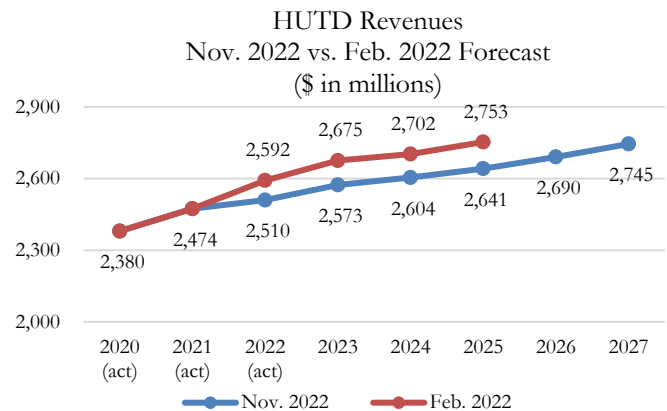


Forecast Highlights

Highway User Tax Distribution (HUTD) Fund revenues are anticipated to decrease in FY 2023 and in future years compared to the February 2022 forecast and only grow modestly year over year from FY 2023 through FY 2027.

Revenues are projected to be significantly lower in the current FY 2022-23 biennium compared to the February 2022 forecast, decreasing by -\$184 million (-3.5 percent). In the FY 2024-25 biennium, revenues are projected to decrease -\$209M (-3.8 percent) compared to February 2022 estimates.



FY 2023 HUTD Revenue Forecast
Nov. 2022 vs. Feb. 2022
(\$ in millions)

Revenue Source	Nov. '22	Feb. '22	\$ Change	% Change
Gas Tax	909	925	(16)	-1.7%
Tab Fees	840	894	(53)	-6.0%
MVST	616	647	(31)	-4.9%
Interest/Other	7.2	4.6	3	57.4%
State Sales Tax	194	196	(2)	-1.0%
MVLST	6.7	8.5	(2)	-21.6%
Total	\$2,573	\$2,675	\$(102)	-3.8%

Change in HUTD revenues compared to the February 2022 forecast in FY 2023

Gas tax is down -\$16 million (-1.7 percent), registration tax is down -\$53 million (-6.0 percent), and motor vehicle sales tax is down -\$31 million (-4.9 percent) in FY 2023.

Federal Funds

The Infrastructure Investment and Jobs Act (IIJA) provides \$4.5 billion to Minnesota over five years in federal formula funding for highways and bridges – this includes a continuation of current federal formula funds plus an additional approximately \$240 million per year. It represents an estimated 30 percent increase in the State's highway formula funding. Minnesota, along with local and tribal governments, is also eligible for new and expanded competitive grant programs as part of this law. Almost all federal funds require at least a 20 percent state or local match.

Program	Federal Funds per Year	State/Local Match
FHWA – MnDOT (@ 70%)	\$170 M *	\$40 M (@ 20%)
FHWA – Locals (@ 30%)	\$70 M	\$20 M (@ 20%)
FAA	\$60 M	\$7 M (@ 10%)
FTA – MnDOT portion	\$13 M	\$7 M (@ 36%)
Discretionary Grant Programs	\$450M (@ 2% of total)	\$112 M (@ 20%)
Grand Total	\$760 M	\$186 M

*Additional budget authority needed from state legislature via increased direct appropriations.

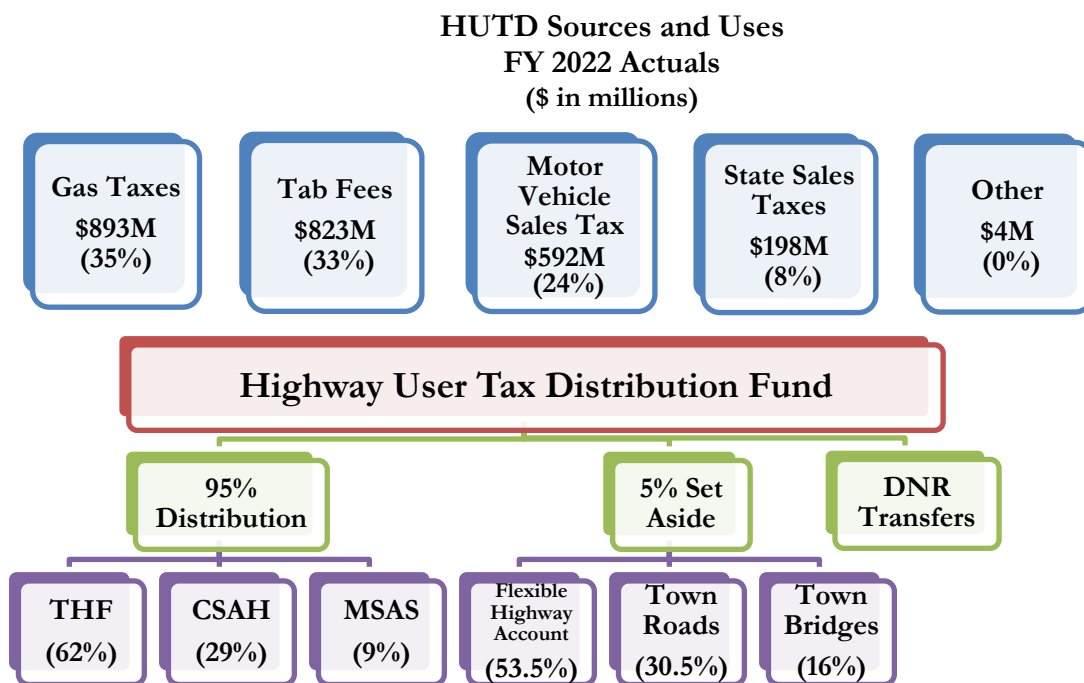
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Introduction to Transportation Funding

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 traditionally prepared at the end of each legislative session (EOS) to incorporate law-change impacts to the transportation funds. **However, following the end of the 2022 Legislative Session individual fund statements were not prepared, and all comparisons made in this forecast reflect the difference from the February 2022 fund statements.** This forecast includes actuals for FY 2022, updated estimates for FY 2023-25, and an additional biennium reflecting FY 2026-27. 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)



-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.

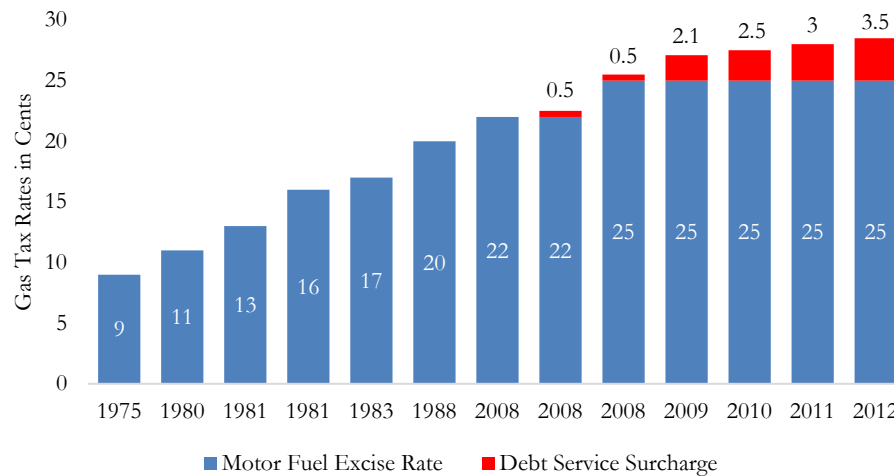
Legal Citation – Quick Reference Guide	
Motor Fuel Tax	<ul style="list-style-type: none"> • Article XIV of the Minnesota Constitution • Minn. Stat. 296A - Tax on petroleum and other fuels • Minn. Stat. 296A.083 - Debt service surcharge
Vehicle Registration Tax	<ul style="list-style-type: none"> • Article 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.

Historical Motor Fuels Excise Tax

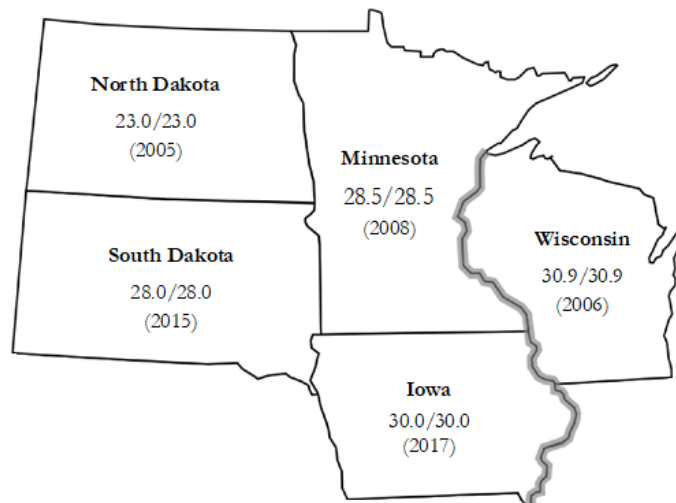


The map below highlights Minnesota's gas tax rates and compares them with those in the surrounding states:

Comparison of January 2022 Motor Fuel Tax Rates (per gallon)

American Petroleum Institute

Gasoline / Diesel
(Year tax rate changed)



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

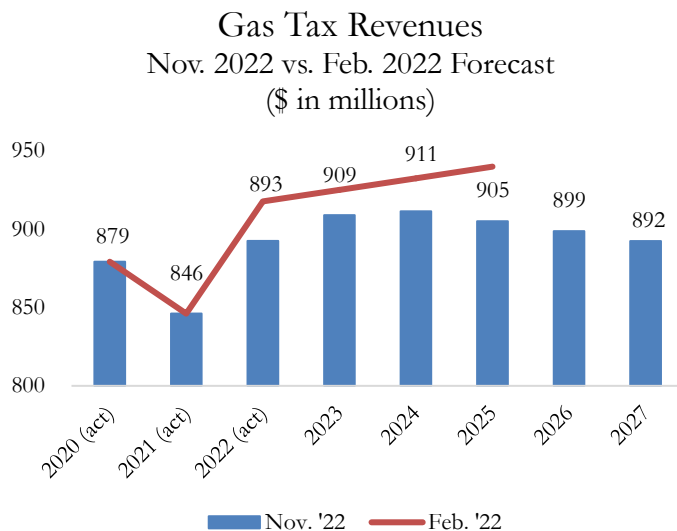
The outlook for fuel consumption is affected by vehicle miles traveled (VMT) and the fuel efficiency of vehicles, which are impacted by:

- 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 traditionally released at the beginning of each calendar year. 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 both show minimal change in gas consumption over the forecast period. The most current IHS forecast, from November 2022, projects a quarter of a percent increase in fuel consumption in FY 2023 and FY 2024, and then slightly decreases on average by approximately -0.5 percent in later years. The most current forecast from EIA, from March 2022, projects minimal consumption growth on average of less than 0.4 percent per year.

Relying heavily on the most current projections from IHS, revenue is expected to increase slightly through FY 2023 and FY 2024 before it begins to decrease by less than -1 percent each year thereafter.



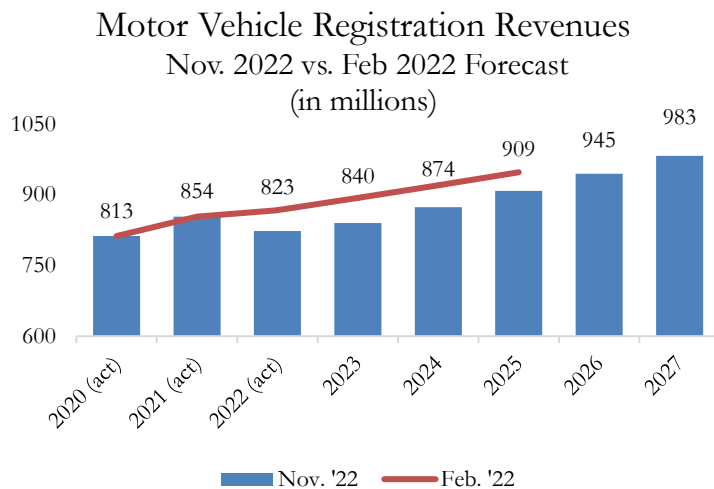
Gas Tax Revenues (\$ in millions)				
FY	Nov. '22	Feb. '22	\$ Change	% Change
2020 (act)	879	879	-	0.0%
2021 (act)	846	846	-	0.0%
2022 (act)	893	918	(25.2)	-2.7%
2023	909	925	(16.2)	-1.7%
2024	911	933	(21.1)	-2.3%
2025	905	940	(34.9)	-3.7%
2026	899	-	-	0.0%
2027	892	-	-	0.0%

Motor Vehicle Registration Tax (Tab Fees)

Revenue collected on passenger vehicles comprises almost 90 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 according to the most current IHS forecast from November 2022. Revenue collected thus far in FY 2023 is currently well below forecasted amounts and as a result revenue only grows minimally in the current fiscal year. Thereafter, revenue growth is projected to be approximately 4 percent per year on average over the remaining forecast period. However, a combination of below forecast actual revenues in FY 2023 results in reduced revenue when compared to February 2022 fund statements.

The current forecast of revenues is shown below:

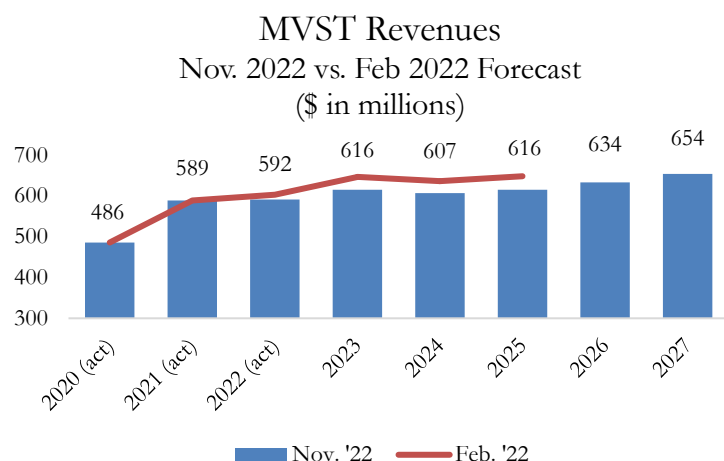


Motor Vehicle Registration Revenues (\$ in millions)				
FY	Nov. '22	Feb. '22	\$ Change	% Change
2020 (act)	813	813	-	0.0%
2021 (act)	854	854	-	0.0%
2022 (act)	823	868	(44.2)	-5.1%
2023	840	894	(53.5)	-6.0%
2024	874	920	(46.7)	-5.1%
2025	909	948	(39.3)	-4.2%
2026	945	-	-	0.0%
2027	983	-	-	0.0%

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 decrease compared to the February 2022 forecast for all years. The current forecast of revenues is shown on the next page:

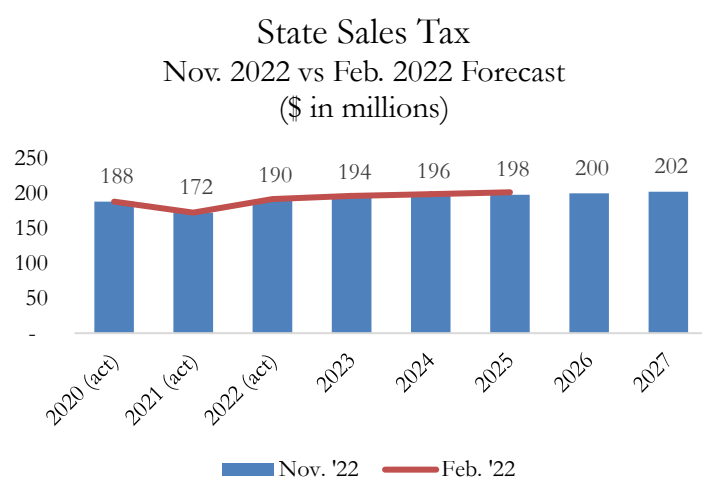


MVST Revenues (\$ in millions)				
FY	Nov. '22	Feb. '22	\$ Change	% Change
2020 (act)	486	486	-	0.0%
2021 (act)	589	589	-	0.0%
2022 (act)	592	603	(11.7)	-1.9%
2023	616	647	(31.5)	-4.9%
2024	607	637	(29.4)	-4.6%
2025	616	649	(33.1)	-5.1%
2026	634	-	-	0.0%
2027	654	-	-	0.0%

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 February 2022 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:



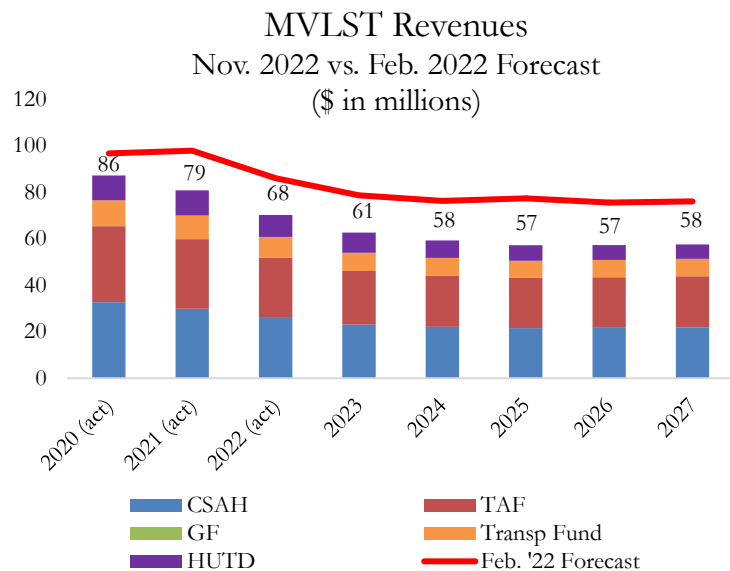
State Sales Taxes (\$ in millions)				
FY	Nov. '22	Feb. '22	\$ Change	% Change
2020 (act)	188	188	-	0.0%
2021 (act)	172	172	-	0.0%
2022 (act)	190	192	(1.4)	-0.7%
2023	194	196	(1.9)	-1.0%
2024	196	199	(2.8)	-1.4%
2025	198	202	(3.6)	-1.8%
2026	200	-	-	0.0%
2027	202	-	-	0.0%

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 February 2022 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:

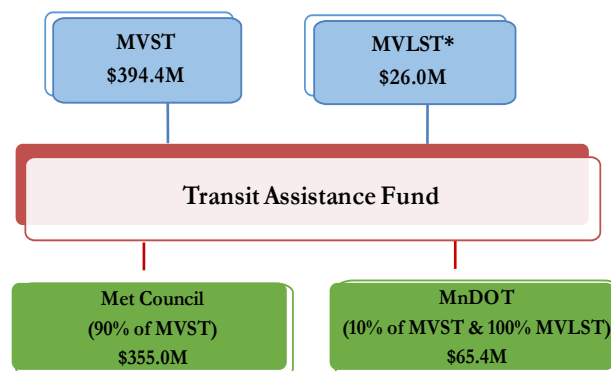


MVLST Revenues (\$ in millions)				
FY	Nov. '22	Feb. '22	\$ Change	% Change
2020 (act)	86	86	-	0.0%
2021 (act)	79	79	-	0.0%
2022 (act)	68	76	(8.0)	-10.5%
2023	61	77	(16.7)	-21.6%
2024	58	76	(17.4)	-23.0%
2025	57	76	(19.3)	-25.4%
2026	57	-	-	0.0%
2027	58	-	-	0.0%

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 (4 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.

Transit Assistance Fund Sources of Revenue FY 2022



*38 percent of MVLST is allocated to TAF.

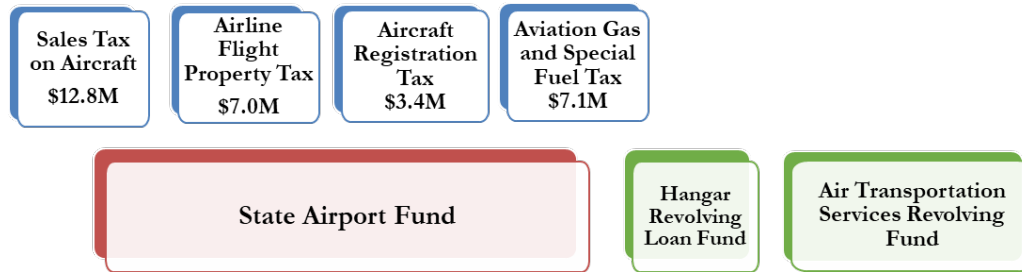
State Airports Revenue

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.

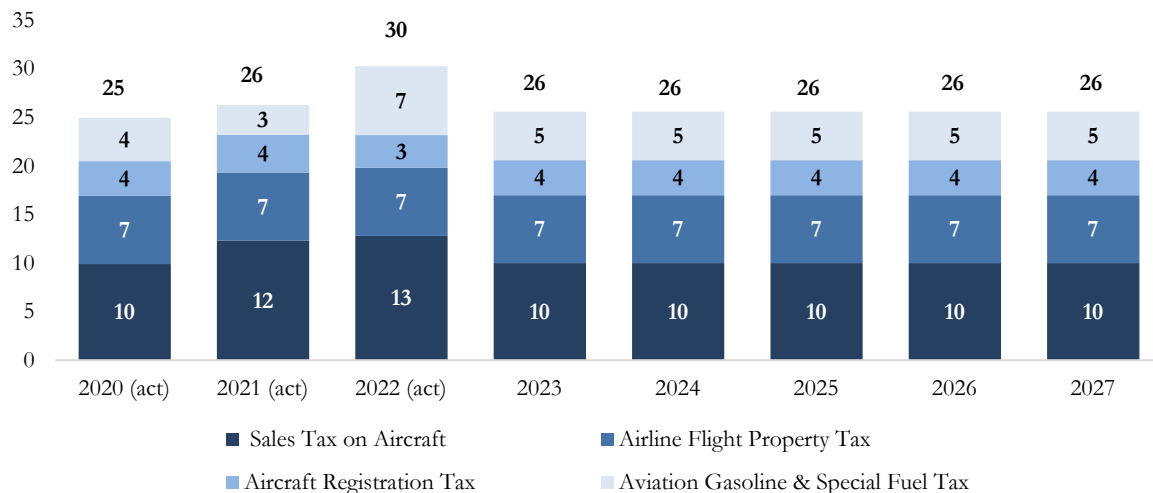
State Airports Sources of Revenue FY 2022



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 increase over the forecast period compared to February 2022 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:

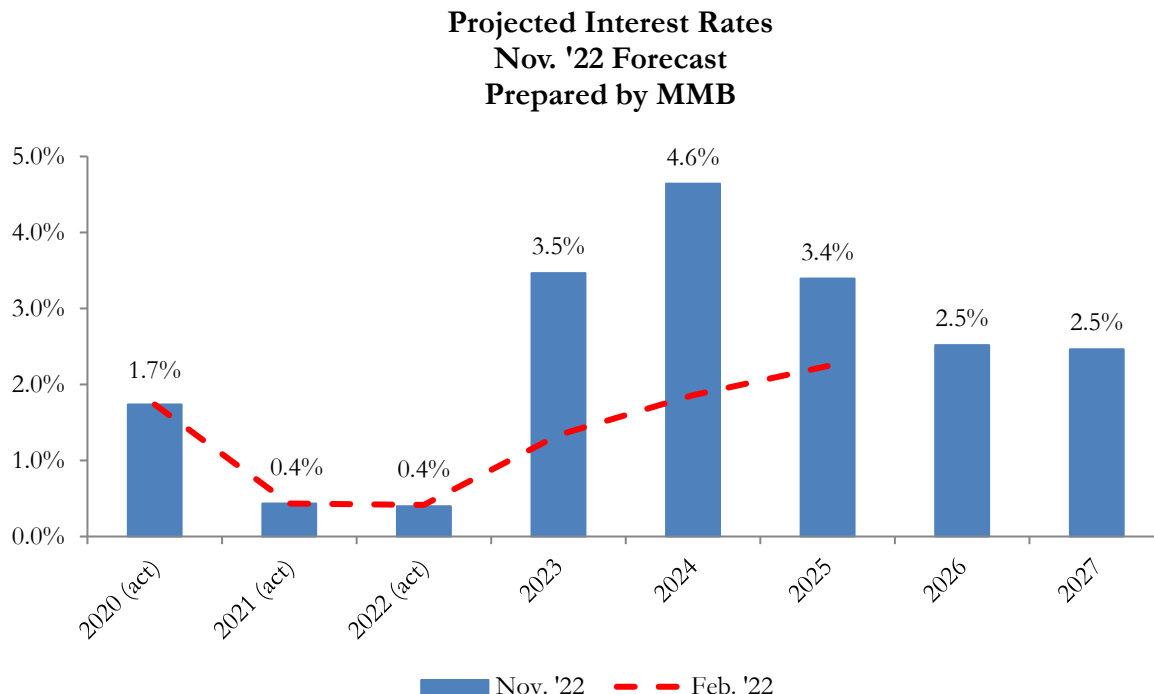
Primary State Airports Fund Revenues (\$ in millions)



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 approximately 3.5 percent in FY 2023 and are projected to grow above 4.6 percent in the forecast period. The interest rates in future years have increased by nearly 2 percent in FY 2023 compared to the February 2022 forecast. Interest income in all funds is expected to increase compared to the previous forecast.



Fund Statements

Transfers from HUTD Fund

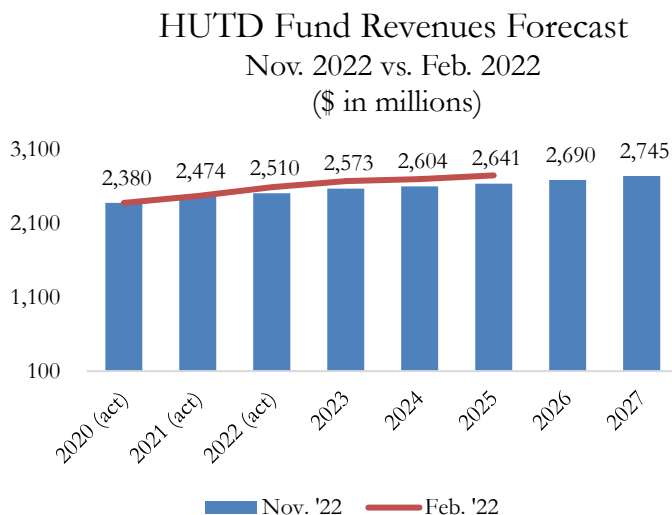
The HUTD Fund receives revenues from the three sources dedicated to highways and transit (gas tax, tab fees, and MVST), as well as several minor sources of revenue. Except for the 40 percent of MVST dedicated to public transit, revenues from these three taxes are deposited into the HUTD Fund. In addition,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

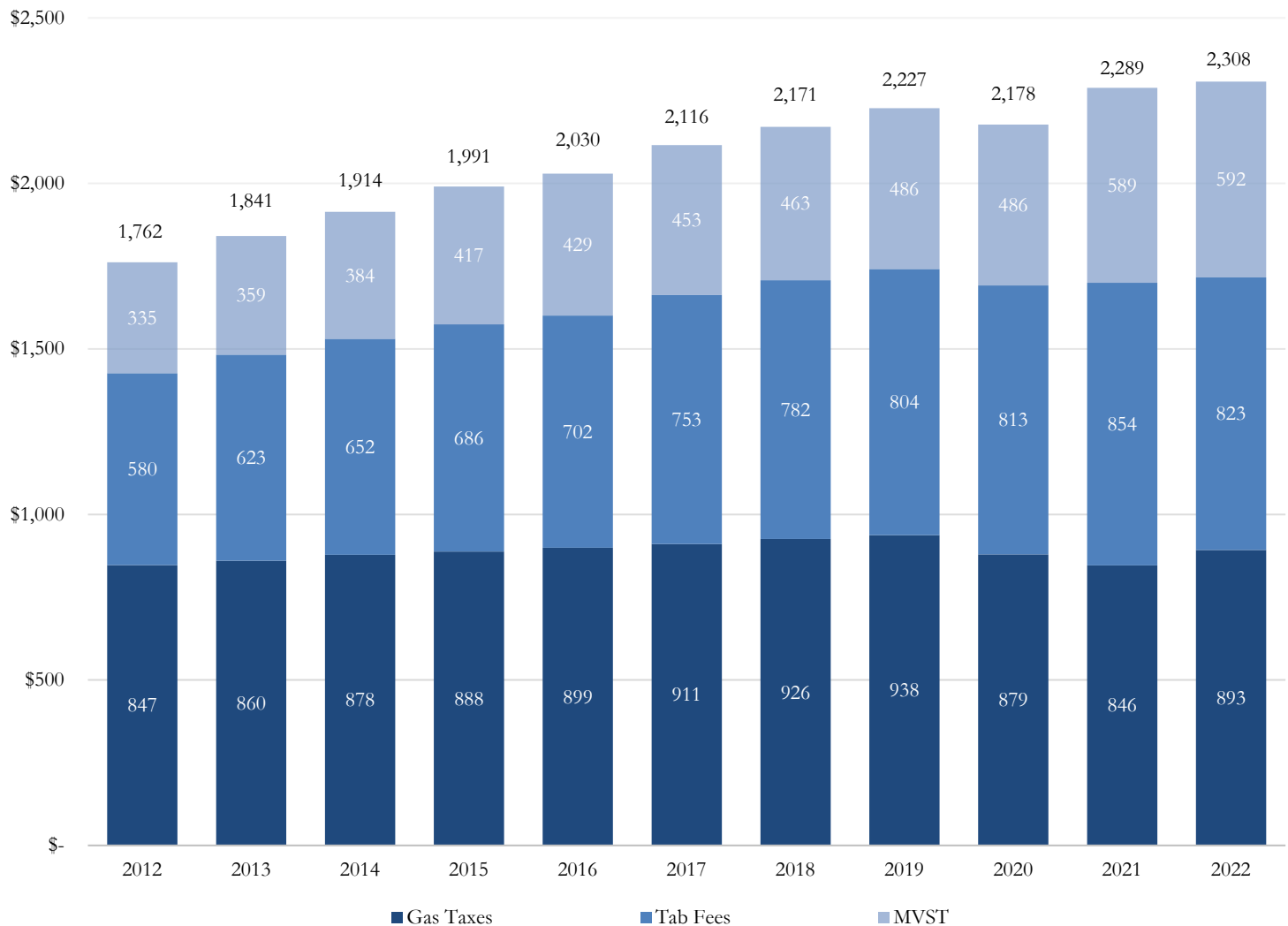
The current forecast is shown below:



HUTD Fund Revenues (\$ in millions)				
FY	Nov. '22	Feb. '22	\$ Change	% Change
2020 (act)	2,380	2,380	-	0.0%
2021 (act)	2,474	2,474	-	0.0%
2022 (act)	2,510	2,592	(81.9)	-3.2%
2023	2,573	2,675	(102.2)	-3.8%
2024	2,604	2,702	(98.0)	-3.6%
2025	2,641	2,753	(111.5)	-4.0%
2026	2,690	-	-	0.0%
2027	2,745	-	-	0.0%

The bar chart below details history of actual revenues for the HUTD Fund (FY 2012-22). 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 2012-2022 ACTUALS



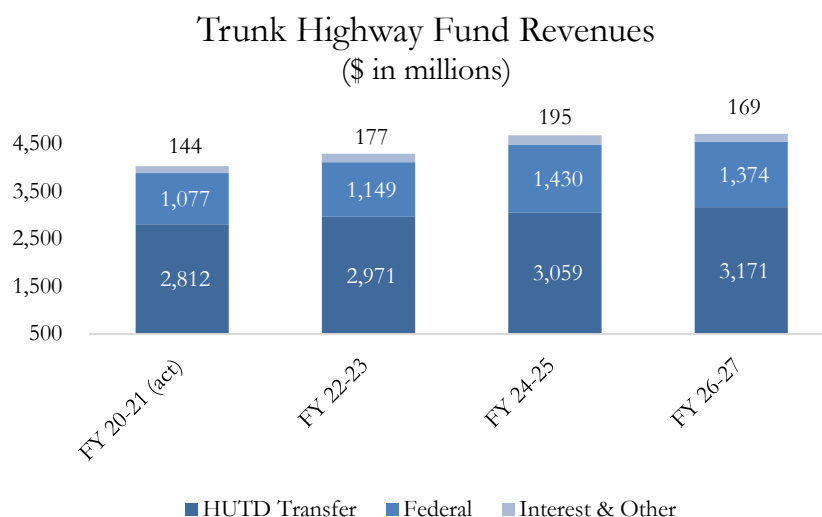
Trunk Highway Fund

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 each year based on the projected mix of state and federal funds recognized on specific projects. The IIJA authorization includes increased funding for five fiscal years (FYs 2022-26). The federal process also requires an annual appropriation each federal fiscal year. Currently, a Continuing Resolution has been passed into law, giving legislators until December 16, 2022, to pass a Federal Fiscal Year 2023 funding bill.

This forecast does not include any estimated impacts related to the new federal bill in the current biennium. While the Governor's FY2022-23 supplemental budget recommendation proposed the necessary budget authority, the Minnesota Legislature adjourned without approving the increase in budget authority. As a result, these revenue increases are not included in the FY 2023 forecast (this amount totals \$315.5 million for both FY 2022 and 2023). However, MnDOT fully anticipates the appropriate budget authority will be approved for FY2024-25 as part of a required biennial budget, and so these amounts are included in future year forecasts of federal revenue.

In addition to federal funds, the TH Fund receives revenues and transfers from several other smaller sources. For FY 2022-27, 68 percent of resources are transfers from the HUTD Fund, 28 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:



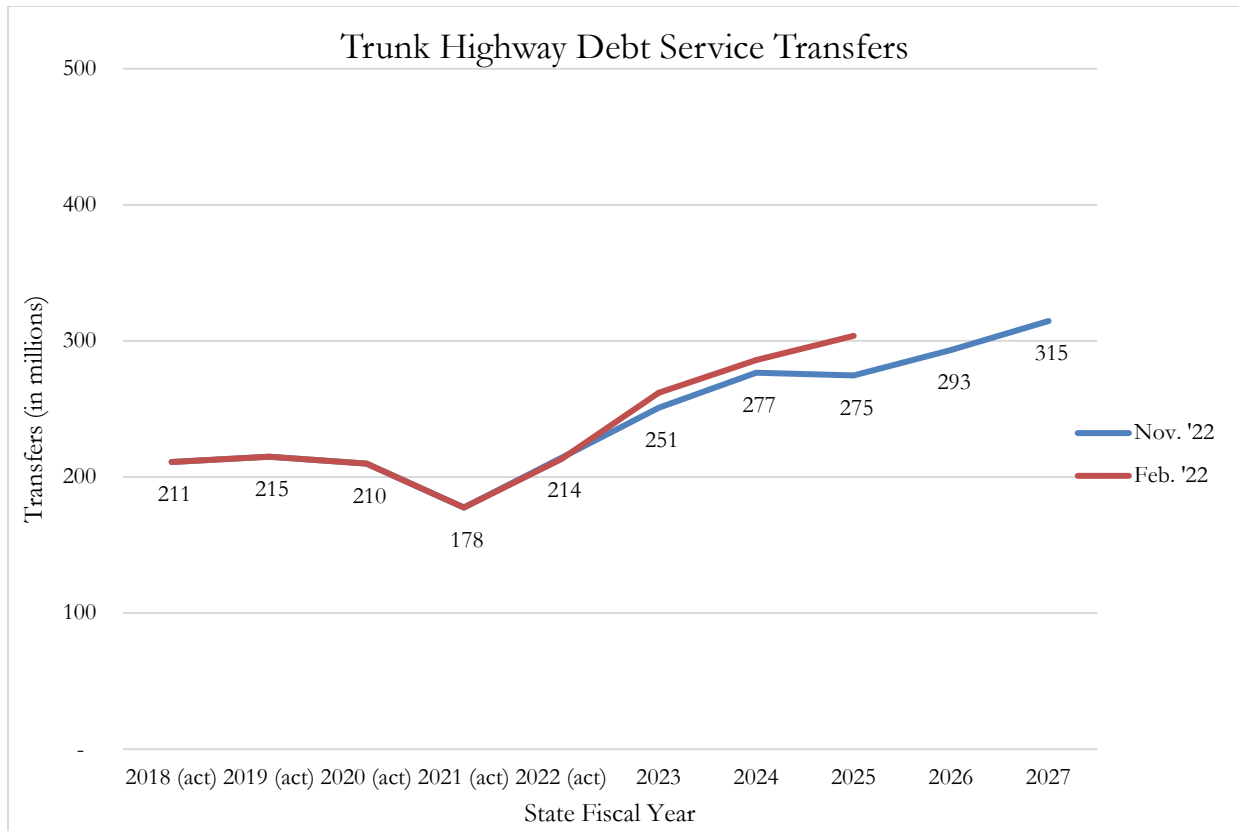
Debt Service – Trunk Highway Fund

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 TH Fund debt service.

² See Article XIV, section 11 of the Minnesota Constitution

Forecast debt service estimates decrease each year compared to the February 2022 forecast. Although there is a significant increase in the projected interest rates on future bond sales compared to February 2022, these increases are offset by reduced cash flow estimates (planned sales are spread over more years) and increased interest earnings on the cash balances of bond proceeds from those same increased interest rates.

The graph below depicts actual and forecast debt service transfer amounts by year, compared to the February 2022 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 table below demonstrates the estimated debt service costs from the TH Fund, which range from nearly 14 percent in the most recent FY 2022 and peaks at 18.7 percent in FY 2027.

³ Developed to comply with Minn. Stat. 167.60

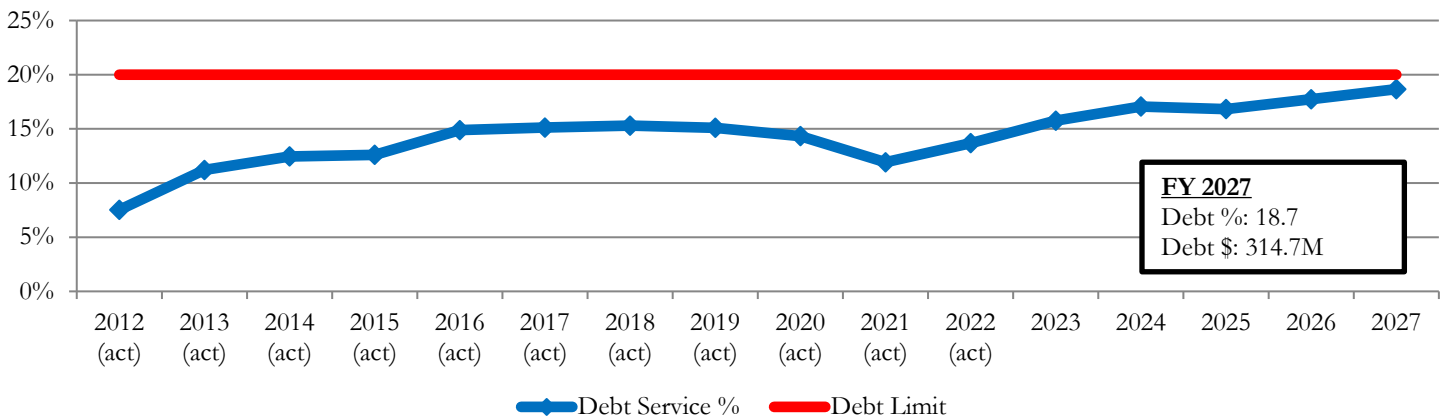
Debt Management Policy (\$ in millions)

Year	Total Debt Service ⁽¹⁾	Estimated Current %	Variance from 20% Policy Limit ⁽²⁾
2020 (act)	210,224	14.3%	83,158
2021 (act)	177,521	11.9%	120,430
2022 (act)	214,061	13.7%	98,912
2023	250,908	15.8%	67,621
2024	276,660	17.1%	47,579
2025	274,702	16.8%	51,873
2026	293,347	17.7%	37,481
2027	314,656	18.7%	22,523

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

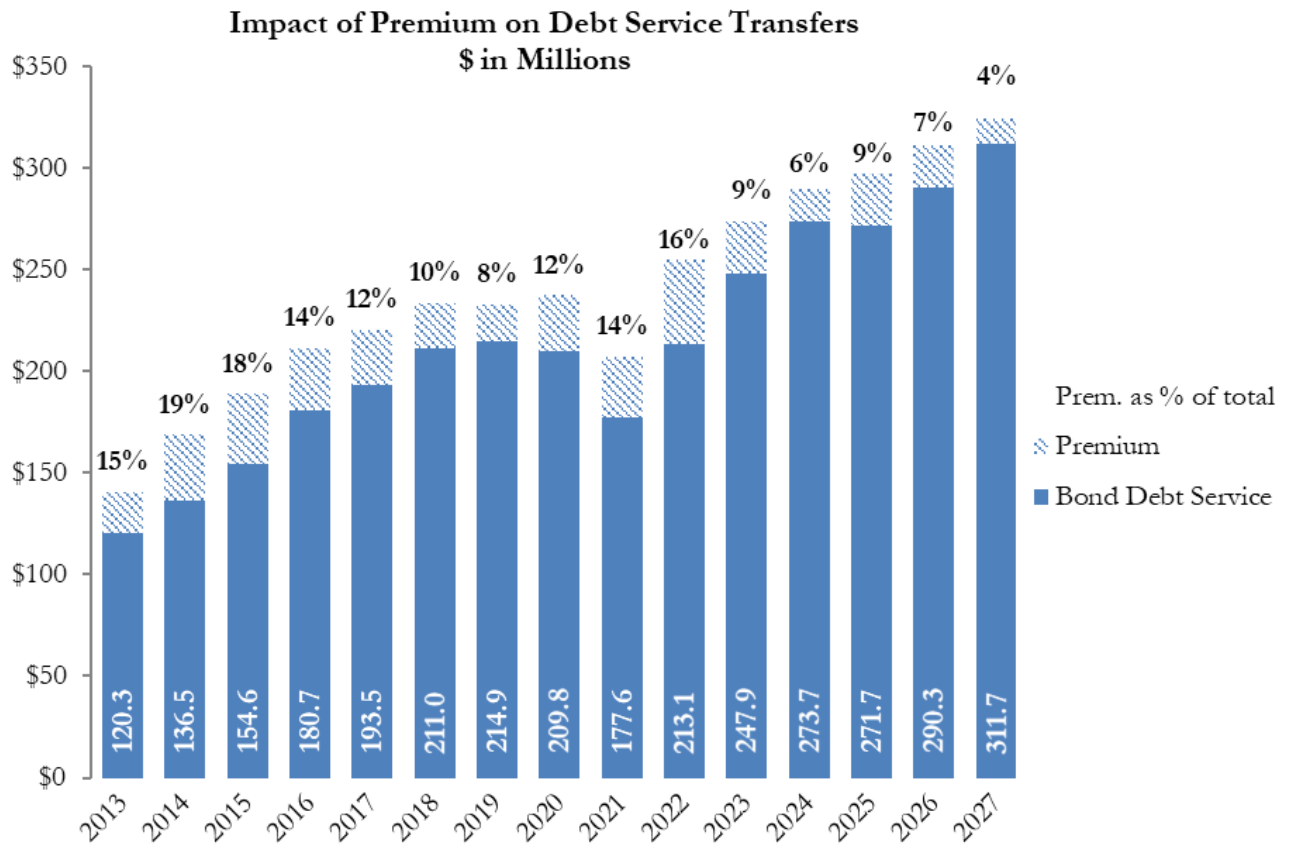
(2) Represents amount of additional debt service to reach 20 percent limit – a general guideline is to multiply this amount by 10 for an estimate of the additional bond capacity e.g. \$22.5M × 10 = \$225M in additional bond capacity.

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 historically 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). Bond sales from the Chapter 152 program originally authorized in 2008 are now complete, and sales from all current authorized debt are anticipated 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 '22 vs. Feb '22

(\$ in millions)

	FY22-23	FY24-25
Transfers from HUTD	(107.2)	(122.6)
Federal Aid Agreements	32.3	329.6
Interest	17.3	35.9
Other Revenues and Transfers	20.7	0.9
Prior Year Adjustments	14.4	10.0
Total Revenue and Transfer Impact	(22.4)	254.0
Transportation Expenditures	53.5	12.2
Other Agencies	6.7	(1.6)
Transfers Out	(0.4)	-
Debt Service Transfer	(14.0)	(44.3)
Total Expenditure and Transfer Impact	45.8	(33.7)
Fund Balance Change	(68.1)	287.7
Total Cumulative Change	(68.1)	219.6
Nov. '22 Forecast	199.6	511.0
Feb '22 Forecast	267.7	291.5
Change	(68.1)	219.6
<i>Reserved Fund Balance (Nov '22)</i>	<i>107.8</i>	<i>102.4</i>
<i>Unreserved Fund Balance (Nov '22)</i>	<i>91.8</i>	<i>408.7</i>
<i>Unreserved net of additional federal funds</i>	<i>91.8</i>	<i>79.0</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.

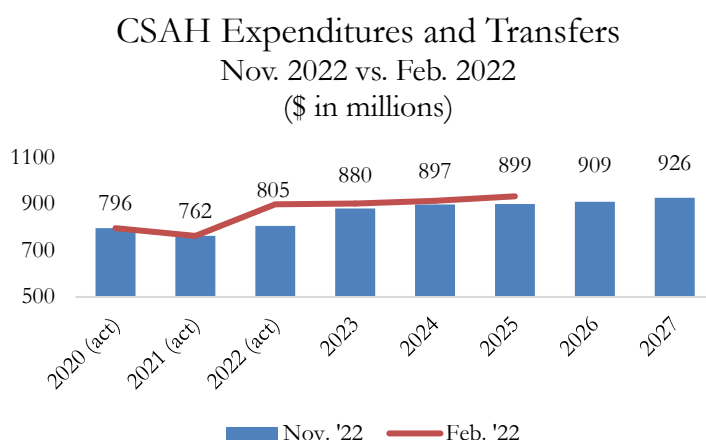
These allocations include the five percent set-aside portion of the total revenues from the HUTD Fund. The Constitution allows the Legislature to allocate this five percent in a manner different from the constitutional formula (62 percent to the TH Fund, 29 percent to the CSAH Fund, and nine percent 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](https://edocs-public.dot.state.mn.us/edocs_public/DMResultSet/download?docId=16744517) (https://edocs-public.dot.state.mn.us/edocs_public/DMResultSet/download?docId=16744517) 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. '22	Feb. '22	\$ Change	% Change
2020 (act)	796	796	-	0.0%
2021 (act)	762	762	-	0.0%
2022 (act)	805	898	(92.8)	-10.3%
2023	880	901	(21.0)	-2.3%
2024	897	913	(15.9)	-1.7%
2025	899	932	(33.1)	-3.6%
2026	909	-	-	0.0%
2027	926	-	-	0.0%

Municipal State Aid Street (MSAS) Fund

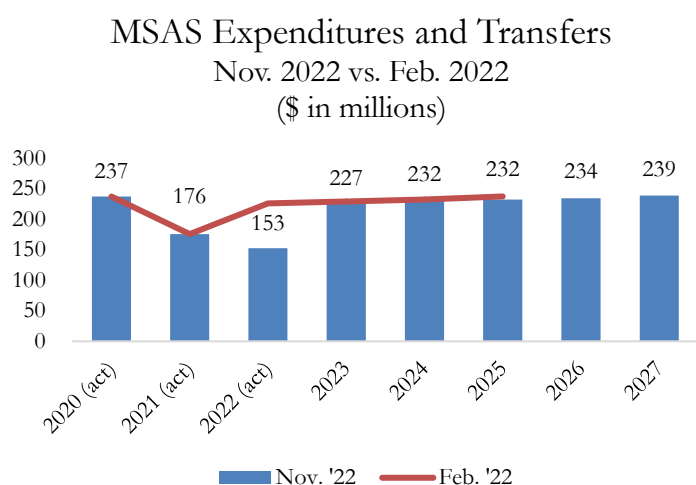
The MSAS Fund receives transfers from the HUTD Fund, authorized transfers from the CSAH Fund and revenues from investment income. Minnesota Statutes, Chapter 162 provides the criteria by which funds are allocated to statutory accounts within the MSAS Fund and to each of the Minnesota State Aid cities 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 (https://edocs-public.dot.state.mn.us/edocs_public/DMResultSet/download?docId=16744517) 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:

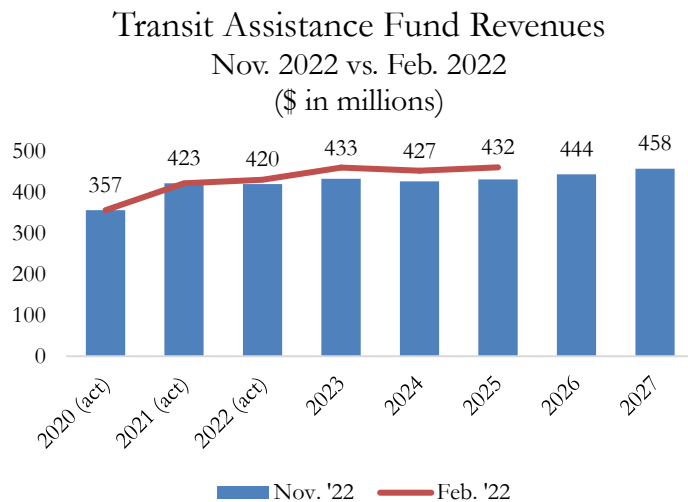


MSAS Expenditures and Transfers (\$ in millions)				
FY	Nov. '22	Feb. '22	\$ Change	% Change
2020 (act)	237	237	-	0.0%
2021 (act)	176	176	-	0.0%
2022 (act)	153	226	(73.6)	-32.5%
2023	227	229	(2.3)	-1.0%
2024	232	232	(0.4)	-0.2%
2025	232	238	(5.2)	-2.2%
2026	234	-	-	0.0%
2027	239	-	-	0.0%

Transit Assistance Fund (TAF)

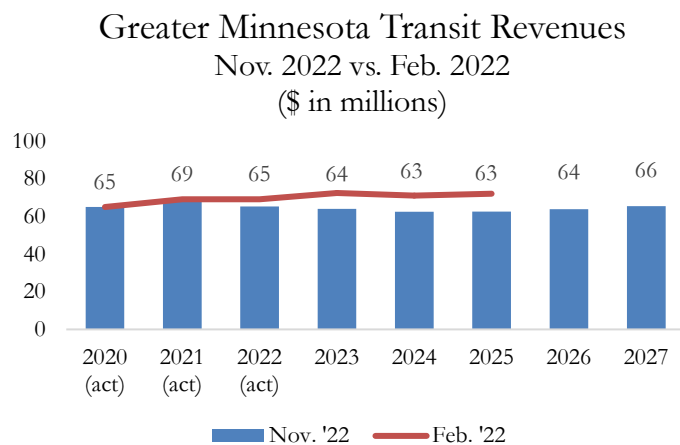
Beginning in FY 2018, 38 percent of MVLST revenue is allocated to the TAF – Greater Minnesota Transit account. In previous years, half of the MVLST revenues (net of \$32 million that remained in the General Fund) were allocated to this fund. The fund also receives 40 percent of MVST revenues.

The total estimated revenue for the TAF is shown below:



Transit Assistance Fund Revenues (\$ in millions)				
FY	Nov. '22	Feb. '22	\$ Change	% Change
2020 (act)	357	357	-	0.0%
2021 (act)	423	423	-	0.0%
2022 (act)	420	431	(10.9)	-2.5%
2023	433	461	(27.3)	-5.9%
2024	427	453	(26.2)	-5.8%
2025	432	461	(29.4)	-6.4%
2026	444	-	-	0.0%
2027	458	-	-	0.0%

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. '22	Feb. '22	\$ Change	% Change
2020 (act)	65	65	-	0.0%
2021 (act)	69	69	-	0.0%
2022 (act)	65	69	(3.8)	-5.5%
2023	64	73	(8.4)	-11.6%
2024	63	71	(8.6)	-12.0%
2025	63	72	(9.5)	-13.2%
2026	64	-	-	0.0%
2027	66	-	-	0.0%

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.

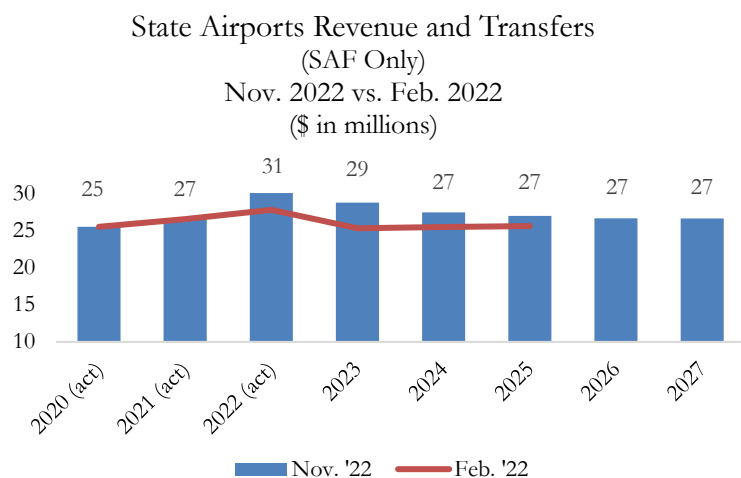
Account Balance Policy

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. Currently, the fund is not in compliance with this policy due to the immediate challenges facing public transit in Greater Minnesota. FY 2023 assumes utilizing a portion of the fund balance reserve, and then restoring the fund balance in the FY 2024-25 biennium.

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. '22	Feb. '22	\$ Change	% Change
2020 (act)	25	25	-	0.0%
2021 (act)	27	27	-	0.0%
2022 (act)	31	28	2.8	10.0%
2023	29	25	3.4	13.6%
2024	27	25	2.0	7.7%
2025	27	26	1.4	5.3%
2026	27	-	-	0.0%
2027	27	-	-	0.0%

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, and is projecting both a significant one-time surplus of \$13.7 million in FY 2023 and an additional ongoing annual surplus in FY 2024 and beyond of about \$2.0 million per year.

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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Appendix 1

Highway User Tax Distribution Fund
November 2022 Forecast
Comparison to Feb. 2022 Forecast

(\$ in thousands)	November 2022 Forecast								Change from Feb. 2022			
	Close	Close	Close	Budget	Planning Est	Planning Est	Planning Est	Planning Est	Close	Budget	Planning Est	Planning Est
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2022	FY 2023	FY 2024	FY 2025
Balance Forward from Prior Year	11,932	10,674	24,338	15,897	11,908	11,908	11,908	11,908	-	3,898	(92)	(92)
Prior Year Adjustments	87	91	255	-	-	-	-	-	255	-	-	-
Adjusted Balance Forward	12,019	10,765	24,593	15,897	11,908	11,908	11,908	11,908	255	3,898	(92)	(92)
Net Revenue and Transfers-In												
Motor Fuel Excise Tax	879,237	846,125	892,597	908,985	911,485	905,105	898,769	892,478	(25,203)	(16,157)	(21,058)	(34,899)
Motor Vehicle Registration Tax	812,605	853,657	823,287	840,046	873,648	908,594	944,938	982,735	(44,213)	(53,479)	(46,683)	(39,347)
Motor Vehicle Sales Tax	486,031	589,043	591,627	615,612	607,290	615,594	633,654	654,216	(11,740)	(31,483)	(29,367)	(33,076)
Sales Tax on Auto Parts	145,644	145,644	145,644	145,644	145,644	145,644	145,644	145,644	-	2	3	4
Motor Vehicle Rental Tax (9.2%)	24,952	15,735	26,244	28,620	29,584	30,710	31,942	33,239	(818)	(1,123)	(1,637)	(2,093)
Motor Vehicle Rental Tax (6.5%)	17,629	11,117	18,542	20,221	20,902	21,697	22,568	23,484	(578)	(793)	(1,156)	(1,479)
Leased Vehicle Sales Tax	9,467	8,658	7,513	6,677	6,402	6,248	6,292	6,347	(880)	(1,837)	(1,914)	(2,123)
Other Income	4,452	3,763	4,463	7,211	9,352	7,794	6,503	6,397	1,580	2,629	3,824	1,553
Total Net Revenue and Transfers-In	2,380,017	2,473,743	2,509,917	2,573,017	2,604,307	2,641,386	2,690,309	2,744,540	(81,851)	(102,242)	(97,991)	(111,464)
Expenditures and Transfers-Out												
Appropriations to MnDOT, Revenue, DPS	11,607	11,662	4,004	3,668	3,450	3,450	3,450	3,450	(157)	213	(5)	(5)
Transfers--DNR	23,066	20,317	21,397	22,725	22,787	22,627	22,470	22,312	(1,548)	(403)	(527)	(873)
Transfers--5% Set-Aside	117,335	121,410	124,661	127,526	128,899	130,761	133,215	135,934	(4,189)	(4,908)	(4,877)	(5,534)
Transfers--County State-Aid Highway	646,513	668,967	686,880	702,669	710,233	720,492	734,014	748,998	(23,084)	(27,041)	(26,875)	(30,492)
Transfers--Municipal State-Aid Highway	200,642	207,610	213,170	218,070	220,417	223,601	227,797	232,448	(7,164)	(8,392)	(8,341)	(9,463)
Transfers--Trunk Highway	1,382,200	1,430,204	1,468,502	1,502,257	1,518,429	1,540,363	1,569,272	1,601,307	(49,351)	(57,813)	(57,458)	(65,189)
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	2,381,363	2,460,170	2,518,613	2,576,915	2,604,215	2,641,294	2,690,218	2,744,449	(85,494)	(98,344)	(98,083)	(111,556)
Ending Balance	10,674	24,338	15,897	11,908	11,908	11,908	11,908	11,908	3,898	(92)	(92)	(91)

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

Appendix 2

Trunk Highway Fund
November 2022 Forecast
Comparison to Feb. 2022 Forecast

(\$ in thousands)	November 2022 Forecast								Change from Feb. 2022			
	Close	Close	Close	Budget	Planning Est	Planning Est	Planning Est	Planning Est	Close	Budget	Planning Est	Planning Est
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2022	FY 2023	FY 2024	FY 2025
Balance Forward from Prior Year	424,314	491,015	335,301	359,143	199,496	363,896	510,818	648,128	-	180,930	(68,201)	91,846
Prior Year Adjustments	27,739	46,061	108,744	40,000	40,000	40,000	40,000	40,000	9,404	5,000	5,000	5,000
Adjusted Balance Forward	452,052	537,076	444,152	399,251	239,604	404,057	551,033	688,397	9,512	186,038	(63,093)	97,008
Net Revenue and Transfers-In												
Transfer from HUDT	1,382,200	1,430,204	1,468,502	1,502,257	1,518,429	1,540,363	1,569,272	1,601,307	(49,351)	(57,813)	(57,458)	(65,189)
Federal Aid Agreements	547,643	528,939	515,207	633,507	730,398	699,230	686,998	686,998	32,348	-	180,403	149,235
Other Income and Transfers-In	84,713	59,553	96,362	90,387	102,709	92,457	84,813	84,531	20,854	17,189	25,152	11,707
Total Net Revenue and Transfers-In	2,014,556	2,018,697	2,080,070	2,226,151	2,351,536	2,332,050	2,341,083	2,372,836	3,850	(40,624)	148,097	95,753
Expenditures and Transfers-Out												
Transportation Department	1,652,140	1,841,885	1,808,213	2,011,508	1,804,502	1,804,451	1,804,451	1,804,451	(157,429)	210,920	6,144	6,093
Public Safety and Other Depts.	113,632	132,427	139,696	162,083	144,675	144,675	144,675	144,675	(9,870)	16,609	(799)	(799)
Transfers-Out and Other	-	68,589	3,925	4,300	4,300	4,300	4,300	4,300	(375)	-	-	-
Debt Service	209,821	177,571	213,138	247,908	273,660	271,702	290,347	311,656	-	(14,022)	(12,295)	(32,045)
Total Expenditures and Transfers-Out	1,975,594	2,220,472	2,164,972	2,425,799	2,227,137	2,225,128	2,243,773	2,265,082	(167,675)	213,507	(6,950)	(26,751)
Balance Before Reserves	491,015	335,301	359,143	199,496	363,896	510,818	648,128	795,882	180,930	(68,201)	91,846	219,350
Less Appropriation Carryforward	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	491,015	335,301	359,143	199,496	363,896	510,818	648,128	795,882	180,930	(68,201)	91,846	219,350
Reserved Fund Balance per Policy	105,141	101,417	113,770	107,764	105,463	102,360	100,387	101,150	(1,710)	(2,437)	(1,938)	(3,209)
Unreserved Fund Balance per Policy	385,874	233,883	245,374	91,732	258,433	408,458	547,740	694,732	182,640	(65,764)	93,784	222,559
Debt Service Percentage Compared to State Revenue	14.3%	11.9%	13.7%	15.8%	17.1%	16.8%	17.7%	18.7%	-0.1%	0.3%	0.3%	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
November 2022 Forecast
Comparison to Feb. 2022 Forecast

(\$ in thousands)

November 2022 Forecast								Change from Feb. 2022			
Close FY 2020	Close FY 2021	Close FY 2022	Budget FY 2023	Planning Est FY 2024	Planning Est FY 2025	Planning Est FY 2026	Planning Est FY 2027	Close FY 2022	Budget FY 2023	Planning Est FY 2024	Planning Est FY 2025
690,463	702,465	763,678	811,391	811,269	811,147	811,025	810,903	-	74,955	74,909	74,863
286	385	219	-	-	-	-	-	219	-	-	-
690,749	702,850	763,898	811,391	811,269	811,147	811,025	810,903	219	74,955	74,909	74,863
32,704	29,909	25,955	23,066	22,116	21,584	21,736	21,926	(3,039)	(6,346)	(6,612)	(7,334)
11,128	2,957	3,357	26,987	35,879	26,297	19,706	19,328	229	17,238	22,419	10,140
763,848	790,376	811,541	830,195	839,132	851,253	867,229	884,932	(27,273)	(31,949)	(31,752)	(36,026)
-	-	12,000	-	-	-	-	-	-	-	-	-
807,679	823,243	852,853	880,248	897,127	899,134	908,671	926,186	(18,083)	(21,057)	(15,945)	(33,220)
784,739	751,053	777,927	862,799	879,531	881,295	890,511	907,658	(87,595)	(20,346)	(15,196)	(32,399)
11,163	11,286	12,310	17,449	17,596	17,839	18,160	18,528	(5,270)	(711)	(719)	(791)
-	-	5,000	-	-	-	-	-	-	-	-	-
61	76	122	122	122	122	122	122	46	46	46	46
-	-	10,000	-	-	-	-	-	-	-	-	-
795,963	762,415	805,359	880,370	897,249	899,256	908,793	926,308	(92,819)	(21,011)	(15,899)	(33,174)
702,465	763,678	811,391	811,269	811,147	811,025	810,903	810,781	74,955	74,909	74,863	74,817
702,465	763,678	811,391	811,269	811,147	811,025	810,903	810,781	74,955	74,909	74,863	74,817
-	-	-	-	-	-	-	-	-	-	-	-

Appendix 4

Municipal State Aid Fund
November 2022 Forecast
Comparison to Feb. 2022 Forecast

(\$ in thousands)	November 2022 Forecast								Change from Feb. 2022			
	Close FY 2020	Close FY 2021	Close FY 2022	Budget FY 2023	Planning Est FY 2024	Planning Est FY 2025	Planning Est FY 2026	Planning Est FY 2027	Close FY 2022	Budget FY 2023	Planning Est FY 2024	Planning Est FY 2025
Balance Forward From Prior Year	183,006	149,365	182,132	248,945	248,945	248,945	248,945	248,945	-	66,690	66,690	66,690
Prior Year Adjustments	88	128	59	-	-	-	-	-	59	-	-	-
Adjusted Balance Forward	183,095	149,493	182,192	248,945	248,945	248,945	248,945	248,945	59	66,690	66,690	66,690
Net Revenue and Transfers-In :												
Other Income	2,917	823	1,188	8,875	11,711	8,669	6,573	6,452	162	6,111	7,971	4,224
Transfer From HUTD	200,642	207,610	213,170	218,070	220,417	223,601	227,797	232,448	(7,164)	(8,392)	(8,341)	(9,463)
Transfer From CSAH	-	-	5,000	-	-	-	-	-	-	-	-	-
Net Revenue and Transfers In	203,559	208,433	219,358	226,945	232,128	232,270	234,370	238,900	(7,002)	(2,281)	(370)	(5,239)
Expenditures and Transfers-Out												
Grants to Local Governments	233,976	172,406	148,845	221,306	226,351	226,465	228,521	232,950	(71,903)	(2,231)	(351)	(5,132)
MnDOT Administrative and Research	3,293	3,363	3,722	5,601	5,740	5,768	5,810	5,912	(1,744)	(64)	(32)	(121)
Transfers to Special Revenue	19	24	38	38	38	38	38	38	14	14	14	14
Total Expenditures and Transfers-Out	237,289	175,793	152,604	226,945	232,128	232,270	234,370	238,900	(73,633)	(2,281)	(370)	(5,239)
Balance before Reserves	149,365	182,132	248,945	248,945	248,945	248,945	248,945	248,945	66,690	66,690	66,690	66,690
Less Appropriation Carryforward	149,365	182,132	248,945	248,945	248,945	248,945	248,945	248,945	66,690	66,690	66,690	66,690
Ending Balance	-	-	-	-	-	-	-	-	-	-	-	-

Transit Assistance Fund
November 2022 Forecast
Comparison to Feb. 2022 Forecast

(\$ in thousands)	November 2022 Forecast								Change from Feb. 2022			
	Close FY 2020	Close FY 2021	Close FY 2022	Budget FY 2023	Planning Est FY 2024	Planning Est FY 2025	Planning Est FY 2026	Planning Est FY 2027	Close FY 2022	Budget FY 2023	Planning Est FY 2024	Planning Est FY 2025
Balance Forward from Prior Year	47,064	46,313	54,009	42,903	26,639	25,371	24,125	24,235	-	7,676	(8,139)	(7,579)
Prior Year Adjustments	5,365	2,813	7,162	-	-	-	-	-	7,162	-	-	-
Adjusted Balance Forward	52,429	49,126	61,171	42,903	26,639	25,371	24,125	24,235	7,162	7,676	(8,139)	(7,579)
Net Revenue and Transfers-In												
Metropolitan Area Transit Account	291,607	353,426	354,976	369,367	364,374	369,356	380,192	392,530	(7,044)	(18,890)	(17,620)	(19,846)
Greater Minnesota Transit Account	32,402	39,270	39,442	41,041	40,486	41,040	42,244	43,614	(783)	(2,099)	(1,958)	(2,205)
Total Motor Vehicle Sales Tax	324,009	392,696	394,418	410,408	404,860	410,396	422,436	436,144	(7,827)	(20,988)	(19,578)	(22,051)
Leased Vehicle Sales Tax	32,704	29,909	25,955	23,066	22,116	21,584	21,736	21,926	(3,039)	(6,346)	(6,612)	(7,334)
Total Net Revenue and Transfers-In	356,712	422,605	420,373	433,474	426,976	431,980	444,172	458,070	(10,866)	(27,334)	(26,190)	(29,385)
Expenditures and Transfers-Out												
Metropolitan Council	291,630	353,449	355,077	369,367	364,374	369,356	380,192	392,530	(6,943)	(18,890)	(17,620)	(19,846)
Transportation Department	71,198	64,273	83,564	80,370	63,870	63,870	63,870	63,870	(4,436)	7,370	(9,130)	(9,029)
Total Expenditures and Transfers-Out	362,828	417,722	438,641	449,737	428,244	433,226	444,062	456,400	(11,379)	(11,520)	(26,750)	(28,875)
Balance Before Reserves	46,313	54,009	42,903	26,639	25,371	24,125	24,235	25,905	7,676	(8,139)	(7,579)	(8,089)
Less Appropriation Carryforward	32,704	29,909	25,955	23,066	22,116	21,584	21,736	21,926	(3,039)	(6,346)	(6,612)	(7,334)
Less Met Council Balance	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	13,609	24,099	16,948	3,573	3,255	2,541	2,499	3,979	10,715	(1,793)	(967)	(755)
Reserved Balance	4,706	4,631	5,401	4,290	2,664	2,537	2,413	2,423	-	768	(814)	(758)
Unreserved Fund Balance	8,903	19,468	11,547	(717)	592	4	86	1,556	10,715	(2,561)	(153)	3

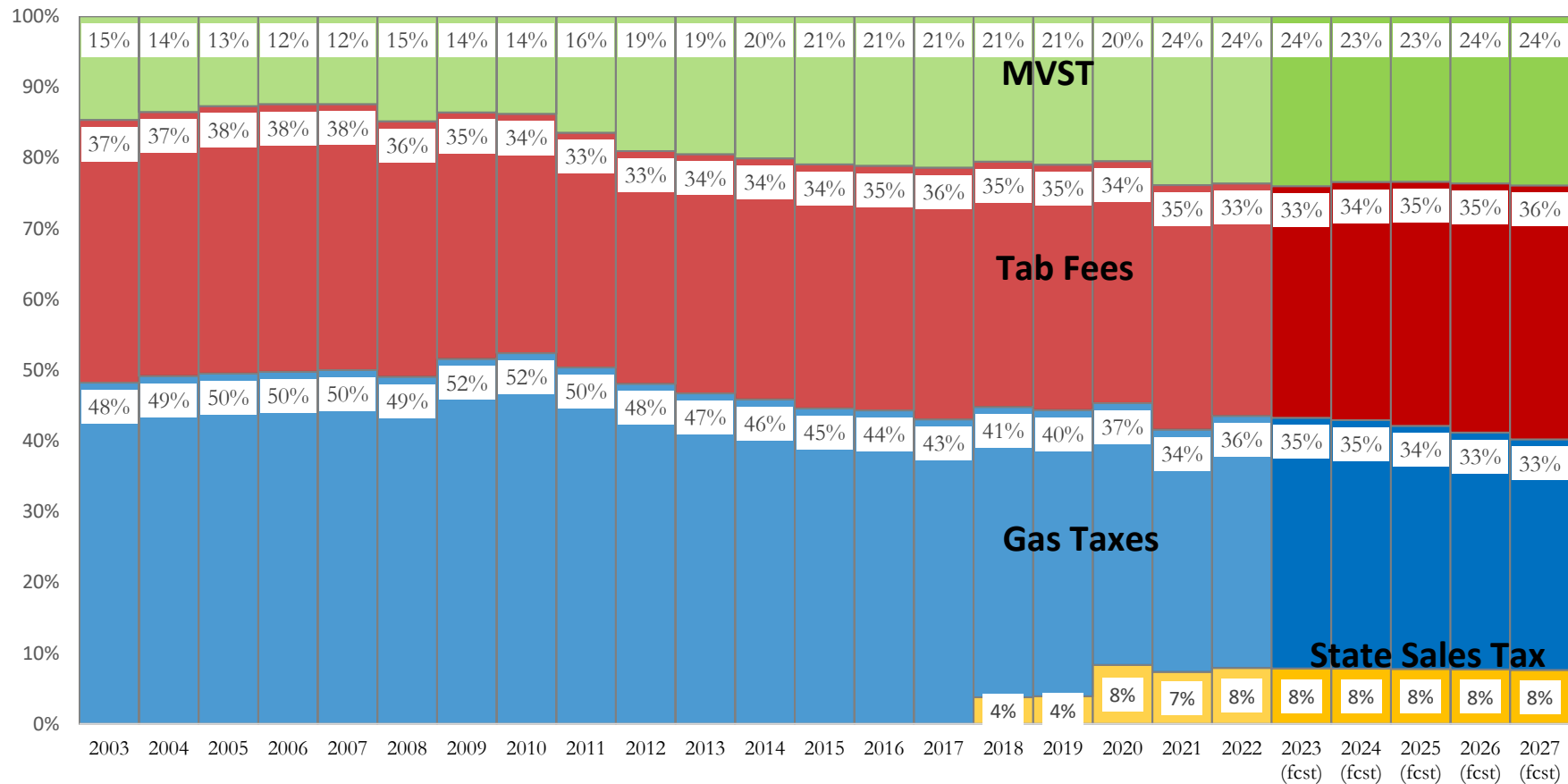
State Airports Fund
November 2022 Forecast
Comparison to Feb. 2022 Forecast

(\$ in thousands)	November 2022 Forecast								Change from Feb. 2022			
	Close FY 2020	Close FY 2021	Close FY 2022	Budget FY 2023	Planning Est FY 2024	Planning Est FY 2025	Planning Est FY 2026	Planning Est FY 2027	Close FY 2022	Budget FY 2023	Planning Est FY 2024	Planning Est FY 2025
Balance Forward from Prior Year	\$15,566	\$21,880	\$18,101	\$19,495	\$21,284	\$24,296	\$26,836	\$29,041	-	6,948	9,341	11,218
Prior Year Adjustments	3,633	3,752	3,636	500	500	500	500	500	3,136	-	-	-
Adjusted Balance Forward	19,199	25,632	21,737	19,995	21,784	24,796	27,336	29,541	3,136	6,948	9,341	11,218
Net Revenue and Transfers-In												
Transfer from General Fund	-	-	-	-	-	-	-	-	-	-	-	-
Sales Tax on Aircraft	9,906	12,330	12,806	10,000	10,000	10,000	10,000	10,000	2,806	1,000	1,000	1,000
Airline Flight Property Tax	7,025	7,008	7,004	7,000	7,000	7,000	7,000	7,000	4	-	-	-
Aircraft Registration Tax	3,573	3,866	3,382	3,600	3,600	3,600	3,600	3,600	(418)	(200)	(200)	(200)
Gasoline & Special Fuel Tax	4,467	3,090	7,092	5,000	5,000	5,000	5,000	5,000	2,092	-	-	-
Other Income	1,253	1,279	1,330	4,224	2,917	2,445	2,110	2,090	(1,826)	2,543	1,067	470
Total Net Revenue and Transfers-In	26,224	27,573	31,613	29,824	28,517	28,045	27,710	27,690	2,657	3,343	1,867	1,270
Expenditures and Transfers-Out												
Transportation Department	23,929	35,400	34,127	28,835	26,305	26,305	26,305	26,305	(1,184)	950	(9)	(9)
Transfer Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	23,929	35,400	34,127	28,835	26,305	26,305	26,305	26,305	(1,184)	950	(9)	(9)
Net Change in Loan Fund	387	296	272	300	300	300	300	300	(28)	-	-	-
Balance Before Reserves	21,880	18,101	19,495	21,284	24,296	26,836	29,041	31,226	6,948	9,341	11,218	12,496
Less Appropriation Carryforward	2,217	2,169	2,259	2,770	3,281	3,792	4,303	4,814	(308)	(356)	(445)	(534)
Ending Balance	\$17,504	\$14,160	\$15,464	\$16,742	\$20,243	\$22,272	\$23,966	\$25,640	7,257	9,698	11,663	13,031
Reserved Balance	1,080	1,697	1,586	1,397	1,271	1,271	1,271	1,271	(125)	50	-	-
Unreserved Fund Balance	16,424	12,463	13,878	15,345	18,973	21,001	22,696	24,369	7,381	9,648	11,663	13,031

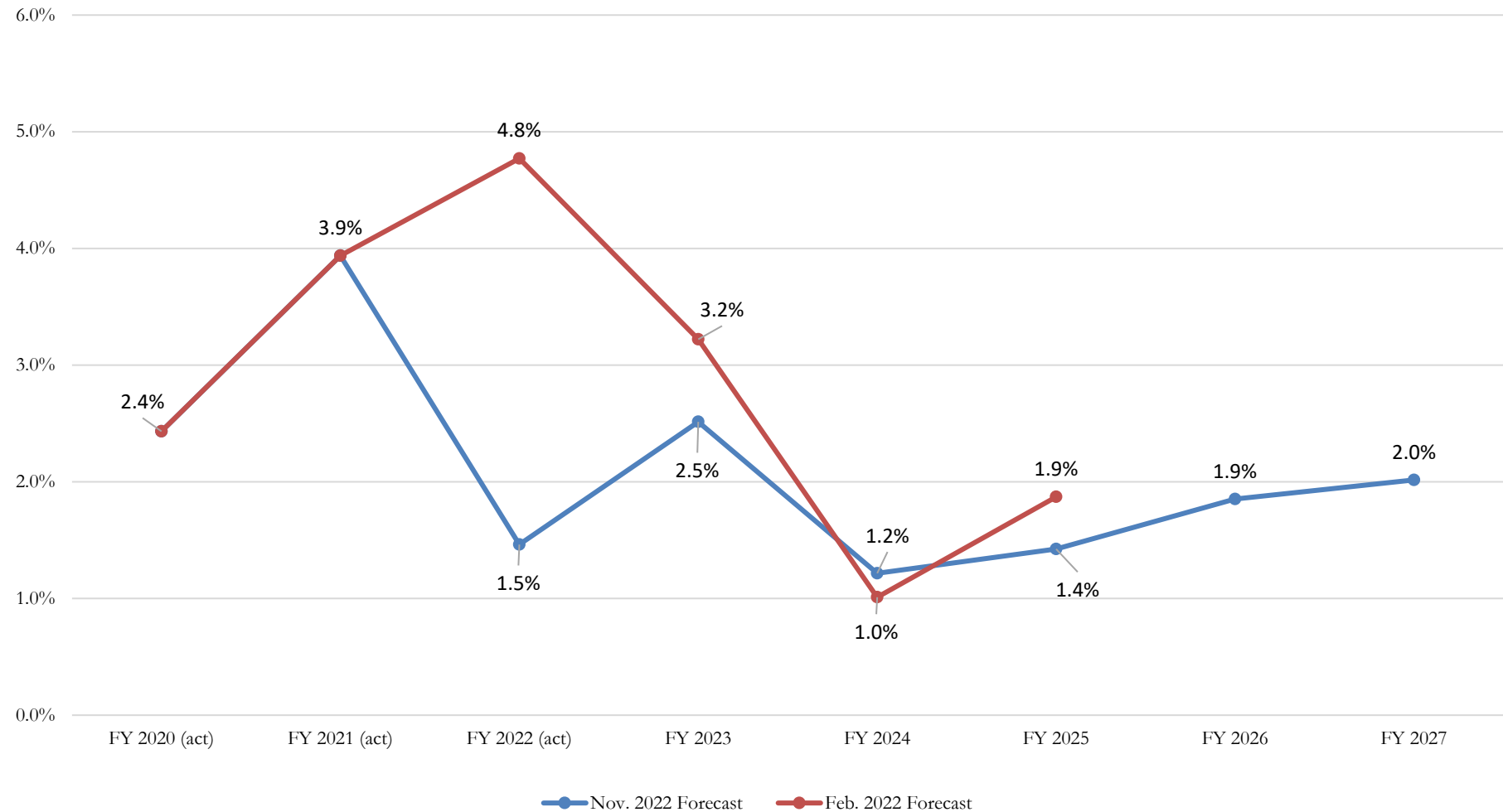
This fund statement consists of three funds: State Airports Fund, Hangar Revolving Loan Fund, and Air Transportation Services Fund.

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.

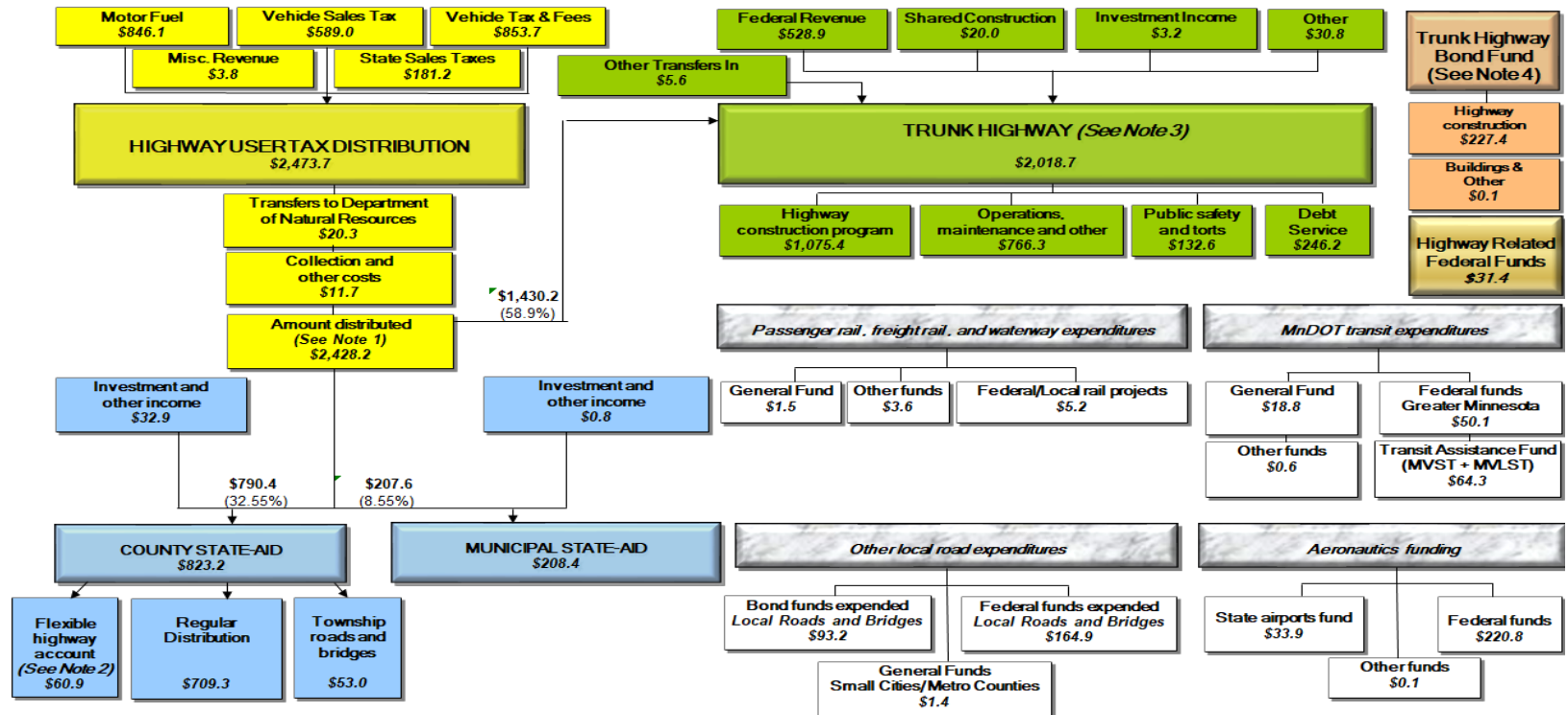
Minnesota Highway User Tax Revenue **FY 2003-2022 Actuals, 2023-2027 Based on Nov. 2022 Forecast** **% of Total Revenues**



Year-over-Year Growth Rates
HUTD Revenues
Nov. 2022 vs Feb. 2022 Forecast



STATE OF MINNESOTA
REVENUE AND EXPENDITURES FOR TRANSPORTATION PURPOSES
ALL SOURCES OF FUNDS THAT FLOW THROUGH MnDOT (\$ MILLIONS)*
 FY 2021 (BUDGETARY BASIS)



Note 1 - Net revenues \$2,440.4 plus \$12.0 balance forward less \$24.3 to fund balance = \$2,428.2 distributed

Note 2 - County turnback = \$62.8, municipal turnback = \$0, TH turnback = \$0

Note 3 - Net Revenues \$2,018.7 plus 201.8 to fund balance = \$2,220.5 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, 2022

*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.