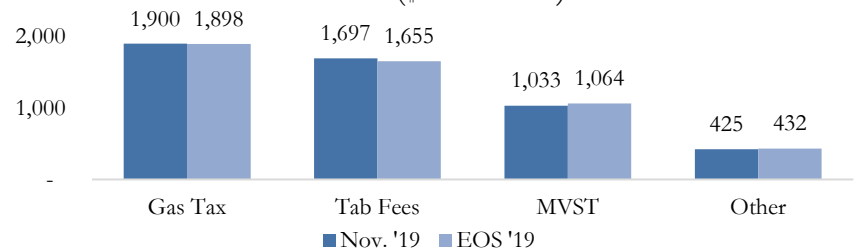


Forecast Highlights

FY 2020-21 HUTD revenues are up \$6.5 million - 0.1 percent

Gas tax is up \$2.6 million (0.1 percent), registration tax is up \$41.4 million (2.5 percent) and motor vehicle sales tax is down \$30.8 million (2.9 percent) in the FY 2020-21 biennium compared to the End of Session (EOS) 2019 forecast.

HUTD Revenues, FY 2020-21 Biennium
Change from EOS 2019 Forecast
(\$ in millions)



HUTD Allocations by Fund
Biennial Totals and Change from EOS '19 Forecast
(\$ in millions)

Fund	FY 18-19	Change	FY 20-21	Change
Trunk Highway	2,658	(4.5)	2,936	4.0
CSAH	1,469	(2.5)	1,623	2.2
MSAS	386	(0.6)	426	0.6
Other (DNR, DPS, Revenue)	72	(0.2)	70	(0.3)
Total	4,585	(7.8)	5,055	6.4

HUTD Allocations by Fund

HUTD revenues are transferred to the Trunk Highway, County State Aid Highway (CSAH) and Municipal State Aid Street (MSAS) funds based on formulas established in the Minnesota Constitution and statute.

New HUTD Revenues

In 2017, the Legislature statutorily dedicated several transportation related revenues to the HUTD Fund that were previously deposited in the General Fund. In the FY 2018-19 biennium, the new revenues totaled \$175.1 million, representing a 4 percent increase to the fund. The forecast for the new revenues in the FY 2020-21 biennium is \$414.6 million, representing an estimated 9 percent increase to the fund.

New HUTD Revenues FY 2020-21

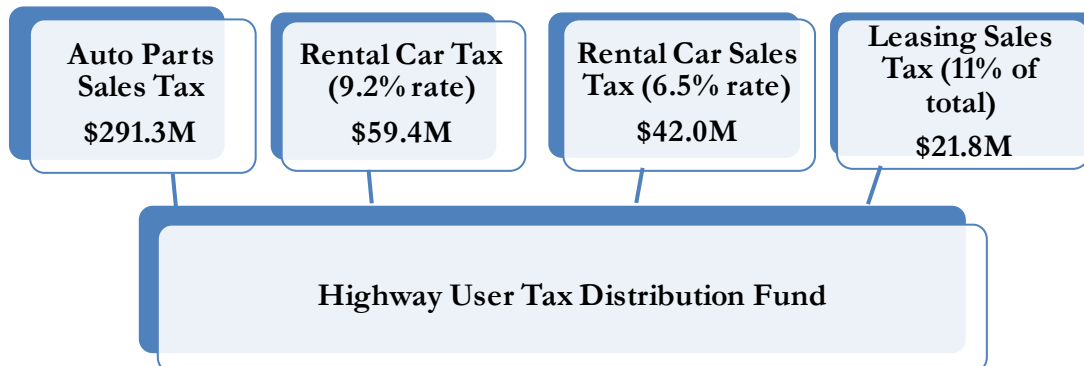


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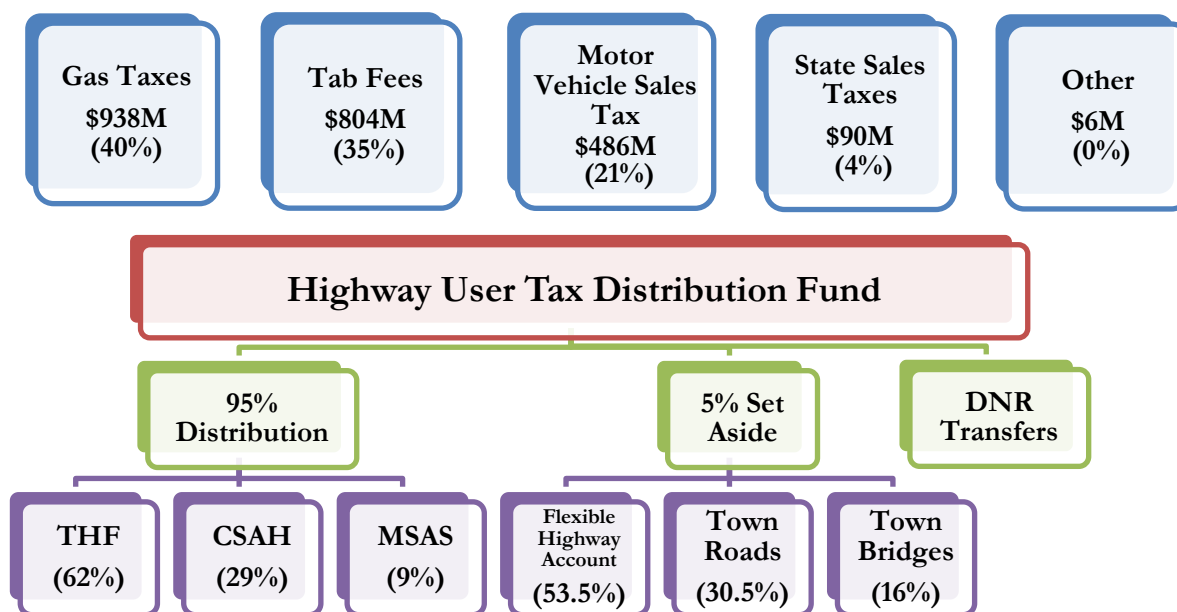
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Introduction to Transportation Funding

MnDOT is a multimodal agency encompassing not only highway construction and maintenance but aeronautics, rail and transit activities. In consultation with the Department of Minnesota Management and Budget (MMB) and Minnesota Department of Revenue (DOR), we prepare fund statements for six transportation funds. The fund statements are prepared in November and February of each fiscal year (FY). An additional update is prepared at the end of each legislative session (EOS) to incorporate law change impacts to the transportation funds. Comparisons made in this document to the prior forecast reflect the difference from the EOS 2019 fund statements. This document also includes information for the FY 2022-23 biennium. MnDOT prepares fund statements for the following funds:

- Highway User Tax Distribution Fund (HUTD)
- Trunk Highway Fund (TH)
- County State Aid Highway Fund (CSAH)
- Municipal State Aid Street Fund (MSAS)
- Transit Assistance Fund (TAF)
- State Airports Fund (SAF)

HUTD Sources and Uses
FY 2019 Actuals
 (\$ in millions)



-Article XIV of the Minnesota Constitution

-General Fund Transfers include: fixed portion of sales tax on auto parts, 11 percent of total Motor Vehicle Lease Sales Tax (MVLST) and rental sales taxes (both 6.5 percent & 9.2 percent)

-DNR transfers for unrefunded gas taxes per Minn. Stat. 296A.18 (totals about 2.5 percent of gas taxes)

Note: Numbers in the text and tables may not add to the totals due to rounding. Unless otherwise noted, years used to describe the budget outlook are state fiscal years, from July 1 to June 30.

Legal Authority for Collection of Revenue

Article XIV of the Minnesota Constitution establishes three primary sources of revenue for transportation programs that are deposited into the HUTD:

Motor Fuel Excise Tax (Gas Tax): The Legislature may levy an excise tax on any means or substance used for propelling vehicles on the public highways of this state. This tax is levied on gasoline, diesel fuel, compressed natural gas and a variety of other special fuels.

Motor Vehicle Registration Tax (Tab Fees): A tax may be put in place, by law, on motor vehicles using public streets and highways. The current passenger motor vehicle registration tax policy was instituted in 2008, wherein vehicles are taxed based on \$10 plus 1.25 percent of the vehicle's value, depreciated over time through the 10th year of registration, after which the additional tax is \$25 (\$35 total). These rates are set according to Minn. Stat. 168.013, subdivision 1a. The tax for commercial vehicles is based on vehicle weight and age. As of January 1, 2018, there is also an additional \$75 surcharge for all-electric vehicles.

Motor Vehicle Sales Tax (MVST): There is a 6.5 percent tax on the sale of new and used motor vehicles. Revenue from a tax on the sale of a new or used motor vehicle must be allocated for the following transportation purposes:

- Not more than 60 percent must be deposited in the HUTD Fund
- Not less than 40 percent must be deposited in a fund dedicated solely to public transit

Current statute: 60 percent of this revenue is deposited in the HUTD Fund and 40 percent is deposited in the TAF.

Other Revenue:

MVLST: MVLST is a 6.5 percent tax on leased motor vehicles. According to Minn. Stat. 297A.815, the MVLST revenue is allocated in the following percentages beginning in FY 2018: 38 percent to CSAH, 38 percent to the TAF (Greater Minnesota Transit account), 13 percent to the Minnesota State Transportation Fund (for local bridges) and 11 percent to the HUTD.

Sales Tax on Auto Parts: Revenue from a portion of the general sales tax on motor vehicle repair or replacement parts must be transferred to the HUTD Fund on a monthly basis beginning in FY 2018. According to Minn. Stat. 297A.94, in FY 2018-19 the monthly deposit amount is \$2,628,000 and, subsequently, the monthly amount is \$12,137,000. Previously, this revenue remained in the General Fund.

Rental Sales Tax: Revenue collected for the short-term motor vehicle rental tax under Minn. Stat. 297A.64 (9.2 percent) and for the general sales tax from short-term motor vehicle rentals under Minn. Stat. 297A.62 (6.5 percent) is deposited in the HUTD Fund beginning in FY 2018 per Minn. Stat. 297A.94. Previously, this revenue remained in the General Fund.

State Airports Fund: The SAF receives revenue from four different dedicated revenue sources. These revenues are: sales tax on aircraft, airline flight property tax, aircraft registration tax and aviation gasoline and special fuels tax. This fund was statutorily created to carry out aviation functions in Minn. Stat. 360.017.

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

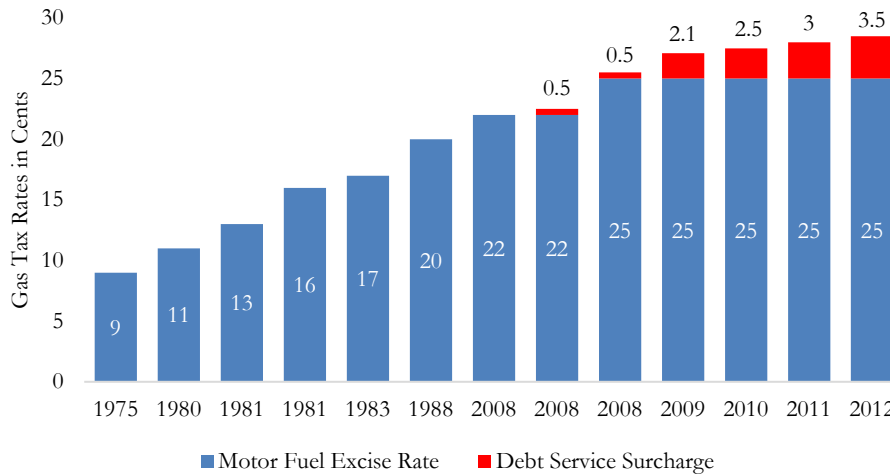
Legal Citation – Quick Reference Guide	
Motor Fuel Tax	<ul style="list-style-type: none"> • Article XIV of the Minnesota Constitution • Minn. Stat. 296A - Tax on petroleum and other fuels • Minn. Stat. 296A.083 - Debt service surcharge
Vehicle Registration Tax	<ul style="list-style-type: none"> • Article XIV of the Minnesota Constitution • Minn. Stat. 168.013 - Tax on passenger vehicles
Motor Vehicle Sales Tax	<ul style="list-style-type: none"> • Article XIV of the Minnesota Constitution • Minn. Stat. 297B.09 - Allocation of revenue
General Fund Transfers	<ul style="list-style-type: none"> • Minn. Stat. 297A.94 – Sales tax on auto parts and transfer of rental tax • Minn. Stat. 297A.64 – Tax on rental vehicles (9.2 percent) • Minn. Stat. 297A.62 subd. 1– Sales tax on rental vehicles (6.5 percent)
Motor Vehicle Lease Sales Tax	<ul style="list-style-type: none"> • Minn. Stat. 297A.815 - Allocation of revenue
Transit Assistance Fund	<ul style="list-style-type: none"> • Minn. Stat. 297B.09 - Allocation of motor vehicle sales tax revenue • Minn. Stat. 297A.815 - Allocation of motor vehicle lease sales tax revenue
State Airport Fund	<ul style="list-style-type: none"> • Minn. Stat. 360.017 – Creates State Airport Fund • Minn. Stat. 270.075 – Air flight property tax • Minn. Stat. 296A.09 – Aviation gasoline and special fuel taxes • Minn. Stat. 360.531 – Aircraft registration taxes • Minn. Stat. 297A.82 – Sales tax on aircraft
Transportation Fund	<ul style="list-style-type: none"> • Minn. Stat. 297A.815 - Allocation of motor vehicle lease sales tax revenue

Revenue Forecast

Motor Fuel Excise Tax (Gas Tax)

The current gas tax rate in Minnesota is 28.5 cents per gallon: 25 cents plus a 3.5 cent debt service surcharge. This surcharge is intended to partially cover the debt obligations for capital projects on the trunk highway system¹.

Historical Motor Fuels Excise Tax

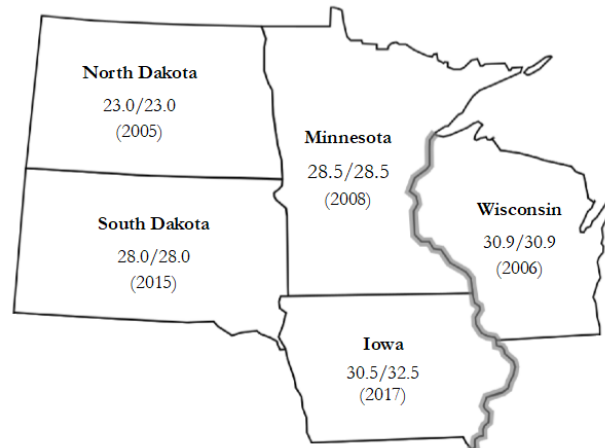


The map below provides information about how Minnesota’s gas tax rates compare with those in the surrounding states and with federal tax rates:

Comparison of October 2019 Motor Fuel Tax Rates (per gallon)

American Petroleum Institute

Gasoline / Diesel
(Year tax rate changed)



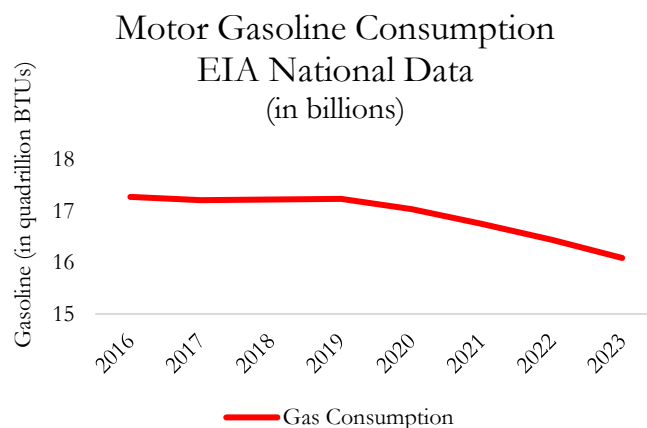
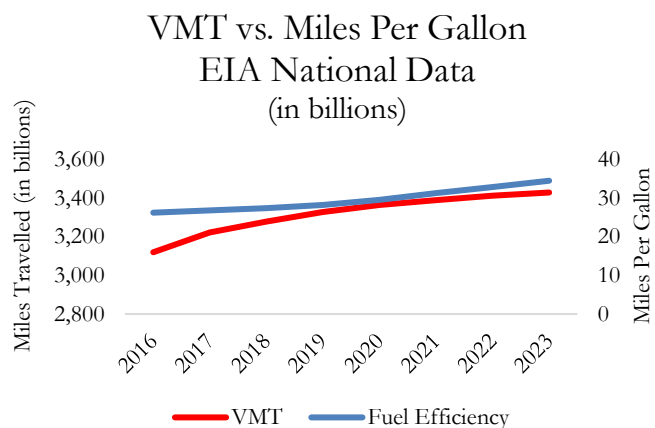
Note: Federal gas tax rate is 18.4 cents per gallon

¹ Authorized in the Laws of 2008, Chapter 152. The final debt service surcharge increase of a half cent was implemented on July 1, 2012.

Fuel Consumption Outlook

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

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



To forecast the gas tax, MnDOT reviews regional forecast information from the U.S. Energy Information Administration (EIA), the federal agency that collects and analyzes energy information. 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. Finally, this information is compared with actual fuel consumption history in Minnesota.

IHS Forecast

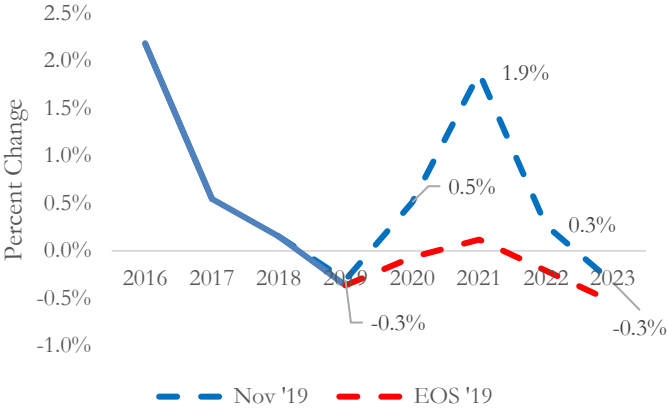
The most current IHS forecast, from November 2019, projects an increase in fuel consumption in 2020 and 2021 as compared to the prior forecast, and then consumption begins to decrease in later forecast years.

EIA Forecast

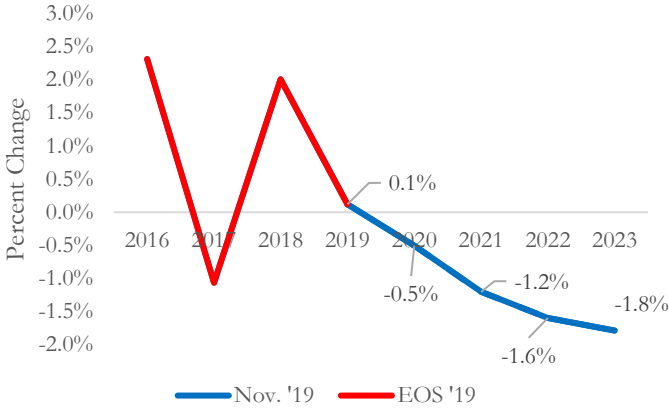
The most current forecast from EIA, the Annual Energy Outlook released once a year in January, projects declining consumption in the forecast years. This forecast did not change compared to the February forecast.

The specific forecasts are shown in the tables below:

IHS Market Changes,
Highway Consumption of Fuel
Nov. 2019 vs. EOS 2019 Forecast



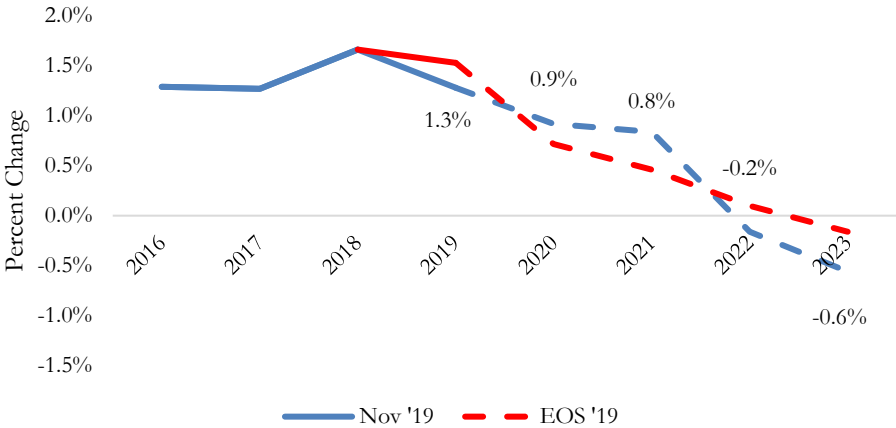
EIA Changes,
Highway Consumption of Fuel
Nov. 2019 vs. EOS 2019 Forecast



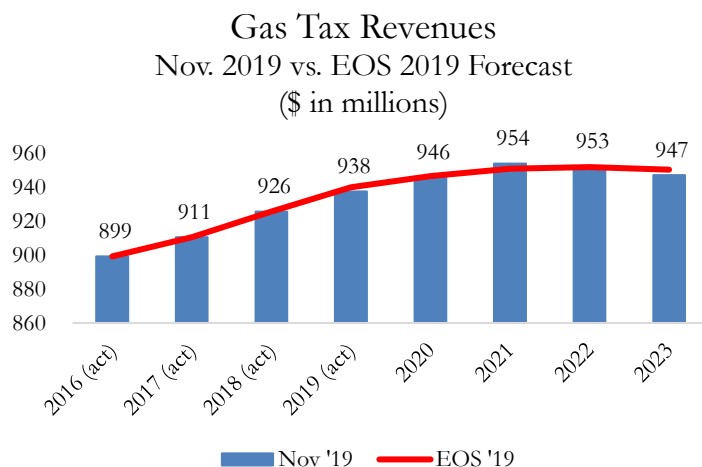
MnDOT Blended Average

MnDOT uses a blended average of the consumption forecasts by EIA and IHS for the forecast period. Although the two forecasts are somewhat divergent for the current biennium, the long-term projections from both agencies are for reduced fuel consumption as vehicle fuel efficiencies increase at a faster pace than vehicle miles traveled. When combined, the year-over-year consumption projections from EIA and IHS have decreased slightly. These amounts are then multiplied by the motor fuel tax rate, resulting in the estimated revenue.

MnDOT Consumption Forecast Changes
Nov. 2019 vs. EOS 2019



*EIA/IHS blended average for FY 2020 of 0.01 percent was adjusted to 0.9 percent to account for actual year-to-date revenues.



Gas Tax Revenues (\$ in millions)				
FY	Nov '19	EOS '19	\$ Change	% Change
2016 (act)	899	899	-	-
2017 (act)	911	911	-	-
2018 (act)	926	926	-	-
2019 (act)	938	940	(2.3)	(0.2%)
2020	946	947	(0.5)	(0.1%)
2021	954	951	3.1	0.3%
2022	953	952	0.6	0.1%
2023	947	950	(3.2)	(0.3%)

Motor Vehicle Registration Tax (Tab Fees)

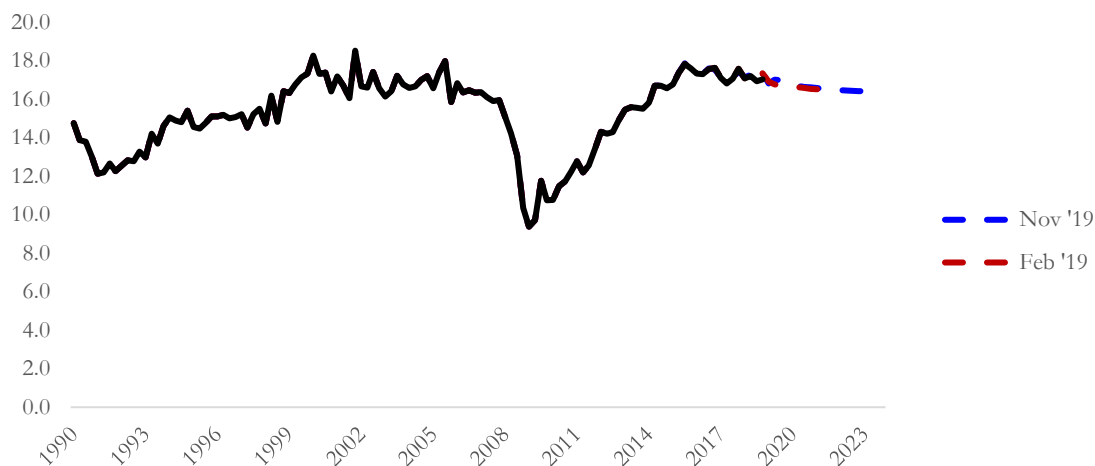
Revenue collected on passenger vehicles comprises about 80 percent of the total revenue from registration taxes, based on the value and age of the vehicle. The remaining revenue is provided primarily by taxes on commercial vehicles, such as trucks and buses. This revenue is based on weight and age of the vehicle.

The forecast for the sale of new passenger vehicles is based on long term trends such as:

- households spending behavior
- increased length of vehicle ownership
- shrinking population of licensed drivers
- utilization of alternative transportation options

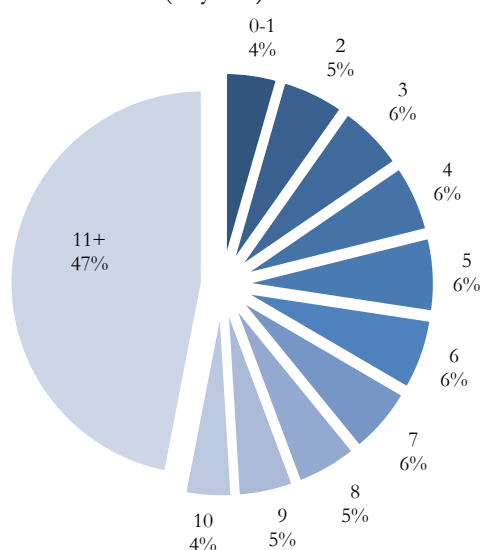
MnDOT has a model to forecast revenue from passenger vehicle sales that is largely based on the forecast of the purchase of new passenger vehicles. Forecasts of the sales of new vehicles are provided by IHS and reflect national levels.

Unit Sales of New Light Vehicles History and IHS Economics Forecast (Millions of Units, Annual Rate)



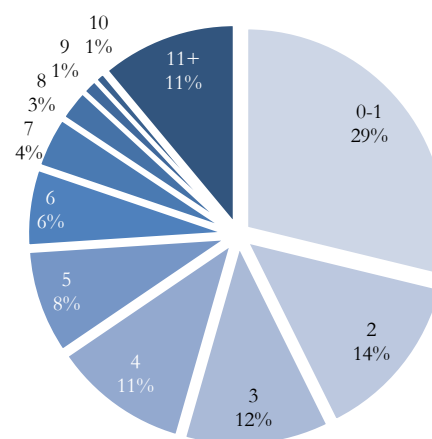
In addition to IHS data, the forecast reflects detailed information on the state’s existing fleet of vehicles by base value and age. The data is supplied by the Department of Public Safety (DPS). This forecast is based on DPS detail from November 2019. Despite slightly reduced new vehicle sales projections from IHS, the combination of year-to-date revenues in FY 2020 being significantly ahead of the prior year and the updated current mix of vehicles from DPS resulted in increased revenue projections in all years. In addition to passenger vehicles, MnDOT assumes registration tax revenue received from taxes on various other types of vehicles, primarily commercial vehicles, will continue to grow. This revenue is projected to grow at 2 percent per year; increasing from \$143 million FY 2020 to \$151 million in FY 2023.

Minnesota Passenger Vehicle Fleet Age
As of Nov. 2019
(in years)



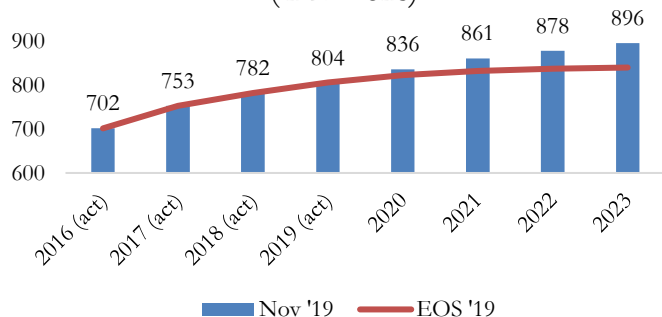
Total Fleet: 4.9 million

Minnesota Passenger Vehicle Fleet Revenue
As of Nov. 2019
(percent of revenue by age of vehicle)



The current forecast of revenues is shown below:

Motor Vehicle Registration Revenues
Nov. 2019 vs. EOS 2019 Forecast
(in millions)



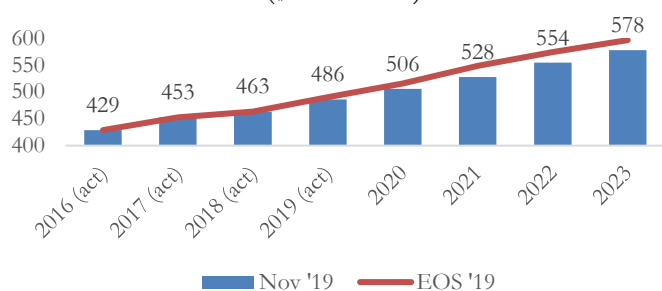
Motor Vehicle Registration Revenues (\$ in millions)				
FY	Nov '19	EOS '19	\$ Change	% Change
2016 (act)	702	702	-	-
2017 (act)	753	753	-	-
2018 (act)	782	782	-	-
2019 (act)	804	806	(2.4)	(0.3%)
2020	836	823	13.1	1.6%
2021	861	833	28.3	3.4%
2022	878	838	40.6	4.8%
2023	896	840	55.4	6.6%

Motor Vehicle Sales Tax (MVST)

The sale of motor vehicles is exempt from the general sales tax. Instead, most vehicles are subject to a 6.5 percent motor vehicle sales tax. This includes sales by car dealers and private individuals.

DOR prepares the official forecast of this revenue, which is based on data provided by IHS. Overall, MVST revenue is projected to decrease compared to the EOS 2019 forecast. The current forecast of revenues is shown below:

MVST Revenues
Nov. 2019 vs. EOS 2019 Forecast
(\$ in millions)

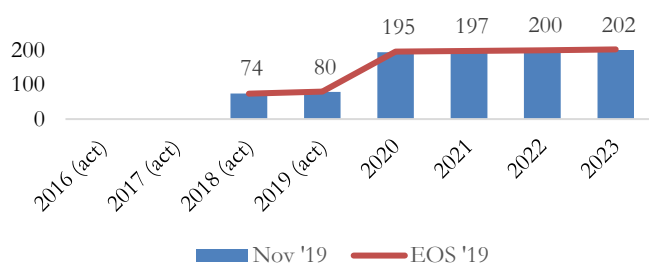


MVST Revenues (\$ in millions)				
FY	Nov '19	EOS '19	\$ Change	% Change
2016 (act)	429	429	-	-
2017 (act)	453	453	-	-
2018 (act)	463	463	-	-
2019 (act)	486	490	(4.1)	(0.8%)
2020	506	516	(9.8)	(1.9%)
2021	528	548	(20.9)	(3.8%)
2022	554	574	(19.9)	(3.5%)
2023	578	596	(18.8)	(3.1%)

State Sales Taxes (previously deposited in General Fund)

Beginning in FY 2018, a portion of general sales tax revenues was allocated to the HUTD Fund as a transfer from the General Fund. This revenue includes the 9.2 percent tax collected on short-term motor vehicle rentals and the 6.5 percent general sales tax on short-term motor vehicle rentals. The revenue collected on both taxes is forecast by MMB. A fixed portion of revenue from the general sales tax on motor vehicle repair or replacement parts is deposited in the HUTD Fund each month. This includes revenue collected on all motor vehicle parts, tires, and accessories. The fixed statutory amount totals \$31.5 million annually in FY 2018-19 and, beginning in FY 2020, totals \$145.6 million annually. The current forecast for these three new General Fund revenues are shown below:

State Sales Taxes
Nov. 2019 vs. EOS. 2019 Forecast
(\$ in millions)



State Sales Taxes (\$ in millions)				
FY	Nov '19	EOS '19	\$ Change	% Change
2016 (act)	N/A	N/A	-	-
2017 (act)	N/A	N/A	-	-
2018 (act)	74	74	-	-
2019 (act)	80	80	(0.8)	(1.0%)
2020	195	197	(1.3)	(0.6%)
2021	197	199	(1.3)	(0.6%)
2022	200	201	(1.3)	(0.6%)
2023	202	203	(1.3)	(0.6%)

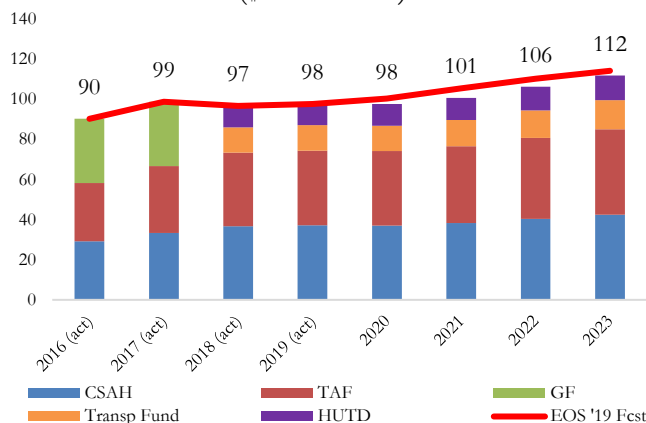
Motor Vehicle Lease Sales Tax (MVLST)

The MVLST forecast is prepared by the DOR. The 6.5 percent sales tax is collected by the lessor and reported and paid directly to DOR. The forecast in all future years decreased compared to the EOS 2019 forecast. As of FY 2018, all revenue from MVLST is reallocated for transportation purposes. MVLST revenues are deposited in the General Fund and transferred as follows at the end of the fiscal year:

- 38 percent to CSAH
- 38 percent to Greater Minnesota Transit
- 13 percent to Minnesota Transportation Fund (to be used for Local Bridge Program)
- 11 percent to the HUTD Fund (to be used for Trunk Highway Fund, CSAH, MSAS)

The current forecast of revenues is shown below:

MVLST Revenues
Nov. 2019 vs. EOS 2019 Forecast
(\$ in millions)



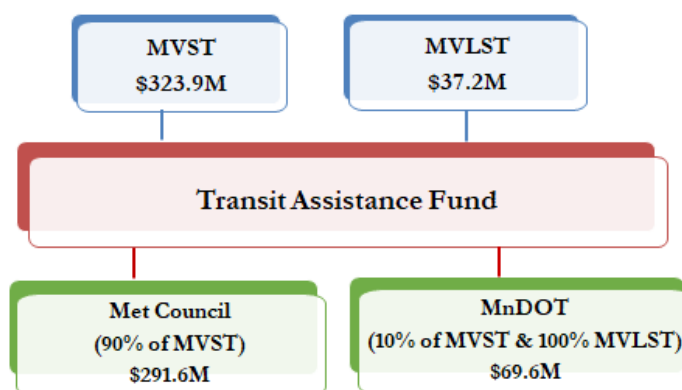
MVLST Revenues (\$ in millions)				
FY	Nov '19	EOS '19	\$ Change	% Change
2016 (act)	90	90	-	-
2017 (act)	99	99	-	-
2018 (act)	97	97	-	-
2019 (act)	98	98	0.1	0.1%
2020	98	100	(2.7)	(2.7%)
2021	101	106	(4.7)	(4.5%)
2022	106	110	(4.1)	(3.7%)
2023	112	114	(2.3)	(2.0%)

Transit Assistance Fund Revenue

The TAF receives revenue from MVST and MVLST. The MVST appropriation must be at least 40 percent of the total revenue according to the Minnesota Constitution, and is currently set at 40 percent by statute (Minn. Stat.

297B.09). Of this revenue, 90 percent is allocated to metropolitan transit (36 percent of total MVST) and 10 percent is allocated to Greater Minnesota Transit (four percent of total MVST). As of FY 2018, 38 percent of all MVLST revenue is allocated to the Transit Assistance Fund for Greater Minnesota Transit. Previously, the fund received 50 percent of the total MVLST revenues above the first \$32 million that was dedicated to the General Fund.

**Transit Assistance Fund Sources of Revenue
FY 2019**



*38 percent of MVLST is allocated to TAF.

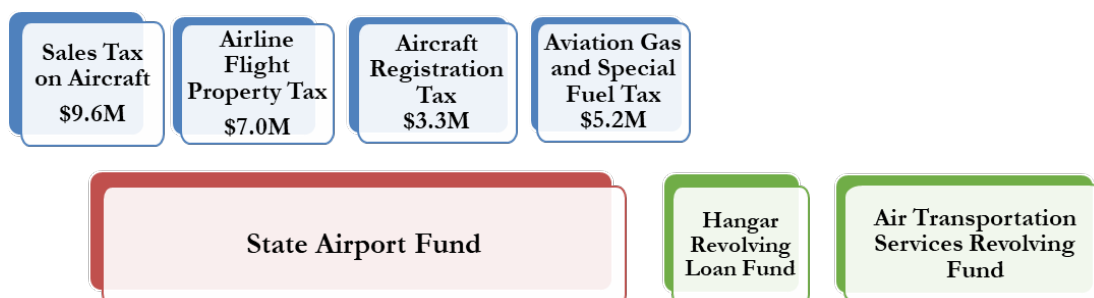
State Airports Revenue

Three funds make up the total consolidated SAF:

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

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

**State Airports Sources of Revenue
FY 2019**

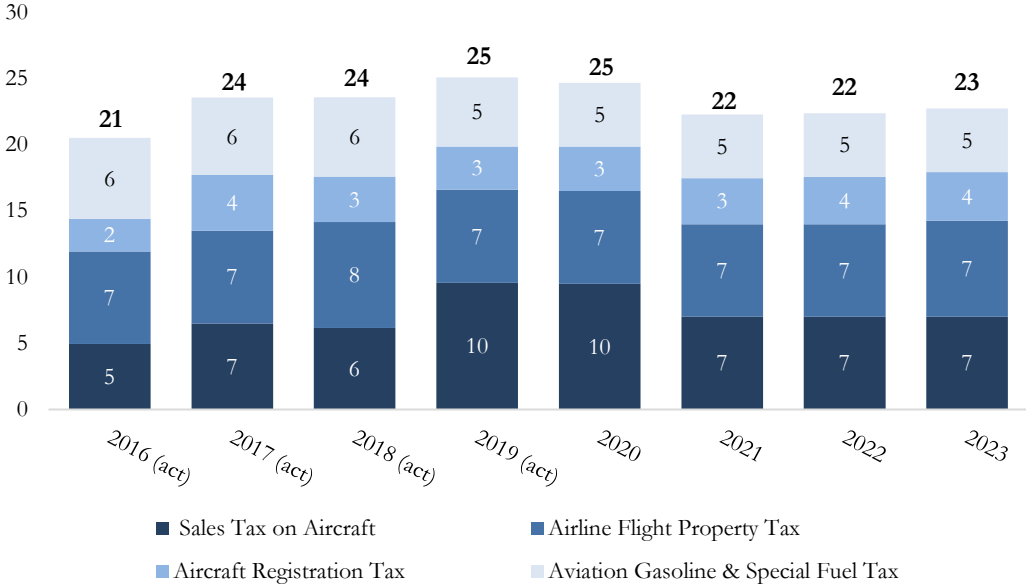


The forecast for the SAF is focused on aviation gasoline and special fuel taxes, sales taxes on aircraft, aircraft registration taxes and investment income. The forecast for sales tax on aircraft and registration taxes are both based primarily on prior history, but have varied significantly by year. The aviation fuel tax forecast decreased significantly

due to increased refunds paid to airlines. The airline flight property tax amount is a calculation specified in Minn. Stat. 270.075. This statute requires MnDOT to determine the amount as the difference between the “total fund appropriation and the estimated total fund revenues from other sources for the state fiscal year in which the tax is payable”.

The current forecast of revenues is shown below:

Primary State Airports Fund Revenues
(\$ in millions)



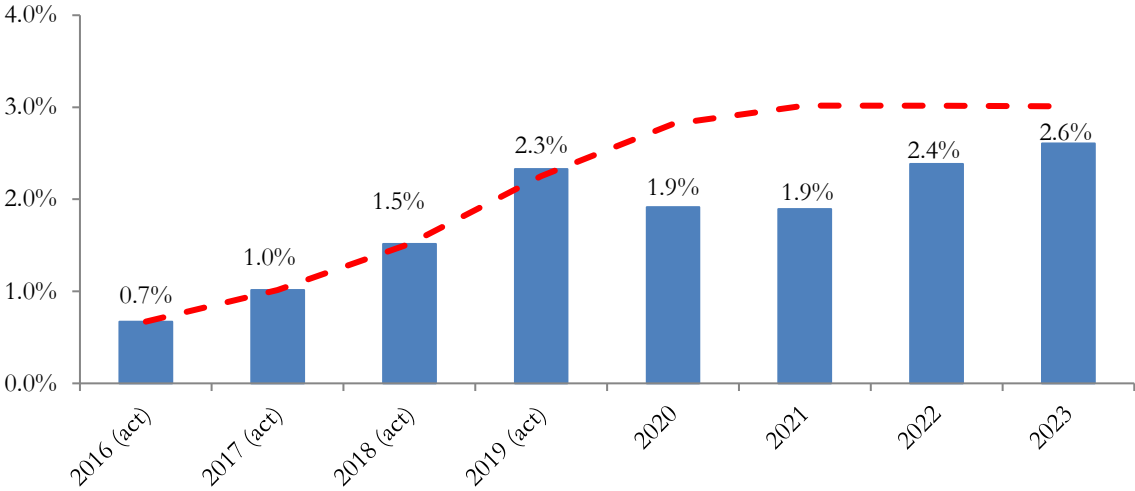
Investment Income

All of the transportation funds discussed in this document, with the exception of the TAF, earn investment income on cash balances in the fund. The amount of revenue is based on the amount of cash anticipated to be in the funds and the forecast interest rates for the invested cash.

Interest rates are currently just under 2 percent and are projected to grow slightly over the next four years. The rates are slightly lower than EOS 2019 in all forecast years. Cash balances in all funds are expected to be similar to the EOS 2019 forecast, so the net impact is decreased interest income in all funds in all years.

Projected Interest Rates
Nov. 2019 Forecast
Prepared by MMB

■ Nov. '19
- - EOS '19



Fund Statements

Transfers from HUTD Fund

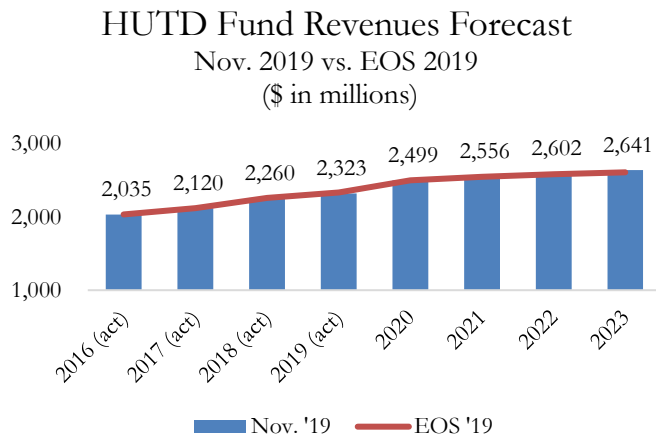
The HUTD Fund receives revenues from the three sources dedicated to highways and transit (gas tax, tab fees and MVST), as well as several minor sources of revenue. With the exception of the 40 percent of MVST dedicated to public transit, revenues from these three taxes are deposited into the HUTD Fund. In addition, beginning in FY 2018 four new revenues sources are statutorily dedicated from the General Fund to the HUTD Fund, including a fixed portion of the sales tax on auto parts, 11 percent of MVLST, and all of both the 6.5 percent and 9.2 percent tax on rental vehicles. The revenues are transferred to the TH, CSAH, and MSAS Funds, with small distributions specified in statute to the Department of Natural Resources (DNR).

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

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

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

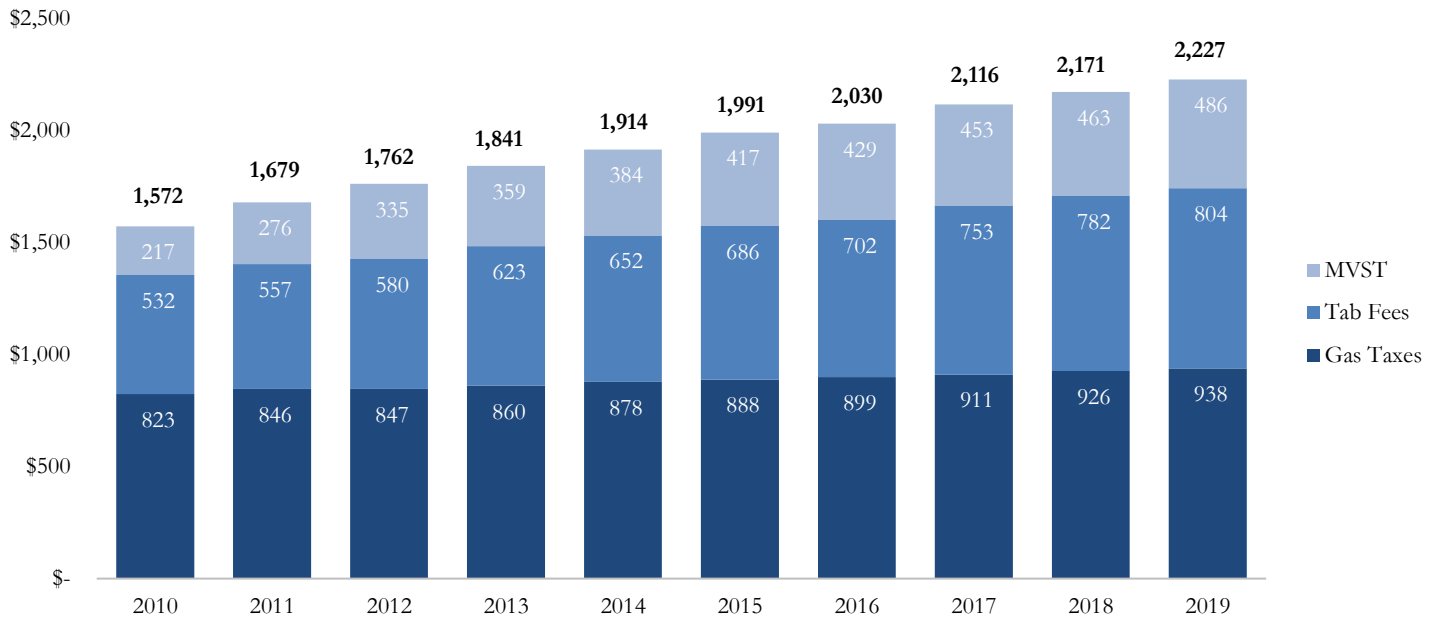
The current forecast is shown below:



HUTD Fund Revenues (\$ in millions)				
FY	Nov '19	EOS '19	\$ Change	% Change
2016 (act)	2,035	2,035	-	-
2017 (act)	2,120	2,120	-	-
2018 (act)	2,260	2,260	-	-
2019 (act)	2,323	2,333	(9.6)	(0.4%)
2020	2,499	2,499	(0.3)	(0.0%)
2021	2,556	2,550	6.8	0.3%
2022	2,602	2,584	18.5	0.7%
2023	2,641	2,610	31.1	1.2%

The bar chart below details a 10-year history of actual revenues for the HUTD Fund (2010-19), and the relative shares of revenue attributed to gas taxes, tab fees and MVST over that period. During the last ten years, gas taxes have decreased as a percentage of total revenue, while tab fees and MVST provide increased percentages of total revenue.

**MINNESOTA HIGHWAY USER TAX REVENUE
(3 PRIMARY SOURCES)
FY 2010-2019 ACTUALS**

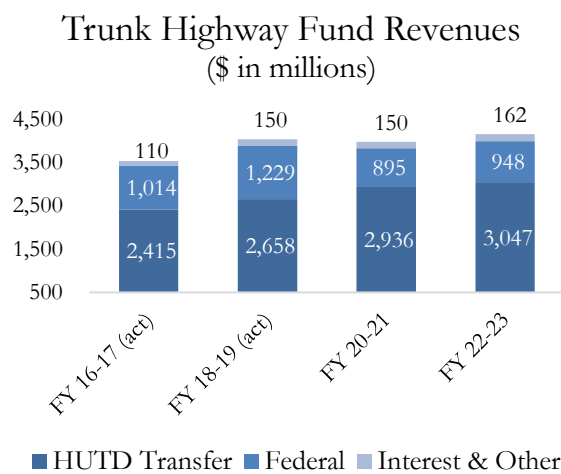


Trunk Highway Fund

The TH Fund receives transfers from the HUTD Fund and revenue from investment income. One other 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. The current federal authorization act, known as FAST Act, ends on September 30, 2020. The federal government has never reduced the major federal transportation spending programs in the past, so the potential for Minnesota to receive less federal funds in the future remains relatively low. Over the forecast period, the estimated reimbursements vary greatly each year based on the projected mix of state and federal funds recognized on specific projects. The one-month continuing resolution passed in November 2019 also included a repeal of the \$7.6 billion cut in highway contract authority that had been scheduled for July 2020. Minnesota's share of this rescission was \$76 million. While the repeal of this rescission is not new money, it does allow MnDOT to maintain its existing flexibility between the various federal programs.

In addition, the fund receives revenues and transfers from several other smaller sources. For FY 2020-23, 74 percent of resources are transfers from the HUTD Fund, 23 percent of resources are federal aid agreements and 3 percent of resources are other sources such as investment income.

The current forecast, by biennium, is shown below:



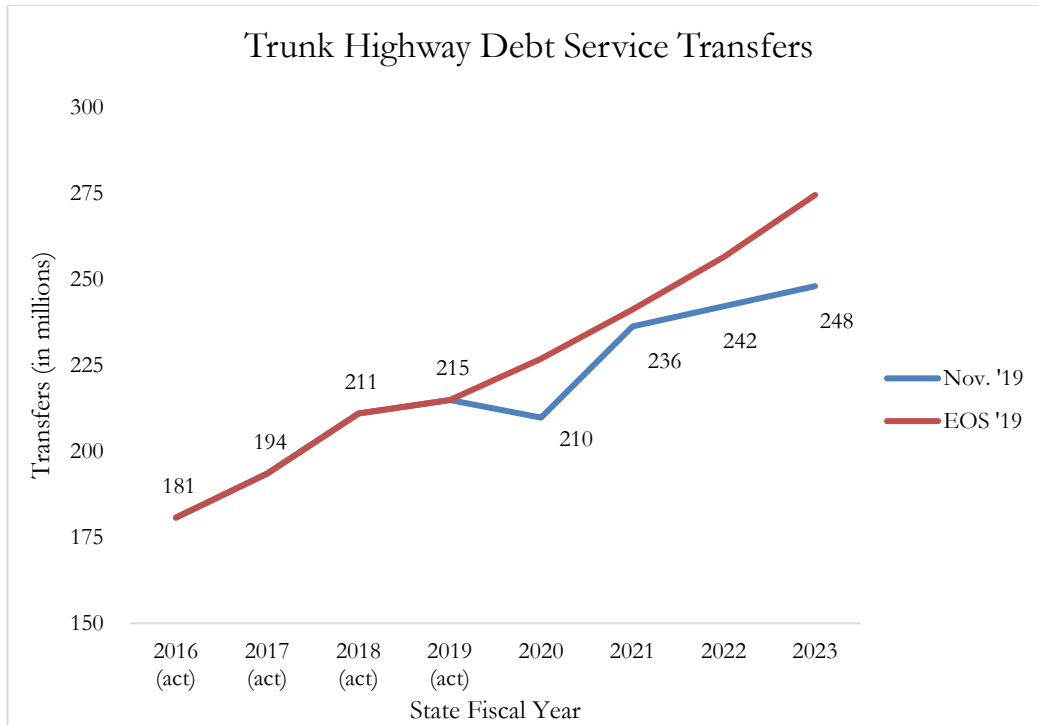
Debt Service – Trunk Highway Fund

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

Since the EOS 2019 forecast, the debt service estimates for future years have decreased slightly. The primary change is an increase in the projected premiums received on future bond sales due to lower projected interest costs on the bonds. Cash flow estimates, used in forecasting future bond sales and debt service amounts, are revised for scheduled bond sales and also impact the estimated debt service payments.

² See Article XIV, section 11 of the Minnesota Constitution

The graph below depicts the debt service transfer amounts by year, compared to the EOS 2019 forecast:



The TH Fund is governed by four financial policies: Debt Management, Fund Balance, Cash Balance, and Advance Construction (a link to all of the policies is included in the appendices index). The Debt Management Policy states that debt service should not exceed 20 percent of annual state revenues to the TH Fund³. This includes transfers to the state bond fund for debt service on Trunk Highway bonds, repayments of local government advances (LGA) in accordance with Minn. Stat. 161.361 and Transportation Revolving Loan Fund (TRLF) repayments in accordance with Minn. Stat. 161.04, subdivision 4. Due to the current minimal usage of TRLF and LGA, the projected annual spending has been reduced from \$9.5 million to \$3 million.

The debt management policy estimates include FY 2024-25 to be consistent with the approach MMB uses when publishing the Debt Capacity Forecast. The table below demonstrates that estimated debt service costs from the TH Fund range from nearly 14 percent to almost 17 percent through the end of FY 2025, increasing each year and peaking at 16.6 percent in FY 2025.

³ Developed to comply with Minn. Stat. 167.60

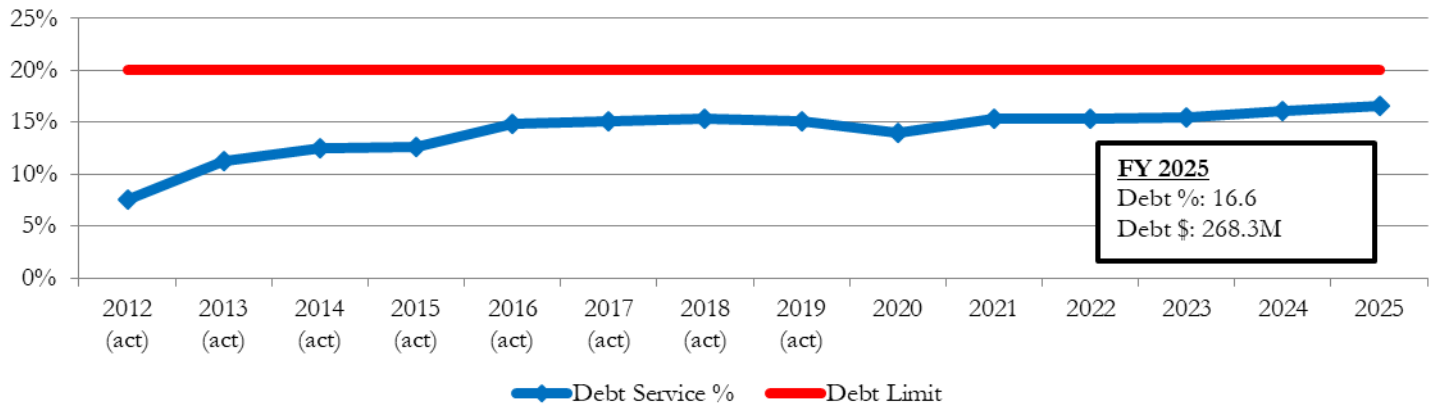
Debt Management Policy
(\$ in millions)

Year	Total Debt Service ⁽¹⁾	Estimated Current %	Variance from 20% Policy Limit ⁽²⁾
2014 (act)	144.2	12.5%	87.4
2015 (act)	157.0	12.6%	92.2
2016 (act)	183.2	14.9%	62.9
2017 (act)	195.7	15.1%	63.2
2018 (act)	211.4	15.3%	65.0
2019 (act)	215.3	15.1%	69.9
2020	212.8	13.9%	92.5
2021	239.3	15.3%	72.7
2022	245.2	15.4%	73.3
2023	251.0	15.5%	72.3
2024	260.5	16.1%	62.8
2025	268.3	16.6%	55.0

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

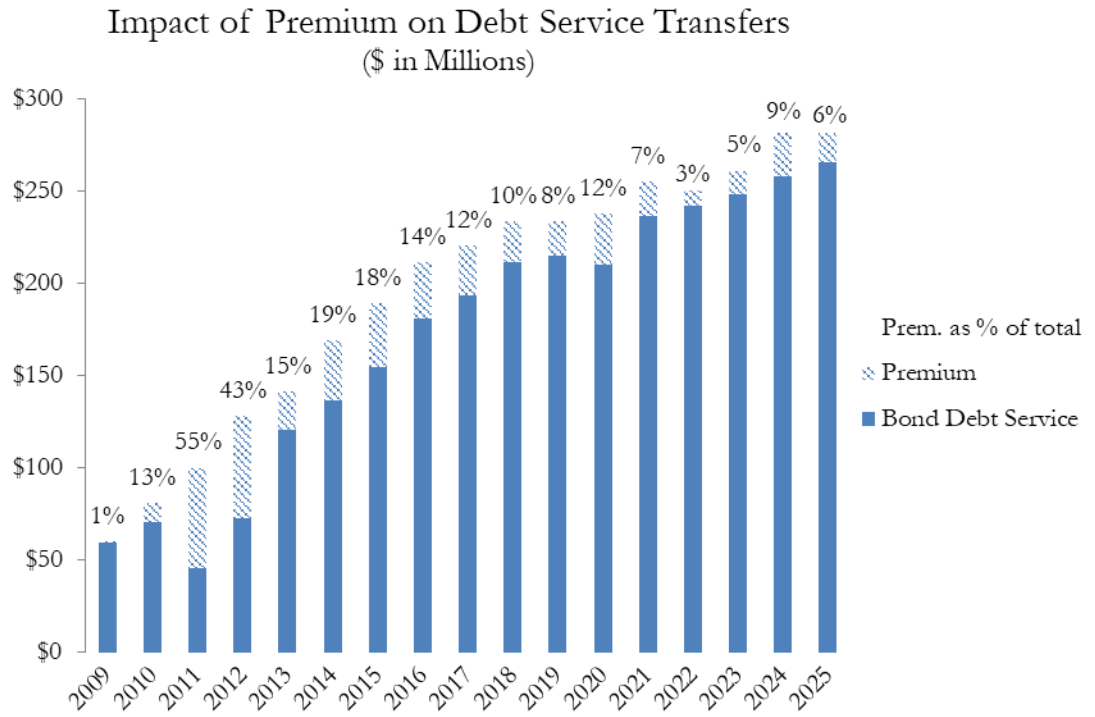
(2) Represents amount of additional debt service to reach 20 percent limit – a general guideline is to multiply this amount by 10 for an estimate of the additional bond capacity e.g. \$55.0M x 10 = \$550M in additional bond capacity.

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



As MnDOT manages to this policy, there are variables to the debt management calculation outside the control of the agency. One of the largest variables is interest rate fluctuation, which can lead to large debt service expenditure fluctuations. Due to low interest rates, the fund balance has benefited the past several years. When bond interest rates drop below 5 percent, Trunk Highway General Obligation bonds command a premium which is accounted for in the year of sale. Therefore, debt service is lower the year the bonds are sold, but this decrease is then offset over the 20 year life of the bonds. In recent years, MnDOT’s 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) and 2018 (Laws of 2018, Chapter 214 - \$416 million). MnDOT anticipates bond sales from the 2008 program to end in FY 2023 and sales from all current authorized debt to end in FY 2026.

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 previously discussed.

Trunk Highway Fund Balance Changes

Nov. '19 vs. EOS '19

(\$ in millions)

	FY18-19	FY20-21	FY22-23
Transfers from HUTD	(4.5)	4.0	29.5
Federal Aid Agreements	159.5	(23.0)	(134.0)
Interest	1.9	(10.5)	(1.5)
Other Revenues and Transfers	1.5	0.7	0.7
Prior Year Adjustments	31.7	-	-
Total Revenue and Transfer Impact	190.2	(28.8)	(105.2)
Transportation Expenditures	21.0	48.0	(13.0)
Other Agencies	0.6	0.0	-
Transfers Out	-	-	-
Debt Service Transfer	0.0	(22.1)	(40.8)
Total Expenditure and Transfer Impact	21.6	25.9	(53.8)
Fund Balance Change	168.6	(54.7)	(51.4)
Total Cumulative Change	168.6	113.9	62.5
EOS '19 Forecast	255.7	126.1	212.5
Nov. '19 Forecast	424.3	240.0	275.0
Change	168.6	113.9	62.5
<i>Reserved Fund Balance (Nov. '19)</i>	<i>92.5</i>	<i>105.1</i>	<i>108.6</i>
<i>Unreserved Fund Balance (Nov. '19)</i>	<i>331.8</i>	<i>135.0</i>	<i>166.4</i>

County State Aid Highway (CSAH) Fund

The CSAH Fund receives transfers from the HUTD Fund and revenues from investment income and MVLST. Minnesota Statutes, Chapter 162 provides the criteria by which funds are allocated to statutory accounts within the CSAH fund and 87 counties in Minnesota. Beginning in 2016, estimated revenues for counties are split between “apportionment sum” and “excess sum” based on fixed percentages. 68 percent is allocated to apportionment sum and 32 percent is allocated to excess sum. These two amounts are then allotted to counties using different formulas specified in statute. These allotments are calculated each year based primarily on revenue estimates for the CSAH Fund.

The portion of revenue received from MVLST is allocated to five of the seven metropolitan counties, excluding Hennepin and Ramsey counties. These funds are added to the regular allocation for these counties.

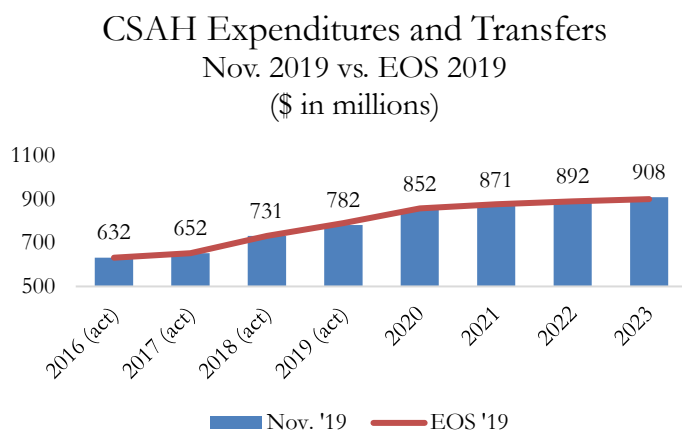
These allocations also include the five percent set-aside portion of the total revenues from the HUTD Fund. The Constitution allows the legislature to allocate this five percent in a manner different from the constitutional formula (62 percent to the TH Fund, 29 percent to the CSAH Fund and nine percent to the MSAS Fund). The current allocation is 100 percent to the CSAH Fund (Minn. Stat. 161.081). This funding is further allocated to Township Roads (30.5 percent), Township Bridges (16.0 percent) and the Flexible Highway Account (53.5 percent). The portion allocated to the Flexible Highway Account is also available for transfer to the TH and MSAS Funds, if so designated in the appropriation law. Any transfers authorized by the current appropriation law are included in the totals shown below.

The CSAH Fund is directly appropriated based on the most current revenue forecast at the time the biennial budget is prepared. The [Commissioner’s Order](http://www.dot.state.mn.us/safinance/appmt/commorder2019.pdf) (http://www.dot.state.mn.us/safinance/appmt/commorder2019.pdf) is on a calendar year basis and allocates the funds based on revenue estimates in the preceding November forecast each year. The result is an increase or decrease to the direct appropriation amount each year after the Commissioner’s Order is executed in January.

CSAH Expenditure Forecast

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

The current forecast is shown below:



CSAH Expenditures and Transfers (\$ in millions)				
FY	Nov '19	EOS '19	\$ Change	% Change
2016 (act)	632	632	-	-
2017 (act)	652	652	-	-
2018 (act)	731	731	-	-
2019 (act)	782	789	(7.6)	(1.0%)
2020	852	858	(5.8)	(0.7%)
2021	871	877	(5.3)	(0.6%)
2022	892	890	1.9	0.2%
2023	908	900	8.2	0.9%

Municipal State Aid Street (MSAS) Fund

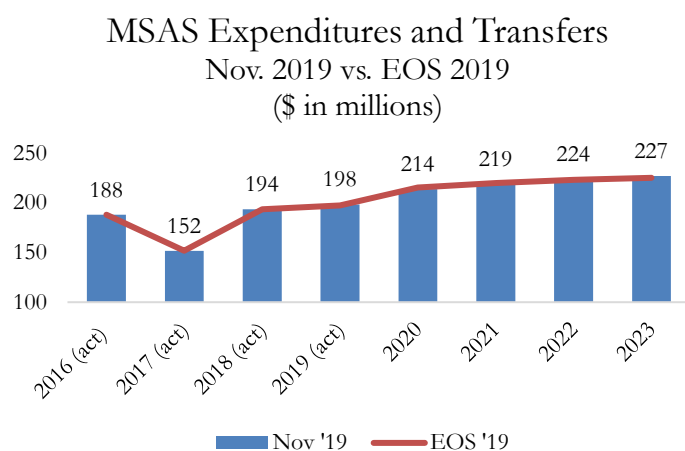
The MSAS Fund receives transfers from the HUTD Fund, authorized transfers from the CSAH Fund and revenues from investment income. Minnesota Statutes, Chapter 162 provides the criteria by which funds are allocated to statutory accounts within the MSAS fund and to each of the Minnesota State Aid cities defined as having a population of 5,000 or greater. The allocations are calculated based primarily on revenue estimates for the MSAS Fund, not including transfers from the CSAH Fund.

The MSAS Fund is also directly appropriated based on the most current revenue forecast at the time the biennial budget is prepared. The [Commissioner's Order](http://www.dot.state.mn.us/safinance/appmt/commorder2019.pdf) (<http://www.dot.state.mn.us/safinance/appmt/commorder2019.pdf>) is on a calendar year basis and allocates the funds based on revenue estimates in the preceding November forecast each year. The result is an increase or decrease to the direct appropriation amount each year after the Commissioner's Order is executed in January.

MSAS Expenditure Forecast

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

The current forecast is shown below:

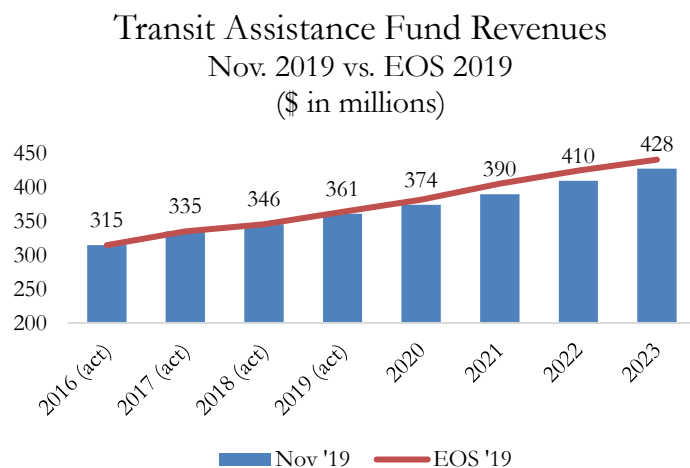


MSAS Expenditures and Transfers (\$ in millions)				
FY	Nov '19	EOS '19	\$ Change	% Change
2016 (act)	188	188	-	-
2017 (act)	152	152	-	-
2018 (act)	194	194	-	-
2019 (act)	198	197	1.0	0.5%
2020	214	216	(1.6)	(0.7%)
2021	219	220	(1.4)	(0.6%)
2022	224	223	0.5	0.2%
2023	227	225	1.9	0.8%

Transit Assistance Fund (TAF)

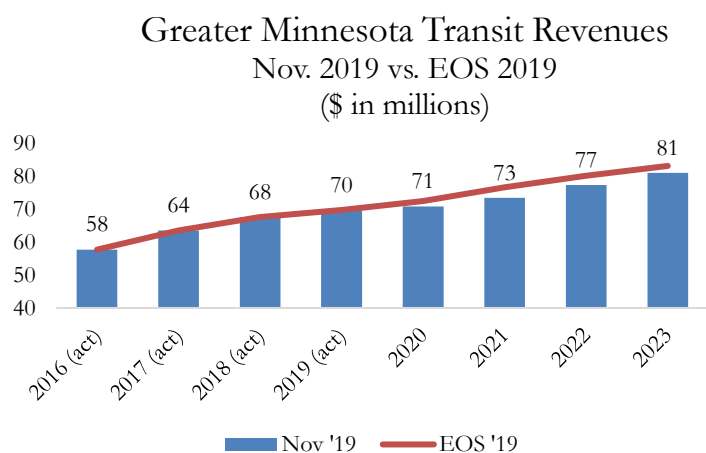
Beginning in FY 2018, 38 percent of MVLST revenue is allocated to the TAF – Greater Minnesota Transit account. In previous years, half of the MVLST revenues (net of \$32 million that remained in the General Fund) were allocated to this fund. The fund also receives 40 percent of MVST revenues.

The total estimated revenue for the TAF is shown below:



Transit Assistance Fund Revenues (\$ in millions)				
FY	Nov '19	EOS '19	\$ Change	% Change
2016 (act)	315	315	-	-
2017 (act)	335	335	-	-
2018 (act)	346	346	-	-
2019 (act)	361	364	(2.6)	(0.7%)
2020	374	382	(7.6)	(2.0%)
2021	390	406	(15.7)	(3.9%)
2022	410	425	(14.8)	(3.5%)
2023	428	441	(13.4)	(3.0%)

Of this total revenue, the estimated revenue for the Greater Minnesota portion of the TAF is shown below:



Greater Minnesota Transit Revenues (\$ in millions)				
FY	Nov '19	EOS '19	\$ Change	% Change
2016 (act)	58	58	-	-
2017 (act)	64	64	-	-
2018 (act)	68	68	-	-
2019 (act)	70	70	(0.2)	(0.3%)
2020	71	73	(1.7)	(2.3%)
2021	73	77	(3.2)	(4.2%)
2022	77	80	(2.9)	(3.6%)
2023	81	83	(2.1)	(2.6%)

Transit Assistance Fund Expenditure Forecast

MVST revenues are statutorily appropriated. The share allocated to metropolitan transit is appropriated to the Metropolitan Council, and the share allocated to Greater Minnesota transit is appropriated to MnDOT. For the Metropolitan Council allocation, this means that forecast revenues are typically the same as forecast expenditures in the fund statement. For the MnDOT allocation, a spending plan was developed by the Office of Transit and Active Transportation to spend down the available resources over the next four years. For MVLST, because revenue is not transferred until the following fiscal year, the amount estimated for the current year is shown as an appropriation carry forward into the next year.

Account Balance Policy

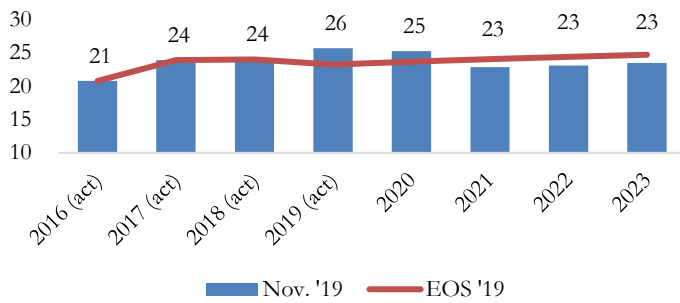
A Greater Minnesota Transit Account policy was developed in 2018 to provide an appropriate amount of reserves in the fund to protect against significant shifts in revenue or spending. The policy specifies the fund maintain a minimum of 10 percent of the total balance forward from the previous year. For the current forecast years 2020-23, this translates to \$4-5 million. As of this forecast, the fund is in compliance with this policy in all fiscal years.

State Airports Fund (SAF)

The SAF receives revenues from aviation gasoline and special fuel taxes, aircraft registration taxes, sales taxes on aircraft and other small sources such as investment income. These revenues must be sufficient to support the direct appropriations from the Legislature, which are used to carry out aviation functions such as airport development and assistance grants, aeronautic planning, administration and operations.

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

State Airports Revenue and Transfers
(SAF Only)
Nov. 2019 vs. EOS 2019
(\$ in millions)



State Airports Fund Revenues and Transfers (\$ in millions)				
FY	Nov '19	EOS '19	\$ Change	% Change
2016 (act)	21	21	-	-
2017 (act)	24	25	-	-
2018 (act)	24	25	-	-
2019 (act)	26	23	2.4	10.5%
2020	25	24	1.6	6.6%
2021	23	24	(1.2)	(5.0%)
2022	23	24	(1.3)	(5.4%)
2023	23	25	(1.2)	(4.9%)

Fund Balance Policy

A State Airports Fund Balance policy exists to provide an appropriate level of reserve in the SAF to protect against major fluctuations in revenue. The policy requires that the State Airports Fund (not including the revolving funds) maintain a minimum of 5 percent of the total appropriations in each fiscal year. For the current forecast years 2020-23, this translates to \$1-2 million. As of this forecast, the fund is in compliance with this policy in all fiscal years.

Appendices

- Appendix 1: Highway User Tax Distribution Fund Statement
- Appendix 2: Trunk Highway Fund Statement
- Appendix 3: County State Aid Highway Fund Statement
- Appendix 4: Municipal State Aid Street Fund Statement
- Appendix 5: Transit Assistance Fund Statement
- Appendix 6: State Airports Fund Statement
- Appendix 7: Minnesota Highway User Tax Revenue – Percentage of Total Revenues
- Appendix 8: HUTD Revenues Year-over-Year Growth Percentage Trend
- Policy Links: [Policy Links](#)

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Highway User Tax Distribution Fund
 November 2019 Forecast
 Comparison to EOS 2019 Forecast

(\$ in thousands)	November 2019 Forecast								Change from EOS 2019				
	Close	Close	Close	Close	Budget	Budget	Planning Est	Planning Est	Close	Budget	Budget	Planning Est	Planning Est
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Balance Forward from Prior Year	\$11,617	\$11,042	\$11,403	\$12,050	\$11,932	\$12,000	\$12,000	\$12,000	-	(68)	-	-	-
Prior Year Adjustments	(2,341)	(28)	177	1,763	-	-	-	-	1,763	-	-	-	-
Adjusted Balance Forward	9,276	11,014	11,581	13,812	11,932	12,000	12,000	12,000	1,763	(68)	-	-	-
Net Revenue and Transfers-In													
Motor Fuel Excise Tax	899,251	910,640	925,737	937,561	946,100	954,000	952,500	947,200	(2,339)	(500)	3,100	600	(3,200)
Motor Vehicle Registration Tax	701,635	752,676	781,867	803,733	835,900	861,000	878,200	895,700	(2,416)	13,135	28,285	40,609	55,423
Motor Vehicle Sales Tax	428,831	452,578	463,435	485,904	505,680	527,520	554,280	577,560	(4,056)	(9,840)	(20,940)	(19,860)	(18,780)
Sales Tax on Auto Parts	-	-	31,536	31,536	145,644	145,644	145,644	145,644	-	-	-	1	2
Motor Vehicle Rental Tax (9.2%)	-	-	25,927	28,108	29,086	30,359	31,636	32,915	(492)	(744)	(741)	(744)	(775)
Motor Vehicle Rental Tax (6.5%)	-	-	16,706	19,859	20,550	21,449	22,351	23,255	(351)	(530)	(521)	(529)	(545)
Leased Vehicle Sales Tax	-	-	10,641	10,772	10,747	11,088	11,693	12,320	14	(297)	(517)	(451)	(253)
Other Income	5,035	3,630	4,471	6,024	5,383	5,315	6,100	6,464	45	(1,481)	(1,891)	(1,104)	(734)
Total Net Revenue and Transfers-In	2,034,751	2,119,524	2,260,320	2,323,498	2,499,090	2,556,375	2,602,404	2,641,058	(9,594)	(258)	6,775	18,521	31,136
Expenditures and Transfers-Out													
Appropriations to MnDOT, Revenue, DPS	2,962	3,366	11,746	13,977	11,026	12,290	10,927	12,202	87	-	-	-	-
Transfers--DNR	22,514	22,800	23,028	23,274	23,464	23,659	23,622	23,491	(256)	(176)	(91)	(228)	(259)
Transfers--5% Set-Aside	100,375	104,648	111,254	114,406	123,227	126,021	128,393	130,268	(380)	(7)	343	937	1,570
Transfers--County State-Aid Highway	553,069	576,613	613,009	630,379	678,979	694,377	707,444	717,778	(2,092)	(41)	1,891	5,165	8,649
Transfers--Municipal State-Aid Highway	171,642	178,949	190,244	195,635	210,718	215,496	219,552	222,759	(649)	(13)	587	1,603	2,684
Transfers--Trunk Highway	1,182,423	1,232,758	1,310,570	1,347,707	1,451,610	1,484,531	1,512,467	1,534,560	(4,473)	(88)	4,044	11,043	18,491
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	2,032,986	2,119,135	2,259,851	2,325,378	2,499,022	2,556,375	2,602,404	2,641,058	(7,763)	(325)	6,775	18,521	31,136
Ending Balance	\$11,042	\$11,403	\$12,050	\$11,932	\$12,000	\$12,000	\$12,000	\$12,000	(68)	-	-	-	-

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 2019 Forecast
Comparison to EOS 2019 Forecast

(\$ in thousands)	November 2019 Forecast								Change from EOS 2019				
	Close	Close	Close	Close	Budget	Budget	Planning Est	Planning Est	Close	Budget	Budget	Planning Est	Planning Est
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Balance Forward from Prior Year	\$275,790	\$381,830	\$376,507	\$436,605	\$424,314	\$393,533	\$240,036	\$170,448	-	168,649	227,066	113,923	1,378
Prior Year Adjustments	30,857	41,612	33,366	61,699	30,000	30,000	30,000	30,000	31,699	-	-	-	-
Adjusted Balance Forward	306,647	423,441	409,872	498,304	454,314	423,533	270,036	200,447	31,699	168,649	227,066	113,923	1,378
Net Revenue and Transfers-In													
Transfer from HUTD	1,182,423	1,232,758	1,310,570	1,347,707	1,451,610	1,484,531	1,512,467	1,534,560	(4,473)	(88)	4,044	11,043	18,491
Federal Aid Agreements	426,391	587,537	601,332	627,708	540,995	353,995	397,995	549,995	159,533	100,000	(123,000)	(143,000)	9,000
Other Income and Transfers-In	48,008	61,569	71,558	78,228	75,125	75,260	79,756	81,979	3,453	(4,090)	(5,668)	(1,390)	631
Total Net Revenue and Transfers-In	1,656,822	1,881,864	1,983,461	2,053,643	2,067,729	1,913,786	1,990,218	2,166,534	158,513	95,822	(124,624)	(133,347)	28,122
Expenditures and Transfers-Out													
Transportation Department	1,307,532	1,624,366	1,640,971	1,796,050	1,804,356	1,743,516	1,731,535	1,725,739	20,979	54,500	(6,500)	(6,500)	(6,500)
Public Safety and Other Depts.	93,382	110,895	104,748	116,680	114,332	117,482	116,100	118,200	584	23	-	-	-
Transfers-Out and Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service	180,725	193,539	211,009	214,903	209,821	236,285	242,171	248,007	-	(17,118)	(4,981)	(14,301)	(26,504)
Total Expenditures and Transfers-Out	1,581,640	1,928,799	1,956,728	2,127,633	2,128,510	2,097,283	2,089,806	2,091,946	21,563	37,405	(11,481)	(20,802)	(33,006)
Balance Before Reserves	381,830	376,507	436,605	424,314	393,533	240,036	170,447	275,033	168,649	227,066	113,923	1,378	62,507
Ending Balance	\$381,830	\$376,507	\$436,605	\$424,314	\$393,533	\$240,036	\$170,448	\$275,036	168,649	227,066	113,923	1,378	62,507
Reserved Fund Balance per Policy	85,142	84,616	90,633	92,467	101,323	105,080	107,568	108,627	(61)	172	875	5,758	7,787
Unreserved Fund Balance per Policy	296,687	291,891	345,972	331,847	292,211	134,956	62,880	166,408	168,710	226,894	113,049	(4,379)	54,720
Debt Service Percentage Compared to State Revenue	14.9%	15.1%	15.3%	15.1%	13.9%	15.3%	15.4%	15.5%	-0.6%	-1.5%	-0.7%	-1.4%	-2.3%

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 2019 Forecast
Comparison to EOS 2019 Forecast

(\$ in thousands)	November 2019 Forecast								Change from EOS 2019				
	Close	Close	Close	Close	Budget	Budget	Planning Est	Planning Est	Close	Budget	Budget	Planning Est	Planning Est
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Balance Forward from Prior Year	\$508,749	\$563,509	\$631,865	\$673,186	\$690,463	\$690,387	\$690,311	\$690,235	-	6,326	6,326	6,326	6,326
Prior Year Adjustments	139	246	165	320	-	-	-	-	320	-	-	-	-
Adjusted Balance Forward	508,889	563,754	632,030	673,506	690,463	690,387	690,311	690,235	320	6,326	6,326	6,326	6,326
Net Revenue and Transfers-In													
Leased Vehicle Sales Tax	29,171	33,388	36,761	37,212	37,126	38,304	40,394	42,560	48	(1,026)	(1,786)	(1,558)	(874)
Other Income	3,583	5,917	9,270	14,549	12,464	12,560	15,703	17,146	821	(4,676)	(5,756)	(2,603)	(1,128)
Transfer from HUTD	653,444	681,261	724,263	744,786	802,205	820,399	835,837	848,046	(2,472)	(49)	2,235	6,103	10,219
Transfer from General			2,000	2,000					-	-	-	-	-
Total Net Revenue and Transfers-In	686,199	720,565	772,294	798,547	851,795	871,263	891,934	907,752	(1,603)	(5,751)	(5,307)	1,942	8,217
Expenditures and Transfers-Out													
Grants to Local Governments	621,664	641,945	720,530	770,121	835,214	854,056	874,389	889,936	(3,270)	(5,750)	(5,345)	1,829	8,018
MnDOT Administrative and Research	9,880	10,479	10,558	11,393	16,581	17,206	17,545	17,817	(4,339)	(1)	38	113	199
Transfers to MSAS Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to Special Revenue	35	30	51	76	76	76	76	76	-	-	-	-	-
Transfers to Trunk Highway Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	631,579	652,454	731,138	781,590	851,871	871,339	892,010	907,828	(7,609)	(5,751)	(5,307)	1,942	8,217
Balance Before Reserves	563,509	631,865	673,186	690,463	690,387	690,311	690,235	690,159	6,326	6,326	6,326	6,326	6,326
Less Appropriation Carryforward	563,509	631,865	673,186	690,463	690,387	690,311	690,235	690,159	6,326	6,326	6,326	6,326	6,326
Ending Balance	-	-	-	-	-	-	-	-	-	-	-	-	-

Municipal State Aid Fund
November 2019 Forecast
Comparison to EOS 2019 Forecast

(\$ in thousands)	November 2019 Forecast								Change from EOS 2019				
	Close	Close	Close	Close	Budget	Budget	Planning Est	Planning Est	Close	Budget	Budget	Planning Est	Planning Est
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Balance Forward From Prior Year	\$167,954	\$152,926	\$181,968	\$181,431	\$183,006	\$183,006	\$183,006	\$183,006	-	(1,253)	(1,253)	(1,253)	(1,253)
Prior Year Adjustments	42	81	53	78	-	-	-	-	78	-	-	-	-
Adjusted Balance Forward	167,996	153,008	182,021	181,509	183,006	183,006	183,006	183,006	78	(1,253)	(1,253)	(1,253)	(1,253)
Net Revenue and Transfers-In :													
Other Income	1,286	1,876	2,804	4,269	3,330	3,319	4,106	4,469	280	(1,602)	(1,937)	(1,147)	(775)
Transfer From HUTD	171,642	178,949	190,244	195,635	210,718	215,496	219,552	222,759	(649)	(13)	587	1,603	2,684
Transfer From CSAH	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Revenue and Transfers In	172,928	180,824	193,048	199,904	214,048	218,815	223,658	227,228	(369)	(1,615)	(1,350)	456	1,909
Expenditures and Transfers-Out													
Grants to Local Governments	184,751	148,677	190,378	194,879	208,804	213,369	218,090	221,565	2,345	(1,582)	(1,315)	454	1,869
MnDOT Administrative and Research	3,237	3,177	3,245	3,504	5,219	5,423	5,543	5,639	(1,382)	(32)	(35)	2	40
Transfers to Special Revenue	10	9	16	24	24	24	24	24	-	-	-	-	-
Total Expenditures and Transfers-Out	187,998	151,864	193,639	198,407	214,048	218,815	223,658	227,228	962	(1,615)	(1,350)	456	1,909
Balance before Reserves	152,926	181,968	181,431	183,006	183,006	183,006	183,006	183,006	(1,253)	(1,253)	(1,253)	(1,253)	(1,253)
Less Appropriation Carryforward	152,926	181,968	181,431	183,006	183,006	183,006	183,006	183,006	(1,253)	(1,253)	(1,253)	(1,253)	(1,253)
Ending Balance	-	-	-	-	-	-	-	-	-	-	-	-	-

Transit Assistance Fund
November 2019 Forecast
Comparison to EOS 2019 Forecast

(\$ in thousands)	November 2019 Forecast								Change from EOS 2019					
	Close	Close	Close	Close	Budget	Budget	Planning Est	Planning Est	Close	Budget	Budget	Planning Est	Planning Est	
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	
Balance Forward from Prior Year	\$56,246	\$69,634	\$71,445	\$53,073	\$47,064	\$41,833	\$42,487	\$44,643	-	(820)	(1,107)	(1,897)	(1,747)	
Prior Year Adjustments	672	2,766	2,406	2,163	-	-	-	-	2,163	-	-	-	-	
Adjusted Balance Forward	56,917	72,399	73,851	55,236	47,064	41,833	42,487	44,643	2,163	(820)	(1,107)	(1,897)	(1,747)	
Net Revenue and Transfers-In														
Metropolitan Area Transit Account	257,099	271,535	278,035	291,554	303,408	316,512	332,568	346,536	(2,422)	(5,904)	(12,564)	(11,916)	(11,268)	
Greater Minnesota Transit Account	28,567	30,171	30,888	32,393	33,712	35,168	36,952	38,504	(271)	(656)	(1,396)	(1,324)	(1,252)	
Total Motor Vehicle Sales Tax	285,665	301,706	308,923	323,948	337,120	351,680	369,520	385,040	(2,692)	(6,560)	(13,960)	(13,240)	(12,520)	
Leased Vehicle Sales Tax	29,171	33,388	36,761	37,212	37,126	38,304	40,394	42,560	48	(1,026)	(1,786)	(1,558)	(874)	
Other Income				5					5					
Total Net Revenue and Transfers-In	314,836	335,094	345,684	361,165	374,246	389,984	409,914	427,600	(2,639)	(7,586)	(15,746)	(14,798)	(13,394)	
Expenditures and Transfers-Out														
Metropolitan Council	257,172	271,535	278,040	291,617	303,408	316,512	332,568	346,536	(2,376)	(5,904)	(12,564)	(11,916)	(11,268)	
Transportation Department	44,948	64,513	88,422	77,719	76,069	72,818	75,190	78,683	2,719	(1,395)	(2,392)	(3,032)	(2,824)	
Total Expenditures and Transfers-Out	302,120	336,048	366,462	369,337	379,477	389,330	407,758	425,219	344	(7,299)	(14,956)	(14,948)	(14,092)	
Balance Before Reserves	69,634	71,445	53,073	47,064	41,833	42,487	44,643	47,024	(820)	(1,107)	(1,897)	(1,747)	(1,049)	
Less Appropriation Carryforward	69,634	33,388	36,761	37,212	37,126	38,304	40,394	42,560	48	(1,026)	(1,786)	(1,558)	(874)	
Less Met Council Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	
Ending Balance	-	\$38,057	\$16,311	\$9,852	\$4,707	\$4,183	\$4,249	\$4,464	(868)	(81)	(111)	(189)	(175)	
Reserved Balance	-	-	7,144	5,307	4,706	4,183	4,249	4,464	-	(82)	(111)	(190)	(175)	
Unreserved Fund Balance	-	-	9,167	4,544	-	-	-	-	(868)	1	-	1	-	

State Airports Fund
November 2019 Forecast
Comparison to EOS 2019 Forecast

(\$ in thousands)	November 2019 Forecast								Change from EOS 2019				
	Close	Close	Close	Budget	Budget	Budget	Planning Est	Planning Est	Budget	Budget	Budget	Planning Est	Planning Est
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Balance Forward from Prior Year	\$24,346	\$17,629	\$19,222	\$13,139	\$14,170	\$9,209	\$7,579	\$6,184	-	6,789	2,514	1,207	(192)
Prior Year Adjustments	642	593	458	1,947	500	500	500	500	1,447	-	-	-	-
Adjusted Balance Forward	24,988	18,222	19,680	15,086	14,670	9,709	8,079	6,684	1,447	6,789	2,514	1,207	(192)
Net Revenue and Transfers-In													
Transfer from General Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales Tax on Aircraft	4,941	6,501	6,153	9,572	9,500	7,000	7,000	7,000	3,572	3,380	758	633	505
Airline Flight Property Tax	7,000	7,006	8,000	7,026	7,000	7,000	7,000	7,250	26	-	-	-	250
Aircraft Registration Tax	2,455	4,202	3,440	3,273	3,372	3,473	3,577	3,684	(127)	(96)	(65)	(31)	4
Gasoline & Special Fuel Tax	6,118	5,843	5,987	5,223	4,800	4,800	4,800	4,800	(1,077)	(1,626)	(1,755)	(1,886)	(2,019)
Other Income	955	950	1,303	1,529	1,662	1,655	1,785	1,844	84	(100)	(150)	(20)	40
Total Net Revenue and Transfers-In	21,469	24,503	24,883	26,623	26,334	23,928	24,162	24,578	2,478	1,558	(1,212)	(1,304)	(1,220)
Expenditures and Transfers-Out													
Transportation Department	29,074	23,907	31,767	26,778	32,095	26,357	26,357	26,357	(3,225)	5,733	(5)	(5)	(5)
Transfer Out (General Fund)	-	-	-	31	-	-	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	29,074	23,907	31,767	26,778	32,095	26,357	26,357	26,357	(3,225)	5,733	(5)	(5)	(5)
Net Change in Loan Fund	246	405	344	(761)	300	300	300	300	(361)	(100)	(100)	(100)	(100)
Balance Before Reserves	17,629	19,222	13,139	14,170	9,209	7,579	6,184	5,205	6,789	2,514	1,207	(192)	(1,507)
Less Appropriation Carryforward	2,817	3,264	2,833	2,239	2,661	3,083	3,505	3,927	(912)	(1,010)	(1,108)	(1,206)	(1,304)
Ending Balance	\$14,812	\$15,957	\$10,306	\$11,931	\$6,548	\$4,496	\$2,679	\$1,279	7,701	3,523	2,315	1,014	(203)
Reserved Balance	1,416	1,166	1,504	1,254	1,556	1,269	1,269	1,269	(235)	287	-	-	-
Unreserved Fund Balance	13,394	14,790	8,801	10,675	4,990	3,226	1,409	8	7,936	3,237	2,315	1,014	(203)

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.

