

# Arizona State Transportation Board

January 31<sup>st</sup>, 2017

## FY2018 – FY2022 Tentative Highway Construction Program

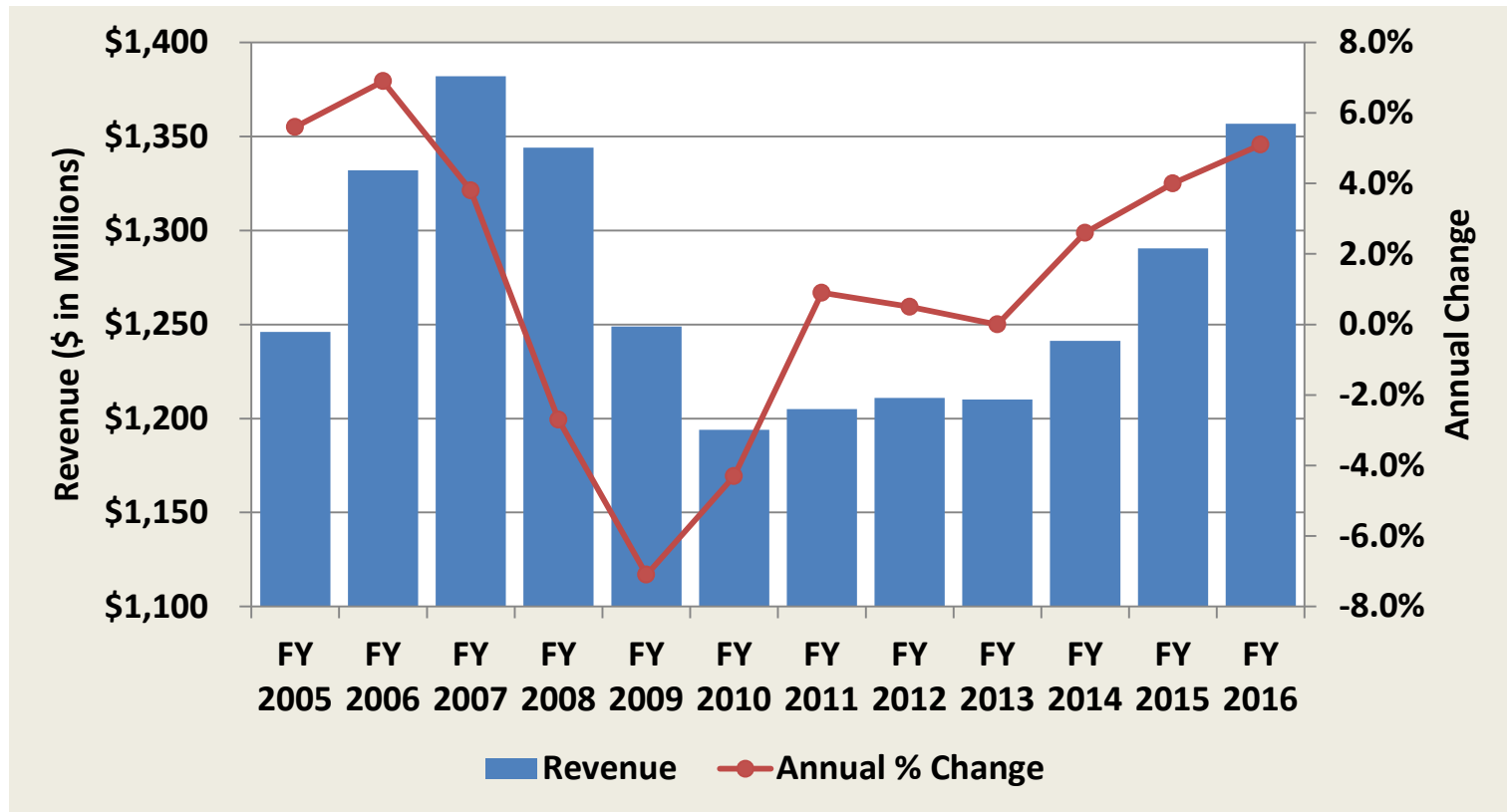
### Financial Plan

Prepared by: Kristine Ward, CFO

# Highway User Revenue Fund (HURF)

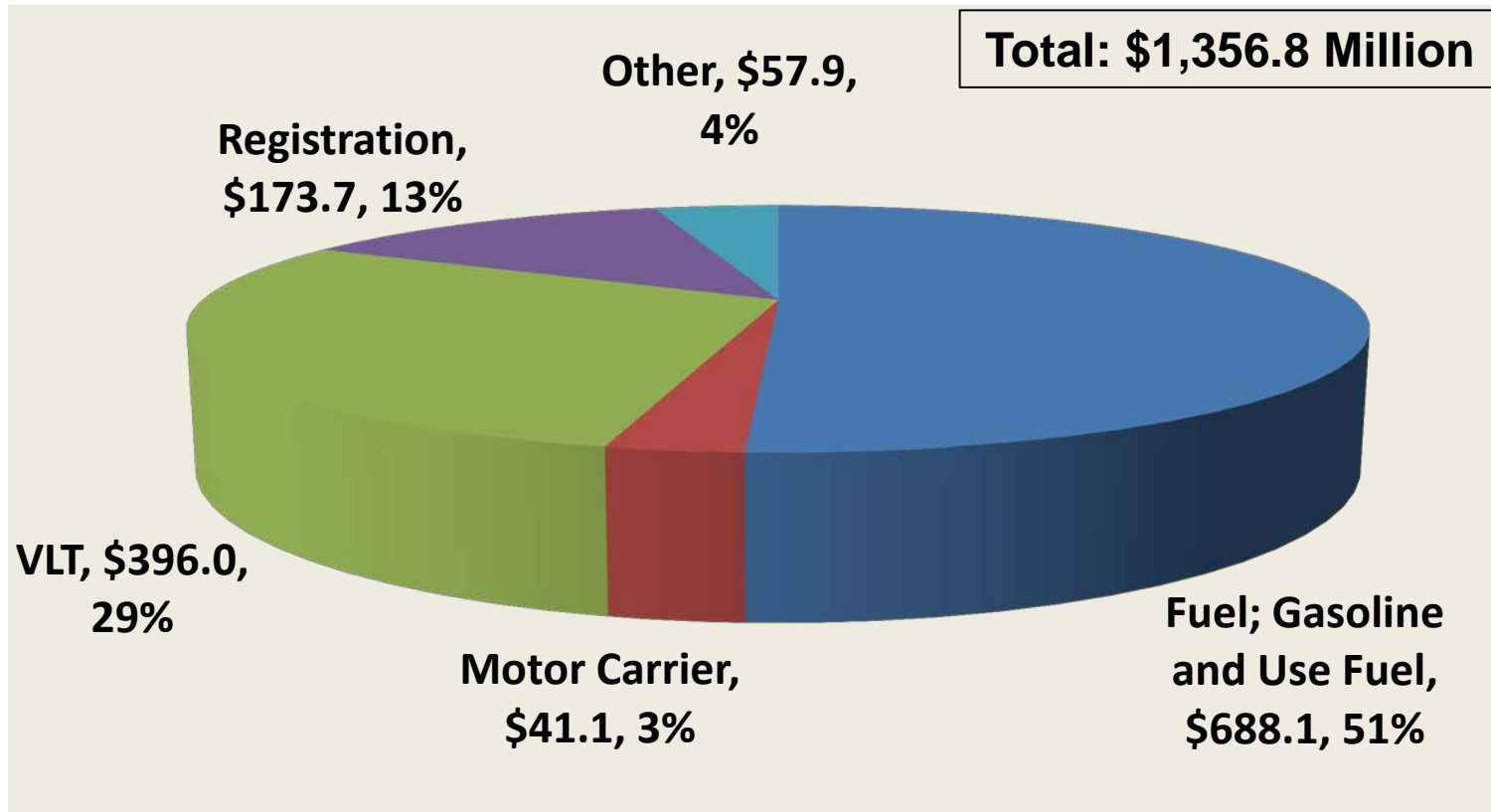


# Highway User Revenue Fund (HURF): FY2016 Revenues



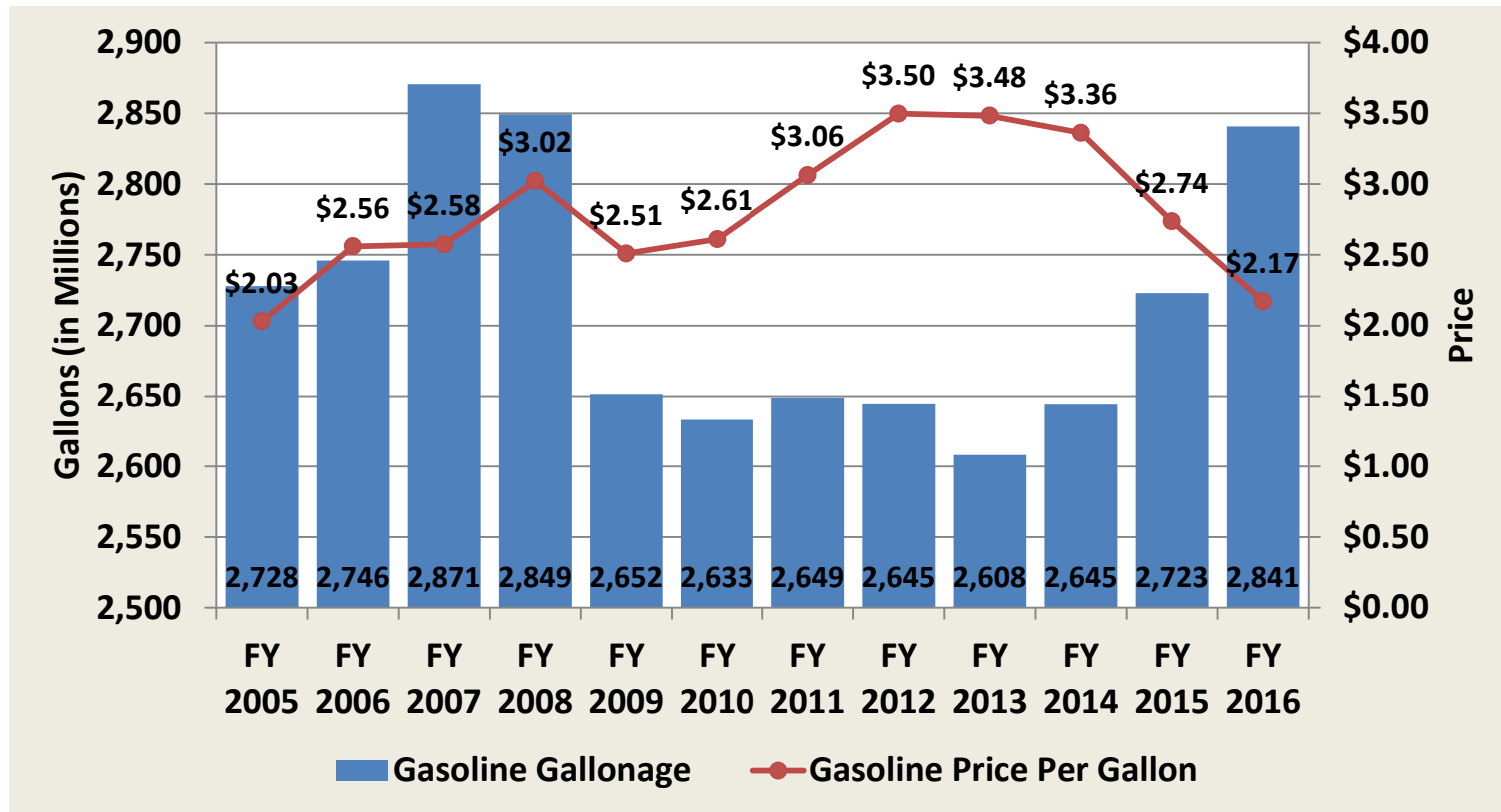
	FY 2015 Actual	FY 2016 Actual	Change	FY 2016 Estimate	Change
Total	\$ 1,290,439	\$ 1,356,752	5.1%	\$ 1,331,000	1.9%

# Highway User Revenue Fund (HURF): FY2016 Sources

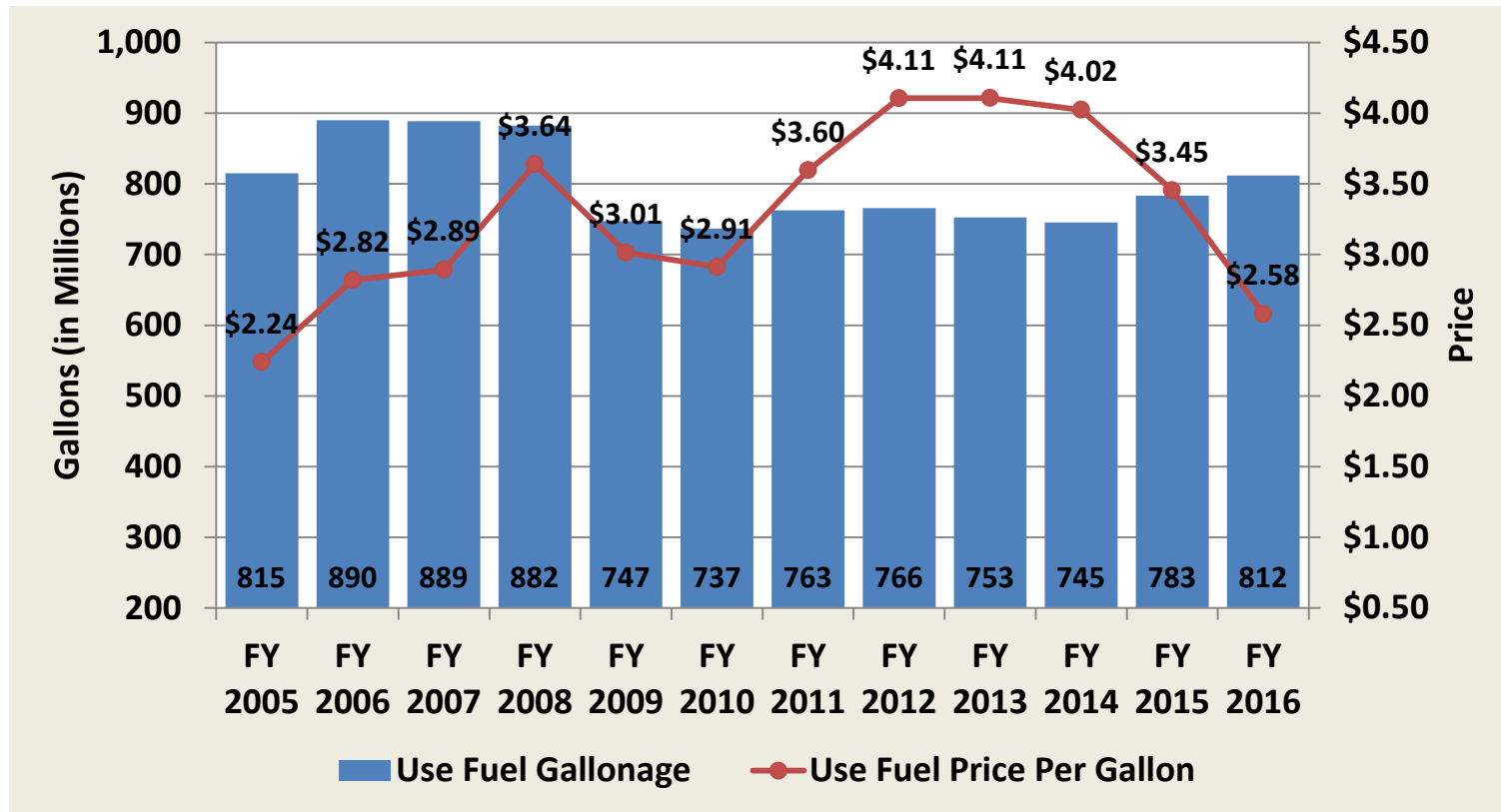


*Revenue in millions*

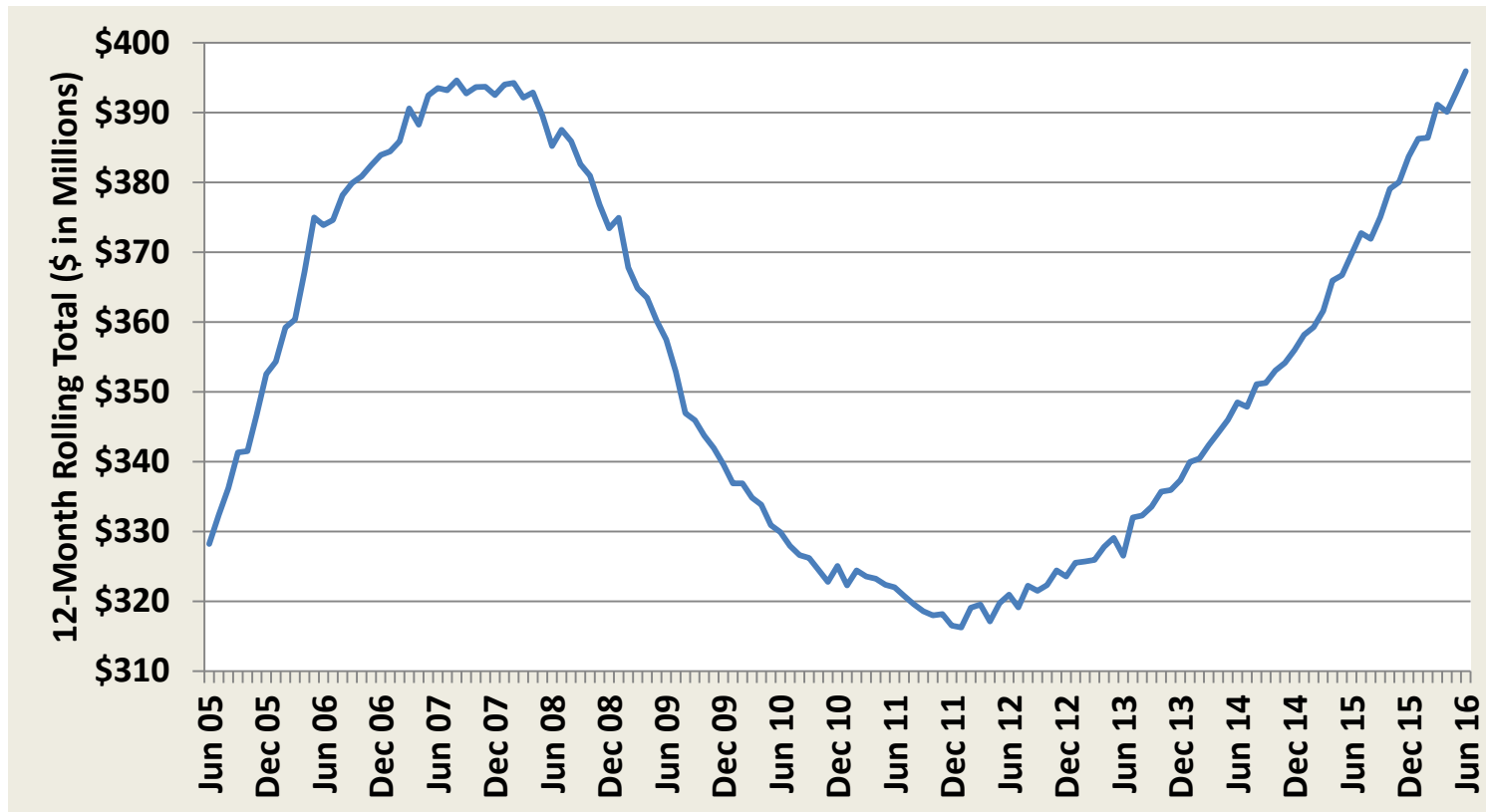
# Highway User Revenue Fund (HURF): Gasoline Gallons Sold and Price Per Gallon



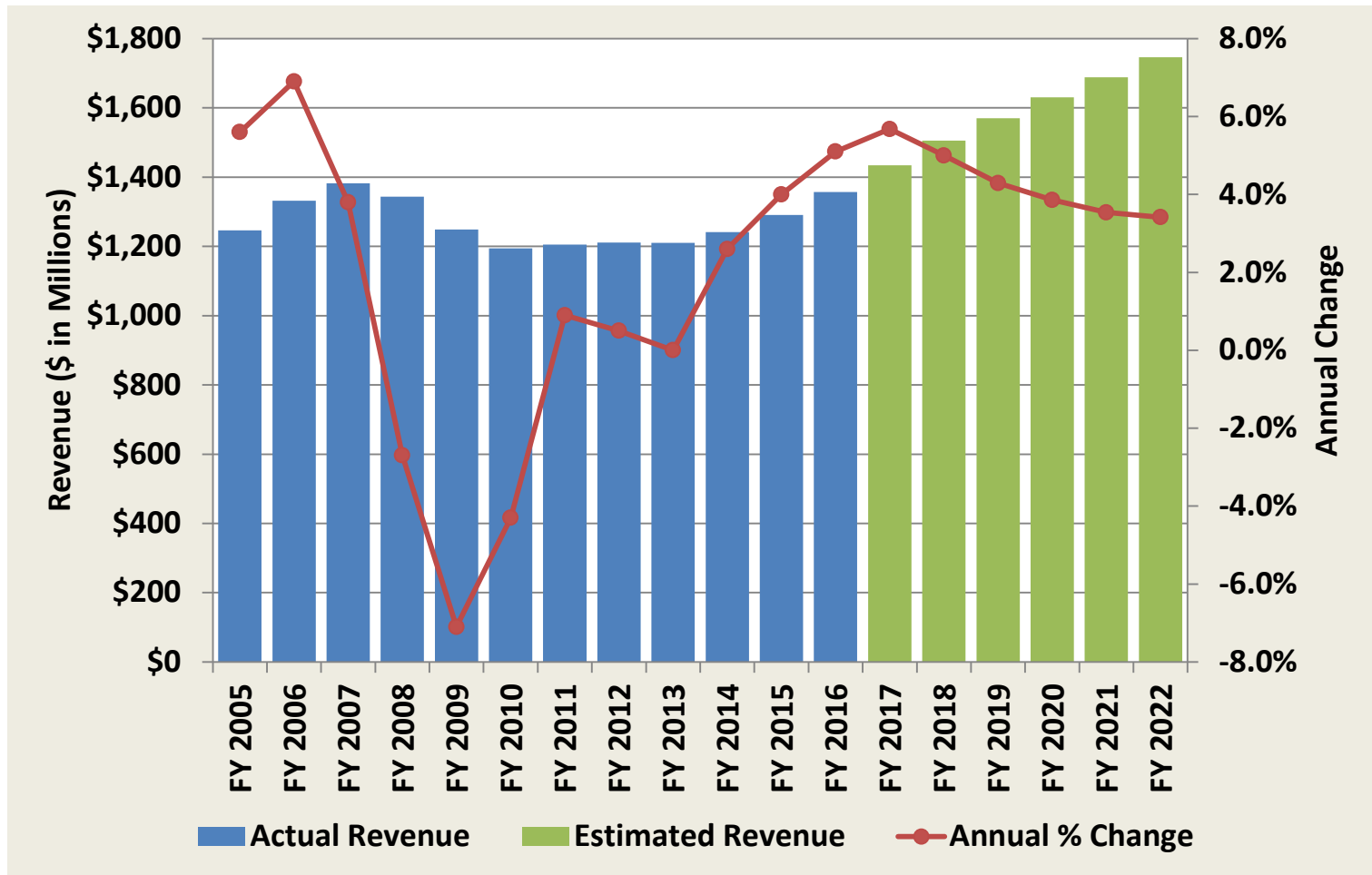
# Highway User Revenue Fund (HURF): Use Fuel Gallons Consumed and Price Per Gallon



# Highway User Revenue Fund (HURF): VLT Revenue 12-Month Rolling Total



# Highway User Revenue Fund (HURF): Revenue History and Forecast



Revenue in Millions



# Highway User Revenue Fund (HURF): 2016 Revenue Forecast

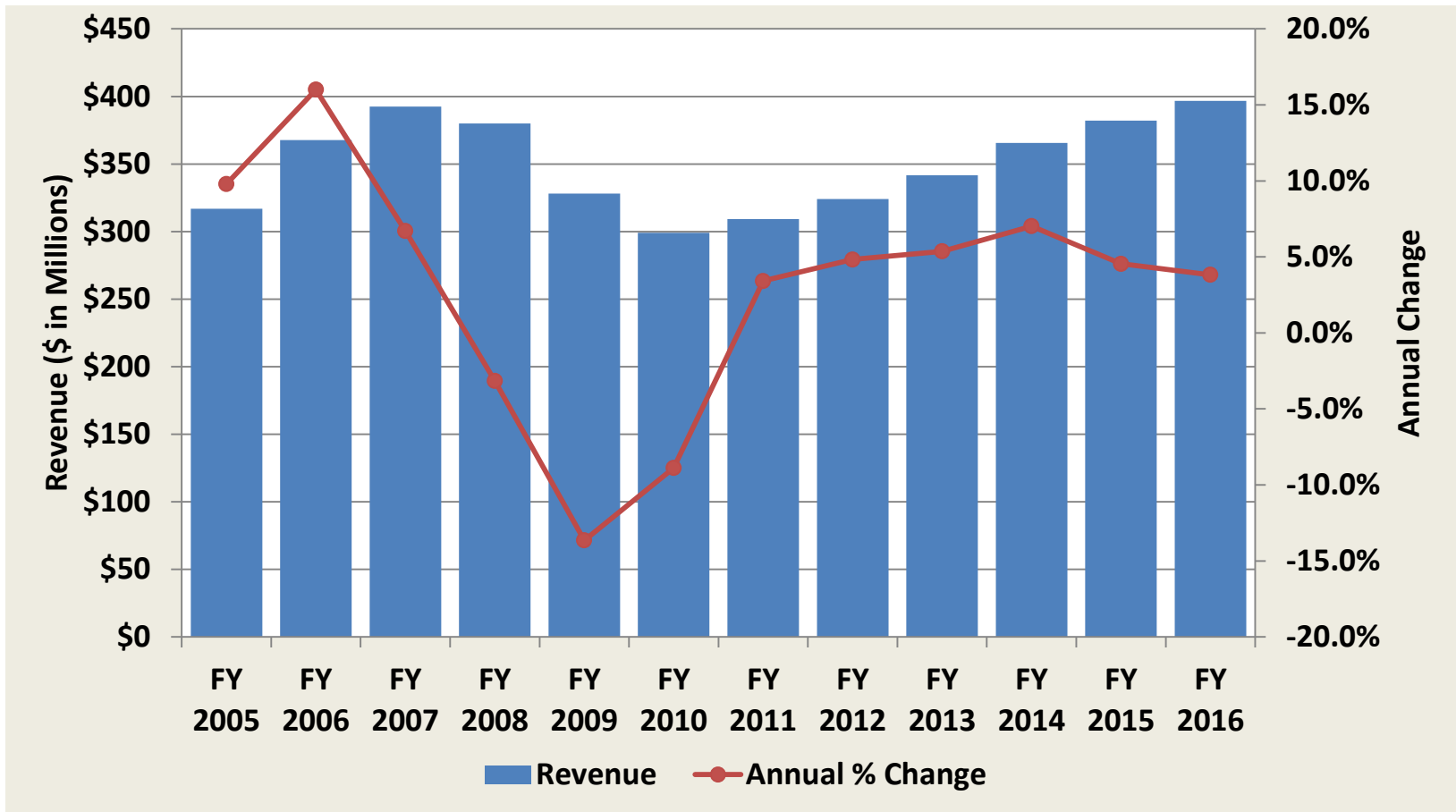
## FY 2017-2026 Comparative Forecast (Dollars in Millions)

<b>Fiscal Year</b>	<b>Sep. 15 Official Forecast</b>	<b>Sep. 16 Official Forecast</b>	<b><u>Difference</u></b>
<b>2017</b>	\$1,378.5	\$1,415.6	\$37.1
<b>2018</b>	1,426.6	1,476.4	49.8
<b>2019</b>	1,474.7	1,532.8	58.1
<b>2020</b>	1,526.2	1,587.6	61.4
<b>2021</b>	1,580.9	1,640.2	59.3
<b>2022</b>	<u>1,635.6</u>	<u>1,693.0</u>	<u>57.4</u>
<b>Total</b>	<b>\$9,022.5</b>	<b>\$9,345.6</b>	<b>\$323.1</b>
<b>Ave. CGR</b>	<b>3.5%</b>	<b>3.6%</b>	

# Regional Area Road Fund (RARF)

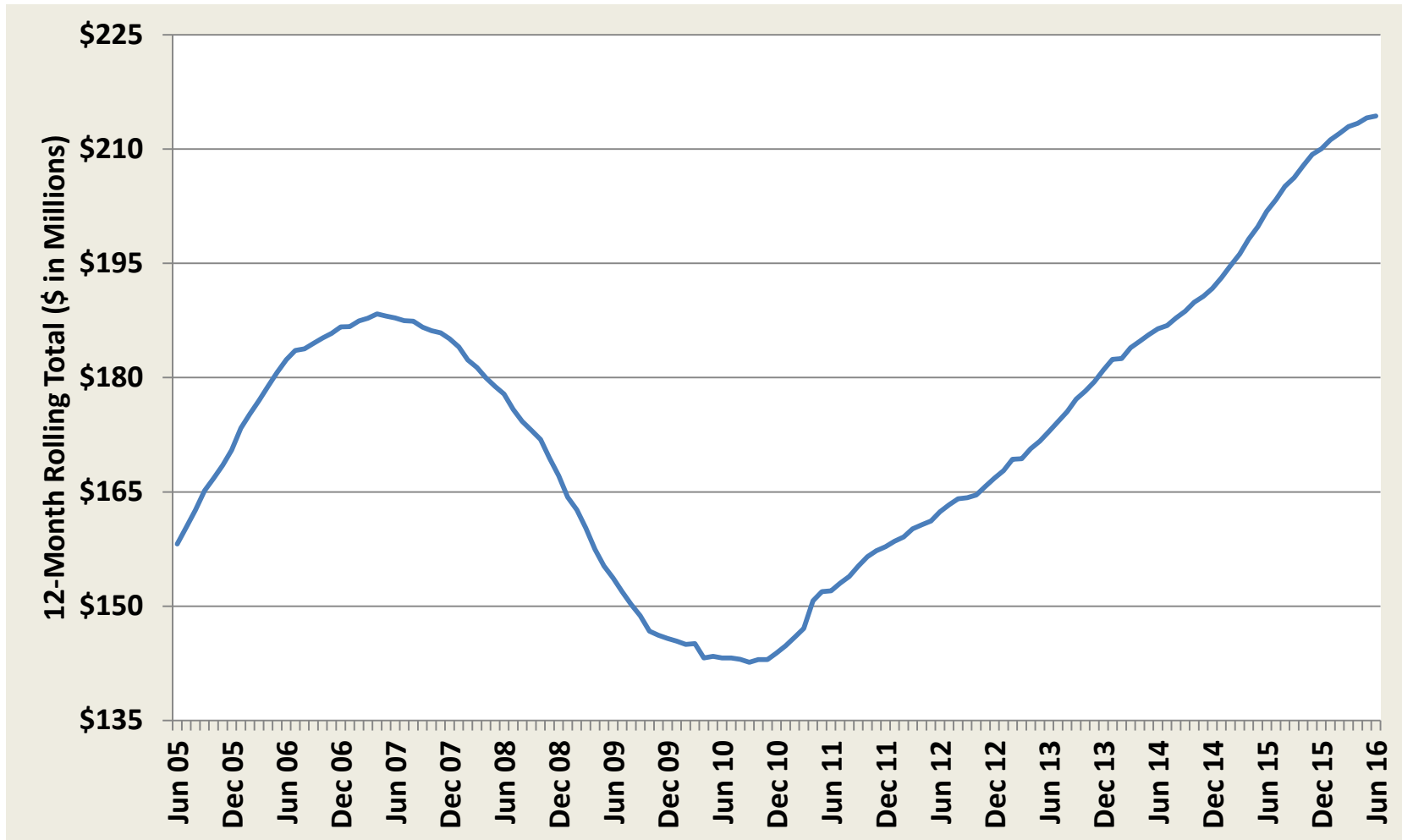


# Regional Area Road Fund (RARF): FY2016 Revenues

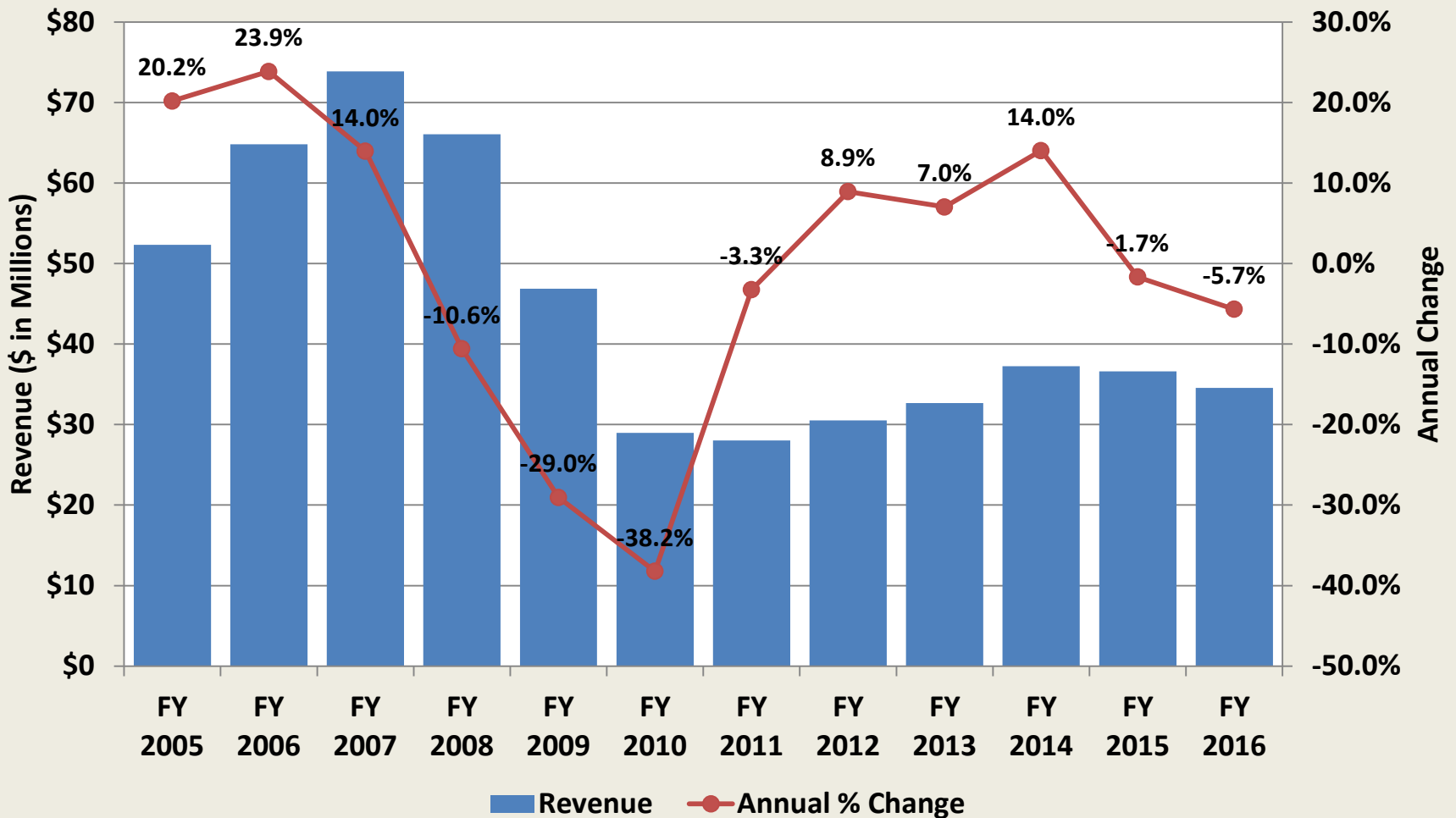


	FY 2015 Actual	FY 2016 Actual	Change	FY 2016 Estimate	Change
Total	\$ 382,191	\$ 396,810	3.8%	\$ 401,000	-1.0%

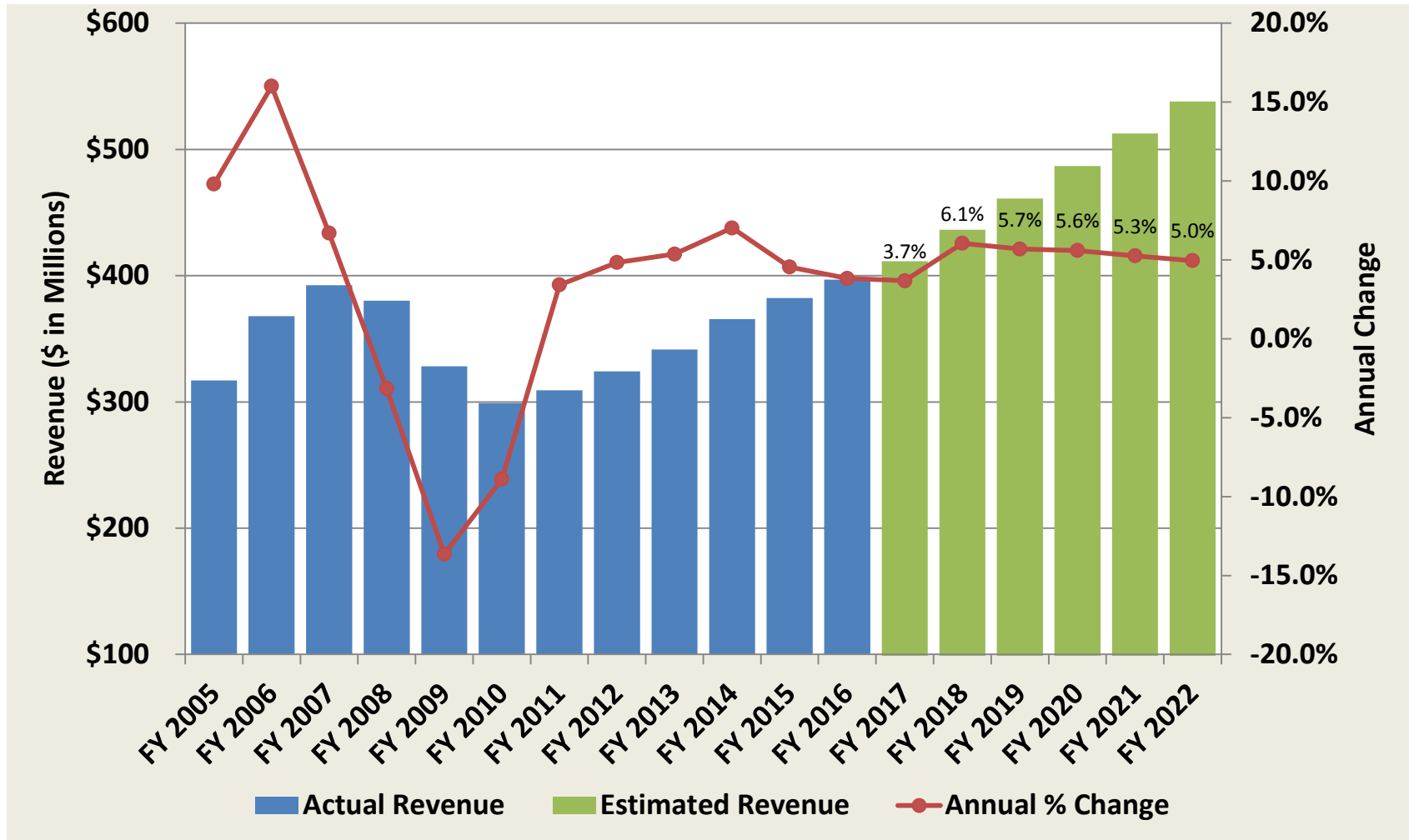
# Regional Area Road Fund (RARF): Retail Sales Tax Revenue 12-Month Rolling Total



# Regional Area Road Fund (RARF): Contracting Revenues



# Regional Area Road Fund (RARF): Revenue History and Forecast



# Regional Area Road Fund (RARF): 2016 Revenue Forecast

FY 2017-2026 Comparative Forecast (Dollars in Millions)			
<u>Fiscal Year</u>	<u>Sep. 15 Official Forecast</u>	<u>Sep. 16 Official Forecast</u>	<u>Difference</u>
2017	426.6	411.4	(15.2)
2018	451.6	436.3	(15.3)
2019	476.8	461.1	(15.7)
2020	501.5	486.9	(14.6)
2021	526.7	512.5	(14.2)
2022	551.6	537.9	(13.7)
2023	576.0	562.8	(13.2)
2024	602.3	589.1	(13.2)
2025	629.0	613.8	(15.2)
2026/1	<u>382.7</u>	<u>374.9</u>	<u>(7.8)</u>
<b>Total</b>	<b>\$5,124.8</b>	<b>\$4,986.7</b>	<b>(\$138.1)</b>
<b>Average CGR</b>	<b>4.9%</b>	<b>5.1%</b>	

Note: /1 FY 2026 forecast reflects the expiration of the transportation excise tax extension on December 31, 2025

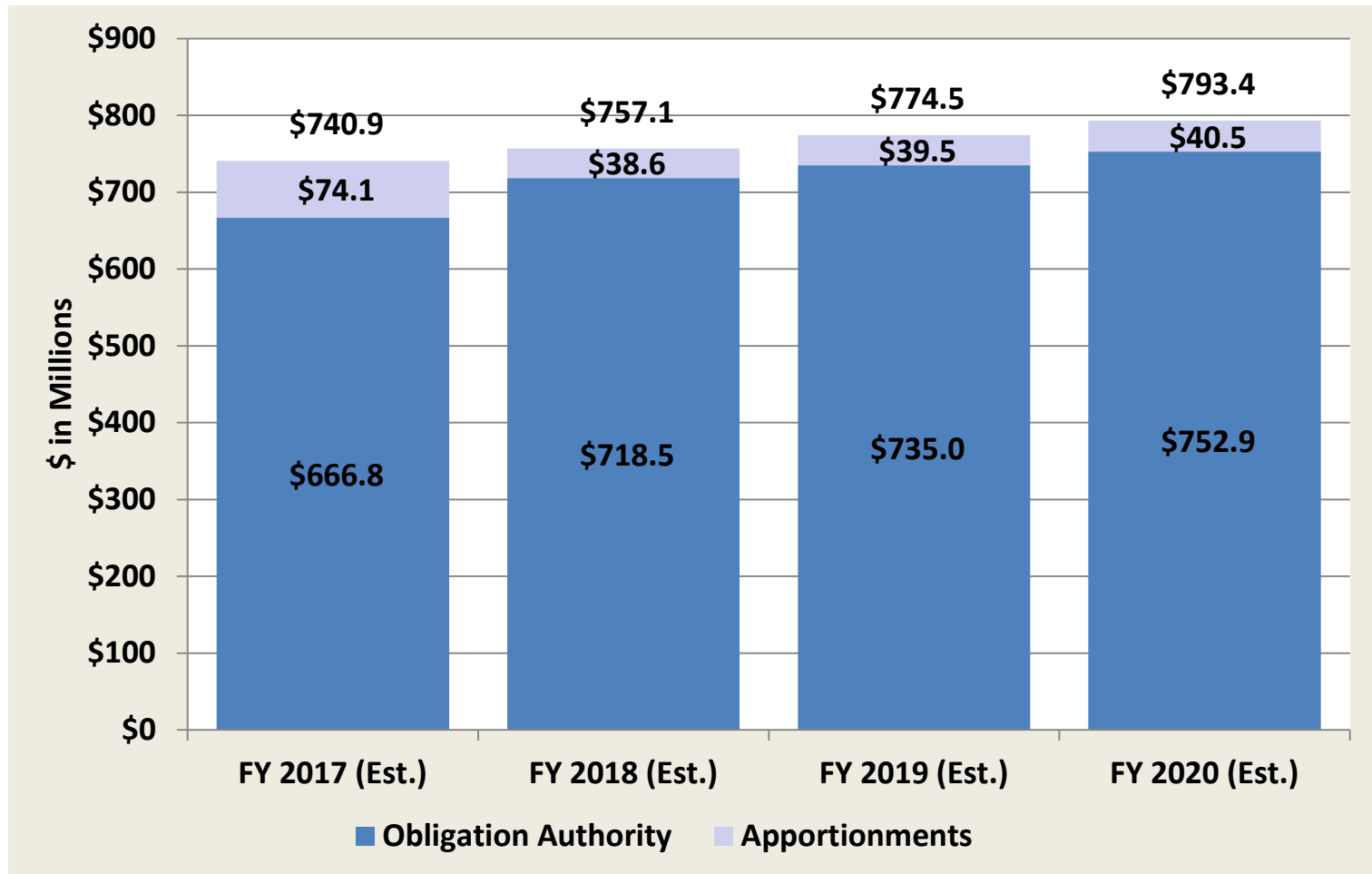
# Federal Funding





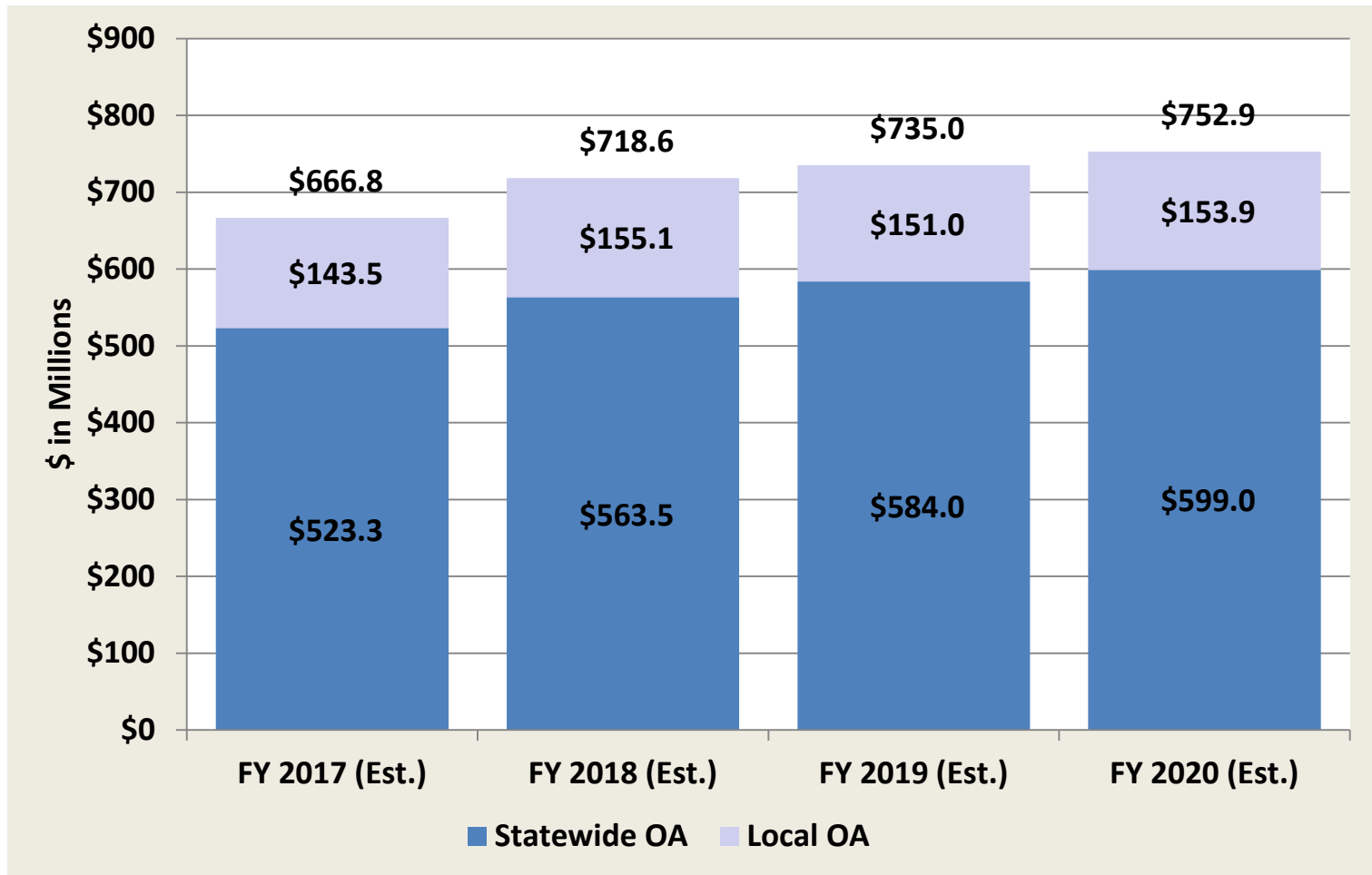
# FAST Act Formula Funds:

## Apportionments & Obligation Authority (OA) Estimates



Revenue in Millions

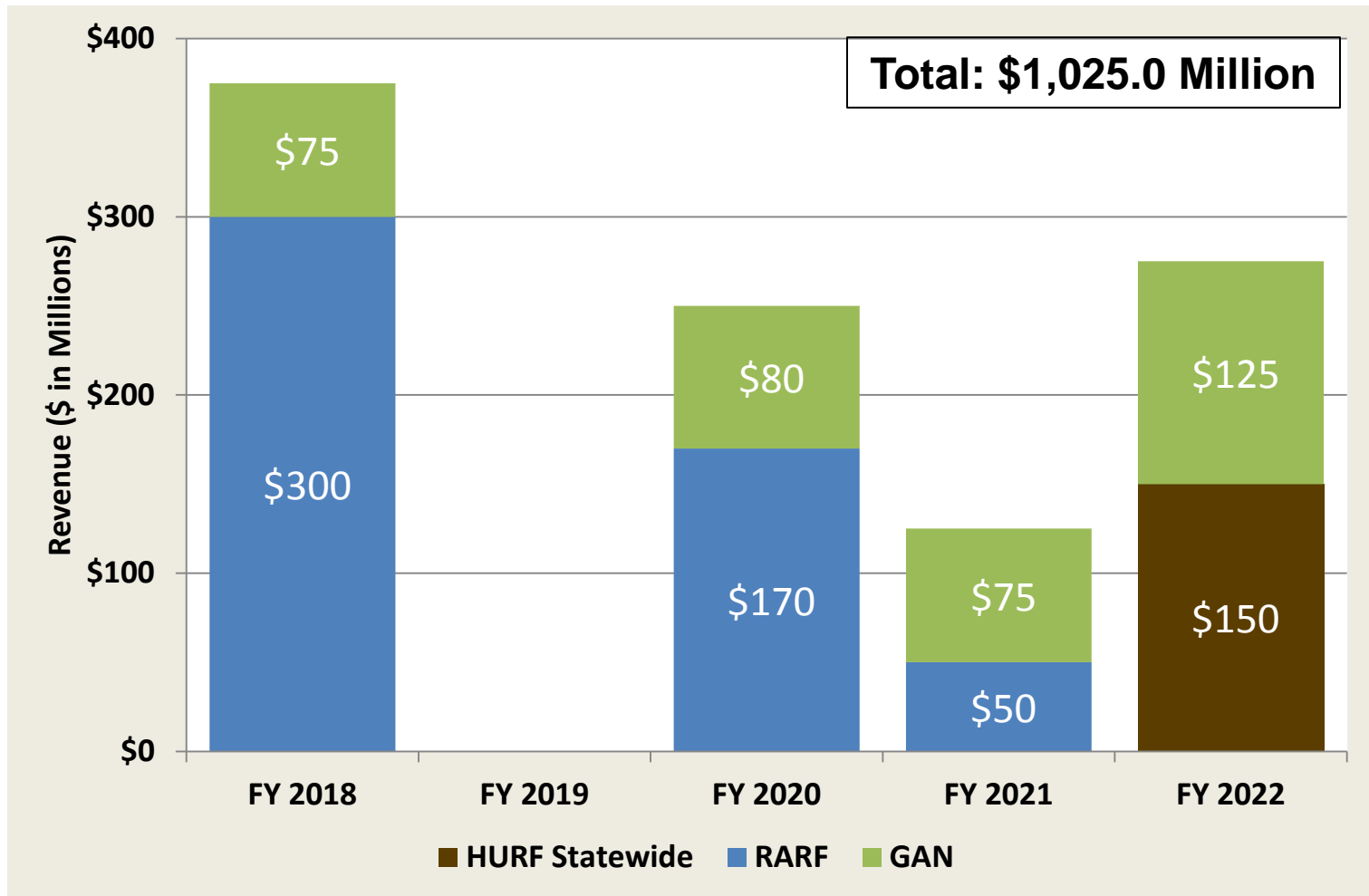
# FAST Act Formula Obligation Authority: State & Local Distribution (Estimated)



Revenue in Millions

# Financing Mechanisms

# Total Planned Debt Issuances: FY2018 – FY2022



**FY2018 – FY2022**  
**Five-Year Transportation Facilities**  
**Construction Program**

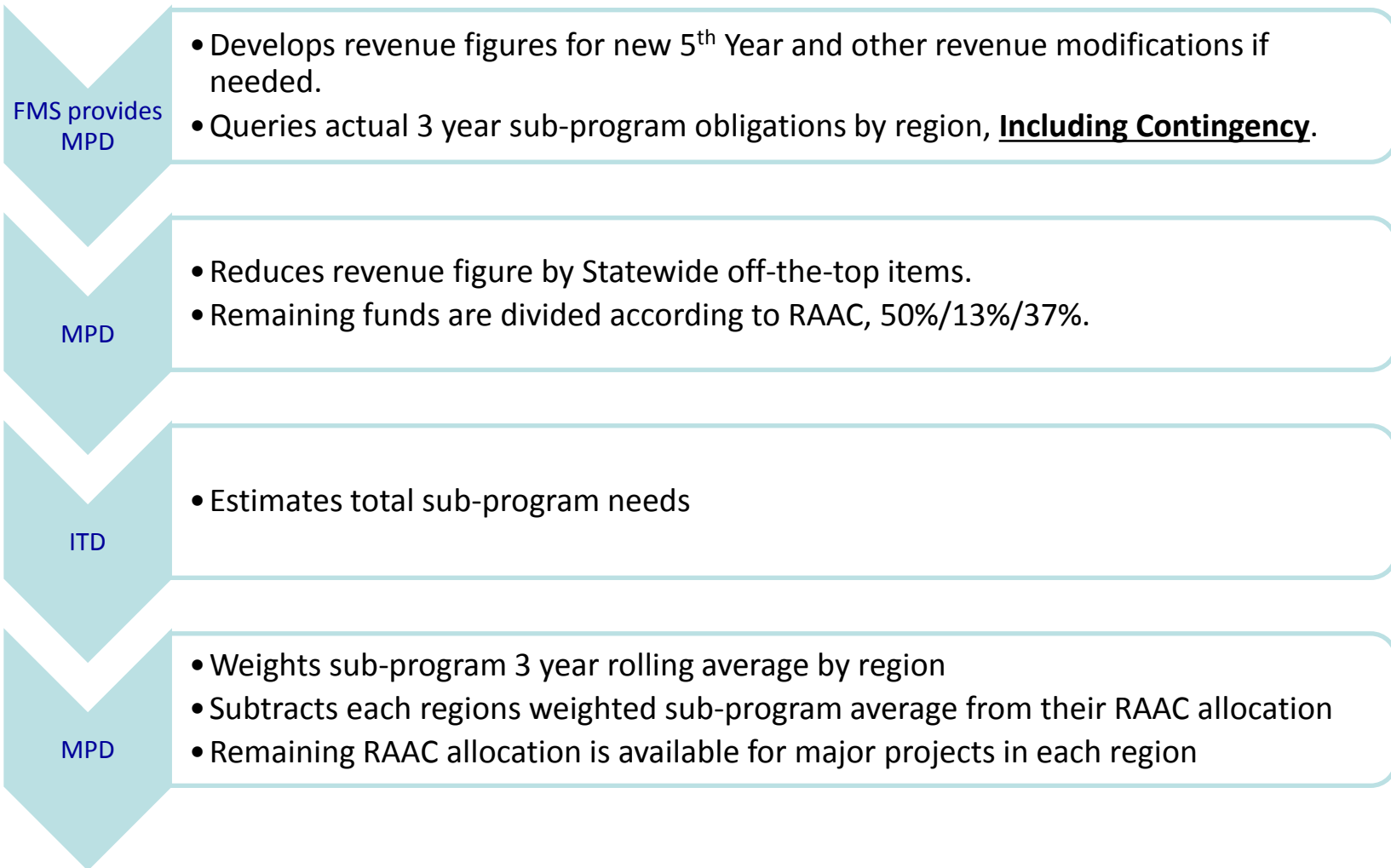
# 5 Year Program Development: Resource Allocation



- Casa Grande Resolves (May 1999)
- Regional Allocation of Available Funding
  - Off-the-top (per Resource Allocation Advisory Committee, 1999)
    - Ports
    - Rest Areas
  - MAG Region: 37%
  - PAG Region: 13%
  - Greater Arizona: 50%



# Resource Allocation Process, aka. RAAC



# Tentative Program Funding



	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Sources:</b>						
<b>Beginning Balance:</b>	<b>5.0</b>					<b>5.0</b>
<b><i>SHF Discretionary</i></b>	168.8	196.2	205.1	211.8	218.9	1,000.9
Debt Service	(105.3)	(105.8)	(111.2)	(117.1)	(116.6)	(556.0)
Operating Cash Requirements	-	-	-	-	-	-
HURF Swap	(25.2)	(25.2)	(17.0)	(17.0)	(17.0)	(101.4)
<b><i>Net SHF</i></b>	<b>38.3</b>	<b>65.2</b>	<b>76.9</b>	<b>77.7</b>	<b>85.3</b>	<b>343.5</b>
<b><i>Federal Aid</i></b>	574.4	594.9	609.8	609.8	609.8	2,998.8
FastLane Grant	54.0	-	-	-	-	54.0
August Redistribution	35.0	35.0	35.0	35.0	35.0	175.0
Final Vouchers	25.0	20.0	20.0	20.0	20.0	105.0
Advanced Construction	(61.5)	104.0	(31.8)	21.1	(111.9)	(80.0)
Loans and Agreements	0.2	(0.3)	-	-	-	(0.2)
HURF Swap	27.7	27.7	18.7	18.7	18.7	111.5
<b><i>Total Federal Aid</i></b>	<b>654.8</b>	<b>781.3</b>	<b>651.8</b>	<b>704.6</b>	<b>571.7</b>	<b>3,364.1</b>
GAN Debt Service	(18.7)	(18.7)	(18.7)	(17.9)	(17.9)	(91.9)
<b><i>Net Federal Aid</i></b>	<b>636.1</b>	<b>762.6</b>	<b>633.1</b>	<b>686.7</b>	<b>553.8</b>	<b>3,272.2</b>
<b><i>Financing Mechanisms</i></b>	64.0	(11.0)	63.5	53.0	233.5	403.0
<b><i>State and Federal Aid Available</i></b>	743.4	816.8	773.5	817.4	872.6	4,023.7
General Fund Appropriation	30.0	25.0	-	-	-	55.0
Inflation Adjustment	(16.5)	(34.6)	(52.6)	(71.6)	(90.8)	(266.2)
<b>Total Sources:</b>	<b>756.8</b>	<b>807.1</b>	<b>720.9</b>	<b>745.8</b>	<b>781.7</b>	<b>3,812.4</b>

Dollars in Millions



# Tentative Program Funding:

## FY2018-2022

	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Uses:</b>						
<b>5 Year Construction Program</b>						
Statewide Program	445.9	453.8	412.8	478.8	775.0	2,566.3
PAG Program	41.0	53.9	83.9	48.4	-	227.2
MAG/RTP major projects	180.5	177.4	162.0	151.1	-	671.0
	667.4	685.1	658.7	678.3	775.0	3,464.5
Modifications to FY17-21 Program	84.0	85.0	80.0	75.0	-	324.0
<b>Total Uses:</b>	<b>751.4</b>	<b>770.1</b>	<b>738.7</b>	<b>753.3</b>	<b>775.0</b>	<b>3,788.5</b>
<b>Ending Balance:</b>					<b>23.9</b>	<b>23.9</b>

Dollars in Millions

# Assumptions and Risks

- Legislative Actions: State Budget shortfalls
  - Executive budget holds HURF & SHF harmless
  - Legislative proposal not yet known
  - Extension beyond FY2018 of Special Distributions (\$30M) to cities and counties
  - Fund Transfers and diversions
- New administration & Congressional Actions (or inaction)  
**expires in 2020**
- Economic conditions
  - 5-7 year recessionary cycle
  - Inflation and Federal Reserve actions



# Questions