

Association of Minnesota Counties Transportation & Infrastructure Policy Committee MnDOT Update

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THE MBA GUY

I PUT TOGETHER
A SPREADSHEET
THAT MIGHT
INTEREST YOU.



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OW! OW! IT'S SO
BORING, IT HURTS
MY HEAD!



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MY BRAIN
IS TRYING
TO ESCAPE
THROUGH
MY EAR!



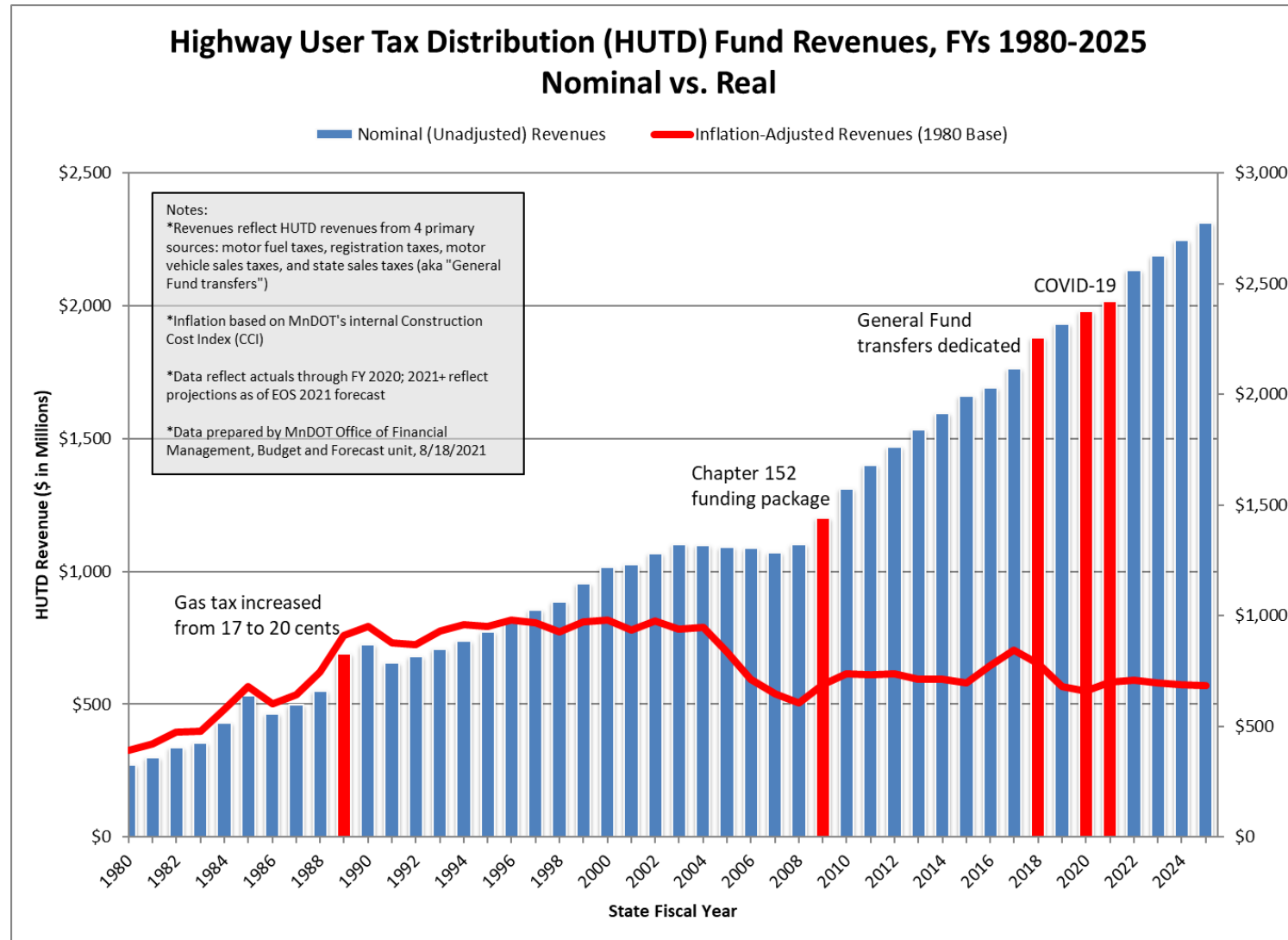
I GET
THIS
A LOT.



Agenda

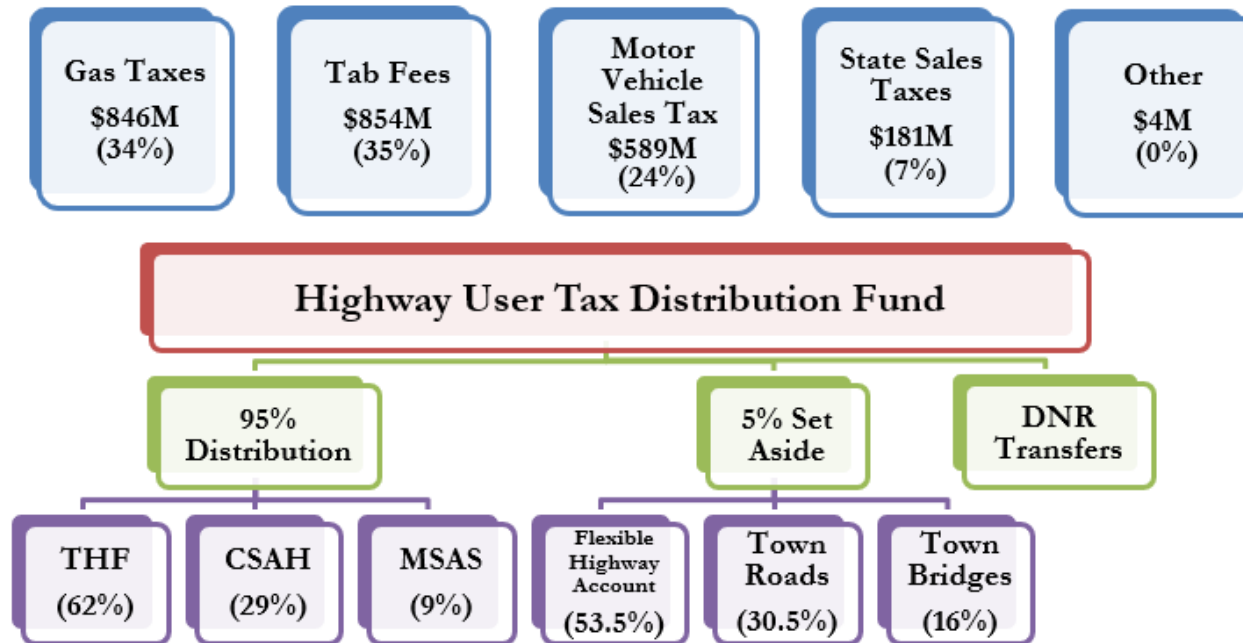
- Update on HUTD revenues
- Capital budget
- Recent supplemental funds
- Federal funds

Minnesota Highway User Tax Revenue History of Annual Revenues



Highway User Tax Distribution (HUTD) Fund Flow of Funds in FY 2021

HUTD Sources and Uses
FY 2021 Preliminary Actuals
(\$ in millions)



-Article XIV of the Minnesota Constitution

-State Sales Taxes 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)

HUTD Revenues

FY 21 Details

Preliminary Amounts in \$ millions

Revenue	\$	% of Total	\$ Var to Forecast	% Var to Forecast	\$ Var to FY 20	% Var to FY 20
Gas taxes	\$846	34%	-\$14	-2%	-\$33	-4%
Registration taxes	\$854	35%	-\$9	-1%	+\$41	+5%
MVST	\$589	24%	+\$68	+13%	+\$103	+21%
Sales tax on auto parts	\$146	6%	-	-	-	-
Rental taxes	\$27	1%	+\$5	+25%	-\$16	-37%
MVLST	\$9	0.3%	-\$1	-15%	-\$1	-9%
Other	\$4	0.2%	+\$0.4	+13%	-\$0.7	-15%
Grand total	\$2,474	100%	+\$50	+2%	+\$94	+4%

- Note: State general fund revenues in FY 21 were \$26.6 billion, +\$2.684 billion (+11.2%) more than February 2021 forecast (preliminary, more info [here](#))

HUTD Revenues

YOY Growth Rate (Current EOS 21 Forecast + Prelim 21 Actuals)

Revenue	FY 18 (act)	FY 19 (act)	FY 20 (act)	FY 21 (prelim)	FY 22 (fcst)	FY 23 (fcst)	FY 24 (fcst)	FY 25 (fcst)
Gas taxes	1.7%	1.3%	-6.2%	-3.8%	7.8%	0.9%	0.7%	0.6%
Registration taxes	3.9%	2.8%	1.1%	5.1%	6.0%	3.5%	3.5%	3.5%
MVST	2.4%	4.8%	0.0%	21.2%	-6.1%	3.0%	5.0%	5.9%
Sales tax on auto parts	100.0%	0.0%	361.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Rental taxes	100.0%	12.5%	-11.2%	-36.9%	23.0%	28.6%	4.6%	4.9%
MVLST	100.0%	1.2%	-12.1%	-8.5%	25.8%	0.3%	0.7%	3.8%
Other	23.2%	34.7%	-26.1%	-15.5%	-1.5%	0.2%	2.1%	20.2%
Grand total	6.6%	2.8%	2.4%	3.9%	3.6%	2.6%	2.7%	2.9%

CSAH Distributions

Details from Annual Commissioner's Order

Apportionment Sum Available to Counties (net 29% of 95%)

Year	\$ millions	YOY % change
2017	\$555.5	0.4%
2018 (new HUTD revenues)	\$611.9	10.1%
2019	\$615.6	0.6%
2020 (increased auto parts)	\$674.6	9.6%
2021 (COVID!)	\$617.8	-8.4%
2022 (estimated)	\$694.2	12.4%
2023 (current forecast)	\$697.8	0.5%
2024 (current forecast)	\$716.7	2.7%
2025 (current forecast)	\$739.0	3.1%

- 2022 estimate includes FY 2022 revenues as of EOS 21 and adjustments for FY 21 actuals
- These estimates will change in November forecast
- Amounts reflect net available apportionment sum available to counties (29% of 95%). Does NOT include MVLST or 5%
- Average annual growth from 2018 to 2022 is 3.2%

2022 Legislative Session Preliminary MnDOT Capital Budget Requests

Transportation			Projects Summary		
(\$ in thousands)					
Project Requests for State Funds					
Project Title	Priority Ranking	Funding Source	2022	2024	2026
High Priority Bridges	1	THB	\$ 800,000	\$ 0	\$ 0
ARMER Radio Tower and Equipment Building Replacements	2	GO	\$ 12,500	\$ 0	\$ 0
Local Bridge Replacement Program	3	GO	\$ 200,000	\$ 100,000	\$ 100,000
Local Road Improvement Fund Grants	4	GO	\$ 150,000	\$ 100,000	\$ 100,000
Aeronautics Infrastructure	5	GO	\$ 30,000	\$ 30,000	\$ 30,000
Highway Railroad Grade Crossing-Warning Devices Replacement	6	GO	\$ 18,000	\$ 18,000	\$ 18,000
Port Development Assistance Program	7	GO	\$ 10,000	\$ 10,000	\$ 10,000
Safe Routes to School	8	GO	\$ 2,000	\$ 2,000	\$ 2,000
Active Transportation	9	GO	\$ 7,000	\$ 7,000	\$ 7,000
		GF	\$ 1,000	\$ 1,000	\$ 1,000
Statewide Freight Safety Investments	10	THB	\$ 14,000	\$ 0	\$ 0
Minnesota Rail Service Improvement Program	11	GO	\$ 10,000	\$ 10,000	\$ 10,000
Greater Minnesota Transit Capital Program	12	GO	\$ 5,000	\$ 5,000	\$ 5,000
Facilities Capital Improvement Program	13	THB	\$ 71,200	\$ 40,000	\$ 40,000
Rail Corridor Capacity Improvements	14	GO	\$ 96,000	\$ 0	\$ 0
Utility Aircraft Replacement	15	GO	\$ 7,000	\$ 0	\$ 0
Total Project Requests			\$ 1,433,700	\$ 323,000	\$ 323,000
General Obligation Bonds (GO) Total			\$ 547,500	\$ 282,000	\$ 282,000
General Fund Cash (GF) Total			\$ 1,000	\$ 1,000	\$ 1,000
Trunk Highway Bonds (THB) Total			\$ 885,200	\$ 40,000	\$ 40,000

- Preliminary agency requests published summer 2021 (link [here](#))
- Final agency requests due October 15th
- Preliminary requests totaled \$5.5 billion:
 - \$4.2B from state agencies
 - \$1.2B from local governments
- **Governor's capital budget submitted by January 17th, 2022**

Highlights of Recent Funding \$ in Millions

- MnDOT FY 2022-23 biennial budget bill (Laws of 2021, 1st SS, [CH 5](#))
 - \$5M active transportation
 - \$5M safe routes to school
 - \$10M 2nd Amtrak train to Chicago
 - \$13M MRSI
 - \$12M township roads
 - \$18M small cities
 - \$14M local bridge
 - \$5.5M local road
 - \$30.93M TH corridor studies and local road grants (10 specific)
 - \$113M TH bonds for 4 specific projects
 - \$200M TH bonds for Corridors of Commerce (FYs 24-25)
- Capital appropriations bill (Laws of 2020, 5th SS, [CH 3](#))
 - Total for transportation ~\$627M
 - \$300M TH bonds, \$327M GO bonds
 - \$70M local roads
 - \$30M local bridge
 - \$169M for 27 specific projects

Update on Federal Funds Road and Bridges

- **Coronavirus Response & Relief Supplemental Appropriations (CRRSA) Act** (enacted December 2020)
 - \$162M for Minnesota from FHWA
 - \$40M to locals (50/50 Metro vs. greater MN)
 - \$122M to MnDOT state road construction
- **American Rescue Plan (ARP)** (enacted March 2021)
 - State Fiscal Recovery Funds: \$2.833B managed by MMB (link [here](#))
 - Immediate COVID response: \$500M (12 funding decisions to date totaling \$209M); \$291M remaining
 - State revenue replacement: \$1.183B
 - Long-term COVID response: \$1.15B (eligible for agency requests for supplemental budgets for 2022 legislative session)
 - Local Fiscal Recovery Funds: \$2.132 directly to counties, cities, and towns
 - Counties: \$1.11B
 - 21 large cities: \$644M
 - Pass through to other cities/towns: \$377M

Thank you again!

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