



Transportation Funds Forecast November 2021

Released December 7, 2021

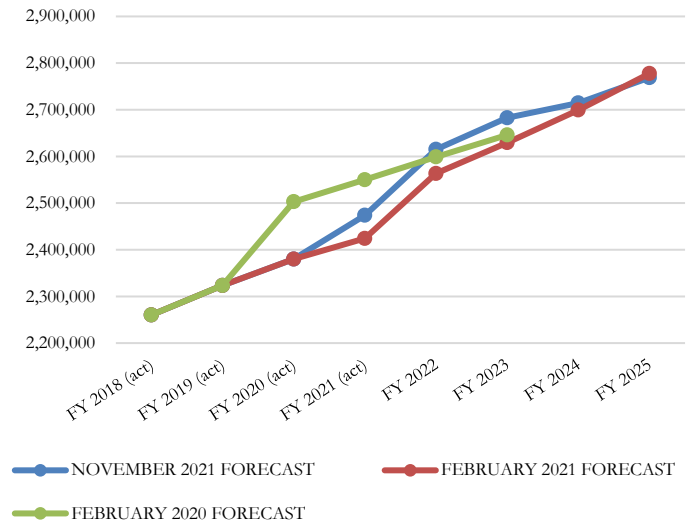
Forecast Highlights

Highway User Tax Distribution (HUTD) Fund revenues are anticipated to increase modestly in FY 2022, before stabilizing starting in FY 2023.

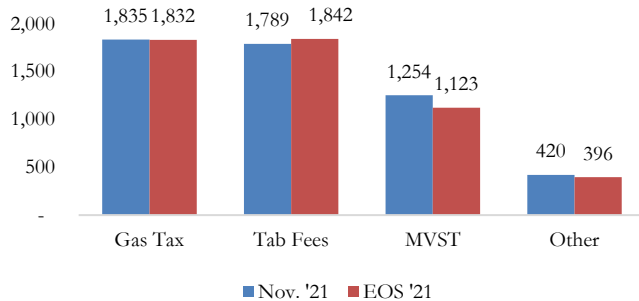
Revenues are projected to be higher in the current FY 2022-23 biennium compared to the End of Sessions (EOS) 2021 forecast, increasing +\$105M (2.0 percent). At this time, revenues have increased by nearly +\$53M (1.0 percent) in the current biennium compared to the February 2020 forecast prior to the COVID-19 pandemic (after declining by -\$199M, -3.9% in the FY 2020-21 biennium).

In the FY 2024-25 biennium, revenues are projected to increase only slightly (\$6M, 0.1 percent) compared to EOS estimates.

HUTD Revenues
Nov '21 vs. Feb '21 vs. Feb '20 Forecast
(\$ in Thousands)



HUTD Revenues, FY 2022-23 Biennium
Change from EOS '21 Forecast
(\$ in millions)



Change in HUTD revenues compared to the EOS 2021 forecast

Gas tax is up +\$3.3 million (0.2 percent), registration tax is down -\$52.9 million (2.9 percent), and motor vehicle sales tax is up +\$130.9 million (11.7 percent) in the FY 2022-23 biennium.

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.

HUTD Allocation by Fund, FY 2022-23 Biennium
(\$ in millions)

Fund	Nov. '21	EOS '21	\$ Change	% Change
Trunk Highway	3,096	3,027	69	2.3%
CSAH	1,711	1,673	38	2.3%
MSAS	449	439	10	2.3%
Other (DNR, DPS, Revenue)	53	53	0.5	0.9%
Total	5,310	5,193	117	2.3%

Federal Funds

The Federal Government has invested in efforts to provide economic relief to various transportation modes affected by the COVID-19 pandemic. The following legislation has provided significant federal financial assistance related to various transportation modes:

- Coronavirus Aid, Relief, and Economic Security (CARES) Act, enacted on March 27, 2020
- Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, enacted on December 27, 2020
- American Rescue Plan (ARP) Act, enacted on March 11, 2021

As shown below, each of the three Acts provided eligible U.S. airports and transit providers funding to ensure they remain an attractive and viable transportation option for Minnesotans during the pandemic. In addition, the CRRSA Act provided \$162 million for state and local highways. A summary of this federal funding is provided below:

Source	CARES	CRSSA	ARP	Total
FTA*	\$59.0M	\$15.4M	\$11.9M	\$88.9M
FAA	\$158.0M	\$42.0M	\$148.0M	\$350.0M
FHWA	-	\$162.0M	-	\$162.0M

**Does not include funding for Twin Cities Metro Transit and urban areas w/ populations of 50,000+*

In addition, on November 15, 2021 the President signed the \$1.2 trillion Infrastructure Investment and Jobs Act (IIJA) into law. This includes a continuation of the current level of Federal formula funds as well as new areas of investment focused on carbon reduction, climate resiliency, restorative justice, broadband, and electric vehicle infrastructure as well as unprecedented amounts of competitive grant money largely aligned with these new investment areas.”

As a result of IIJA, Minnesota can expect to receive approximately \$4.8 billion over five years in Federal highway formula funding for highways and bridges. This represents an estimated 30 percent increase in the State’s highway formula funding under current law. Minnesota, along with local and tribal governments, are also eligible for new and expanded competitive grant programs as part of this law, including, but not limited to:

- Bridge Investment Program for nationally significant bridges
- Rebuilding American Infrastructure with Sustainability and Equity (RAISE) and Infrastructure for Rebuilding America (INFRA) grants
- Safe Streets for All program
- Federal Transit Administration (FTA) grants
- Federal Aviation Administration (FAA) grants
- Port/rail infrastructure

MnDOT is in the early phases of analyzing the impacts of IIJA on the MnDOT program and will work with our state, federal, local, and tribal partners to determine the implementation of the law

Note: this forecast does not include any estimated impacts related to the new federal bill.

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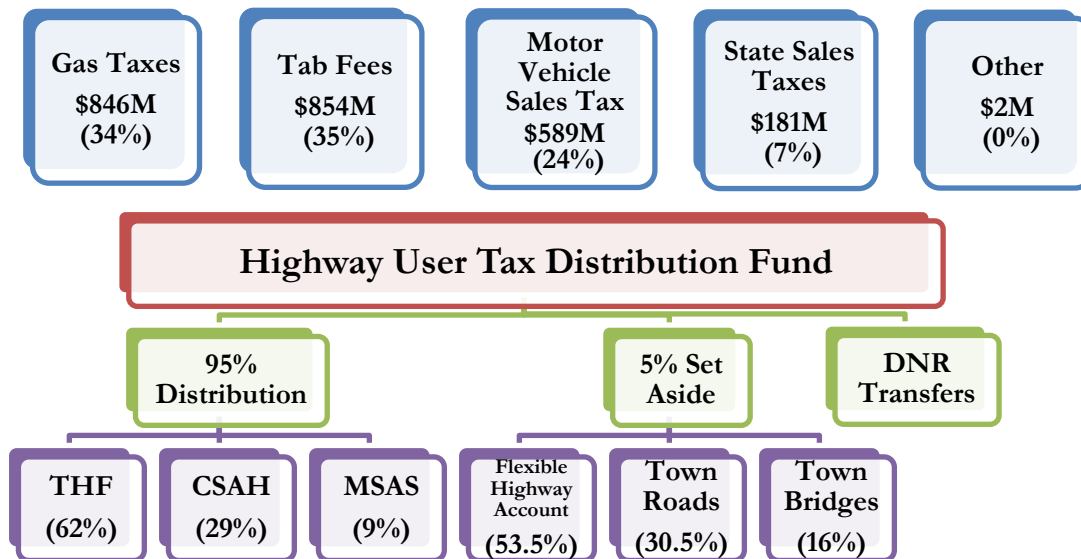
Introduction to Transportation Funding

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 EOS 2021 fund statements. This forecast includes actuals for FY 2021 and updated estimates for the FY 2022-23 and FY 2024-25 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 2021 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.

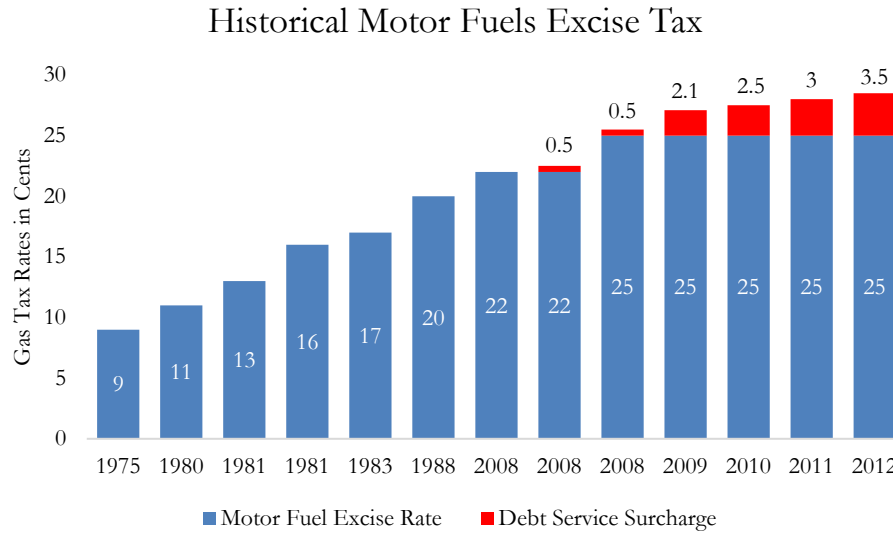
All the funds, except the TAF, receive investment income earned on the cash balances in the funds.

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

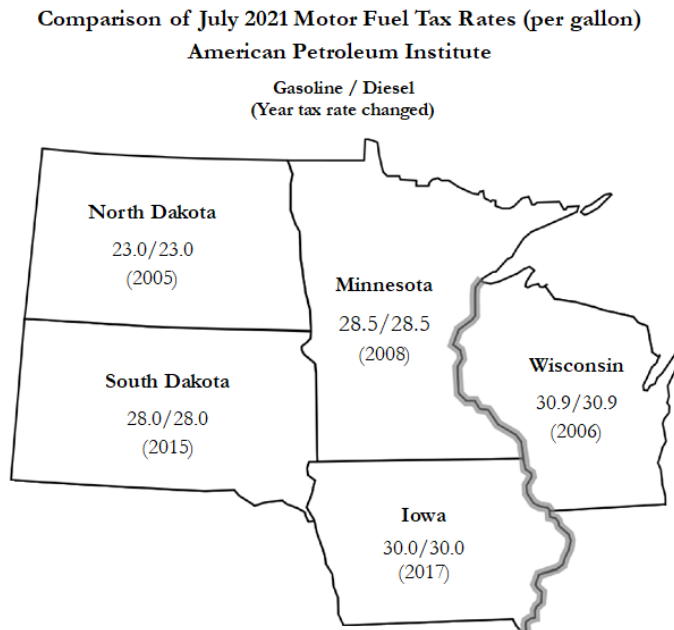
Revenue Forecast

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:



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:

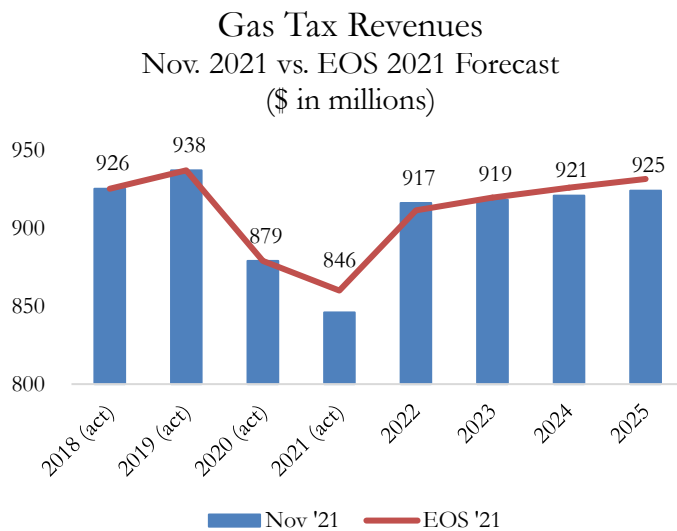
- the economy and world oil prices
- long-term policy (e.g., corporate average fuel economy (CAFE) standards)
- consumer trends toward more fuel-efficient vehicles
- utilization of other transportation options

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. This information is released once a year in January. MnDOT also consults the macroeconomic national forecast of U.S. gasoline consumption produced by IHS Markit (IHS). IHS provides economic information and analysis and is the same macroeconomic consultant that MMB uses to assist with forecasting the General Fund. MnDOT uses a blended average of the consumption forecasts by EIA and IHS, adjusted with actual fuel consumption history in Minnesota, to forecast future revenue.

The two forecasts are largely divergent. The most current IHS forecast, from November 2021, projects a significant increase in fuel consumption in FY 2022, and then only slight increases in later years. Except for a minimal increase in FY 2022, the most current forecast from EIA projects declining consumption.

While travel patterns were down significantly during the spring of 2020, due to the COVID-19 pandemic, traffic has largely rebounded to historical averages and year-to-date actual revenue has remained largely steady compared to the EOS 2021 projections.

As a result, after two years of decreasing consumption, revenue is expected to increase significantly in FY 2022. Looking to the future, revenue is projected to increase by less than 0.5 percent per year.



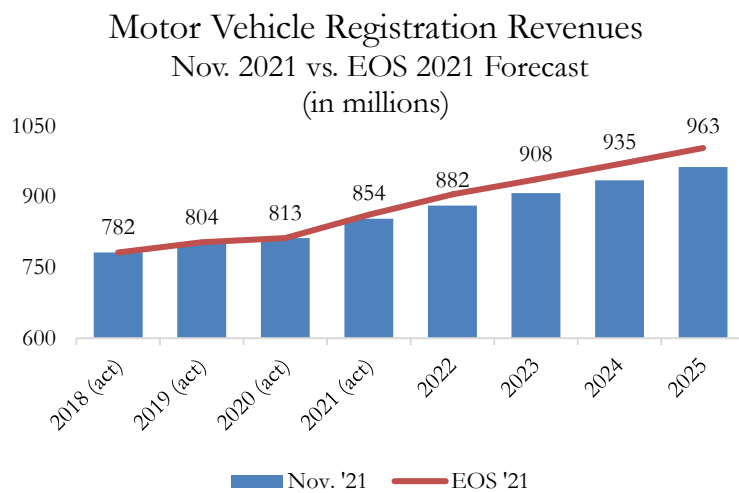
Gas Tax Revenues (\$ in millions)				
FY	Nov. '21	EOS '21	\$ Change	% Change
2018 (act)	926	926	-	0.0%
2019 (act)	938	938	-	0.0%
2020 (act)	879	879	-	0.0%
2021 (act)	846	860	(14.1)	-1.6%
2022	917	912	4.7	0.5%
2023	919	920	(1.4)	-0.2%
2024	921	926	(5.1)	-0.6%
2025	925	932	(7.5)	-0.8%

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.

Overall, vehicle sales are expected to continue to grow in future years. This revenue growth is projected to be approximately 3 percent per year on average over the forecast period. However, a combination of below forecast actual revenues and the current mix of registered vehicles results in reduced revenue when compared to EOS 2021 fund statements.

The current forecast of revenues is shown below:

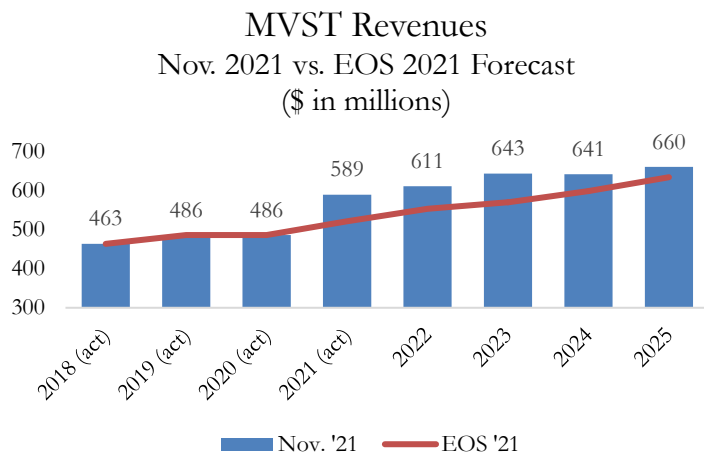


Motor Vehicle Registration Revenues (in millions)				
FY	Nov. '21	EOS '21	\$ Change	% Change
2018 (act)	782	782	-	0.0%
2019 (act)	804	804	-	0.0%
2020 (act)	813	813	-	0.0%
2021 (act)	854	862	(8.5)	-1.0%
2022	882	905	(23.8)	-2.6%
2023	908	937	(29.1)	-3.1%
2024	935	970	(34.6)	-3.6%
2025	963	1,004	(40.5)	-4.0%

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 EOS 2021 forecast for all years. The current forecast of revenues is shown on the next page:

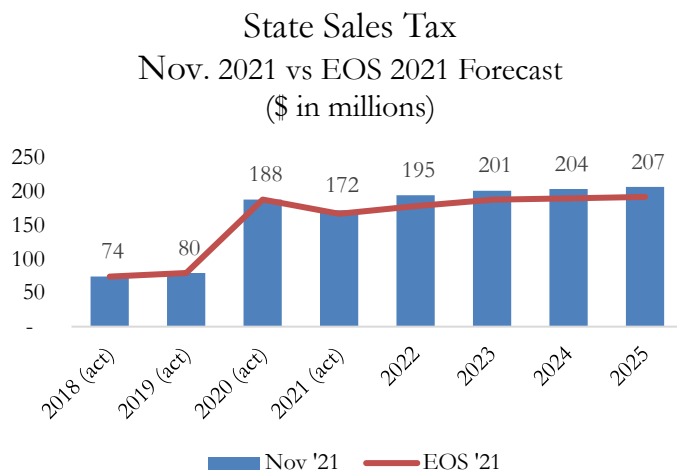


MVST Revenues (\$ in millions)				
FY	Nov. '21	EOS '21	\$ Change	% Change
2018 (act)	463	463	-	0.0%
2019 (act)	486	486	-	0.0%
2020 (act)	486	486	-	0.0%
2021 (act)	589	521	67.8	13.0%
2022	611	553	57.5	10.4%
2023	643	570	73.4	12.9%
2024	641	598	42.9	7.2%
2025	660	634	26.3	4.1%

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 increase compared to the EOS 2021 fund statements.

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 is shown below:



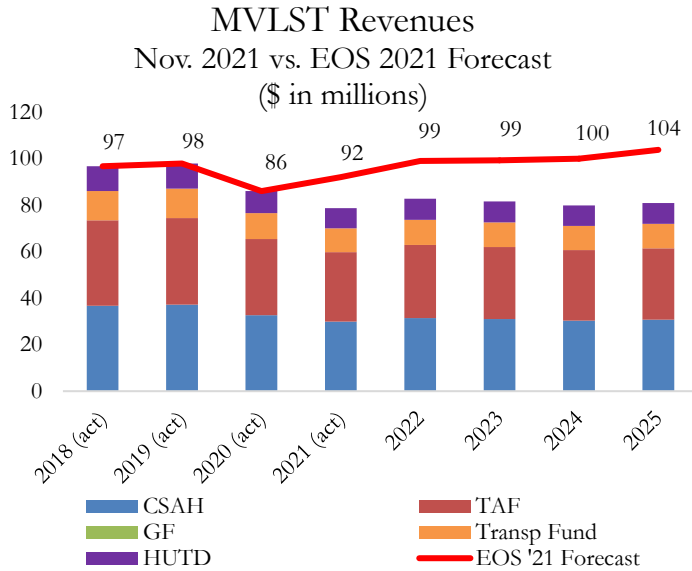
State Sales Taxes (\$ in millions)				
FY	Nov. '21	EOS '21	\$ Change	% Change
2018 (act)	74	74	-	0.0%
2019 (act)	80	80	-	0.0%
2020 (act)	188	188	-	0.0%
2021 (act)	172	167	5.3	3.2%
2022	195	179	16.0	9.0%
2023	201	188	13.2	7.0%
2024	204	190	14.0	7.4%
2025	207	192	14.9	7.7%

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 is anticipated to decrease significantly compared to the EOS 2021 forecast. As of FY 2018, all revenue from MVLST is reallocated for transportation purposes, deposited into the General Fund, and transferred as follows at the end of the fiscal year:

- 38 percent to CSAH
- 38 percent to Greater Minnesota Transit
- 13 percent to Minnesota Transportation Fund (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:

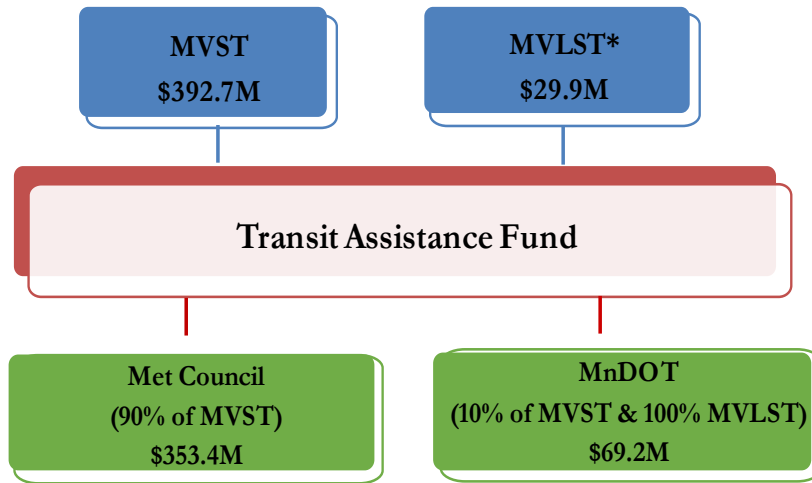


MVLST Revenues (\$ in millions)				
FY	Nov. '21	EOS '21	\$ Change	% Change
2018 (act)	97	97	-	0.0%
2019 (act)	98	98	-	0.0%
2020 (act)	86	86	-	0.0%
2021 (act)	79	92	(13.4)	-14.5%
2022	83	99	(16.2)	-16.4%
2023	82	99	(17.7)	-17.8%
2024	80	100	(20.1)	-20.1%
2025	81	104	(22.9)	-22.1%

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 2021**



*38 percent of MVLST is allocated to TAF.

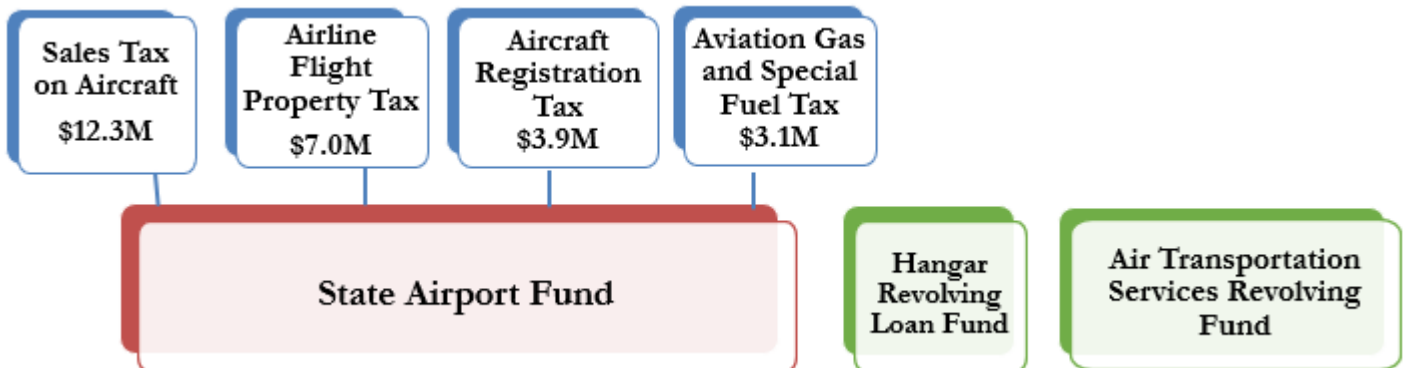
State Airports Revenue

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.

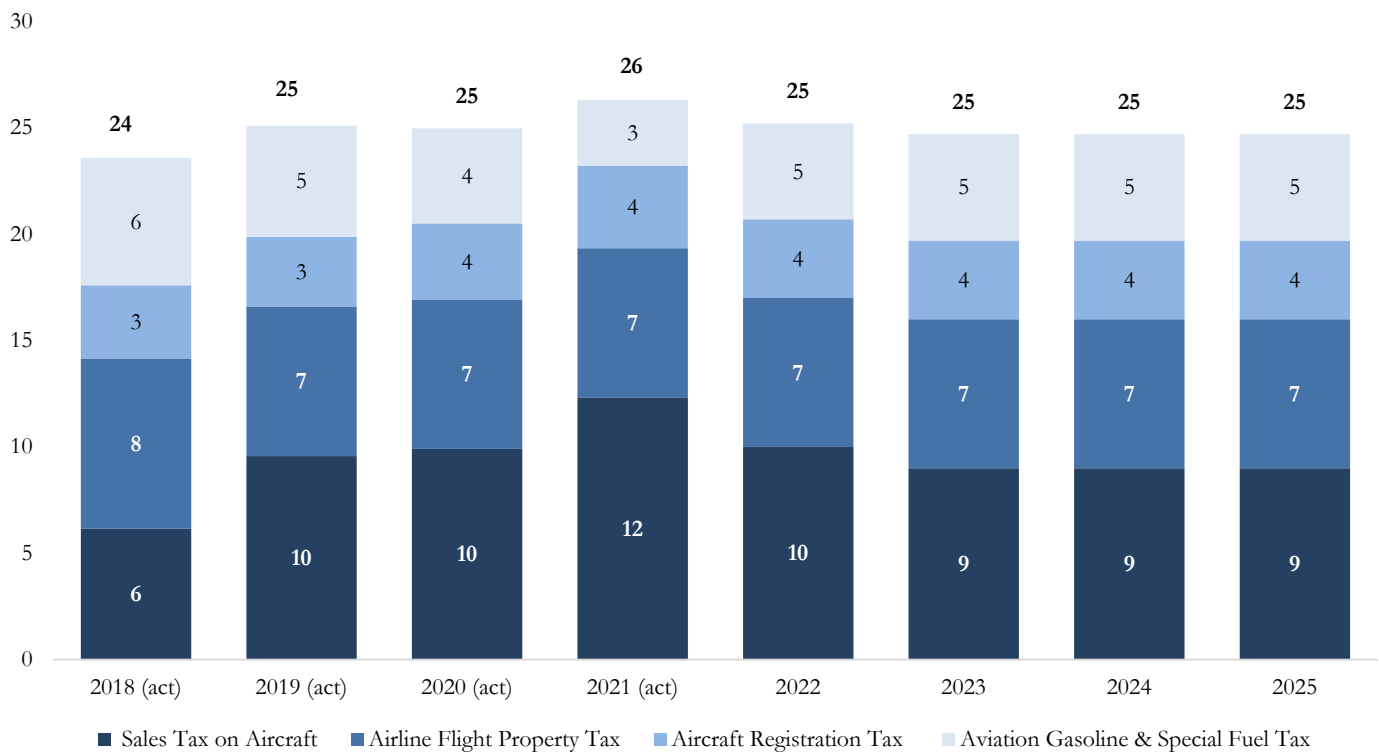
**State Airports Sources of Revenue
FY 2021**



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 is anticipated to decrease slightly over the forecast period compared to EOS 21 forecast, largely due to reduced year-to-date revenues in FY 2022. 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:

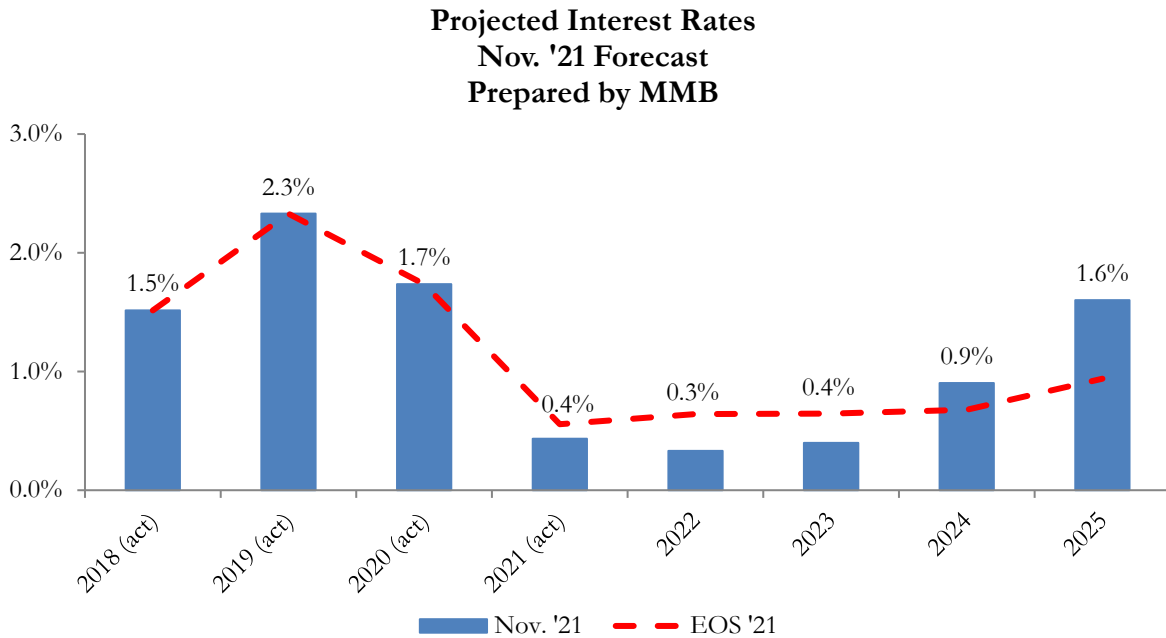
Primary State Airports Fund Revenues
(\$ in millions)



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 approximately 0.3 percent and are not projected to grow above 1.6 in the forecast period. The interest rates are largely similar compared to EOS 2021. Interest income in all funds is expected to decrease slightly compared to the EOS 2021 forecast, until FY 2024 when interest rates are anticipated to increase.



Fund Statements

Transfers from HUTD Fund

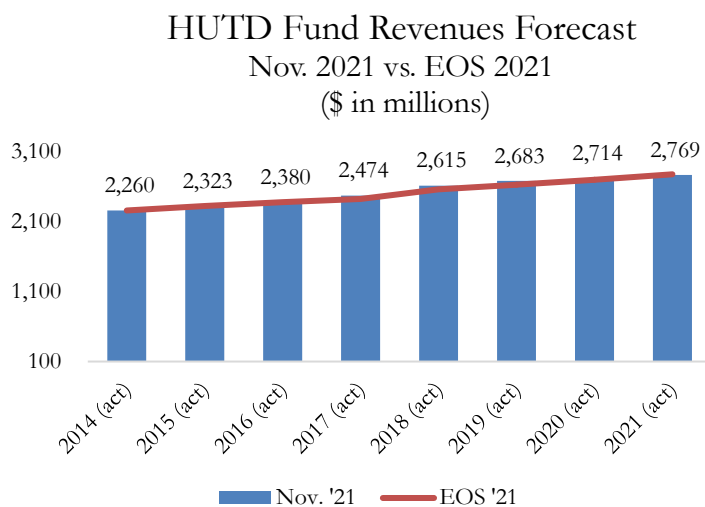
The HUTD Fund receives revenues from the three sources dedicated to highways and transit (gas tax, tab fees, and MVST), as well as several minor sources of revenue. Except for the 40 percent of MVST dedicated to public transit, revenues from these three taxes are deposited into the HUTD Fund. In addition, 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.

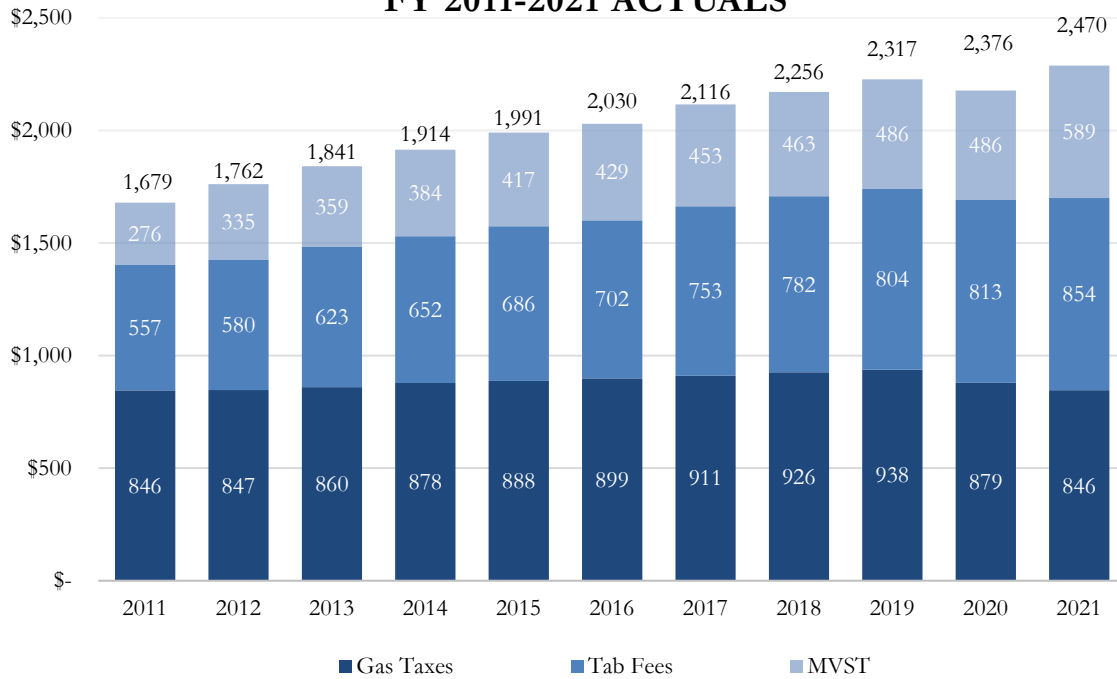
The current forecast is shown below:



HUTD Fund Revenues (\$ in millions)				
FY	Nov. '21	EOS '21	\$ Change	% Change
2018 (act)	2,260	2,260	-	0.0%
2019 (act)	2,323	2,323	-	0.0%
2020 (act)	2,380	2,380	-	0.0%
2021 (act)	2,474	2,424	49.5	2.0%
2022	2,615	2,563	51.8	2.0%
2023	2,683	2,629	53.3	2.0%
2024	2,714	2,699	15.0	0.6%
2025	2,769	2,778	(8.8)	-0.3%

The bar chart below details a 10-year history of actual revenues for the HUTD Fund (FY 2011-21). 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.

MINNESOTA HIGHWAY USER TAX REVENUE (3 PRIMARY SOURCES) FY 2011-2021 ACTUALS



Trunk Highway Fund

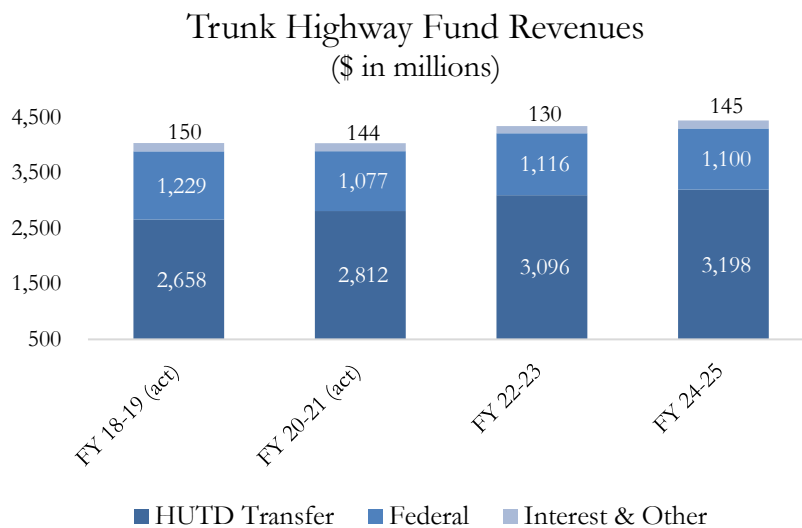
The TH Fund receives transfers from the HUTD Fund and revenue from investment income. Another substantial source of revenue is federal aid agreements with the Federal Highway Administration (FHWA), where reimbursements for the federal share of highway construction projects are received. Over the forecast period, the estimated reimbursements vary greatly each year based on the projected mix of state and federal funds recognized on specific projects. The current Federal Authorization Act (FAST Act) was scheduled to end on September 30, 2020, but has been extended multiple times, essentially at the prior year funding level. The recently enacted IIJA authorization includes increased funding for the next five years (FY 2022-26).

The federal process also requires an annual appropriation of spending authority to use the IIJA contracting authority. The continuing resolution extending the appropriation bill through December 3, 2021 that provided spending authority is down approximately \$55M million from the Federal Fiscal Year (FFY) 2021 level for the same amount of days. The appropriation bill was recently extended through February 18, 2022 with similar language, if MnDOT receives spending authority at the same rate, it will be down approximately \$122M million from the FFY 2021 level for the same amount of days.

Note: this forecast does not include any estimated impacts related to the new federal bill.

In addition, the fund receives revenues and transfers from several other smaller sources. For FY 2022-25, 72 percent of resources are transfers from the HUTD Fund, 25 percent of resources are federal aid agreements, and 3 percent of resources are other sources such as investment income.

The current forecast, by biennium, is shown below:



Debt Service – Trunk Highway Fund

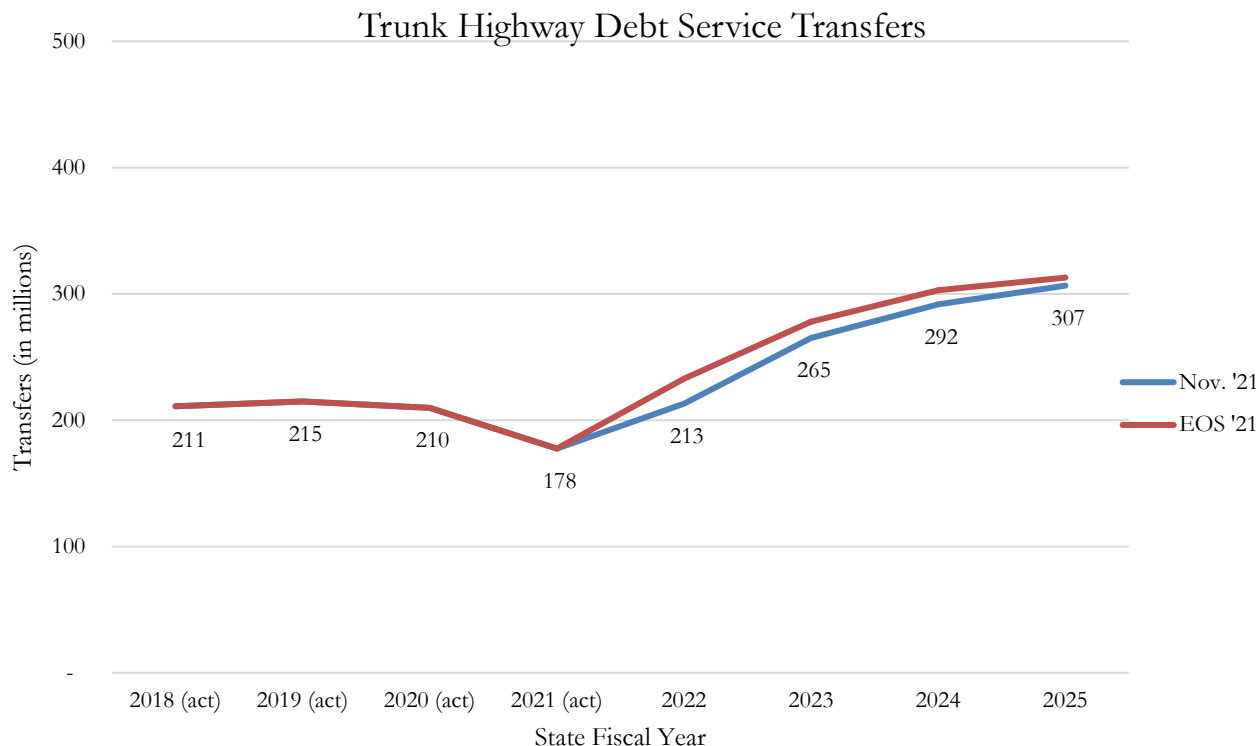
The forecast for expenditures is generally based on the previously enacted biennial budget. There are typically no significant changes in estimated spending. However, the TH Fund has unique constitutional authority to sell authorized Trunk Highway bonds². The debt service on these bonds (payment of principal and interest) is specified as the first obligation of the fund. The biennial budget includes appropriation amounts for debt service. However, the law also

² See Article XIV, section 11 of the Minnesota Constitution

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 Fund debt service.

Forecast debt service estimates have decreased each year compared to the EOS 2021 forecast. The primary change is an increase in the projected premiums received on future bond sales due to significantly 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.

The graph below depicts actual and forecast debt service transfer amounts by year, compared to EOS 2021 forecast:



The TH Fund is governed by four financial policies: Debt Management, Fund Balance, Cash Balance, and Advance Construction (policy link included in the appendices index). The Debt Management Policy states that debt service should not exceed 20 percent of annual state revenues to the TH 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 nearly 12 percent to just over 17 percent through the end of FY 2027, peaking at 18.3 percent in FY 2025.

³ Developed to comply with Minn. Stat. 167.60

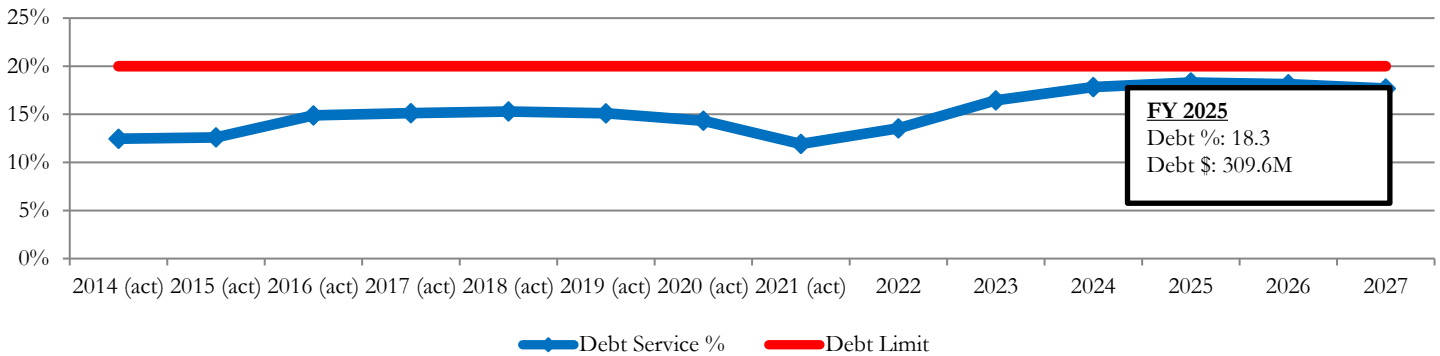
Debt Management Policy (\$ in millions)

Year	Total Debt Service ⁽¹⁾	Estimated Current %	Variance from 20% Policy Limit ⁽²⁾
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	177.5	11.9%	120.4
2022	216.1	13.5%	103.2
2023	268.2	16.5%	57.8
2024	294.7	17.8%	35.9
2025	309.6	18.3%	28.6
2026	312.1	18.1%	32.2
2027	309.9	17.7%	40.6

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

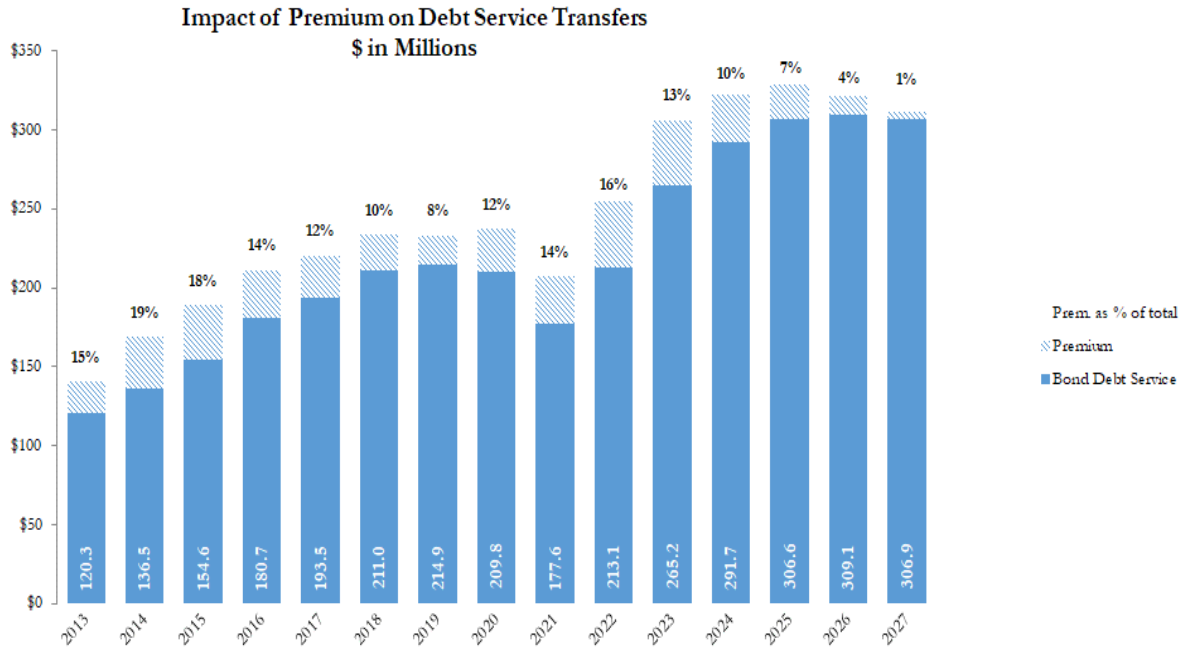
(2) Represents amount of additional debt service to reach 20 percent limit – a general guideline is to multiply this amount by 10 for an estimate of the additional bond capacity e.g. \$28.6M x 10 = \$286M in additional bond capacity.

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



As MnDOT manages this policy, there are variables to the debt management calculation outside 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), 2020 (Laws 2020, Fifth Special Session, Chapter 3 - \$300 million), and 2021 (Laws of 2021, First Special Session, Chapter 5 - \$413 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 2028.

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



Fund Balance Impacts

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

Trunk Highway Fund Balance Changes

Nov '21 vs. EOS '21

(\$ in millions)

	FY20-21	FY22-23	FY24-25
Transfers from HUDT	22.6	68.9	3.6
Federal Aid Agreements	154.9	(129.9)	-
Interest	(1.0)	(3.7)	8.8
Other Revenues and Transfers	(2.9)	4.9	4.7
Prior Year Adjustments	16.1	74.3	10.0
Total Revenue and Transfer Impact	189.7	14.6	27.1
Transportation Expenditures	(20.5)	-	-
Other Agencies	(8.9)	-	-
Transfers Out	68.6	8.6	8.6
Debt Service Transfer	-	(32.6)	(17.6)
Total Expenditure and Transfer Impact	39.2	(24.0)	(9.0)
Fund Balance Change	150.5	(38.6)	36.1
Total Cumulative Change	150.5	189.1	225.2
Nov. '21 Forecast	335.3	274.2	293.5
EOS '21 Forecast	184.8	85.1	68.3
Change	150.5	189.1	225.2
<i>Reserved Fund Balance (Nov '21)</i>	<i>101.4</i>	<i>112.1</i>	<i>113.8</i>
<i>Unreserved Fund Balance (Nov '21)</i>	<i>233.9</i>	<i>162.1</i>	<i>179.6</i>

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.

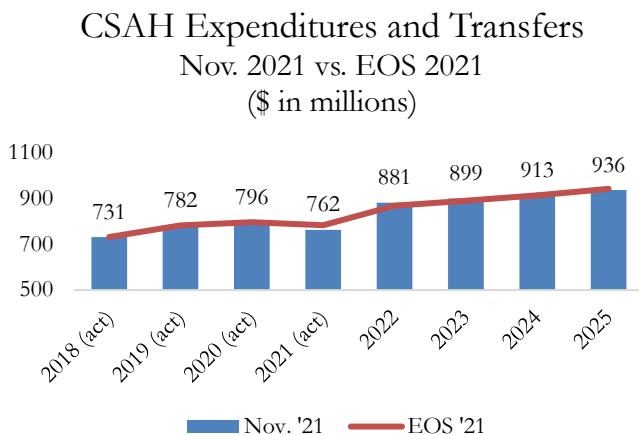
These allocations include the five percent set-aside portion of the total revenues from the HUTD Fund. The Constitution allows the Legislature to allocate this five percent in a manner different from the constitutional formula (62 percent to the TH Fund, 29 percent to the CSAH Fund, and nine percent 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.

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	Nov. '21	EOS '21	\$ Change	% Change
2018 (act)	731	731	-	0.0%
2019 (act)	782	782	-	0.0%
2020 (act)	796	796	-	0.0%
2021 (act)	762	783	(20.2)	-2.6%
2022	881	868	13.1	1.5%
2023	899	889	9.6	1.1%
2024	913	913	(0.1)	0.0%
2025	936	941	(5.2)	-0.6%

Municipal State Aid Street (MSAS) Fund

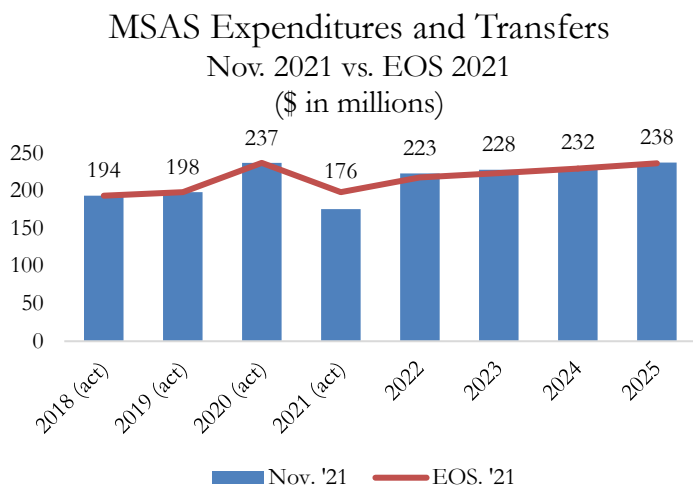
The MSAS Fund receives transfers from the HUTD Fund, authorized transfers from the CSAH Fund and revenues from investment income. Minnesota Statutes, Chapter 162 provides the criteria by which funds are allocated to statutory accounts within the MSAS Fund and to each of the Minnesota State Aid cities 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>) 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:

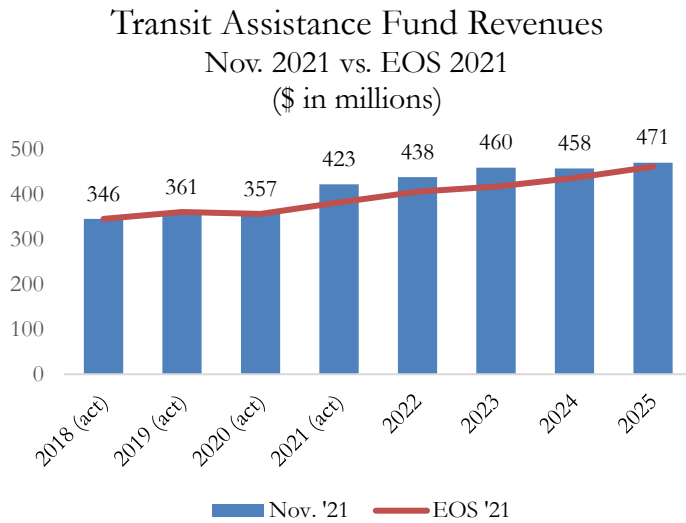


MSAS Expenditures and Transfers (\$ in millions)				
FY	Nov. '21	EOS '21	\$ Change	% Change
2018 (act)	194	194	-	0.0%
2019 (act)	198	198	-	0.0%
2020 (act)	237	237	-	0.0%
2021 (act)	176	198	(22.5)	-11.3%
2022	223	218	5.2	2.4%
2023	228	224	4.4	2.0%
2024	232	230	2.1	0.9%
2025	238	237	1.0	0.4%

Transit Assistance Fund (TAF)

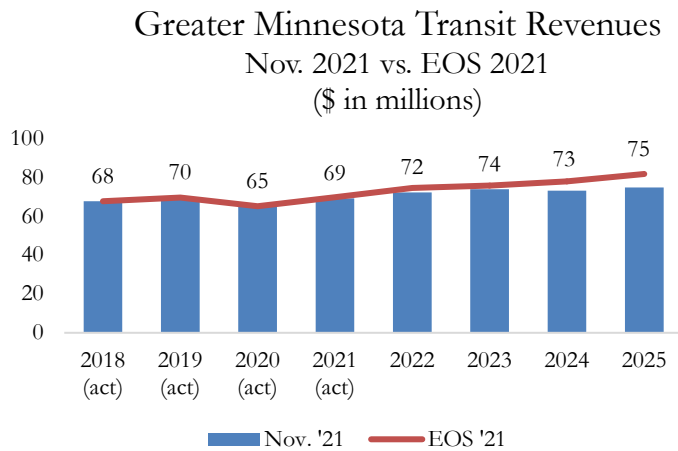
Beginning in FY 2018, 38 percent of MVLST revenue is allocated to the TAF – Greater Minnesota Transit account. In previous years, half of the MVLST revenues (net of \$32 million that remained in the General Fund) were allocated to this fund. The fund also receives 40 percent of MVST revenues.

The total estimated revenue for the TAF is shown below:



Transit Assistance Fund Revenues (\$ in millions)				
FY	Nov '21	EOS '21	\$ Change	% Change
2018 (act)	346	346	-	0.0%
2019 (act)	361	361	-	0.0%
2020 (act)	357	357	-	0.0%
2021 (act)	423	382	40.1	10.5%
2022	438	406	32.2	7.9%
2023	460	417	42.2	10.1%
2024	458	437	21.0	4.8%
2025	471	462	8.8	1.9%

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	Nov. '21	EOS '21	\$ Change	% Change
2018 (act)	68	68	-	0.0%
2019 (act)	70	70	-	0.0%
2020 (act)	65	65	-	0.0%
2021 (act)	69	70	(0.6)	-0.8%
2022	72	74	(2.3)	-3.1%
2023	74	76	(1.8)	-2.4%
2024	73	78	(4.8)	-6.1%
2025	75	82	(6.9)	-8.5%

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, 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:

- \$750,000 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.

The CRSSA Act included \$15.4 million for transit from the FTA. 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.

The ARP Act included \$11.9 million for transit from the FTA. Similar to CRSSA Act funding, \$11.1 million is for the Section 5311 Rural Transit Program serving populations under 50,000, and \$800,000 is for the Section 5310 Contact Enhanced Mobility of Seniors and Individuals with Disabilities Program.

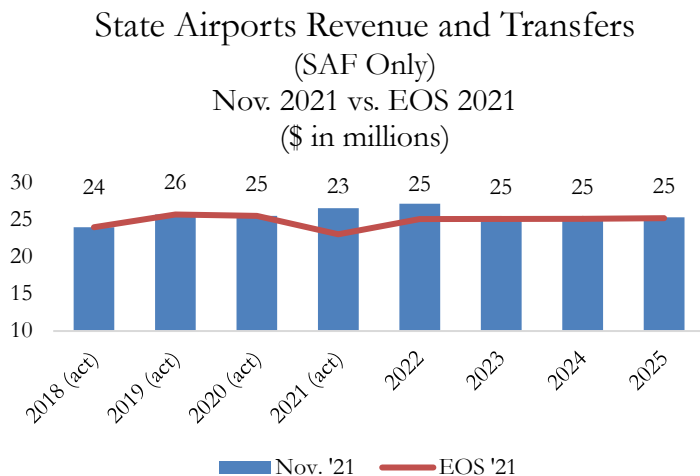
Account Balance Policy

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 in compliance with this policy.

State Airports Fund (SAF)

The SAF receives revenues from aviation gasoline and special fuel taxes, aircraft registration taxes, sales taxes on aircraft, and other small sources such as investment income. These revenues must be sufficient to support the direct appropriations from the Legislature, which are used to carry out aviation functions such as 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	Nov. '21	EOS '21	\$ Change	% Change
2018 (act)	24	24	-	0.0%
2019 (act)	26	26	-	0.0%
2020 (act)	25	25	-	0.0%
2021 (act)	27	23	3.5	15.2%
2022	27	25	2.1	8.3%
2023	25	25	(0.2)	-0.8%
2024	25	25	(0.0)	-0.2%
2025	25	25	0.1	0.4%

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

The CRSSA and ARP Act included \$42 million and \$148 million from the FAA, respectively. 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 SAF (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). Currently, the fund is in compliance with this policy.

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:	<u>Policy Links</u>

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Highway User Tax Distribution Fund
 November 2021 Forecast
 Comparison to EOS 2021 Forecast

(\$ in thousands)	November 2021 Forecast								Change from EOS 2021				
	Close	Close	Close	Close	Budget	Budget	Planning Est	Planning Est	Close	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	24,338	12,000	12,000	12,000	-	12,337	-	-	-
Prior Year Adjustments	177	1,763	87	91	-	-	-	-	91	-	-	-	-
Adjusted Balance Forward	11,581	13,812	12,019	10,765	24,338	12,000	12,000	12,000	91	12,337	-	-	-
Net Revenue and Transfers-In													
Motor Fuel Excise Tax	925,737	937,561	879,237	846,125	916,500	918,600	921,300	924,500	(14,075)	4,700	(1,400)	(5,100)	(7,500)
Motor Vehicle Registration Tax	781,867	803,733	812,605	853,657	881,500	907,945	935,183	963,239	(8,543)	(23,800)	(29,055)	(34,617)	(40,461)
Motor Vehicle Sales Tax	463,435	485,904	486,031	589,043	610,548	643,008	641,298	660,078	67,823	57,528	73,368	42,918	26,298
Sales Tax on Auto Parts	31,536	31,536	145,644	145,644	145,644	145,644	145,644	145,644	-	-	-	-	-
Motor Vehicle Rental Tax (9.2%)	25,927	28,108	24,952	15,735	28,739	32,599	34,221	36,020	3,760	9,895	8,210	8,721	9,274
Motor Vehicle Rental Tax (6.5%)	16,706	19,859	17,629	11,117	20,304	23,032	24,178	25,449	1,558	6,112	4,942	5,256	5,602
Leased Vehicle Sales Tax	10,641	10,772	9,467	8,658	9,108	8,976	8,789	8,899	(1,473)	(1,782)	(1,947)	(2,211)	(2,519)
Other Income	4,471	6,024	4,452	3,763	2,806	2,941	3,828	5,077	447	(900)	(772)	38	521
Total Net Revenue and Transfers-In	2,260,320	2,323,498	2,380,017	2,473,743	2,615,149	2,682,745	2,714,441	2,768,906	49,498	51,753	53,346	15,005	(8,785)
Expenditures and Transfers-Out													
Appropriations to MnDOT, Revenue, DPS	11,746	13,977	11,607	11,662	4,167	3,455	3,455	3,455	(141)	34	8	8	8
Transfers--DNR	23,028	23,274	23,066	20,317	22,913	22,965	23,033	23,112	(1,016)	300	149	58	(1)
Transfers--5% Set-Aside	111,254	114,406	117,335	121,410	130,020	132,816	134,398	137,117	1,921	3,187	2,659	747	(440)
Transfers--County State-Aid Highway	613,009	630,379	646,513	668,967	716,412	731,818	740,531	755,514	10,582	17,565	14,654	4,116	(2,423)
Transfers--Municipal State-Aid Highway	190,244	195,635	200,642	207,610	222,335	227,116	229,820	234,470	3,284	5,451	4,548	1,277	(752)
Transfers--Trunk Highway	1,310,570	1,347,707	1,382,200	1,430,204	1,531,640	1,564,575	1,583,205	1,615,238	22,622	37,553	31,328	8,800	(5,178)
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	2,259,851	2,325,378	2,381,363	2,460,170	2,627,487	2,682,745	2,714,442	2,768,906	37,252	64,090	53,346	15,006	(8,786)
Ending Balance	12,050	11,932	10,674	24,338	12,000	12,000	12,000	12,000	12,337	-	-	-	-

Beginning in FY 2016, the ending balance in all forecast years will equal \$12 million, to align with MnDOT practices to maintain positive cash and fund balances

Trunk Highway Fund
November 2021 Forecast
Comparison to EOS 2021 Forecast

(S in thousands)	November 2021 Forecast								Change from EOS 2021				
	Close	Close	Close	Close	Budget	Budget	Planning Est	Planning Est	Close	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	335,301	191,210	274,202	272,277	-	150,495	118,372	189,092	214,597
Prior Year Adjustments	33,366	61,699	27,739	46,061	99,340	35,000	35,000	35,000	16,061	69,340	5,000	5,000	5,000
Adjusted Balance Forward	409,872	498,304	452,052	537,076	434,640	226,210	309,202	307,277	16,061	219,834	123,372	194,092	219,597
Net Revenue and Transfers-In													
Transfer from HUTD	1,310,570	1,347,707	1,382,200	1,430,204	1,531,640	1,564,575	1,583,205	1,615,238	22,622	37,553	31,328	8,800	(5,178)
Federal Aid Agreements	601,332	627,708	547,643	528,939	482,859	633,507	549,995	549,995	154,944	(154,862)	25,000	-	-
Other Income and Transfers-In	71,558	78,228	84,713	59,553	64,858	65,478	69,740	75,646	(3,949)	436	834	4,811	8,680
Total Net Revenue and Transfers-In	1,983,461	2,053,643	2,014,556	2,018,697	2,079,357	2,263,560	2,202,940	2,240,879	173,618	(116,873)	57,162	13,611	3,502
Expenditures and Transfers-Out													
Transportation Department	1,640,971	1,796,050	1,652,140	1,841,885	1,955,642	1,800,588	1,798,358	1,798,358	(20,497)	-	-	-	-
Public Safety and Other Depts.	104,748	116,680	113,632	132,427	149,707	145,474	145,474	145,474	(8,908)	-	-	-	-
Transfers-Out and Other	-	-	-	68,589	4,300	4,300	4,300	4,300	68,589	4,300	4,300	4,300	4,300
Debt Service	211,009	214,903	209,821	177,571	213,138	265,206	291,734	306,563	-	(19,710)	(12,859)	(11,194)	(6,385)
Total Expenditures and Transfers-Out	1,956,728	2,127,633	1,975,594	2,220,472	2,322,787	2,215,568	2,239,866	2,254,695	39,184	(15,410)	(8,559)	(6,894)	(2,085)
Balance Before Reserves	436,605	424,314	491,015	335,301	191,210	274,202	272,277	293,461	150,495	118,372	189,092	214,597	225,184
Less Appropriation Carryforward	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	436,605	424,314	491,015	335,301	186,961	269,953	268,027	289,211	150,495	118,372	189,092	214,597	225,184
Reserved Fund Balance per Policy	90,633	92,467	105,141	101,417	115,668	112,082	112,856	113,822	(5,887)	7,600	7,250	8,139	9,534
Unreserved Fund Balance per Policy	345,972	331,847	385,874	233,883	75,542	162,121	159,421	179,639	156,381	110,772	181,842	206,458	215,650
Debt Service Percentage Compared to State Revenue	15.3%	15.1%	14.3%	11.9%	13.5%	16.5%	17.8%	18.3%	-0.2%	-1.6%	-1.1%	-0.8%	-0.4%

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
 November 2021 Forecast
 Comparison to EOS 2021 Forecast

(\$ in thousands)	November 2021 Forecast								Change from EOS 2021				
	Close	Close	Close	Close	Budget	Budget	Planning Est	Planning Est	Close	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	763,678	763,602	763,526	763,450	-	27,307	27,307	27,307	27,307
Prior Year Adjustments	165	320	286	385	-	-	-	-	385	-	-	-	-
Adjusted Balance Forward	632,030	673,506	690,749	702,850	763,678	763,602	763,526	763,450	385	27,307	27,307	27,307	27,307
Net Revenue and Transfers-In													
Leased Vehicle Sales Tax	36,761	37,212	32,704	29,909	31,464	31,008	30,362	30,742	(5,089)	(6,156)	(6,726)	(7,638)	(8,702)
Other Income	9,270	14,549	11,128	2,957	2,729	3,275	7,157	12,392	(669)	(1,481)	(967)	2,709	6,333
Transfer from HUTD	724,263	744,786	763,848	790,376	846,432	864,634	874,929	892,631	12,502	20,752	17,313	4,863	(2,863)
Transfer from General	2,000	2,000	-	-	-	-	-	-	-	-	-	-	-
Total Net Revenue and Transfers-In	772,294	798,547	807,679	823,243	880,625	898,917	912,448	935,765	6,745	13,115	9,620	(66)	(5,232)
Expenditures and Transfers-Out													
Grants to Local Governments	720,530	770,121	784,739	751,053	863,284	880,775	894,054	917,028	(13,231)	12,764	9,239	(222)	(5,204)
MnDOT Administrative and Research	10,558	11,393	11,163	11,286	17,341	18,142	18,394	18,737	(6,947)	351	381	156	(28)
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	762,415	880,701	898,993	912,524	935,841	(20,178)	13,115	9,620	(66)	(5,232)
Balance Before Reserves	673,186	690,463	702,465	763,678	763,602	763,526	763,450	763,374	27,307	27,307	27,307	27,307	27,307
Less Appropriation Carryforward	673,186	690,463	702,465	763,678	763,602	763,526	763,450	763,374	27,307	27,307	27,307	27,307	27,307
Ending Balance	-	-	-	-	-	-	-	-	-	-	-	-	-

Appendix 4

Municipal State Aid Fund
November 2021 Forecast
Comparison to EOS 2021 Forecast

(\$ in thousands)	November 2021 Forecast								Change from EOS 2021				
	Close	Close	Close	Close	Budget	Budget	Planning Est	Planning Est	Close	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	182,132	182,132	182,132	182,132	-	25,744	25,744	25,744	25,744
Prior Year Adjustments	53	78	88	128	-	-	-	-	128	-	-	-	-
Adjusted Balance Forward	182,021	181,509	183,095	149,493	182,132	182,132	182,132	182,132	128	25,744	25,744	25,744	25,744
Net Revenue and Transfers-In :													
Other Income	2,804	4,269	2,917	823	866	1,002	1,966	3,267	(168)	(244)	(116)	802	1,754
Transfer From HUTD	190,244	195,635	200,642	207,610	222,335	227,116	229,820	234,470	3,284	5,451	4,548	1,277	(752)
Transfer From CSAH	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Revenue and Transfers In	193,048	199,904	203,559	208,433	223,201	228,118	231,786	237,737	3,116	5,207	4,432	2,079	1,002
Expenditures and Transfers-Out													
Grants to Local Governments	190,378	194,879	233,976	172,406	217,772	222,440	226,009	231,823	(20,025)	5,103	4,318	2,015	972
MnDOT Administrative and Research	3,245	3,504	3,293	3,363	5,405	5,654	5,753	5,890	(2,475)	104	114	64	30
Transfers to Special Revenue	16	24	19	24	24	24	24	24	-	-	-	-	-
Total Expenditures and Transfers-Out	193,639	198,407	237,289	175,793	223,201	228,118	231,786	237,737	(22,500)	5,207	4,432	2,079	1,002
Balance before Reserves	181,431	183,006	149,365	182,132	182,132	182,132	182,132	182,132	25,744	25,744	25,744	25,744	25,744
Less Appropriation Carryforward	181,431	183,006	149,365	182,132	182,132	182,132	182,132	182,132	25,744	25,744	25,744	25,744	25,744
Ending Balance	-	-	-	-	-	-	-	-	-	-	-	-	-

Transit Assistance Fund
November 2021 Forecast
Comparison to EOS 2021 Forecast

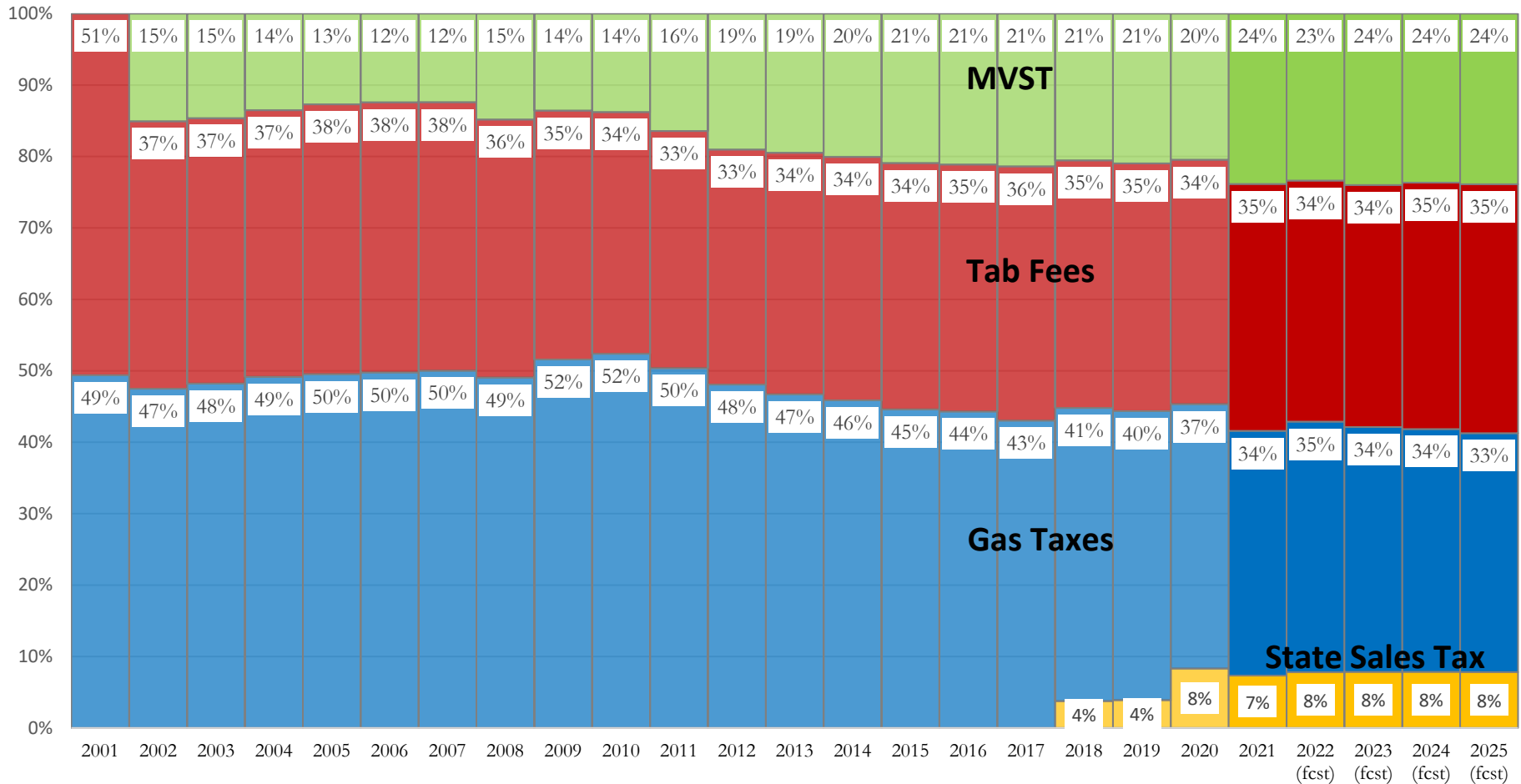
(\$ in thousands)	November 2021 Forecast								Change from EOS 2021				
	Close FY 2018	Close FY 2019	Close FY 2020	Close FY 2021	Budget FY 2022	Budget FY 2023	Planning Est FY 2024	Planning Est FY 2025	Close FY 2021	Budget FY 2022	Budget FY 2023	Planning Est FY 2024	Planning Est FY 2025
Balance Forward from Prior Year	71,445	53,073	47,064	46,313	54,009	37,176	36,051	34,166	-	9,949	(6,371)	(7,206)	(8,983)
Prior Year Adjustments	2,406	2,163	5,365	2,813	-	-	-	-	2,813	-	-	-	-
Adjusted Balance Forward	73,851	55,236	52,429	49,126	54,009	37,176	36,051	34,166	2,813	9,949	(6,371)	(7,206)	(8,983)
Net Revenue and Transfers-In													
Metropolitan Area Transit Account	278,035	291,554	291,607	353,426	366,329	385,805	384,779	396,047	40,694	34,517	44,021	25,751	15,779
Greater Minnesota Transit Account	30,888	32,393	32,402	39,270	40,703	42,867	42,753	44,005	4,522	3,835	4,891	2,861	1,753
Total Motor Vehicle Sales Tax	308,923	323,948	324,009	392,696	407,032	428,672	427,532	440,052	45,216	38,352	48,912	28,612	17,532
Leased Vehicle Sales Tax	36,761	37,212	32,704	29,909	31,464	31,008	30,362	30,742	(5,089)	(6,156)	(6,726)	(7,638)	(8,702)
Other Income	-	5	-	-	-	-	-	-	-	-	-	-	-
Total Net Revenue and Transfers-In	345,684	361,165	356,712	422,605	438,496	459,680	457,894	470,794	40,127	32,196	42,186	20,974	8,830
Expenditures and Transfers-Out													
Metropolitan Council	278,040	291,617	291,630	353,449	366,329	385,805	384,779	396,047	40,717	34,517	44,021	25,751	15,779
Transportation Department	88,422	77,719	71,198	64,273	89,000	75,000	75,000	74,754	(7,727)	14,000	(1,000)	(3,000)	(6,332)
Total Expenditures and Transfers-Out	366,462	369,337	362,828	417,722	455,329	460,805	459,779	470,801	32,990	48,517	43,021	22,751	9,447
Balance Before Reserves	53,073	47,064	46,313	54,009	37,176	36,051	34,166	34,159	9,949	(6,371)	(7,206)	(8,983)	(9,600)
Less Appropriation Carryforward	36,761	37,212	32,704	29,909	31,464	31,008	30,362	30,742	(5,089)	(6,156)	(6,726)	(7,638)	(8,702)
Less Met Council Balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	16,311	9,852	13,609	24,099	5,712	5,043	3,804	3,417	15,038	(215)	(480)	(1,345)	(898)
Reserved Balance	7,144	5,307	4,706	4,631	5,401	3,718	3,605	3,417	-	995	(637)	(721)	(898)
Unreserved Fund Balance	9,167	4,544	8,903	19,468	311	1,325	199	1	15,038	(1,210)	157	(624)	1

State Airports Fund
November 2021 Forecast
Comparison to EOS 2021 Forecast

(\$ in thousands)	November 2021 Forecast								Change from EOS 2021				
	Close	Close	Close	Close	Budget	Budget	Planning Est	Planning Est	Close	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	\$19,222	\$13,139	\$14,170	\$19,723	\$16,331	\$10,154	\$9,153	\$9,891	(2,157)	8,949	4,314	2,689	2,745
Prior Year Adjustments	458	1,947	2,872	4,139	500	500	500	500	3,639	-	-	-	-
Adjusted Balance Forward	19,680	15,086	17,042	23,861	16,831	10,654	9,653	10,391	1,482	8,949	4,314	2,689	2,745
Net Revenue and Transfers-In													
Transfer from General Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales Tax on Aircraft	6,153	9,572	9,906	12,330	10,000	9,000	9,000	9,000	3,330	1,500	500	500	500
Airline Flight Property Tax	8,000	7,026	7,025	7,008	7,000	7,000	7,000	7,000	8	(500)	(500)	(500)	(500)
Aircraft Registration Tax	3,440	3,273	3,573	3,866	3,700	3,700	3,700	3,700	66	172	164	155	143
Gasoline & Special Fuel Tax	5,987	5,223	4,467	3,090	4,500	5,000	5,000	5,000	90	(800)	(300)	(300)	(300)
Other Income	1,303	1,529	1,253	1,279	3,134	1,384	1,552	1,786	317	1,795	42	201	359
Total Net Revenue and Transfers-In	24,883	26,623	26,224	27,573	28,334	26,084	26,252	26,486	3,811	2,167	(94)	56	202
Expenditures and Transfers-Out													
Transportation Department	31,767	26,747	23,929	35,400	35,311	27,885	26,314	26,314	(3,660)	6,803	1,530	-	-
Transfer Out (General Fund)	-	31	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	31,767	26,778	23,929	35,400	35,311	27,885	26,314	26,314	(3,660)	6,803	1,530	-	-
Net Change in Loan Fund	344	(761)	387	296	300	300	300	300	(4)	-	-	-	-
Balance Before Reserves	13,139	14,170	19,723	16,331	10,154	9,153	9,891	10,863	8,949	4,314	2,689	2,745	2,947
Less Appropriation Carryforward	2,833	2,239	2,217	2,169	2,567	3,126	3,726	4,326	(3)	95	191	287	383
Ending Balance	\$10,306	\$11,931	\$17,506	\$14,162	\$7,588	\$6,027	\$6,165	\$6,537	8,952	4,218	2,498	2,458	2,564
Reserved Balance	1,504	1,254	1,080	1,697	1,710	1,347	1,271	1,271	(201)	340	77	-	-
Unreserved Fund Balance	8,801	10,675	16,424	12,463	5,875	4,678	4,893	5,265	11,310	6,035	4,579	4,615	4,721

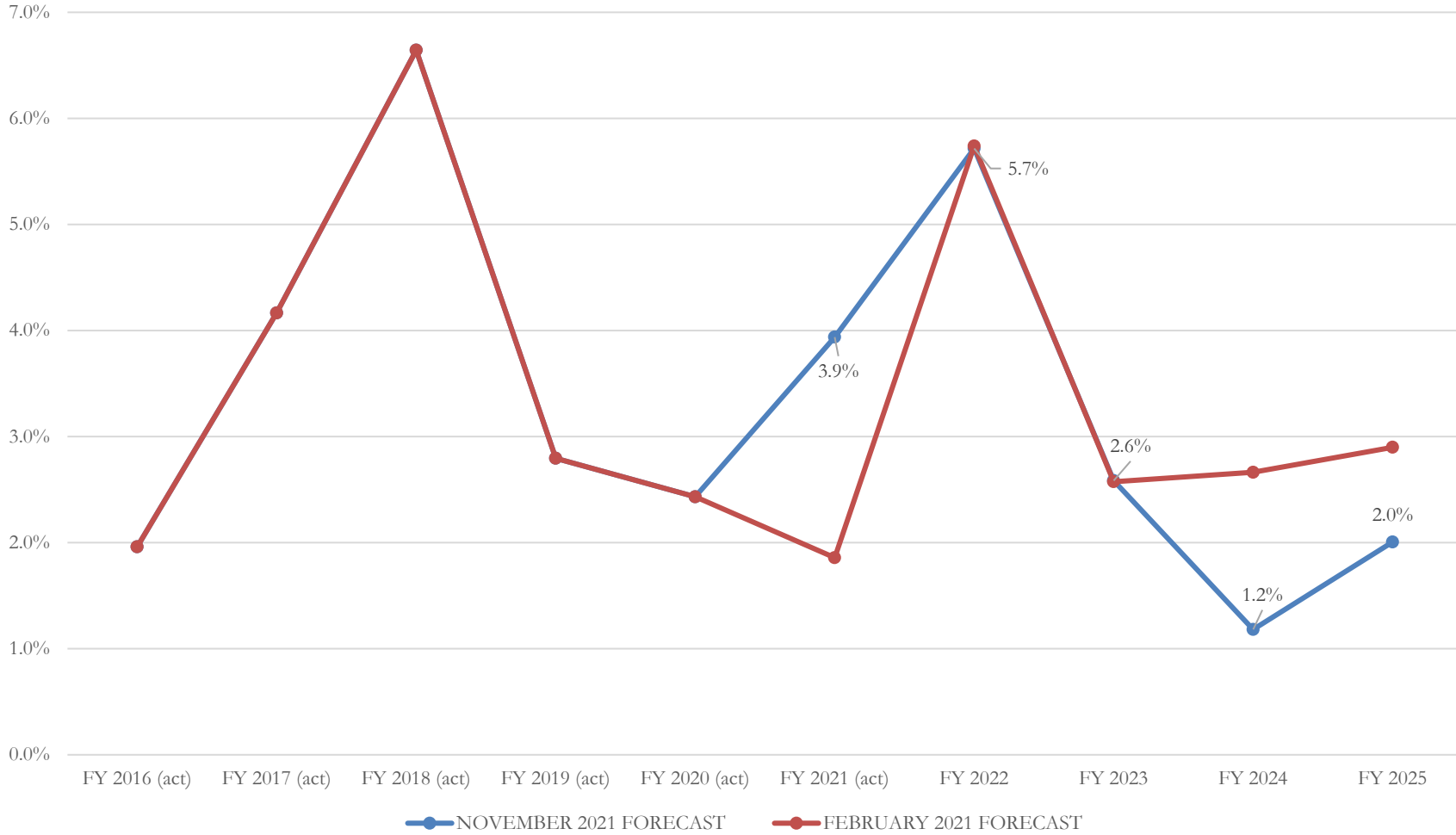
This fund statement consists of three funds: State Airports Fund, Hangar Revolving Loan Fund, and Air Transportation Services Fund. Ending balances in the two revolving funds are not included in the consolidated fund statement ending balance since their receipts are dedicated to their specific functions.

Minnesota Highway User Tax Revenue FY 2001-2021 Actuals, 2022-2025 Based on Nov. 2021 Forecast % of Total Revenues

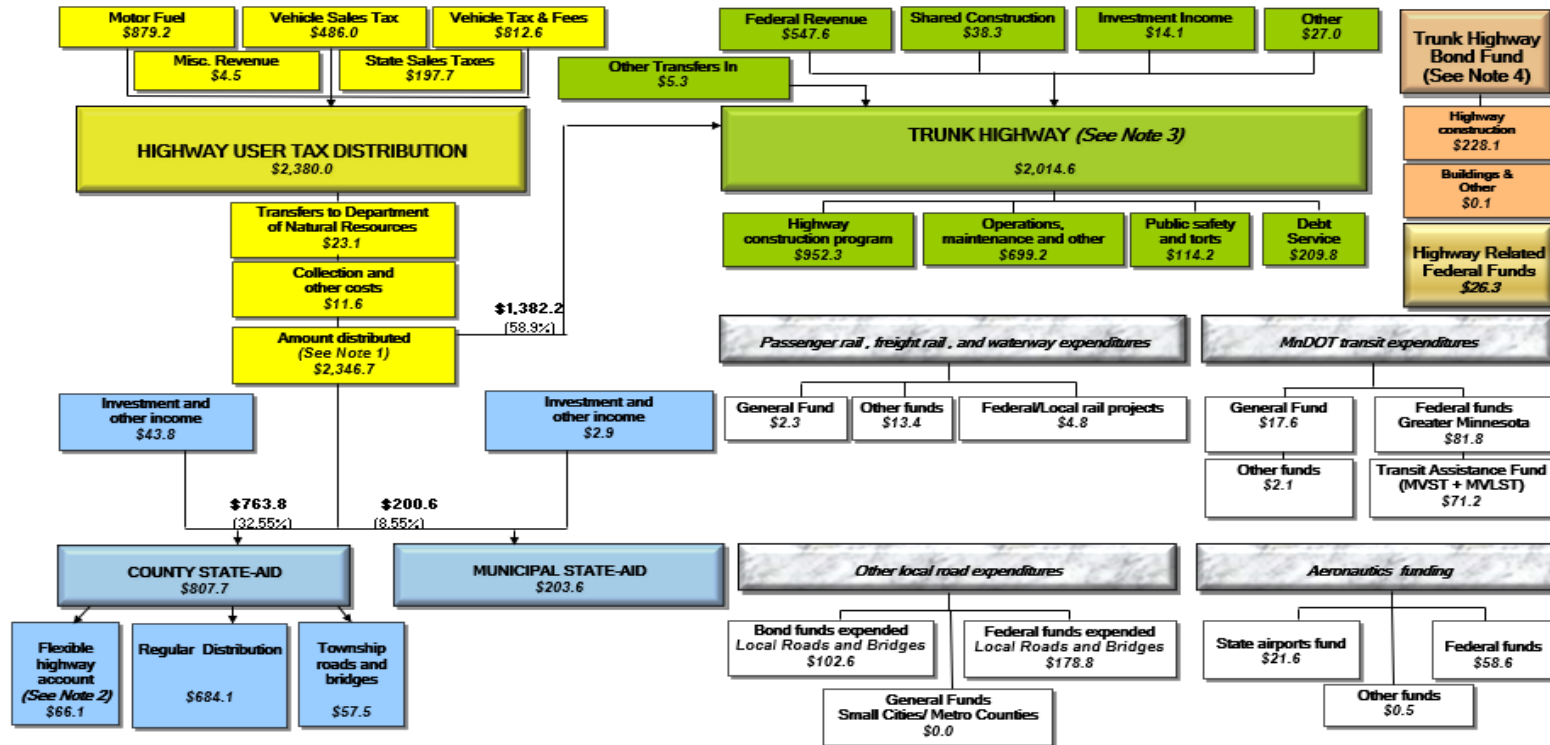


Appendix 8

Year-over-Year Growth Rates
HUTD Revenues
Nov '21 vs. Feb '21 Forecast



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

*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.