

Arizona State Transportation Board

January 26th, 2016

FY2017 – FY2021 Tentative Highway Construction Program

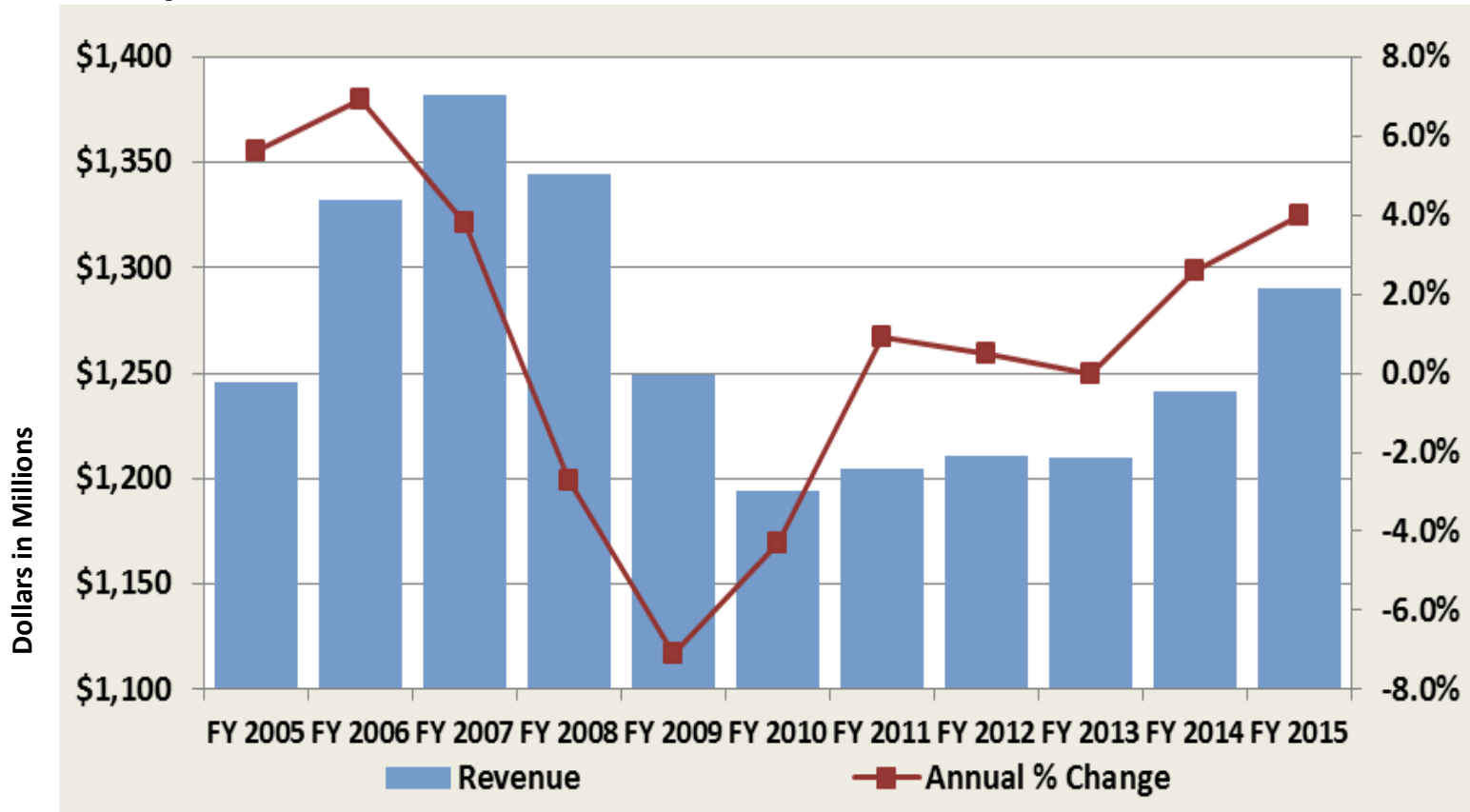
Financial Plan

Prepared by: Kristine Ward, CFO

Highway User Revenue Fund (HURF)

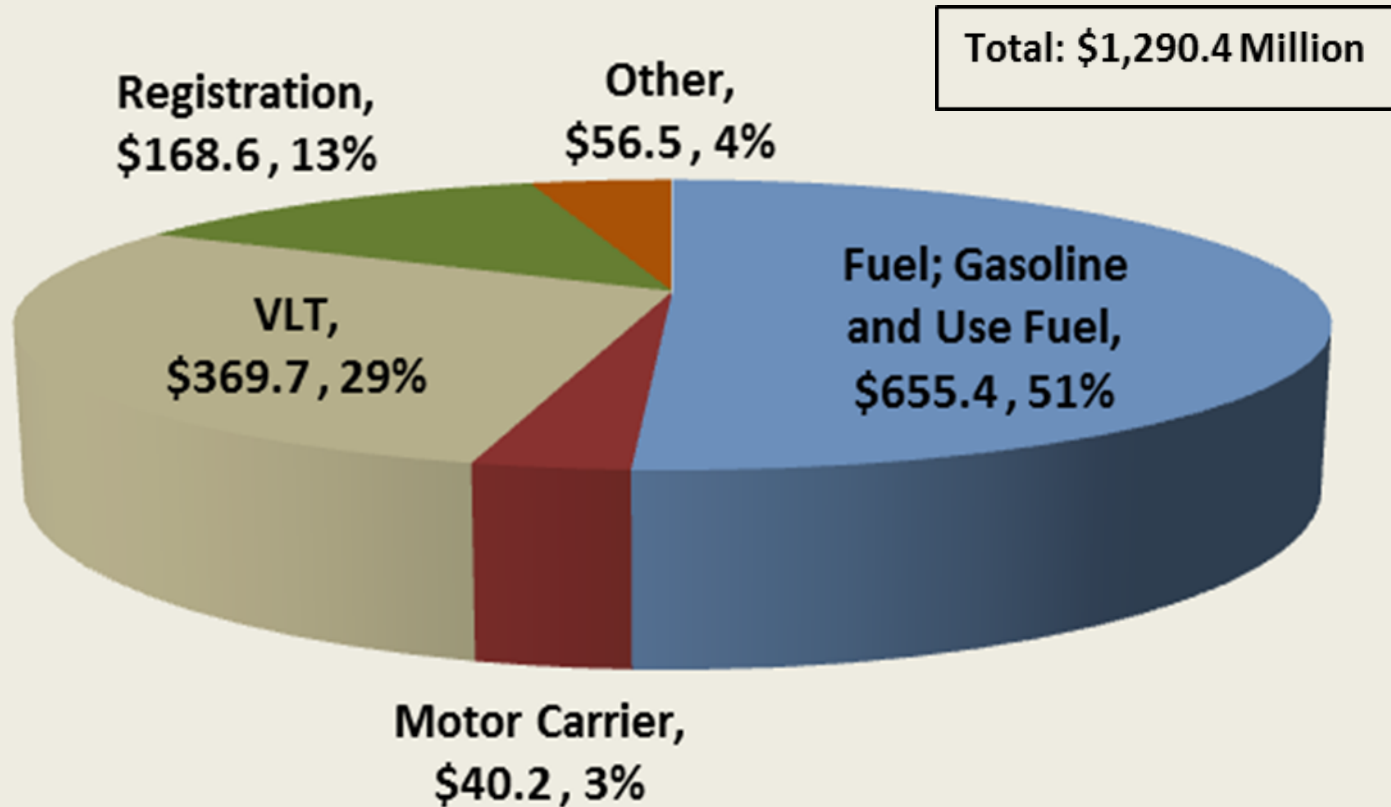


Highway User Revenue Fund (HURF): FY2015 Revenues



	FY 2014 Actual	FY 2015 Actual	Change	FY 2015 Estimate	Change
Total	\$1,241.332	\$1,290.439	4.0%	\$1,270.600	1.6%

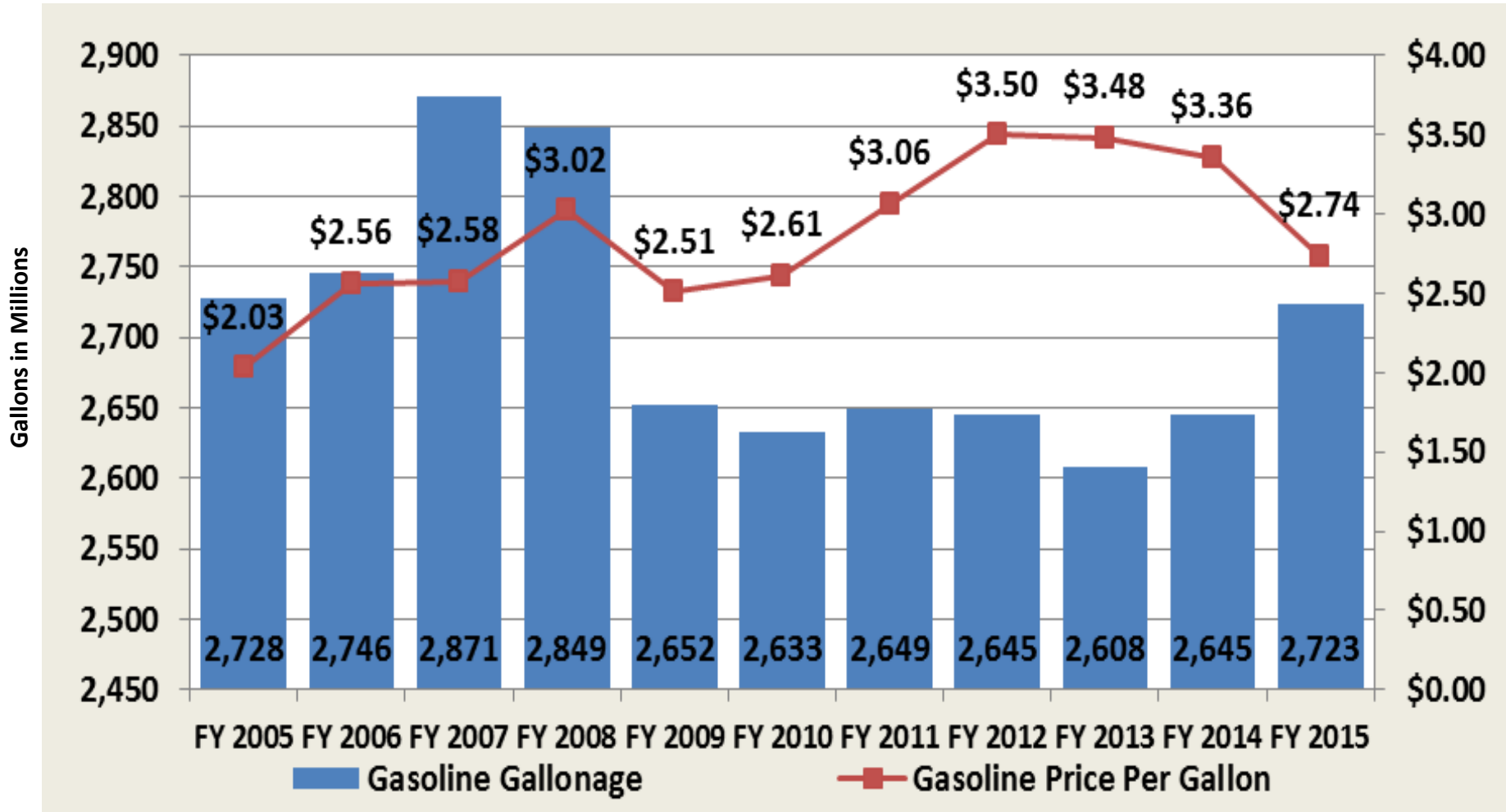
HURF Sources: FY 2015



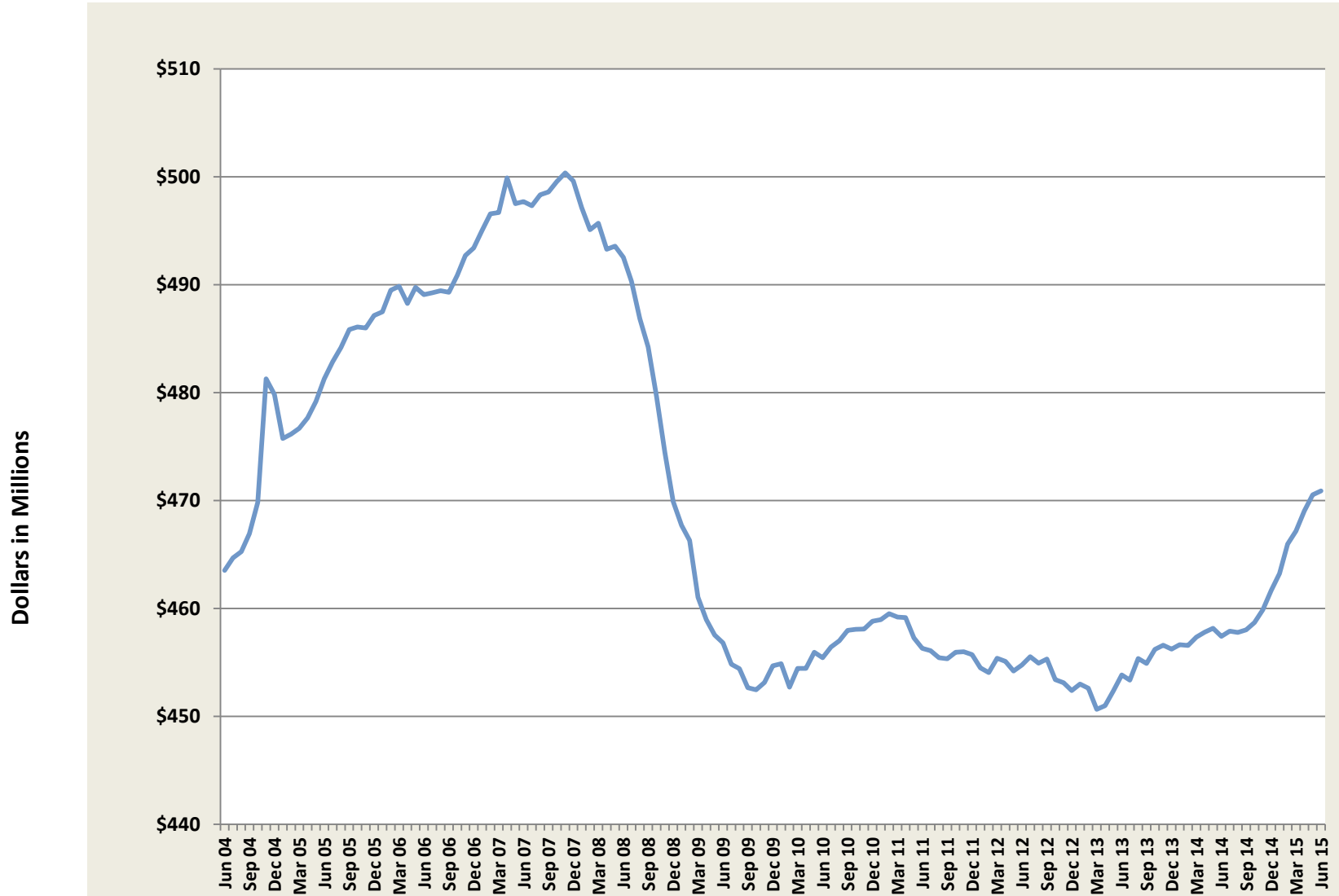
Revenue in millions

HURF:

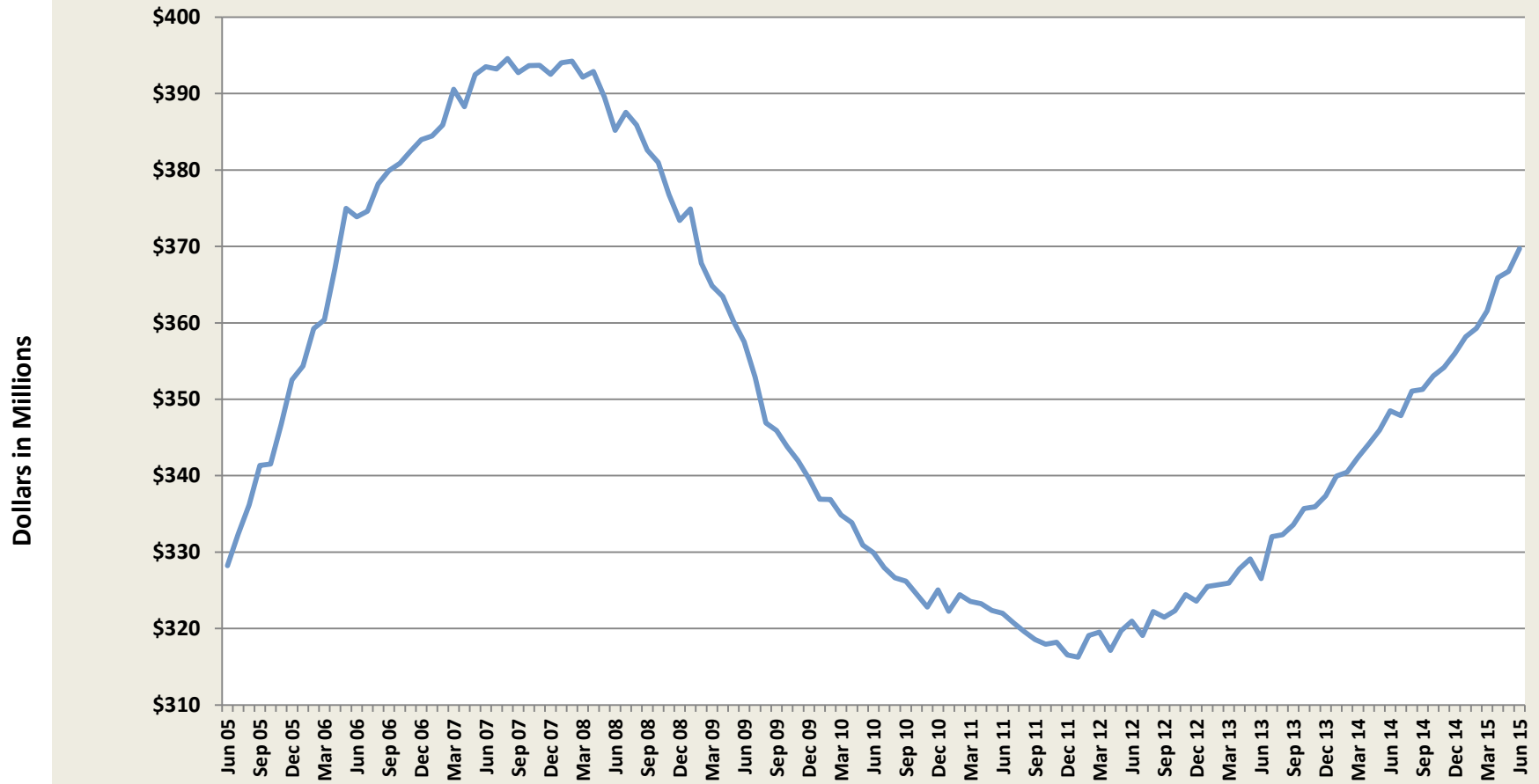
Gasoline Gallons Sold and Price Per Gallon



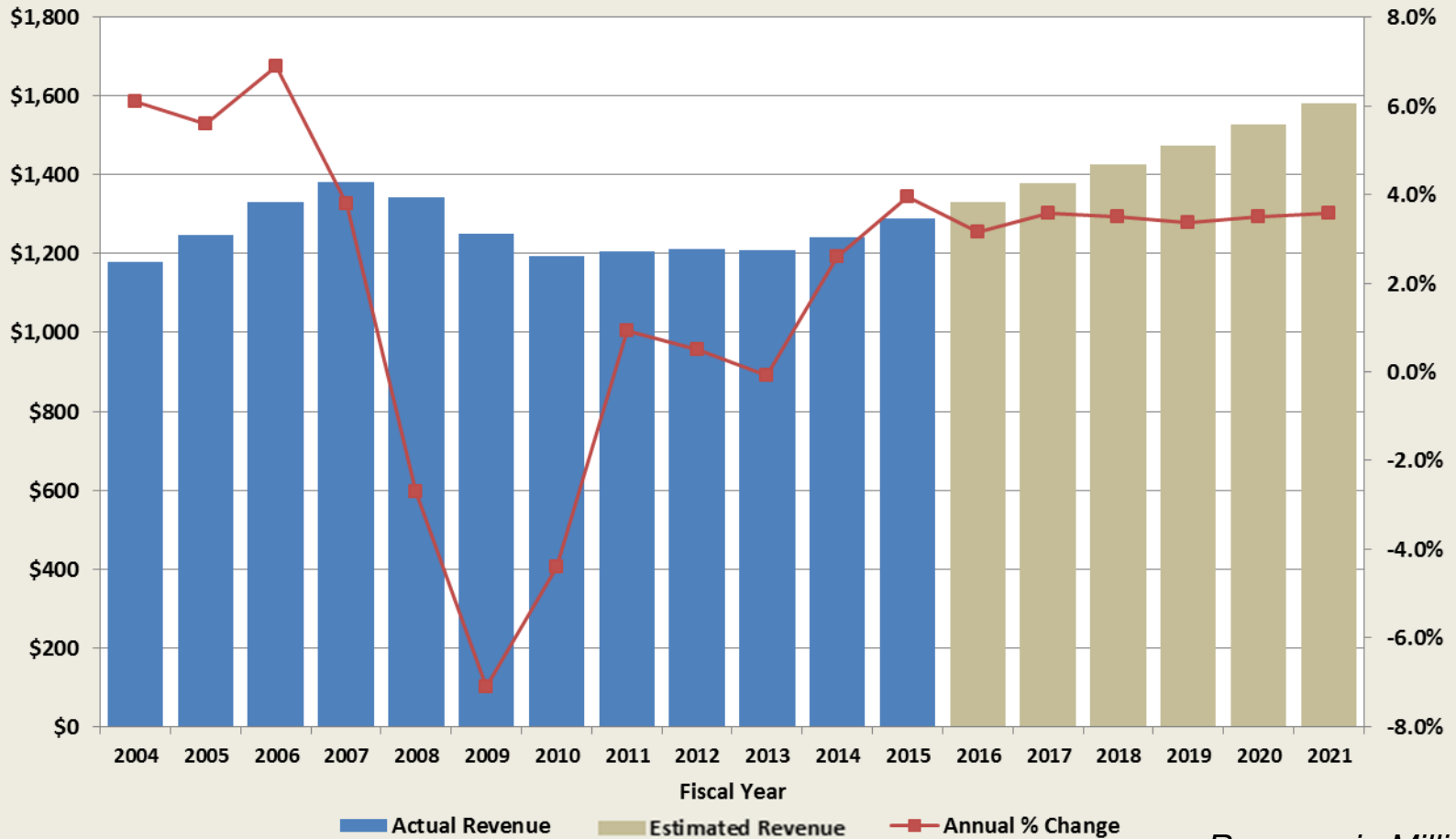
Gas Tax Revenue 12-Month Rolling Total



VLT Revenue 12-Month Rolling Total



HURF Revenue History and HURF Revenue Forecast



Revenue in Millions

HURF:

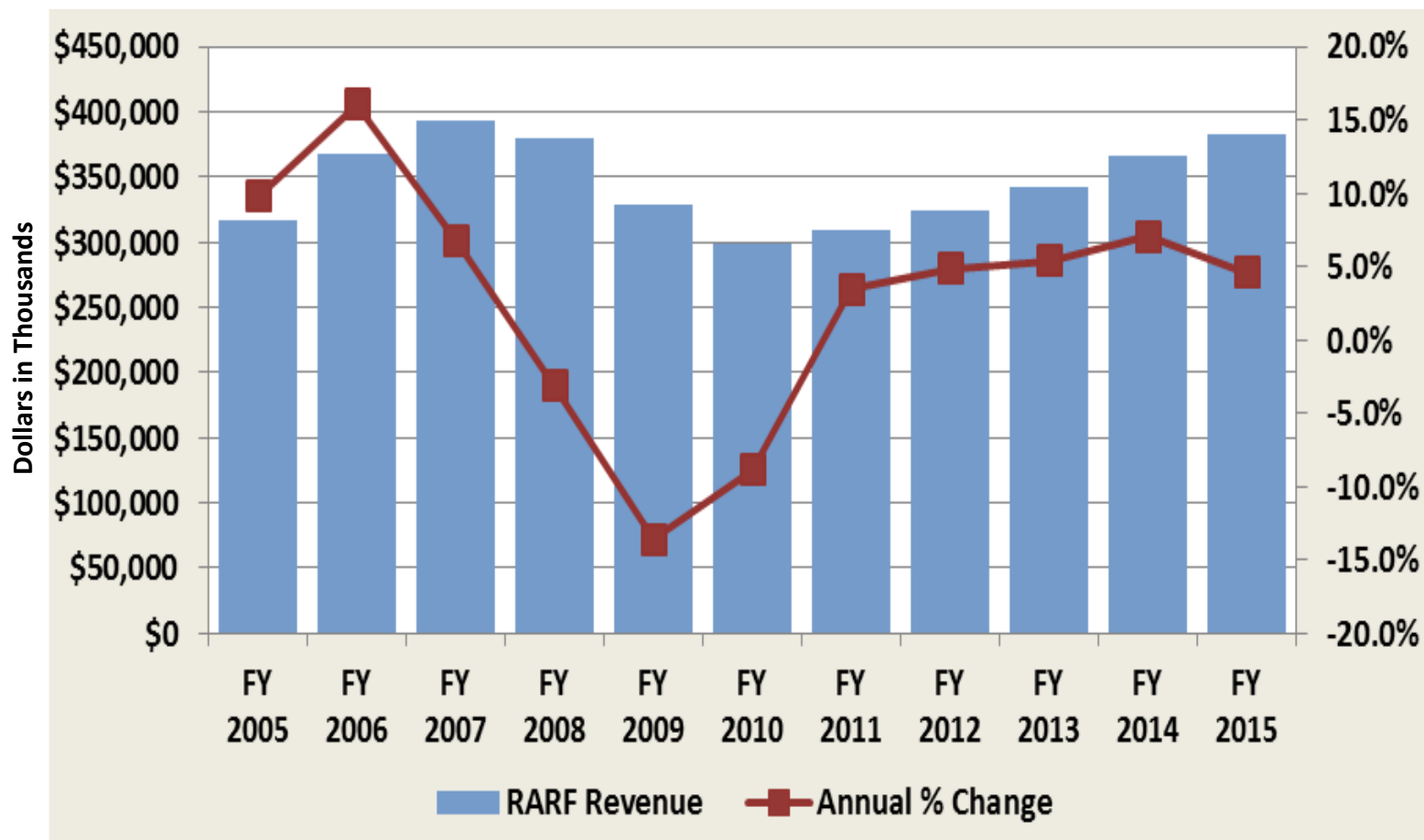
2015 Revenue Forecast

FY 2016-2021 Comparative Forecast (Dollars in Millions)			
Fiscal	Sep. 14	Sep. 15	
<u>Year</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Difference</u>
2016	\$1,316.8	\$1,331.0	\$14.2
2017	1,363.2	1,378.5	15.3
2018	1,411.0	1,426.6	15.6
2019	1,459.4	1,474.7	15.3
2020	1,510.4	1,526.2	15.8
2021	<u>1,557.1</u>	<u>1,580.9</u>	<u>23.8</u>
Total	\$8,617.9	\$8,717.9	\$100.0
Ave. CGR	3.4%	3.5%	

Regional Area Road Fund (RARF)

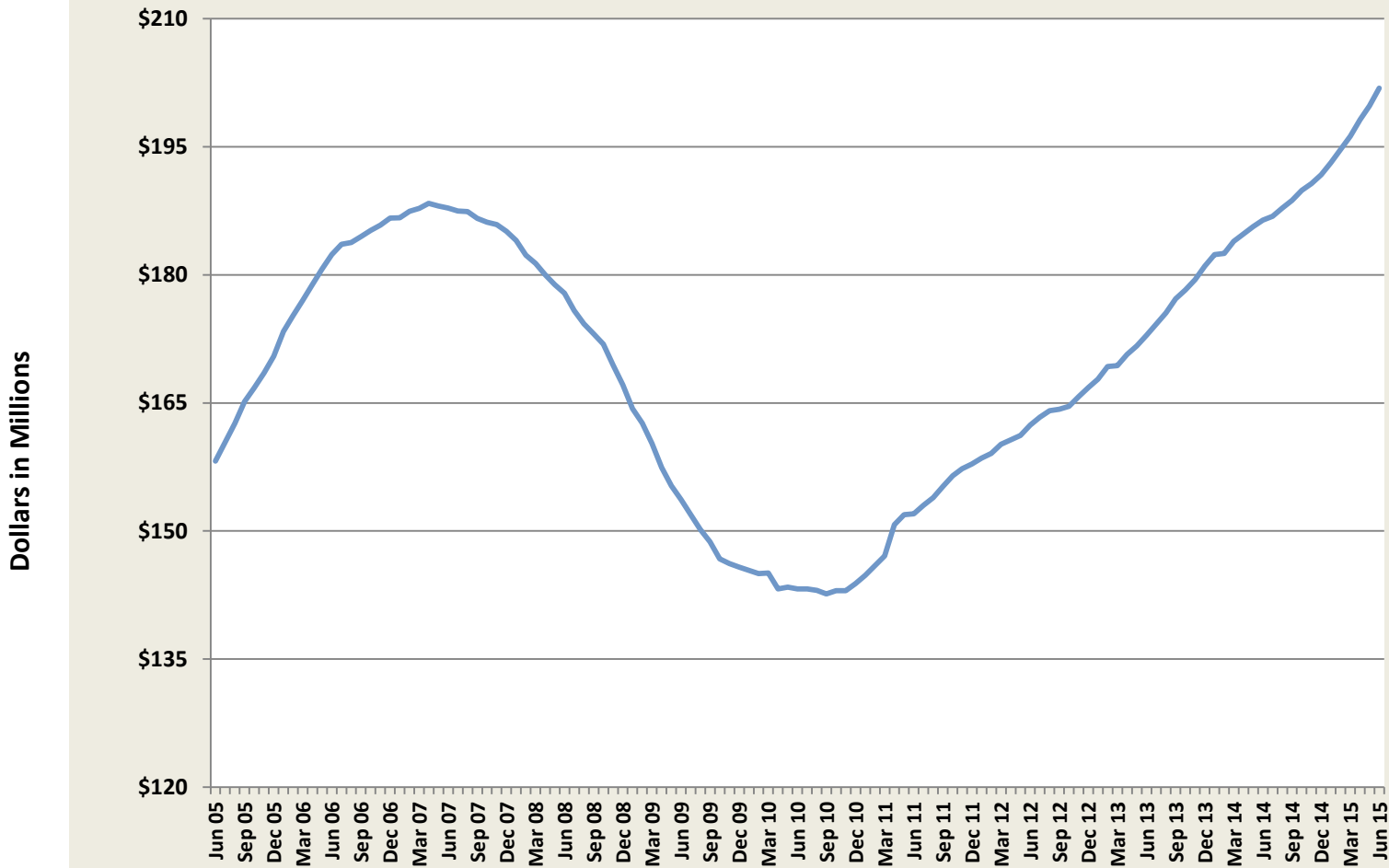


Regional Area Road Fund (RARF): FY2015 Revenues

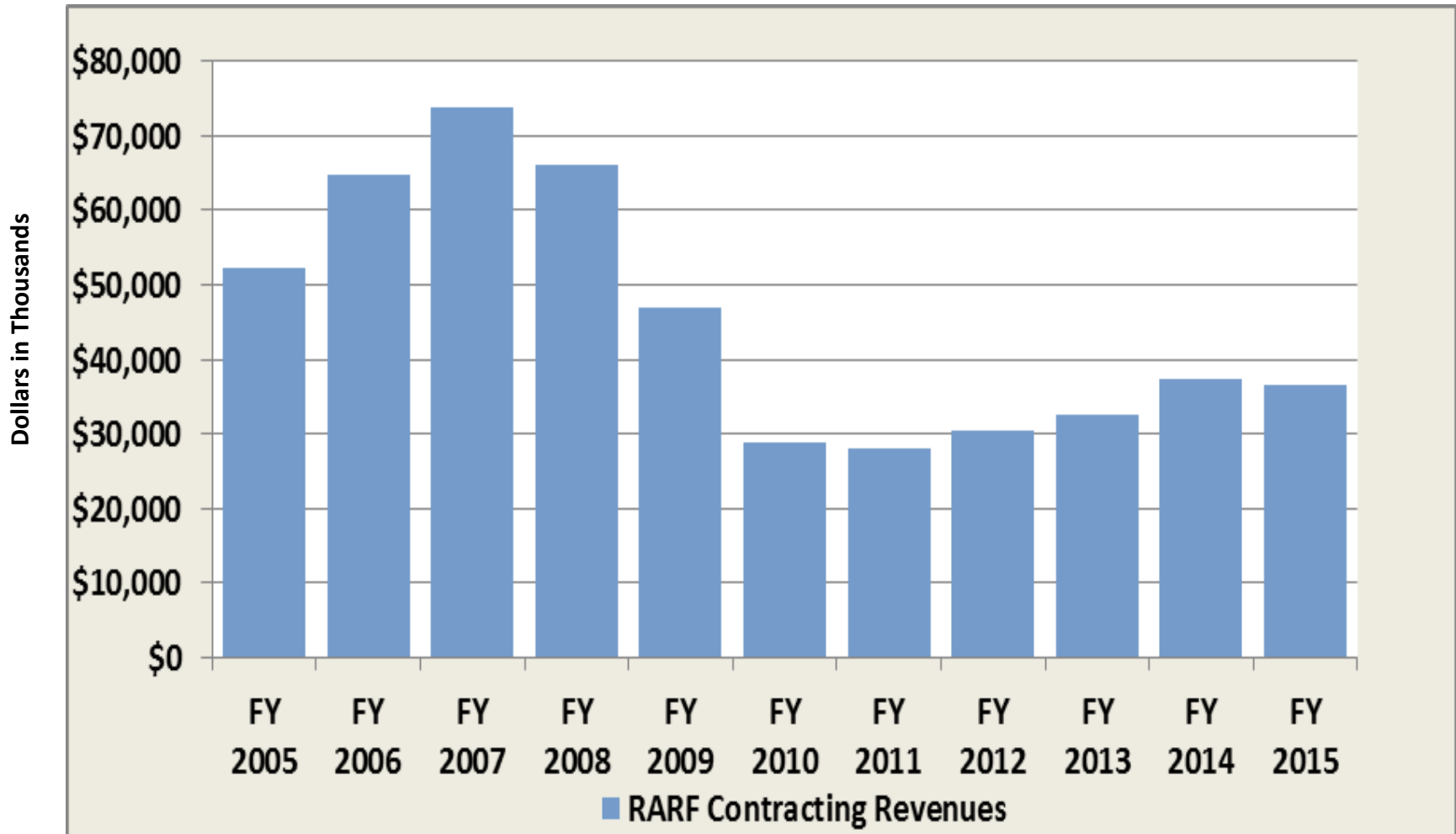


	FY 2014 Actual	FY 2015 Actual	Change	FY 2015 Estimate	Change
Total	\$365,561	\$382,191	4.5%	\$378,400	1.0%

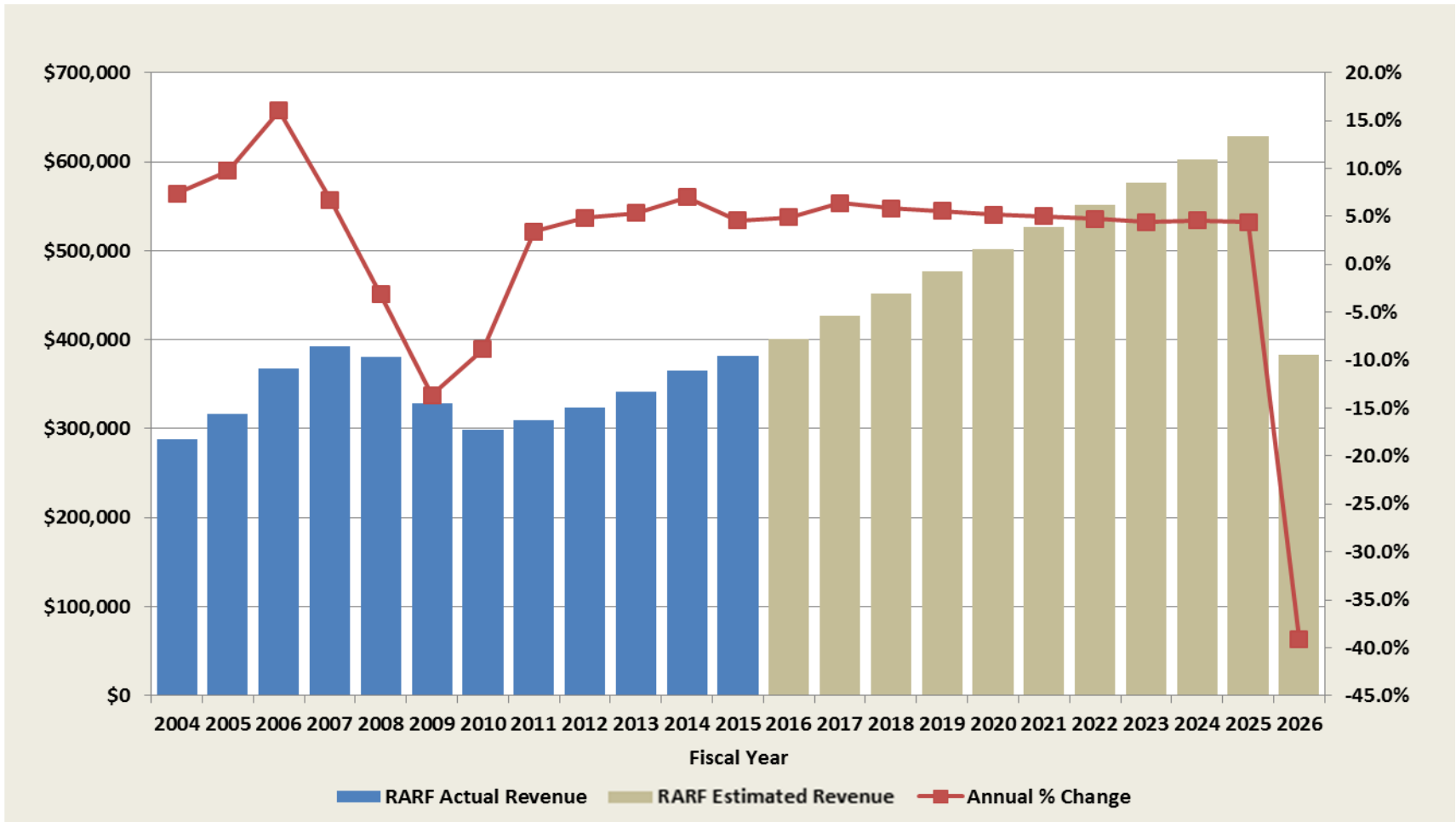
RARF Retail Sales Tax 12-Month Rolling Total



Contracting Revenue



RARF Revenue History and RARF Revenue Forecast



Revenue in Thousands

RARF:

2015 Revenue Forecast

FY 2016-2026 Comparative Forecast			
(Dollars in Millions)			
Fiscal	Sep. 14	Sep. 15	
Year	Official	Official	
	Forecast	Forecast	Difference
2016	\$402.0	\$401.0	(\$1.0)
2017	421.0	426.6	5.6
2018	441.8	451.6	9.8
2019	460.1	476.8	16.7
2020	479.1	501.5	22.4
2021	498.3	526.7	28.4
2022	519.2	551.6	32.4
2023	540.4	576.0	35.6
2024	563.0	602.3	39.3
2025	586.6	629.0	42.4
2026/1	<u>356.5</u>	<u>382.7</u>	<u>26.2</u>
Total	\$5,268.0	\$5,525.8	\$257.8
Average CGR	4.3%	5.0%	

Note: /1 Reflects the end of the one-half cent transportation excise tax extension on December 31, 2025

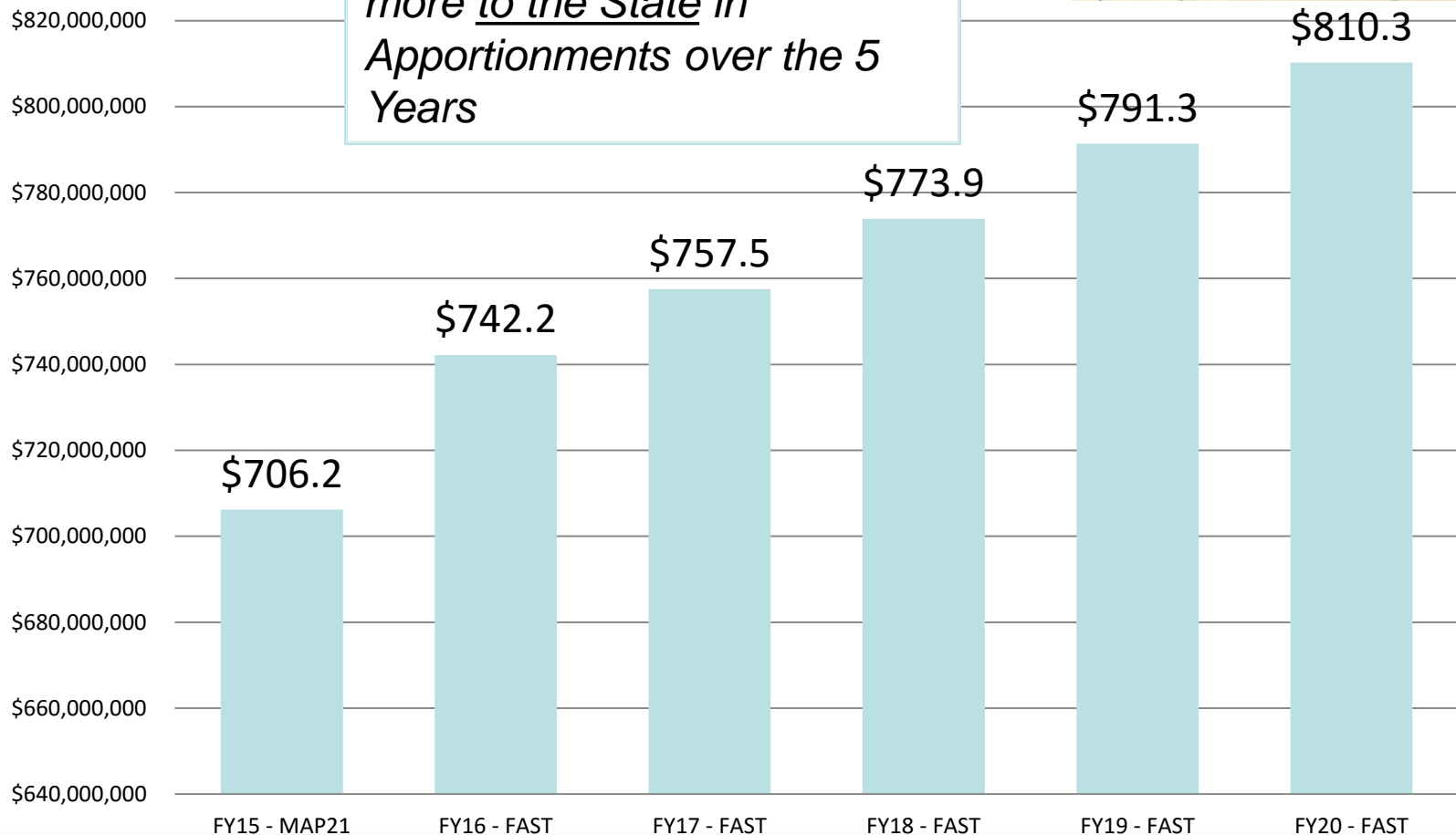
Federal Funding



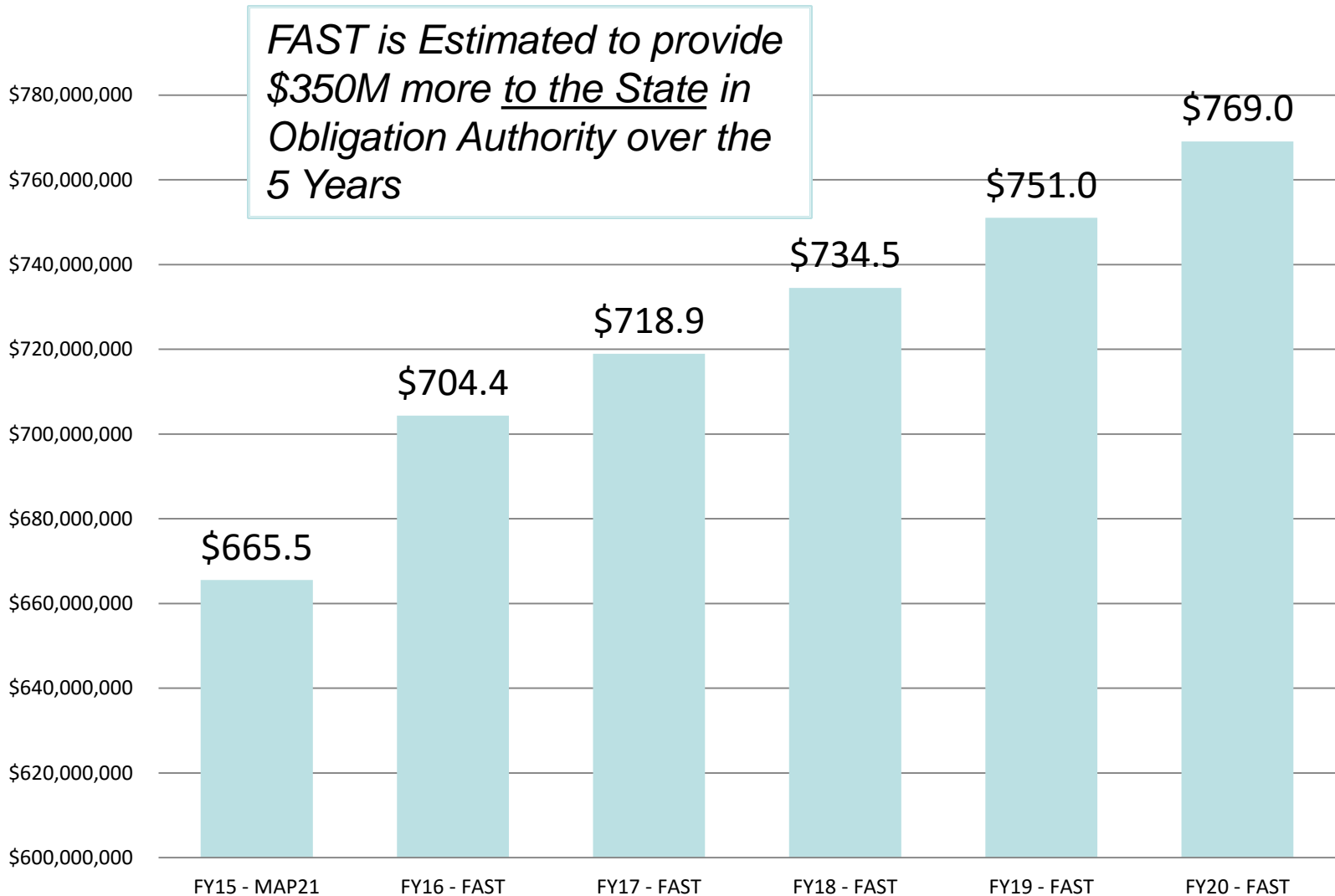
FAST v. MAP-21: Apportionments



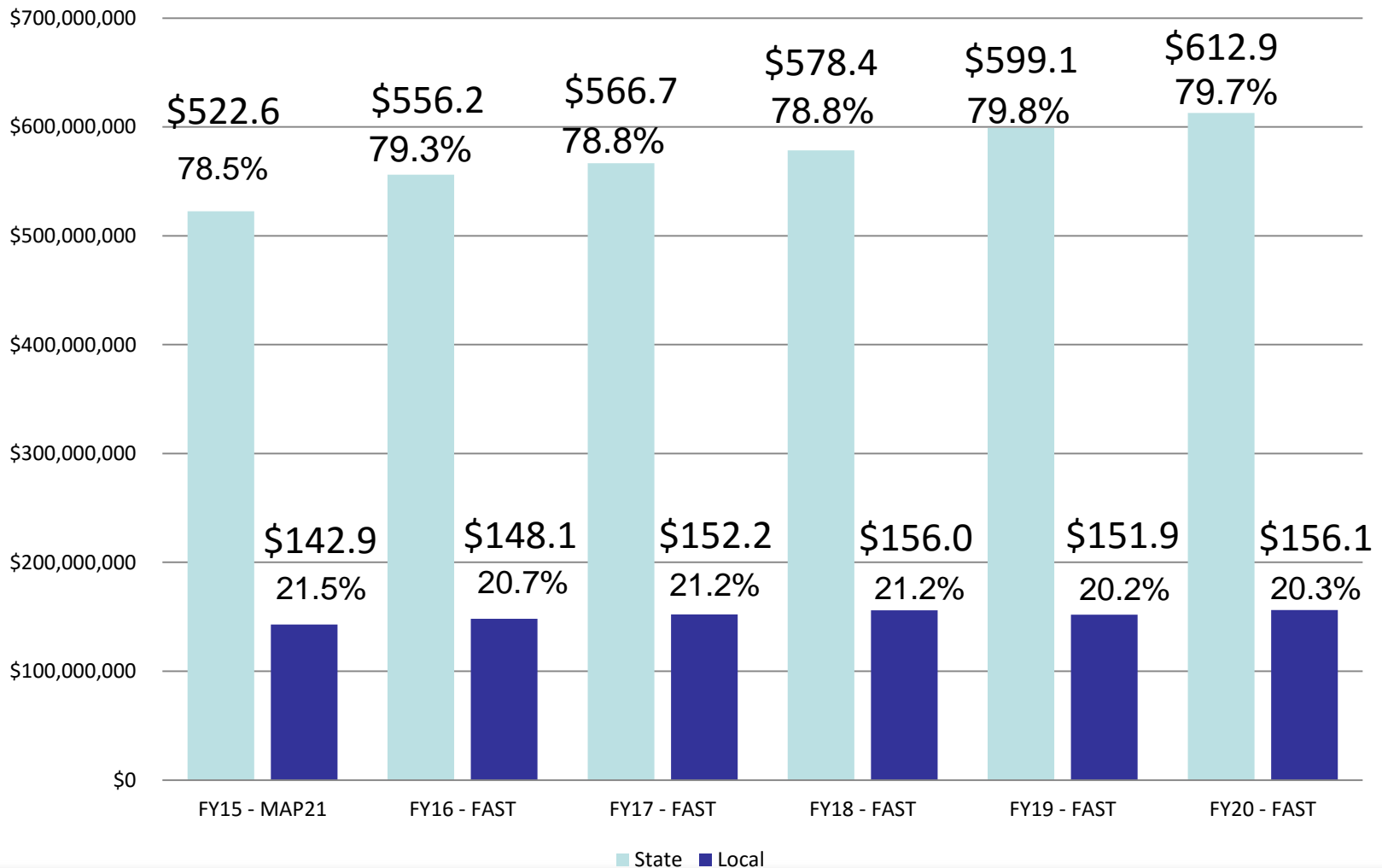
FAST provides \$344.2M more to the State in Apportionments over the 5 Years



FAST v. MAP-21: Obligation Authority

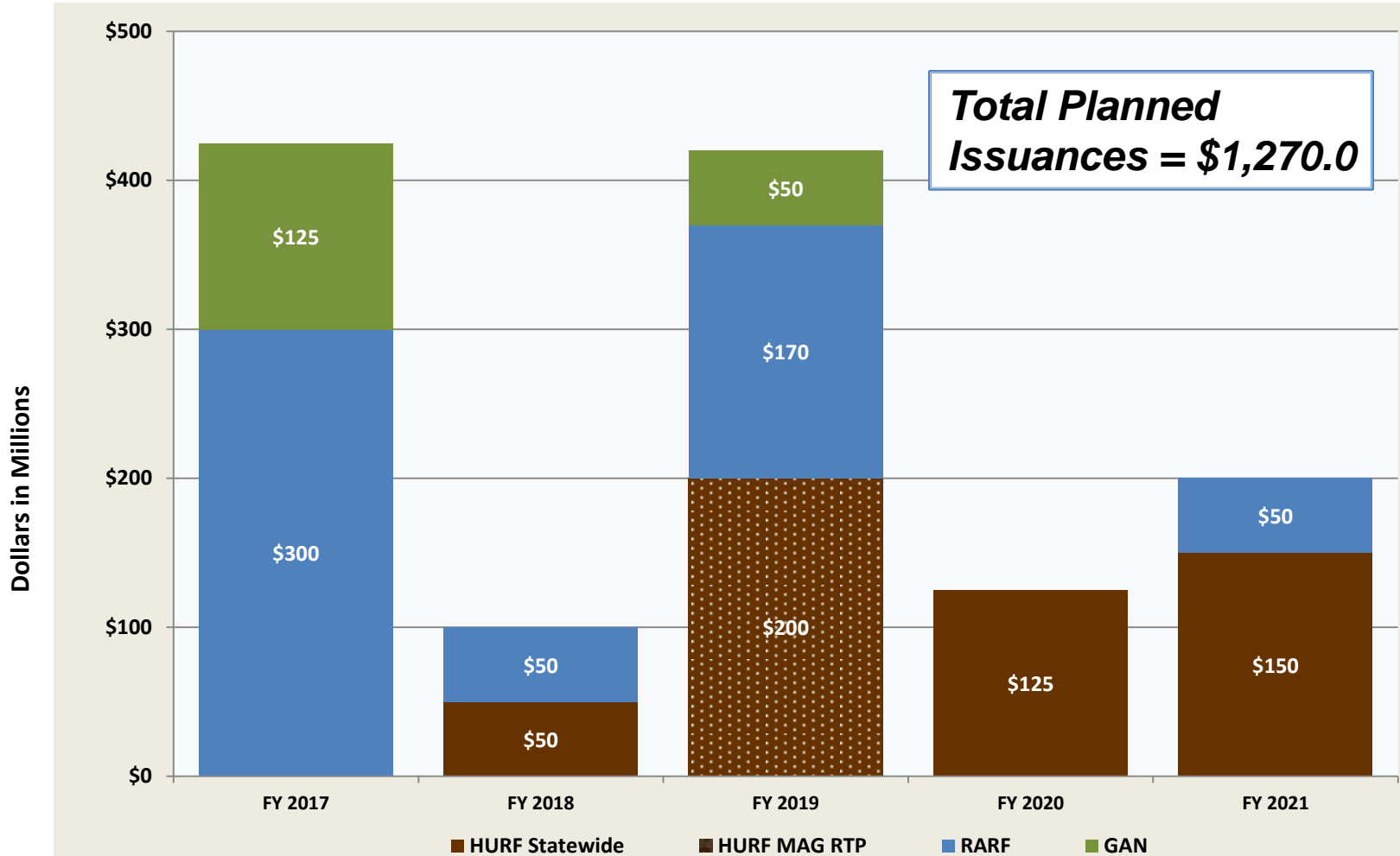


FAST v. MAP-21: State v. Local Distribution of OA (est.)



Financing Mechanisms

Total Planned Debt Issuances



FY2017 – FY2021
Five-Year Transportation Facilities
Construction Program

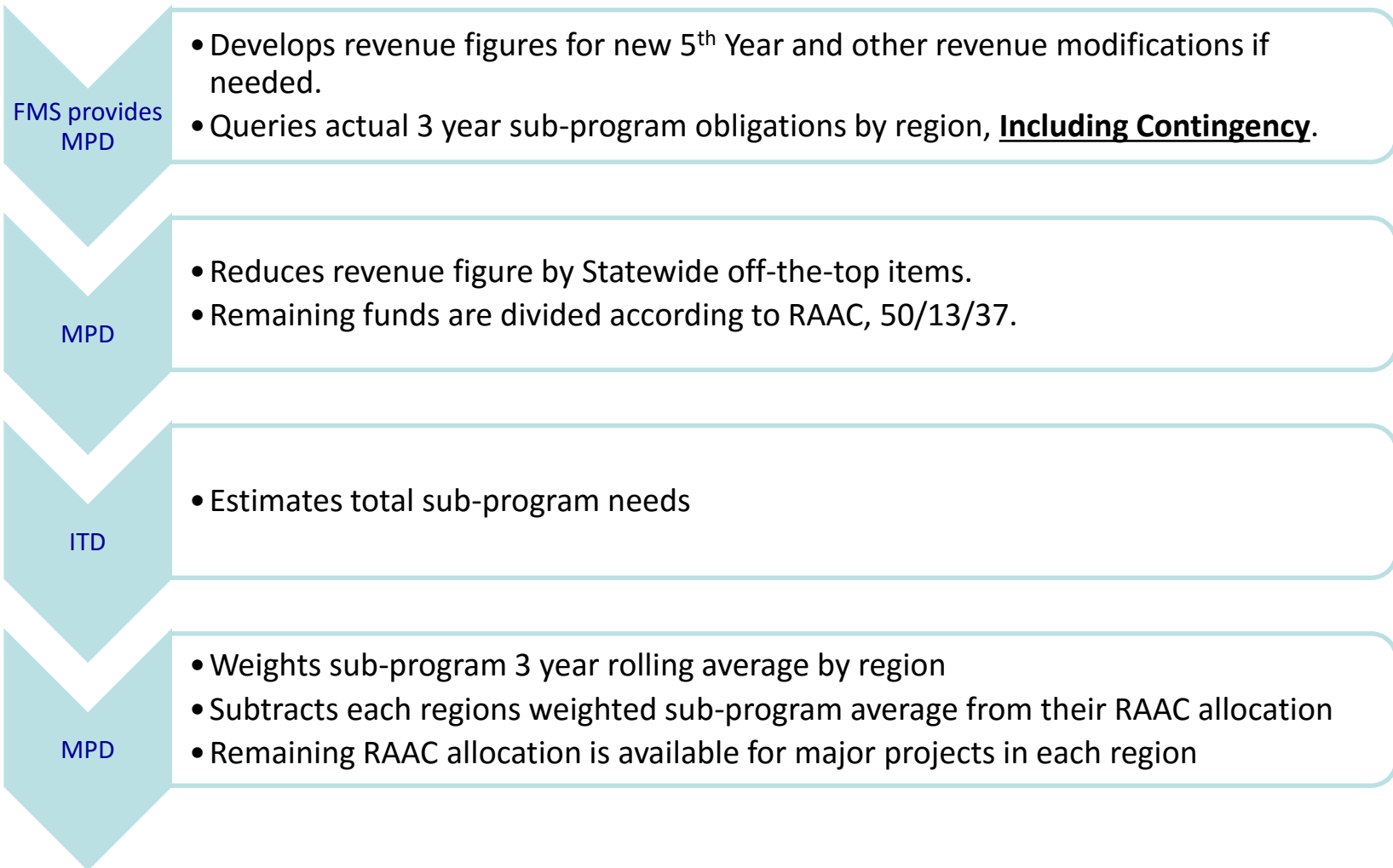
5 Yr Program Development: Resource Allocation



- 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 Sources

Dollars in Millions

	FY2017	FY2018	FY2019	FY2020	FY2021	Total
Sources:						
Beginning Balance:	15.7					15.7
<i>SHF Discretionary</i>	154.5	163.7	168.3	173.4	178.2	838.0
Debt Service	(117.4)	(109.5)	(109.9)	(124.1)	(140.3)	(601.3)
Operating Cash Requirements	(10.0)	(10.0)	(10.0)	-	-	(30.0)
<i>Net SHF</i>	27.0	44.2	48.3	49.4	37.8	206.8
<i>Federal Aid</i>	581.5	578.2	598.9	612.7	612.7	2,984.0
August Redistribution	20.0	20.0	20.0	20.0	20.0	100.0
Final Vouchers	33.8	20.0	20.0	20.0	20.0	113.8
Advanced Construction	(104.6)	4.8	60.6	6.1	(113.4)	(146.5)
Loans and Agreements	(2.1)	-	-	-	-	(2.1)
<i>Total Federal Aid</i>	528.6	623.0	699.5	658.8	539.3	3,049.2
GAN Debt Service	(30.4)	(30.4)	(34.9)	(34.9)	(34.9)	(165.5)
<i>Net Federal Aid</i>	498.2	592.6	664.6	623.9	504.4	2,883.7
<i>Financing Mechanisms</i>	125.0	50.0	50.0	125.0	150.0	500.0
<i>State and Federal Aid Available</i>	666.0	686.8	762.9	798.2	692.2	3,606.2
Inflation Adjustment	(12.6)	(28.7)	(46.6)	(65.5)	(73.2)	(226.7)
Total Sources:	653.4	658.1	716.3	732.7	619.0	3,379.5

Tentative Program Funding: Uses

Uses:							
5 Year Construction Program							
	Statewide Program	431.3	446.1	457.0	413.0	479.0	2,226.4
	PAG Program	40.4	41.0	53.9	83.9	48.4	267.6
	MAG/RTP major projects	145.6	178.6	175.5	206.8	172.6	879.1
		617.3	665.7	686.4	703.7	700.0	3,373.1
	Modifications to Program	-	-	-	-	-	-
Total Uses:		617.3	665.7	686.4	703.7	700.0	3,373.1
Ending Balance:						6.4	6.4

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
- Congressional Actions – **FAST expires in 2020**
- Economic conditions
 - 5-7 year recessionary cycle
 - Inflation and Federal Reserve actions
 - South Mountain



Questions