

Financial Snapshot

Fiscal Year 2018, End of 2018 Legislative Session Update

highway user tax distribution fund (HUTD)

\$ in rounded millions

HUTD Fund Revenue

| Revenue | Actual | | | | Forecast | | | | FY17 % of HUTD Total Revenue |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------------------|
| | FY 14 | FY 15 | FY 16 | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | |
| Motor Fuel Tax | \$ 878 | \$ 888 | \$ 899 | \$ 911 | \$ 922 | \$ 925 | \$ 923 | \$ 914 | 43% |
| Motor Vehicle Registration Tax (Tab Fees) | 652 | 686 | 702 | 753 | 785 | 808 | 827 | 839 | 36% |
| Motor Vehicle Sales Tax (MVST) | 384 | 417 | 429 | 453 | 464 | 477 | 493 | 507 | 21% |
| General Fund Transfers | 0 | 0 | 0 | 0 | 88 | 90 | 207 | 209 | 0% |
| Other | 3 | 5 | 5 | 4 | 4 | 4 | 5 | 5 | 0% |
| Total Revenue | \$1,918 | \$1,996 | \$2,035 | \$2,120 | \$2,263 | \$2,306 | \$2,455 | \$2,475 | 100% |

Per Article XIV of the State Constitution, these revenues (net of collection costs and transfers) are transferred: 58.9% to Trunk Highways, 27.55% to Counties, 8.55% to Municipalities, 5% to flexible highway account for county and municipal turnbacks, township roads and township bridges

HUTD facts

Gasoline Tax Rate

July 1, 2012* 28.0 cents to 28.5 cents (debt service surcharge)

* Final Chapter 152 phase-in of 5 cent gas tax increase and 3.5 cent debt service surcharge

In FY 17, 1¢ of gas tax generated ~\$32.0 million in revenue to the HUTD

Minnesota's total state gasoline taxes are 28th highest out of 51 states including the District of Columbia (taxes include state excise taxes and other state taxes and fees) (Source: API, as of 4/1/2018)

Gas Consumed**

| | Millions of Gallons | % change vs previous year |
|-------------|---------------------|---------------------------|
| FY14 (act) | 3,081 | 1.9% |
| FY15 (act) | 3,115 | 1.1% |
| FY16 (act) | 3,155 | 1.3% |
| FY17 (act) | 3,195 | 1.3% |
| FY18 (fcst) | 3,235 | 1.3% |
| FY19 (fcst) | 3,247 | 0.3% |
| FY20 (fcst) | 3,240 | -0.2% |
| FY21 (fcst) | 3,206 | -1.1% |

** Implied gallons based on actual revenue divided by tax rate

trunk highway fund

\$ in rounded millions

Policies

| Financial Policies | Description | Policy Target | Score | Actual | | | | Forecast | | | | |
|---------------------------|---|----------------------|-------|--|-------|-------|-------|----------|-------|-------|-------|-------|
| | | | | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | |
| Debt Management | Debt service for the Trunk Highway Fund (THF) should not exceed 20% of annual state revenues to the THF | <20% | \$ | 13% | 13% | 15% | 15% | 16% | 16% | 16% | 16% | |
| Fund Balance | Maintain a balance of 6% of annual state revenues + 2% of authorized but unissued debt | ~90 million in FY 18 | \$ | Total | \$415 | \$276 | \$382 | \$377 | \$137 | \$134 | \$256 | \$408 |
| | | | | Unreserved | \$325 | \$184 | \$297 | \$292 | \$47 | \$42 | \$157 | \$306 |
| Cash Balance | Maintain 15 days of cash flow needs | >15 days | \$ | 45 | 53 | 43 | 46 | 42 | 39 | 36 | 39 | |
| Advance Construction (AC) | Should not exceed target amounts in policy statement | <\$805 million | \$ | Maximizing use of AC as program allows | | | | | | | | |

\$ = in compliance with policy \$ = out of compliance with policy (none for this forecast)

trunk highway bonds

\$ in rounded millions

Debt Service Amounts

| | Actual | | | | Forecast | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | FY 14 | FY 15 | FY 16 | FY 17 | FY 18* | FY 19 | FY 20 | FY 21 |
| Debt Service Transfer | \$ 136 | \$ 155 | \$ 181 | \$ 194 | \$ 211 | \$ 216 | \$ 224 | \$ 231 |
| Local Government Advances | 5 | 0 | 0 | 0 | 7 | 7 | 7 | 7 |
| Transportation Revolving Loan Fund (TRLF) | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 |
| Total Debt Service | \$ 144 | \$ 157 | \$ 183 | \$ 196 | \$ 221 | \$ 226 | \$ 234 | \$ 241 |

* FY 18 debt service transfer reflects actual

Bond Overview

| | |
|------------------------------|-----------------|
| Bonds Authorized since 2000* | \$ 4,325 |
| Bonds Sold** | \$ 2,733 |
| Remaining to be Sold | \$ 1,592 |

* Includes the \$416 million authorized during the 2018 Legislative Session

** The most recent bond sale in September 2017 included \$114 million of TH bonds

county state-aid highway (CSAH) / municipal state-aid street (MSAS) funds

\$ in rounded millions

Commissioner's Order Distributions

| | Actual | | | | | Forecast | | |
|---|----------|----------|----------|----------|----------|----------|----------|----------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Net Revenues Available | \$ 1,853 | \$ 1,945 | \$ 2,025 | \$ 2,061 | \$ 2,226 | \$ 2,258 | \$ 2,407 | \$ 2,427 |
| Total Distributions to Local Governments | | | | | | | | |
| Counties | 543 | 569 | 639 | 643 | 712 | 717 | 766 | 774 |
| Municipalities | 168 | 181 | 174 | 173 | 192 | 194 | 207 | 210 |
| Town Roads and Bridges | 43 | 46 | 48 | 48 | 54 | 52 | 56 | 56 |

The Commissioner's Order is issued in January based on November forecast information. Per the Commissioner's Order process defined in Minnesota Statutes Chapter 162.07, .08, .13 and .14, net HUTD revenue is allocated to counties and municipalities based on various percentages and calculations. 2019-21 distributions are based on forecast.

other modes

\$ in rounded millions

MnDOT Transit Funding

| | Actual | | | | Forecast | | | |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 |
| General Fund | \$ 16 | \$ 23 | \$ 20 | \$ 20 | \$ 1 | \$ 17 | \$ 17 | \$ 17 |
| Transit Assistance Fund | | | | | | | | |
| Motor Vehicle Sales Tax | 26 | 28 | 29 | 30 | 31 | 32 | 33 | 34 |
| Motor Vehicle Lease Tax | 23 | 23 | 29 | 33 | 37 | 37 | 38 | 38 |
| Total Funding* | \$ 64 | \$ 74 | \$ 77 | \$ 83 | \$ 68 | \$ 87 | \$ 88 | \$ 89 |

* Does not include federal transit funds or bond funds

State Airports Fund Forecast

| | Actual | | | | Forecast | | | |
|-------------------------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|
| | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 |
| Balance Forward | \$ 6 | \$ 21 | \$ 25 | \$ 18 | \$ 19 | \$ 5 | \$ 5 | \$ 5 |
| Revenue | 20 | 27 | 21 | 25 | 23 | 21 | 21 | 21 |
| General Fund Transfer | 15 | | | | | | | |
| Expenditures | 20 | 25 | 29 | 24 | 37 | 22 | 21 | 21 |
| Balance Before Reserves | 21 | 24 | 18 | 19 | 5 | 5 | 5 | 5 |
| Less Appropriations Carryover | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Fund Balance** | \$ 19 | \$ 22 | \$ 15 | \$ 16 | \$ 2 | \$ 2 | \$ 2 | \$ 1 |

** Reflects activity in all 3 airport funds: State Airports, Hangar Loan Revolving and Air Transportation Revolving

Fund balance policy requires an undesignated, unreserved fund balance of no less than 5% of total appropriations but no more than 15% (maximum of \$3 million)

other

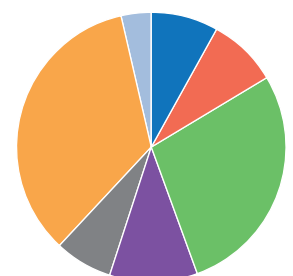
All dollars in thousands (\$1 = \$1,000)

MnDOT All Appropriations* - FY 2018-19

| | FY 2018 | FY 2019 | Total |
|---------------------------------------|--------------------|--------------------|--------------------|
| Total Direct Appropriations | 2,959,907 | 2,879,405 | 5,839,312 |
| Total Open Appropriations | 8,812 | 8,812 | 17,625 |
| Statutory Appropriations: | | | |
| Special Revenue | 194,334 | 194,334 | 388,669 |
| Federal (Non-Trunk Highway) | 477,019 | 468,450 | 945,469 |
| All Other Appropriations | 104,847 | 105,130 | 209,976 |
| Total Statutory Appropriations | 776,200 | 767,914 | 1,544,114 |
| Grand Total Appropriations | \$3,744,919 | \$3,656,131 | \$7,401,051 |

Appropriation Allocation Plan

| | |
|---------------------------------------|-------------|
| Multimodal Systems | 8.2% |
| Program Planning & Delivery | 8.2% |
| State Road Construction | 30.7% |
| Operations and Maintenance | 9.9% |
| Debt Service | 6.3% |
| State Aid for Local Transportation | 33.6% |
| Agency Management & Other | 3.0% |
| Grand Total All Appropriations | 100% |



* Does not include bond funds