

# Arizona State Transportation Board

## Financial Report

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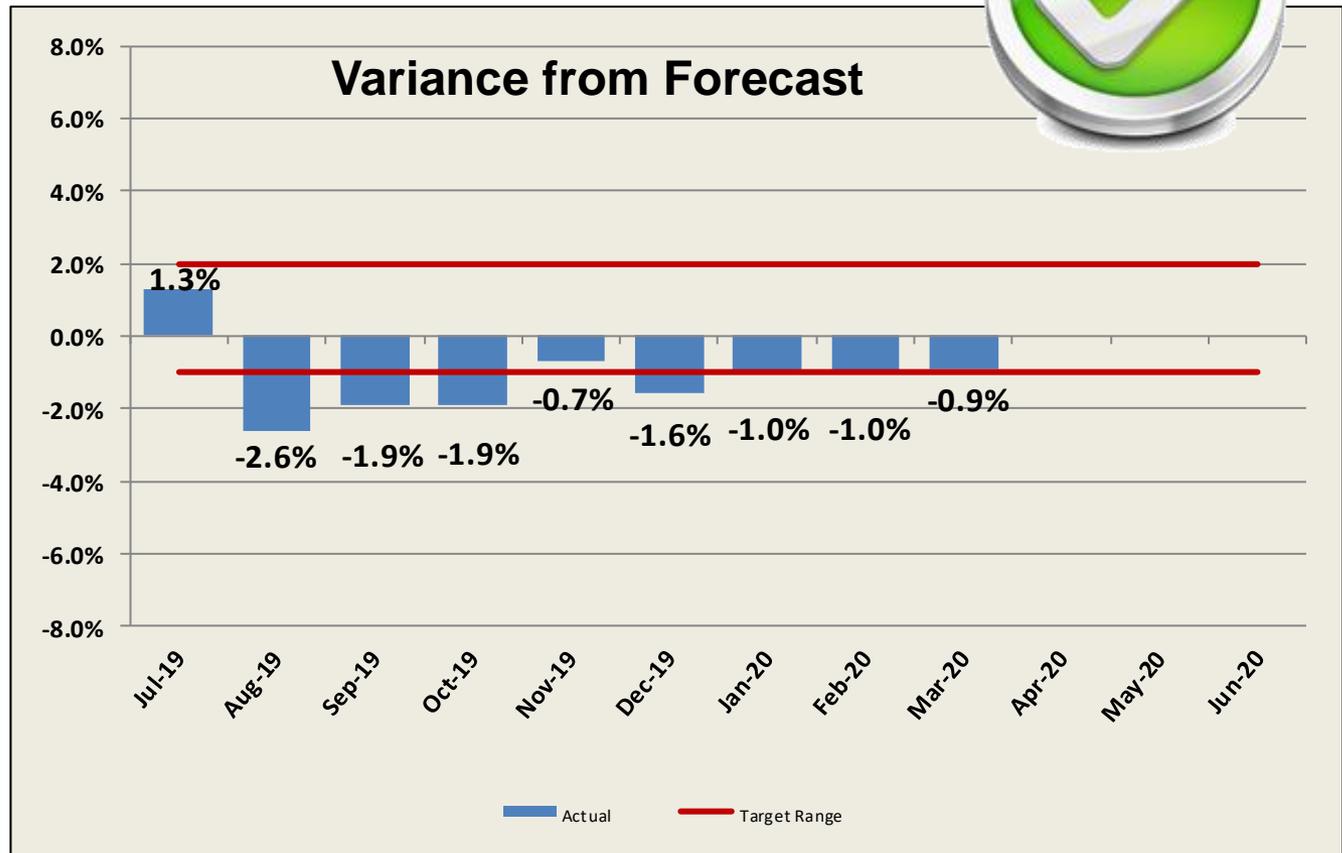
April 17, 2020

# Revenue Report:

## Highway User Revenue Fund (HURF)



- **Gas tax** – Strong growth month (7.6%), moderate growth FY20 (3.6%)
- **Diesel tax** – Moderate growth month (4.5%), moderate growth FY20 (2.1%)
- **VLT** – Strong growth month (12.0%), moderate growth FY20 (5.4%)

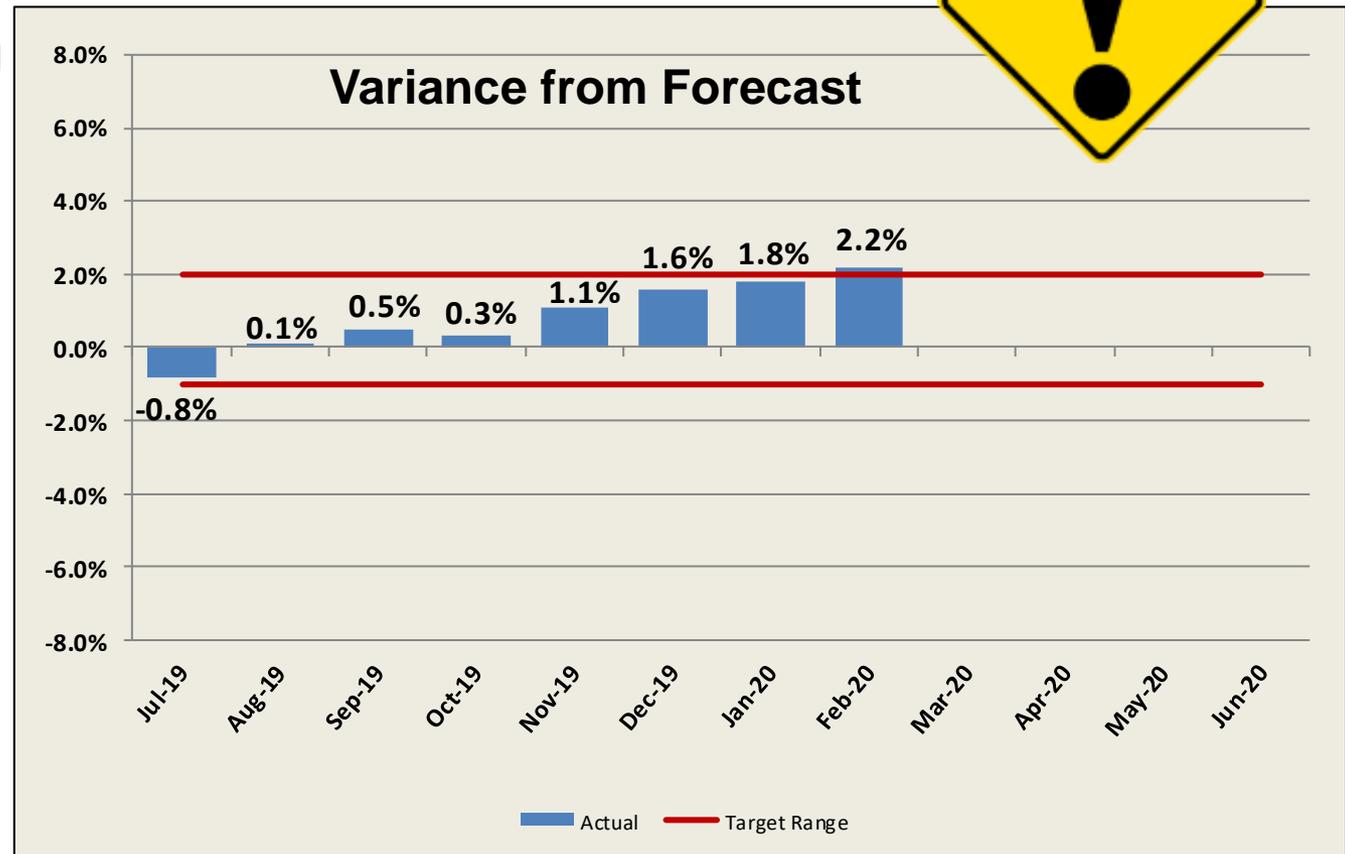


# Revenue Report:

## Regional Area Road Fund (RARF)



- **Retail sales** - Strong growth YTD (9.5%)
- **Contracting** – Strong growth YTD (18.0%)
- **Restaurant & Bar** – Moderate growth YTD (7.1%)



# Additional Updates

- **Federal Aid Program**



- **Debt Financing Program**

- HURF Capacity
- RARF Capacity

- **Cash Management**



# Financial Impacts of COVID on HURF/SHF

- ▶ COVID revenue impacts - -We don't know!
- ▶ Great Recession is not comparable.
- ▶ Recast program years FY2020 - FY2022. Revisit in 2 months.
- ▶ Goal: Preserve SHF revenues to match federal funds
- ▶ Best Estimate, aka. Guess of HURF Revenues:
  - FY2020: 9% decline (Original: \$1,569.4, Revised:\$1,424.7)
  - FY2021: 22% decline (Original: \$1,625.4, Revised: \$1,266.4)
  - FY2022: 12% decline (Original: \$1,678.9, Revised: \$1,471.5)
- ▶ FY2020 – FY2022 Estimated Negative Impact to State Highway Fund \$385M

# Financial Impacts of COVID on Bond Program

- ▶ Municipal Bond market is highly volatile.
- ▶ No demand for bonds. Sell-off occurring as potential investors convert to cash.
- ▶ Rating agencies downgrading State and other municipal issuers ratings or changing to negative outlook.
- ▶ Costs of capital have increased significantly
- ▶ Result: Delay \$155.5M in planned HURF bond issues
  
- ▶ Estimated Total Financial Impacts on SHF & Bond Program impact: **\$540.4M**