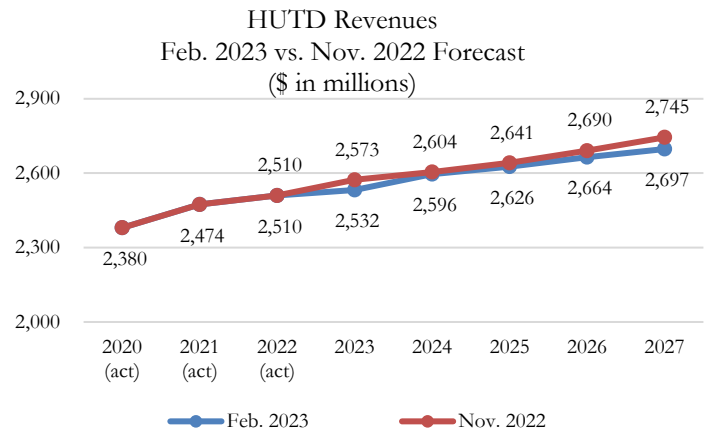


Forecast Highlights

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

Revenues are projected to be lower in the current FY 2022-23 biennium compared to the November 2022 forecast, decreasing by -\$41 million (-0.8 percent). In the FY 2024-25 biennium, revenues are projected to decrease -\$23 million (-0.4 percent) compared to November 2022 estimates.



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

Revenue Source	Feb. '23	Nov. '22	\$ Change	% Change
Gas Tax	898	909	(11)	-1.2%
Tab Fees	825	840	(15)	-1.7%
MVST	598	616	(18)	-2.9%
Interest/Other	8.3	7.2	1	14.6%
State Sales Tax	196	194	2	0.9%
MVLST	5.9	6.7	(1)	-11.4%
Total	2,532	2,573	(41)	-1.6%

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

Gas tax is down -\$11 million (-1.2 percent), registration tax is down -\$15 million (-1.7 percent), and motor vehicle sales tax is down -\$18 million (-2.9 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. The Act 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

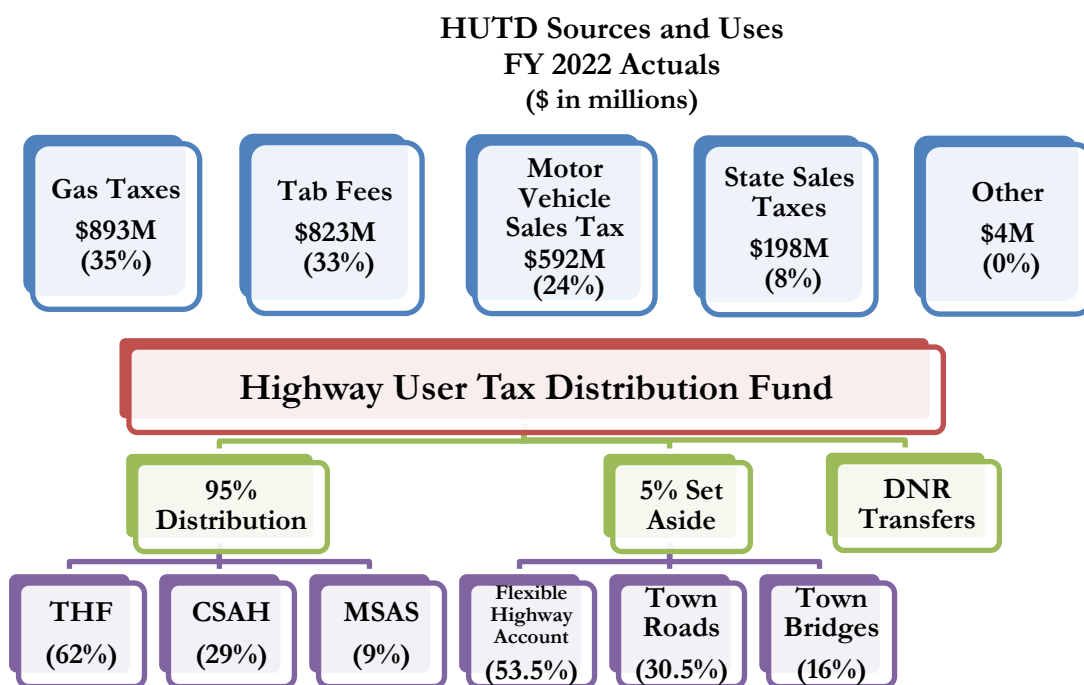
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Introduction to Transportation Funding

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. **All comparisons made in this forecast reflect the difference from the November 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 that use public streets and highways. The current passenger motor vehicle registration tax policy was instituted in 2008, wherein vehicles are taxed \$10 plus 1.285 percent (which increased from 1.25 percent in 2020) of the vehicle's value. This tax depreciates over time through the tenth 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:

- No more than 60 percent must be deposited in the HUTD Fund.
- No 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: The 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 from the short-term motor vehicle rental tax under Minn. Stat. 297A.64 (9.2 percent) and from the general sales tax for 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 include 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 on the funds' cash balances.

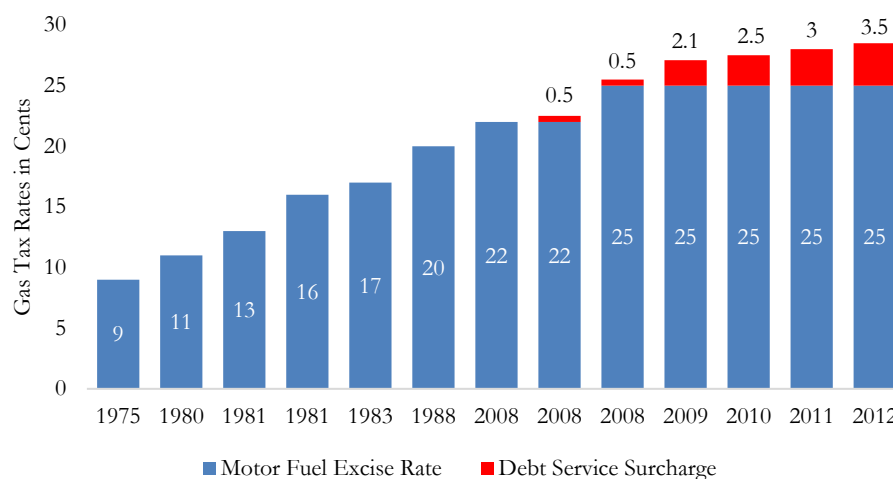
Legal Citation – Quick Reference Guide	
Motor Fuel Tax	<ul style="list-style-type: none"> • Article XIV of the Minnesota Constitution • Minn. Stat. 296A - Tax on petroleum and other fuels • Minn. Stat. 296A.083 - Debt service surcharge
Vehicle Registration Tax	<ul style="list-style-type: none"> • Article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

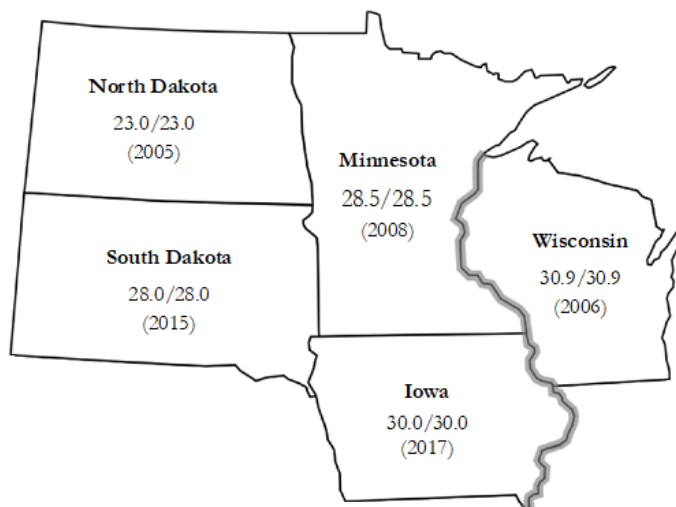


The map below highlights Minnesota's gas tax rates and compares them with those in the surrounding states:

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

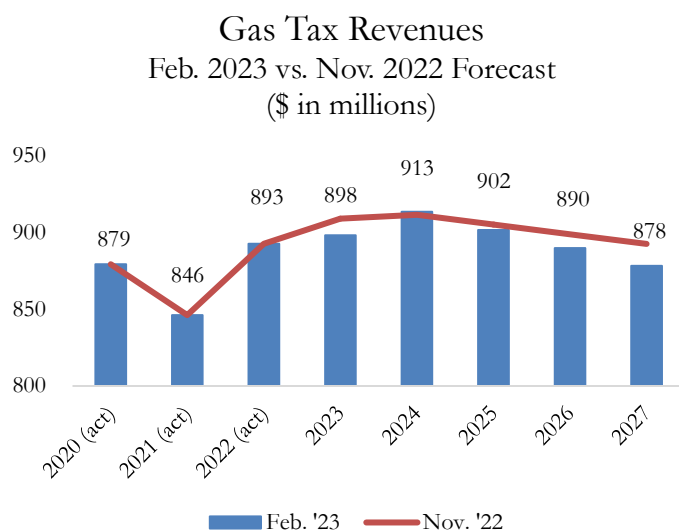
The outlook for fuel consumption is affected by vehicle miles traveled (VMT) and the fuel efficiency of vehicles, which are impacted by:

- 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 most current IHS forecast, from February 2023, projects a modest increase in fuel consumption in FY 2023 and FY 2024, 0.6 percent and 1.7 percent respectively. The rate decreases on average by approximately -1.3 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 through FY 2023 and FY 2024 before it begins to decrease by approximately -1 percent each year thereafter.



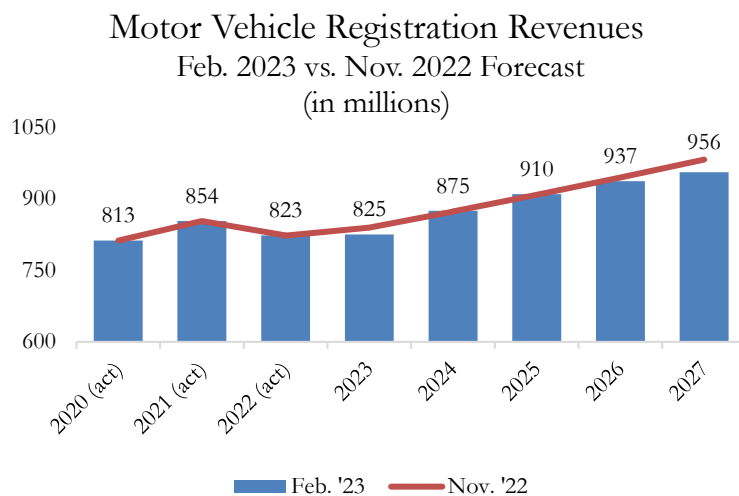
Gas Tax Revenues (\$ in millions)				
FY	Feb. '23	Nov. '22	\$ Change	% Change
2020 (act)	879	879	-	0.0%
2021 (act)	846	846	-	0.0%
2022 (act)	893	893	-	0.0%
2023	898	909	(10.8)	-1.2%
2024	913	911	1.9	0.2%
2025	902	905	(3.6)	-0.4%
2026	890	899	(9.0)	-1.0%
2027	878	892	(14.2)	-1.6%

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 February 2023. Revenue collected thus far in FY 2023 is currently well below forecasted amounts and as a result revenue has decreased in the current fiscal year compared to the November 2022 forecast. Thereafter, revenue is projected to grow approximately 4 percent per year on average over the remaining forecast period. However, below forecast actual revenues in FY 2023 results in reduced revenue when compared to November 2022 fund statements.

The current forecast of revenues is shown below:

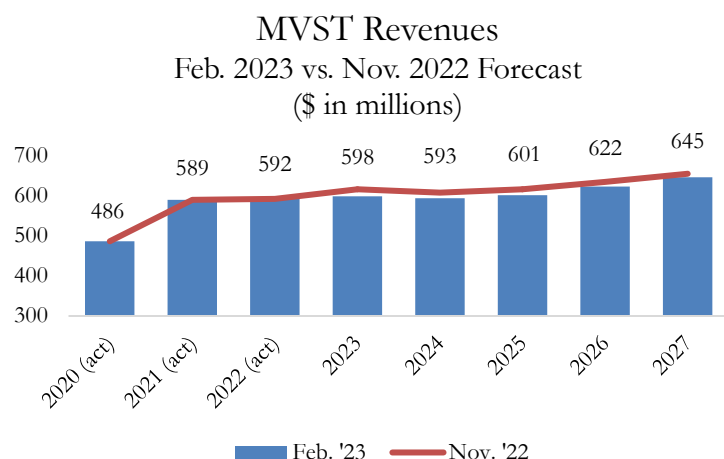


Motor Vehicle Registration Revenues (\$ in millions)				
FY	Feb. '23	Nov. '22	\$ Change	% Change
2020 (act)	813	813	-	0.0%
2021 (act)	854	854	-	0.0%
2022 (act)	823	823	-	0.0%
2023	825	840	(14.6)	-1.7%
2024	875	874	1.3	0.2%
2025	910	909	1.4	0.2%
2026	937	945	(7.6)	-0.8%
2027	956	983	(26.7)	-2.7%

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

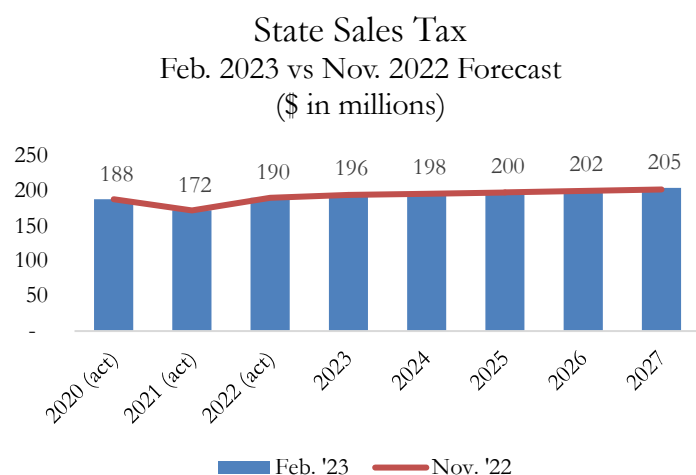


MVST Revenues (\$ in millions)				
FY	Feb. '23	Nov. '22	\$ Change	% Change
2020 (act)	486	486	-	0.0%
2021 (act)	589	589	-	0.0%
2022 (act)	592	592	-	0.0%
2023	598	616	(17.7)	-2.9%
2024	593	607	(14.3)	-2.3%
2025	601	616	(15.1)	-2.4%
2026	622	634	(11.6)	-1.8%
2027	645	654	(8.8)	-1.3%

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 November 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:



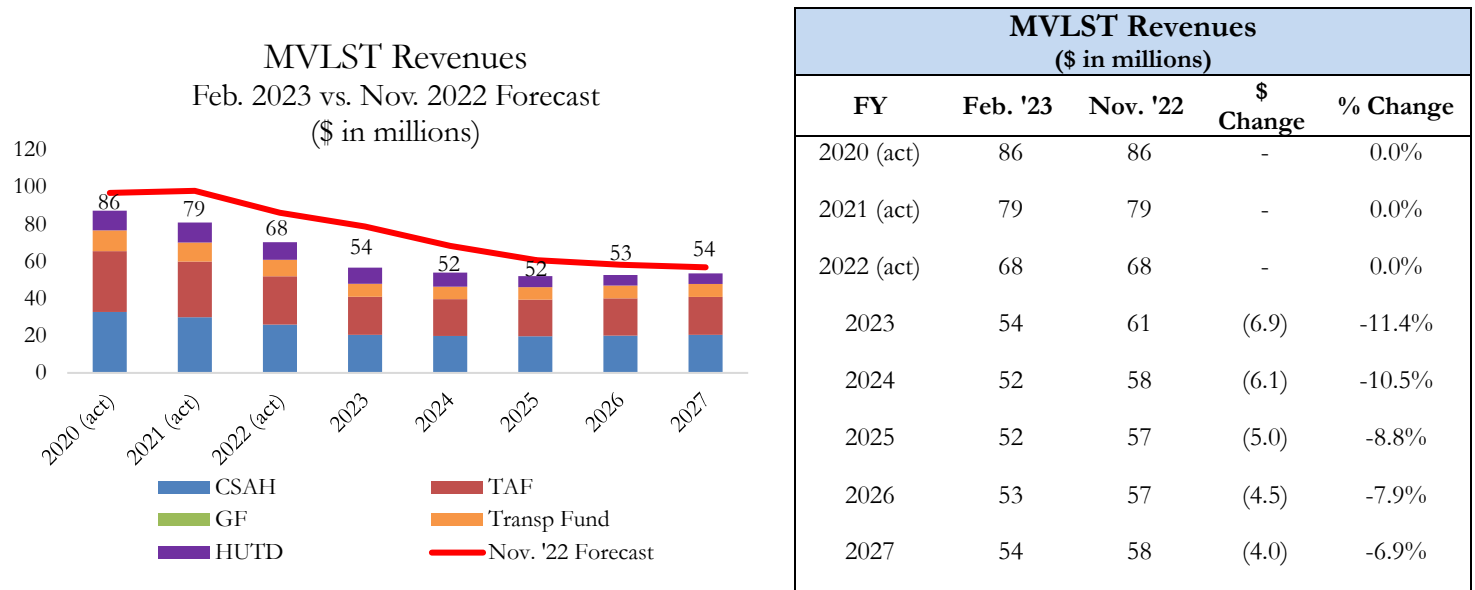
State Sales Taxes (\$ in millions)				
FY	Feb. '23	Nov. '22	\$ Change	% Change
2020 (act)	188	188	-	0.0%
2021 (act)	172	172	-	0.0%
2022 (act)	190	190	-	0.0%
2023	196	194	1.7	0.9%
2024	198	196	1.8	0.9%
2025	200	198	2.1	1.0%
2026	202	200	2.2	1.1%
2027	205	202	2.3	1.1%

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 the DOR. The forecast is anticipated to decrease compared to the November 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 (for Local Bridge Program)
- 11 percent to the HUTD Fund (for Trunk Highway Fund, CSAH and, MSAS)

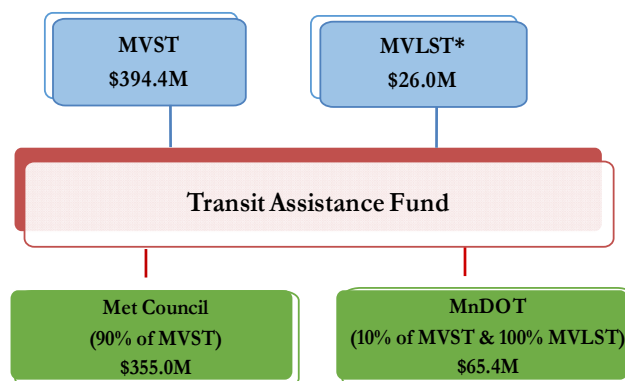
The current forecast of revenues is shown below:



Transit Assistance Fund Revenue

The TAF receives revenue from MVST and MVLST. The MVST appropriation must constitute at least 40 percent of the total revenue according to the Minnesota Constitution. The appropriation 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.

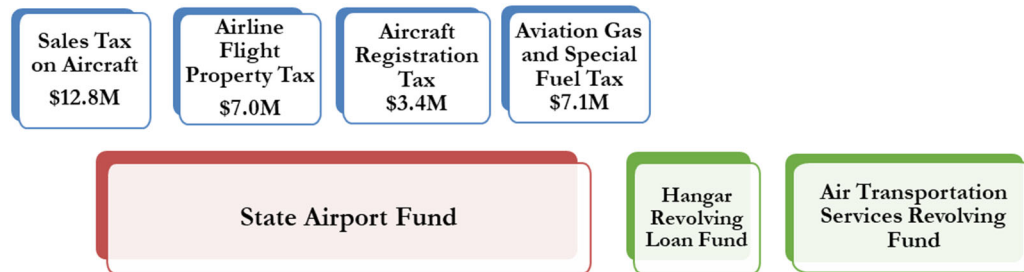
State Airports Revenue

Three funds make up the total consolidated SAF:

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

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

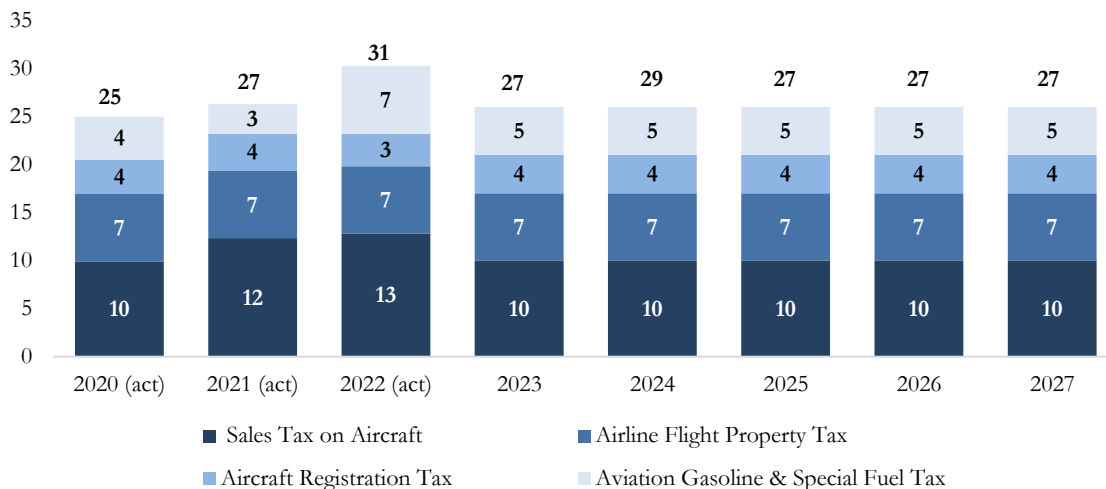
State Airports Sources of Revenue FY 2022



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 forecasts for sales tax on aircraft and registration taxes are both based primarily on prior history but have varied significantly by year. Aviation fuel tax is not anticipated to change compared to the November 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:

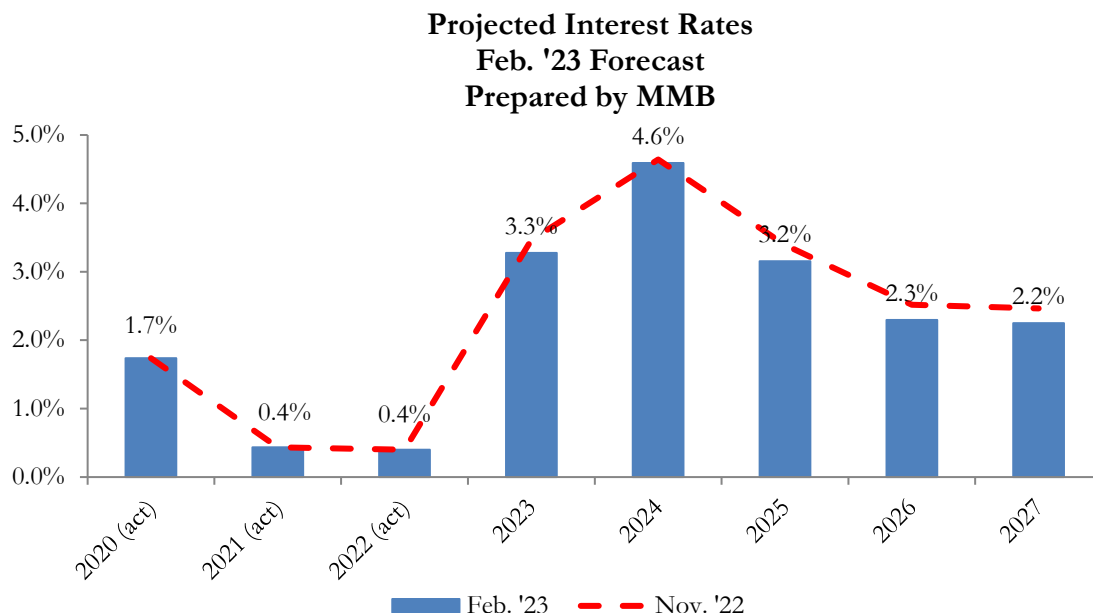
Primary State Airports Fund Revenues (\$ in millions)



Investment Income

All the transportation funds discussed in this document, except for the TAF, accrue investment income on cash balances in the fund. The amount of forecasted 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 3.3 percent in FY 2023 and are projected to grow greater than 4.6 percent in the forecast period. The interest rates in future years have decreased by less than a half percent compared to the November 2022 forecast. As a result, interest income in all funds is expected to decrease slightly compared to the previous forecast.



Fund Statements

Transfers from HUTD Fund

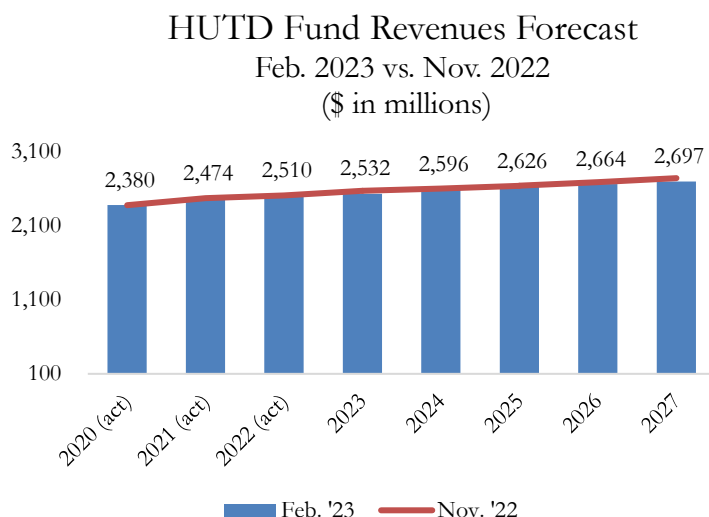
The HUTD Fund receives revenues from the three sources dedicated to highways and transit (gas tax, tab fees, and the MVST), as well as several minor sources of revenue. Except for the 40 percent of the MVST dedicated to public transit, revenues from these three taxes are deposited into the HUTD Fund.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

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

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

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

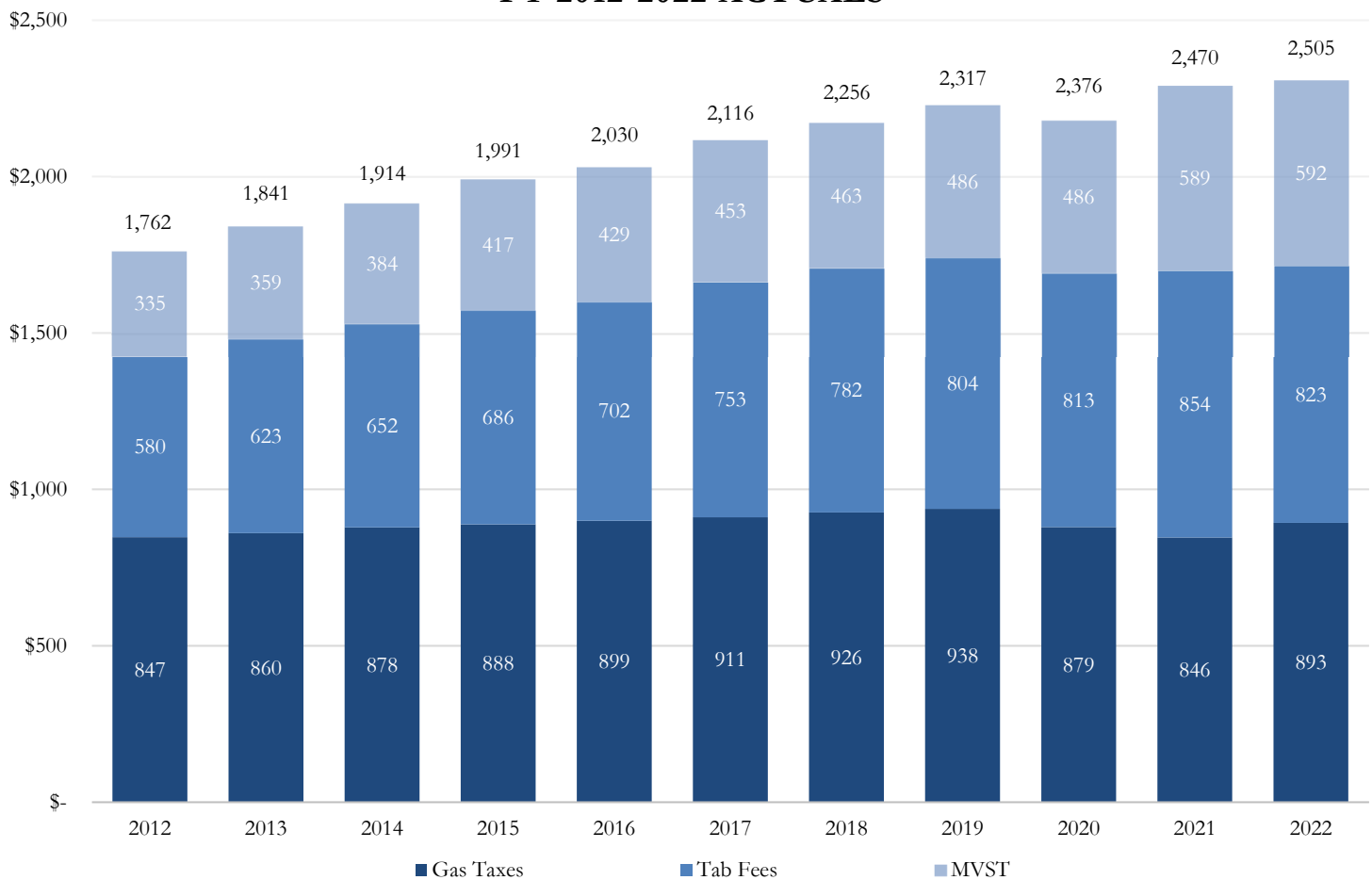
The current forecast is shown below:



HUTD Fund Revenues (\$ in millions)				
FY	Feb. '23	Nov. '22	\$ Change	% Change
2020 (act)	2,380	2,380	-	0.0%
2021 (act)	2,474	2,474	-	0.0%
2022 (act)	2,510	2,510	-	0.0%
2023	2,532	2,573	(41.1)	-1.6%
2024	2,596	2,604	(8.3)	-0.3%
2025	2,626	2,641	(15.1)	-0.6%
2026	2,664	2,690	(26.0)	-1.0%
2027	2,697	2,745	(47.4)	-1.7%

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 as a percentage of total revenue have decreased while tab fees and the MVST as a percentage of total revenue have increased.

MINNESOTA HIGHWAY USER TAX REVENUE (3 PRIMARY SOURCES) FY 2012-2022 ACTUALS



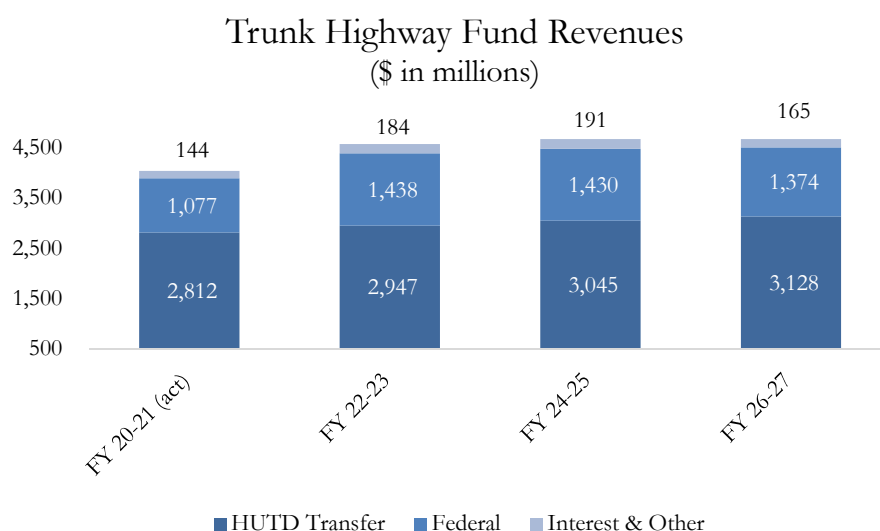
Trunk Highway Fund

The TH Fund receives both 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.

This forecast now includes estimated impacts related to the new federal bill in the current biennium. The necessary budget authority was increased by \$315.5 million in FY 2023 in Laws of 2023, Ch. 6. MnDOT anticipates the appropriate budget authority will also be approved for FY 2024-25 as part of a required biennial budget and included in future years' forecasts of federal revenue.

In addition to federal funds, the TH Fund receives revenues and transfers from several other smaller sources. For FY 2023-27, 68 percent of resources are transfers from the HUTD Fund, 28 percent of resources are federal aid agreements, and 4 percent of resources come from other sources such as investment income.

The current forecast, by biennium, is shown below:

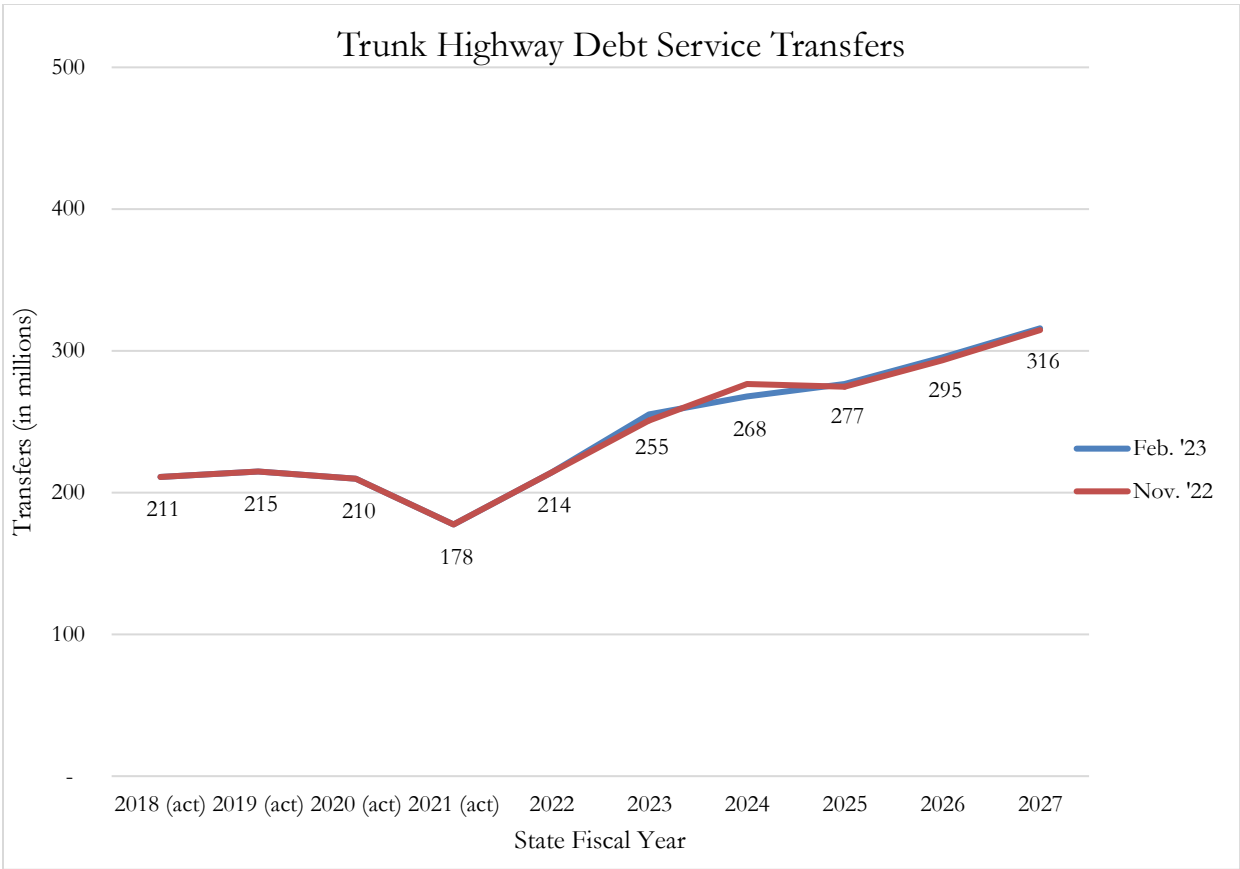


Debt Service – Trunk Highway Fund

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

Due to future bond sale interest rates decreasing, debt service estimates decrease over the forecast period, compared to the November 2022 forecast. The graph below depicts actual and forecasted debt service transfer amounts by year, compared to the November 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. Debt service 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; Transportation Revolving Loan Fund (TRLF) repayments in accordance with Minn. Stat. 161.04, subdivision 4; and the federal Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) loan payments authorized under Minnesota Statutes, Section 174.525. The combined projected annual spending for TRLF and LGA is \$3 million. The Legislature authorized MnDOT to pursue a TIFIA loan for a specific project on Trunk Highway 14 in Nicollet County costing approximately \$48 million. MnDOT applied for and received the loan, and the debt obligation is repaid through oversize and overweight transportation permit fee revenues, projected at \$4.3 million annually.

The table below shows the estimated debt service costs from the TH Fund, which range from nearly 14 percent in the most recent FY 2022 to 19.1 percent in FY 2027.

³ Developed to comply with Minn. Stat. 167.60

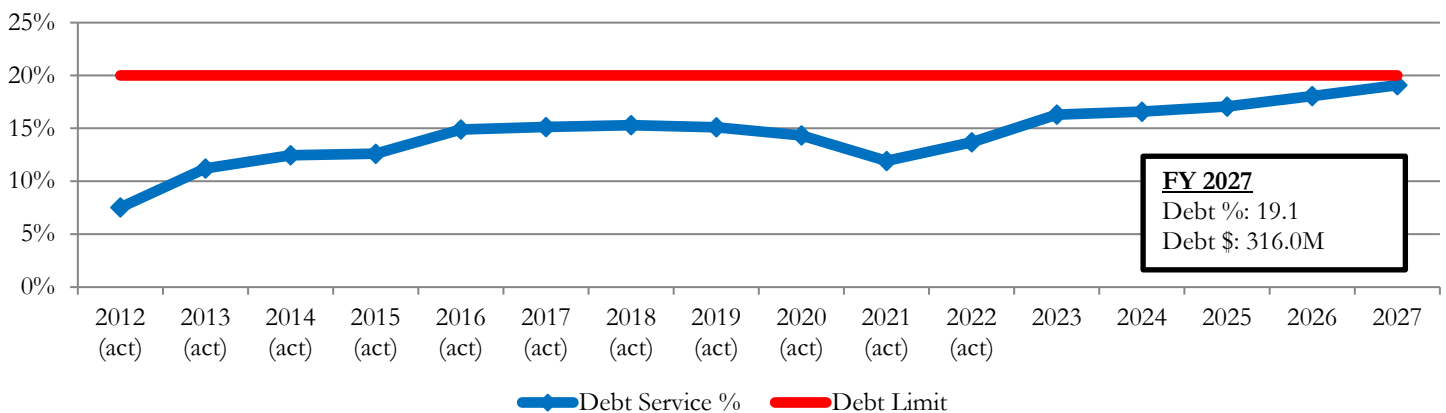
Debt Management Policy (\$ in millions)

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	255.2	16.3%	58,057
2024	267.7	16.6%	55,276
2025	276.6	17.1%	47,622
2026	295.4	18.0%	31,961
2027	316.0	19.1%	15,228

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

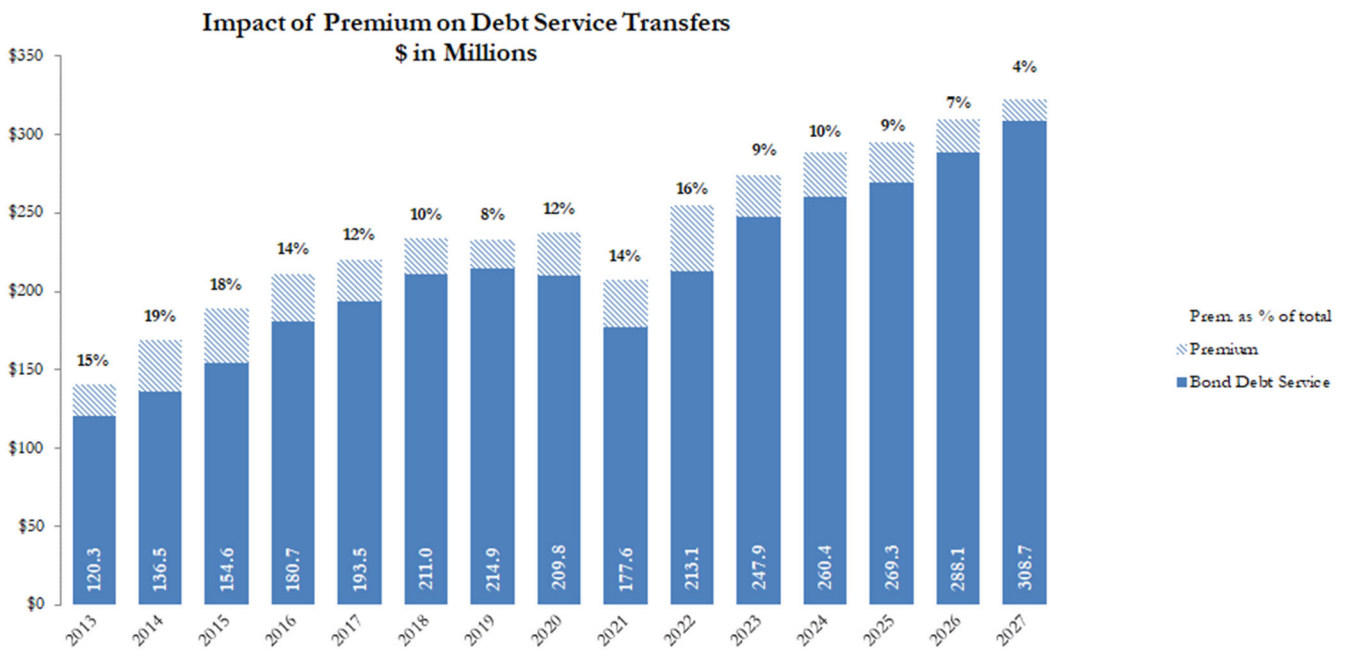
(2) Represents amount of additional debt service to reach 20 percent limit – a general guideline is to multiply this amount by 10 for an estimate of the additional bond capacity e.g., \$15.2M x 10 = \$152M in additional bond capacity.

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 variations. The Fund balance has benefited the past several years from historically low interest rates. 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

Feb '23 vs. Nov '22

(\$ in millions)

	FY22-23	FY24-25	FY26-27
Transfers from HUTD	(24.0)	(13.7)	(42.8)
Federal Aid Agreements	315.5	-	-
Interest	(2.3)	(4.0)	(4.5)
Other Revenues and Transfers	-	-	-
Prior Year Adjustments	18.0	-	-
Total Revenue and Transfer Impact	307.2	(17.7)	(47.3)
Transportation Expenditures	316.9	-	(6.2)
Other Agencies	-	-	-
Transfers Out	-	-	-
Debt Service Transfer	-	(15.6)	(5.3)
Total Expenditure and Transfer Impact	316.9	(15.6)	(11.5)
Fund Balance Change	(9.7)	(2.1)	(35.9)
Total Cumulative Change	(9.7)	(11.8)	(47.6)
Feb. '23 Forecast	189.9	499.2	748.4
Nov '22 Forecast	199.6	510.9	796.0
Change	(9.7)	(11.8)	(47.6)
<i>Reserved Fund Balance (Feb '23)</i>	<i>112.4</i>	<i>107.5</i>	<i>100.5</i>
<i>Unreserved Fund Balance (Feb '23)</i>	<i>77.5</i>	<i>391.7</i>	<i>647.9</i>
<i>Unreserved net of additional federal funds</i>	<i>77.5</i>	<i>62.0</i>	<i>44.2</i>

County State Aid Highway (CSAH) Fund

The CSAH Fund receives transfers from the HUTD Fund as well as revenues from investment income and the MVLST. Minnesota Statutes, Chapter 162 provides the criteria by which funds are allocated to statutory accounts in 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 the 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.

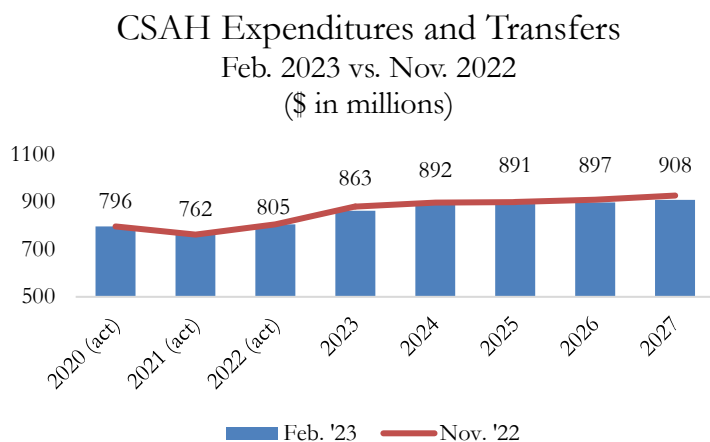
These allocations include the five percent set-aside portion of the total revenues from the HUTD Fund. The Constitution allows the Legislature to allocate this five percent in a manner different from the constitutional formula (62 percent to the TH Fund, 29 percent to the CSAH Fund, and nine percent 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. The totals shown below include any transfers authorized by the current appropriation law.

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=28763500), issued on a calendar year basis, and allocates the funds each year based on revenue estimates in the preceding November forecast. The result is an increase or decrease to the direct appropriation amount each year after the Commissioner’s Order is executed in January.

CSAH Expenditure Forecast

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

The current forecast is shown below:



CSAH Expenditures and Transfers (\$ in millions)				
FY	Feb. '23	Nov. '22	\$ Change	% Change
2020 (act)	796	796	-	0.0%
2021 (act)	762	762	-	0.0%
2022 (act)	805	805	-	0.0%
2023	863	880	(17.8)	-2.0%
2024	892	897	(5.4)	-0.6%
2025	891	899	(8.5)	-0.9%
2026	897	909	(11.7)	-1.3%
2027	908	926	(18.4)	-2.0%

Municipal State Aid Street (MSAS) Fund

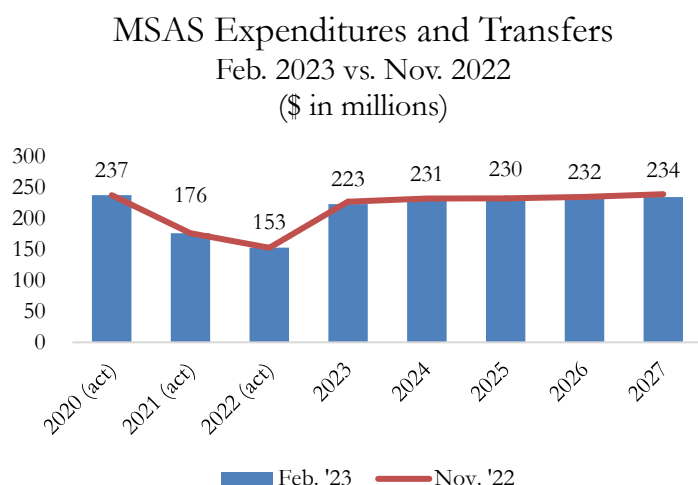
The MSAS Fund receives transfers from the HUTD Fund, authorized transfers from the CSAH Fund and revenues from investment income. Minnesota Statutes, Chapter 162 provides the criteria by which funds are allocated to statutory accounts within the MSAS Fund and to each of the Minnesota State Aid cities 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=28763500) allocates the funds based on revenue estimates in the preceding November forecast each year. The result is an increase or decrease to the direct appropriation amount each year after the Commissioner's Order is executed in January.

MSAS Expenditure Forecast

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

The current forecast is shown below:

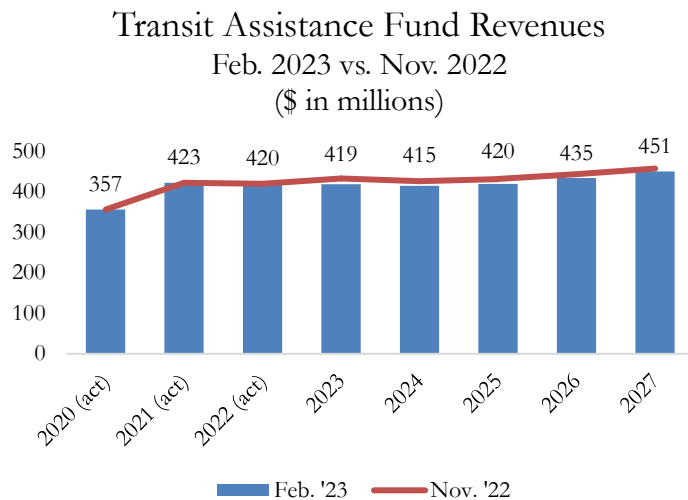


MSAS Expenditures and Transfers (\$ in millions)				
FY	Feb. '23	Nov. '22	\$ Change	% Change
2020 (act)	237	237	-	0.0%
2021 (act)	176	176	-	0.0%
2022 (act)	153	153	-	0.0%
2023	223	227	(4.1)	-1.8%
2024	231	232	(0.9)	-0.4%
2025	230	232	(1.9)	-0.8%
2026	232	234	(2.7)	-1.2%
2027	234	239	(4.6)	-1.9%

Transit Assistance Fund (TAF)

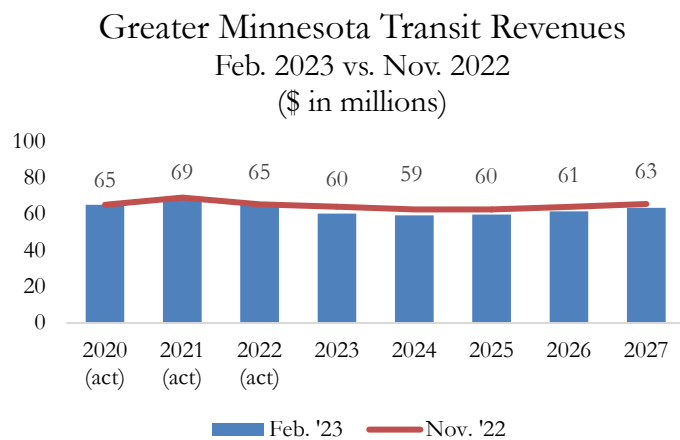
Beginning in FY 2018, 38 percent of MVLST revenue is allocated to the TAF – Greater Minnesota Transit account. In previous years, half of the MVLST revenues (net of \$32 million that remained in the General Fund) were allocated to the TAF. The Fund also receives 40 percent of MVST revenues.

The total estimated revenues for the TAF are shown below:



Transit Assistance Fund Revenues (\$ in millions)				
FY	Feb. '23	Nov. '22	\$ Change	% Change
2020 (act)	357	357	-	0.0%
2021 (act)	423	423	-	0.0%
2022 (act)	420	420	-	0.0%
2023	419	433	(14.4)	-3.3%
2024	415	427	(11.8)	-2.8%
2025	420	432	(11.9)	-2.8%
2026	435	444	(9.5)	-2.1%
2027	451	458	(7.4)	-1.6%

Of total revenues, the estimated revenues for the Greater Minnesota portion of the TAF are shown below:



Greater Minnesota Transit Revenues (\$ in millions)				
FY	Feb. '23	Nov. '22	\$ Change	% Change
2020 (act)	65	65	-	0.0%
2021 (act)	69	69	-	0.0%
2022 (act)	65	65	-	0.0%
2023	60	64	(3.8)	-5.9%
2024	59	63	(3.3)	-5.2%
2025	60	63	(2.9)	-4.6%
2026	61	64	(2.5)	-3.9%
2027	63	66	(2.1)	-3.2%

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. Because revenue is not transferred until the following fiscal year, the amount estimated for the MVLST for the current year is shown as an appropriation carryforward into the next year.

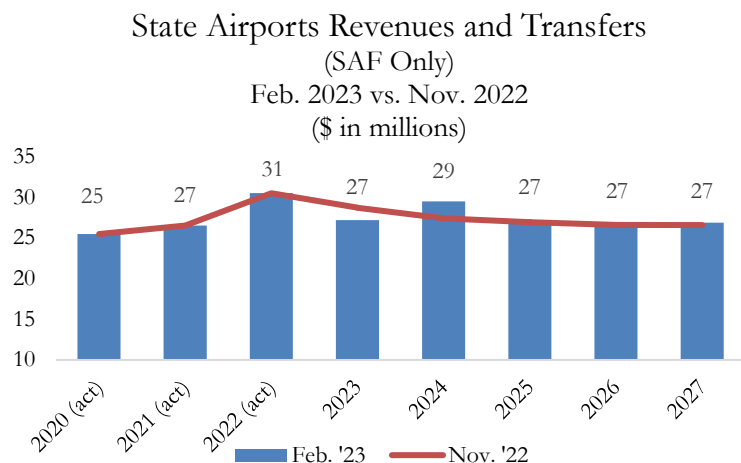
Account Balance Policy

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 administration, operations, airport development and assistance grants, and aeronautic planning.

The total estimated revenues and transfers for the SAF are shown below (note these amounts reflect only the State Airports Fund, and do not include the activity in the two revolving funds):



State Airports Fund Revenues and Transfers (\$ in millions)				
FY	Feb. '23	Nov. '22	\$ Change	% Change
2020 (act)	25	25	-	0.0%
2021 (act)	27	27	-	0.0%
2022 (act)	31	31	-	0.0%
2023	27	29	(1.5)	-5.3%
2024	29	27	2.1	7.6%
2025	27	27	0.3	0.9%
2026	27	27	0.3	1.0%
2027	27	27	0.3	1.1%

Fund Balance Policy

The 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 (excluding 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 complies with this policy and projects both a significant one-time surplus of \$13.8 million in FY 2023 and an additional ongoing average surplus in FY 2024 and beyond of about \$3.0 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
Policy Links:	<u>Policy Links</u>

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Appendix 1

Highway User Tax Distribution Fund
February 2023 Forecast
Comparison to Nov. 2022 Forecast

(\$ in thousands)	February 2023 Forecast								Change from Nov. 2022				
	Close FY 2020	Close FY 2021	Close FY 2022	Budget FY 2023	Budget FY 2024	Budget FY 2025	Planning Est FY 2026	Planning Est FY 2027	Budget FY 2023	Budget FY 2024	Budget FY 2025	Planning Est FY 2026	Planning Est FY 2027
Balance Forward from Prior Year	11,932	10,674	24,338	15,897	12,000	12,000	11,999	12,000	-	92	92	91	92
Prior Year Adjustments	87	91	255	-	-	-	-	-	-	-	-	-	-
Adjusted Balance Forward	12,019	10,765	24,593	15,897	12,000	12,000	11,999	12,000	-	92	92	91	92
Net Revenue and Transfers-In													
Motor Fuel Excise Tax	879,237	846,125	892,597	898,144	913,412	901,538	889,818	878,250	(10,841)	1,927	(3,567)	(8,951)	(14,227)
Motor Vehicle Registration Tax	812,605	853,657	823,287	825,466	874,994	909,994	937,294	956,039	(14,580)	1,346	1,400	(7,644)	(26,696)
Motor Vehicle Sales Tax	486,031	589,043	591,627	597,954	593,040	600,534	622,014	645,426	(17,658)	(14,250)	(15,060)	(11,640)	(8,790)
Sales Tax on Auto Parts	145,644	145,644	145,644	145,644	145,644	145,644	145,644	145,644	-	-	-	-	-
Motor Vehicle Rental Tax (9.2%)	24,952	15,735	26,244	29,624	30,630	31,916	33,242	34,564	1,004	1,046	1,206	1,300	1,325
Motor Vehicle Rental Tax (6.5%)	17,629	11,117	18,542	20,930	21,640	22,549	23,486	24,420	709	738	852	918	936
Leased Vehicle Sales Tax	9,467	8,658	7,513	5,918	5,731	5,698	5,797	5,907	(759)	(671)	(550)	(495)	(440)
Other Income	4,452	3,763	4,463	8,265	10,883	8,438	6,978	6,897	1,054	1,531	644	475	500
Total Net Revenue and Transfers-In	2,380,017	2,473,743	2,509,917	2,531,944	2,595,974	2,626,311	2,664,272	2,697,148	(41,073)	(8,333)	(15,075)	(26,037)	(47,392)
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	-	-	-	-	-
Transfers--DNR	23,066	20,317	21,397	22,454	22,835	22,539	22,246	21,956	(271)	48	(88)	(224)	(356)
Transfers--5% Set-Aside	117,335	121,410	124,661	125,486	128,485	130,016	131,929	133,587	(2,040)	(414)	(745)	(1,286)	(2,347)
Transfers--County State-Aid Highway	646,513	668,967	686,880	691,428	707,950	716,389	726,927	736,065	(11,241)	(2,283)	(4,103)	(7,087)	(12,933)
Transfers--Municipal State-Aid Highway	200,642	207,610	213,170	214,581	219,708	222,328	225,598	228,434	(3,489)	(709)	(1,273)	(2,199)	(4,014)
Transfers--Trunk Highway	1,382,200	1,430,204	1,468,502	1,478,225	1,513,547	1,531,590	1,554,121	1,573,657	(24,032)	(4,882)	(8,773)	(15,151)	(27,650)
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	2,381,363	2,460,170	2,518,613	2,535,842	2,595,975	2,626,312	2,664,271	2,697,149	(41,073)	(8,240)	(14,982)	(25,947)	(47,300)
Ending Balance	10,674	24,338	15,897	12,000	12,000	11,999	12,000	12,000	0	(0)	(1)	0	0

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

Trunk Highway Fund
February 2023 Forecast
Comparison to Nov. 2022 Forecast

(\$ in thousands)	February 2023 Forecast								Change from Nov. 2022				
	Close FY 2020	Close FY 2021	Close FY 2022	Budget FY 2023	Budget FY 2024	Budget FY 2025	Planning Est FY 2026	Planning Est FY 2027	Budget FY 2023	Budget FY 2024	Budget FY 2025	Planning Est FY 2026	Planning Est FY 2027
Balance Forward from Prior Year	424,314	491,015	335,408	327,279	189,915	361,506	499,170	624,391	(31,972)	(9,689)	(2,497)	(11,756)	(23,844)
Prior Year Adjustments	27,739	46,061	102,909	90,000	40,000	40,000	40,000	40,000	50,000	-	-	-	-
Adjusted Balance Forward	452,052	537,076	438,317	417,279	229,915	401,506	539,170	664,391	18,028	(9,689)	(2,497)	(11,756)	(23,844)
Net Revenue and Transfers-In													
Transfer from HUTD	1,382,200	1,430,204	1,468,502	1,478,225	1,513,547	1,531,590	1,554,121	1,573,657	(24,032)	(4,882)	(8,773)	(15,151)	(27,650)
Federal Aid Agreements	547,643	528,939	489,069	949,007	730,398	699,230	686,998	686,998	315,500	-	-	-	-
Other Income and Transfers-In	84,713	59,553	96,362	88,099	101,571	89,581	82,496	82,345	(2,288)	(1,138)	(2,876)	(2,317)	(2,186)
Total Net Revenue and Transfers-In	2,014,556	2,018,697	2,053,933	2,515,331	2,345,516	2,320,401	2,323,615	2,343,000	289,180	(6,020)	(11,649)	(17,468)	(29,836)
Expenditures and Transfers-Out													
Transportation Department	1,652,140	1,841,885	1,808,212	2,328,404	1,804,502	1,804,451	1,801,356	1,801,364	316,896	-	-	(3,095)	(3,087)
Public Safety and Other Depts.	113,632	132,427	139,696	162,083	144,675	144,675	144,675	144,675	-	-	-	-	-
Transfers-Out and Other	-	68,589	3,925	4,300	4,300	4,300	4,300	4,300	-	-	-	-	-
Debt Service	209,821	177,571	213,138	247,908	260,448	269,312	288,063	308,672	-	(13,212)	(2,390)	(2,284)	(2,984)
Total Expenditures and Transfers-Out	1,975,594	2,220,472	2,164,971	2,742,695	2,213,925	2,222,738	2,238,394	2,259,011	316,896	(13,212)	(2,390)	(5,379)	(6,071)
Balance Before Reserves	491,015	335,301	327,279	189,915	361,506	499,170	624,391	748,380	(9,689)	(2,497)	(11,756)	(23,844)	(47,610)
Less Appropriation Carryforward	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	491,015	335,301	327,279	189,915	361,506	499,170	624,391	748,380	(9,689)	(2,497)	(11,756)	(23,844)	(47,610)
Reserved Fund Balance per Policy	105,141	101,417	116,773	112,437	111,966	107,509	102,833	100,506	4,673	6,504	5,149	2,445	(645)
Unreserved Fund Balance per Policy	385,874	233,883	210,506	77,478	249,540	391,661	521,558	647,875	(14,362)	(9,001)	(16,905)	(26,290)	(46,965)
Debt Service Percentage Compared to State Revenue	14.3%	11.9%	13.5%	16.5%	17.8%	18.3%	18.3%	18.3%	0.0%	0.0%	0.0%	0.0%	0.0%

Reserved Fund Balance reflects reserved amounts to mitigate risk from state revenue fluctuations, federal funding uncertainty, severe winters, etc.

Unreserved Fund Balance reflects amounts available to be appropriated for specific purposes

County State Aid Fund
February 2023 Forecast
Comparison to Nov. 2022 Forecast

(\$ in thousands)	February 2023 Forecast								Change from Nov. 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	Budget FY 2023	Budget FY 2024	Budget FY 2025	Planning Est FY 2026	Planning Est FY 2027
Balance Forward from Prior Year	690,463	702,465	763,678	811,391	811,269	811,147	811,025	810,903	-	-	-	-	-
Prior Year Adjustments	286	385	219	-	-	-	-	-	-	-	-	-	-
Adjusted Balance Forward	690,749	702,850	763,898	811,391	811,269	811,147	811,025	810,903	-	-	-	-	-
Net Revenue and Transfers-In													
Leased Vehicle Sales Tax	32,704	29,909	25,955	20,444	19,798	19,684	20,026	20,406	(2,622)	(2,318)	(1,900)	(1,710)	(1,520)
Other Income	11,128	2,957	3,357	25,092	35,557	24,617	18,083	17,722	(1,895)	(322)	(1,679)	(1,623)	(1,607)
Transfer from HUDT	763,848	790,376	811,541	816,914	836,435	846,405	858,856	869,652	(13,281)	(2,697)	(4,848)	(8,373)	(15,280)
Transfer from General	-	-	12,000	-	-	-	-	-	-	-	-	-	-
Total Net Revenue and Transfers-In	807,679	823,243	852,853	862,450	891,790	890,706	896,965	907,780	(17,798)	(5,337)	(8,427)	(11,706)	(18,407)
Expenditures and Transfers-Out													
Grants to Local Governments	784,739	751,053	777,927	845,331	874,322	872,960	878,966	889,546	(17,468)	(5,209)	(8,334)	(11,545)	(18,113)
MnDOT Administrative and Research	11,163	11,286	12,310	17,119	17,468	17,746	17,999	18,234	(330)	(128)	(93)	(161)	(294)
Transfers to MSAS Fund	-	-	5,000	-	-	-	-	-	-	-	-	-	-
Transfers to Special Revenue	61	76	122	122	122	122	122	122	-	-	-	-	-
Transfers to Trunk Highway Fund	-	-	10,000	-	-	-	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	795,963	762,415	805,359	862,572	891,912	890,828	897,087	907,902	(17,798)	(5,337)	(8,427)	(11,706)	(18,407)
Balance Before Reserves	702,465	763,678	811,391	811,269	811,147	811,025	810,903	810,781	-	-	-	-	-
Less Appropriation Carryforward	702,465	763,678	811,391	811,269	811,147	811,025	810,903	810,781	-	-	-	-	-
Ending Balance	-	-	-	-	-	-	-	-	-	-	-	-	-

Appendix 4

Municipal State Aid Fund
February 2023 Forecast
Comparison to Nov. 2022 Forecast

(\$ in thousands)	February 2023 Forecast								Change from Nov. 2022				
	Close	Close	Close	Budget	Budget	Budget	Planning Est	Planning Est	Budget	Budget	Budget	Planning Est	Planning Est
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Balance Forward From Prior Year	183,006	149,365	182,132	248,945	248,945	248,945	248,945	248,945	-	-	-	-	-
Prior Year Adjustments	88	128	59	-	-	-	-	-	-	-	-	-	-
Adjusted Balance Forward	183,095	149,493	182,192	248,945	248,945	248,945	248,945	248,945	-	-	-	-	-
Net Revenue and Transfers-In :													
Other Income	2,917	823	1,188	8,264	11,557	8,097	6,030	5,916	(612)	(154)	(572)	(542)	(536)
Transfer From HUTD	200,642	207,610	213,170	214,581	219,708	222,328	225,598	228,434	(3,489)	(709)	(1,273)	(2,199)	(4,014)
Transfer From CSAH	-	-	5,000	-	-	-	-	-	-	-	-	-	-
Net Revenue and Transfers In	203,559	208,433	219,358	222,845	231,265	230,425	231,628	234,350	(4,101)	(863)	(1,845)	(2,741)	(4,550)
Expenditures and Transfers-Out													
Grants to Local Governments	233,976	172,406	148,845	217,442	225,565	224,660	225,843	228,505	(3,865)	(786)	(1,805)	(2,678)	(4,445)
MnDOT Administrative and Research	3,293	3,363	3,722	5,365	5,663	5,727	5,747	5,807	(236)	(77)	(40)	(63)	(105)
Transfers to Special Revenue	19	24	38	38	38	38	38	38	-	-	-	-	-
Total Expenditures and Transfers-Out	237,289	175,793	152,604	222,845	231,265	230,425	231,628	234,350	(4,101)	(863)	(1,845)	(2,741)	(4,550)
Balance before Reserves	149,365	182,132	248,945	248,945	248,945	248,945	248,945	248,945	-	-	-	-	-
Less Appropriation Carryforward	149,365	182,132	248,945	248,945	248,945	248,945	248,945	248,945	-	-	-	-	-
Ending Balance	-	-	-	-	-	-	-	-	-	-	-	-	-

Transit Assistance Fund
February 2023 Forecast
Comparison to Nov. 2022 Forecast

(\$ in thousands)	February 2023 Forecast								Change from Nov. 2022				
	Close FY 2020	Close FY 2021	Close FY 2022	Budget FY 2023	Budget FY 2024	Budget FY 2025	Planning Est FY 2026	Planning Est FY 2027	Budget FY 2023	Budget FY 2024	Budget FY 2025	Planning Est FY 2026	Planning Est FY 2027
Balance Forward from Prior Year	47,064	46,313	54,009	42,903	22,840	22,204	21,954	23,477	-	(3,799)	(3,167)	(2,171)	(757)
Prior Year Adjustments	5,365	2,813	7,162	-	-	-	-	-	-	-	-	-	-
Adjusted Balance Forward	52,429	49,126	61,171	42,903	22,840	22,204	21,954	23,477	-	(3,799)	(3,167)	(2,171)	(757)
Net Revenue and Transfers-In													
Metropolitan Area Transit Account	291,607	353,426	354,976	358,772	355,824	360,320	373,208	387,256	(10,595)	(8,550)	(9,036)	(6,984)	(5,274)
Greater Minnesota Transit Account	32,402	39,270	39,442	39,864	39,536	40,036	41,468	43,028	(1,177)	(950)	(1,004)	(776)	(586)
Total Motor Vehicle Sales Tax	324,009	392,696	394,418	398,636	395,360	400,356	414,676	430,284	(11,772)	(9,500)	(10,040)	(7,760)	(5,860)
Leased Vehicle Sales Tax	32,704	29,909	25,955	20,444	19,798	19,684	20,026	20,406	(2,622)	(2,318)	(1,900)	(1,710)	(1,520)
									-	-	-	-	-
Total Net Revenue and Transfers-In	356,712	422,605	420,373	419,080	415,158	420,040	434,702	450,690	(14,394)	(11,818)	(11,940)	(9,470)	(7,380)
Expenditures and Transfers-Out													
Metropolitan Council	291,630	353,449	355,077	358,772	355,824	360,320	373,208	387,256	(10,595)	(8,550)	(9,036)	(6,984)	(5,274)
Transportation Department	71,198	64,273	83,564	80,370	59,970	59,970	59,970	59,970	-	(3,900)	(3,900)	(3,900)	(3,900)
									-	-	-	-	-
Total Expenditures and Transfers-Out	362,828	417,722	438,641	439,142	415,794	420,290	433,178	447,226	(10,595)	(12,450)	(12,936)	(10,884)	(9,174)
									-	-	-	-	-
Balance Before Reserves	46,313	54,009	42,903	22,840	22,204	21,954	23,477	26,942	(3,799)	(3,167)	(2,171)	(757)	1,037
Less Appropriation Carryforward	32,704	29,909	25,955	20,444	19,798	19,684	20,026	20,406	(2,622)	(2,318)	(1,900)	(1,710)	(1,520)
Less Met Council Balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	13,609	24,099	16,948	2,396	2,406	2,270	3,451	6,536	(1,177)	(849)	(271)	953	2,557
Reserved Balance	4,706	4,631	5,401	4,290	2,284	2,220	2,195	2,348	-	(380)	(317)	(217)	(76)
Unreserved Fund Balance	8,903	19,468	11,547	(1,894)	122	49	1,256	4,188	(1,177)	(469)	46	1,170	2,633

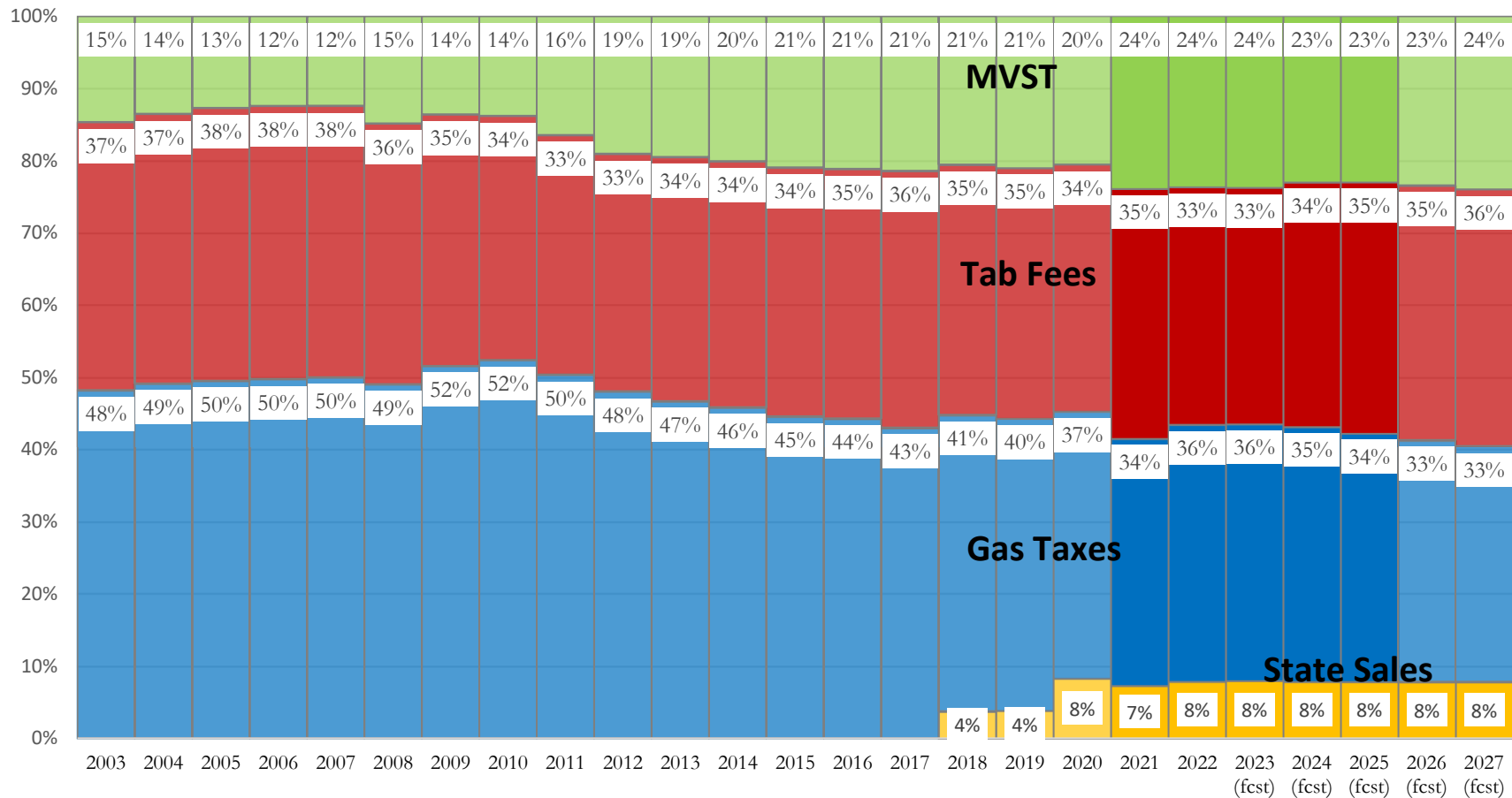
Appendix 6

State Airports Fund
February 2023 Forecast
Comparison to Nov. 2022 Forecast

(\$ in thousands)	February 2023 Forecast								Change from Nov. 2022				
	Close FY 2020	Close FY 2021	Close FY 2022	Budget FY 2023	Budget FY 2024	Budget FY 2025	Planning Est FY 2026	Planning Est FY 2027	Budget FY 2023	Budget FY 2024	Budget FY 2025	Planning Est FY 2026	Planning Est FY 2027
Balance Forward from Prior Year	\$15,566	\$21,880	\$18,101	\$19,200	\$19,458	\$24,550	\$27,345	\$29,828	(296)	(1,826)	254	509	787
Prior Year Adjustments	3,633	3,752	3,340	500	500	500	500	500	-	-	-	-	-
Adjusted Balance Forward	19,199	25,632	21,441	19,700	19,958	25,050	27,845	30,328	(296)	(1,826)	254	509	787
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	-	-	-	-	-
Airline Flight Property Tax	7,025	7,008	7,004	7,000	7,000	7,000	7,000	7,000	-	-	-	-	-
Aircraft Registration Tax	3,573	3,866	3,382	4,000	4,000	4,000	4,000	4,000	400	400	400	400	400
Gasoline & Special Fuel Tax	4,467	3,090	7,092	5,000	5,000	5,000	5,000	5,000	-	-	-	-	-
Other Income	1,253	1,279	1,330	2,294	4,597	2,300	1,988	1,971	(1,930)	1,680	(145)	(122)	(119)
Total Net Revenue and Transfers-In	26,224	27,573	31,613	28,294	30,597	28,300	27,988	27,971	(1,530)	2,080	255	278	281
Expenditures and Transfers-Out													
Transportation Department	23,929	35,400	34,127	28,835	26,305	26,305	26,305	26,305	-	-	-	-	-
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	-	-	-	-	-
Net Change in Loan Fund	387	296	272	300	300	300	300	300	-	-	-	-	-
Balance Before Reserves	21,880	18,101	19,200	19,458	24,550	27,345	29,828	32,294	(1,826)	254	509	787	1,068
Less Appropriation Carryforward	2,217	2,169	2,259	2,770	3,281	3,792	4,303	4,814	-	-	-	-	-
Ending Balance	\$17,504	\$14,160	\$16,941	\$16,689	\$21,270	\$23,554	\$25,526	\$27,481	(1,826)	254	509	787	1,068
Reserved Balance	1,080	1,697	1,586	1,397	1,271	1,271	1,271	1,271	-	-	-	-	-
Unreserved Fund Balance	16,424	12,463	13,878	13,815	18,522	20,806	22,778	24,733	(1,530)	550	805	1,083	1,364

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 2002-2022 Actuals, 2023-2027 Based on Feb. 2023 Forecast
% of Total Revenues



Year-over-Year Growth Rates
HUTD Revenues
Feb. 2023 vs Nov. 2022 Forecast

