

# MnDOT Transportation Funding Update Transportation Alliance Annual Meeting

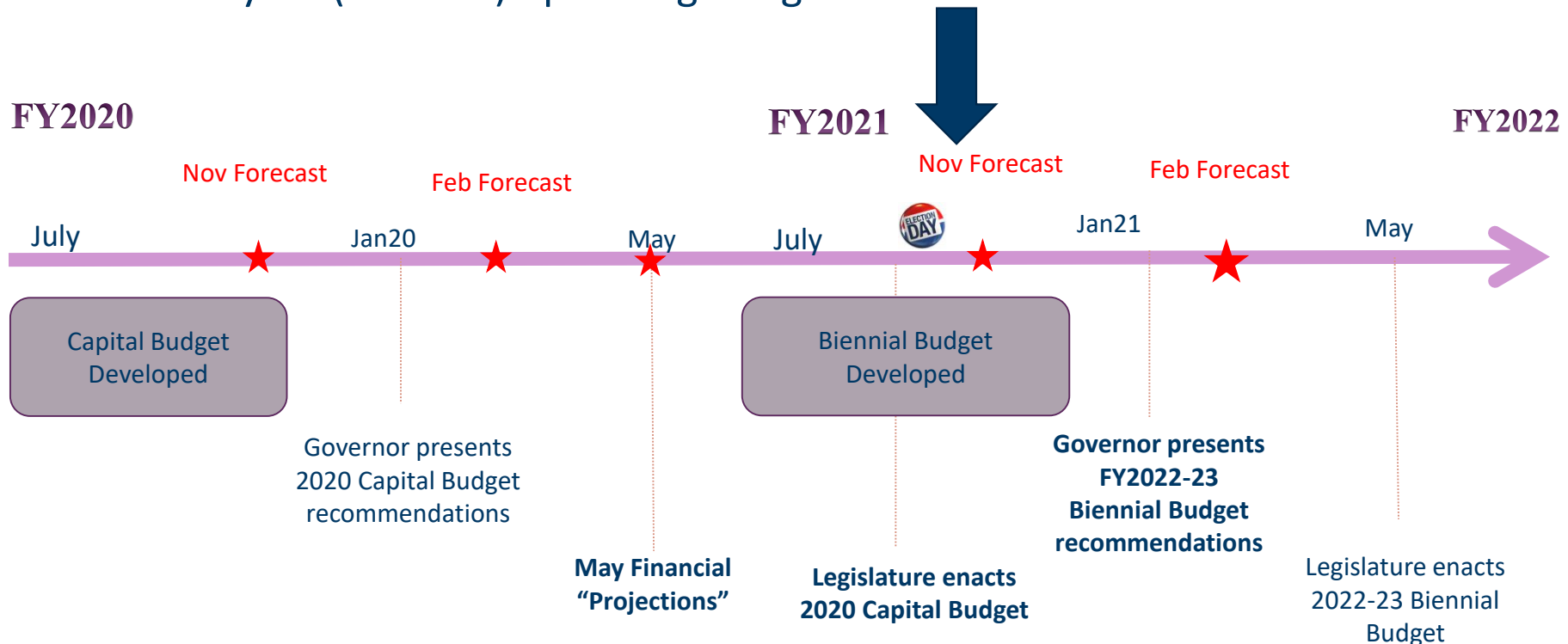
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MnDOT Budget Director

11-12-2020

# Budget Cycle

- Each even-numbered year the governor proposes and legislature enacts a capital budget
- Each odd-numbered year the governor proposes and legislature enacts a two-year (biennial) operating budget



# Enacted Bonding Bill - \$1.88B

## MN Laws of 2020, 5<sup>th</sup> Special Session, CH 3

\$627 million for Transportation Funding Capital Investments including:

### 1. \$300 million in Trunk Highway Bonds

- \$110M Rail Grade Separation, \$23M D7 Flood Mitigation, \$58M MnDOT Facilities, \$25M Project Development, and \$84M State Road Construction

### 2. \$269 million in GO Bond Programs and Earmarks

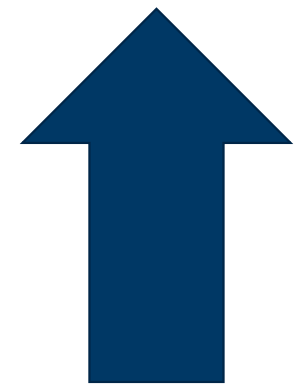
- \$70M Local Road Improvement Fund, \$30M Local Bridge Replacement Program, \$52M *3rd Street/Kellogg Blvd*
- \$3M for Safe Routes to School, \$4M for MN Rail Service Improvements, \$2M for Greater MN Transit Capital Program, \$14M Ports

### 3. \$58 million in GO Bond Grants to Local Units of Gov't

# HUTD Revenues

## Detail by Month

TOTAL REVENUES BY MONTH									
\$ in 1,000s	Feb Fcst	May Fcst	\$ Var to Feb	% Var to Feb	ACTUALS AND COMPARISON TO FORECASTS				
					Actuals	\$ Var to Feb	% Var to Feb	\$ Var to May	% Var to May
April	216,524	156,263	(60,261)	-27.8%	154,641	(61,883)	-28.6%	(1,622)	-1.0%
May	215,155	148,127	(67,028)	-31.2%	163,587	(51,569)	-24.0%	15,460	10.4%
June	235,063	172,104	(62,959)	-26.8%	226,036	(9,026)	-3.8%	53,933	31.3%
July	186,334	160,357	(25,977)	-13.9%	199,609	13,275	7.1%	39,252	24.5%
August	210,439	183,027	(27,413)	-13.0%	196,227	(14,212)	-6.8%	13,201	7.2%
September	219,911	191,731	(28,180)	-12.8%	191,997	(27,914)	-12.7%	266	0.1%
October	214,325	187,200	(27,126)	-12.7%	210,709	(3,616)	-1.7%	23,510	12.6%
<b>Total</b>	<b>1,497,751</b>	<b>1,198,808</b>	<b>(298,943)</b>	<b>-20.0%</b>	<b>1,342,806</b>	<b>(154,945)</b>	<b>-10.3%</b>	<b>143,999</b>	<b>12.0%</b>
<b>TH portion</b>			(176,078)			(91,262)		84,815	



# HUTD Revenues

## Actuals vs. February and May Forecasts (April-October)

Revenue	\$ Var to February (%)	\$ Var to May (%)
Gas Taxes	-\$75M (-14%)	+\$34M (+8%)
Tab Fees	-\$33M (-7%)	+\$43M (+11%)
MVST	-\$29M (-9%)	+\$83M (+38%)
Other	-\$18M (-14%)	-\$17M (-13%)
<b>Grand Total</b>	<b>-\$155M (-10%)</b>	<b>+\$144M (+12%)</b>

- Impact to Trunk Highway Fund: +\$85M (directly reduces existing -\$93M deficit)
- CSAH/MSAS: 2021 Commish Order **down -11%** (vs. -15% estimate in May)

# Federal CARES Act

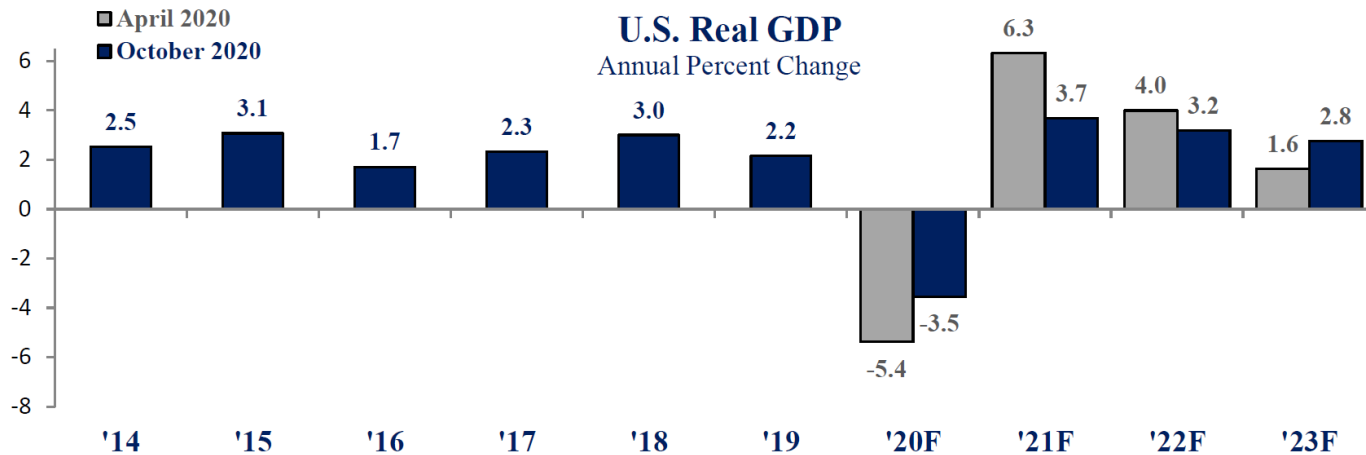
## Minnesota received \$2.2B in Coronavirus Relief Funds (CRF)

- \$317M directly to Hennepin and Ramsey Counties
- Remaining \$1.87B managed by MMB
  - \$750,000 approved for greater Minnesota transit to transport COVID-19 positive clients (managed by MnDOT)
- State airports received \$158M (\$125M for MSP)
- Transit received ~\$308M
  - \$54M for greater MN transit (administered by MnDOT)
  - \$27M for 50k+ urban area transit systems (administered directly)
  - \$227M for metro area transit (administered by Met Council)
- **ROAD AND BRIDGES RECEIVED \$0**

# General Fund Update

Source: MMB website

- As of October 21<sup>st</sup>, FY 22-23 General Fund deficit is ~\$4.5B, ~9% of estimated biennial spending
- FY 21 revenues through October up \$805M (+12.5%)

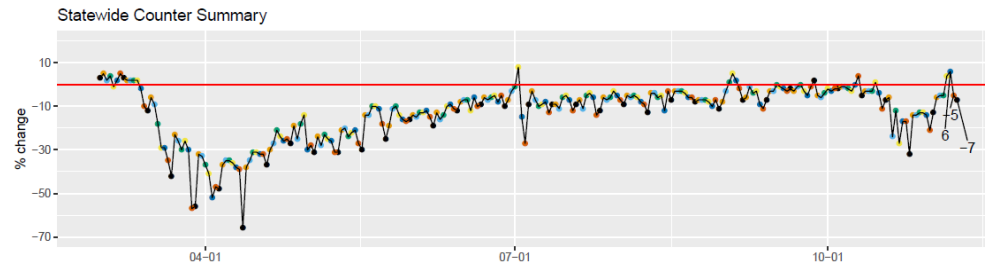


Source: Bureau of Economic Analysis and IHS Markit.

# Words of Caution

- All 3 major HUTD revenues down in recent months

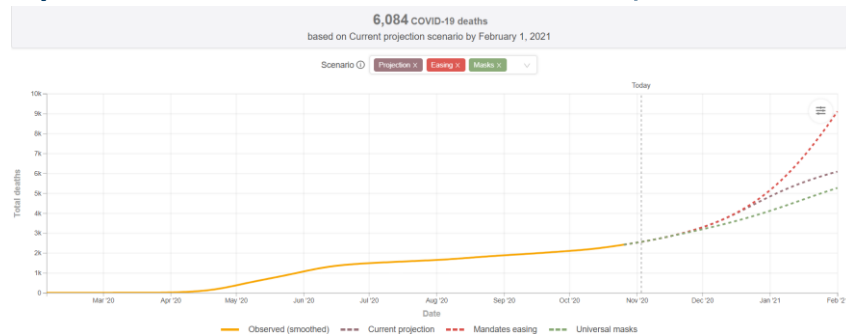
- July +7% vs. February
- August -7% vs. February
- September -13% vs. February
- October -2% vs. February



- Unemployment (September per DEED):

- MN: 6.0% / US: 7.9% (last year: MN: 3.2% / US: 3.5%)

- COVID-19...





- October:
  - Change items and base budget submitted October 15<sup>th</sup>
- November forecast
  - Released early December
- January: Governor's Budget released
- 2021 Legislative Session

# Additional Resources

- MnDOT revenue and budget update (published in September):
  - [https://edocs-public.dot.state.mn.us/edocs\\_public/DMResultSet/download?docId=11698445](https://edocs-public.dot.state.mn.us/edocs_public/DMResultSet/download?docId=11698445)
- COVID-19 dashboard (Minneapolis Fed Reserve):
  - <https://www.minneapolisfed.org/region-and-community/regional-economic-indicators/covid-19-and-the-ninth-district-economy-a-dashboard>
- MMB update on General Fund revenues:
  - <https://mn.gov/mmb-stat/000/az/forecast/2020/revenue-and-economic-update/october.pdf>

# Questions?

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