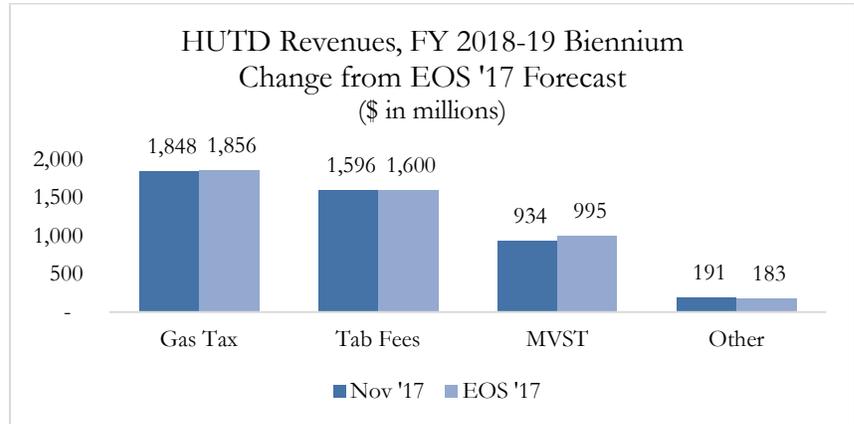


## Forecast Highlights

### FY 2018-19 HUTD revenues are down \$64.2 million (1.4 percent) from EOS 2017 Forecast

Gas tax is down \$7.5 million (0.4 percent), registration tax is down \$4.5 million (0.3 percent) and motor vehicle sales tax is down \$60.2 million (6.1 percent) in the FY 2018-19 biennium compared to the EOS 2017 forecast.



### HUTD Allocations by Fund Biennial Totals and Change from EOS '17 Forecast (\$ in millions)

Revenue Source	FY 16-17*	Change	FY 18-19	Change
Trunk Highway	2,415	(6)	2,649	(40)
CSAH	1,335	(3)	1,464	(22)
MSAS	351	(1)	385	(6)
Other (DNR, DPS, Revenue)	52	(0)	72	2
<b>Total</b>	<b>4,152</b>	<b>(10)</b>	<b>4,569</b>	<b>(65)</b>

\*Note: FY 2017 allocations include prior year adjustments

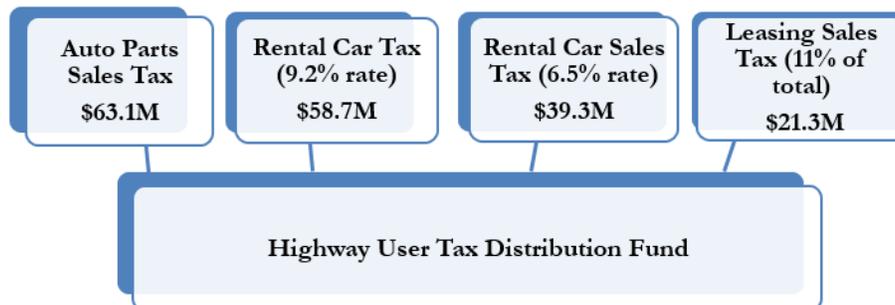
### HUTD Allocations by Fund

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. Total HUTD revenues decreased slightly in both biennia.

### New HUTD Revenues

In 2017, the Legislature statutorily dedicated several transportation related revenues, previously dedicated to the General Fund, to the HUTD Fund beginning in FY 2018. In the FY 2018-19 biennium, these new revenues total \$182.4 million (approximately four percent funding increase) and in FY 2020-21 revenues total \$418.6 (approximately nine percent funding increase).

#### New HUTD Revenues FY 2018-19



**Table of Contents**

Introduction to Transportation Funding ..... 3

Legal Authority for Collection of Revenue ..... 4

Revenue Forecast ..... 6

    Motor Fuel Excise Tax (Gas Tax) ..... 6

    Motor Vehicle Registration Tax (Tab Fees) ..... 9

    Motor Vehicle Sales Tax (MVST) ..... 11

    General Fund Revenue..... 11

    Motor Vehicle Lease Sales Tax (MVLST)..... 12

    Transit Assistance Fund Revenue ..... 13

    State Airports Revenue..... 13

    Investment Income ..... 15

Fund Statements..... 16

    Transfers from HUTD Fund ..... 16

    Trunk Highway Fund ..... 18

    Debt Service – Trunk Highway Fund ..... 18

    County State Aid Highway (CSAH) Fund ..... 23

    Municipal State Aid Street (MSAS) Fund..... 24

    Transit Assistance Fund (TAF)..... 25

    State Airports Fund (SAF)..... 27

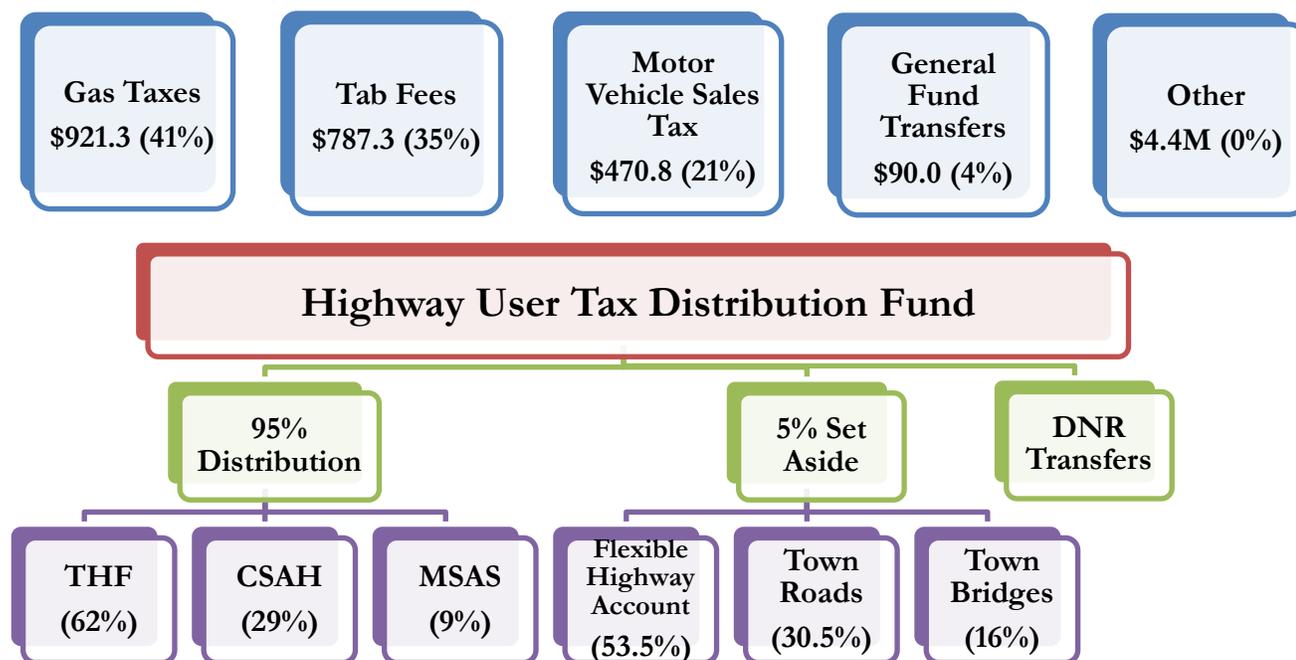
    Appendices ..... 28

## 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. These fund statements are prepared in November and February of each fiscal year. Additional updates are prepared at the end of each legislative session (EOS) to incorporate law changes impacting the transportation funds. Where comparisons are made in this document to the prior forecast, changes reflect the difference from the EOS 2017 fund statements. 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 2018 Estimates (\$ in millions)



-Article XIV of the Minnesota Constitution

-General Fund Transfers include: fixed portion of sales tax on auto parts, 11% 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

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.

**Motor Vehicle Sales Tax (MVST):** This 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 way 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 amounts 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 revenue sources that are not shared with any of the other five transportation funds. 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.

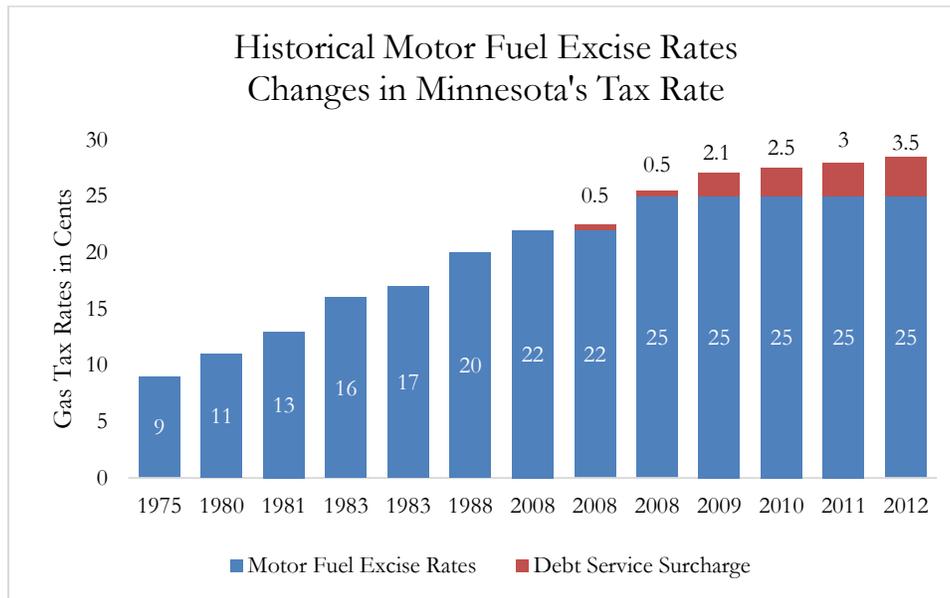
All of the funds, except the TAF, receive investment income earned on the cash balances in the funds.

Legal Citation – Quick Reference Guide	
Motor Fuel Tax	<ul style="list-style-type: none"> <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 motor vehicle lease sales tax revenue</li> </ul>
State Airport Fund	<ul style="list-style-type: none"> <li>• Minn. Stat. 360.017 – Creates State Airport 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>

## Revenue Forecast

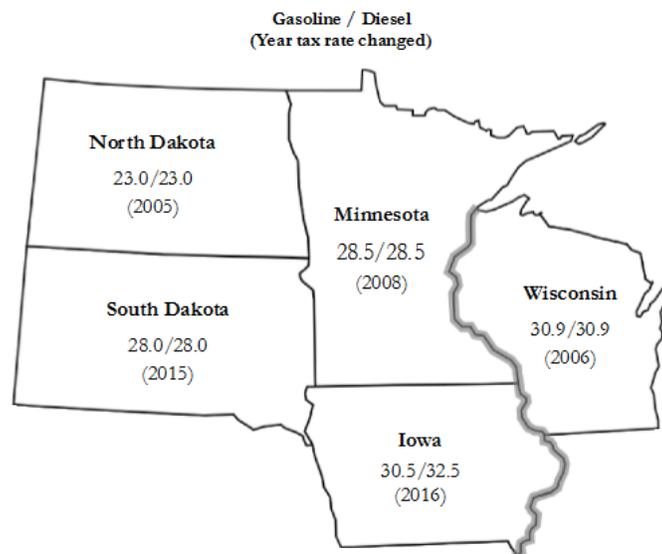
### Motor Fuel Excise Tax (Gas Tax)

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 system<sup>1</sup>.



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

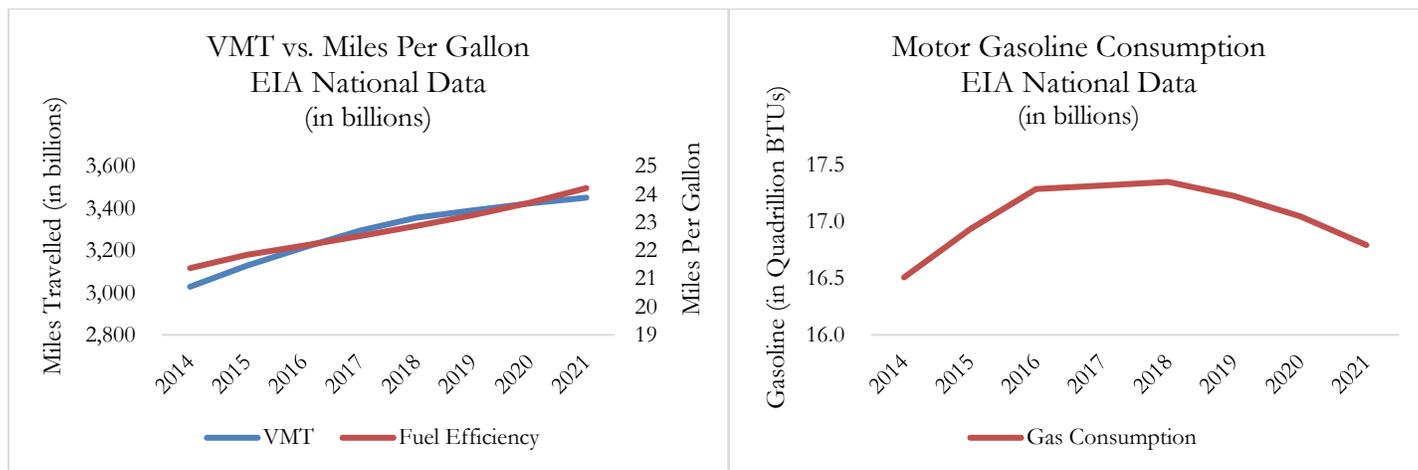
**Comparison of November 2017 Motor Fuel Tax Rates (per gallon)**



<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.

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.

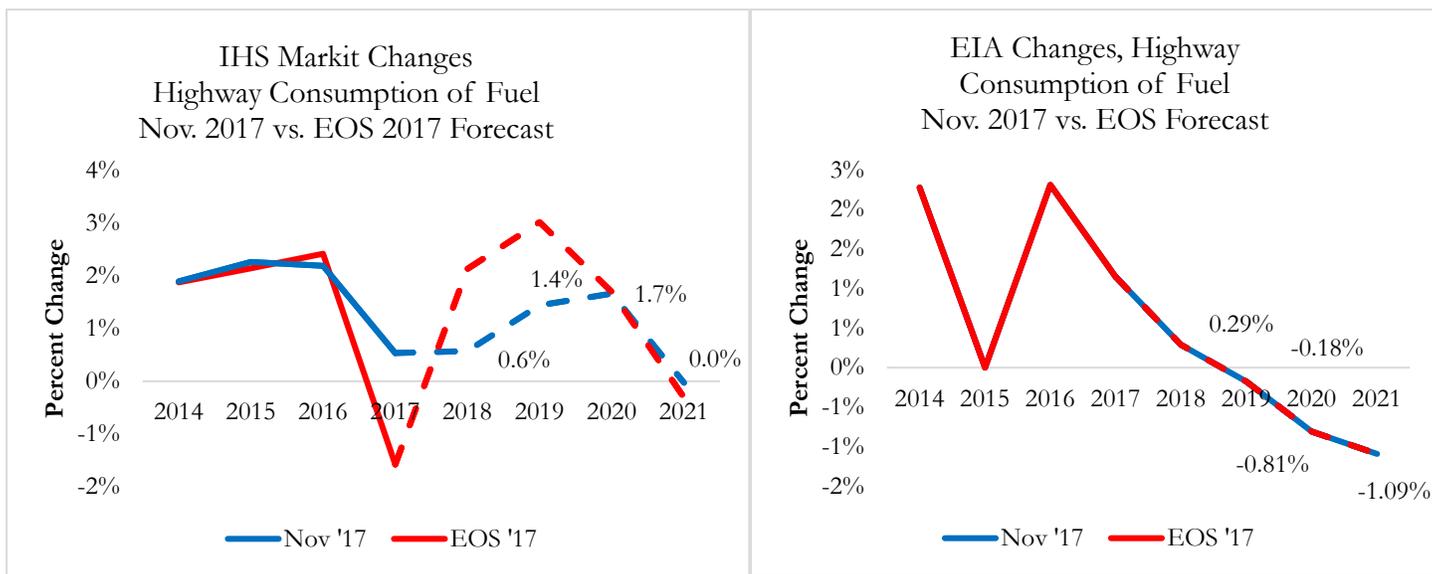
**IHS Forecast**

The most current IHS forecast, from November 2017, projects a decrease in consumption over the forecast period as compared to the prior forecast.

**EIA Forecast**

The most current forecast from EIA, the Annual Energy Outlook released once a year in January, is unchanged for this forecast, projecting declining consumption in the forecast years.

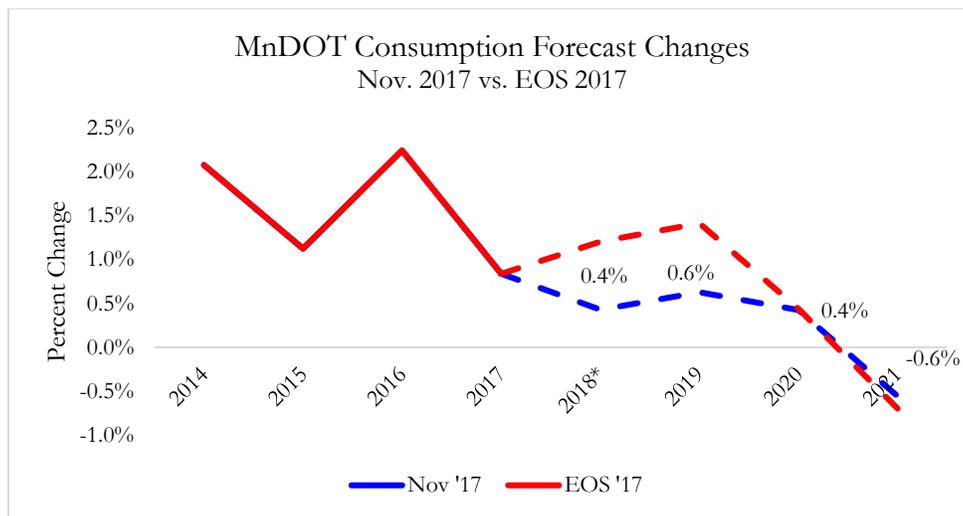
The specific forecasts are shown in the tables below:



\*EIA update available in January for the February forecast.

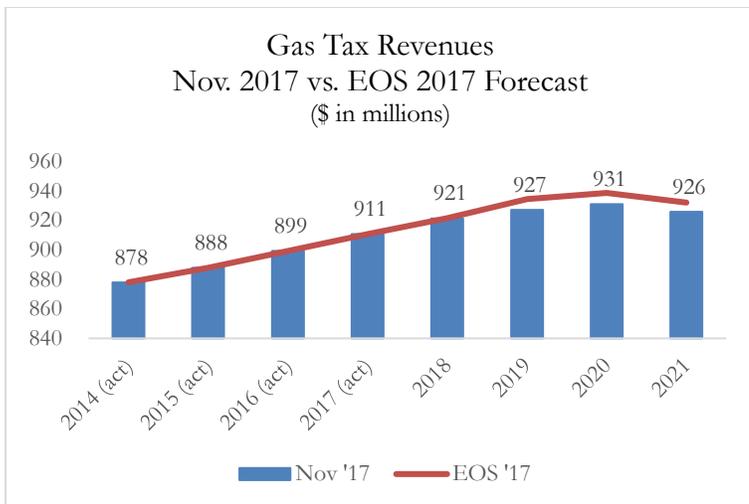
**MnDOT Blended Average**

MnDOT uses a blended average of the consumption forecasts by EIA and IHS for the forecast period. Although the two forecasts are somewhat divergent during the forecast years, 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.



\*EIA/IHS blended average of 0.4 percent adjusted to 1.2 percent in FY 2018 to account for actual year-to-date revenues.

For the current year, the EIA and IHS forecasts are adjusted for actual year-to-date revenues. Through October, year-to-date actual revenues are higher than the combined forecast from EIA/IHS would indicate, but still slightly lower than the EOS 2017 forecast.



Gas Tax Revenues (\$ in millions)				
FY	Nov '17	EOS '17	\$ Change	% Change
2014 (act)	878	878	-	-
2015 (act)	888	888	-	-
2016 (act)	899	899	-	-
2017 (act)	911	911	0.0	0.0%
2018	921	921	(0.1)	-0.0%
2019	927	934	(7.3)	-0.8%
2020	931	939	(7.5)	-0.8%
2021	926	932	(6.1)	-0.7%

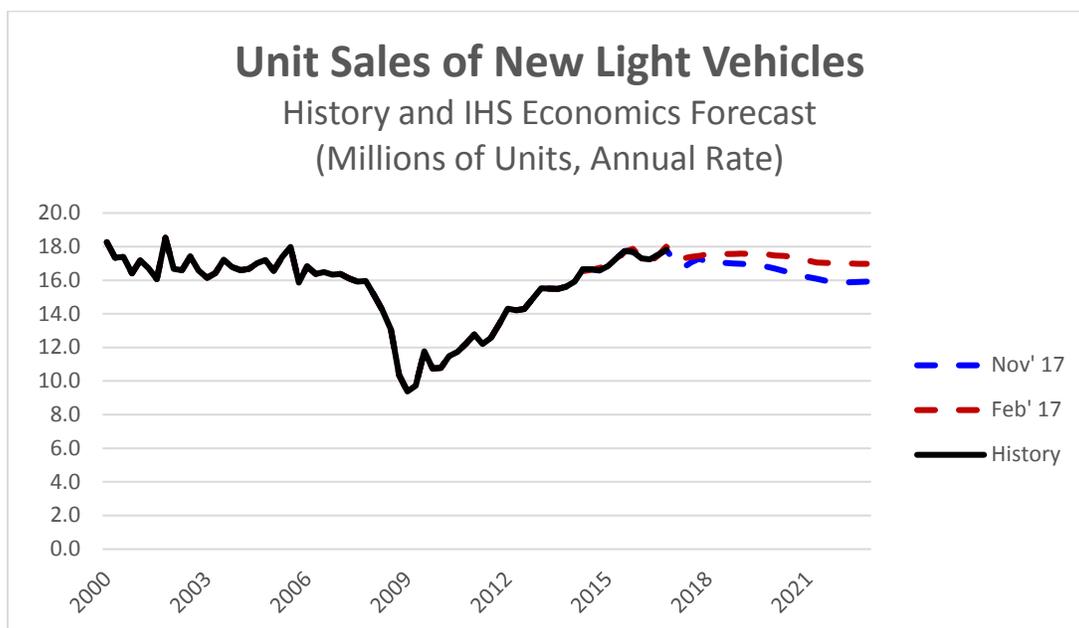
### Motor Vehicle Registration Tax (Tab Fees)

Revenue collected on passenger vehicles comprises about 80 percent of the total revenue from tab fees, 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.

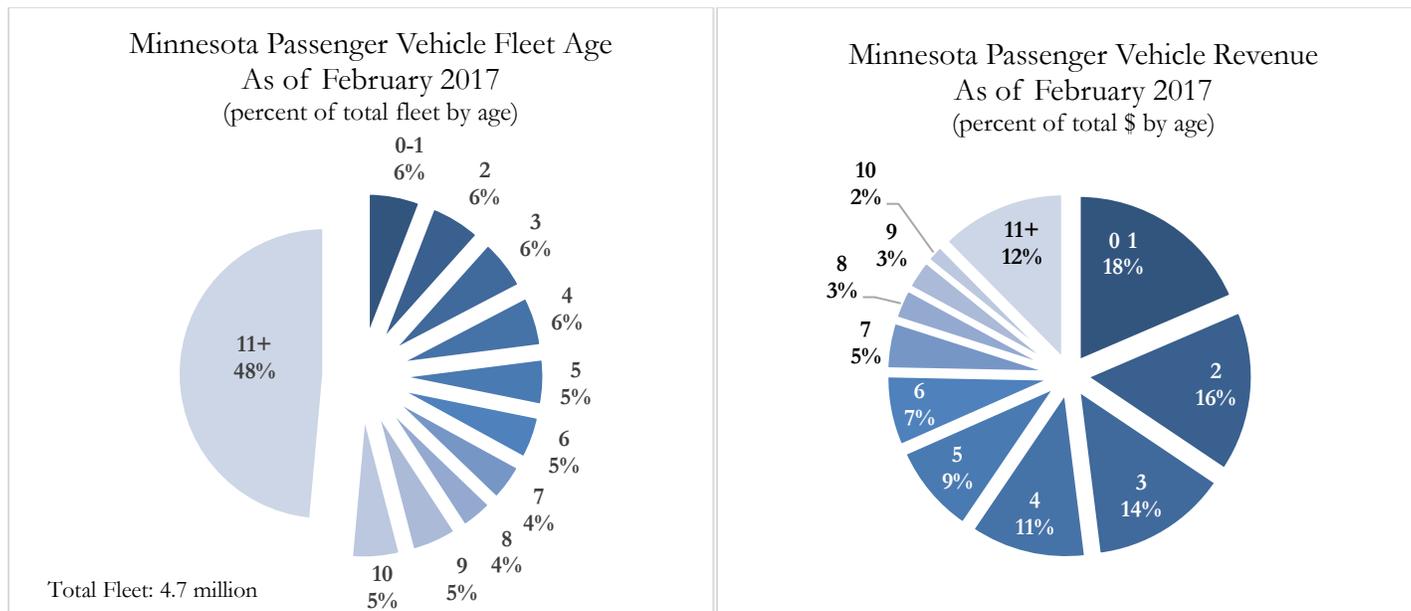
The forecast for the sale of new passenger vehicles is based on long term trends such as:

- households saving income and limiting big purchases
- increased length of vehicle ownership
- shrinking percentage of licensed drivers of legal driving age
- utilization of other transportation options

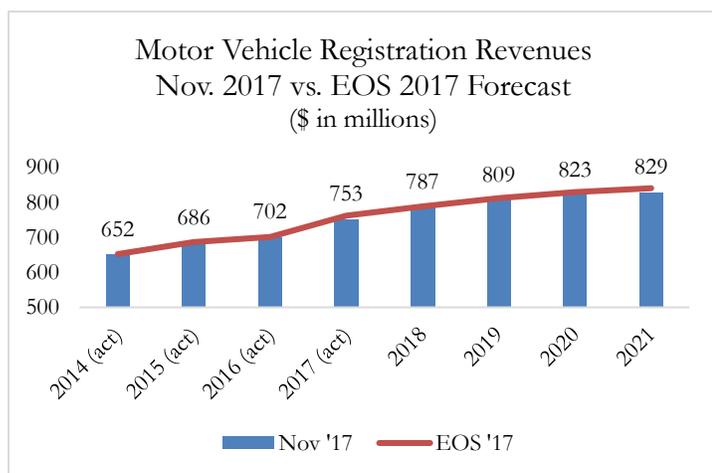
MnDOT has a model to forecast revenue from passenger vehicles that is largely based on the forecast of the purchase of new passenger vehicles. Forecasts of the sales of new vehicles are provided by IHS and reflect national levels. The chart suggests that new vehicle sales decreased from the prior forecast.



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) annually in February. This is updated once a year for the February forecast. This November forecast is based on the DPS detail from February 2017. Year-to-date revenues in FY 2018 were below the existing forecast, which combined with the reduced new vehicle sales projections from IHS resulted in decreased revenue projections in all forecast years. MnDOT assumes that an additional \$125 million per year of tab fee revenue is received from taxes on various other types of vehicles, primarily on heavy trucks.



The current forecast of revenues is shown below:

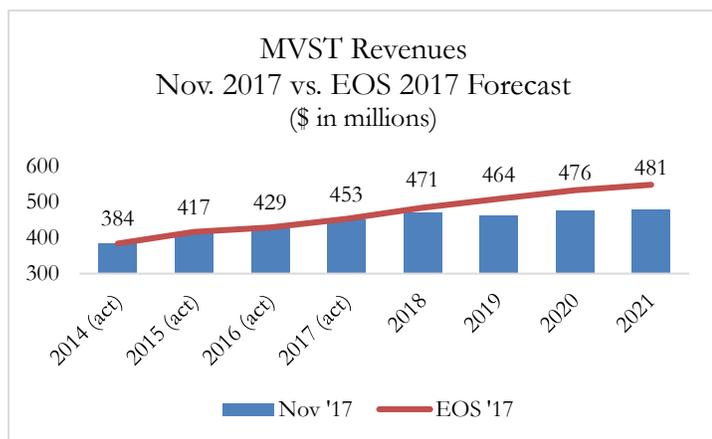


Motor Vehicle Registration Revenues (\$ in millions)				
FY	Nov '17	EOS '17	\$ Change	% Change
2014 (act)	652	652	-	-
2015 (act)	686	686	-	-
2016 (act)	702	702	-	-
2017 (act)	753	762	(9.1)	-1.2%
2018	787	788	(1.1)	-0.1%
2019	809	812	(3.4)	-0.4%
2020	823	830	(6.7)	-0.8%
2021	829	841	(11.3)	-1.3%

### 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. Per DOR, a well-stocked used car market, with vehicles now coming off leases from earlier in the boom cycle, and continuing high retention/low scrappage of existing vehicles are contributing to the decrease from EOS 2017. Overall, MVST revenue is projected to decrease significantly in future years compared to the previous forecast. The current forecast of revenues is shown below:



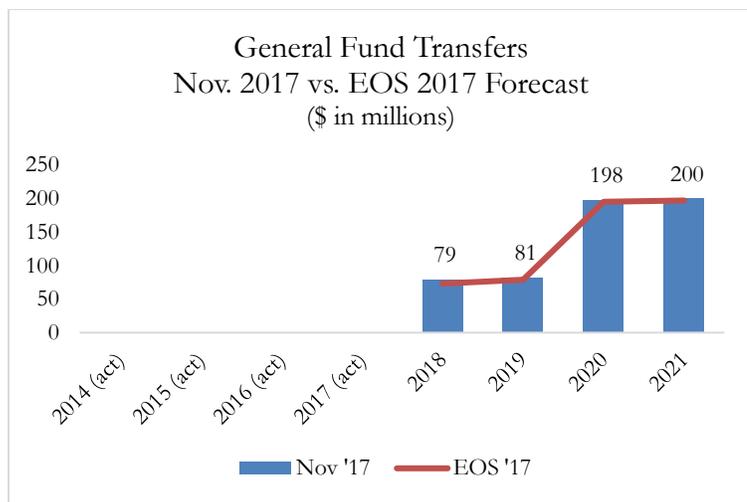
MVST Revenues (\$ in millions)				
FY	Nov '17	EOS '17	\$ Change	% Change
2014 (act)	384	384	-	-
2015 (act)	417	417	-	-
2016 (act)	429	429	-	-
2017 (act)	453	453	(0.8)	-0.2%
2018	471	485	(14.0)	-2.9%
2019	464	510	(46.2)	-9.1%
2020	476	533	(57.7)	-10.8%
2021	481	549	(67.6)	-12.3%

### General Fund Revenue

Beginning in FY 2018, a portion of general sales tax revenues are reallocated to the HUTD Fund from the General Fund. This revenue includes the 9.2 percent tax collected on short-term motor vehicle rentals under Minn. Stat. 297A.64 and the 6.5 percent general sales tax on short-term motor vehicle rentals under Minn. Stat. 297A.62. The revenue collected on both taxes is forecast by MMB.

In addition, 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 amount of revenue deposited each month is according to Minn. Stat. 297A.94. In FY 2018-19, \$2,628,000 is deposited monthly, and in subsequent months beginning in FY 2020 \$12,137,000 is deposited monthly. The current forecast for these three new General Fund revenues are shown below:



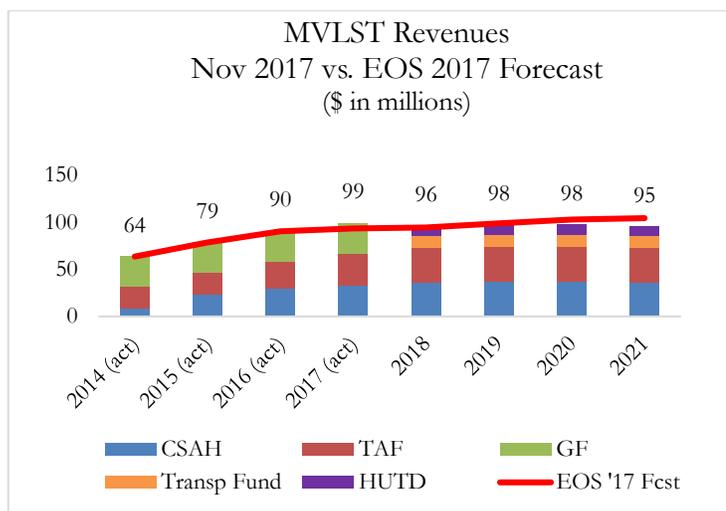
General Fund Transfers (\$ in millions)				
FY	Nov '17	EOS '17	\$ Change	% Change
2014 (act)	N/A	N/A	-	-
2015 (act)	N/A	N/A	-	-
2016 (act)	N/A	N/A	-	-
2017 (act)	N/A	N/A	-	-
2018	79	73	6.3	8.6%
2019	82	79	2.5	3.2%
2020	198	195	2.5	1.3%
2021	200	197	2.6	1.3%

### Motor Vehicle Lease Sales Tax (MVLST)

The MVLST forecast is prepared by the DOR. The sales tax is collected by the lessor and reported and paid directly to DOR. The forecast in all future years decreased as compared to the EOS 2017 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

The current forecast of revenues is shown below:



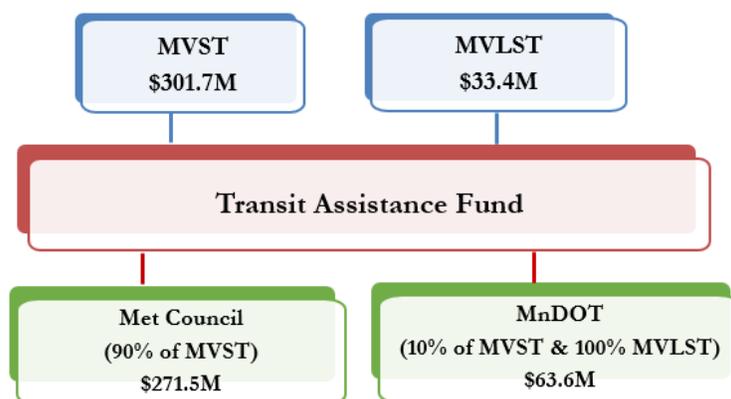
MVLST Revenues (\$ in millions)				
FY	Nov '17	EOS '17	\$ Change	% Change
2014 (act)*	64	64	-	-
2015 (act)	79	79	-	-
2016 (act)	90	90	-	-
2017 (act)	99	93	5.4	8.8%
2018	96	95	1.4	1.5%
2019	98	99	(1.6)	-1.6%
2020	98	103	(5.3)	-5.2%
2021	95	104	(9.0)	-8.6%

\*Capped at \$9 million in FY2014 for CSAH

### 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 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 will be 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 2017**



\*In future years 38 percent of MVLST will be allocated to TAF.

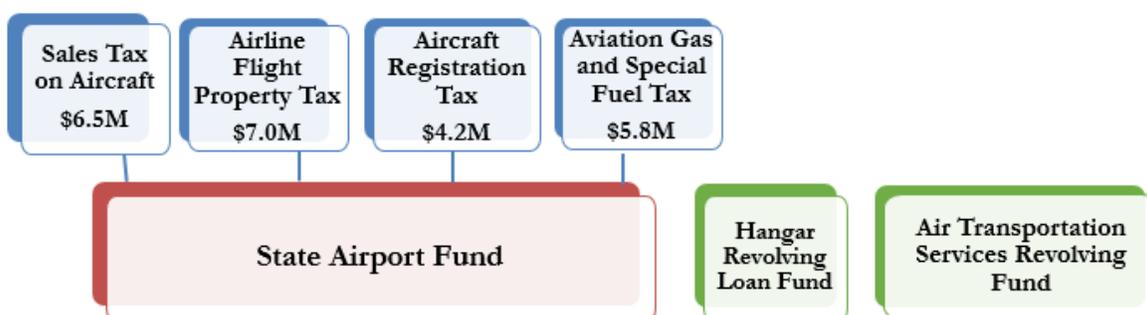
### State Airports Revenue

Three funds make up the total consolidated SAF:

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

The two revolving funds are not included in the consolidated fund statement ending balance because their receipts are dedicated to their specific functions.

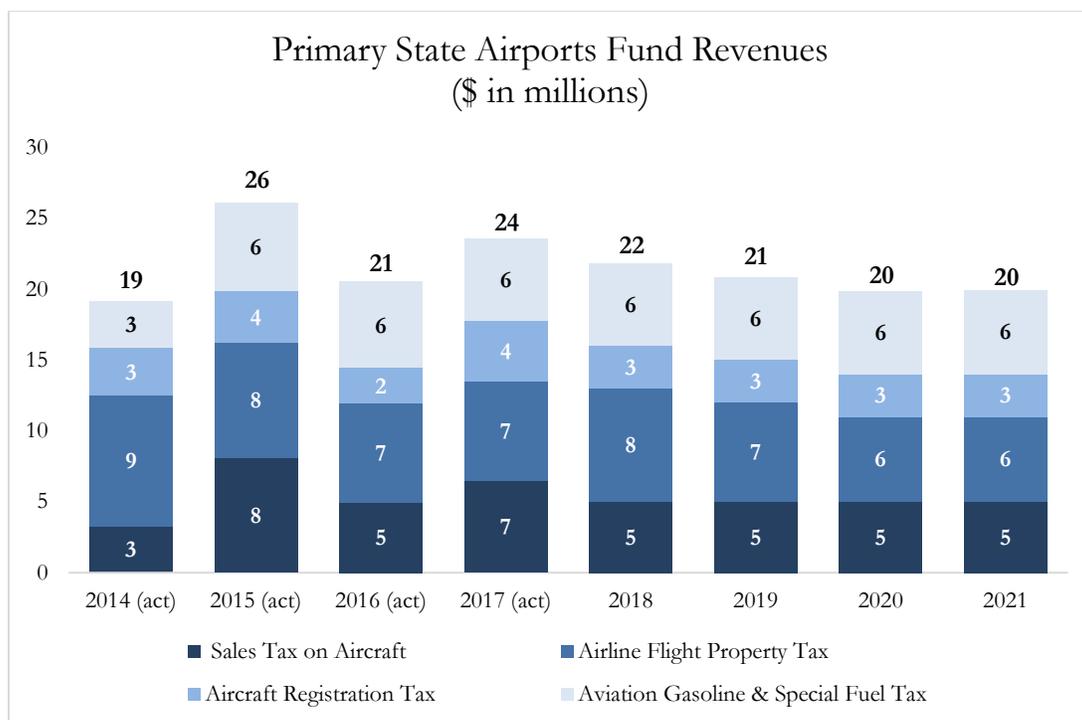
**State Airport Fund Sources of Revenue  
FY 2017**



The 2013 Legislature made significant changes to the revenues dedicated to the State Airports Fund. The [Aviation Tax Report](https://www.dot.state.mn.us/govrel/reports/2016/2016-aviation-tax-report.pdf) (https://www.dot.state.mn.us/govrel/reports/2016/2016-aviation-tax-report.pdf), required by Minn. Stat. 360.675 and first completed in 2016, summarizes these Legislative changes as well as historical tax revenues and expenditures. This is a recurring report that is prepared every four years.

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 uses the regional jet fuel consumption forecast from the EIA. 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 property tax to be assessed for FY 2018 increased from \$7 million to \$8 million due primarily to the minor reductions in projected revenues (primarily fuel tax and interest income).

The current forecast of revenues is shown below:

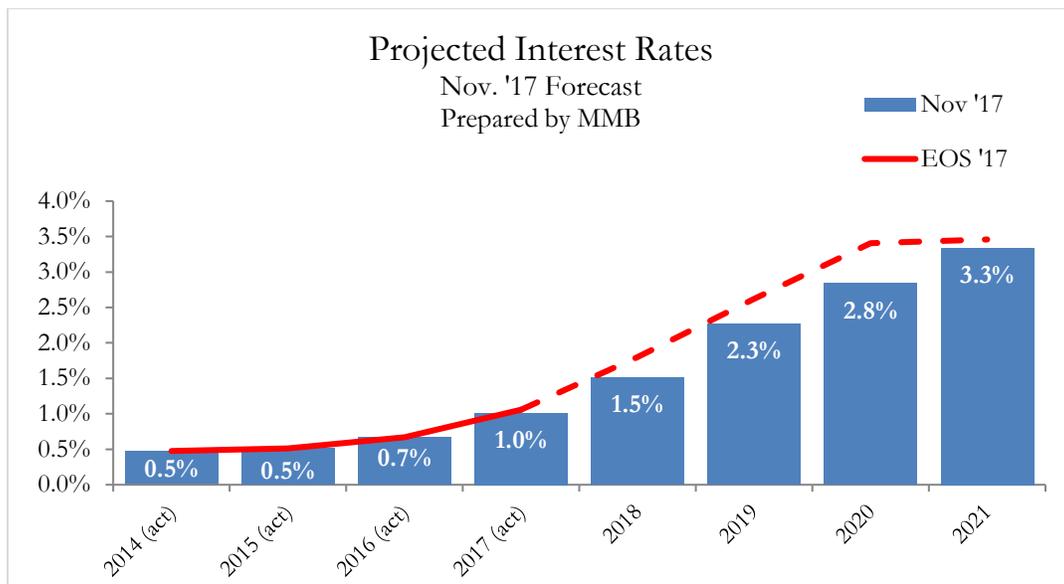


### Investment Income

All of the transportation funds discussed in this document, with the exception of the TAF, earn investment income on cash balances. 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 very low; they have averaged about 0.5 percent over the past few years. The November 2017 forecast, provided by MMB, assumes that interest rates will increase in the latter years of the forecast period, especially in FY 2021 where the rate is projected to exceed three percent.

Rates are expected to increase over the forecast period, but are slightly lower than EOS 2017 in all years. Cash balances in all funds are expected to be similar to the EOS 2017 forecast so the lower interest rates result in decreased interest income in all funds in all years.



## Fund Statements

### Transfers from HUTD Fund

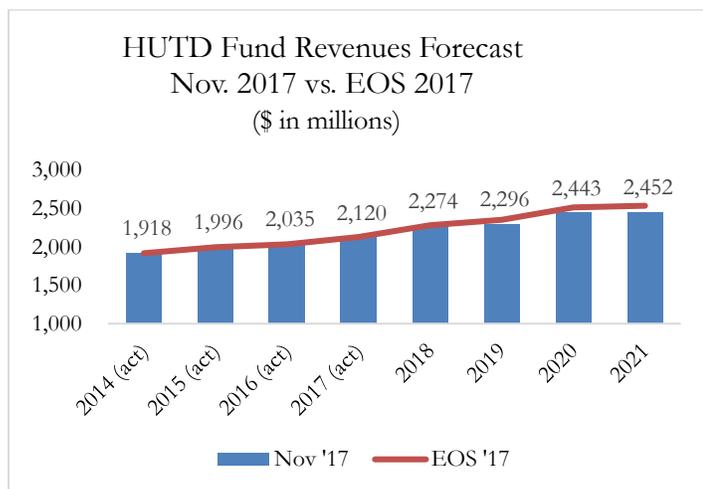
The HUTD Fund receives revenues from the three sources dedicated to highways and transit (gas tax, tab fees and MVST), as well as several minor sources of revenue. With the exception of the 40 percent of MVST dedicated to public transit, revenues from these three taxes are deposited into the HUTD Fund. 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. These 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:

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

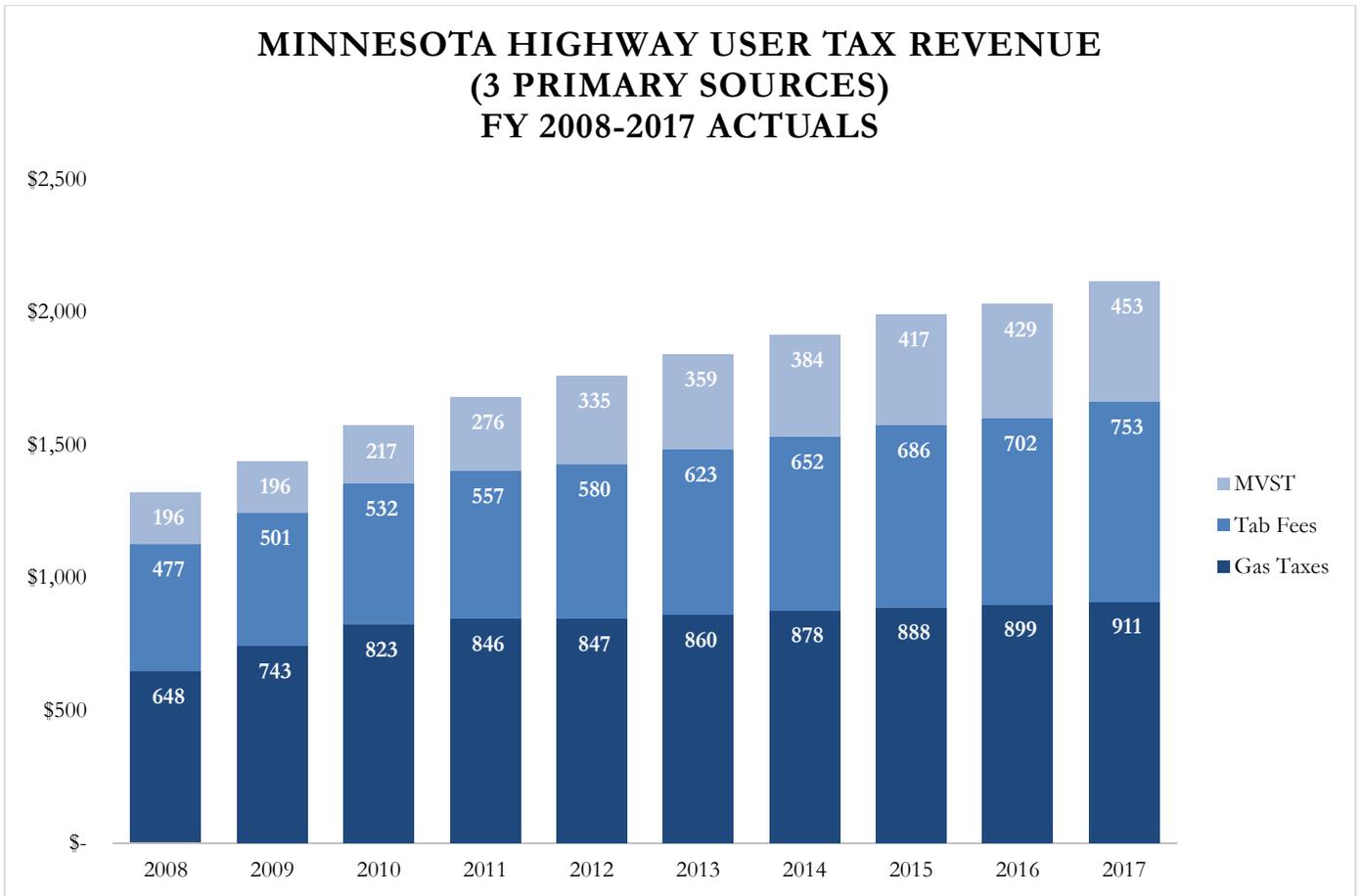
The remaining five percent, referred to as the five percent set-aside, is allocated to the CSAH Fund. This funding is further allocated to Township Roads, Township Bridges and the Flexible Highway Account.

The current forecast is shown below:



<b>HUTD Fund Revenues</b> (\$ in millions)				
<b>FY</b>	<b>Nov '17</b>	<b>EOS '17</b>	<b>\$ Change</b>	<b>% Change</b>
2014 (act)	1,918	1,918	-	-
2015 (act)	1,996	1,996	-	-
2016 (act)	2,035	2,035	-	-
2017 (act)	2,120	2,130	(10.2)	-0.5%
2018	2,274	2,283	(8.8)	-0.4%
2019	2,296	2,351	(55.4)	-2.4%
2020	2,443	2,514	(71.0)	-2.8%
2021	2,452	2,536	(83.9)	-3.3%

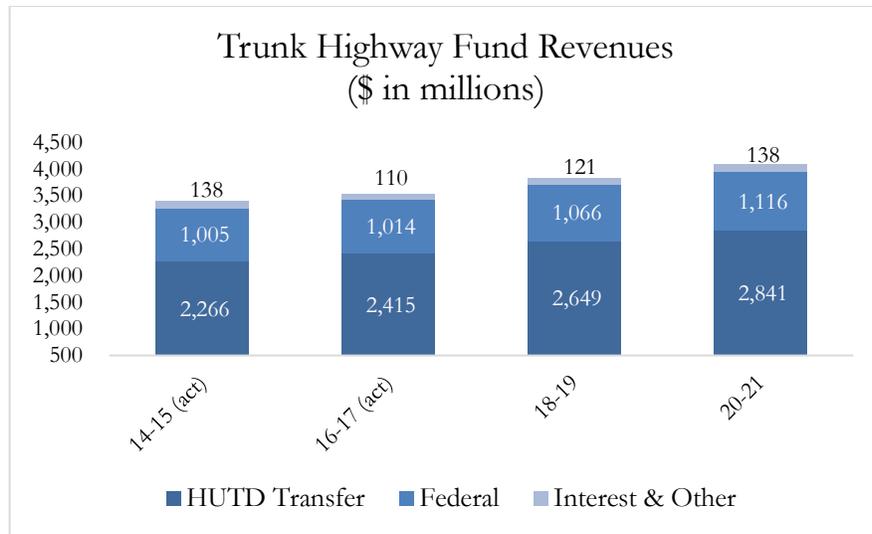
The bar chart below details a 10-year history of actual revenues for the HUTD Fund (2008-17), and the relative shares of revenue attributed to gas taxes, tab fees and MVST over that period. During the last ten years, gas taxes have decreased as a percentage of total revenue, while tab fees and MVST provide increased percentages of total revenue.



## 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. In addition, the fund receives revenues and transfers from several other smaller sources. Across FY 2017-21, 69 percent of resources are transfers from the HUTD Fund, 28 percent of resources are federal aid agreements and three percent of resources are other sources such as investment income.

The current forecast, by biennium, is shown below:



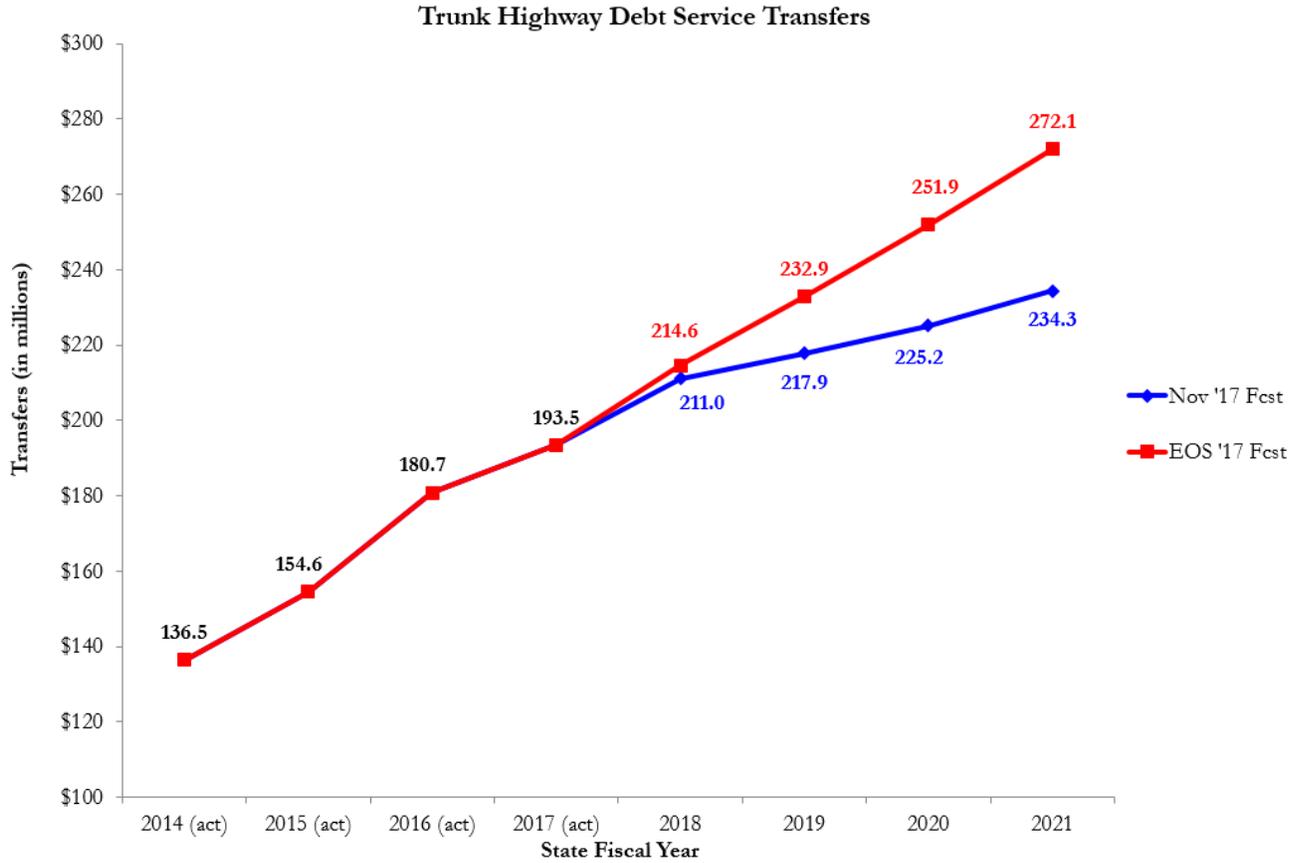
## Debt Service – Trunk Highway Fund

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 bonds<sup>2</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, 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 2017 forecast, the debt service estimates for future years have changed significantly. The primary change is a substantial 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.

<sup>2</sup> See Article XIV, section 11 of the Minnesota Constitution

The graph below depicts the debt service transfer amounts by year, compared to the EOS 2017 forecast:



MnDOT’s 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 Fund<sup>3</sup>. 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.

Our debt management policy estimates include FY 2022-24 to be consistent with the approach MMB uses when publishing the Debt Capacity Forecast. The table below demonstrates that estimated debt service expenditures from the TH Fund range between 15 percent and 18 percent through the end of FY 2023, increasing each year and peaking at 18 percent in FY 2023.

<sup>3</sup> Developed to comply with Minnesota Statute 167.60

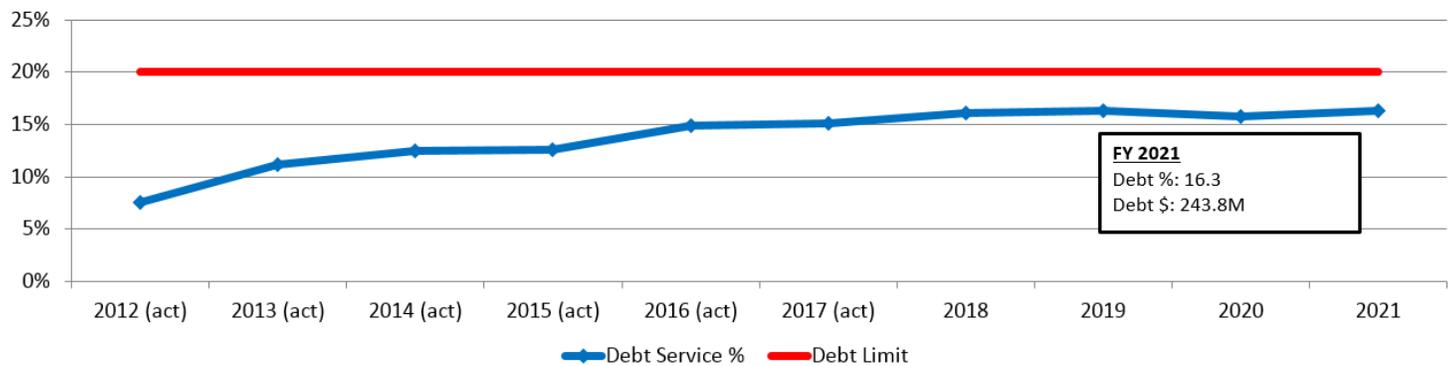
**Debt Management Policy**  
(\$ in millions)

Year	Total Debt Service <sup>(1)</sup>	Estimated Current %	Variance from 20% Policy Limit <sup>(2)</sup>
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	220.5	16.0%	54.6
2019	227.4	16.3%	51.5
2020	234.7	15.8%	62.3
2021	243.8	16.3%	54.9
2022	255.0	17.1%	43.7
2023	269.4	18.0%	29.3
2024	269.4	18.0%	29.4

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

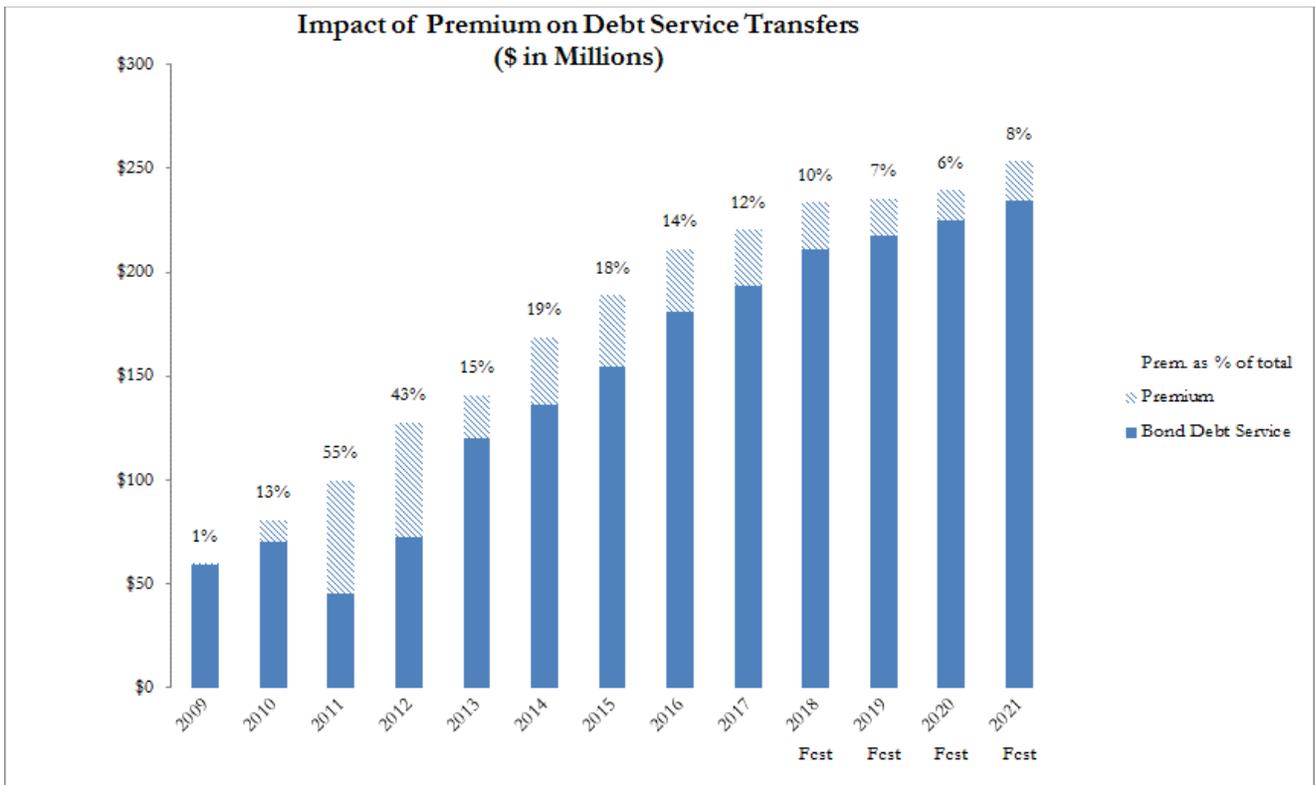
(2) Represents amount of additional debt service to reach 20 percent limit – a general guideline is to multiply this amount by 10 for an estimate of the additional bond capacity e.g. \$29.3M × 10 = \$293M in additional bond capacity.

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 of the agency’s control. 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). MnDOT anticipates bond sales from the 2008 program to end in FY 2021 and sales from all current authorized debt to end in FY 2024.

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 (amounts in millions).

	<b>FY16-17</b>	<b>FY18-19</b>
Transfers from HUTD	(5.6)	(39.6)
Federal Aid Agreements	130.3	(120.1)
Interest	(0.2)	(4.1)
Other Revenues and Transfers	6.3	(2.1)
Prior Year Adjustments	41.6	-
<b>Total Revenue and Transfer Impact</b>	172.3	(165.9)
Transportation Expenditures	(34.3)	29.0
Other Agencies	0.6	(0.0)
Debt Service Transfer	-	(18.6)
<b>Total Expenditure and Transfer Impact</b>	(33.7)	10.4
<b>Fund Balance Change</b>	206.1	(176.3)
<b>Total Cumulative Change</b>	206.1	29.7
EOS '17 Forecast	170.4	104.1
Nov '17 Forecast	376.5	133.9
Change	206.1	29.7
<i>Reserved Fund Balance (Nov '17)</i>	84.6	90.6
<i>Unreserved Fund Balance (Nov '17)</i>	291.9	43.3

## 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 Minnesota's 87 counties. Beginning in 2016, estimated revenues for counties will be 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/commorder/commorder2017.pdf) (www.dot.state.mn.us/safinance/commorder/commorder2017.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 '17	EOS '17	\$ Change	% Change
2014 (act)	578	578	-	-
2015 (act)	692	692	-	-
2016 (act)	632	632	-	-
2017 (act)	652	709	(57.0)	-8.0%
2018	773	778	(4.4)	-0.6%
2019	785	806	(20.7)	-2.6%
2020	836	864	(28.2)	-3.3%
2021	841	872	(31.3)	-3.6%

## Municipal State Aid Street (MSAS) Fund

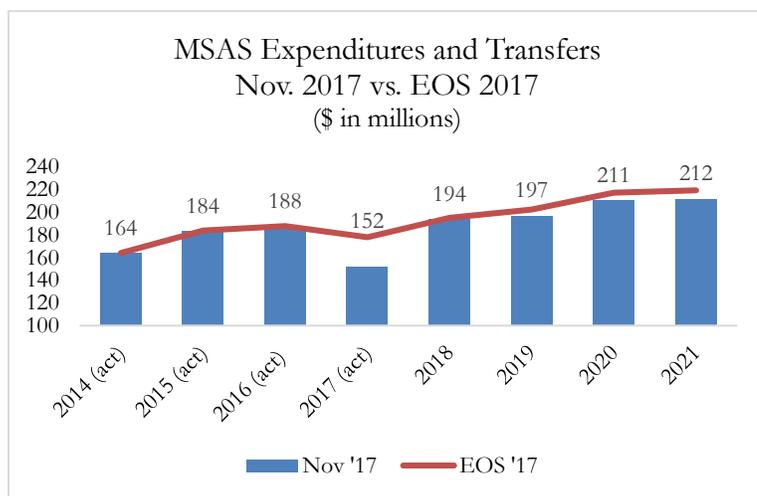
The MSAS Fund receives transfers from the HUTD Fund, authorized transfers from the CSAH Fund and revenues from investment income. Minnesota Statutes, Chapter 162 provides the criteria by which funds are allocated to statutory accounts within the MSAS fund and to each of the Minnesota State Aid cities 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/commorder/commorder2017.pdf) (www.dot.state.mn.us/safinance/commorder/commorder2017.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:

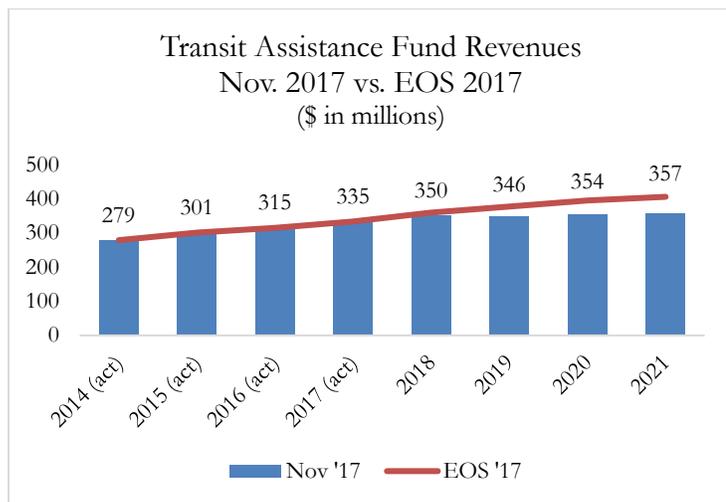


MSAS Expenditures and Transfers (\$ in millions)				
FY	Nov '17	EOS '17	\$ Change	% Change
2014 (act)	164	164	-	-
2015 (act)	184	184	-	-
2016 (act)	188	188	-	-
2017 (act)	152	178	(26.1)	-14.7%
2018	194	195	(1.3)	-0.7%
2019	197	202	(5.3)	-2.6%
2020	211	217	(6.9)	-3.2%
2021	212	219	(7.3)	-3.3%

## Transit Assistance Fund (TAF)

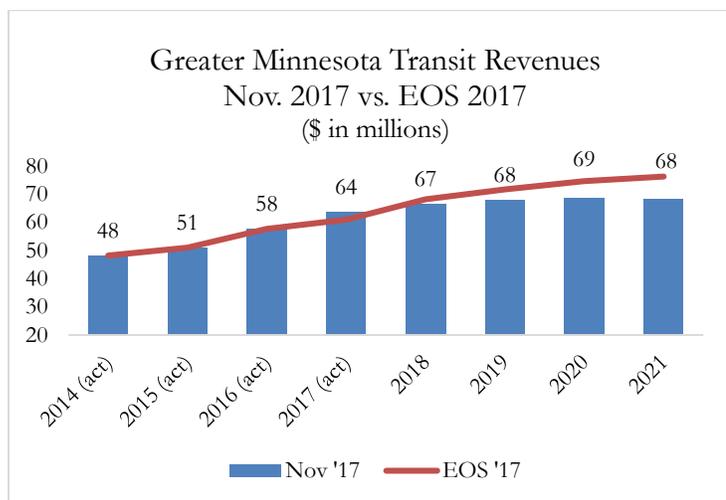
Beginning in FY 2018, 38 percent of MVLST revenue is allocated to the TAF – Greater Minnesota Transit account. In previous years, half of the MVLST revenues (net of \$32 million that remained in the General Fund) were allocated to this fund. The fund also receives 40 percent of MVST revenues.

The total estimated revenue for the TAF is shown below:



Transit Assistance Funds Revenues (\$ in millions)				
FY	Nov '17	EOS '17	\$ Change	% Change
2014 (act)	279	279	-	-
2015 (act)	301	301	-	-
2016 (act)	315	315	-	-
2017 (act)	335	333	2.2	0.6%
2018	350	359	(8.8)	-2.5%
2019	346	378	(31.4)	-8.3%
2020	354	395	(40.5)	-10.3%
2021	357	406	(48.5)	-12.0%

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 '17	EOS '17	\$ Change	% Change
2014 (act)	48	48	-	-
2015 (act)	51	51	-	-
2016 (act)	58	58	-	-
2017 (act)	64	61	2.6	4.3%
2018	68	68	(0.4)	-0.6%
2019	68	72	(3.7)	-5.1%
2020	69	75	(5.9)	-7.9%
2021	68	76	(7.9)	-10.4%

## Transit Assistance Fund Expenditure Forecast

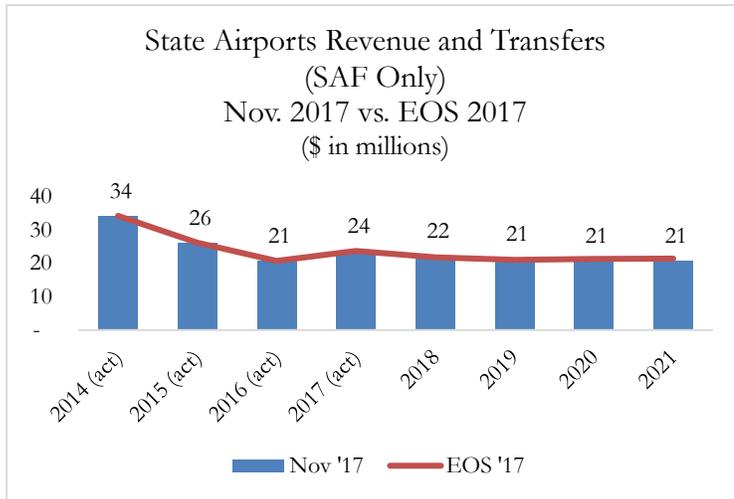
MVST revenues are statutorily appropriated. The share allocated to metropolitan transit is appropriated to the Metropolitan Council, and the share allocated to Greater Minnesota transit is appropriated to MnDOT. For the Metropolitan Council allocation, this means that forecast revenues are the same as forecast expenditures in the fund statement. For the MnDOT allocation, a spending plan was developed by the Transit Office 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.

Currently, a Greater Minnesota Transit Account policy is being developed to provide an appropriate amount of reserves in the fund to protect against significant shifts in revenue or spending.

**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 Fund Revenues and Transfers (\$ in millions)				
FY	Nov '17	EOS '17	\$ Change	% Change
2014 (act)*	34	34	-	-
2015 (act)	26	26	-	-
2016 (act)	21	21	-	-
2017 (act)	24	24	0.1	0.5%
2018	22	22	0.4	1.9%
2019	21	21	0.4	1.8%
2020	21	21	(0.7)	-3.4%
2021	21	21	(0.6)	-2.8%

\*2014 includes \$15 million General Fund repayment

**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.

**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 – 10-Year History 2008-17
- Appendix 8: Minnesota Highway User Tax Revenue – Percentage of Total Revenues
- Appendix 9: HUTD Revenues Year-over-Year Growth Percentage Trend
- Policy Links: [Policy Links](#)

**Contacts**

Tracy Hatch, Deputy Commissioner and Chief Financial Officer	651-366-4811	tracy.hatch@state.mn.us
Robin Sylvester, Financial Management Director	651-366-3165	robin.sylvester@state.mn.us
Josh Knatterud-Hubinger, Financial Analysis and Forecast Director	651-366-4913	josh.knatterud-hubinger@state.mn.us

**Highway User Tax Distribution Fund**  
November 2017 Forecast  
Comparison to EOS 2017 Forecast

(S in thousands)	November 2017 Forecast								Change from EOS 2017				
	Close	Close	Close	Close	Budget	Budget	Planning Est	Planning Est	Close	Budget	Budget	Planning Est	Planning Est
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Balance Forward from Prior Year	\$8,691	\$11,948	\$11,617	\$11,042	\$11,403	\$12,000	\$12,000	\$12,000	-	(597)	-	-	-
Prior Year Adjustments	443	5,211	(2,341)	(28)	-	-	-	-	(28)	-	-	-	-
Adjusted Balance Forward	9,134	17,159	9,276	11,014	11,403	12,000	12,000	12,000	(28)	(597)	-	-	-
<b>Net Revenue and Transfers-In</b>													
Motor Fuel Excise Tax	878,022	887,818	899,251	910,640	921,300	927,100	931,100	925,900	40	(145)	(7,315)	(7,505)	(6,085)
Motor Vehicle Registration Tax	652,281	686,433	701,635	752,676	787,300	808,600	823,100	829,400	(9,124)	(1,110)	(3,430)	(6,745)	(11,260)
Motor Vehicle Sales Tax	384,163	416,565	428,831	452,578	470,820	463,500	475,620	481,200	(782)	(14,040)	(46,200)	(57,720)	(67,620)
Sales Tax on Auto Parts	-	-	-	-	31,536	31,536	145,644	145,644	-	4	4	-	-
Motor Vehicle Rental Tax (9.2%)	-	-	-	-	28,700	30,000	31,100	32,300	-	4,300	2,100	2,100	2,100
Motor Vehicle Rental Tax (6.5%)	-	-	-	-	19,200	20,100	20,900	21,800	-	2,000	400	400	500
Other Income	3,088	4,797	5,035	3,629	14,919	15,033	15,479	15,635	(311)	149	(921)	(1,499)	(1,551)
<b>Total Net Revenue and Transfers-In</b>	<b>1,917,555</b>	<b>1,995,613</b>	<b>2,034,751</b>	<b>2,119,524</b>	<b>2,273,775</b>	<b>2,295,869</b>	<b>2,442,943</b>	<b>2,451,879</b>	<b>(10,176)</b>	<b>(8,842)</b>	<b>(55,362)</b>	<b>(70,969)</b>	<b>(83,916)</b>
<b>Expenditures and Transfers-Out</b>													
Appropriations to MnDOT, Revenue, DPS	11,014	11,741	2,962	3,366	12,795	12,807	12,807	12,807	(52)	1,325	1,325	1,325	1,325
Transfers--DNR	21,727	21,994	22,514	22,800	22,970	23,175	23,296	23,276	(43)	(46)	(144)	(234)	(219)
Transfers--5% Set-Aside	94,034	98,305	100,375	104,648	111,871	112,994	120,342	120,790	(476)	(536)	(2,827)	(3,603)	(4,251)
Transfers--County State-Aid Highway	518,126	541,659	553,069	576,613	616,407	622,599	663,084	665,552	(2,621)	(2,953)	(15,578)	(19,853)	(23,424)
Transfers--Municipal State-Aid Highway	160,798	168,101	171,642	178,949	191,299	193,220	205,785	206,551	(813)	(916)	(4,834)	(6,161)	(7,269)
Transfers--Trunk Highway	1,107,717	1,158,029	1,182,423	1,232,758	1,317,837	1,331,073	1,417,629	1,422,904	(5,603)	(6,312)	(33,304)	(42,444)	(50,078)
Other	1,326	1,326	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures and Transfers-Out</b>	<b>1,914,741</b>	<b>2,001,155</b>	<b>2,032,986</b>	<b>2,119,135</b>	<b>2,273,178</b>	<b>2,295,869</b>	<b>2,442,943</b>	<b>2,451,879</b>	<b>(9,607)</b>	<b>(9,439)</b>	<b>(55,362)</b>	<b>(70,969)</b>	<b>(83,916)</b>
<b>Ending Balance</b>	<b>\$11,948</b>	<b>\$11,617</b>	<b>\$11,042</b>	<b>\$11,403</b>	<b>\$12,000</b>	<b>\$12,000</b>	<b>\$12,000</b>	<b>\$12,000</b>	<b>(597)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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

**2017 November-Transportation**

**Trunk Highway Fund**  
November 2017 Forecast  
Comparison to EOS 2017 Forecast

**2017 November - Transportation**

(\$ in thousands)	November 2017 Forecast								Change from EOS 2017				
	Close	Close	Close	Close	Budget	Budget	Planning Est	Planning Est	Close	Budget	Budget	Planning Est	Planning Est
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Balance Forward from Prior Year	\$316,756	\$415,353	\$275,790	\$381,830	\$376,507	\$143,312	\$133,881	\$249,144	-	206,089	51,340	29,749	9,284
Prior Year Adjustments	34,774	30,961	30,857	41,612	-	-	-	-	41,612	-	-	-	-
<b>Adjusted Balance Forward</b>	<b>351,530</b>	<b>446,314</b>	<b>306,647</b>	<b>423,441</b>	<b>376,507</b>	<b>143,312</b>	<b>133,881</b>	<b>249,144</b>	<b>41,612</b>	<b>206,089</b>	<b>51,340</b>	<b>29,749</b>	<b>9,284</b>
<b>Net Revenue and Transfers-In</b>													
Transfer from HUTD	1,107,717	1,158,029	1,182,423	1,232,758	1,317,837	1,331,073	1,417,629	1,422,904	(5,603)	(6,312)	(33,304)	(42,444)	(50,078)
Federal Aid Agreements	506,527	498,560	426,391	587,537	507,600	558,175	558,175	558,175	130,262	(120,075)	-	-	-
Other Income and Transfers-In	50,358	88,104	48,008	61,569	57,749	63,169	67,247	70,792	6,072	(2,936)	(3,309)	(4,748)	(1,584)
<b>Total Net Revenue and Transfers-In</b>	<b>1,664,602</b>	<b>1,744,694</b>	<b>1,656,822</b>	<b>1,881,864</b>	<b>1,883,185</b>	<b>1,952,417</b>	<b>2,043,050</b>	<b>2,051,870</b>	<b>130,731</b>	<b>(129,323)</b>	<b>(36,613)</b>	<b>(47,191)</b>	<b>(51,662)</b>
<b>Expenditures and Transfers-Out</b>													
Transportation Department	1,374,357	1,659,158	1,307,532	1,624,366	1,797,549	1,632,122	1,590,733	1,565,599	(34,306)	29,000	-	-	-
Public Safety and Other Depts.	86,933	98,268	93,382	110,895	107,822	111,872	111,872	111,872	561	(5)	(5)	(5)	(5)
Transfers-Out and Other	3,000	3,198	-	-	-	-	-	-	-	-	-	-	-
Debt Service	136,488	154,593	180,725	193,539	211,009	217,853	225,182	234,325	-	(3,570)	(15,017)	(26,721)	(37,738)
<b>Total Expenditures and Transfers-Out</b>	<b>1,600,778</b>	<b>1,915,217</b>	<b>1,581,640</b>	<b>1,928,799</b>	<b>2,116,380</b>	<b>1,961,847</b>	<b>1,927,787</b>	<b>1,911,796</b>	<b>(33,746)</b>	<b>25,425</b>	<b>(15,022)</b>	<b>(26,726)</b>	<b>(37,743)</b>
Balance Before Reserves	415,353	275,790	381,830	376,507	143,312	133,881	249,144	389,219	206,089	51,340	29,749	9,284	(4,635)
<b>Ending Balance</b>	<b>\$415,353</b>	<b>\$275,790</b>	<b>\$381,830</b>	<b>\$376,507</b>	<b>\$143,312</b>	<b>\$133,881</b>	<b>\$249,144</b>	<b>\$389,219</b>	<b>206,089</b>	<b>51,340</b>	<b>29,749</b>	<b>9,284</b>	<b>(4,635)</b>
Reserved Fund Balance per Policy	89,983	92,284	85,142	84,616	90,240	90,606	98,352	100,946	28	2,072	1,255	1,343	2,459
Unreserved Fund Balance per Policy	325,369	183,506	296,687	291,891	53,071	43,276	150,792	288,273	206,061	49,268	28,494	7,941	(7,093)
Debt Service Percentage Compared to State Revenue	12.5%	12.6%	14.9%	15.1%	16.0%	16.3%	15.8%	16.3%	-0.6%	-0.2%	-0.6%	-1.3%	-1.9%

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**  
November 2017 Forecast  
Comparison to EOS 2017 Forecast

**2017 November -Transportation**

(5 in thousands)	November 2017 Forecast								Change from EOS 2017				
	Close	Close	Close	Close	Budget	Budget	Planning Est	Planning Est	Close	Budget	Budget	Planning Est	Planning Est
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Balance Forward from Prior Year	\$488,869	\$534,626	\$508,749	\$563,509	\$631,866	\$631,866	\$631,866	\$631,866	-	56,839	56,839	56,839	56,839
Prior Year Adjustments	569	256	139	246	-	-	-	-	246	-	-	-	-
Adjusted Balance Forward	489,438	534,882	508,889	563,754	631,866	631,866	631,866	631,866	246	56,839	56,839	56,839	56,839
<b>Net Revenue and Transfers-In</b>													
Leased Vehicle Sales Tax	9,000	23,266	29,171	33,388	36,442	37,126	37,088	36,252	2,688	532	(608)	(2,014)	(3,420)
Other Income	2,483	2,636	3,583	5,917	8,529	12,682	15,800	18,526	(41)	(1,421)	(1,685)	(2,708)	(235)
Transfer from HUTD	612,159	639,964	653,444	681,261	728,278	735,593	783,426	786,342	(3,096)	(3,488)	(18,405)	(23,456)	(27,675)
Total Net Revenue and Transfers-In	623,643	665,866	686,199	720,566	773,249	785,401	836,314	841,120	(450)	(4,378)	(20,698)	(28,178)	(31,329)
<b>Expenditures and Transfers-Out</b>													
Grants to Local Governments	549,524	651,767	621,664	641,945	757,244	768,646	818,633	823,133	(52,175)	(4,301)	(20,321)	(27,597)	(30,665)
MnDOT Administrative and Research	10,230	9,231	9,880	10,479	15,975	16,725	17,651	17,956	(4,868)	(77)	(377)	(581)	(664)
Transfers to MSAS Fund	13,000	10,000	-	-	-	-	-	-	-	-	-	-	-
Transfers to Special Revenue	-	-	35	30	30	30	30	30	-	-	-	-	-
Transfers to Trunk Highway Fund	5,700	21,000	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures and Transfers-Out	578,455	691,999	631,579	652,454	773,249	785,401	836,314	841,120	(57,043)	(4,378)	(20,698)	(28,178)	(31,329)
Balance Before Reserves	534,626	508,749	563,509	631,866	631,866	631,866	631,866	631,866	56,839	56,839	56,839	56,839	56,839
Less Appropriation Carryforward	534,626	508,749	563,509	631,866	631,866	631,866	631,866	631,866	56,839	56,839	56,839	56,839	56,839
<b>Ending Balance</b>	-	-	-	-	-	-	-	-	-	-	-	-	-

**Municipal State Aid Fund**  
November 2017 Forecast  
Comparison to EOS 2017 Forecast

(\$ in thousands)

	November 2017 Forecast								Change from EOS 2017				
	Close	Close	Close	Close	Budget	Budget	Planning Est	Planning Est	Close	Budget	Budget	Planning Est	Planning Est
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Balance Forward From Prior Year	\$161,492	\$172,486	\$167,954	\$152,926	\$181,968	\$181,968	\$181,968	\$181,968	-	25,346	25,346	25,346	25,346
Prior Year Adjustments	281	110	42	81	-	-	-	-	81	-	-	-	-
Adjusted Balance Forward	161,772	172,596	167,996	153,008	181,968	181,968	181,968	181,968	81	25,346	25,346	25,346	25,346
<b>Net Revenue and Transfers-In :</b>													
Other Income	1,006	1,122	1,286	1,876	2,665	3,875	4,788	5,582	(57)	(410)	(464)	(747)	(28)
Transfer From HUTD	160,798	168,101	171,642	178,949	191,299	193,220	205,785	206,551	(813)	(916)	(4,834)	(6,161)	(7,269)
Transfer From CSAH	13,000	10,000	-	-	-	-	-	-	-	-	-	-	-
Net Revenue and Transfers In	174,804	179,223	172,928	180,824	193,964	197,095	210,573	212,133	(870)	(1,327)	(5,299)	(6,908)	(7,298)
<b>Expenditures and Transfers-Out</b>													
Grants to Local Governments	160,638	180,696	184,751	148,677	189,218	192,184	205,376	206,837	(24,488)	(1,300)	(5,186)	(6,744)	(7,117)
MnDOT Administrative and Research	3,453	3,169	3,237	3,177	4,736	4,903	5,188	5,287	(1,647)	(27)	(113)	(165)	(180)
Transfers to Special Revenue	-	-	10	9	9	9	9	9	0	-	-	-	-
Total Expenditures and Transfers-Out	164,091	183,865	187,998	151,864	193,964	197,095	210,573	212,133	(26,135)	(1,327)	(5,299)	(6,908)	(7,298)
<b>Balance before Reserves</b>	172,486	167,954	152,926	181,968	181,968	181,968	181,968	181,968	25,346	25,346	25,346	25,346	25,346
Less Appropriation Carryforward	172,486	167,954	152,926	181,968	181,968	181,968	181,968	181,968	25,346	25,346	25,346	25,346	25,346
<b>Ending Balance</b>	-	-	-	-	-	-	-	-	-	-	-	-	-

**2017 November-Transportation**

Transit Assistance Fund  
November 2017 Forecast  
Comparison to EOS 2017 Forecast

(\$ in thousands)	November 2017 Forecast								Change from EOS 2017				
	Close	Close	Close	Close	Budget	Budget	Planning Est	Planning Est	Close	Budget	Budget	Planning Est	Planning Est
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Balance Forward from Prior Year	\$34,816	\$32,170	\$56,246	\$69,634	\$71,445	\$54,152	\$42,541	\$41,342	-	13,626	(8,278)	(27,104)	(28,772)
Prior Year Adjustments	160	5,862	672	2,766	-	-	-	-	2,766	-	-	-	-
Adjusted Balance Forward	34,976	38,032	56,917	72,399	71,445	54,152	42,541	41,342	2,766	13,626	(8,278)	(27,104)	(28,772)
<b>Net Revenue and Transfers-In</b>													
Metropolitan Area Transit Account	230,498	249,930	257,099	271,535	282,492	278,100	285,372	288,720	(481)	(8,424)	(27,720)	(34,632)	(40,572)
Greater Minnesota Transit Account	25,611	27,770	28,567	30,171	31,388	30,900	31,708	32,080	(53)	(936)	(3,080)	(3,848)	(4,508)
Total Motor Vehicle Sales Tax	256,109	277,700	285,665	301,706	313,880	309,000	317,080	320,800	(534)	(9,360)	(30,800)	(38,480)	(45,080)
Leased Vehicle Sales Tax	22,612	23,266	29,171	33,388	36,442	37,126	37,088	36,252	2,688	532	(608)	(2,014)	(3,420)
Total Net Revenue and Transfers-In	278,721	300,967	314,836	335,094	350,322	346,126	354,168	357,052	2,154	(8,828)	(31,408)	(40,494)	(48,500)
<b>Expenditures and Transfers-Out</b>													
Metropolitan Council	234,915	252,931	257,172	271,535	282,492	278,100	285,372	288,720	(481)	(8,424)	(27,720)	(34,632)	(40,572)
Transportation Department	46,612	29,821	44,948	64,513	83,823	79,823	70,997	69,388	(8,226)	21,500	15,138	(4,194)	(14,925)
Total Expenditures and Transfers-Out	281,527	282,752	302,120	336,048	366,315	357,923	356,369	358,108	(8,707)	13,076	(12,582)	(38,826)	(55,497)
Balance Before Reserves	32,170	56,246	69,634	71,445	55,452	43,655	41,454	40,398	13,626	(8,278)	(27,104)	(28,772)	(21,775)
Less Appropriation Carryforward	32,170	56,246	69,634	33,388	36,442	37,126	37,088	36,252	2,688	532	(608)	(2,014)	(3,420)
Less Met Council Balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	-	-	-	\$38,057	\$19,010	\$6,529	\$4,366	\$4,146	10,938	(8,810)	(26,496)	(26,758)	(18,355)

*2017 November-Transportation*

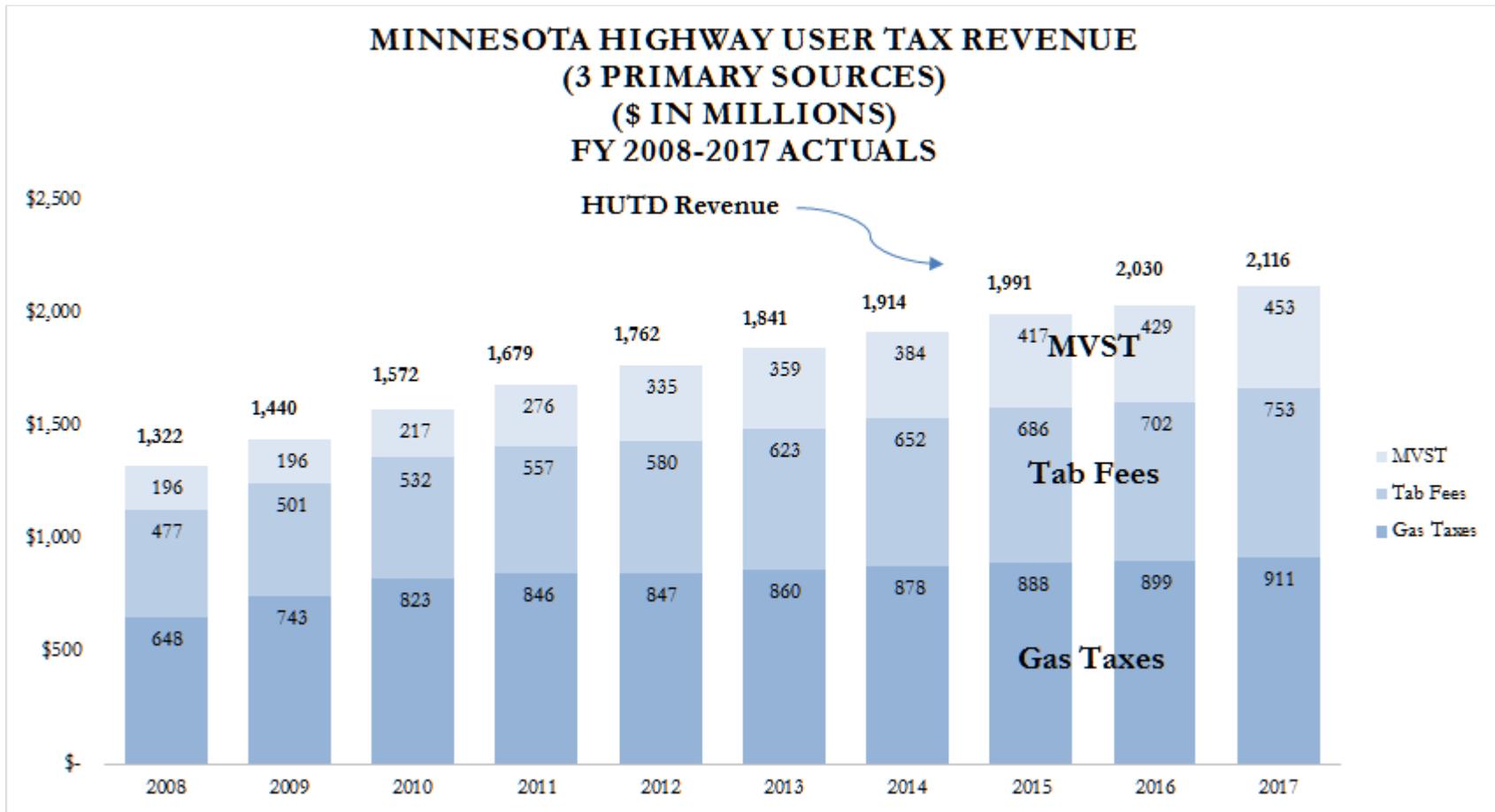
**State Airports Fund**  
November 2017 Forecast  
Comparison to EOS 2017 Forecast

**2017 November-Transportation**

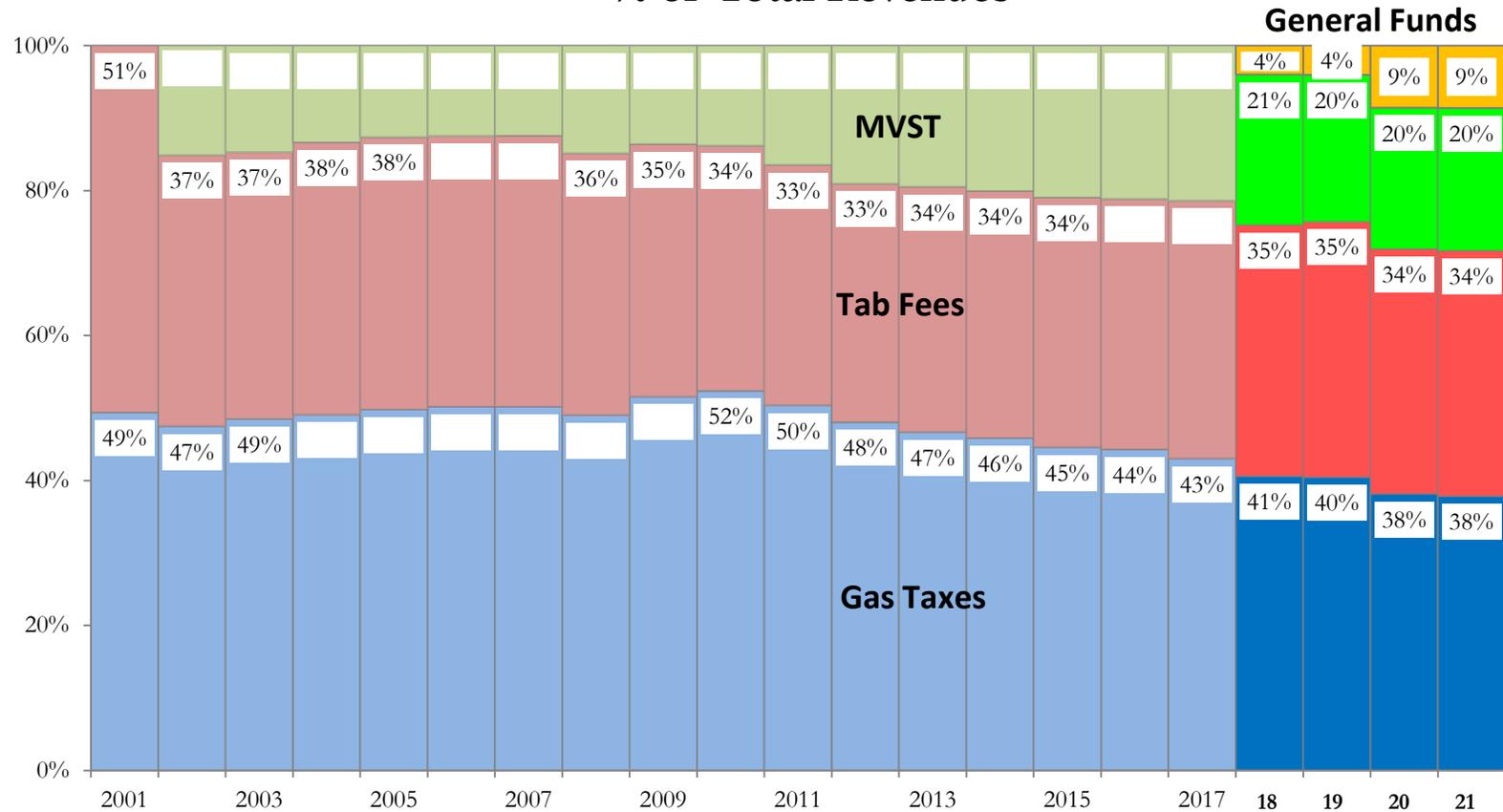
(5 in thousands)	November 2017 Forecast								Change from EOS 2017				
	Close	Close	Close	Close	Budget	Budget	Planning Est	Planning Est	Close	Budget	Budget	Budget	Budget
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Balance Forward from Prior Year	\$4,113	\$20,826	\$24,346	\$17,629	\$19,222	\$5,511	\$6,074	\$6,047	-	1,544	906	2,284	1,563
Prior Year Adjustments	1,532	553	642	593	-	-	-	-	593	-	-	-	-
Adjusted Balance Forward	5,645	21,379	24,988	18,222	19,222	5,511	6,074	6,047	593	1,544	906	2,284	1,563
<b>Net Revenue and Transfers-In</b>													
Transfer from General Fund	15,000	-	-	-	-	-	-	-	-	-	-	-	-
Sales Tax on Aircraft	3,272	8,104	4,941	6,501	5,000	5,000	5,000	5,000	501	-	-	-	-
Airline Flight Property Tax	9,208	8,081	7,000	7,006	8,000	7,000	6,000	6,000	6	1,000	1,000	-	-
Aircraft Registration Tax	3,358	3,648	2,455	4,202	3,000	3,000	3,000	3,000	202	-	-	-	-
Gasoline & Special Fuel Tax	3,317	6,230	6,118	5,843	5,800	5,823	5,870	5,940	(557)	(466)	(476)	(503)	(496)
Other Income	835	964	955	950	1,144	1,345	1,496	1,628	(99)	(115)	(148)	(221)	(105)
Total Net Revenue and Transfers-In	34,991	27,028	21,469	24,503	22,944	22,168	21,366	21,568	54	418	376	(724)	(601)
<b>Expenditures and Transfers-Out</b>													
Transportation Department	20,313	24,526	29,074	23,907	36,610	21,647	21,347	21,347	(373)	1,057	(1,003)	(3)	(3)
Total Expenditures and Transfers-Out	20,313	24,526	29,074	23,907	36,610	21,647	21,347	21,347	(373)	1,057	(1,003)	(3)	(3)
<b>Net Change in Loan Fund</b>	503	465	246	405	(45)	42	(45)	42	525	-	-	-	-
Balance Before Reserves	20,826	24,346	17,629	19,222	5,511	6,074	6,047	6,310	1,544	906	2,284	1,563	965
Less Appropriation Carryforward	2,043	2,615	2,817	3,264	3,159	3,201	3,156	3,198	597	537	537	537	537
<b>Ending Balance</b>	<b>\$18,783</b>	<b>\$21,731</b>	<b>\$14,812</b>	<b>\$15,957</b>	<b>\$2,351</b>	<b>\$2,872</b>	<b>\$2,891</b>	<b>\$3,112</b>	<b>947</b>	<b>368</b>	<b>1,747</b>	<b>1,026</b>	<b>428</b>

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

Ending balances in the two revolving funds are not included in the consolidated fund statement ending balance since their receipts are dedicated to their specific functions.



## Minnesota Highway User Tax Revenue FY 2001-2017 Actuals, 2018-2021 Based on Nov. 2017 Forecast % of Total Revenues



Source: Minnesota Department of Transportation, Office of Financial Management  
Annual Revenues and Expenditures for Transportation Purposes (Budgetary Basis) and Nov. '17 forecast

Nov. 2017

