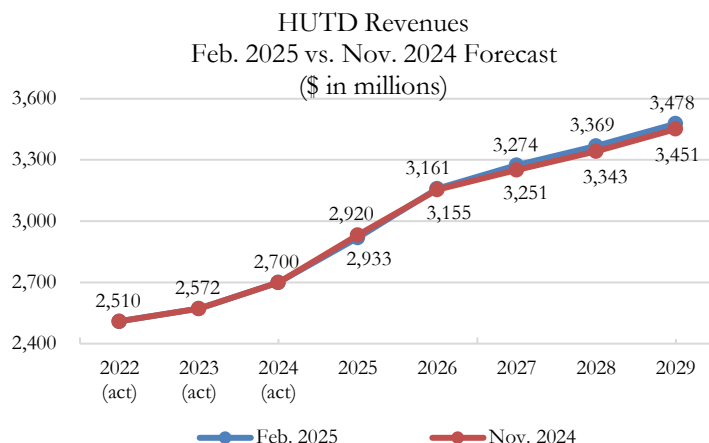


## Forecast Highlights

**Highway User Tax Distribution (HUTD) Fund revenues are anticipated to decrease slightly in FY 2025, before experiencing annual growth from FY 2026 to FY 2029 compared to the November 2024 forecast.**

Overall, revenues for the FY 2024-25 biennium are projected to be -\$13M (-0.2 percent) lower than the November 2024 forecast. In the FY 2026-27 biennium, revenues are expected to rise by +\$29M (+0.5 percent), followed by a +\$53M (+0.8 percent) increase in the FY 2028-29 biennium, compared to November 2024 estimates.



### FY 2025 HUTD Revenue Forecast

Feb. 2025 vs. Nov. 2024

(\$ in millions)

Revenue Source	Feb. '25	Nov. '24	\$ Change	% Change
Gas Tax	933	926	7	0.8%
Tab Fees	1,059	1,079	(20)	-1.8%
MVST	689	689	-	0.0%
Interest/Other	15.8	15.9	(0)	-0.7%
State Sales Tax	214	215	(1)	-0.4%
MVLST	9.2	9.2	(0)	-0.1%
<b>Total</b>	<b>2,920</b>	<b>2,933</b>	<b>(13)</b>	<b>-0.4%</b>

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

Gas tax is up +\$7M (+0.8 percent), registration tax is down -\$20M (-1.8 percent), and motor vehicle sales tax remains flat in FY 2025.

### Summary of Significant Federal and State Funding

The Minnesota Department of Transportation (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, the program was reduced by \$11 million (Laws of 2024, Chapter 127), changing the total funding to \$205.4 million. This funding provides matching funds to grant recipients that have received a federal discretionary award for a transportation-related purpose under IIJA.

Recipients have included state government agencies, local units of government, federally recognized Tribal governments, planning and project organizations, transit providers, and airports. Once matching funds are approved for IIJA grants awarded in January, all state match funds will be committed. The \$205.4 million in state funds is expected to leverage over \$1.3 billion in federal funds for about 100 projects. Currently, the average state match across all recipient types is approximately \$2 million.

MnDOT is closely monitoring federal awards and activities, particularly during this crucial period marked by significant uncertainty surrounding new and changing priorities from the federal government. There are additional unknowns regarding the current continuing resolution for appropriations, which is set to expire on March 14, 2025, as well as the upcoming surface transportation reauthorization funding bill which will expire in 2026. Until discretionary federal grant agreements are finalized and funds are obligated, it is unclear when or if specific projects will move forward.

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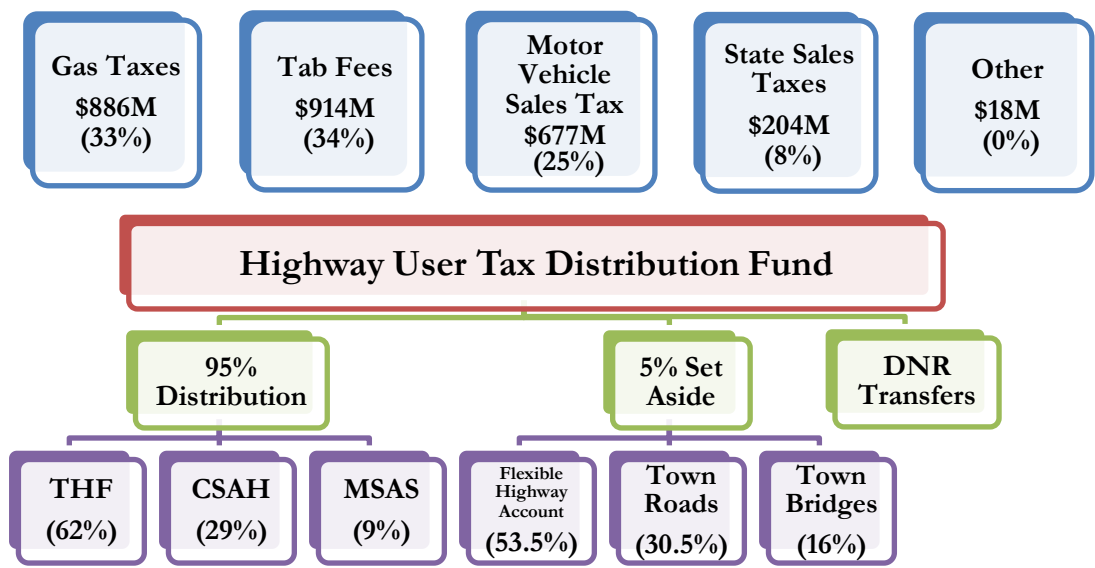
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# Introduction to Transportation Funding

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 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 November 2024 fund statements.** This forecast includes 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 31.8 cents per gallon, which includes the 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>.

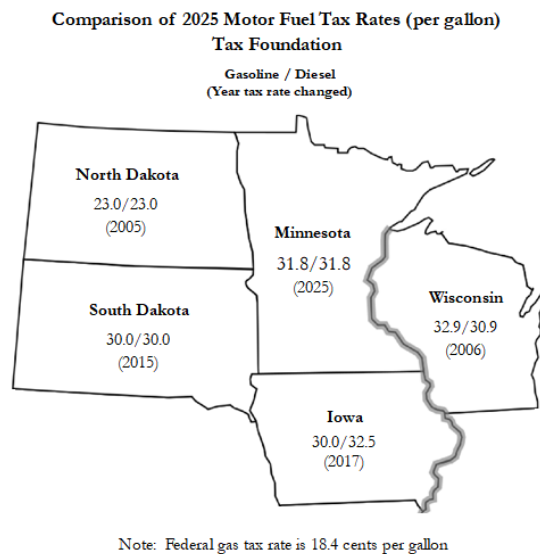
An annual indexing factor, determined by August 1<sup>st</sup> each year, adjusts the rate starting the following January 1<sup>st</sup> based on the Minnesota Highway Construction Index (MnDOT's internal inflation index). Beginning on August 1, 2025, the percentage change in the calculation must not exceed three percent. The adjustment increased the motor fuel tax by approximately 3 cents in FY 2025 and will 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:

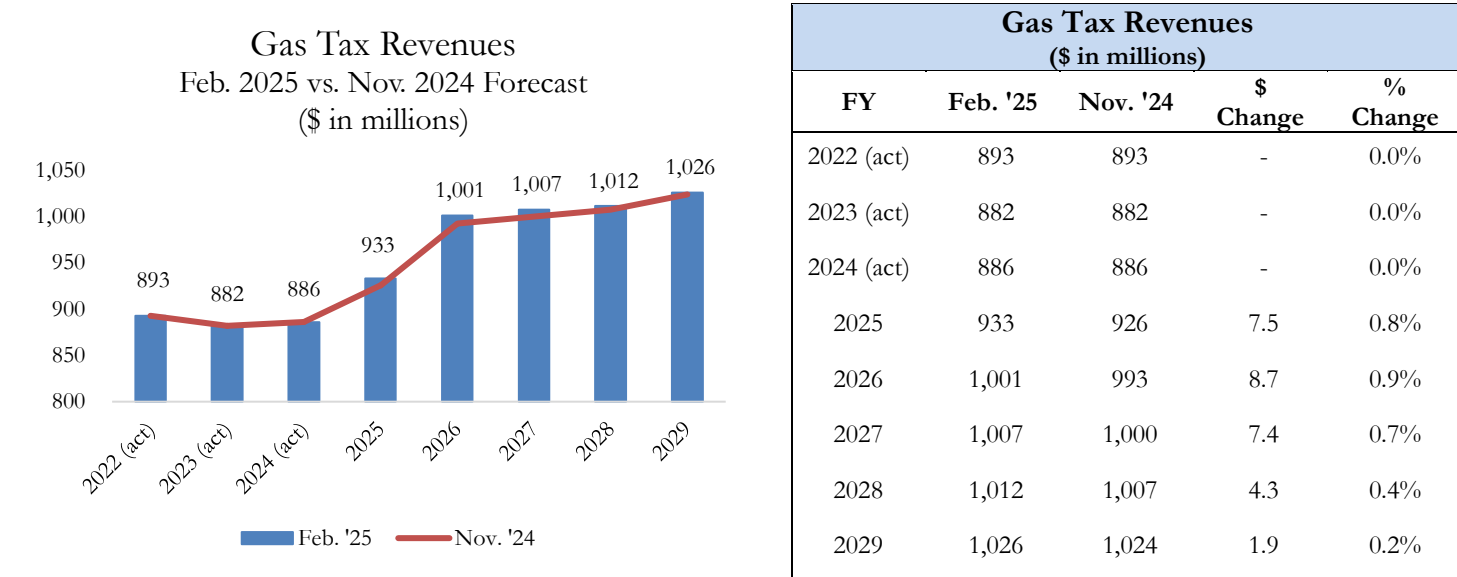
- the economy and world oil prices
- long-term policy (e.g., Corporate Average Fuel Economy (CAFE) standards)
- consumer trends toward more fuel-efficient vehicles, including hybrid and electric vehicles
- utilization of other transportation options

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 every year in March. MnDOT also consults the macroeconomic national forecast of U.S. gasoline consumption produced by S&P Global Market Intelligence (S&P Global), formerly known as IHS Markit (IHS). S&P Global provides economic information and analysis and is the same macroeconomic consultant that MMB uses to assist with forecasting the General Fund. MnDOT traditionally uses a blended average of the consumption forecasts by EIA and S&P Global, adjusted with actual fuel consumption history in Minnesota, to forecast future revenue.

The most current S&P Global forecast, from February 2025, projects a slight increase in fuel consumption followed by a decline starting in FY 2027, with an average decrease of about -0.3 percent per year over the forecast period. Since the most recent EIA forecast is from March 2023, this forecast relies solely on S&P Global consumption data.

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

The current forecast of revenues is shown below:



Motor Vehicle Registration Tax (Tab Fees)

Revenue collected on passenger vehicles comprises nearly 90 percent of 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.

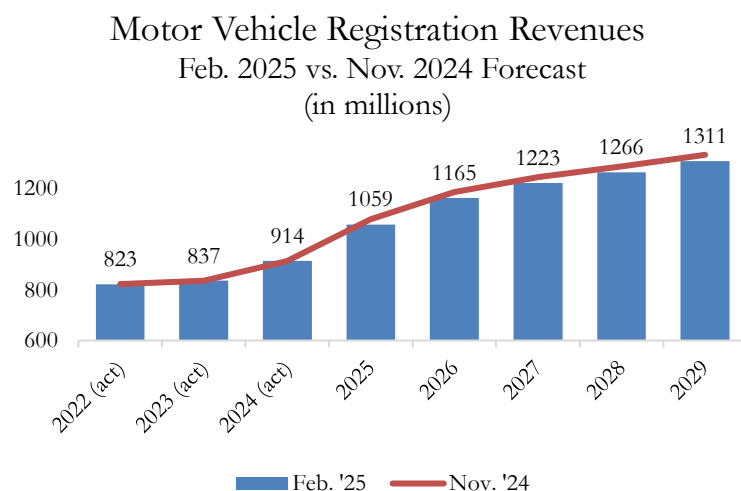
The passenger vehicle tax is \$10 plus 1.575 percent times a declining percentage of the vehicle's original value, with a minimum tax of \$30. The law went into effect on January 1, 2024.

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 expected to decrease throughout the forecast period compared to the November 2024 forecast. However, year-over-year growth is still anticipated due to the amended registration tax, though it is not expected to be as strong as initially projected in the November 2024 forecast.

The current forecast of revenues is shown below:



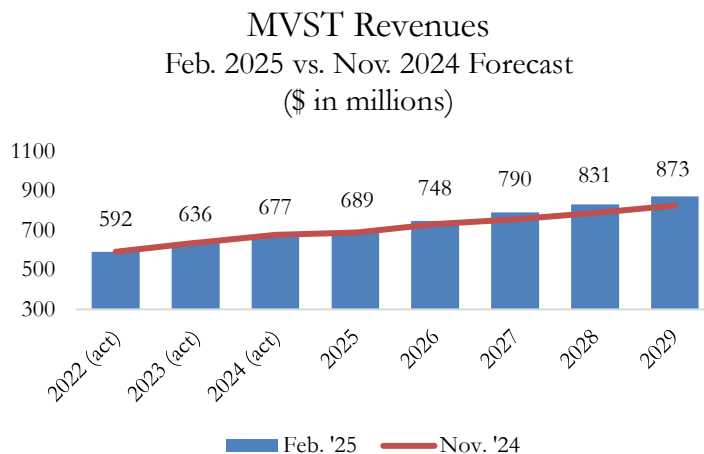
<b>Motor Vehicle Registration Revenues</b> (\$ in millions)				
FY	Feb. '25	Nov. '24	\$ Change	% Change
2022 (act)	823	823	-	0.0%
2023 (act)	837	837	-	0.0%
2024 (act)	914	914	-	0.0%
2025	1059	1079	(19.6)	-1.8%
2026	1165	1187	(21.6)	-1.8%
2027	1223	1246	(22.6)	-1.8%
2028	1266	1290	(23.4)	-1.8%
2029	1311	1335	(24.2)	-1.8%



## Motor Vehicle Sales Tax (MVST)

The MVST rate is 6.875 percent, which includes sales by car dealers and private individuals. Since 2012, MVST revenues have been distributed 60 percent to the HUTD Fund and 40 percent to the TAF. Of that 40 percent distribution, Greater Minnesota Transit receives 5.7% and the Twin Cities metro area receives 34.3%.

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



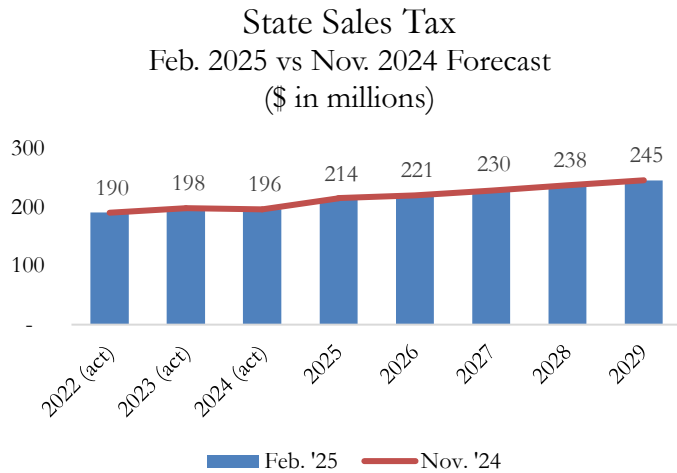
MVST Revenues (\$ in millions)				
FY	Feb. '25	Nov. '24	\$ Change	% Change
2022 (act)	592	592	-	0.0%
2023 (act)	636	636	-	0.0%
2024 (act)	677	677	-	0.0%
2025	689	689	-	0.0%
2026	748	732	16.6	2.3%
2027	790	756	34.2	4.5%
2028	831	787	43.5	5.5%
2029	873	825	47.2	5.7%

## 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 those rentals. The revenue collected on both taxes is forecasted by MMB. Each of these tax revenues are expected to remain relatively flat throughout the forecast period compared to November 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:



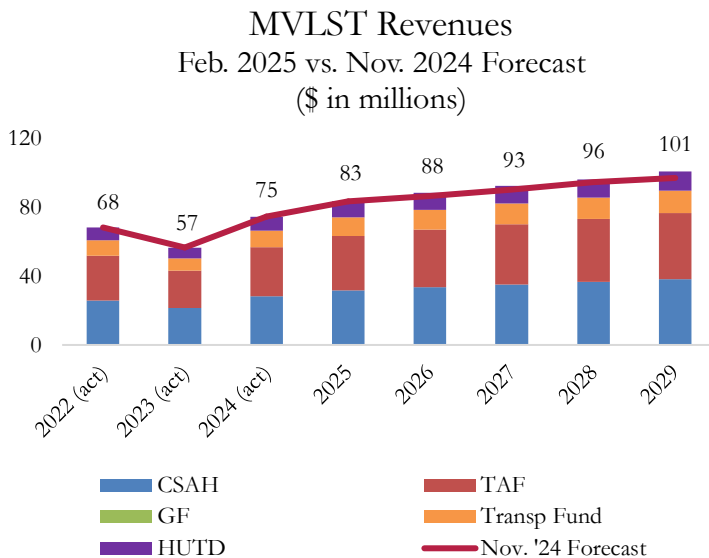
State Sales Taxes (\$ in millions)				
FY	Feb. '25	Nov. '24	\$ Change	% Change
2022 (act)	190	190	-	0.0%
2023 (act)	198	198	-	0.0%
2024 (act)	196	196	-	0.0%
2025	214	215	(0.8)	-0.4%
2026	221	220	1.0	0.5%
2027	230	228	1.7	0.8%
2028	238	237	0.8	0.4%
2029	245	246	(0.5)	-0.2%

### 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 in most years compared to the November 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:



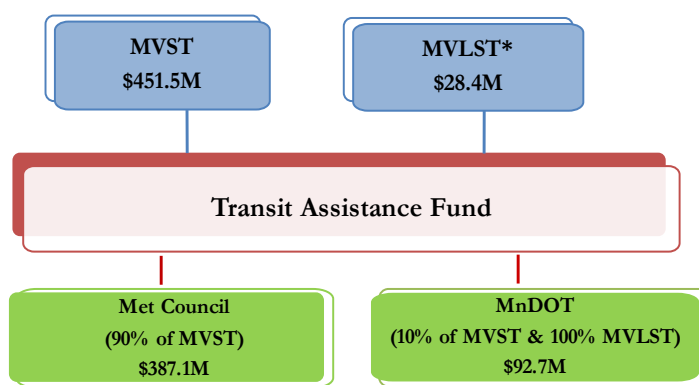
MVLST Revenues (\$ in millions)				
FY	Feb. '25	Nov. '24	\$ Change	% Change
2022 (act)	68	68	-	0.0%
2023 (act)	57	57	-	0.0%
2024 (act)	75	75	-	0.0%
2025	83	84	(0.1)	-0.1%
2026	88	87	1.7	2.0%
2027	93	90	2.3	2.5%
2028	96	95	1.5	1.6%
2029	101	97	3.7	3.8%

## 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

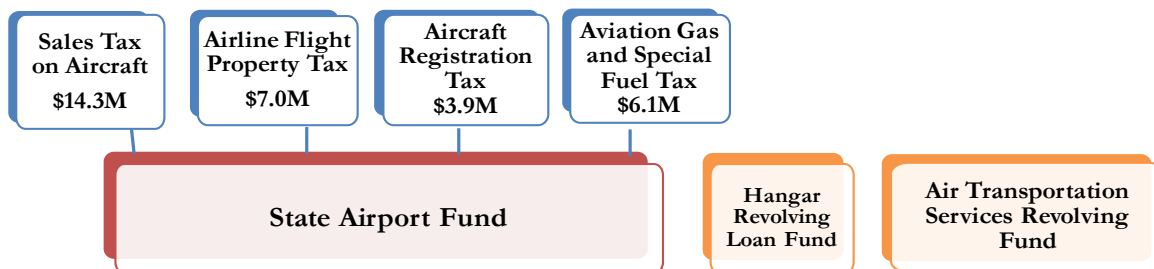
## State Airports Revenue

Three funds make up the total consolidated SAF:

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

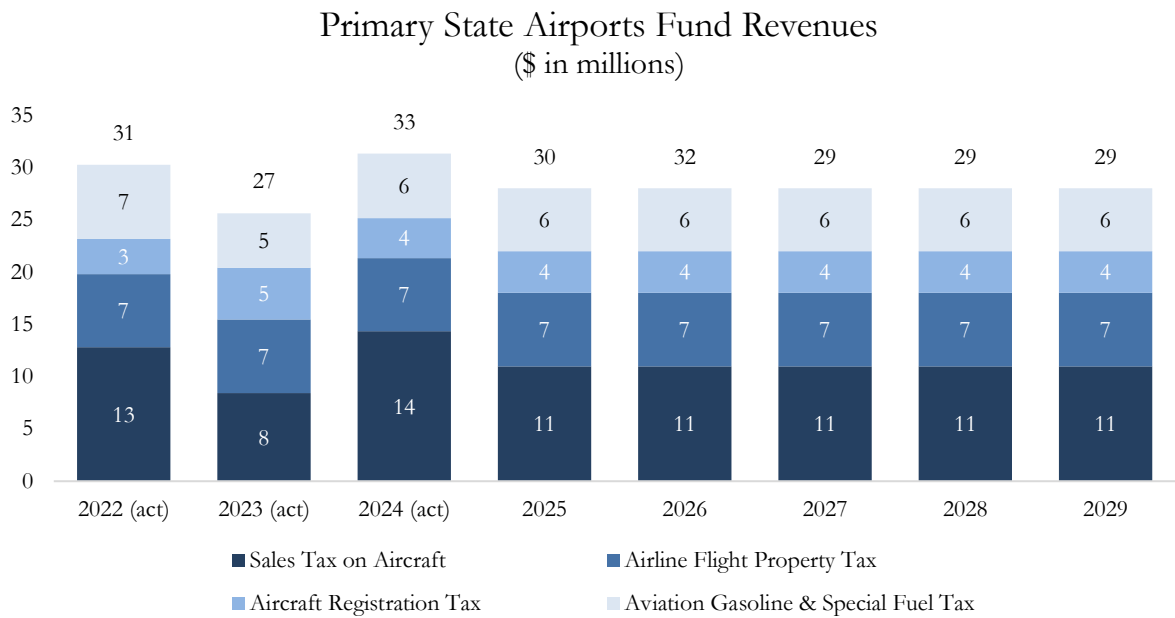
The consolidated fund statement ending balance does not include the two revolving funds (Hanger Loan and Air Transportation Services) because their receipts are dedicated to specific functions.

### 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 November 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”.

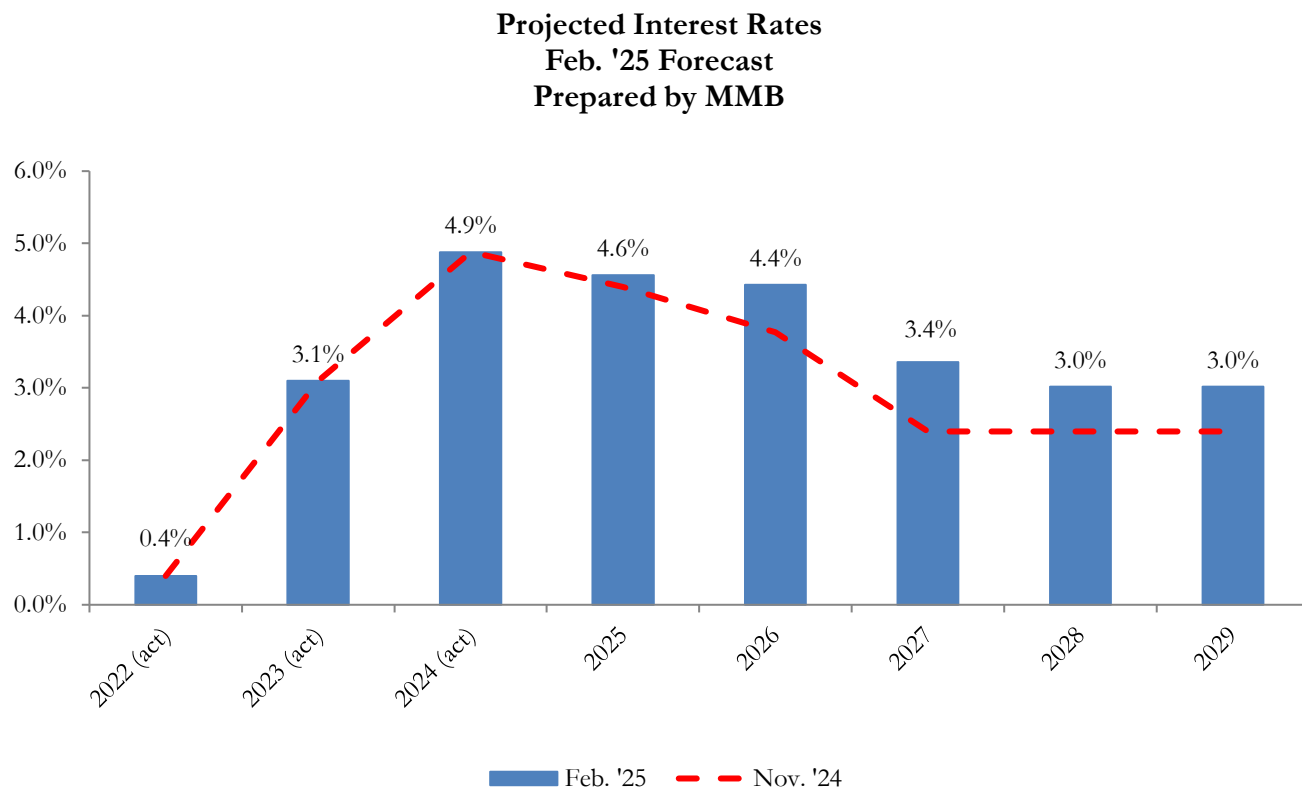
The current forecast of revenues is shown below:



## 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 3.0 percent near the end of the forecast period. Overall, interest rates increase slightly compared to the November 2024 forecast, leading to increased interest income across all funds.



# Fund Statements

## Transfers from HUTD Fund

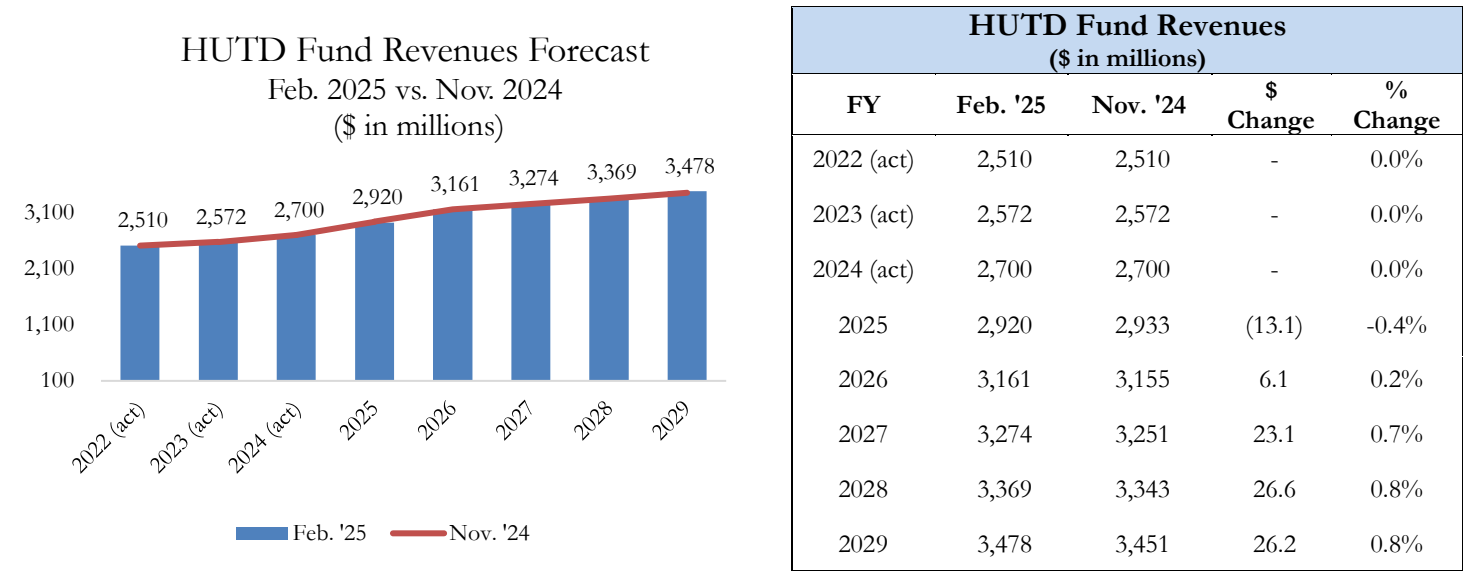
The HUTD Fund receives revenues from the three sources constitutionally dedicated to highways and transit (gas tax, tab fees, and MVST), as well as several minor sources of revenue. With the exception of 40 percent of MVST dedicated to public transit, revenues from these three taxes are deposited into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

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

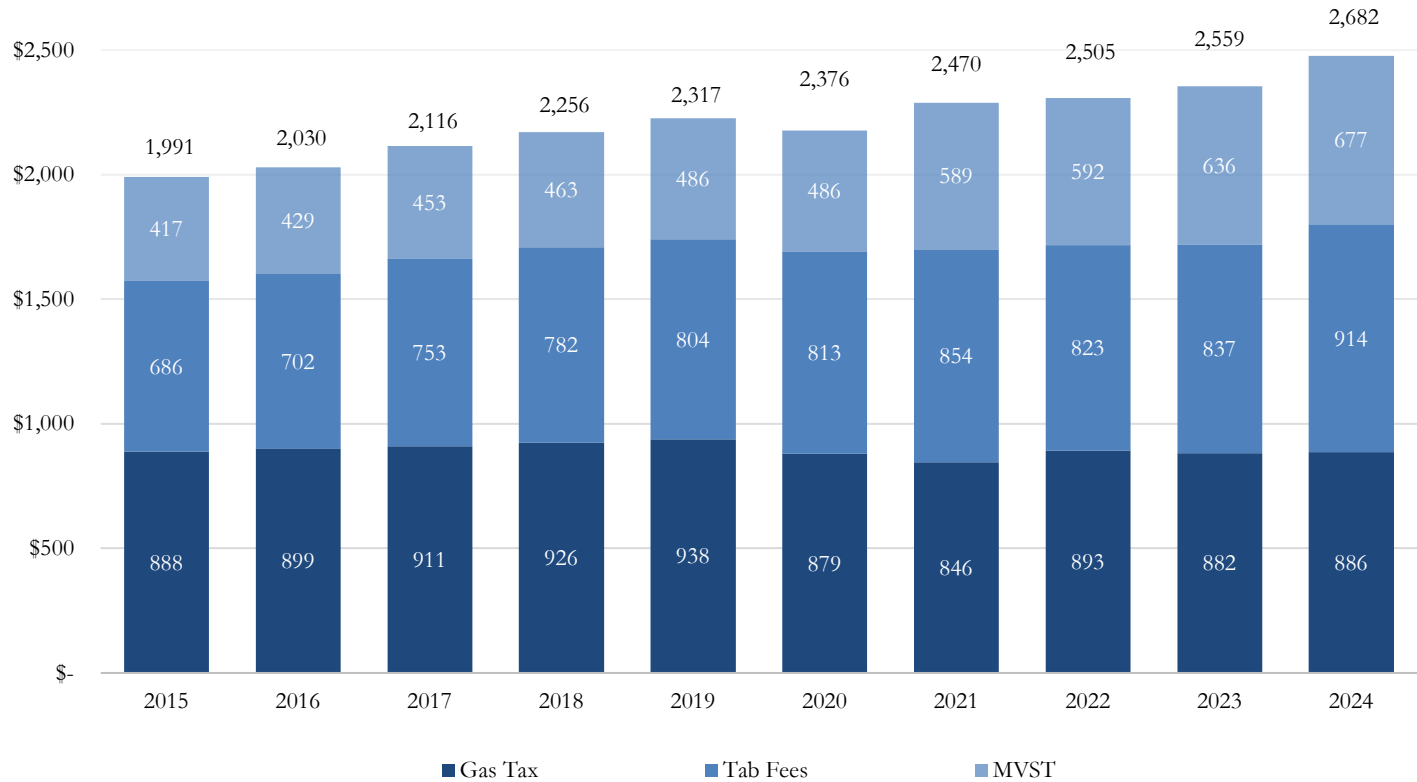
The remaining five percent, referred to as the five percent set-aside, is allocated to the CSAH Fund. This funding is further allocated to Township Roads, Township Bridges, and the Flexible Highway Account.

The current forecast is shown below:



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 have remained relatively flat, and MVST has increased.

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

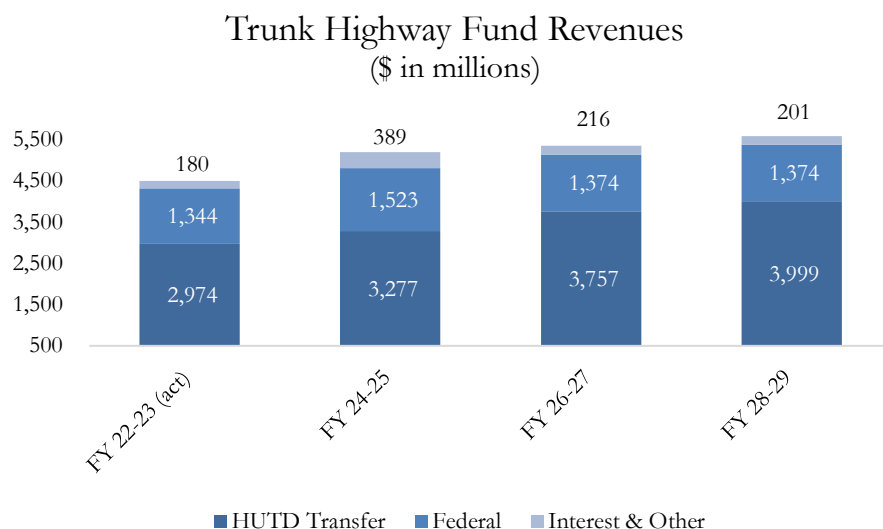


## Trunk Highway Fund

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, the appropriations were extended through March 14, 2025, 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

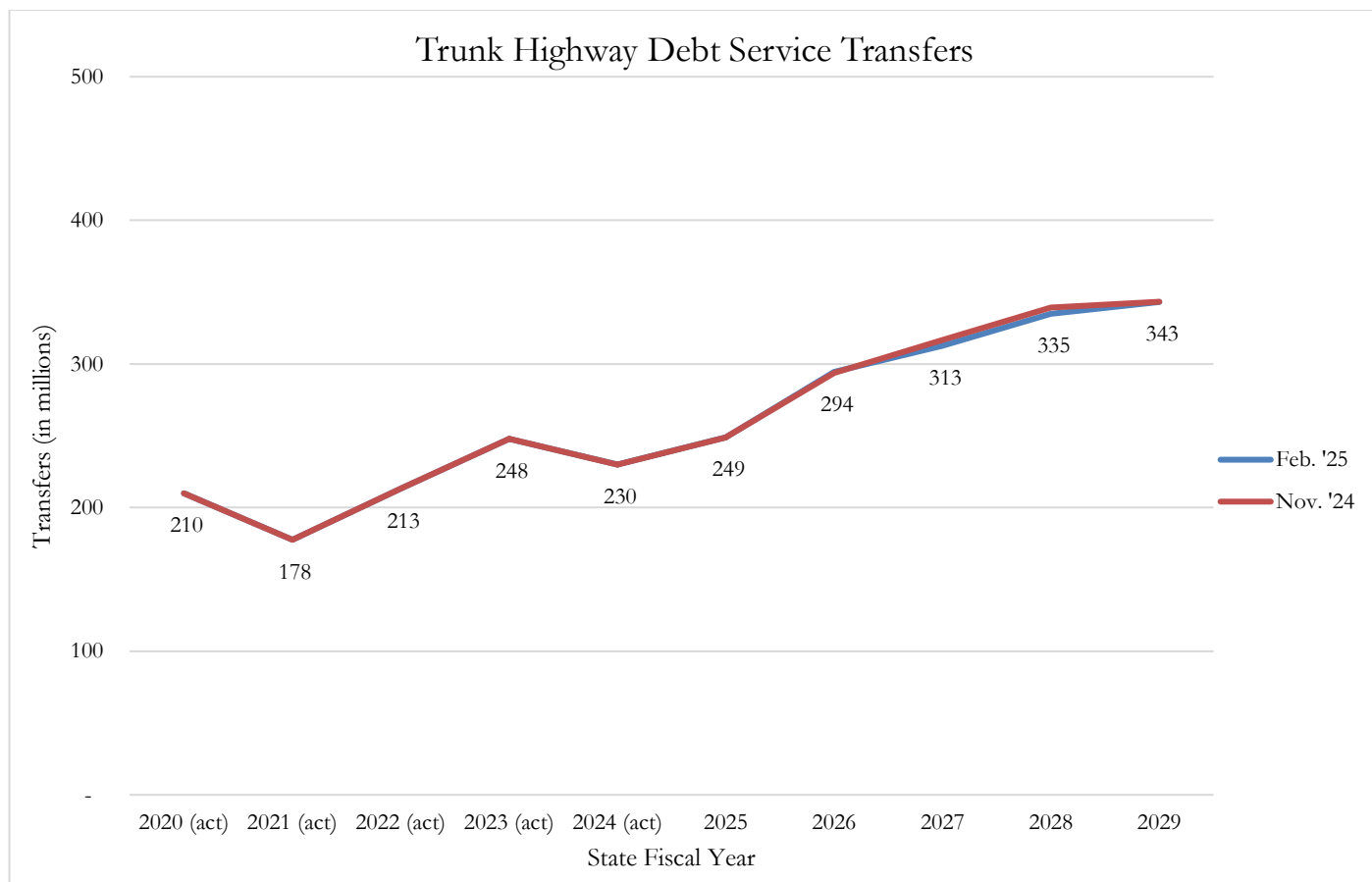
The forecast for expenditures is generally based on the most recently enacted biennial budget. There are typically no significant changes in estimated spending. However, the TH Fund has unique constitutional authority to sell authorized Trunk Highway bonds<sup>1</sup>. The debt service on these bonds (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.

Future bond sale interest rates have increased, but investment rates and bond premium assumptions have also increased which helps offset some of the additional borrowing costs in the near term. Debt service estimates increase

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



slightly in FY 2026, before decreasing in future years compared to the November 2024 forecast. The graph below depicts actual and forecasted debt service transfer amounts by year, compared to the November 2024 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 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 over 14 percent in FY 2025, to a peak of 16.5 percent in FY 2028.

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

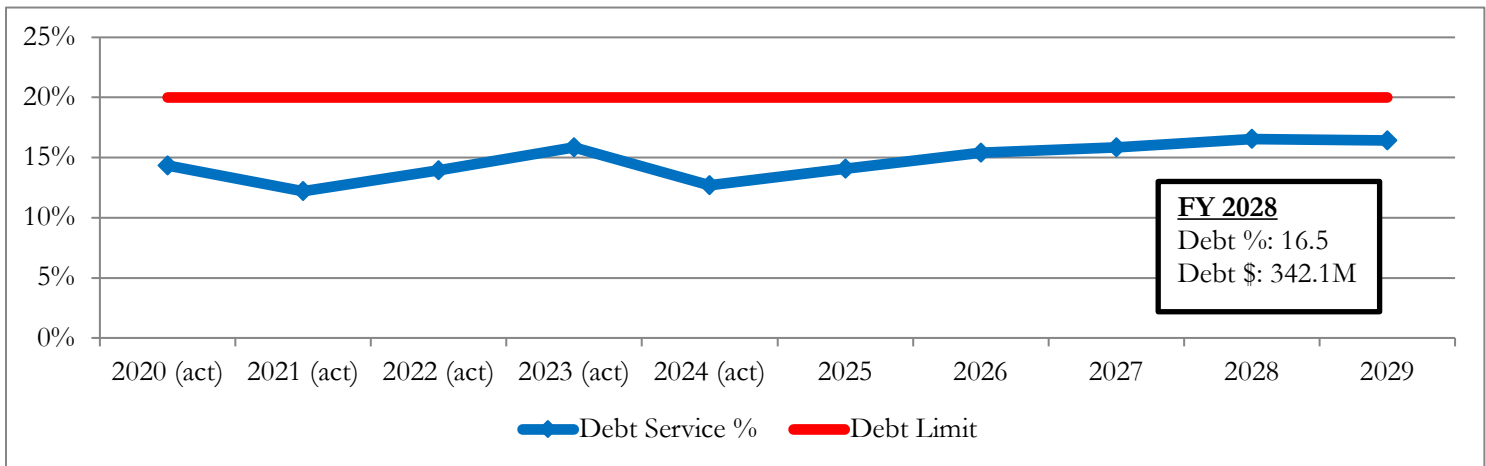
### Debt Management Policy (\$ in millions)

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	14.1%	108,096
2026	301,406	15.4%	90,073
2027	319,649	15.9%	83,317
2028	342,088	16.5%	71,548
2029	350,260	16.4%	76,143

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

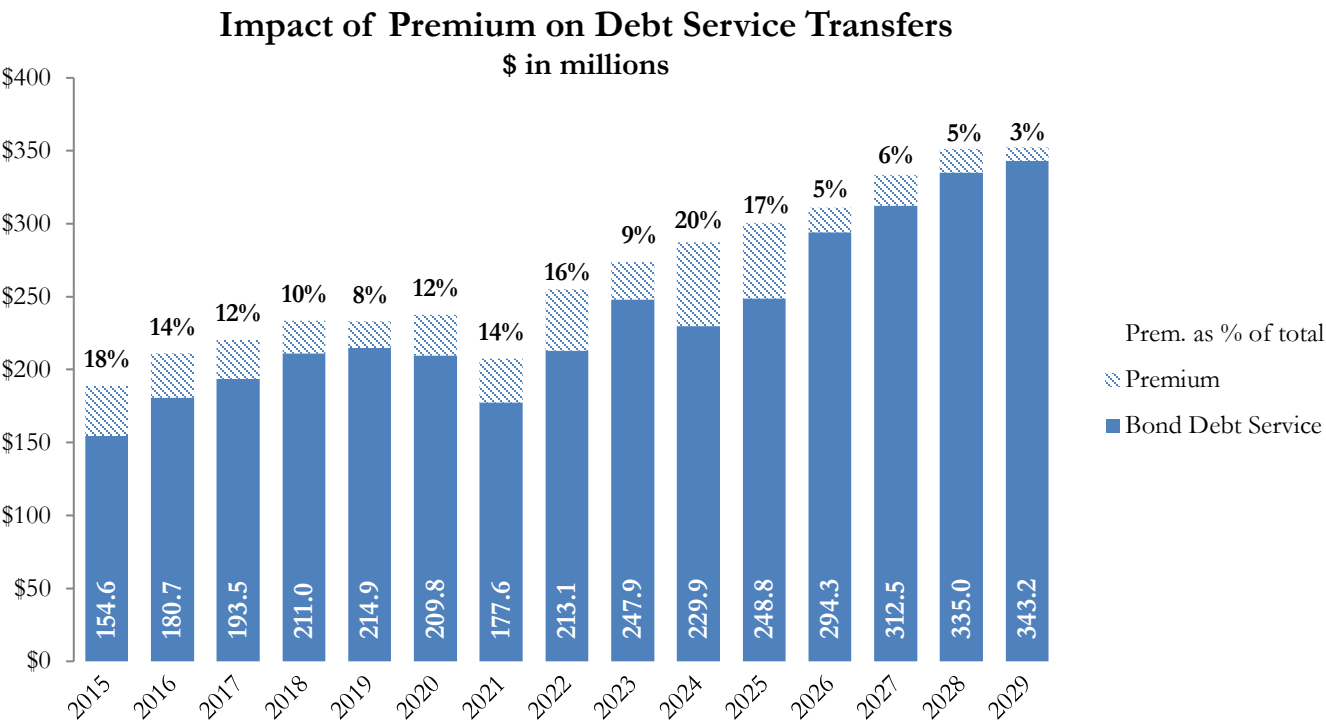
(2) Represents amount of additional debt service to reach 20 percent limit – a general guideline is to multiply this amount by 10 for an estimate of the additional bond capacity e.g., \$71.5M × 10 = \$715M in additional bond capacity.

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	(7.8)	16.9	31.1
Federal Aid Agreements	-	-	-
Interest	2.1	15.9	12.2
Other Revenues and Transfers	-	-	-
Prior Year Adjustments	(5.0)	(10.0)	(10.0)
<b>Total Revenue and Transfer Impact</b>	<b>(10.7)</b>	<b>22.8</b>	<b>33.2</b>
Transportation Expenditures	-	0.6	0.6
Other Agencies	23.9	-	-
Transfers Out	-	-	-
Debt Service Transfer	-	(3.4)	(4.4)
<b>Total Expenditure and Transfer Impact</b>	<b>23.9</b>	<b>(2.8)</b>	<b>(3.8)</b>
<b>Fund Balance Change</b>	<b>(34.6)</b>	<b>25.6</b>	<b>37.0</b>
<b>Total Cumulative Change</b>	<b>(34.6)</b>	<b>(9.0)</b>	<b>28.0</b>
Feb. '25 Forecast	153.2	355.5	736.6
Nov. '24 Forecast	187.8	364.5	708.6
<b>Change</b>	<b>(34.6)</b>	<b>(9.0)</b>	<b>28.0</b>
<i>Reserved Fund Balance (Feb '25)</i>	<i>128.6</i>	<i>131.2</i>	<i>129.4</i>
<i>Unreserved Fund Balance (Feb '25)</i>	<i>24.7</i>	<i>224.3</i>	<i>607.2</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.

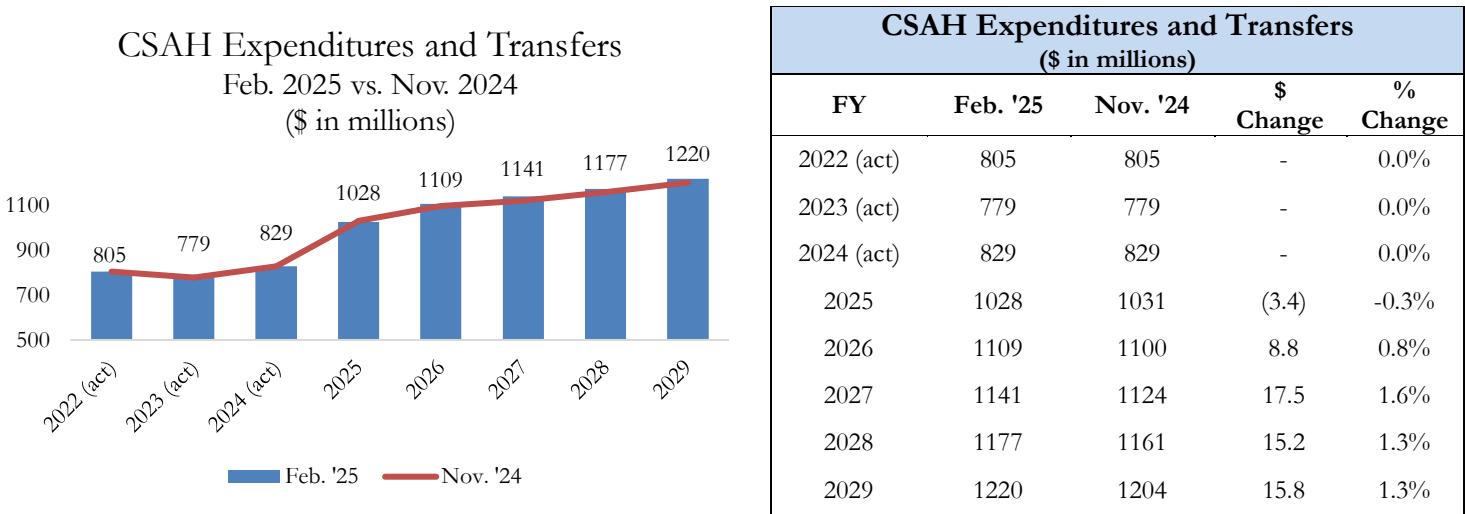
These allocations include the five percent set-aside portion of total revenues from the HUTD Fund. The Constitution allows the Legislature to allocate this five percent in a manner different from the constitutional formula (62 percent to the TH Fund, 29 percent to the CSAH Fund, and nine percent to the 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=38751139) (https://edocs-public.dot.state.mn.us/edocs\_public/DMResultSet/download?docId=38751139), 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

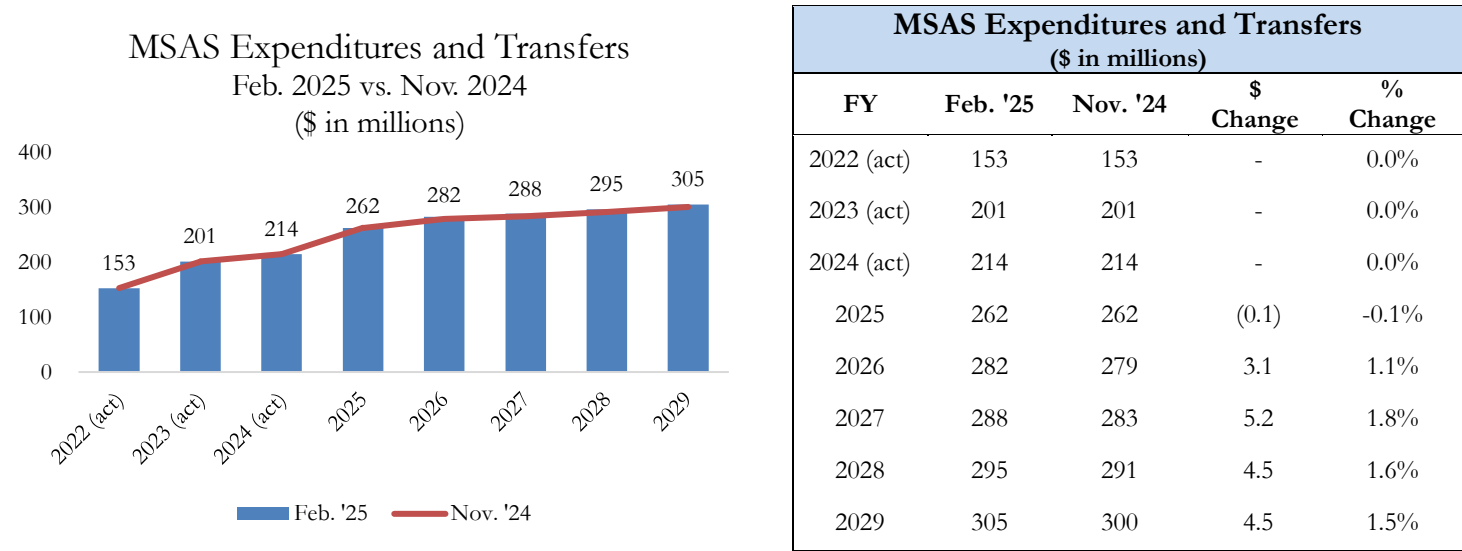
The MSAS Fund receives transfers from the HUTD Fund, authorized transfers from the CSAH Fund, and revenues from investment income. Minnesota Statutes, Chapter 162, provides the criteria by which funds are allocated to statutory accounts within the MSAS Fund and to each of the Minnesota State Aid cities 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=38751139) (https://edocs-public.dot.state.mn.us/edocs\_public/DMResultSet/download?docId=38751139) 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:



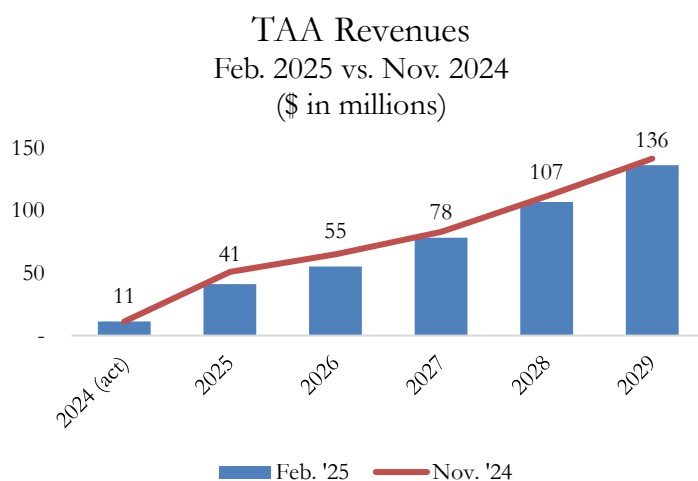
## Transportation Advancement Account (TAA)

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 approximately \$136 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	14,774	19,817	28,219	38,397	49,079
<b>10%:</b> included with "normal" HUDT revenues in CO distribution	CY 2024	Included in CO	4,104	5,505	7,838	10,666	13,633
<b>15%:</b> all MSAS cities based on 50/50 pop/money needs	FY 2024	Once per year in July after end of FY	6,156	8,257	11,758	15,999	20,450
<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 a one-year lag for distributions e.g., receipts for July 2023-April 2024 (FY 2024) were distributed in July and December 2024 (FY 2025)</i>	11,080	14,863	21,164	28,798	36,809
<b>11%:</b> included with "normal" HUDT revenues in CO distribution	CY 2024	Included in CO	4,514	6,055	8,622	11,733	14,996
<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	410	550	784	1,067	1,363
<b>Total Uses</b>			<b>41,039</b>	<b>55,048</b>	<b>78,385</b>	<b>106,659</b>	<b>136,331</b>

The current forecast is shown below:

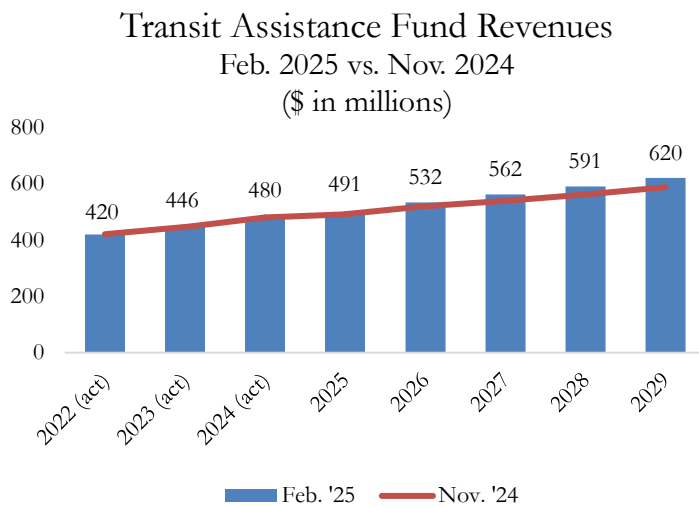


TAA Revenues (\$ in millions)				
FY	Feb. '25	Nov. '24	\$ Change	% Change
2022 (act)	-	-	-	0.0%
2023 (act)	-	-	-	0.0%
2024 (act)	11	11	-	0.0%
2025	41	51	(10.0)	-19.6%
2026	55	65	(9.8)	-15.2%
2027	78	83	(4.7)	-5.7%
2028	107	111	(4.7)	-4.2%
2029	136	142	(5.2)	-3.7%

## Transit Assistance Fund (TAF)

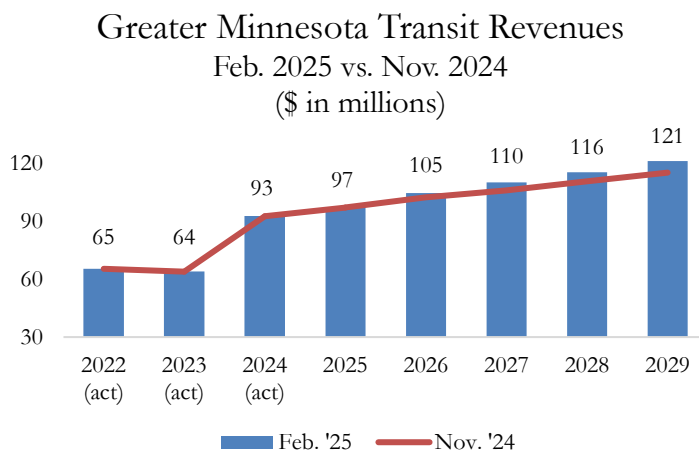
Beginning in FY 2018, 38 percent of MVLST revenue is allocated to the TAF – Greater Minnesota Transit account. In previous years, half of MVLST revenues (net of \$32 million that remained in the General Fund) were allocated to the TAF. The Fund also receives 40 percent of MVST revenues. In 2023, the 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	Feb. '25	Nov. '24	\$ Change	% Change
2022 (act)	420	420	-	0.0%
2023 (act)	446	446	-	0.0%
2024 (act)	480	480	-	0.0%
2025	491	491	(0.0)	0.0%
2026	532	521	11.7	2.2%
2027	562	538	23.6	4.4%
2028	591	561	29.6	5.3%
2029	620	587	32.9	5.6%

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. '25	Nov. '24	\$ Change	% Change
2022 (act)	65	65	-	0.0%
2023 (act)	64	64	-	0.0%
2024 (act)	93	93	-	0.0%
2025	97	97	(0.0)	0.0%
2026	105	102	2.2	2.2%
2027	110	106	4.1	3.9%
2028	116	111	4.7	4.2%
2029	121	115	5.9	5.1%



**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.

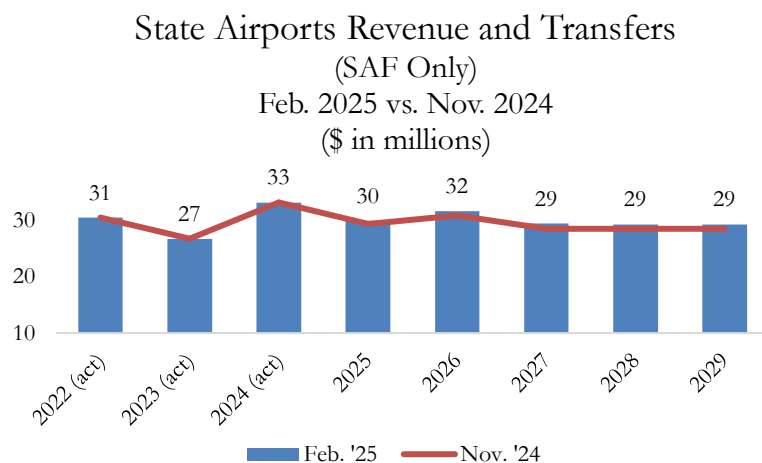
**Account Balance Policy**

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	Feb. '25	Nov. '24	\$ Change	% Change
2022 (act)	31	31	-	0.0%
2023 (act)	27	27	-	0.0%
2024 (act)	33	33	-	0.0%
2025	30	29	0.5	1.8%
2026	32	31	0.8	2.4%
2027	29	29	0.9	3.1%
2028	29	29	0.7	2.6%
2029	29	29	0.7	2.6%

## 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 \$30 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

Josh Knatterud-Hubinger, Chief Financial Officer  
Sam Brown, Financial Management Director

612-499-8115  
651-346-8525

josh.knatterud-hubinger@state.mn.us  
samuel.brown@state.mn.us

## Highway User Tax Distribution Fund

February 2025 Forecast

Comparison to Nov. 2024 Forecast

(\$ in thousands)

	February 2025 Forecast								Change from Nov. 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	Budget FY 2025	Budget FY 2026	Budget FY 2027	Planning Est FY 2028	Planning Est FY 2029
Balance Forward from Prior Year	24,338	15,897	7,578	16,167	12,001	12,000	12,000	11,999	-	3	0	(1)	(1)
Prior Year Adjustments	255	(50)	(61)	-	-	-	-	-	-	-	-	-	-
Adjusted Balance Forward	24,593	15,848	7,517	16,167	12,001	12,000	12,000	11,999	-	3	0	(1)	(1)
<b>Net Revenue and Transfers-In</b>													
Motor Fuel Excise Tax	892,597	881,971	886,111	933,132	1,001,279	1,007,290	1,011,639	1,025,840	7,457	8,687	7,379	4,270	1,936
Motor Vehicle Registration Tax	823,287	836,522	914,474	1,059,247	1,165,172	1,223,430	1,266,250	1,310,569	(19,594)	(21,553)	(22,631)	(23,423)	(24,243)
Motor Vehicle Sales Tax	591,627	636,327	677,184	688,878	748,110	790,212	830,892	872,664	-	16,590	34,152	43,470	47,208
Sales Tax on Auto Parts	145,644	145,644	139,897	155,041	158,561	164,631	169,978	174,670	-	1,301	1,709	847	(439)
Motor Vehicle Rental Tax (9.2%)	26,244	30,797	32,962	34,625	36,483	38,179	39,677	41,279	(485)	(147)	19	(4)	(42)
Motor Vehicle Rental Tax (6.5%)	18,542	21,759	23,288	24,463	25,776	26,974	28,033	29,165	(343)	(104)	13	(2)	(29)
Leased Vehicle Sales Tax	7,513	6,231	8,212	9,174	9,724	10,175	10,593	11,088	(11)	187	253	165	407
Other Income	4,463	13,162	17,600	15,829	15,567	13,118	12,238	12,351	(110)	1,093	2,208	1,324	1,437
Total Net Revenue and Transfers-In	2,509,917	2,572,414	2,699,728	2,920,389	3,160,672	3,274,010	3,369,300	3,477,626	(13,086)	6,053	23,102	26,647	26,235
<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	-	-	-	-	-
Transfers--DNR	21,397	21,520	21,614	22,722	24,381	24,527	24,633	24,979	181	212	179	104	47
Transfers--5% Set-Aside	124,661	127,778	133,301	144,886	156,618	162,280	167,040	172,439	(664)	292	1,146	1,327	1,310
Transfers--County State-Aid Highway	686,880	704,056	734,490	798,323	862,964	894,165	920,388	950,136	(3,656)	1,610	6,316	7,312	7,214
Transfers--Municipal State-Aid Highway	213,170	218,500	227,945	247,755	267,816	277,499	285,638	294,870	(1,135)	499	1,960	2,270	2,239
Transfers--Trunk Highway	1,468,502	1,505,222	1,570,289	1,706,760	1,844,958	1,911,663	1,967,726	2,031,326	(7,815)	3,442	13,503	15,633	15,425
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	2,518,613	2,580,683	2,691,079	2,924,555	3,160,673	3,274,010	3,369,301	3,477,626	(13,089)	6,055	23,104	26,646	26,235
<b>Ending Balance</b>	<b>15,897</b>	<b>7,578</b>	<b>16,167</b>	<b>12,001</b>	<b>12,000</b>	<b>12,000</b>	<b>11,999</b>	<b>11,999</b>	<b>3</b>	<b>0</b>	<b>(1)</b>	<b>(1)</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**  
February 2025 Forecast  
Comparison to Nov. 2024 Forecast

(\$ in thousands)	February 2025 Forecast								Change from Nov. 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	Budget FY 2025	Budget FY 2026	Budget FY 2027	Planning Est FY 2028	Planning Est FY 2029
Balance Forward from Prior Year	335,408	327,279	241,552	462,581	153,231	227,769	355,542	518,248	-	(34,573)	(30,302)	(8,950)	11,670
Prior Year Adjustments	102,909	105,882	47,527	40,000	40,000	40,000	40,000	40,000	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Adjusted Balance Forward	438,317	433,161	289,079	502,581	193,231	267,769	395,542	558,248	(5,000)	(39,573)	(35,302)	(13,950)	6,670
<b>Net Revenue and Transfers-In</b>													
Transfer from HUD	1,468,502	1,505,222	1,570,289	1,706,760	1,844,958	1,911,663	1,967,726	2,031,326	(7,815)	3,442	13,503	15,633	15,425
Federal Aid Agreements	489,069	855,140	705,776	817,718	686,998	686,998	686,998	686,998	-	-	-	-	-
Other Income and Transfers-In	96,362	83,148	275,231	113,308	112,437	103,168	100,454	100,689	2,092	6,860	9,023	6,077	6,077
Total Net Revenue and Transfers-In	2,053,933	2,443,510	2,551,296	2,637,786	2,644,393	2,701,829	2,755,178	2,819,013	(5,723)	10,302	22,526	21,710	21,502
<b>Expenditures and Transfers-Out</b>													
Transportation Department	1,808,212	2,230,041	1,973,274	2,515,418	2,135,666	2,121,625	2,117,602	2,117,605	-	300	300	300	300
Public Safety and Other Depts.	139,696	153,084	170,476	194,950	175,782	175,782	175,782	175,782	-	-	-	-	-
Transfers-Out and Other	3,925	4,086	4,138	27,950	4,100	4,100	4,100	4,100	23,850	-	-	-	-
Debt Service	213,138	247,908	229,906	248,817	294,306	312,549	334,988	343,160	-	731	(4,126)	(4,210)	(157)
Total Expenditures and Transfers-Out	2,164,971	2,635,119	2,377,794	2,987,135	2,609,854	2,614,056	2,632,472	2,640,647	23,850	1,031	(3,826)	(3,910)	143
Balance Before Reserves	327,279	241,552	462,581	153,231	227,769	355,542	518,248	736,613	(34,573)	(30,302)	(8,950)	11,670	28,029
Less Appropriation Carryforward	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Ending Balance</b>	<b>327,279</b>	<b>241,552</b>	<b>462,581</b>	<b>153,231</b>	<b>227,769</b>	<b>355,542</b>	<b>518,248</b>	<b>736,613</b>	<b>(34,573)</b>	<b>(30,302)</b>	<b>(8,950)</b>	<b>11,670</b>	<b>28,029</b>
Reserved Fund Balance per Policy	117,213	120,869	129,841	128,560	132,545	131,248	128,800	129,430	(343)	618	1,352	1,303	1,290
Unreserved Fund Balance per Policy	210,066	120,683	332,740	24,671	95,224	224,294	389,448	607,183	(34,229)	(30,920)	(10,302)	10,367	26,739
Debt Service Percentage Compared to State Revenue	13.9%	15.9%	12.7%	14.1%	15.4%	15.9%	16.5%	16.4%	0.0%	0.0%	-0.4%	-0.4%	-0.2%

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 2025 Forecast  
Comparison to Nov. 2024 Forecast

(\$ in thousands)

	February 2025 Forecast								Change from Nov. 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	Budget FY 2025	Budget FY 2026	Budget FY 2027	Planning Est FY 2028	Planning Est FY 2029
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	-	-	-	-	-
Prior Year Adjustments	219	674	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	-	-	-	-	-
<b>Net Revenue and Transfers-In</b>													
Leased Vehicle Sales Tax	25,955	21,526	28,369	31,692	33,592	35,150	36,594	38,304	(38)	646	874	570	1,406
Other Income	3,357	24,960	43,045	44,514	43,890	33,219	30,097	30,097	3,009	8,334	10,106	6,976	6,976
Transfer from HUDT	811,541	831,834	867,791	943,209	1,019,582	1,056,445	1,087,428	1,122,575	(4,320)	1,902	7,462	8,639	8,524
Transfer from TAA	-	-	2,364	8,618	11,560	16,461	22,398	28,630	(2,100)	(2,065)	(988)	(991)	(1,096)
Transfer from General	12,000	-	-	-	-	-	-	-	-	-	-	-	-
Total Net Revenue and Transfers-In	852,853	878,320	941,569	1,028,033	1,108,624	1,141,275	1,176,518	1,219,606	(3,448)	8,817	17,454	15,194	15,811
<b>Expenditures and Transfers-Out</b>													
Grants to Local Governments	777,927	765,694	808,088	1,007,374	1,087,099	1,118,689	1,153,109	1,195,317	(4,170)	8,855	17,349	15,040	15,657
MnDOT Administrative and Research	12,310	13,364	14,375	20,659	21,525	22,586	23,409	24,289	721	(38)	105	154	154
Transfers to MSAS Fund	5,000	-	5,000	-	-	-	-	-	-	-	-	-	-
Transfers to Special Revenue	122	68	-	-	-	-	-	-	-	-	-	-	-
Transfers to Trunk Highway Fund	10,000	-	1,850	-	-	-	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	805,359	779,126	829,314	1,028,033	1,108,624	1,141,275	1,176,518	1,219,606	(3,448)	8,817	17,454	15,194	15,811
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	0	(0)	(0)	(0)	(0)
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	-	-	-	-	-
<b>Ending Balance</b>	-	-	-	-	-	-	-	-	0	(0)	(0)	(0)	(0)

Municipal State Aid Fund  
February 2025 Forecast  
Comparison to Nov. 2024 Forecast

(\$ in thousands)

	February 2025 Forecast								Change from Nov. 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	Budget FY 2025	Budget FY 2026	Budget FY 2027	Planning Est FY 2028	Planning Est FY 2029
Balance Forward From Prior Year	182,132	248,945	274,342	306,163	306,163	306,163	306,163	306,163	-	-	-	-	-
Prior Year Adjustments	59	194	206	-	-	-	-	-	-	-	-	-	-
Adjusted Balance Forward	182,192	249,140	274,548	306,163	306,163	306,163	306,163	306,163	-	-	-	-	-
<b>Net Revenue and Transfers-In :</b>													
Other Income	1,188	7,849	13,015	14,338	14,090	10,722	9,715	9,715	986	2,627	3,258	2,249	2,249
Transfer From HUDT	213,170	218,500	227,945	247,755	267,816	277,499	285,638	294,870	(1,135)	499	1,960	2,270	2,239
Transfer From CSAH	5,000	-	5,000	-	-	-	-	-	-	-	-	-	-
Net Revenue and Transfers In	219,358	226,349	245,960	262,093	281,906	288,221	295,353	304,585	(149)	3,126	5,218	4,519	4,488
<b>Expenditures and Transfers-Out</b>													
Grants to Local Governments	148,845	197,311	210,244	255,655	274,958	281,047	288,005	297,016	(112)	3,065	5,099	4,403	4,375
MnDOT Administrative and Research	3,722	3,815	4,100	6,438	6,948	7,174	7,348	7,569	(37)	61	120	116	113
Transfers to Special Revenue	38	21	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	152,604	201,147	214,345	262,093	281,906	288,221	295,353	304,585	(149)	3,126	5,218	4,519	4,488
<b>Balance before Reserves</b>	248,945	274,342	306,163	306,163	306,163	306,163	306,163	306,163	0	0	0	(0)	(0)
Less Appropriation Carryforward	248,945	274,342	306,163	306,163	306,163	306,163	306,163	306,163	-	-	-	-	-
<b>Ending Balance</b>	-	-	-	-	-	-	-	-	0	0	0	(0)	(0)

Transit Assistance Fund  
February 2025 Forecast  
Comparison to Nov. 2024 Forecast

(\$ in thousands)	February 2025 Forecast								Change from Nov. 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	Budget FY 2025	Budget FY 2026	Budget FY 2027	Planning Est FY 2028	Planning Est FY 2029
Balance Forward from Prior Year	54,009	42,903	35,023	79,553	72,720	67,212	64,842	51,775	-	(38)	2,184	6,303	3,402
Prior Year Adjustments	7,162	4,790	35,235	2,000	2,000	2,000	2,000	2,000	-	-	-	-	-
Adjusted Balance Forward	61,171	47,693	70,258	81,553	74,720	69,212	66,842	53,775	-	(38)	2,184	6,303	3,402
<b>Net Revenue and Transfers-In</b>													
Metropolitan Area Transit Account	354,976	381,796	387,124	393,809	427,670	451,738	474,993	498,873	-	9,484	19,524	24,850	26,987
Greater Minnesota Transit Account	39,442	42,422	64,332	65,443	71,070	75,070	78,935	82,903	-	1,576	3,244	4,130	4,485
Total Motor Vehicle Sales Tax	394,418	424,218	451,456	459,252	498,740	526,808	553,928	581,776	-	11,060	22,768	28,980	31,472
Leased Vehicle Sales Tax	25,955	21,526	28,369	31,692	33,592	35,150	36,594	38,304	(38)	646	874	570	1,406
									-	-	-	-	-
Total Net Revenue and Transfers-In	420,373	445,743	479,825	490,944	532,332	561,958	590,522	620,080	(38)	11,706	23,642	29,550	32,878
<b>Expenditures and Transfers-Out</b>													
Metropolitan Council	355,077	381,900	387,189	393,809	427,670	451,738	474,993	498,873	-	9,484	19,524	24,850	26,987
Transportation Department	83,564	76,514	83,340	105,969	112,171	114,590	130,596	130,596	(0)	-	-	7,600	7,600
									-	-	-	-	-
Total Expenditures and Transfers-Out	438,641	458,414	470,530	499,778	539,840	566,328	605,589	629,469	(0)	9,484	19,524	32,450	34,587
									-	-	-	-	-
Balance Before Reserves	42,903	35,023	79,553	72,720	67,212	64,842	51,775	44,387	(38)	2,184	6,303	3,402	1,693
Less Appropriation Carryforward	25,955	21,526	28,369	31,692	33,592	35,150	36,594	38,304	(38)	646	874	570	1,406
Less Met Council Balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	16,948	13,497	51,185	41,028	33,620	29,692	15,181	6,083	0	1,538	5,429	2,832	287
Reserved Balance	5,401	4,290	3,502	7,955	7,272	6,721	6,484	5,178	-	(4)	218	630	340
Unreserved Fund Balance	11,547	9,207	47,682	33,073	26,348	22,971	8,697	905	0	1,542	5,210	2,202	(53)



State Airports Fund  
February 2025 Forecast  
Comparison to Nov. 2024 Forecast

(\$ in thousands)	February 2025 Forecast								Change from Nov. 2024				
	Close	Close	Close	Budget	Budget	Budget	Planning Est	Planning Est	Budget	Budget	Budget	Planning Est	Planning Est
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Balance Forward from Prior Year	\$18,101	\$19,200	\$22,700	\$30,146	\$15,653	\$22,601	\$27,349	\$31,951	-	533	1,287	2,181	2,928
Prior Year Adjustments	3,340	3,954	3,583	1,000	1,000	1,000	1,000	1,000	-	-	-	-	-
Adjusted Balance Forward	21,441	23,153	26,283	31,146	16,653	23,601	28,349	32,951	-	533	1,287	2,181	2,928
<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	-	-	-	-	-
Airline Flight Property Tax	7,004	7,031	6,978	7,000	7,000	7,000	7,000	7,000	-	-	-	-	-
Aircraft Registration Tax	3,382	4,980	3,863	4,000	4,000	4,000	4,000	4,000	-	-	-	-	-
Gasoline & Special Fuel Tax	7,092	5,196	6,144	6,000	6,000	6,000	6,000	6,000	500	500	500	500	500
Other Income	1,330	2,149	3,344	3,858	4,685	2,461	2,314	2,314	33	255	393	247	247
Total Net Revenue and Transfers-In	31,613	27,776	34,667	31,858	32,685	30,461	30,314	30,314	533	755	893	747	747
<b>Expenditures and Transfers-Out</b>													
Transportation Department	34,127	27,723	30,260	47,092	26,478	26,454	26,454	26,454	-	-	-	-	-
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	-	-	-	-	-
<b>Net Change in Loan Fund</b>	272	(506)	(544)	(259)	(259)	(259)	(259)	(259)	-	-	-	-	-
Balance Before Reserves	19,200	22,700	30,146	15,653	22,601	27,349	31,951	36,552	533	1,287	2,181	2,928	3,674
Less Appropriation Carryforward	2,259	4,010	3,049	3,690	3,431	3,172	2,913	2,654	-	-	-	-	-
<b>Ending Balance</b>	<b>\$15,464</b>	<b>\$16,564</b>	<b>\$24,465</b>	<b>\$9,332</b>	<b>\$16,539</b>	<b>\$21,546</b>	<b>\$26,406</b>	<b>\$31,267</b>	<b>533</b>	<b>1,287</b>	<b>2,181</b>	<b>2,928</b>	<b>3,674</b>
Reserved Balance	1,586	1,366	1,420	2,305	1,274	1,273	1,273	1,273	-	-	-	-	-
Unreserved Fund Balance	13,878	15,198	23,046	7,027	15,265	20,273	25,134	29,994	533	1,287	2,181	2,928	3,674

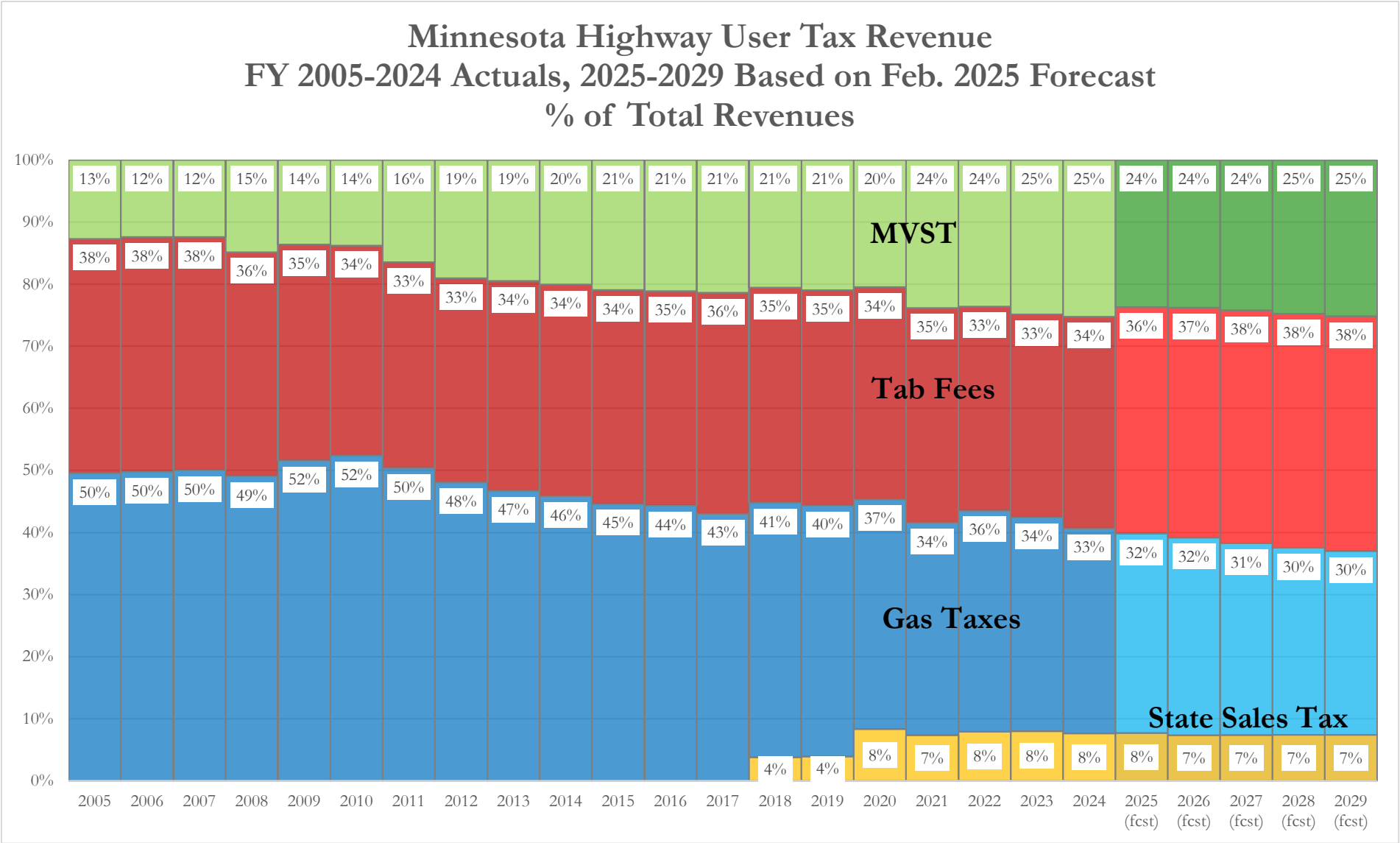
This fund statement consists of three funds: State Airports Fund, Hangar Revolving Loan Fund, and Air Transportation Services Fund.

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  
February 2025 Forecast  
Comparison to Nov. 2024 Forecast

(\$ in thousands)	February 2025 Forecast								Change from Nov. 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	Budget FY 2025	Budget FY 2026	Budget FY 2027	Planning Est FY 2028	Planning Est FY 2029
<b>Net Revenue and Transfers-In</b>													
Delivery Fee	-	-	-	25,000	35,000	50,000	50,000	50,000	(10,000)	(10,000)	(5,000)	(5,000)	(5,000)
Sales Tax on Auto Parts	-	-	11,256	16,039	20,048	28,385	56,659	86,331	-	164	295	282	(217)
Total Receipts	-	-	11,256	41,039	55,048	78,385	106,659	136,331	(10,000)	(9,836)	(4,705)	(4,718)	(5,217)
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Receipts	-	-	11,256	41,039	55,048	78,385	106,659	136,331	(10,000)	(9,836)	(4,705)	(4,718)	(5,217)
Total Net Revenue and Transfers-In	-	-	11,256	41,039	55,048	78,385	106,659	136,331	(10,000)	(9,836)	(4,705)	(4,718)	(5,217)
<b>Expenditures and Transfers-Out</b>													
Metro Counties (36%)	-	-	4,052	14,774	19,817	28,219	38,397	49,079	(3,600)	(3,541)	(1,694)	(1,698)	(1,878)
County State Aid Highway (CSAH) (10%) *	-	-	1,126	4,104	5,505	7,838	10,666	13,633	(1,000)	(984)	(471)	(472)	(522)
Larger Cities (15%)	-	-	1,688	6,156	8,257	11,758	15,999	20,450	(1,500)	(1,475)	(706)	(708)	(783)
Small Cities (27%)	-	-	3,039	11,080	14,863	21,164	28,798	36,809	(2,700)	(2,656)	(1,270)	(1,274)	(1,409)
Town Road (11%) *	-	-	1,238	4,514	6,055	8,622	11,733	14,996	(1,100)	(1,082)	(518)	(519)	(574)
Food Delivery Support (1%)	-	-	113	410	550	784	1,067	1,363	(100)	(98)	(47)	(47)	(52)
Total Expenditures and Transfers-Out	-	-	11,256	41,039	55,048	78,385	106,659	136,331	(10,000)	(9,836)	(4,705)	(4,718)	(5,217)
Total Uses	-	-	11,256	41,039	55,048	78,385	106,659	136,331	(10,000)	(9,836)	(4,705)	(4,718)	(5,217)
<b>Ending Balance</b>	-	-	-	-	-	-	-	-	-	-	-	-	-

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



Year-over-Year Growth Rates  
HUTD Revenues  
Feb. 2025 vs Nov. 2024 Forecast

