



# Financial Snapshot

Fiscal Year 2025, February 2025 Forecast

## highway user tax distribution fund (HUTD)

\$ in rounded millions

### HUTD Fund Revenue

Revenue	Actual			Forecast					FY24 % of HUTD Total Revenue
	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	
Motor Fuel Tax	893	882	886	933	1,001	1,007	1,012	1,026	33%
Motor Vehicle Registration Tax (Tab Fees)	823	837	914	1,059	1,165	1,223	1,266	1,311	34%
Motor Vehicle Sales Tax (MVST)	592	636	677	689	748	790	831	873	25%
State Sales Taxes	198	204	204	223	231	240	248	256	8%
Other	4	13	18	16	16	13	12	12	1%
Total Revenue	\$ 2,510	\$ 2,572	\$ 2,700	\$ 2,920	\$ 3,161	\$ 3,274	\$ 3,369	\$ 3,478	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

January 1, 2025\* 28.5 cents to 31.8 cents (includes debt service surcharge\*\*)  
*\*In 2023, the Legislature approved an annual indexing factor with 1st increase effective January 1, 2025*

\*\* Chapter 152 includes a 3.5 cent debt service surcharge

In FY24, 1¢ of gas tax generated ~\$31 million in revenue to the HUTD Fund

Minnesota's total state gasoline taxes are ranked 23rd highest out of 51 states including the District of Columbia (taxes include state excise taxes and other state taxes and fees) (Source: Tax Foundation)

#### Gas Tax Revenue Growth

	Millions of Gallons*	% change vs previous year
FY22 (act)	3,132	5.5%
FY23 (act)	3,095	-1.2%
FY24 (act)	3,109	0.5%
FY25 (fcst)	3,274	5.3%
FY26 (fcst)	3,513	7.3%
FY27 (fcst)	3,534	0.6%
FY28 (fcst)	3,550	0.4%
FY29 (fcst)	3,599	1.4%

\* Implied gallons based on actual revenue divided by tax rate (which includes impacts of annual index factor beginning in FY25)

## trunk highway fund

\$ in rounded millions

### Policies

Financial Policies	Description	Policy Target	Score	Actual			Forecast					
				FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	
Debt Management	Debt service for the Trunk Highway Fund (THF) should not exceed 20% of annual state revenues to the THF	<20%	\$	14%	16%	13%	14%	15%	16%	17%	16%	
Fund Balance	Maintain a balance of 6% of annual state revenues + 2% of authorized but unissued debt	~\$124 million for FY25	\$	Total	\$ 327	\$ 242	\$ 463	\$ 153	\$ 228	\$ 356	\$ 518	\$ 737
				Unreserved	\$ 210	\$ 121	\$ 326	\$ 25	\$ 95	\$ 224	\$ 389	\$ 607
Cash Balance	Maintain 15 days of cash flow needs	>15 days	\$	Projected to comply with policy in all years								
Advance Construction (AC)	Should not exceed target amounts in policy statement		\$	Projected to comply with policy in all years								

\$ = in compliance with policy

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

trunk highway bonds

\$ in rounded millions

Debt Service Amounts

	Actual			Forecast				
	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
Debt Service Transfer	213	248	230	249	294	313	335	343
Local Government Advances	0	0	0	2	2	2	2	2
Transportation Revolving Loan Fund	1	0	0	1	1	1	1	1
Transportation Infrastructure Finance & Innovation Act	4	4	4	4	4	4	4	4
Total Debt Service	\$ 218	\$ 252	\$ 234	\$ 256	\$ 301	\$ 320	\$ 342	\$ 350

Bond Overview

Bonds Authorized since 2000	\$ 4,496
Bonds Sold*	\$ 3,262
Remaining to be Sold	\$ 1,234
* The most recent bond sale in August 2024 included \$353 million of TH bonds.	

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

\$ in rounded millions

Commissioner's Order Distributions

	Actual				Forecast			
	2022	2023	2024	2025	2026	2027	2028	2029
Net Revenues Available	2,576	2,535	2,652	2,895	3,120	3,234	3,329	3,437
Total Distributions to Local Governments								
Counties	801	769	870	861	924	951	980	1,017
Municipalities	220	215	235	256	275	281	288	299
Town Roads and Bridges	73	57	57	63	73	75	77	80

The Commissioner's Order is issued in January and is 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. 2026-29 distributions are based on forecast.

other modes

\$ in rounded millions

MnDOT Transit Funding

	Actual			Forecast				
	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
General Fund	18	18	58	18	18	18	18	18
Transit Assistance Fund								
Motor Vehicle Sales Tax	39	42	64	65	71	75	79	83
Motor Vehicle Lease Tax	26	22	28	32	34	35	37	38
Total Funding*	\$ 83	\$ 82	\$ 150	\$ 115	\$ 123	\$ 128	\$ 134	\$ 139

\* Does not include federal transit funds or bond funds

State Airports Fund Forecast

	Actual			Forecast				
	FY22	FY 3	FY 4	FY 5	FY26	FY27	FY28	FY29
Balance Forward	21	23	26	31	17	24	28	33
Revenue	32	28	35	32	33	30	30	30
General Fund Transfer								
Expenditures	34	28	30	47	26	26	26	26
Balance Before Reserves	19	23	30	16	23	27	32	37
Less Appropriations Carryover	2	4	3	4	3	3	3	3
Fund Balance*	\$ 17	\$ 19	\$ 27	\$ 12	\$ 19	\$ 24	\$ 29	\$ 34

\* 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

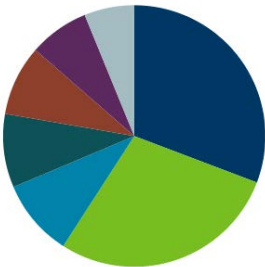
All dollars in thousands (\$1 = \$1,000)

MnDOT All Appropriations\* - FY 2024-25

	FY24	FY25	Total
Total Direct Appropriations	4,458,817	3,688,242	8,147,058
Total Open Appropriations	10,413	10,413	20,826
Statutory Appropriations:			
Special Revenue	152,253	186,075	338,329
Federal (Non-Trunk Highway)	870,652	787,202	1,657,854
All Other Appropriations	129,302	122,529	251,832
Total Statutory Appropriations	1,152,208	1,095,807	2,248,015
Grand Total Appropriations	\$ 5,621,437	\$ 4,794,461	\$ 10,415,899

Appropriation Allocation Plan

Multimodal Systems	14.9%
Program Planning and Delivery	7.7%
State Road Construction	25.8%
Operations and Maintenance	8.5%
Debt Service	4.9%
State Aid for Local Transportation	32.4%
Agency Management and Other	5.8%
Grand Total All Appropriations	100%



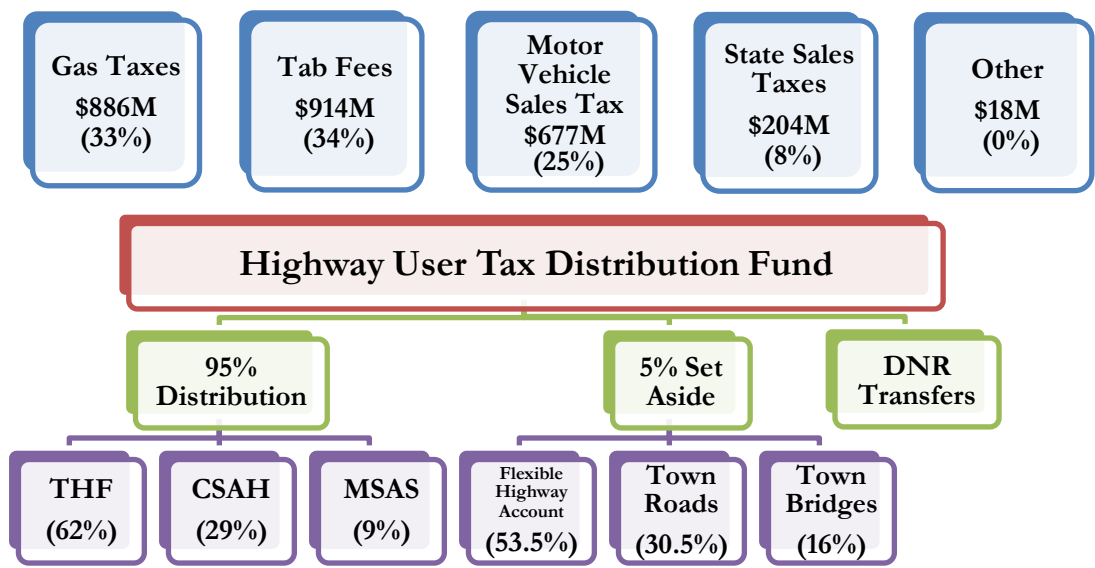
\* Does not include bond funds

# Introduction to Transportation Funding

The Minnesota Department of Transportation (MnDOT) is a multimodal agency encompassing highway construction, maintenance, aeronautics, rail, and transit activities. In consultation with Minnesota Management and Budget (MMB) and Minnesota Department of Revenue (DOR), MnDOT prepares fund statements for seven transportation funds. These fund statements are prepared in November and February of each fiscal year (FY). An additional update is traditionally prepared at the end of each legislative session (EOS) to incorporate law-change impacts to the transportation funds. **All comparisons made in this forecast reflect the difference from the November 2024 fund statements.** This forecast includes updated estimates for FY 2025-29. MnDOT prepares fund statements for the following funds:

- Highway User Tax Distribution (HUTD) Fund
- Trunk Highway (TH) Fund
- County State Aid Highway (CSAH) Fund
- Municipal State Aid Street (MSAS) Fund
- Transit Assistance Fund (TAF)
- State Airports Fund (SAF)
- Transportation Advancement Account (TAA) – new account in the Special Revenue Fund

HUTD Sources and Uses  
FY 2024 Actuals  
(\$ in millions)



- Article XIV of the Minnesota Constitution
- State Sales Taxes include: 43.5 percent of sales tax on auto parts, 11 percent of total Motor Vehicle Lease Sales Tax (MVLST), and rental sales taxes (both 6.5 percent & 9.2 percent)
- DNR transfers for unrefunded gas taxes per Minn. Stat. 296A.18 (totals about 2.4 percent of gas taxes)

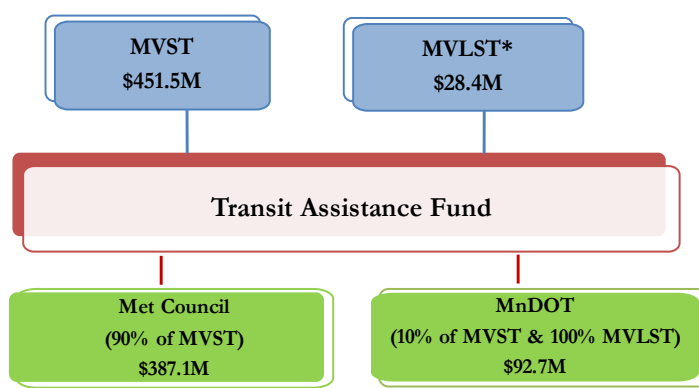
Note: Numbers in the text and tables may not add to the totals due to rounding. Unless otherwise noted, years used to describe the budget outlook are state FYs, from July 1 to June 30.

## Transit Assistance Fund Revenue

The TAF receives revenue from MVST and MVLST. The MVST appropriation must constitute at least 40 percent of the total revenue according to the Minnesota Constitution. The appropriation is currently set at 40 percent by statute (Minn. Stat. 297B.09). Previously, 90 percent of this revenue was allocated to metropolitan transit (36 percent of total MVST) and 10 percent was allocated to Greater Minnesota Transit (4 percent of total MVST). In 2023, the Legislature changed the distribution of the 40% portion of MVST so that Greater Minnesota Transit receives 5.7% (increasing from 4%) and the Twin Cities metro area receives 34.3% (decreasing from 36%).

As of FY 2018, 38 percent of all MVLST revenue is allocated to the TAF for Greater Minnesota Transit.

### Transit Assistance Fund Sources of Revenue FY 2024



\*38 percent of MVLST is allocated to TAF

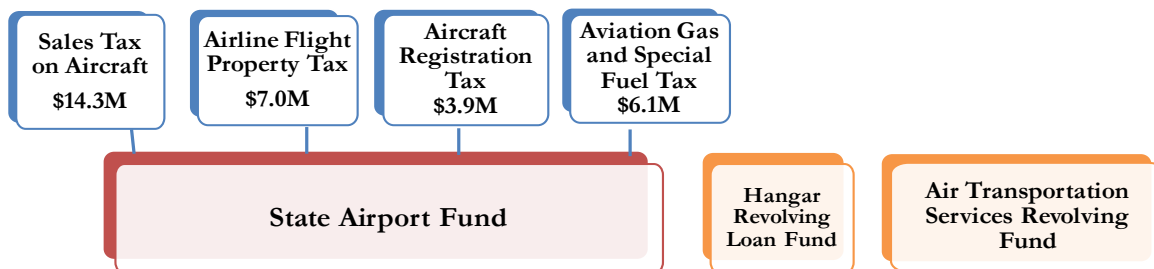
## State Airports Revenue

Three funds make up the total consolidated SAF:

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

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

### State Airports Sources of Revenue FY 2024



# 2025 TRANSPORTATION DIVISION OPERATING BUDGET

CHART 21

sources of funds: **\$1.038 billion**

## COST BREAKDOWN

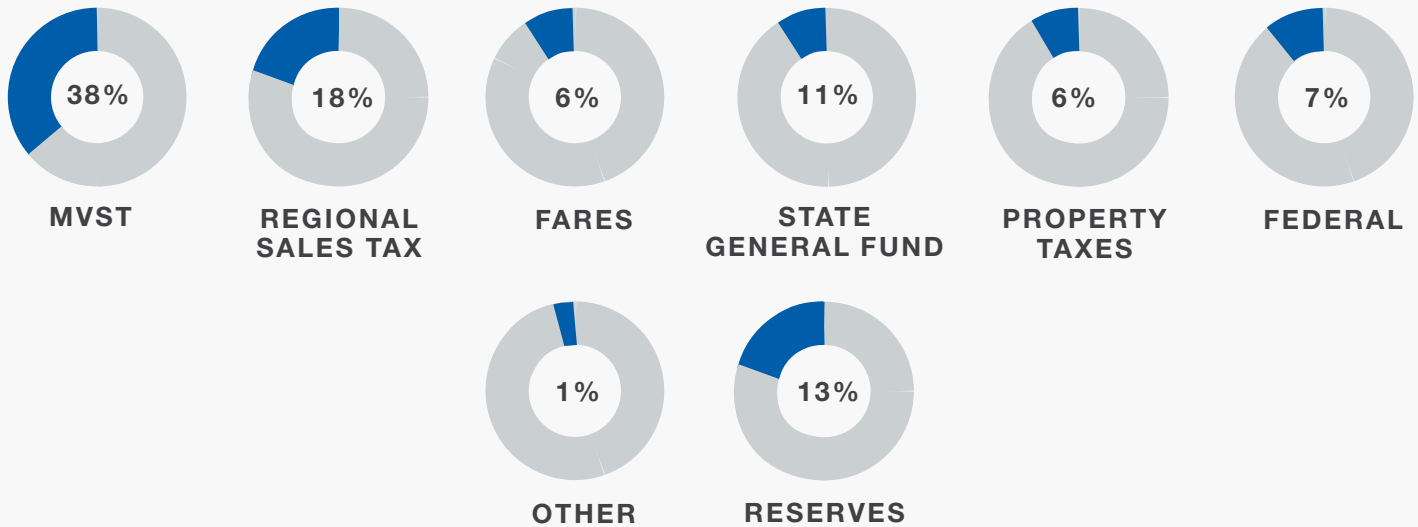
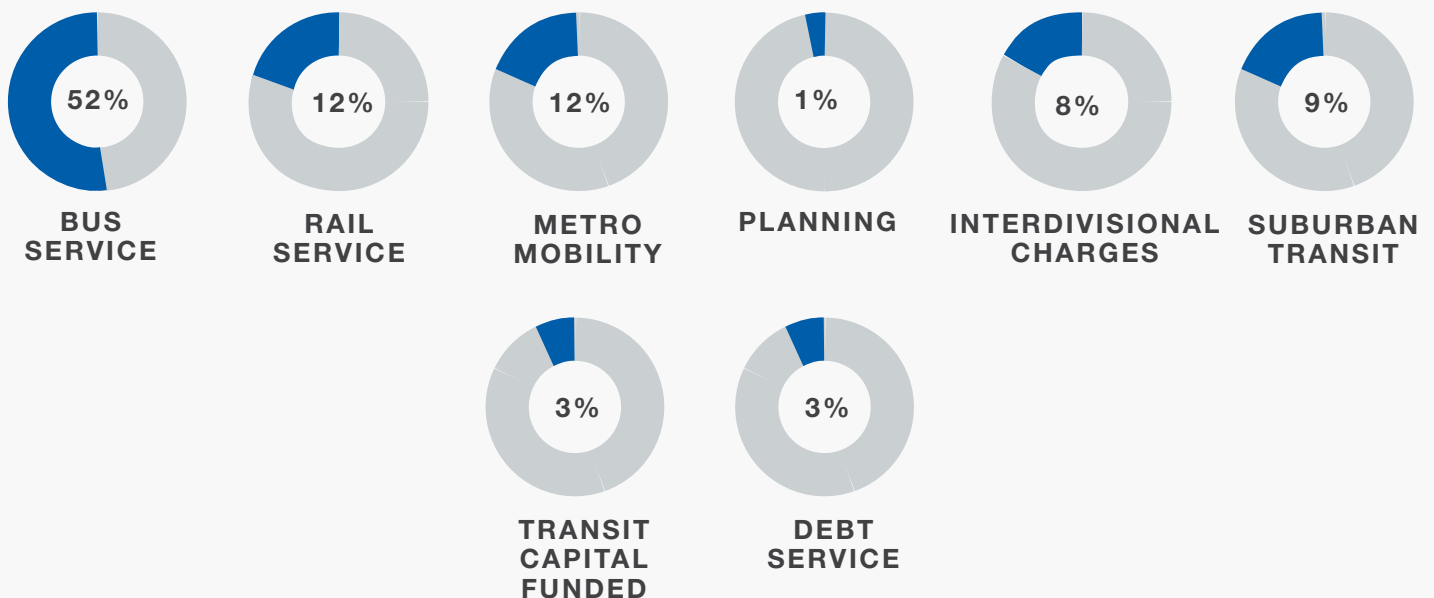


CHART 22

uses by category: **\$1.038 billion**

## COST BREAKDOWN

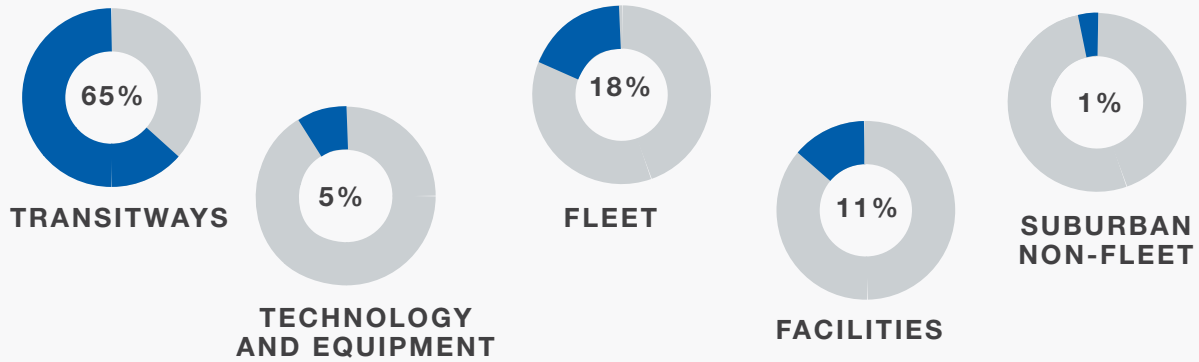


# 2025 TRANSPORTATION DIVISION CIP

**CHART 23**

funds by functions: **\$5.24 billion**

## COST BREAKDOWN

**CHART 24**

sources of funds: **\$5.24 billion**

## COST BREAKDOWN

