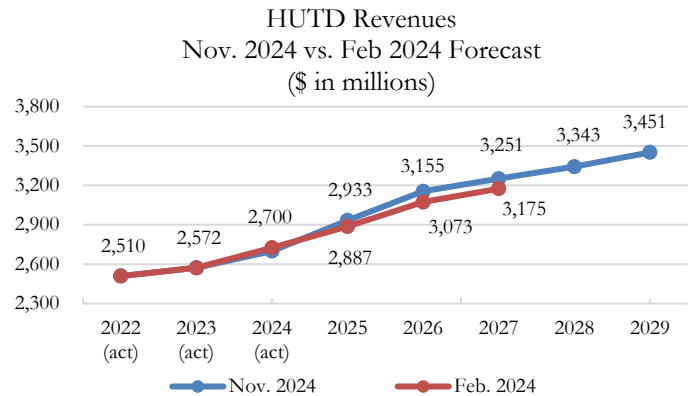


## Forecast Highlights

**Highway User Tax Distribution (HUTD) Fund revenues are anticipated to increase slightly in FY 2025, and continue to increase each year from FY 2026 through FY 2029 compared to the February 2024 forecast.**

Overall, revenues are projected to be higher in the current FY 2024-25 biennium compared to the February 2024 forecast, increasing by +\$21M (+0.4 percent). In the FY 2026-27 biennium, revenues are projected to increase +\$157M (+2.5 percent) compared to February 2024 estimates.



**FY 2025 HUTD Revenue Forecast**  
Nov. 2024 vs. Feb. 2024  
(\$ in millions)

Revenue Source	Nov. '24	Feb. '24	\$ Change	% Change
Gas Tax	926	906	20	2.2%
Tab Fees	1,079	1,068	11	1.0%
MVST	689	687	2	0.3%
Interest/Other	15.9	15.5	0	3.1%
State Sales Tax	215	203	12	5.9%
MVLST	9.2	7.8	1	17.6%
<b>Total</b>	<b>2,933</b>	<b>2,887</b>	<b>47</b>	<b>1.6%</b>

### Change in FY 2025 HUTD Fund revenues compared to the February 2024 forecast

Gas tax is up +\$20M (+2.2 percent), registration tax is up +\$11M (+1.0 percent), and motor vehicle sales tax is up +\$2M (+0.3 percent) in FY 2025.

## Summary of Significant Federal and State Funding

MnDOT created the [IIJA Discretionary Match Program](#) with \$216.4 million in general funds provided by the Minnesota Legislature in the Laws of 2023, Chapter 68. In the 2024 legislative session, this program was reduced by \$11 million (Laws of 2024, Chapter 127), changing the total funding to \$205.4 million. This funding is available to grant recipients that have directly received a federal discretionary award for a transportation-related purpose under IIJA and will be used as matching funds.

Eligible applicants must be recipients of IIJA discretionary grant awards, specifically for a transportation-related purpose, and may include state government, local government, federally recognized Tribal governments, planning and project organizations, transportation providers and operators, academic research institutions, job training applicants, private sector applicants, and nonprofits. Funds are available for the non-federal match up to the maximum of \$10 million and are approved monthly on a first-come basis.

Through November 2025, over \$160 million in state funds have been awarded, leveraging over \$1 billion in federal funds. At this point in time, across all recipient types, the average state match is approximately \$2 million.

Recipient Type	Federal Funds	IIJA Match Funds	IIJA Match %	Projects
Local	209,328,197	70,529,767	43.4%	41
MnDOT	735,541,517	52,070,163	32.0%	11
Airport	56,929,500	23,664,323	14.6%	9
Other	63,176,894	14,343,428	8.8%	8
Tribal Nation	8,229,672	1,927,968	1.2%	7
<b>Grand Total</b>	<b>1,073,205,780</b>	<b>162,535,648</b>	<b>100.0%</b>	<b>76</b>

## Table of Contents

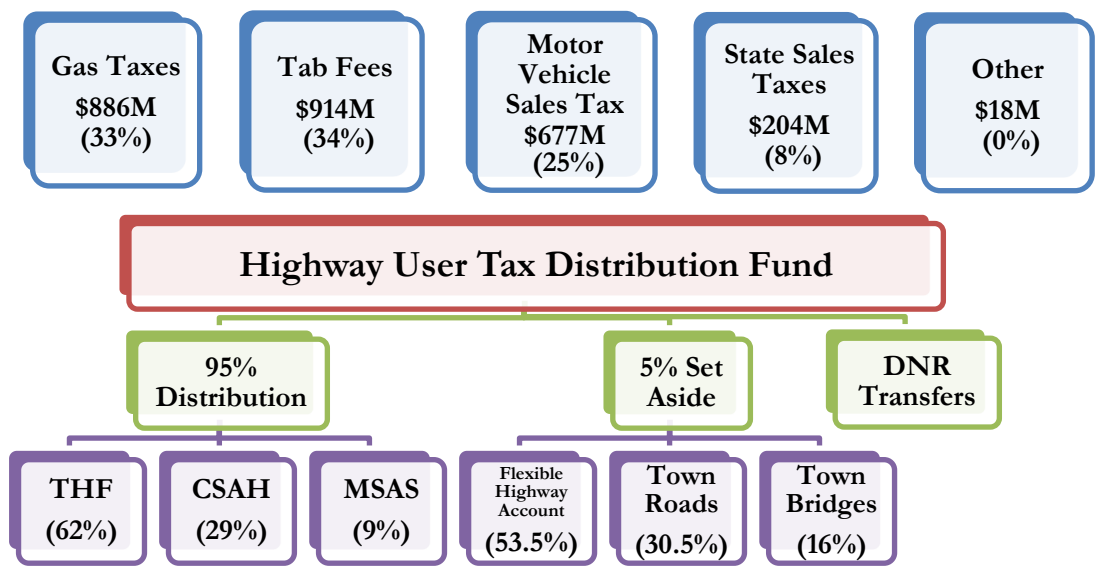
Introduction to Transportation Funding .....	3
Legal Authority for Collection of Revenue .....	4
Revenue Forecast .....	6
Motor Fuel Excise Tax (Gas Tax) .....	6
Motor Vehicle Registration Tax (Tab Fees) .....	7
Motor Vehicle Sales Tax (MVST) .....	9
State Sales Taxes (previously deposited in General Fund) .....	9
Motor Vehicle Lease Sales Tax (MVLST) .....	10
Transit Assistance Fund Revenue .....	11
State Airports Revenue .....	11
Investment Income .....	13
Fund Statements .....	14
Transfers from HUTD Fund .....	14
Trunk Highway Fund .....	16
Debt Service – Trunk Highway Fund .....	16
County State Aid Highway (CSAH) Fund .....	21
Municipal State Aid Street (MSAS) Fund .....	22
Transportation Advancement Account (TAA) .....	23
Transit Assistance Fund (TAF) .....	24
State Airports Fund (SAF) .....	26
Appendices .....	27

# 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 seven 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 February 2024 fund statements.** This forecast includes actuals for FY 2024 and updated estimates for FY 2025-29. MnDOT prepares fund statements for the following funds:

- Highway User Tax Distribution (HUTD) Fund
- Trunk Highway (TH) Fund
- County State Aid Highway (CSAH) Fund
- Municipal State Aid Street (MSAS) Fund
- Transit Assistance Fund (TAF)
- State Airports Fund (SAF)
- Transportation Advancement Account (TAA) – new account in the Special Revenue Fund

HUTD Sources and Uses  
FY 2024 Actuals  
(\$ in millions)



-Article XIV of the Minnesota Constitution  
-State Sales Taxes include: 43.5 percent 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 2.4 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 FYs, 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 Fund:

**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. 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 6.875 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:** MVLST is a 6.5 percent tax on leased motor vehicles. According to Minn. Stat. 297A.815, MVLST revenue is allocated according to the following percentages, beginning in FY 2018: 38 percent to CSAH Fund, 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 Fund.

**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. Effective in FY 2024, 43.5 percent of the revenue is directed to the HUTD Fund; and the remainder is phased into the TAA with increasing percentages over FYs 2024-33 (with corresponding reductions to 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"> <li>• Article XIV of the Minnesota Constitution</li> <li>• Minn. Stat. 296A - Tax on petroleum and other fuels</li> <li>• Minn. Stat. 296A.083 - Debt service surcharge</li> </ul>
Vehicle Registration Tax	<ul style="list-style-type: none"> <li>• Article XIV of the Minnesota Constitution</li> <li>• Minn. Stat. 168.013 - Tax on passenger vehicles</li> </ul>
Motor Vehicle Sales Tax	<ul style="list-style-type: none"> <li>• Article XIV of the Minnesota Constitution</li> <li>• Minn. Stat. 297B.09 - Allocation of revenue</li> </ul>
General Fund Transfers	<ul style="list-style-type: none"> <li>• Minn. Stat. 297A.94 – Sales tax on auto parts and transfer of rental tax</li> <li>• Minn. Stat. 297A.64 – Tax on rental vehicles (9.2 percent)</li> <li>• Minn. Stat. 297A.62 subd. 1– Sales tax on rental vehicles (6.5 percent)</li> </ul>
Motor Vehicle Lease Sales Tax	<ul style="list-style-type: none"> <li>• Minn. Stat. 297A.815 - Allocation of revenue</li> </ul>
Transit Assistance Fund	<ul style="list-style-type: none"> <li>• Minn. Stat. 297B.09 - Allocation of motor vehicle sales tax revenue</li> <li>• Minn. Stat. 297A.815 - Allocation of motor vehicle lease sales tax revenue</li> </ul>
State Airports Fund	<ul style="list-style-type: none"> <li>• Minn. Stat. 360.017 – Creates State Airports Fund</li> <li>• Minn. Stat. 270.075 – Air flight property tax</li> <li>• Minn. Stat. 296A.09 – Aviation gasoline and special fuel taxes</li> <li>• Minn. Stat. 360.531 – Aircraft registration taxes</li> <li>• Minn. Stat. 297A.82 – Sales tax on aircraft</li> </ul>
Transportation Fund	<ul style="list-style-type: none"> <li>• Minn. Stat. 297A.815 - Allocation of motor vehicle lease sales tax revenue</li> </ul>
Transportation Advancement Account	<ul style="list-style-type: none"> <li>• Minn. Stat. 174.49 – Allocation of delivery tax and remaining portion of sales tax on auto parts.</li> </ul>

## Revenue Forecast

### Motor Fuel Excise Tax (Gas Tax)

A Minnesota gas tax is collected on all fuel used to propel vehicles on public roads of the State and includes gasoline, diesel fuel, and other special fuels. 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 system<sup>1</sup>.

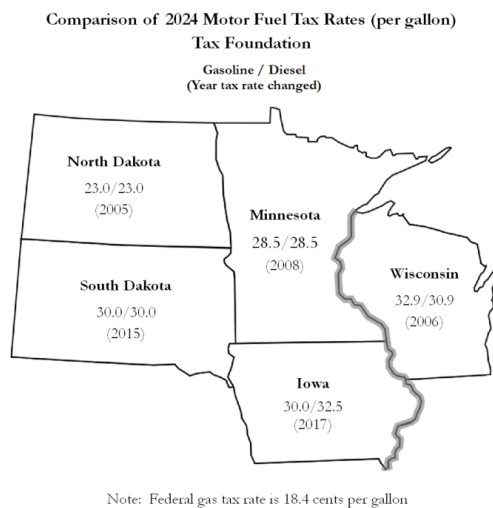
In 2023, the Legislature approved an annual indexing factor, to be determined by August 1<sup>st</sup> each year for a rate change beginning the following January 1<sup>st</sup>, using the Minnesota Highway Construction Index (MnDOT's internal inflation index). Beginning with the August 1, 2025 calculation, the percentage change in the calculation must not exceed three percent. The change is anticipated to adjust the motor fuel tax by approximately 3 cents in FY 2025 and grow to approximately 6 cents in FY 2029.

#### Legislative Session Gas Tax Rate Changes

Base Rate: Twenty Cents/Gallon in 2008

Fiscal Year	Effective Date	Increase (Cents/Gallon)	New Effective Rate (Cents/Gallon)
2008	Apr-08	2.0	22.0
2009	Aug-08	0.5	22.5
2009	Oct-08	3.0	25.5
2010	Jul-09	1.6	27.1
2011	Jul-10	0.4	27.5
2012	Jul-11	0.5	28.0
2013	Jul-12	0.5	28.5
2025	Jan-25	3.3	31.8

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



<sup>1</sup>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:

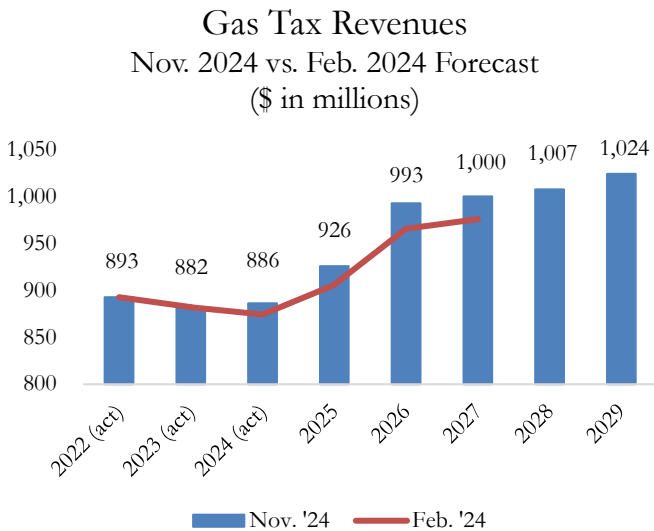
- the economy and world oil prices
- long-term policy (e.g., Corporate Average Fuel Economy (CAFE) standards)
- consumer trends toward more fuel-efficient vehicles, including hybrid and electric vehicles
- utilization of other transportation options

To forecast gas tax, MnDOT reviews regional forecast information from the U.S. Energy Information Administration (EIA), the federal agency that collects and analyzes energy data. 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 November 2024 projects a decrease in fuel consumption over the forecast period, on average about -0.5 percent per year. The most current EIA forecast, from March 2023, projects similar consumption decreases of approximately -1.0 percent per year on average over the forecast period.

Despite these consumption trends, gas tax revenues thus far in FY 2025 are up slightly compared to the February 2024 forecast. In addition, because of the annual indexing factor increasing the tax rate, revenues are anticipated to increase through the forecast period.

The current forecast of revenues is shown below:



Gas Tax Revenues (\$ in millions)				
FY	Nov. '24	Feb. '24	\$ Change	% Change
2022 (act)	893	893	-	0.0%
2023 (act)	882	882	-	0.0%
2024 (act)	886	874	11.9	1.4%
2025	926	906	19.9	2.2%
2026	993	966	27.1	2.8%
2027	1,000	976	24.1	2.5%
2028	1,007	-	-	0.0%
2029	1,024	-	-	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 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.

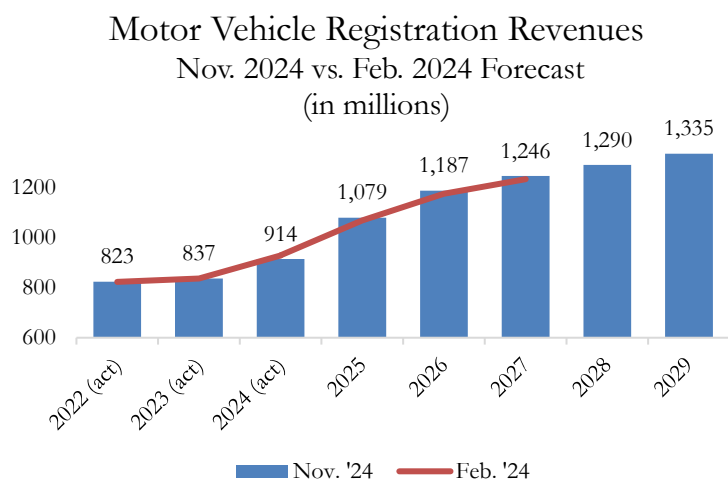
In 2023, the Legislature amended the passenger vehicle tax from \$10 plus 1.285 percent times a declining percentage of the original value of the vehicle, to \$10 plus 1.575 percent times an altered declining percentage of the original value of the vehicle. The minimum tax decreased from \$35 to \$30. The law went into effect on January 1, 2024.

Below is a summary of registration taxes paid on a \$40,000 vehicle over 11 years under the amended motor vehicle registration tax statute:

Year	Rate	Base Tax \$	Depreciation %	Tax \$
1	1.575%	10	100%	640
2	1.575%	10	95%	609
3	1.575%	10	90%	577
4	1.575%	10	80%	514
5	1.575%	10	70%	451
6	1.575%	10	60%	388
7	1.575%	10	50%	325
8	1.575%	10	40%	262
9	1.575%	10	25%	168
10	1.575%	10	10%	61
11+	\$20	10	0%	30
<b>Total</b>				<b>\$4,024</b>

Revenues are anticipated to grow throughout the forecast period because of the amended registration tax. Revenue collected thus far in FY 2025 is above forecasted amounts. Revenue is projected to increase year-over-year throughout the forecast period and is anticipated to grow slightly compared to the February 2024 forecast.

The current forecast of revenues is shown below:



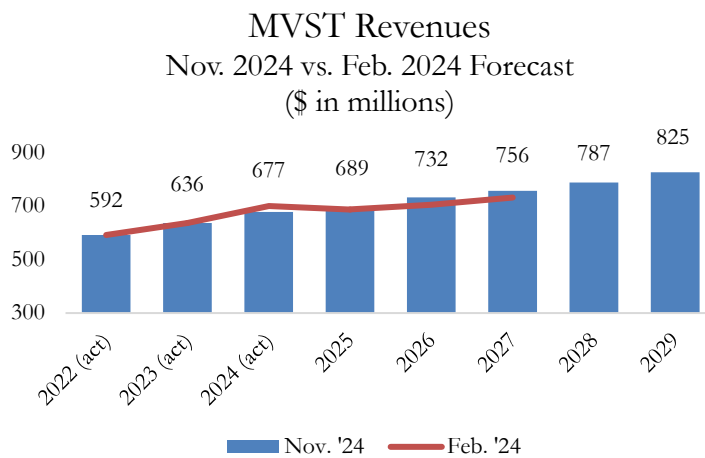
<b>Motor Vehicle Registration Revenues</b> (\$ in millions)				
FY	Nov. '24	Feb. '24	\$ Change	% Change
2022 (act)	823	823	-	0.0%
2023 (act)	837	837	-	0.0%
2024 (act)	914	929	(14.2)	-1.5%
2025	1,079	1,068	10.8	1.0%
2026	1,187	1,175	11.9	1.0%
2027	1,246	1,234	12.5	1.0%
2028	1,290	-	-	0.0%
2029	1,335	-	-	0.0%



## Motor Vehicle Sales Tax (MVST)

In 2023, the Legislature increased the tax rate from 6.5 percent to 6.875 percent. This includes sales by car dealers and private individuals. Since 2012, MVST revenues have been distributed 60 percent to HUTD and 40 percent to transit. In 2023, the Legislature changed the distribution of the 40% portion of MVST, so that in FY 2024 and beyond Greater Minnesota Transit receives 5.7% (increased from 4%) and the Twin Cities metro area receives 34.3% (decreased from 36%).

DOR prepares the official forecast of this revenue, which is based on data provided by IHS. Despite actuals in FY 2024 being less than forecasted, MVST revenue is projected to increase substantially in most subsequent years compared to the February 2024 forecast. The current forecast for the HUTD portion of revenues is shown below:



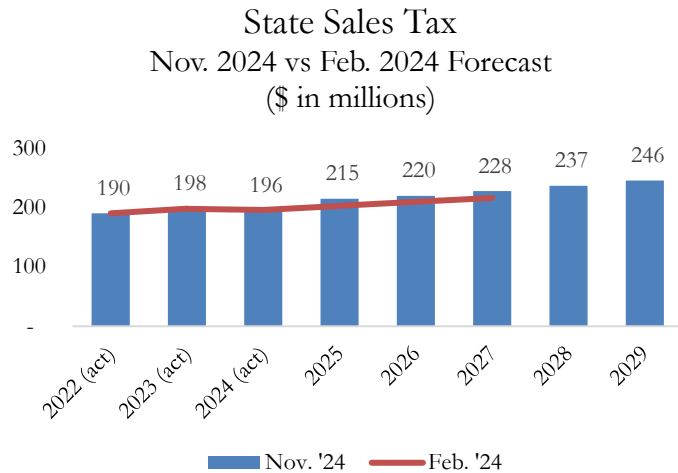
MVST Revenues (\$ in millions)				
FY	Nov. '24	Feb. '24	\$ Change	% Change
2022 (act)	592	592	-	0.0%
2023 (act)	636	636	-	0.0%
2024 (act)	677	700	(22.4)	-3.2%
2025	689	687	2.2	0.3%
2026	732	704	27.5	3.9%
2027	756	731	24.7	3.4%
2028	787	-	-	0.0%
2029	825	-	-	0.0%

## State Sales Taxes (previously deposited in General Fund)

Beginning in FY 2018, a portion of general sales tax revenue 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 forecasted by MMB. Each of these tax revenues are expected to increase compared to the February 2024 fund statements.

Previously, a fixed portion of revenue from sales tax on auto parts was deposited into the HUTD Fund each month. This includes revenue collected on all motor vehicle parts, tires, and accessories. The fixed statutory amount totaled \$145.6 million annually. Beginning in FY 2024, 43.5 percent of the revenue is dedicated to the HUTD Fund, and the remainder is phased into the TAA with increasing percentages over FY 2025-33 (with corresponding reductions to the General Fund).

The current forecast for these three General Fund revenues is shown below:



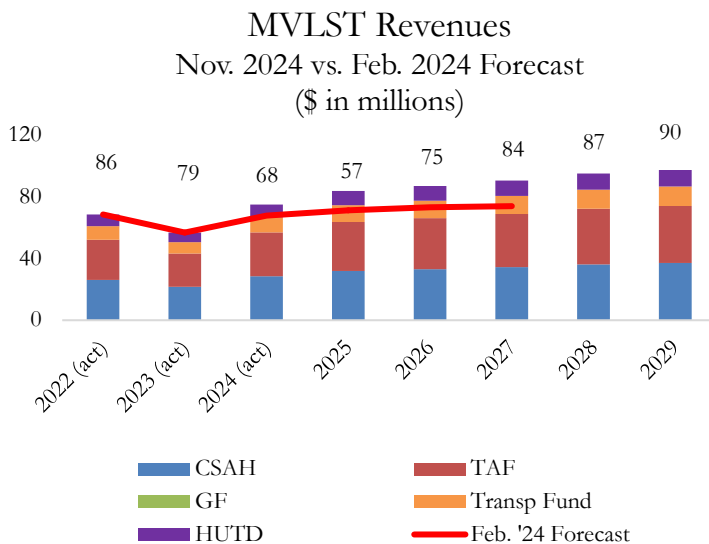
State Sales Taxes (\$ in millions)				
FY	Nov. '24	Feb. '24	\$ Change	% Change
2022 (act)	190	190	-	0.0%
2023 (act)	198	198	-	0.0%
2024 (act)	196	196	0.0	0.0%
2025	215	203	12.0	5.9%
2026	220	210	10.0	4.8%
2027	228	216	11.6	5.4%
2028	237	-	-	0.0%
2029	246	-	-	0.0%

### 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 the DOR. Revenues are anticipated to increase compared to the February 2024 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 FY:

- 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 TH, CSAH and, MSAS Funds)

The current forecast of revenues is shown below:



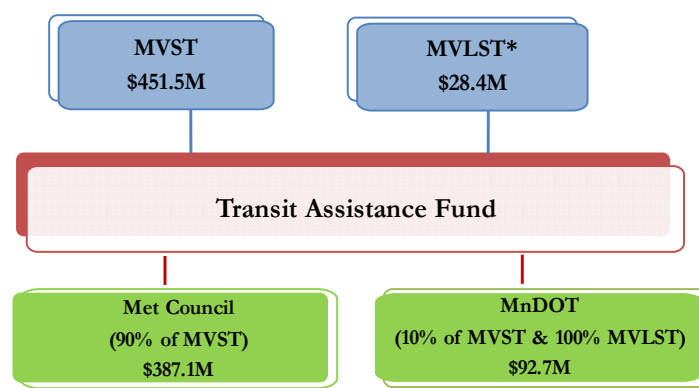
MVLST Revenues (\$ in millions)				
FY	Nov. '24	Feb. '24	\$ Change	% Change
2022 (act)	68	68	-	0.0%
2023 (act)	57	57	-	0.0%
2024 (act)	75	68	7.1	10.4%
2025	84	71	12.5	17.6%
2026	87	73	13.8	18.9%
2027	90	74	16.5	22.4%
2028	95	-	-	0.0%
2029	97	-	-	0.0%

## 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). Previously, 90 percent of this revenue was allocated to metropolitan transit (36 percent of total MVST) and 10 percent was allocated to Greater Minnesota Transit (4 percent of total MVST). In 2023, the Legislature changed the distribution of the 40% portion of MVST so that Greater Minnesota Transit receives 5.7% (increasing from 4%) and the Twin Cities metro area receives 34.3% (decreasing from 36%).

As of FY 2018, 38 percent of all MVLST revenue is allocated to the TAF for Greater Minnesota Transit.

### Transit Assistance Fund Sources of Revenue FY 2024



\*38 percent of MVLST is allocated to TAF

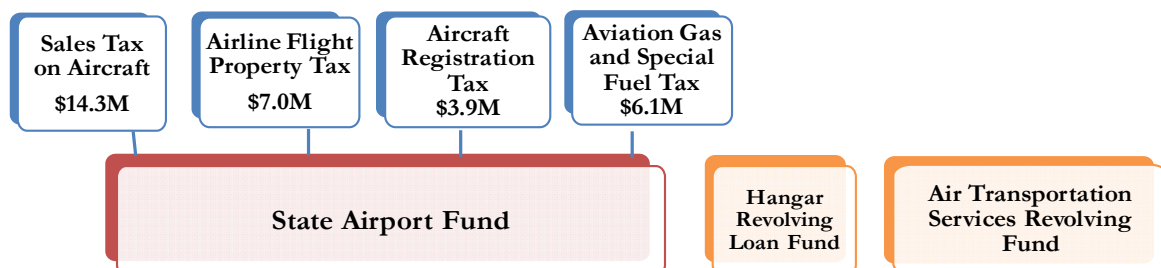
## State Airports Revenue

Three funds make up the total consolidated SAF:

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

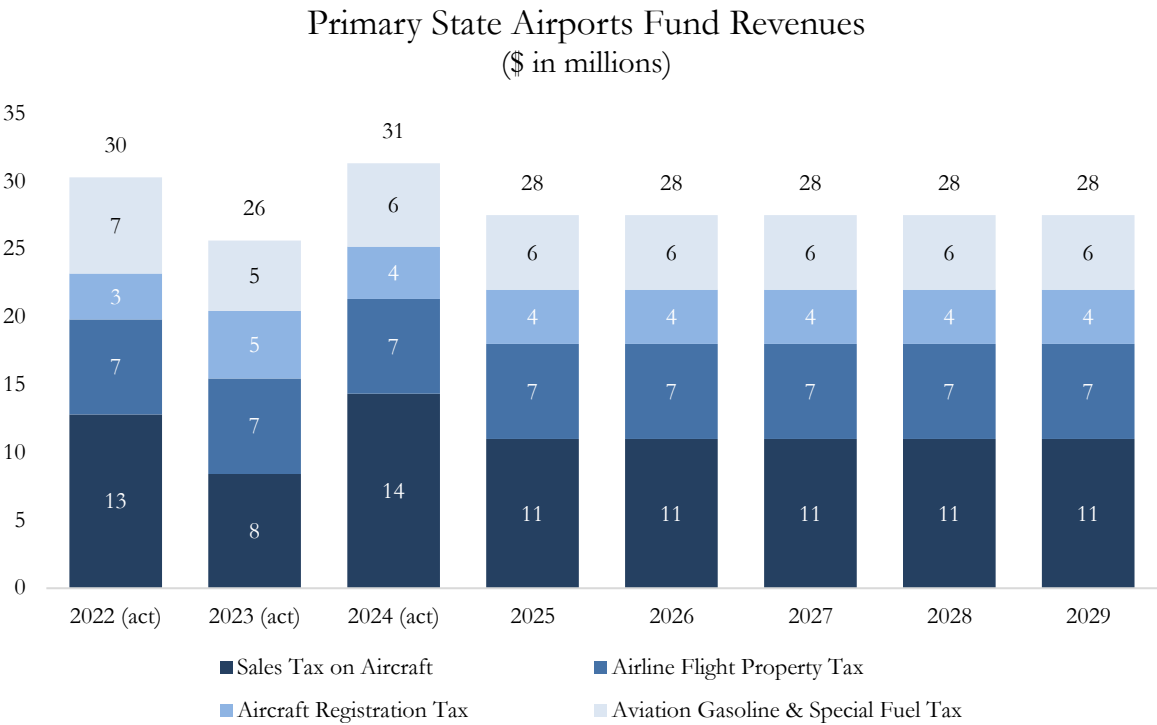
The consolidated fund statement ending balance does not include the two revolving funds (Hanger Loan and Air Transportation Services) because their receipts are dedicated to specific functions.

### State Airports Sources of Revenue FY 2024



The forecast for SAF is focused on aviation gasoline and special fuel taxes, sales taxes on aircraft, aircraft registration taxes, and investment income. The forecasts for both sales tax on aircraft and registration tax are based primarily on prior history and have varied significantly by year. Aviation fuel tax revenue is anticipated to increase slightly compared to the February 2024 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”.

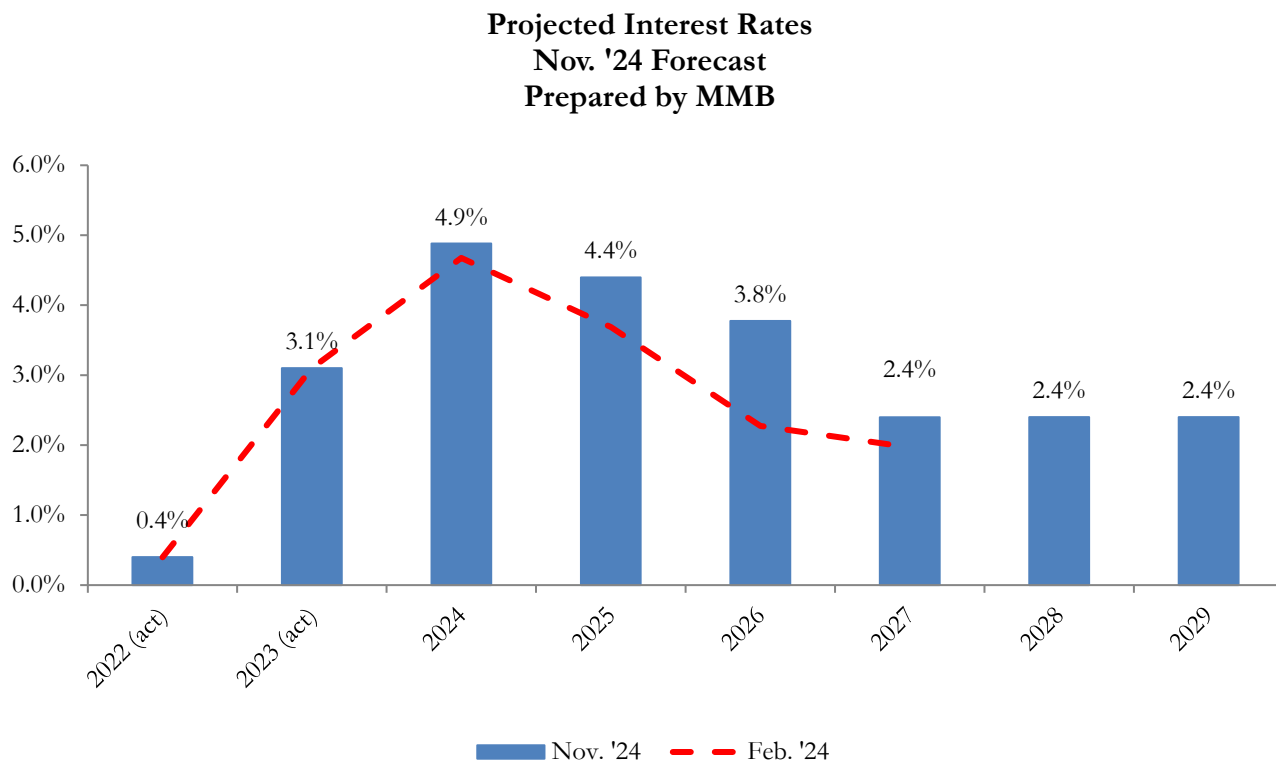
The current forecast of revenues is shown below:



## Investment Income

All the transportation funds discussed in this document, except for the TAF and TAA, 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 projected interest rates for the invested cash.

Interest rates peaked at 4.9 percent in FY 2024, and are projected to fall to 2.4 percent at the end of the forecast period. Overall, interest rates only increase slightly compared to the February 2024 forecast and interest income in all funds, except for the HUTD Fund, increases compared to the previous forecast.



## Transfers from HUD Fund

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):

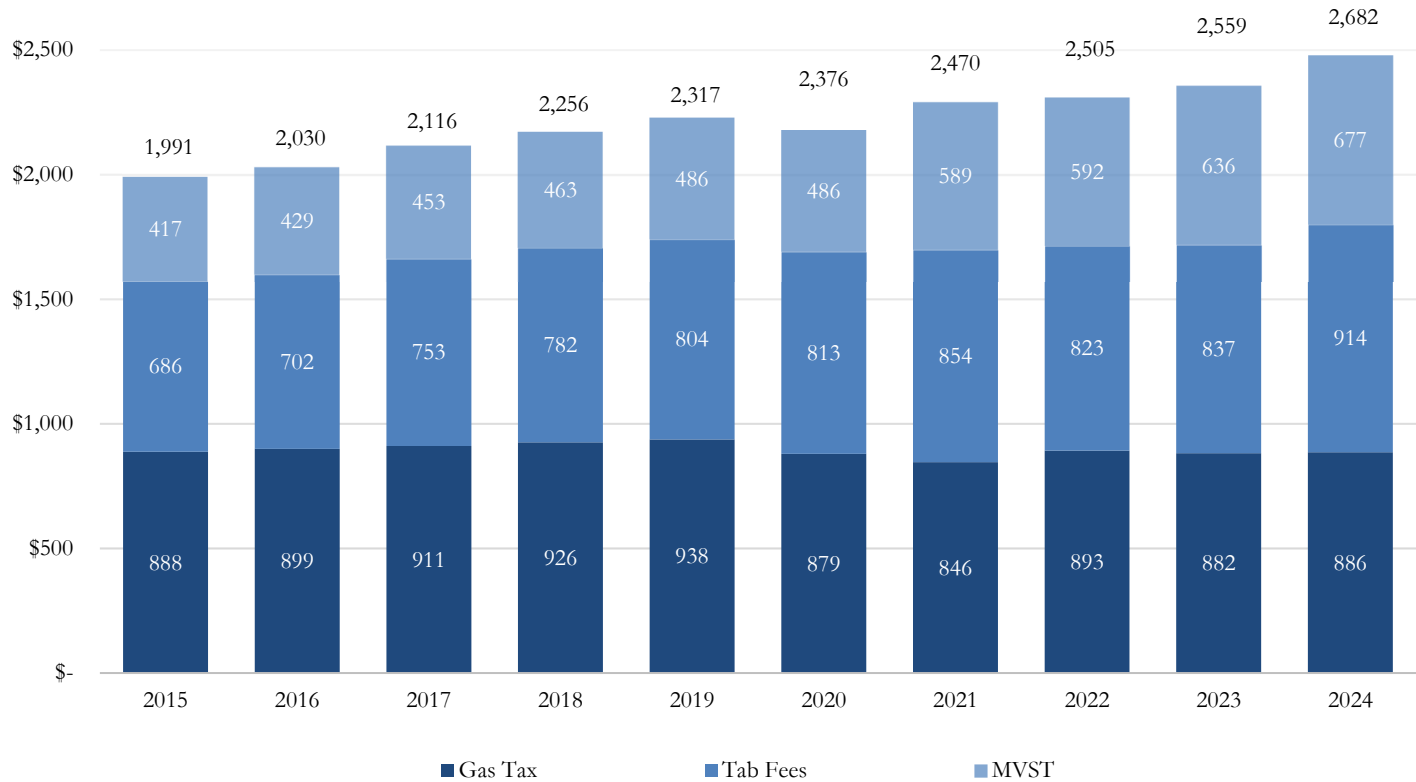
- The remaining five percent, referred to as the five percent set-aside, is allocated to the CSAH Fund. This funding is further allocated to Township Roads, Township Bridges, and the Flexible Highway Account.

Year	Nov. '24 (thousands)	Feb. '24 (thousands)
2022 (act)	2,510	2,510
2023 (act)	2,572	2,572
2024 (act)	2,700	2,700
2025	2,933	2,933
2026	3,155	3,155
2027	3,251	3,251
2028	3,343	3,343
2029	3,451	3,451

14

The bar chart below details history of actual revenues for the HUTD Fund (FY 2015-24). It includes the relative shares of revenue attributed to gas tax, tab fees, and MVST. During the last ten years, gas tax as a percentage of total revenue has decreased slightly, while tab fees has remained relatively flat, and MVST has increased.

**MINNESOTA HIGHWAY USER TAX REVENUE  
(3 PRIMARY SOURCES)  
FY 2015-2024 ACTUALS**

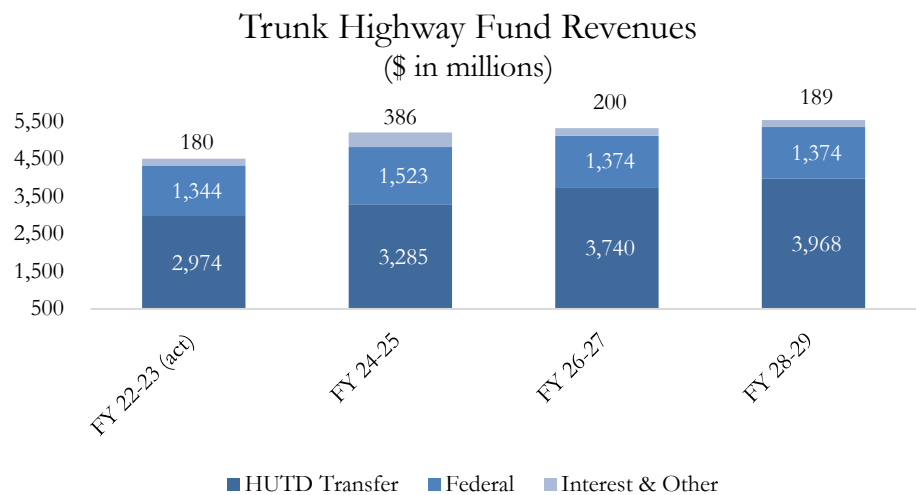


Trunk Highway Fund

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 current IIJA authorization includes significantly increased funding for five FYs (FYs 2022-26), totaling about 30 percent more than the previous authorization. The federal process also requires an annual appropriation each federal FY. For the current federal FY, appropriations have been approved through December 20, 2024, essentially at the prior year funding level. While the federal government has never reduced major federal transportation spending programs in the past, the potential for Minnesota to receive fewer federal funds in the future is a possibility.

In addition to federal funds, the TH Fund receives revenues and transfers from several other sources. For FY 2024-29, 68 percent of resources are transfers from the HUTD Fund, 27 percent of resources are federal aid agreements, and 5 percent of resources come from other sources such as investment income.

The current forecast, by biennium, is shown below:



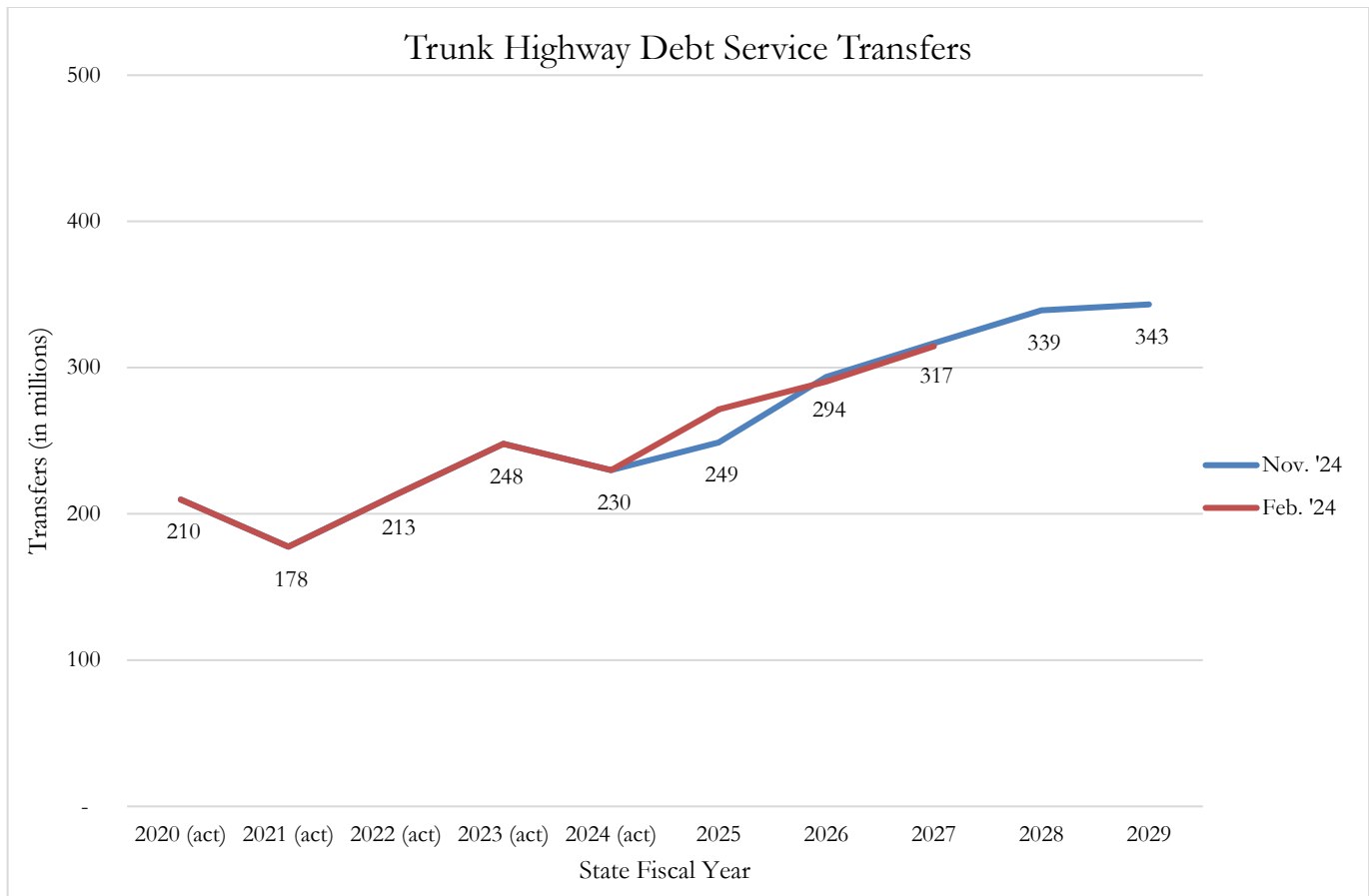
Debt Service – Trunk Highway Fund

The forecast for expenditures is generally based on the most recently 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 bonds<sup>1</sup>. 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.

Due to future bond sale interest rates decreasing, debt service estimates decrease in FY 2025 and only increase slightly in future years, compared to the February 2024 forecast. The graph below depicts actual and forecasted debt service transfer amounts by year, compared to the February 2024 forecast:

<sup>1</sup> See Article XIV, section 11 of the Minnesota Constitution





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 Fund<sup>2</sup>. 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 \$4.1 million annually.

The table below shows the estimated debt service costs from the TH Fund, which range from just under 13 percent in FY 2024, to a peak of approximately 17 percent in FY 2028.

<sup>2</sup> Developed to comply with Minn. Stat. 167.60

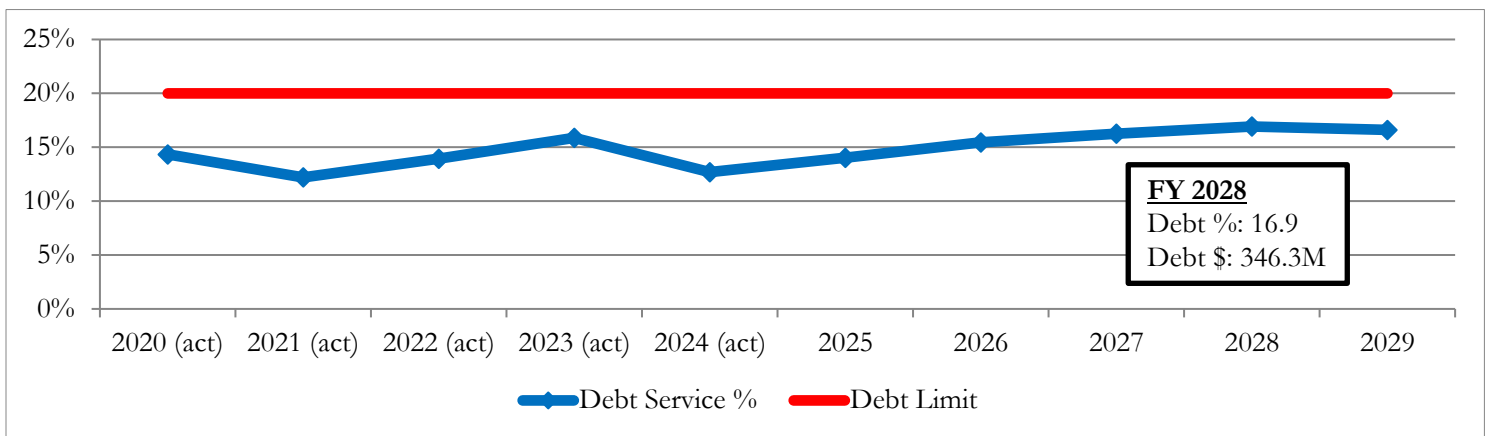
### Debt Management Policy (\$ in millions)

Year	Total Debt Service <sup>(1)</sup>	Estimated Current %	Variance from 20% Policy Limit <sup>(2)</sup>
2020 (act)	210,224	14.3%	83,158
2021 (act)	181,771	12.2%	116,181
2022 (act)	217,987	13.9%	94,986
2023 (act)	251,994	15.9%	65,680
2024 (act)	234,044	12.7%	135,060
2025	255,917	14.0%	109,241
2026	300,675	15.4%	88,743
2027	323,775	16.3%	74,686
2028	346,298	16.9%	62,996
2029	350,417	16.6%	71,686

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

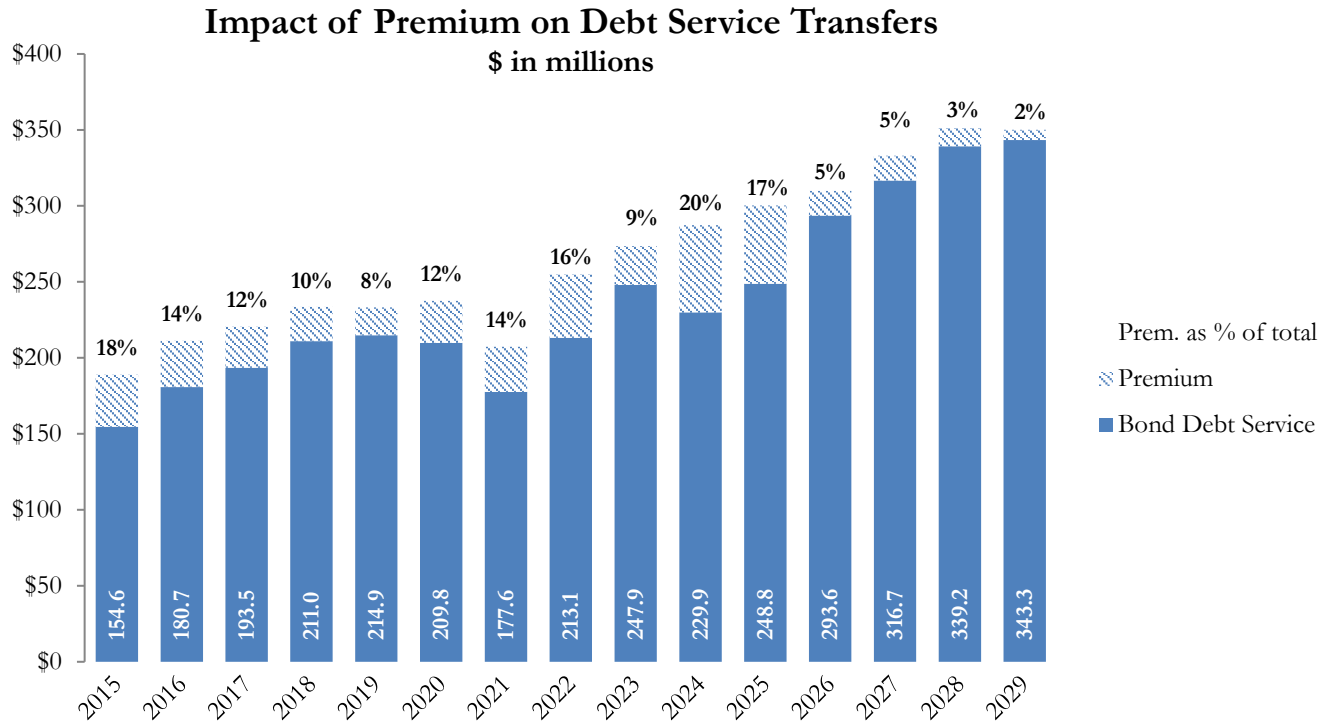
(2) Represents amount of additional debt service to reach 20 percent limit – a general guideline is to multiply this amount by 10 for an estimate of the additional bond capacity e.g., \$71.7M × 10 = \$717M in additional bond capacity.

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 of MnDOT's control. One of the largest variables is interest rate fluctuation, which can lead to large debt service expenditure variations. 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. 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), 2021 (Laws of 2021, First Special Session, Chapter 5, \$413 million), 2023 (Laws of Chapter 68, \$599 million), and 2024 (Laws of Chapter 127, \$30 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 2030.

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.

	<b>FY24-25</b>	<b>FY26-27</b>	<b>FY28-29</b>
Transfers from HUTD	12.6	92.3	-
Federal Aid Agreements	-	-	-
Interest	14.6	19.5	-
Other Revenues and Transfers	10.7	6.6	-
Prior Year Adjustments	12.5	10.0	-
<b>Total Revenue and Transfer Impact</b>	<b>50.5</b>	<b>128.4</b>	<b>-</b>
Transportation Expenditures	84.6	30.5	-
Other Agencies	1.4	-	-
Transfers Out	-	-	-
Debt Service Transfer	(22.3)	5.5	-
<b>Total Expenditure and Transfer Impact</b>	<b>63.6</b>	<b>36.0</b>	<b>-</b>
<b>Fund Balance Change</b>	<b>(13.2)</b>	<b>92.3</b>	<b>-</b>
<b>Total Cumulative Change</b>	<b>(13.2)</b>	<b>79.2</b>	<b>79.2</b>
Nov. '24 Forecast	187.8	364.5	708.6
Feb. '24 Forecast	201.0	285.3	-
<b>Change</b>	<b>(13.2)</b>	<b>79.2</b>	<b>708.6</b>
<i>Reserved Fund Balance (Nov '24)</i>	<i>123.8</i>	<i>123.7</i>	<i>126.6</i>
<i>Unreserved Fund Balance (Nov '24)</i>	<i>64.0</i>	<i>240.8</i>	<i>582.0</i>

County State Aid Highway (CSAH) Fund

The CSAH Fund receives transfers from the HUTD Fund as well as revenues from investment income, MVLST, and the TAA. 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 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.

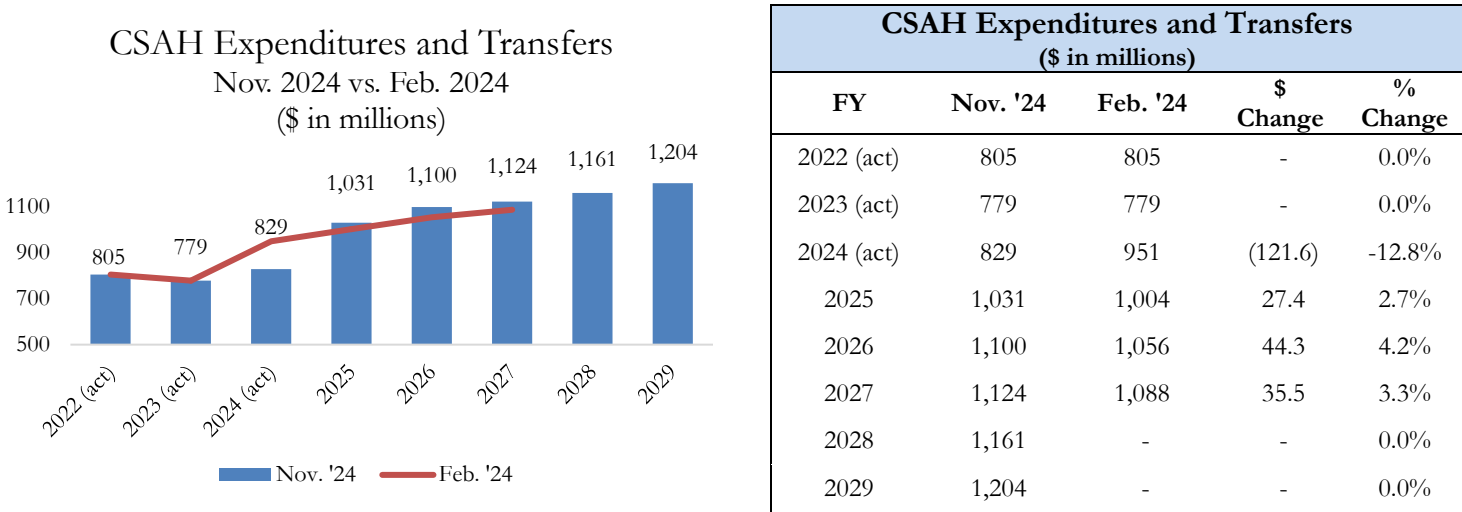
These allocations include the five percent set-aside portion of total revenues from the HUTD Fund. The Constitution allows the Legislature to allocate this five percent in a manner different from the constitutional formula (62 percent to the TH Fund, 29 percent to the CSAH Fund, and nine percent to the 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=38081760](https://edocs-public.dot.state.mn.us/edocs_public/DMResultSet/download?docId=38081760)), 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:



## Municipal State Aid Street (MSAS) Fund

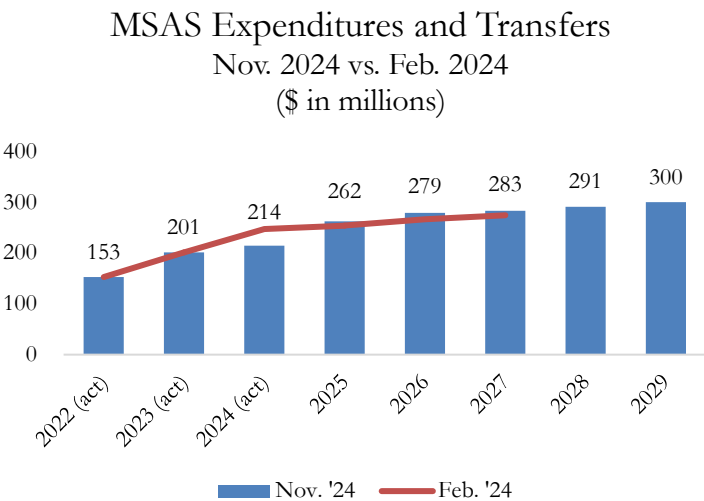
The MSAS Fund receives transfers from the HUTD Fund, authorized transfers from the CSAH Fund, and revenues from investment income. Minnesota Statutes, Chapter 162, provides the criteria by which funds are allocated to statutory accounts within the MSAS Fund and to each of the Minnesota State Aid cities defined as having a population of 5,000 or greater. The allocations are calculated based primarily on revenue estimates for the MSAS Fund, which excludes 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=38081760](https://edocs-public.dot.state.mn.us/edocs_public/DMResultSet/download?docId=38081760)) 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. '24	Feb. '24	\$ Change	% Change
2022 (act)	153	153	-	0.0%
2023 (act)	201	201	-	0.0%
2024 (act)	214	247	(32.9)	-13.3%
2025	262	254	8.3	3.3%
2026	279	266	12.5	4.7%
2027	283	274	8.7	3.2%
2028	291	-	-	0.0%
2029	300	-	-	0.0%

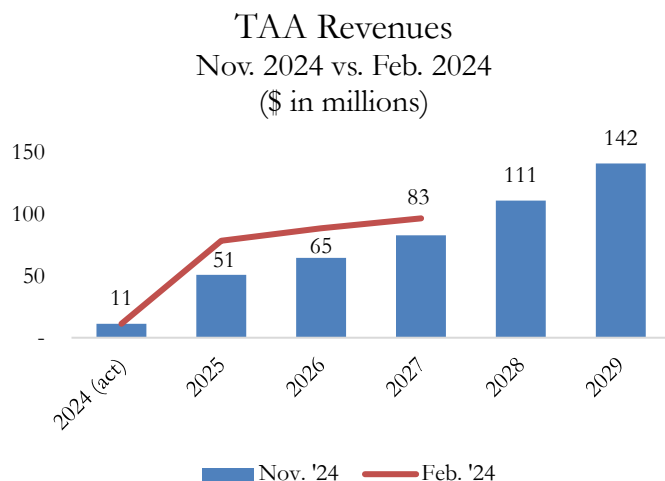
## Transportation Advancement Account (TAA)

In 2023, the Legislature established a Transportation Advancement Account (TAA) in the Special Revenue Fund to be allocated to metro counties (36%), the CSAH Fund (10%), larger cities (15%), small cities (27%), town roads (11%), and food delivery support grants (1%). Revenues deposited into the account include a new 50-cent retail delivery tax and a portion of the sales tax on auto parts, previously deposited into the General Fund. Revenue available in this account is anticipated to grow to nearly \$142 million by FY 2029 and surpass \$300 million by FY 2033 once the full phase-in of sales tax on auto parts is complete.

The table below summarizes the funds to be allocated (\$ in thousands), effective dates, and the timing of the distributions (note: "CO" refers to the Commissioner's Order process followed for counties and cities):

Rate/Recipient	Effective Date	Distribution Timing	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>36%:</b> 7 Metro counties based on population and money needs	FY 2024	Once per year in July after end of FY	18,374	23,358	29,912	40,096	50,957
<b>10%:</b> included with "normal" HUTD revenues in CO distribution	CY 2024	Included in CO	5,104	6,488	8,309	11,138	14,155
<b>15%:</b> all MSAS cities based on 50/50 pop/money needs	FY 2024	Once per year in July after end of FY	7,656	9,733	12,464	16,707	21,232
<b>27%:</b> all non-MSAS cities based on MS 162.145	FY 2024	Commissioner of Revenue distributes the funds to cities in the same manner as local government aid in July and December. <i>Note: due to statute and deposit requirements, there was essentially a one-year lag for distributions e.g., receipts for July 2023-April 2024 (FY 2024) are distributed in July and December 2024 (FY 2025)</i>	13,780	17,519	22,434	30,072	38,218
<b>11%:</b> included with "normal" HUTD revenues in CO distribution	CY 2024	Included in CO	5,614	7,137	9,140	12,251	15,570
<b>1%:</b> appropriated to DHS for grants to non-profits supporting food delivery	FY 2024	Once per year in July after end of FY	510	649	831	1,114	1,415
<b>Total Uses</b>			<b>51,039</b>	<b>64,883</b>	<b>83,090</b>	<b>111,377</b>	<b>141,548</b>

The current forecast is shown below:

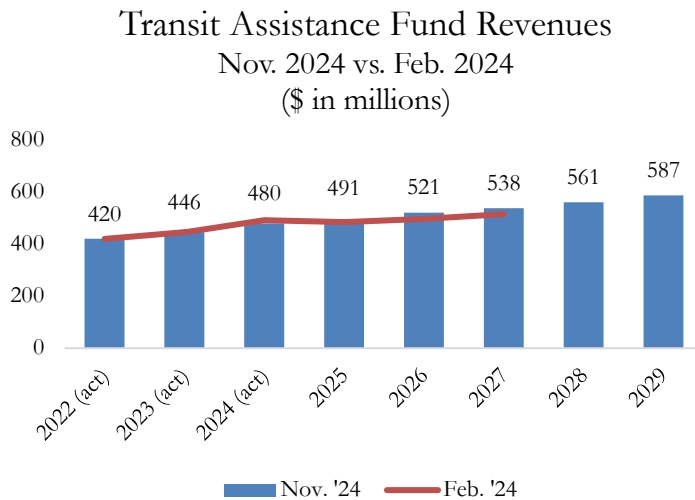


TAA Revenues (\$ in millions)				
FY	Nov. '24	Feb. '24	\$ Change	% Change
2022 (act)	-	-	-	0.0%
2023 (act)	-	-	-	0.0%
2024 (act)	11	11	-	0.0%
2025	51	79	(27.7)	-35.2%
2026	65	89	(24.0)	-27.0%
2027	83	97	(13.8)	-14.3%
2028	111	-	-	0.0%
2029	142	-	-	0.0%

## Transit Assistance Fund (TAF)

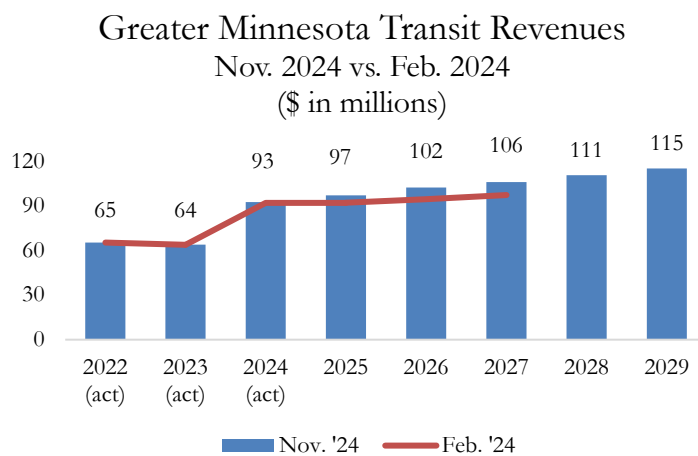
Beginning in FY 2018, 38 percent of MVLST revenue is allocated to the TAF – Greater Minnesota Transit account. In previous years, half of the MVLST revenues (net of \$32 million that remained in the General Fund) were allocated to the TAF. The Fund also receives 40 percent of MVST revenues. In 2023, the Legislature increased MVST from 6.5 percent to 6.875 percent.

The total estimated revenues for the TAF are shown below:



Transit Assistance Fund Revenues (\$ in millions)				
FY	Nov. '24	Feb. '24	\$ Change	% Change
2022 (act)	420	420	-	0.0%
2023 (act)	446	446	-	0.0%
2024 (act)	480	492	(12.3)	-2.5%
2025	491	485	6.2	1.3%
2026	521	497	23.6	4.7%
2027	538	516	22.7	4.4%
2028	561	-	-	0.0%
2029	587	-	-	0.0%

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



Greater Minnesota Transit Revenues (\$ in millions)				
FY	Nov. '24	Feb. '24	\$ Change	% Change
2022 (act)	65	65	-	0.0%
2023 (act)	64	64	-	0.0%
2024 (act)	93	92	0.6	0.6%
2025	97	92	5.0	5.4%
2026	102	95	7.9	8.3%
2027	106	97	8.6	8.8%
2028	111	-	-	0.0%
2029	115	-	-	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. Because revenue is not transferred until the following FY, the amount estimated for MVLST for the current year is shown as an appropriation carryforward into the next year.

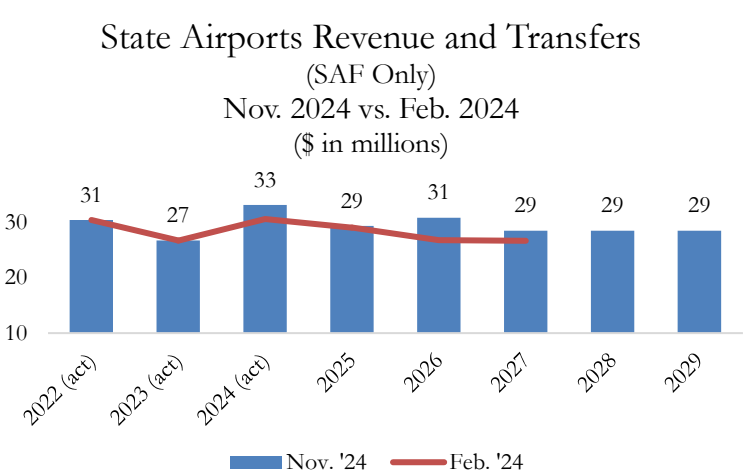
**Account Balance Policy**

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 in compliance with this policy.

State Airports Fund (SAF)

The SAF receives revenues from aviation gasoline and special fuel taxes, aircraft registration taxes, sales taxes on aircraft, and other small sources such as investment income. These revenues must be sufficient to support the direct appropriations from the Legislature, which are used to carry out aviation functions such as 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 only reflect the State Airports Fund and exclude activity in the two revolving funds):



State Airports Fund Revenues and Transfers (\$ in millions)				
FY	Nov. '24	Feb. '24	\$ Change	% Change
2022 (act)	31	31	-	0.0%
2023 (act)	27	27	-	0.0%
2024 (act)	33	31	2.5	8.3%
2025	29	29	0.3	1.0%
2026	31	27	4.1	15.1%
2027	29	27	1.8	6.8%
2028	29	-	-	0.0%
2029	29	-	-	0.0%

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 FY and a maximum of 15 percent, or \$3 million (whichever is lower, currently \$3 million). Currently, the fund complies with this policy and projects an available balance of approximately \$26 million by FY 2029.

## 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:	Transportation Advancement Account Fund Statement
Appendix 8:	Minnesota Highway User Tax Revenue – Percentage of Total Revenues
Appendix 9:	HUTD Revenues Year-over-Year Growth Percentage Trend
Policy Links:	<a href="#"><u>Policy Links</u></a>

## Contacts

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Appendix 1

Highway User Tax Distribution Fund

November 2024 Forecast

Comparison to Feb. 2024 Forecast

(\$ in thousands)	November 2024 Forecast								Change from Feb. 2024			
	Close FY 2022	Close FY 2023	Close FY 2024	Budget FY 2025	Budget FY 2026	Budget FY 2027	Planning Est FY 2028	Planning Est FY 2029	Close FY 2024	Budget FY 2025	Budget FY 2026	Budget FY 2027
Balance Forward from Prior Year	24,338	15,897	7,578	16,167	11,999	12,000	12,001	12,000	-	4,168	(2)	(0)
Prior Year Adjustments	255	(50)	(61)	-	-	-	-	-	(61)	-	-	-
Adjusted Balance Forward	24,593	15,848	7,517	16,167	11,999	12,000	12,001	12,000	(61)	4,168	(2)	(0)
<b>Net Revenue and Transfers-In</b>												
Motor Fuel Excise Tax	892,597	881,971	886,111	925,676	992,592	999,910	1,007,369	1,023,905	11,912	19,856	27,070	24,147
Motor Vehicle Registration Tax	823,287	836,522	914,474	1,078,841	1,186,725	1,246,061	1,289,674	1,334,812	(14,243)	10,816	11,898	12,493
Motor Vehicle Sales Tax	591,627	636,327	677,184	688,878	731,520	756,060	787,422	825,456	(22,434)	2,226	27,528	24,666
Sales Tax on Auto Parts	145,644	145,644	139,897	155,041	157,260	162,923	169,131	175,109	(0)	10,517	8,202	9,584
Motor Vehicle Rental Tax (9.2%)	26,244	30,797	32,962	35,110	36,630	38,160	39,681	41,321	13	864	1,075	1,198
Motor Vehicle Rental Tax (6.5%)	18,542	21,759	23,288	24,806	25,880	26,961	28,035	29,194	9	611	760	846
Leased Vehicle Sales Tax	7,513	6,231	8,212	9,185	9,537	9,922	10,428	10,681	776	1,375	1,518	1,815
Other Income	4,463	13,162	17,600	15,939	14,475	10,910	10,914	10,914	(1,523)	472	3,432	663
Total Net Revenue and Transfers-In	2,509,917	2,572,414	2,699,728	2,933,476	3,154,619	3,250,907	3,342,654	3,451,391	(25,490)	46,737	81,483	75,412
<b>Expenditures and Transfers-Out</b>												
Appropriations to MnDOT, Revenue, DPS	4,004	3,607	3,440	4,109	3,936	3,876	3,876	3,876	(226)	359	160	117
Transfers--DNR	21,397	21,520	21,614	22,541	24,169	24,348	24,529	24,932	(241)	(105)	31	(46)
Transfers--5% Set-Aside	124,661	127,778	133,301	145,550	156,326	161,134	165,713	171,129	(1,463)	2,533	4,065	3,767
Transfers--County State-Aid Highway	686,880	704,056	734,490	801,979	861,354	887,849	913,076	942,922	(8,059)	13,955	22,395	20,756
Transfers--Municipal State-Aid Highway	213,170	218,500	227,945	248,890	267,317	275,539	283,368	292,631	(2,501)	4,331	6,951	6,441
Transfers--Trunk Highway	1,468,502	1,505,222	1,570,289	1,714,575	1,841,516	1,898,160	1,952,093	2,015,901	(17,229)	29,834	47,880	44,375
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	2,518,613	2,580,683	2,691,079	2,937,644	3,154,618	3,250,906	3,342,655	3,451,391	(29,719)	50,907	81,482	75,410
<b>Ending Balance</b>	<b>15,897</b>	<b>7,578</b>	<b>16,167</b>	<b>11,999</b>	<b>12,000</b>	<b>12,001</b>	<b>12,000</b>	<b>12,000</b>	<b>4,168</b>	<b>(2)</b>	<b>(0)</b>	<b>1</b>

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

Trunk Highway Fund  
November 2024 Forecast  
Comparison to Feb. 2024 Forecast

(\$ in thousands)	November 2024 Forecast								Change from Feb. 2024			
	Close	Close	Close	Budget	Budget	Budget	Planning Est	Planning Est	Close	Budget	Budget	Budget
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2024	FY 2025	FY 2026	FY 2027
Balance Forward from Prior Year	335,408	327,279	241,552	462,581	187,804	258,071	364,492	506,578	(0)	145,204	(13,151)	42,614
Prior Year Adjustments	102,909	105,882	47,527	45,000	45,000	45,000	45,000	45,000	7,527	5,000	5,000	5,000
Adjusted Balance Forward	438,317	433,161	289,079	507,581	232,804	303,071	409,492	551,578	7,526	150,204	(8,151)	47,614
<b>Net Revenue and Transfers-In</b>												
Transfer from HUTD	1,468,502	1,505,222	1,570,289	1,714,575	1,841,516	1,898,160	1,952,093	2,015,901	(17,229)	29,834	47,880	44,375
Federal Aid Agreements	489,069	855,140	705,776	817,718	686,998	686,998	686,998	686,998	(118,488)	118,488	-	-
Other Income and Transfers-In	96,362	83,148	275,231	111,215	105,577	94,145	94,376	94,611	13,684	11,668	17,414	8,692
Total Net Revenue and Transfers-In	2,053,933	2,443,510	2,551,296	2,643,508	2,634,091	2,679,303	2,733,467	2,797,510	(122,033)	159,990	65,294	53,067
<b>Expenditures and Transfers-Out</b>												
Transportation Department	1,808,212	2,230,041	1,973,274	2,515,418	2,135,366	2,121,325	2,117,302	2,117,305	(242,033)	326,602	11,250	19,293
Public Safety and Other Depts.	139,696	153,084	170,476	194,950	175,782	175,782	175,782	175,782	(17,816)	19,215	-	-
Transfers-Out and Other	3,925	4,086	4,138	4,100	4,100	4,100	4,100	4,100	138	100	100	100
Debt Service	213,138	247,908	229,906	248,817	293,575	316,675	339,198	343,317	-	(22,572)	3,180	2,092
Total Expenditures and Transfers-Out	2,164,971	2,635,119	2,377,794	2,963,285	2,608,823	2,617,882	2,636,382	2,640,504	(259,711)	323,345	14,529	21,485
Balance Before Reserves	327,279	241,552	462,581	187,804	258,071	364,492	506,578	708,584	145,204	(13,151)	42,614	79,195
Less Appropriation Carryforward	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	327,279	241,552	462,581	187,804	258,071	364,492	506,578	708,584	145,204	(13,151)	42,614	79,195
Reserved Fund Balance per Policy	117,213	120,869	129,841	123,776	126,466	123,734	123,946	126,631	(4,668)	(1,689)	(1,806)	(2,121)
Unreserved Fund Balance per Policy	210,066	120,683	332,740	64,028	131,605	240,758	382,632	581,953	149,872	(11,461)	44,420	81,316
Debt Service Percentage Compared to State Revenue	13.9%	15.9%	12.7%	14.0%	15.4%	16.3%	16.9%	16.6%	-0.1%	-1.6%	-0.4%	-0.3%

Reserved Fund Balance reflects reserved amounts to mitigate risk from state revenue fluctuations, federal funding uncertainty, severe winters, etc.  
Unreserved Fund Balance reflects amounts available to be appropriated for specific purposes

Appendix 3

County State Aid Fund  
November 2024 Forecast  
Comparison to Feb. 2024 Forecast

(\$ in thousands)	November 2024 Forecast								Change from Feb. 2024			
	Close FY 2022	Close FY 2023	Close FY 2024	Budget FY 2025	Budget FY 2026	Budget FY 2027	Planning Est FY 2028	Planning Est FY 2029	Close FY 2024	Budget FY 2025	Budget FY 2026	Budget FY 2027
Balance Forward from Prior Year	763,678	811,391	911,259	1,024,268	1,024,268	1,024,268	1,024,268	1,024,268	-	119,928	119,996	120,064
Prior Year Adjustments	219	674	754	-	-	-	-	-	754	-	-	-
Adjusted Balance Forward	763,898	812,065	912,013	1,024,268	1,024,268	1,024,268	1,024,268	1,024,268	754	119,928	119,996	120,064
<b>Net Revenue and Transfers-In</b>												
Leased Vehicle Sales Tax	25,955	21,526	28,369	31,730	32,946	34,276	36,024	36,898	2,681	4,750	5,244	6,270
Other Income	3,357	24,960	43,045	41,505	35,556	23,113	23,121	23,121	4,411	11,063	16,591	6,639
Transfer from HUTD	811,541	831,834	867,791	947,529	1,017,680	1,048,983	1,078,789	1,114,051	(9,522)	16,488	26,460	24,523
Transfer from TAA	-	-	2,364	10,718	13,626	17,449	23,389	29,725	-	(4,812)	(3,940)	(1,816)
Transfer from General	12,000	-	-	-	-	-	-	-	-	-	-	-
Total Net Revenue and Transfers-In	852,853	878,320	941,569	1,031,482	1,099,807	1,123,821	1,161,323	1,203,795	(2,430)	27,489	44,355	35,616
<b>Expenditures and Transfers-Out</b>												
Grants to Local Governments	777,927	765,694	808,088	1,011,544	1,078,244	1,101,340	1,138,068	1,179,660	(117,465)	27,279	43,872	35,077
MnDOT Administrative and Research	12,310	13,364	14,375	19,938	21,563	22,481	23,255	24,135	(4,071)	210	482	539
Transfers to MSAS Fund	5,000	-	5,000	-	-	-	-	-	-	-	-	-
Transfers to Special Revenue	122	68	-	-	-	-	-	-	(68)	(68)	(68)	(68)
Transfers to Trunk Highway Fund	10,000	-	1,850	-	-	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	805,359	779,126	829,314	1,031,482	1,099,807	1,123,821	1,161,323	1,203,795	(121,604)	27,421	44,286	35,548
Balance Before Reserves	811,391	911,259	1,024,268	1,024,268	1,024,268	1,024,268	1,024,268	1,024,268	119,928	119,996	120,064	120,132
Less Appropriation Carryforward	811,391	911,259	1,024,268	1,024,268	1,024,268	1,024,268	1,024,268	1,024,268	119,928	119,996	120,064	120,132
<b>Ending Balance</b>	-	-	-	-	-	-	-	-	-	-	0	(0)

Appendix 4

Municipal State Aid Fund  
November 2024 Forecast  
Comparison to Feb. 2024 Forecast

(\$ in thousands)	November 2024 Forecast								Change from Feb. 2024			
	Close FY 2022	Close FY 2023	Close FY 2024	Budget FY 2025	Budget FY 2026	Budget FY 2027	Planning Est FY 2028	Planning Est FY 2029	Close FY 2024	Budget FY 2025	Budget FY 2026	Budget FY 2027
Balance Forward From Prior Year	182,132	248,945	274,342	306,163	306,163	306,163	306,163	306,163	-	31,821	31,821	31,821
Prior Year Adjustments	59	194	206	-	-	-	-	-	206	-	-	-
Adjusted Balance Forward	182,192	249,140	274,548	306,163	306,163	306,163	306,163	306,163	206	31,821	31,821	31,821
<b>Net Revenue and Transfers-In :</b>												
Other Income	1,188	7,849	13,015	13,352	11,464	7,463	7,466	7,466	1,244	3,989	5,504	2,252
Transfer From HUTD	213,170	218,500	227,945	248,890	267,317	275,539	283,368	292,631	(2,501)	4,331	6,951	6,441
Transfer From CSAH	5,000	-	5,000	-	-	-	-	-	-	-	-	-
Net Revenue and Transfers In	219,358	226,349	245,960	262,242	278,781	283,002	290,834	300,097	(1,257)	8,320	12,455	8,693
<b>Expenditures and Transfers-Out</b>												
Grants to Local Governments	148,845	197,311	210,244	255,767	271,893	275,948	283,602	292,641	(31,069)	8,160	12,165	8,456
MnDOT Administrative and Research	3,722	3,815	4,100	6,475	6,887	7,054	7,232	7,456	(1,781)	182	312	257
Transfers to Special Revenue	38	21	-	-	-	-	-	-	(21)	(21)	(21)	(21)
Total Expenditures and Transfers-Out	152,604	201,147	214,345	262,242	278,781	283,002	290,834	300,097	(32,872)	8,320	12,455	8,693
<b>Balance before Reserves</b>	248,945	274,342	306,163	306,163	306,163	306,163	306,163	306,163	31,821	31,821	31,821	31,821
Less Appropriation Carryforward	248,945	274,342	306,163	306,163	306,163	306,163	306,163	306,163	31,821	31,821	31,821	31,821
<b>Ending Balance</b>	-	-	-	-	-	-	-	-	(0)	(0)	(0)	-

Transit Assistance Fund  
November 2024 Forecast  
Comparison to Feb. 2024 Forecast

(\$ in thousands)	November 2024 Forecast								Change from Feb. 2024			
	Close FY 2022	Close FY 2023	Close FY 2024	Budget FY 2025	Budget FY 2026	Budget FY 2027	Planning Est FY 2028	Planning Est FY 2029	Close FY 2024	Budget FY 2025	Budget FY 2026	Budget FY 2027
Balance Forward from Prior Year	54,009	42,903	35,023	79,553	72,758	65,028	58,539	48,373	-	45,573	40,970	34,147
Prior Year Adjustments	7,162	4,790	35,235	2,000	2,000	2,000	2,000	2,000	35,235	2,000	2,000	2,000
Adjusted Balance Forward	61,171	47,693	70,258	81,553	74,758	67,028	60,539	50,373	35,235	47,573	42,970	36,147
<b>Net Revenue and Transfers-In</b>												
Metropolitan Area Transit Account	354,976	381,796	387,124	393,809	418,186	432,214	450,143	471,886	(12,825)	1,273	15,737	14,101
Greater Minnesota Transit Account	39,442	42,422	64,332	65,443	69,494	71,826	74,805	78,418	(2,131)	211	2,615	2,343
Total Motor Vehicle Sales Tax	394,418	424,218	451,456	459,252	487,680	504,040	524,948	550,304	(14,956)	1,484	18,352	16,444
Leased Vehicle Sales Tax	25,955	21,526	28,369	31,730	32,946	34,276	36,024	36,898	2,681	4,750	5,244	6,270
Total Net Revenue and Transfers-In	420,373	445,743	479,825	490,982	520,626	538,316	560,972	587,202	(12,275)	6,234	23,596	22,714
<b>Expenditures and Transfers-Out</b>												
Metropolitan Council	355,077	381,900	387,189	393,809	418,186	432,214	450,143	471,886	(12,759)	1,273	15,737	14,101
Transportation Department	83,564	76,514	83,340	105,969	112,171	114,590	122,996	122,996	(9,854)	11,564	16,683	17,315
Total Expenditures and Transfers-Out	438,641	458,414	470,530	499,778	530,356	546,804	573,139	594,881	(22,613)	12,837	32,419	31,416
Balance Before Reserves	42,903	35,023	79,553	72,758	65,028	58,539	48,373	42,694	45,573	40,970	34,147	27,445
Less Appropriation Carryforward	25,955	21,526	28,369	31,730	32,946	34,276	36,024	36,898	2,681	4,750	5,244	6,270
Less Met Council Balance	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	16,948	13,497	51,185	41,028	32,082	24,263	12,349	5,796	42,892	36,220	28,903	21,175
Reserved Balance	5,401	4,290	3,502	7,955	7,276	6,503	5,854	4,837	-	4,557	4,097	3,415
Unreserved Fund Balance	11,547	9,207	47,682	33,072	24,806	17,761	6,495	958	42,892	31,663	24,806	17,760



State Airports Fund  
November 2024 Forecast  
Comparison to Feb. 2024 Forecast

(\$ in thousands)	November 2024 Forecast								Change from Feb. 2024			
	Close FY 2022	Close FY 2023	Close FY 2024	Budget FY 2025	Budget FY 2026	Budget FY 2027	Planning Est FY 2028	Planning Est FY 2029	Close FY 2024	Budget FY 2025	Budget FY 2026	Budget FY 2027
Balance Forward from Prior Year	\$18,101	\$19,200	\$22,700	\$30,146	\$15,121	\$21,314	\$25,168	\$29,023	-	18,389	(3)	5,764
Prior Year Adjustments	3,340	3,954	3,583	1,000	1,000	1,000	1,000	1,000	3,083	500	500	500
Adjusted Balance Forward	21,441	23,153	26,283	31,146	16,121	22,314	26,168	30,023	3,083	18,889	497	6,264
<b>Net Revenue and Transfers-In</b>												
Transfer from General Fund	-	-	-	-	-	-	-	-	-	-	-	-
Sales Tax on Aircraft	12,806	8,420	14,339	11,000	11,000	11,000	11,000	11,000	1,339	1,000	1,000	1,000
Airline Flight Property Tax	7,004	7,031	6,978	7,000	7,000	7,000	7,000	7,000	(10)	-	-	-
Aircraft Registration Tax	3,382	4,980	3,863	4,000	4,000	4,000	4,000	4,000	(137)	-	-	-
Gasoline & Special Fuel Tax	7,092	5,196	6,144	5,500	5,500	5,500	5,500	5,500	1,144	500	500	500
Other Income	1,330	2,149	3,344	3,826	4,430	2,067	2,068	2,068	623	(966)	2,567	316
Total Net Revenue and Transfers-In	31,613	27,776	34,667	31,326	31,930	29,567	29,568	29,568	2,958	534	4,067	1,816
<b>Expenditures and Transfers-Out</b>												
Transportation Department	34,127	27,723	30,260	47,092	26,478	26,454	26,454	26,454	(13,192)	18,867	(1,758)	225
Transfer Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	34,127	27,723	30,260	47,092	26,478	26,454	26,454	26,454	(13,192)	18,867	(1,758)	225
<b>Net Change in Loan Fund</b>	272	(506)	(544)	(259)	(259)	(259)	(259)	(259)	(844)	(559)	(559)	(559)
Balance Before Reserves	19,200	22,700	30,146	15,121	21,314	25,168	29,023	32,878	18,389	(3)	5,764	7,296
Less Appropriation Carryforward	2,259	4,010	3,049	3,690	3,431	3,172	2,913	2,654	(861)	(1,370)	(2,129)	(2,888)
<b>Ending Balance</b>	<b>\$15,464</b>	<b>\$16,564</b>	<b>\$24,465</b>	<b>\$8,799</b>	<b>\$15,252</b>	<b>\$19,365</b>	<b>\$23,479</b>	<b>\$27,593</b>	<b>18,744</b>	<b>861</b>	<b>7,387</b>	<b>9,678</b>
Reserved Balance	1,586	1,366	1,420	2,305	1,274	1,273	1,273	1,273	(683)	933	(98)	1
Unreserved Fund Balance	13,878	15,198	23,046	6,495	13,978	18,092	22,206	26,320	19,427	(72)	7,485	9,676

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.

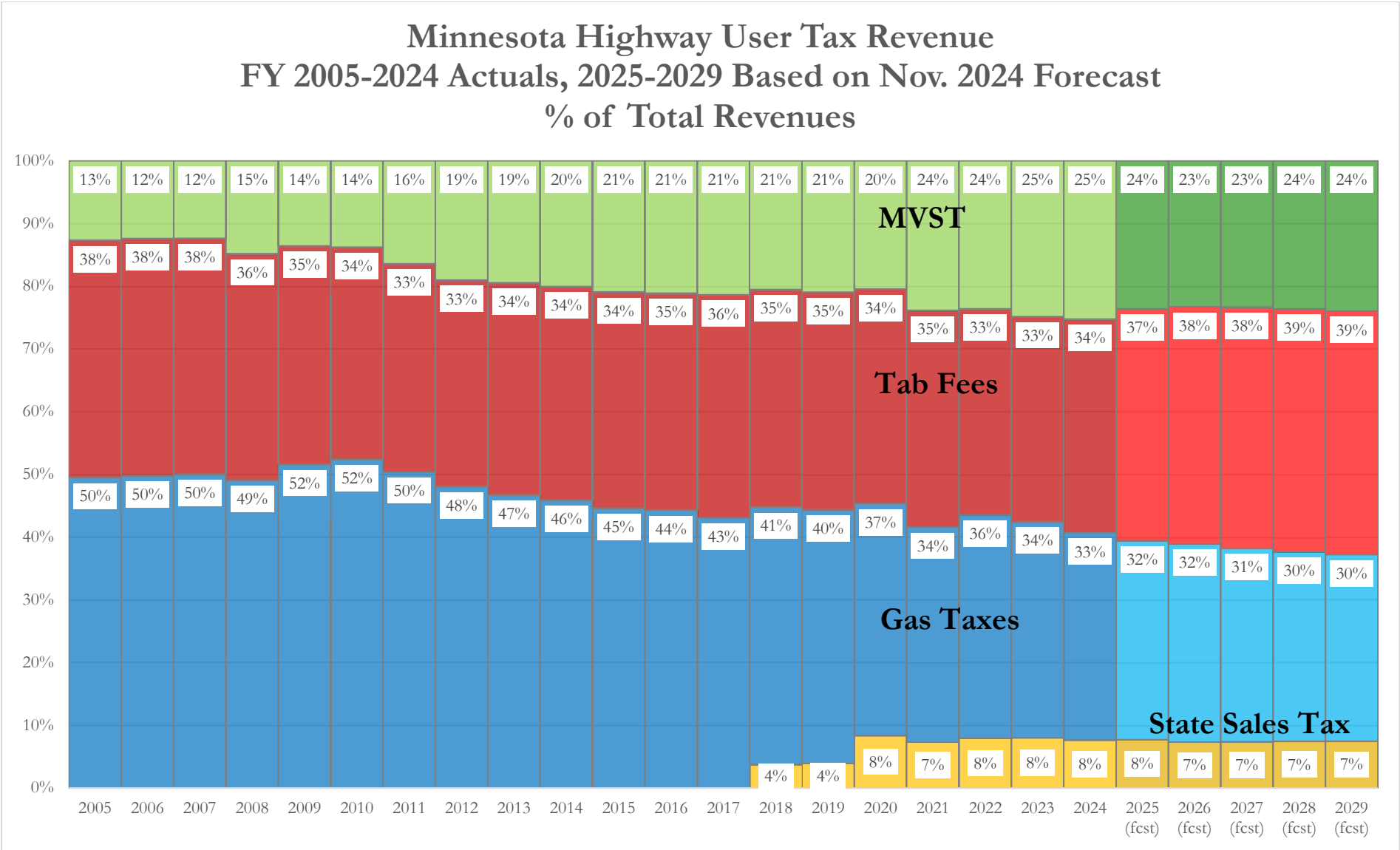
### Transportation Advancement Account Fund

November 2024 Forecast  
Comparison to Feb. 2024 Forecast

(\$ in thousands)

	November 2024 Forecast								Change from Feb. 2024			
	Close FY 2022	Close FY 2023	Close FY 2024	Budget FY 2025	Budget FY 2026	Budget FY 2027	Planning Est FY 2028	Planning Est FY 2029	Close FY 2024	Budget FY 2025	Budget FY 2026	Budget FY 2027
<b>Net Revenue and Transfers-In</b>												
Delivery Fee	-	-	-	35,000	45,000	55,000	55,000	55,000	-	(28,800)	(25,000)	(15,500)
Sales Tax on Auto Parts	-	-	11,256	16,039	19,883	28,090	56,377	86,548				
Total Receipts	-	-	11,256	51,039	64,883	83,090	111,377	141,548				
Other Income	-	-	-	-	-	-	-	-	-	1,088	-	-
Net Receipts	-	-	11,256	51,039	64,883	83,090	111,377	141,548	-	(27,712)	(23,963)	(13,848)
											-	-
Total Net Revenue and Transfers-In	-	-	11,256	51,039	64,883	83,090	111,377	141,548	-	(27,712)	(23,963)	(13,848)
<b>Expenditures and Transfers-Out</b>												
Metro Counties (36%)	-	-	4,052	18,374	23,358	29,912	40,096	50,957	-	(9,976)	(8,627)	(4,985)
County State Aid Highway (CSAH) (10%) *	-	-	1,126	5,104	6,488	8,309	11,138	14,155	-	(2,771)	(2,396)	(1,385)
Larger Cities (15%)	-	-	1,688	7,656	9,733	12,464	16,707	21,232	-	(4,157)	(3,594)	(2,077)
Small Cities (27%)	-	-	3,039	13,780	17,519	22,434	30,072	38,218	-	(7,482)	(6,470)	(3,739)
Town Road (11%) *	-	-	1,238	5,614	7,137	9,140	12,251	15,570	-	(3,048)	(2,636)	(1,523)
Food Delivery Support (1%)	-	-	113	510	649	831	1,114	1,415	-	(277)	(240)	(138)
Total Expenditures and Transfers-Out	-	-	11,256	51,039	64,883	83,090	111,377	141,548	-	(27,712)	(23,963)	(13,848)
Total Uses	-	-	11,256	51,039	64,883	83,090	111,377	141,548	-	(27,712)	(23,963)	(13,848)
<b>Ending Balance</b>	-	-	-	-	-	-	-	-	-	-	-	-

\* CSAH and Town Road transfers are also itemized in the CSAH fund statement



Year-over-Year Growth Rates  
HUTD Revenues  
Nov. 2024 vs Feb 2024 Forecast

