

# Arizona State Transportation Board

January 30th, 2018

## FY2019 – FY2023 Tentative Highway Construction Program

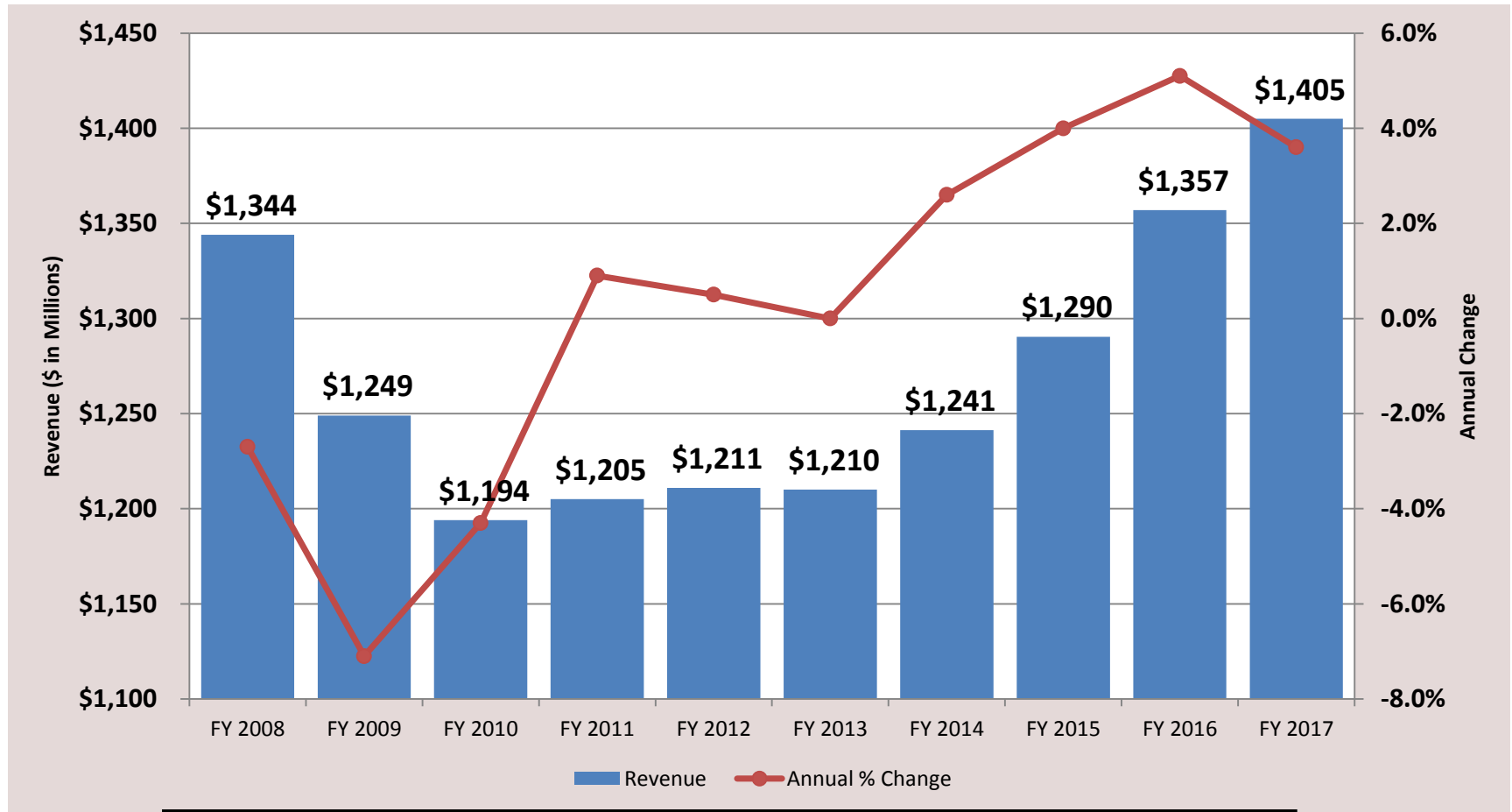
### Financial Plan

Prepared by: Kristine Ward, CFO

# Highway User Revenue Fund (HURF)

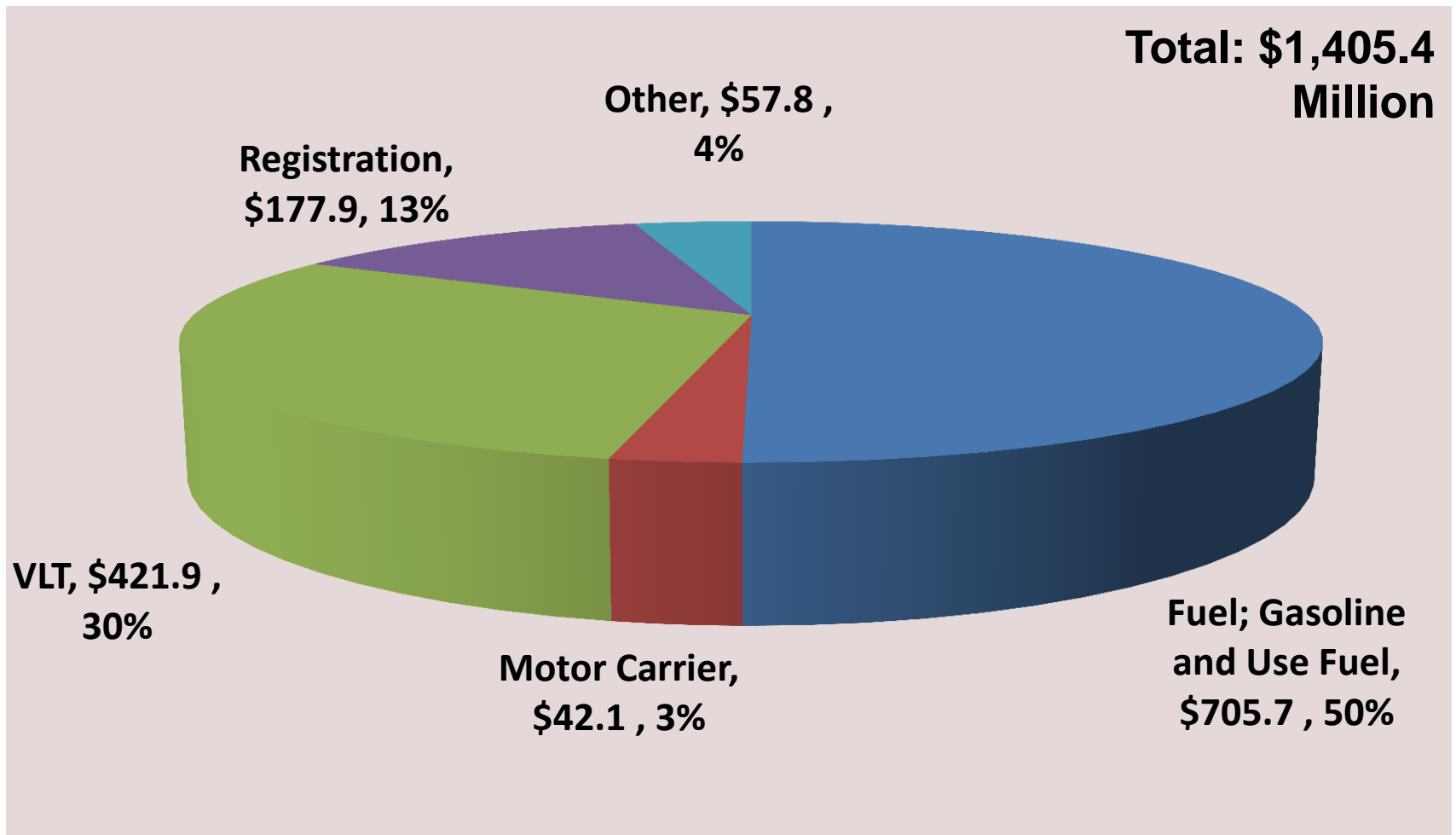


# Highway User Revenue Fund (HURF): FY2017 Revenues



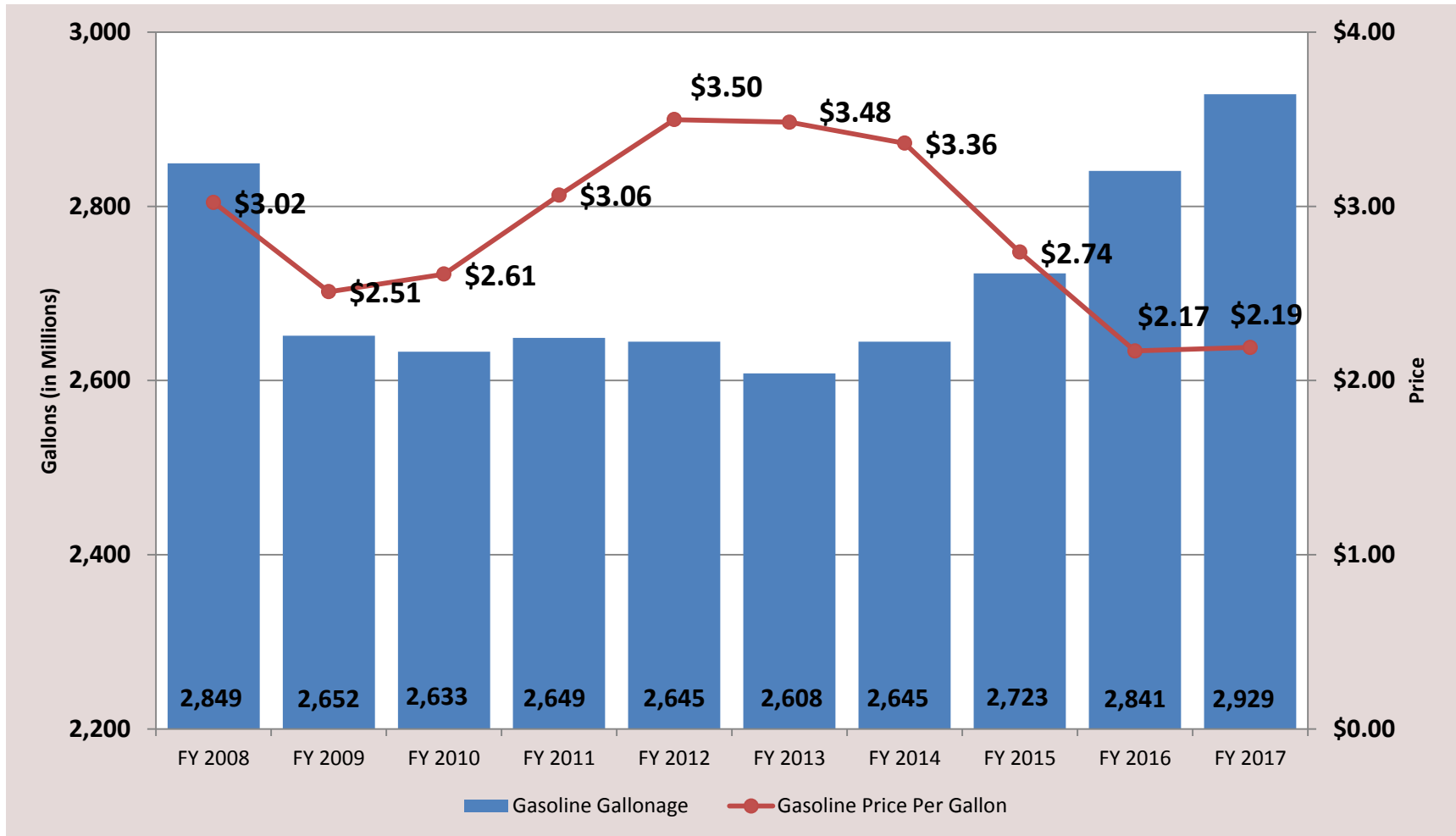
	FY 2016 Actual	FY 2017 Actual	Change	FY 2017 Estimate	Change
<b>Total</b>	<b>\$ 1,356,752</b>	<b>\$ 1,405,448</b>	<b>3.6%</b>	<b>\$ 1,415,600</b>	<b>-0.7%</b>

# Highway User Revenue Fund (HURF): FY2017 Sources

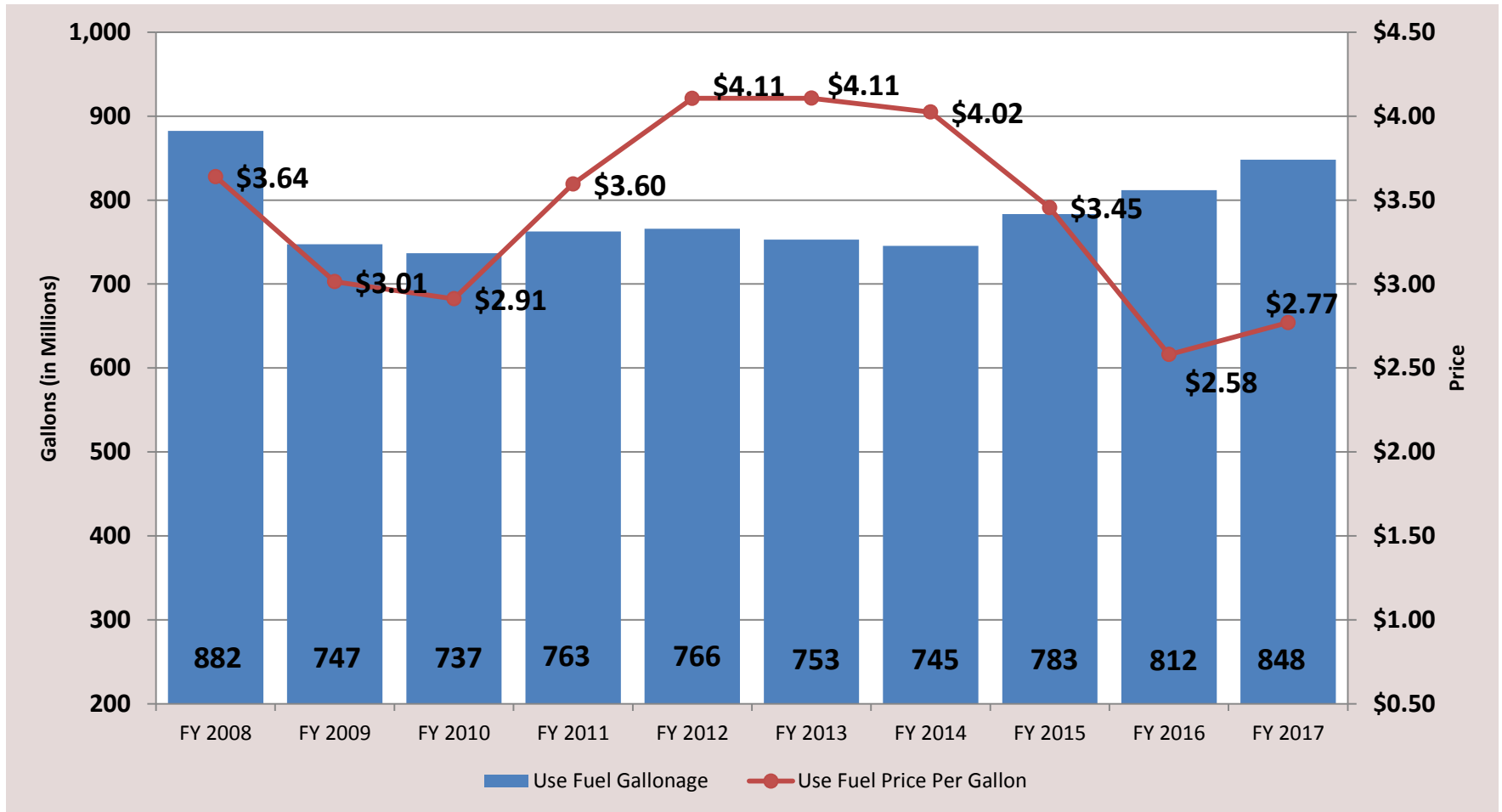


Revenue in millions

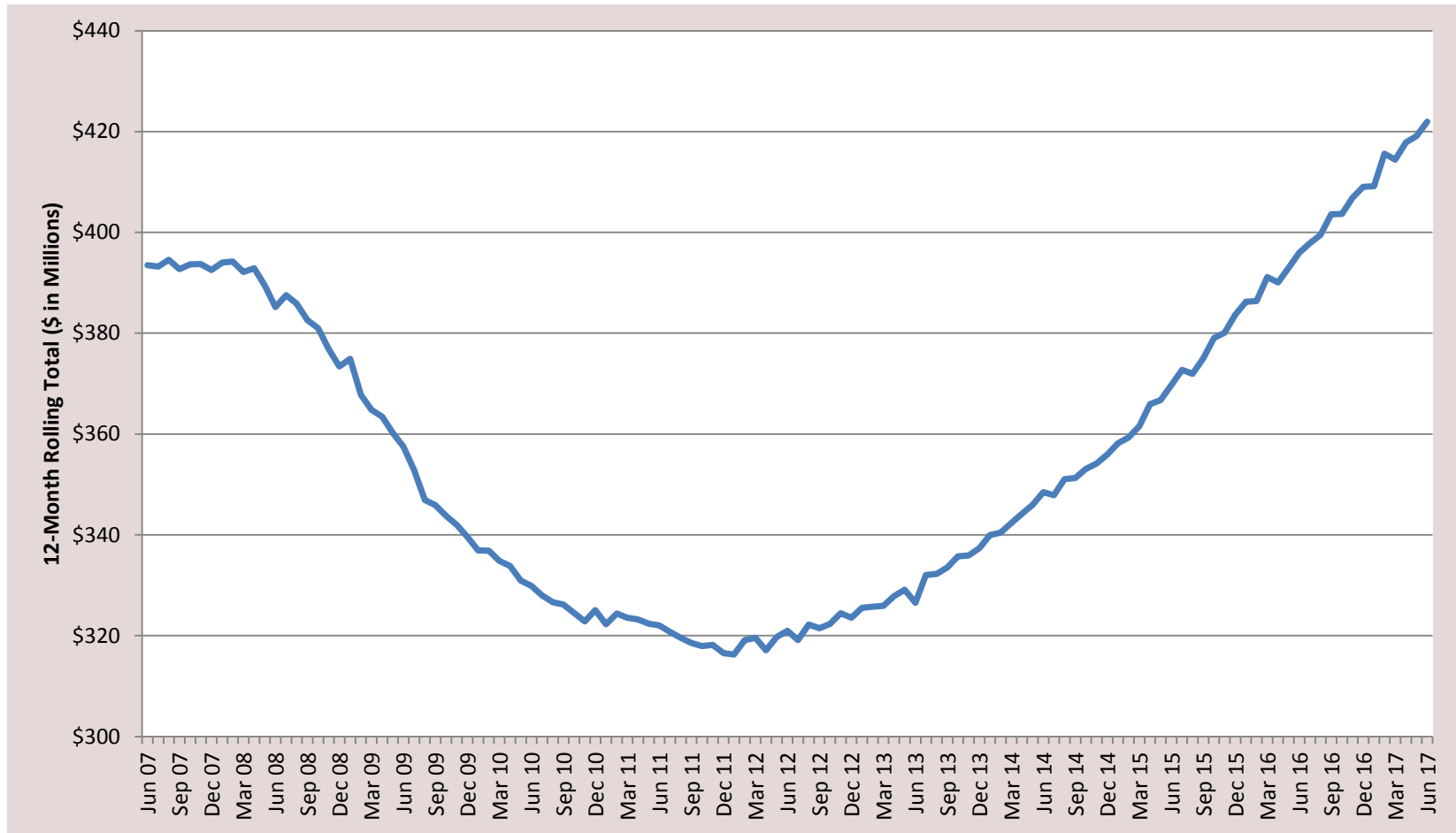
# Highway User Revenue Fund (HURF): Gasoline Gallons Sold and Price Per Gallon



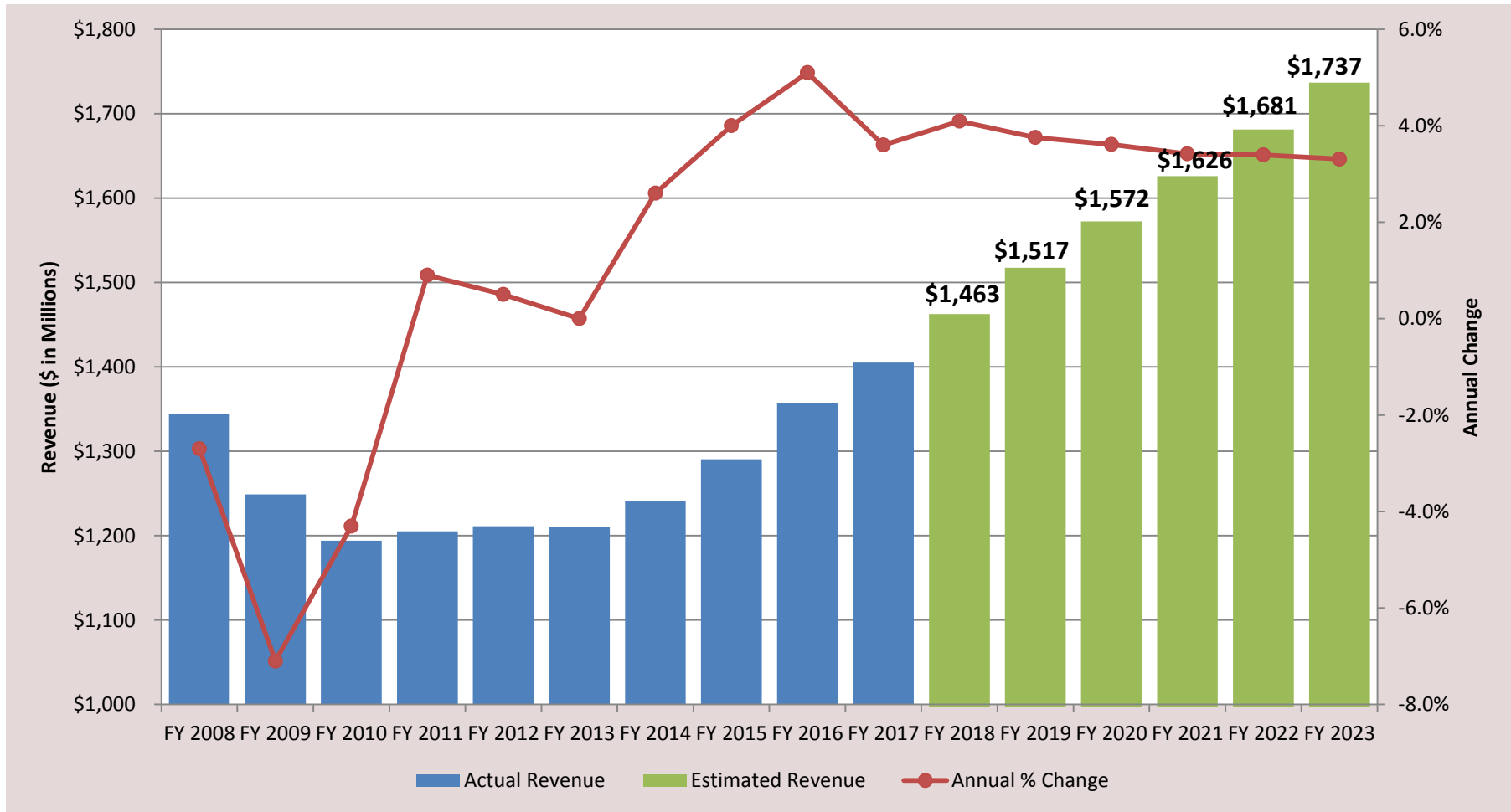
# Highway User Revenue Fund (HURF): Use Fuel Gallons Consumed and Price Per Gallon



# 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): 2017 Revenue Forecast

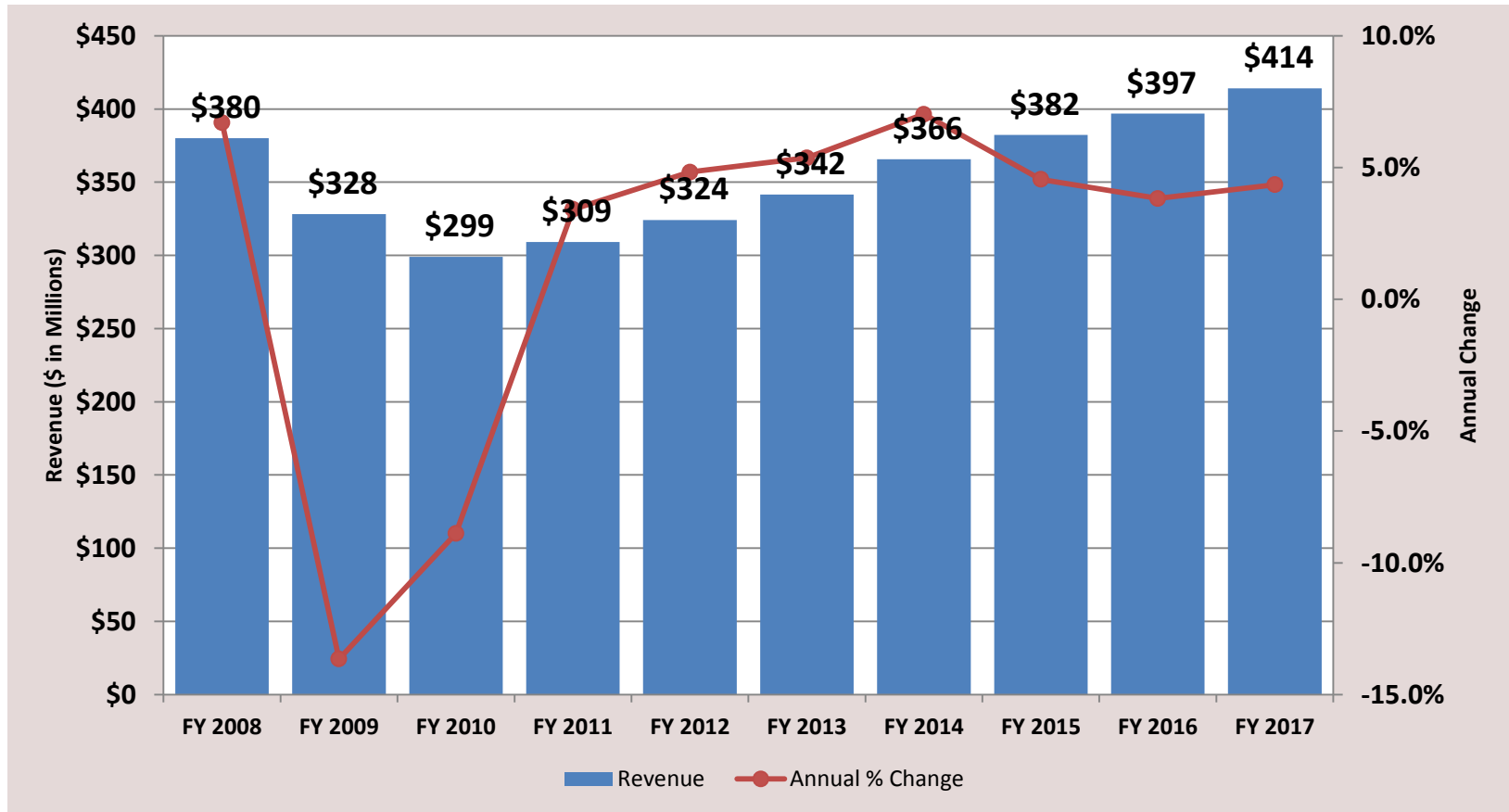
## FY 2018-2023 Comparative Forecast (Dollars in Millions)

<b>Fiscal Year</b>	<b>Sep. 16 Official Forecast</b>	<b>Sep. 17 Official Forecast</b>	<b><u>Difference</u></b>
<b>2018</b>	\$1,487.9	\$1,462.5	(\$25.4)
<b>2019</b>	1,544.5	1,517.4	(27.1)
<b>2020</b>	1,599.5	1,572.2	(27.3)
<b>2021</b>	1,652.2	1,625.9	(26.4)
<b>2022</b>	1,705.2	1,681.1	(24.1)
<b>2023</b>	<u>1,760.2</u>	<u>1,736.7</u>	<u>(23.5)</u>
<b>Total</b>	<b>\$9,749.4</b>	<b>\$9,595.8</b>	<b>(\$153.7)</b>
<b>Ave. CGR</b>	<b>3.4%</b>	<b>3.5%</b>	

# Regional Area Road Fund (RARF)

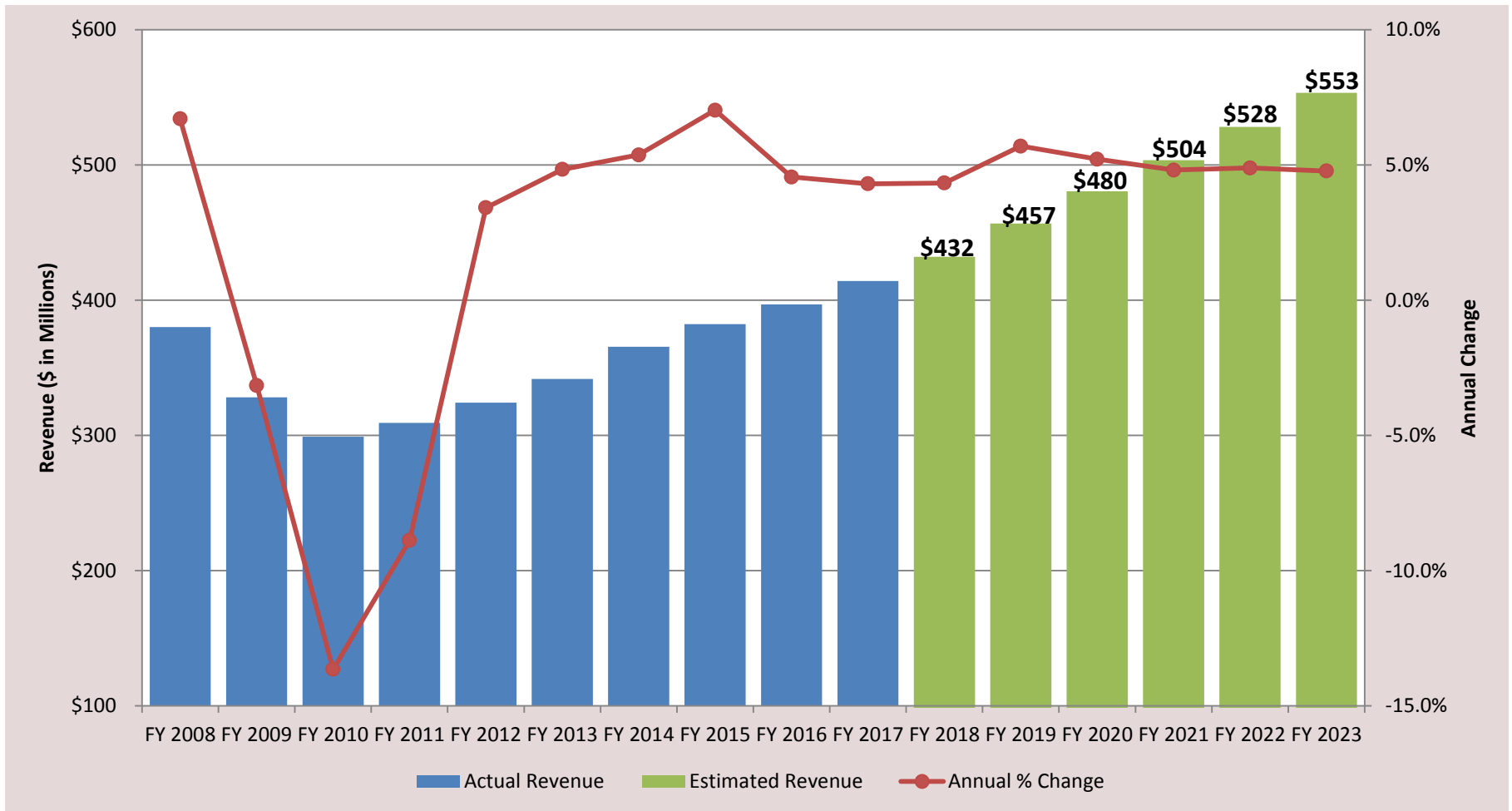


# Regional Area Road Fund (RARF): FY2017 Revenues



	FY 2016 Actual	FY 2017 Actual	Change	FY 2017 Estimate	Change
<b>Total</b>	\$ 396,810	\$ 414,071	4.3%	\$ 411,400	0.6%

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



# Regional Area Road Fund (RARF): 2017 Revenue Forecast

FY 2018-2026 Comparative Forecast (Dollars in Millions)			
<u>Fiscal Year</u>	<u>Sep. 16 Official Forecast</u>	<u>Sep. 17 Official Forecast</u>	<u>Difference</u>
2018	436.3	432.0	(4.3)
2019	461.1	456.6	(4.5)
2020	486.9	480.4	(6.5)
2021	512.5	503.5	(9.0)
2022	537.9	528.1	(9.8)
2023	562.8	553.3	(9.5)
2024	589.1	577.4	(11.7)
2025	613.8	602.6	(11.2)
2026/1	<u>374.9</u>	<u>366.7</u>	<u>(8.2)</u>
<b>Total</b>	<b>\$4,575.3</b>	<b>\$4,500.6</b>	<b>(\$74.7)</b>
<b>Average CGR</b>	<b>5.0%</b>	<b>4.8%</b>	

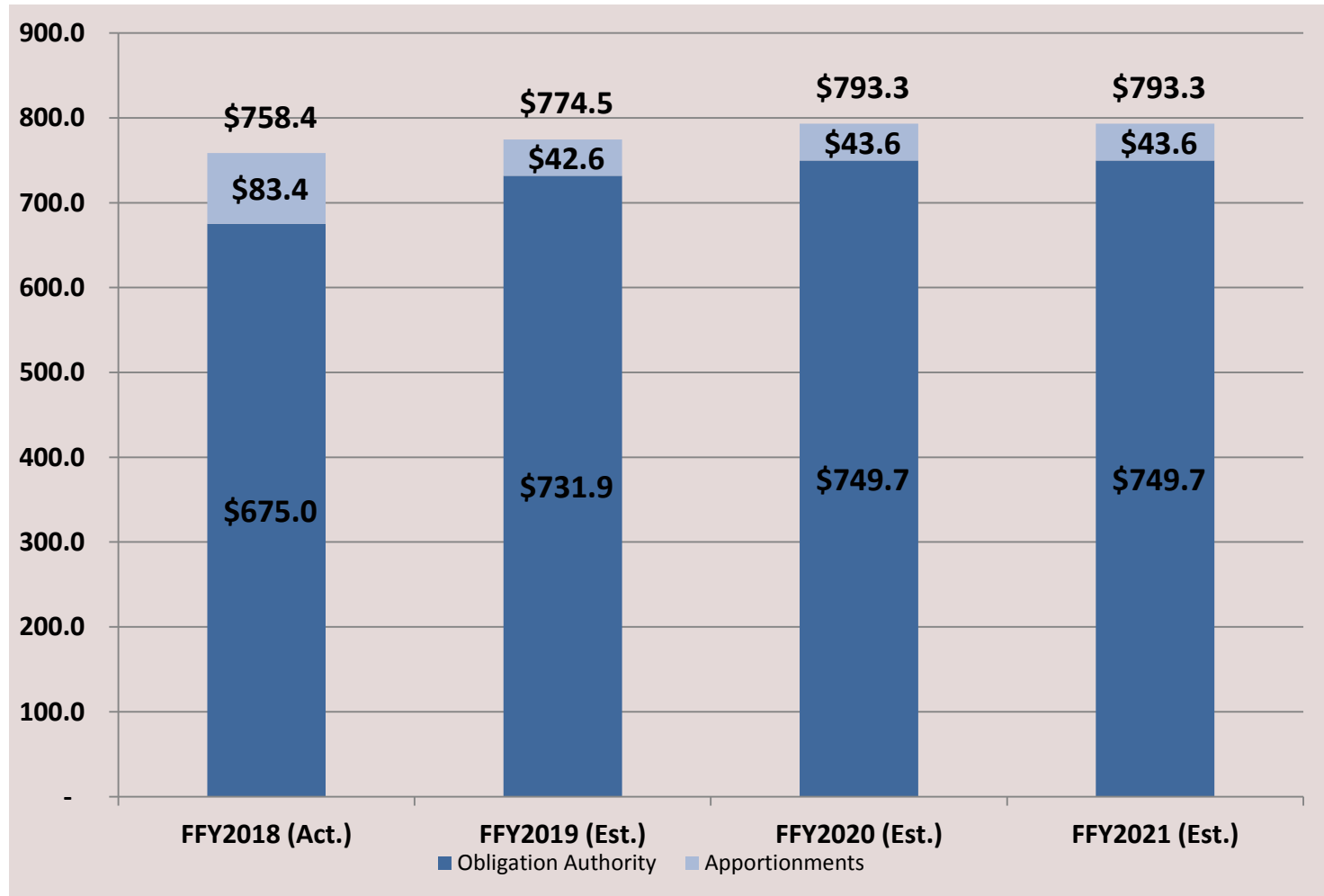
Note: /1 FY 2026 forecast reflects the expiration of the transportation excise tax extension on December 31, 2025

# Federal Funding



# FAST ACT Formula Funds:

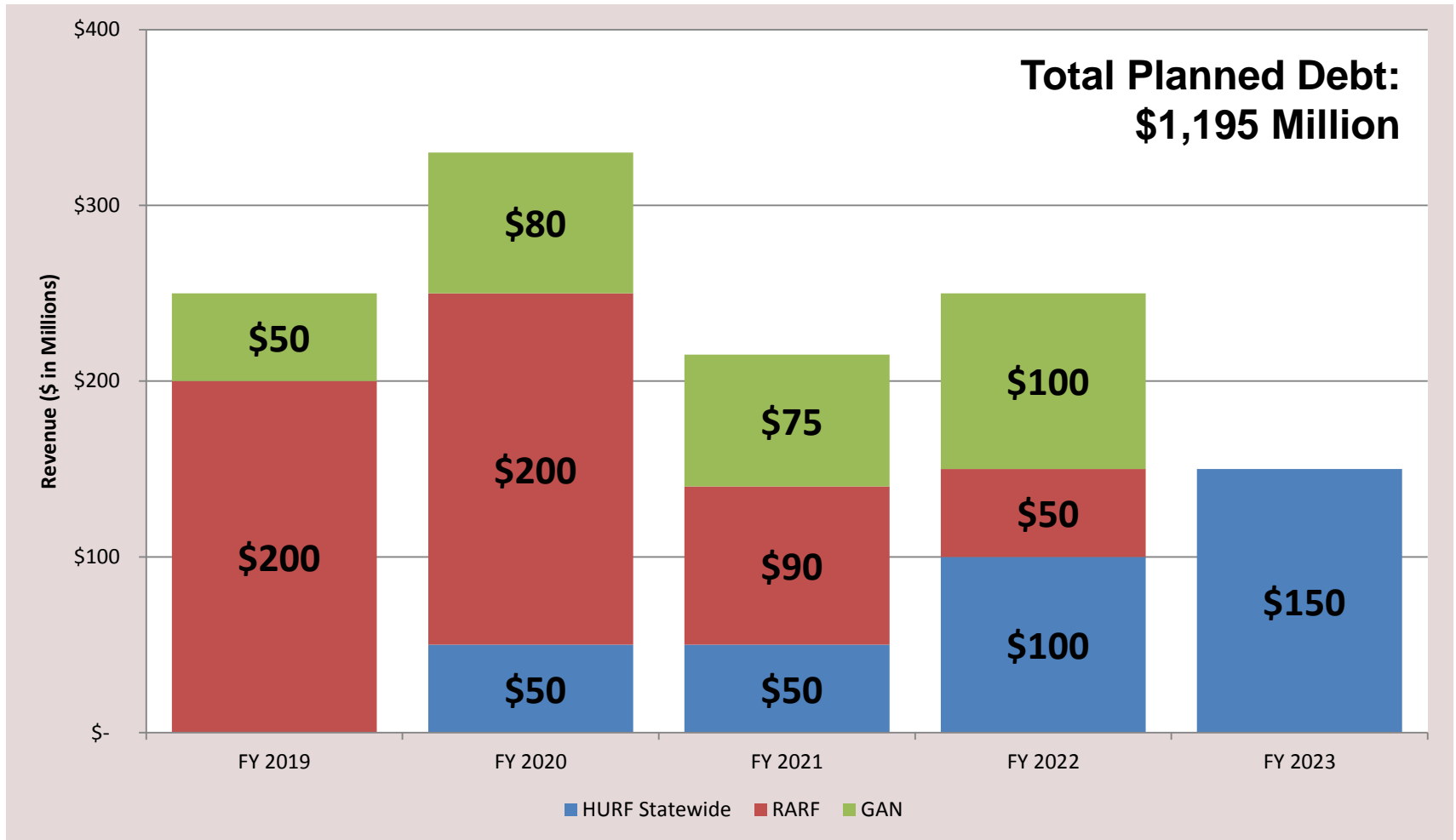
## Apportionments & Obligation Authority (OA) Estimates



# Financing Mechanisms



# Total Planned Debt: FY2019 – FY2023



**FY2019 – FY2023**  
**Five-Year Transportation Facilities**  
**Construction Program**

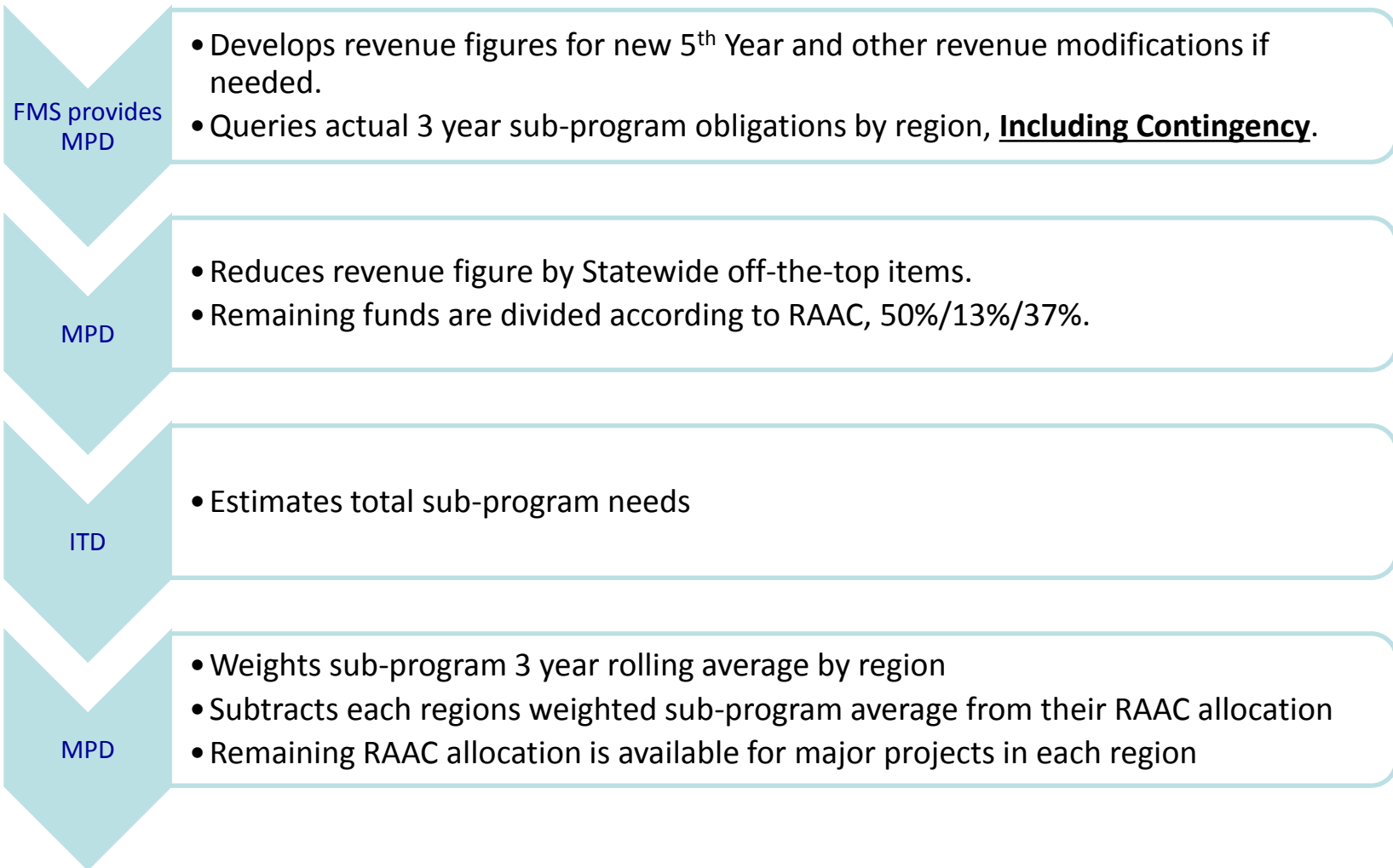
# 5 Year Program Development: Resource Allocation



- 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

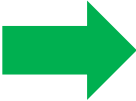


# Tentative Program Funding

	FY2019	FY2020	FY2021	FY2022	FY2023	Total
<b>Sources:</b>						
<b>Beginning Balance:</b>	14.0					
<b>SHF Discretionary</b>	210.0	213.8	206.8	215.2	211.0	1,056.8
Debt Service	(144.2)	(144.2)	(144.2)	(144.2)	(142.5)	(719.3)
Operating Cash Requirements	(10.0)	(10.0)	(10.0)	(10.0)	-	(40.0)
HURF Swap	(15.3)	(15.3)	(15.3)	(15.3)	(15.3)	(76.5)
<b>Net SHF</b>	40.5	44.3	37.3	45.7	53.2	221.0
<b>Federal Aid</b>	592.5	606.1	606.1	606.1	606.1	3,016.7
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	54.9	(27.0)	18.9	8.4	(26.9)	28.3
Loans and Agreements	(0.6)	-	-	-	-	(0.6)
HURF Swap	17.0	17.0	17.0	17.0	17.0	85.0
<b>Total Federal Aid</b>	723.7	651.1	697.0	686.4	651.2	3,409.4
GAN Debt Service	(24.8)	(24.8)	(23.9)	(24.0)	(24.0)	(121.5)
<b>Net Federal Aid</b>	698.9	626.3	673.1	662.4	627.2	3,287.9
<b>Financing Mechanisms</b>	45.6	114.9	99.7	158.7	98.2	517.2
<b>State and Federal Aid Available</b>	799.1	785.5	810.0	866.9	778.6	4,040.1
General Fund Appropriation	25.0	-	-	-	-	25.0
Inflation Adjustment	(14.7)	(29.0)	(43.4)	(58.0)	(72.8)	(217.9)
<b>Total Sources:</b>	<b>809.3</b>	<b>756.6</b>	<b>766.6</b>	<b>808.8</b>	<b>705.8</b>	<b>3,847.2</b>



Dollars in Millions



# Tentative Program Funding:

## FY2019-2023



Uses:	FY2019	FY2020	FY2021	FY2022	FY2023	Total
<b>5 Year Construction Program</b>						
Statewide Program	525.8	438.7	449.4	455.9	750.0	2,619.8
PAG Program	59.2	88.3	79.4	81.2	-	308.1
MAG/RTP major projects	207.0	213.6	226.5	239.7	-	886.8
	792.0	740.6	755.3	776.8	750.0	3,814.7
Modifications to FY17-21 Program	-	-	-	-	-	-
<b>Total Uses:</b>	<b>792.0</b>	<b>740.6</b>	<b>755.3</b>	<b>776.8</b>	<b>750.0</b>	<b>3,814.7</b>
<b>Ending Balance:</b>					<b>32.5</b>	<b>32.5</b>

Dollars in Millions

# Assumptions and Risks

- Legislative Actions: State Budget shortfalls
  - Executive budget holds HURF & SHF harmless
  - Legislative proposal not yet known
  - Fund Transfers and diversions
  - Special Distributions
- New administration & Congressional Actions (or inaction) – **FAST**  
**expires in 2020**
- Economic conditions
  - 5-7 year recessionary cycle
  - Inflation and Federal Reserve actions
  - South Mountain



# Questions