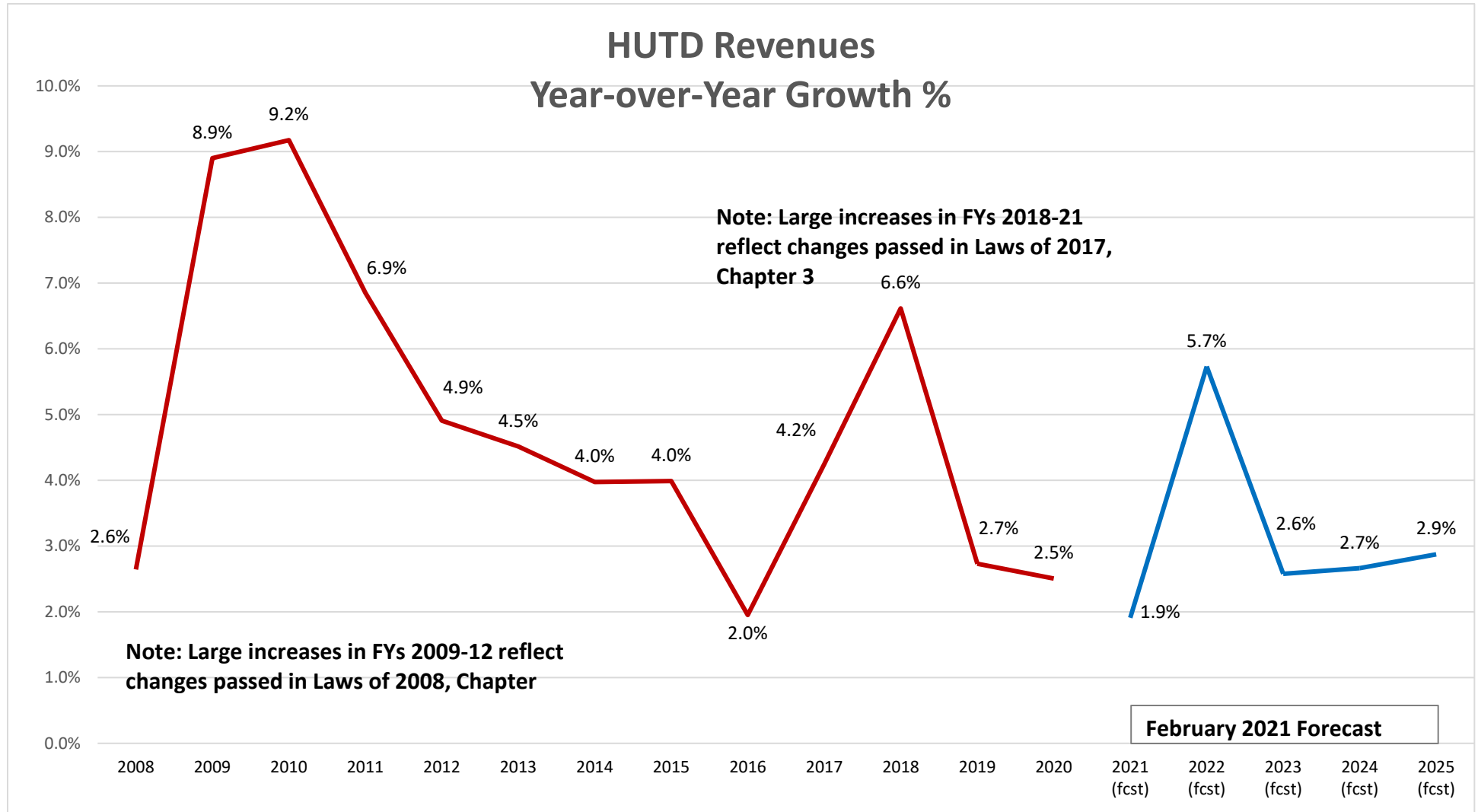
Ending balances in the two revolving funds are not included in the consolidated fund statement ending balance since their receipts are dedicated to their specific functions.

State Airports Fund (Only) Fund Balance Policy

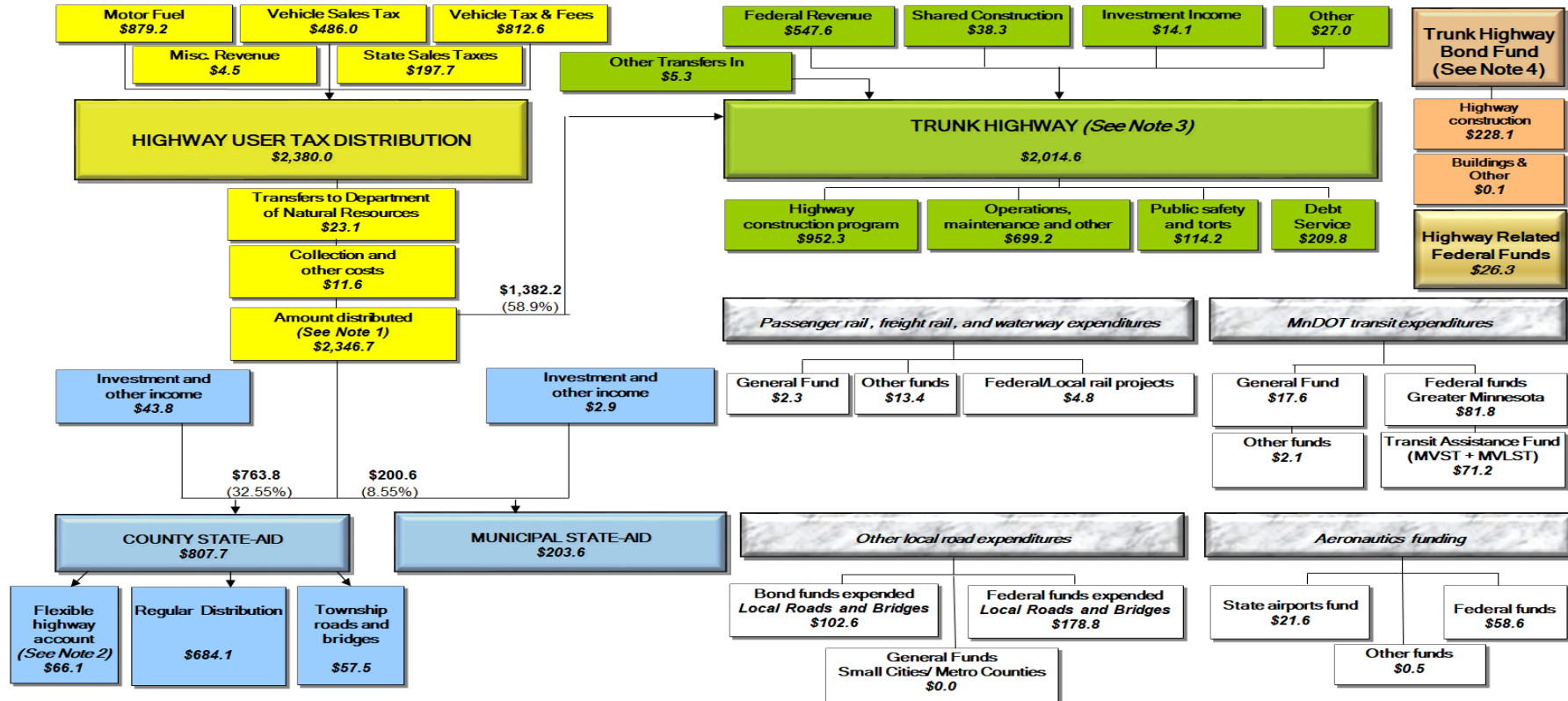
Policy Min	1,504	1,254	1,080	1,898	1,369	1,269	1,269	1,269
Policy Max	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
"Excess" Balance	8,801	10,675	16,424	1,153	(159)	101	270	515

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





STATE OF MINNESOTA
REVENUE AND EXPENDITURES FOR TRANSPORTATION PURPOSES
ALL SOURCES OF FUNDS THAT FLOW THROUGH MnDOT (\$ MILLIONS)*
 FY 2020 (BUDGETARY BASIS)



Note 1 - Net revenues \$2,345.3 plus \$12.0 balance forward less \$10.7 to fund balance = \$2,346.7 distributed

Note 2 - County turnback = \$66.1, municipal turnback = \$0, TH turnback = \$0

Note 3 - Net Revenues \$2,014.6 less 39.0 to fund balance = \$1,975.6 expends and transfers out

Note 4 - Bond funds reflect actual cash expenditures

Prepared by MnDOT Office of Financial Management
 Budget and Forecasts Unit
 February 26, 2021

*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.