

State Transportation Board

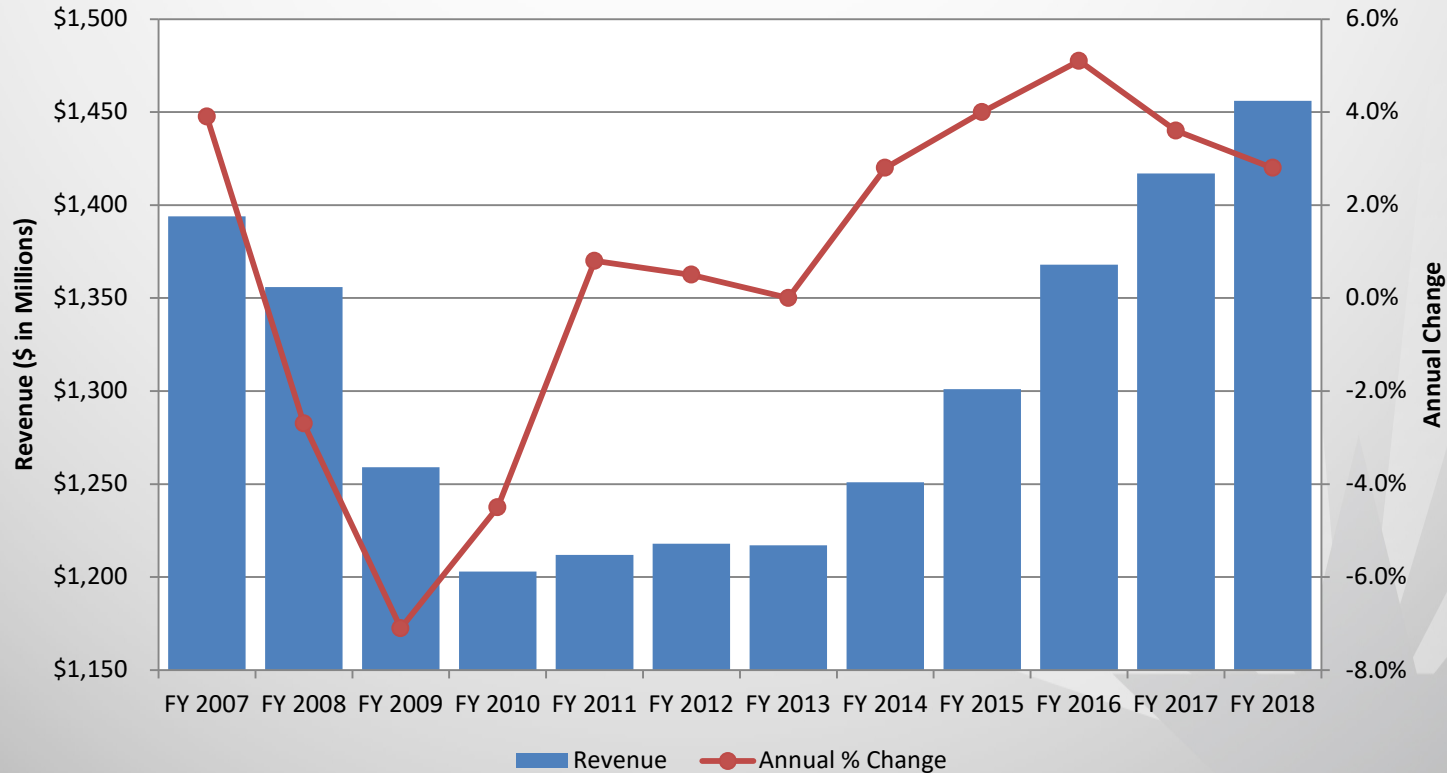
January 29, 2019

FY2020 – FY2024 Tentative Highway Construction Program

Financial Plan

Prepared by: Kristine Ward, CFO

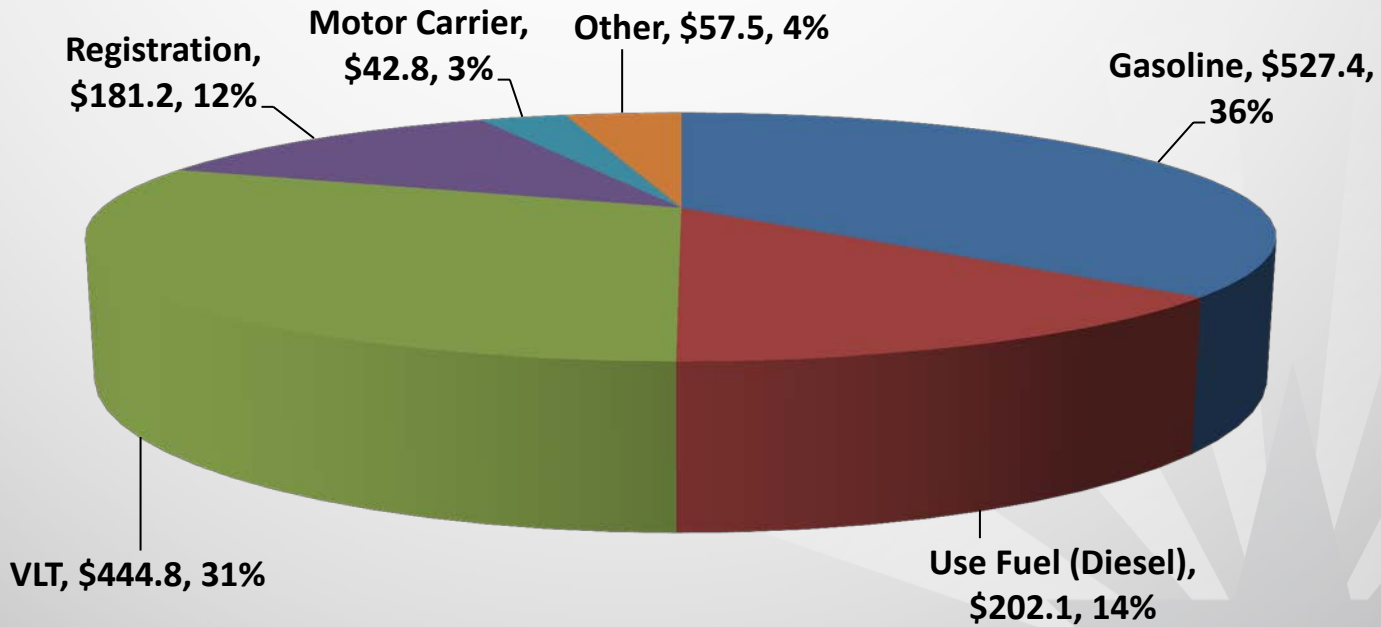
Highway User Revenue Fund (HURF): FY2018 Revenues



	FY 2017 Actual	FY 2018 Actual	Change	FY 2018 Estimate	Change
Total	\$ 1,416.5	\$ 1,455.8	2.8%	\$ 1,462.5	-0.5%

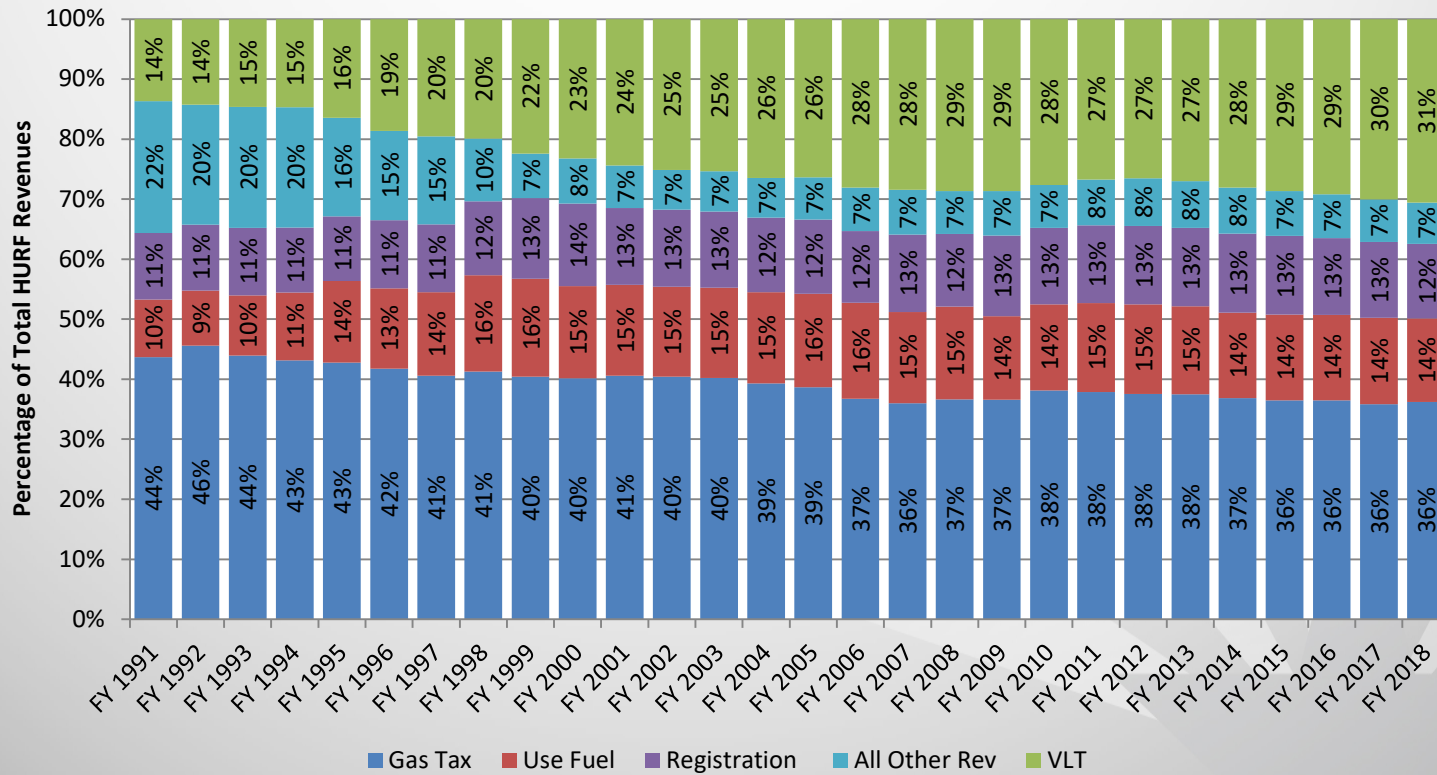
Highway User Revenue Fund (HURF): FY2018 Sources

Total: \$1,455.8 Million

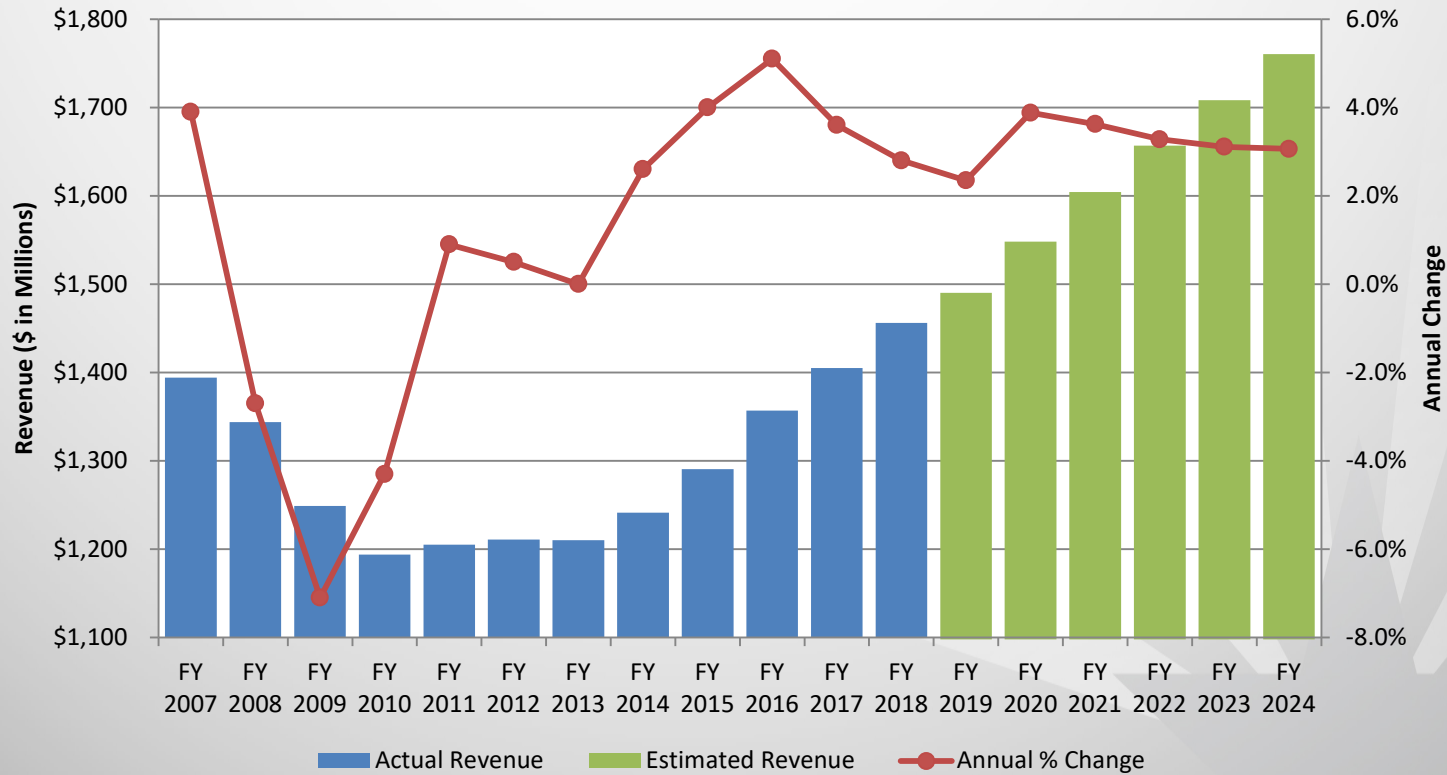


Revenue in millions

Highway User Revenue Fund (HURF): Revenue Categories as a Percentage of HURF



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



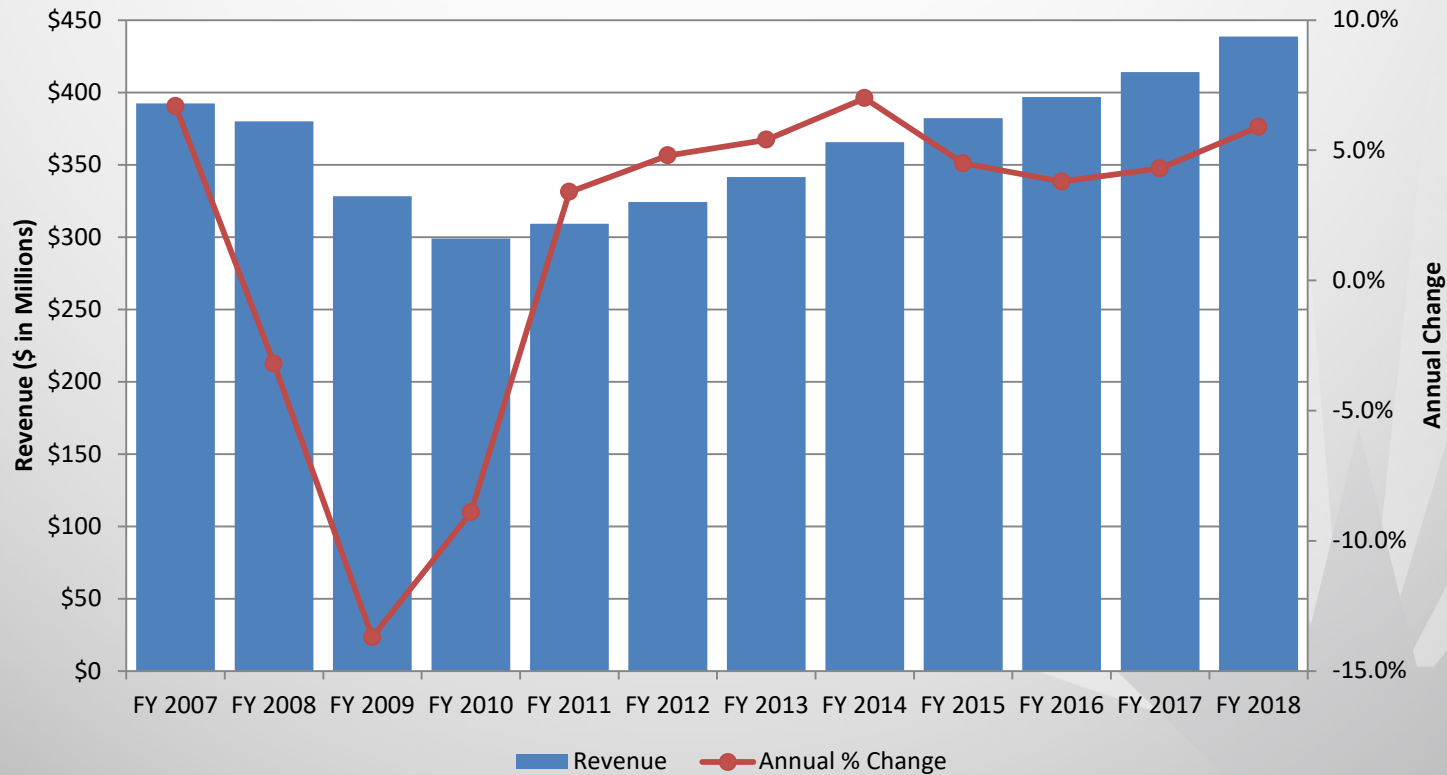
Revenue in Millions

Highway User Revenue Fund (HURF): 2018 Revenue Forecast

FY 2019-2024 Comparative Forecast (Dollars in Millions)

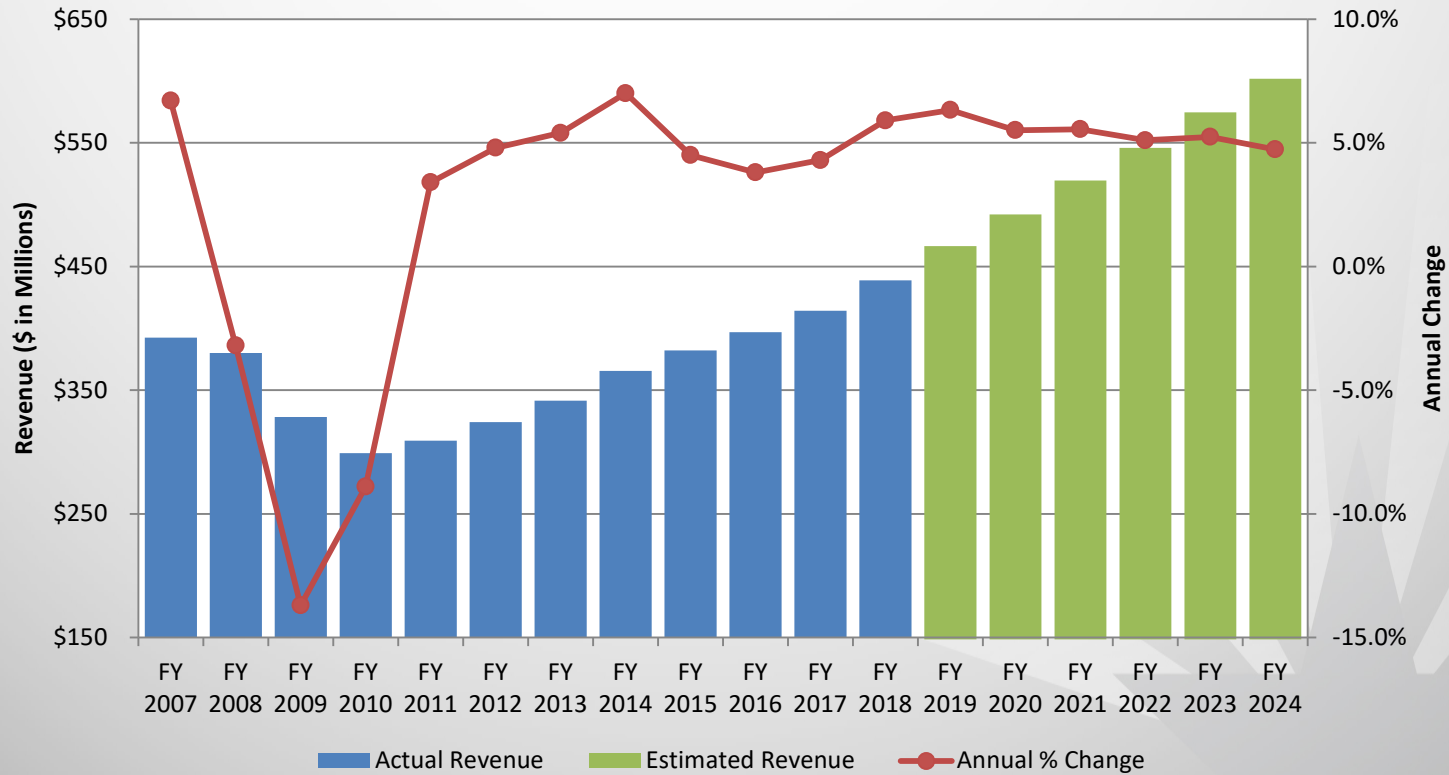
Fiscal <u>Year</u>	Sep. 17 <u>Official Forecast</u>	Sep. 18 <u>Official Forecast</u>	<u>Difference</u>
2019	\$1,517.4	\$1,490.2	(\$27.2)
2020	1,572.2	1,548.0	(24.2)
2021	1,625.9	1,604.1	(21.8)
2022	1,681.1	1,656.7	(24.4)
2023	1,736.7	1,708.2	(28.5)
2024	<u>1,793.5</u>	<u>1,760.5</u>	<u>(33.0)</u>
Total	\$9,926.8	\$9,767.7	(\$159.1)
Ave. CGR	3.4%	3.4%	

Regional Area Road Fund (RARF): FY2018 Revenues



	FY 2017 Actual	FY 2018 Actual	Change	FY 2018 Estimate	Change
Total	\$ 414.1	\$ 438.7	5.9%	\$ 432.0	1.5%

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

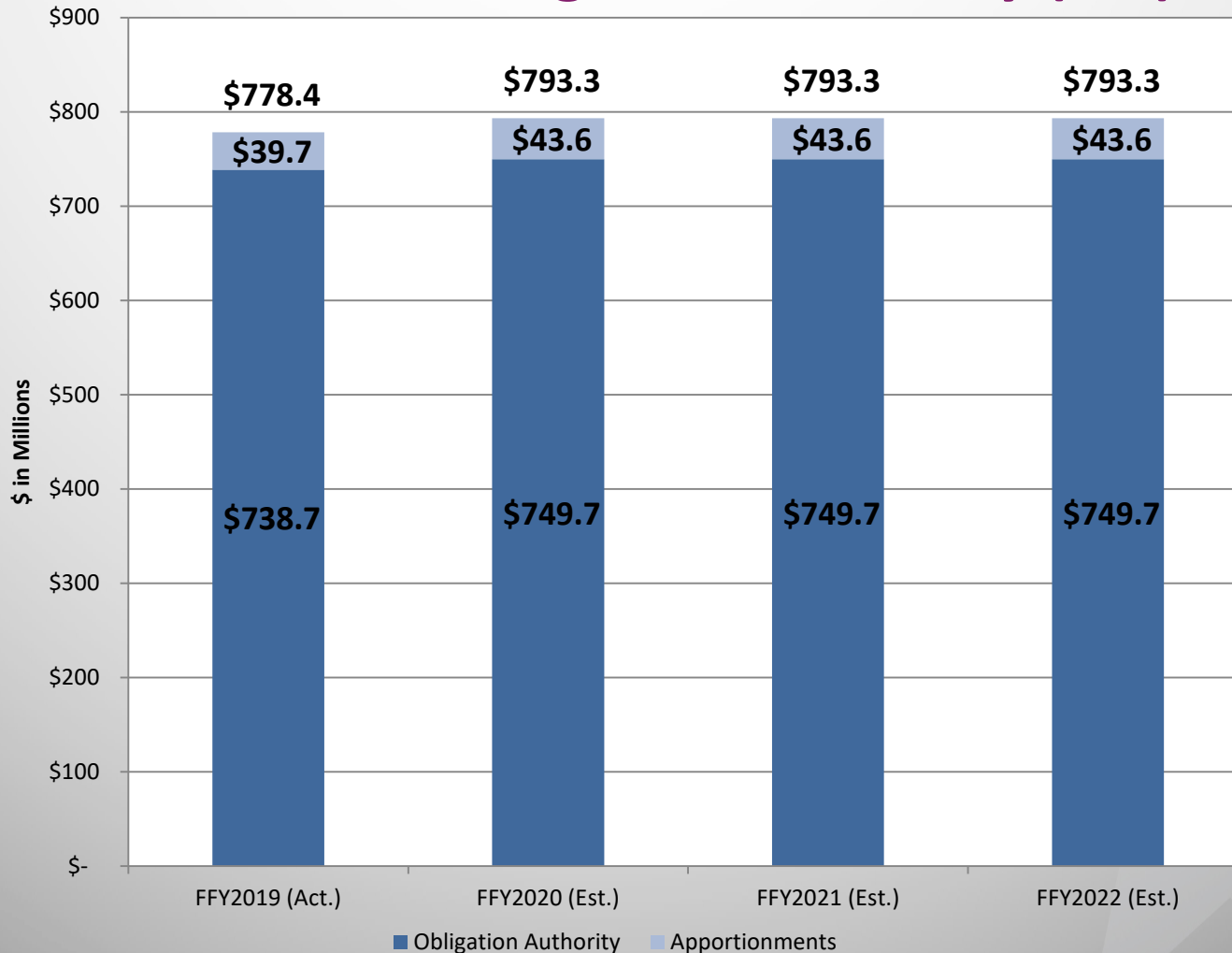


Regional Area Road Fund (RARF): 2018 Revenue Forecast

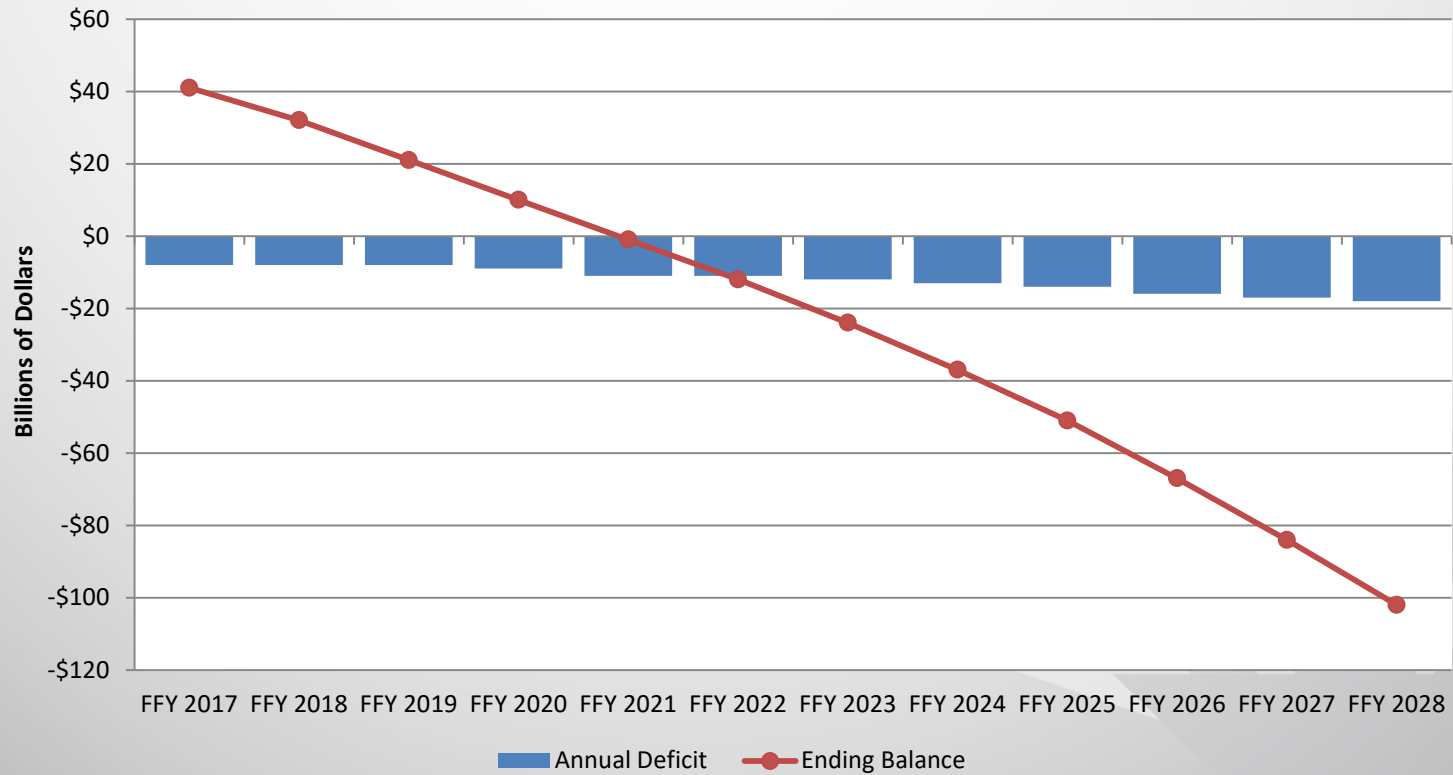
FY 2019-2026 Comparative Forecast (Dollars in Millions)			
Fiscal Year	Sep. 17 Official Forecast	Sep. 18 Official Forecast	Difference
2019	456.6	466.4	9.8
2020	480.4	492.1	11.7
2021	503.5	519.4	15.9
2022	528.1	545.9	17.8
2023	553.3	574.5	21.2
2024	577.4	601.7	24.3
2025	602.6	631.1	28.5
2026/1	<u>366.7</u>	<u>384.4</u>	<u>17.7</u>
Total	\$4,068.6	\$4,215.5	\$146.9
Average CGR	4.7%	5.1%	

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

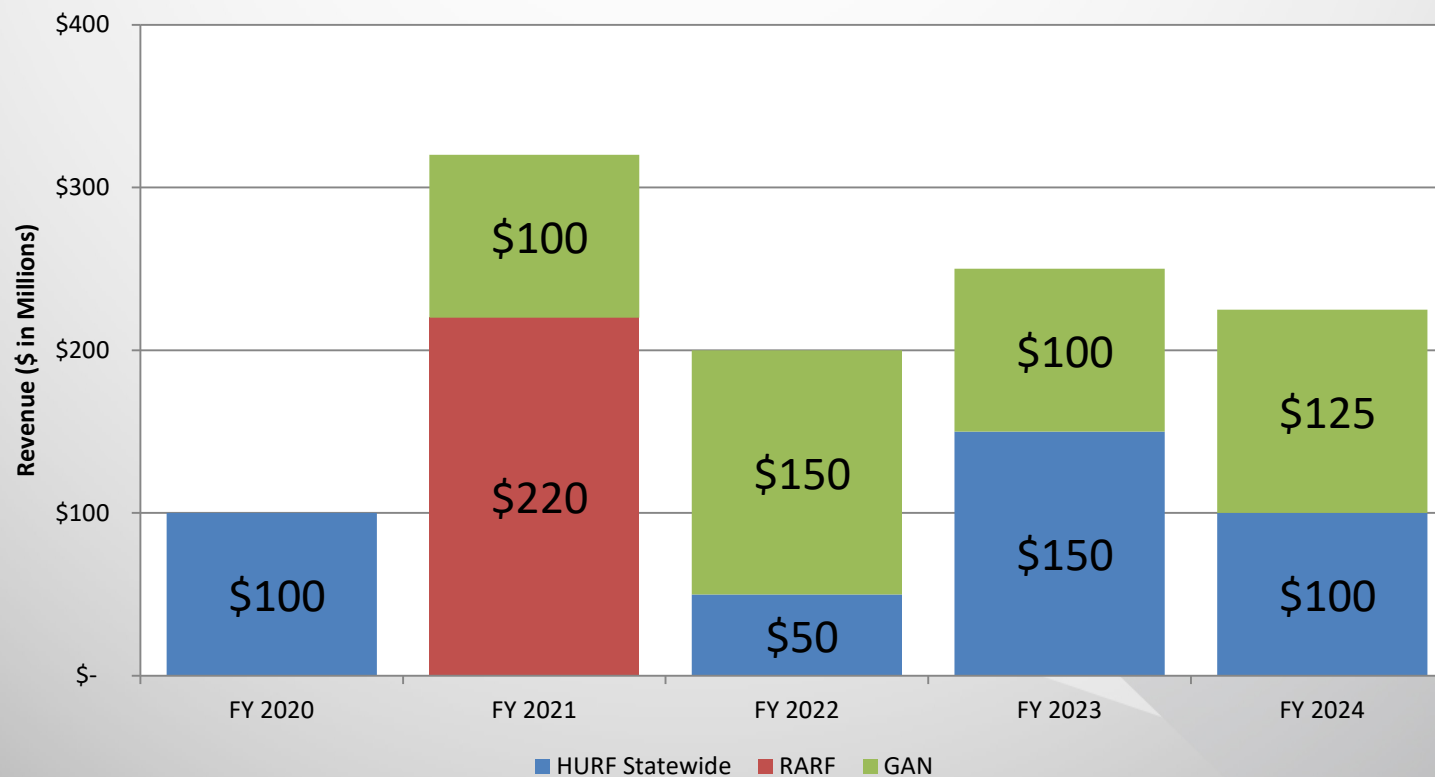
FAST ACT Formula Funds: Apportionments & Obligation Authority (OA) Estimates



Federal Highway Trust Fund: Congressional Budget Office Baseline Forecast April 2018



Total Planned Debt: FY2020 – FY2024



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

FMS provides
MPD

- Develops revenue figures for new 5th Year and other revenue modifications if needed.
- Queries actual 3 year sub-program obligations by region, **Including Contingency.**

MPD

- Reduces revenue figure by Statewide off-the-top items.
- Remaining funds are divided according to RAAC, 50%/13%/37%.

ITD

- Estimates total sub-program needs

MPD

- Weights sub-program 3 year rolling average by region
- Subtracts each regions weighted sub-program average from their RAAC allocation
- Remaining RAAC allocation is available for major projects in each region

Tentative Program Funding

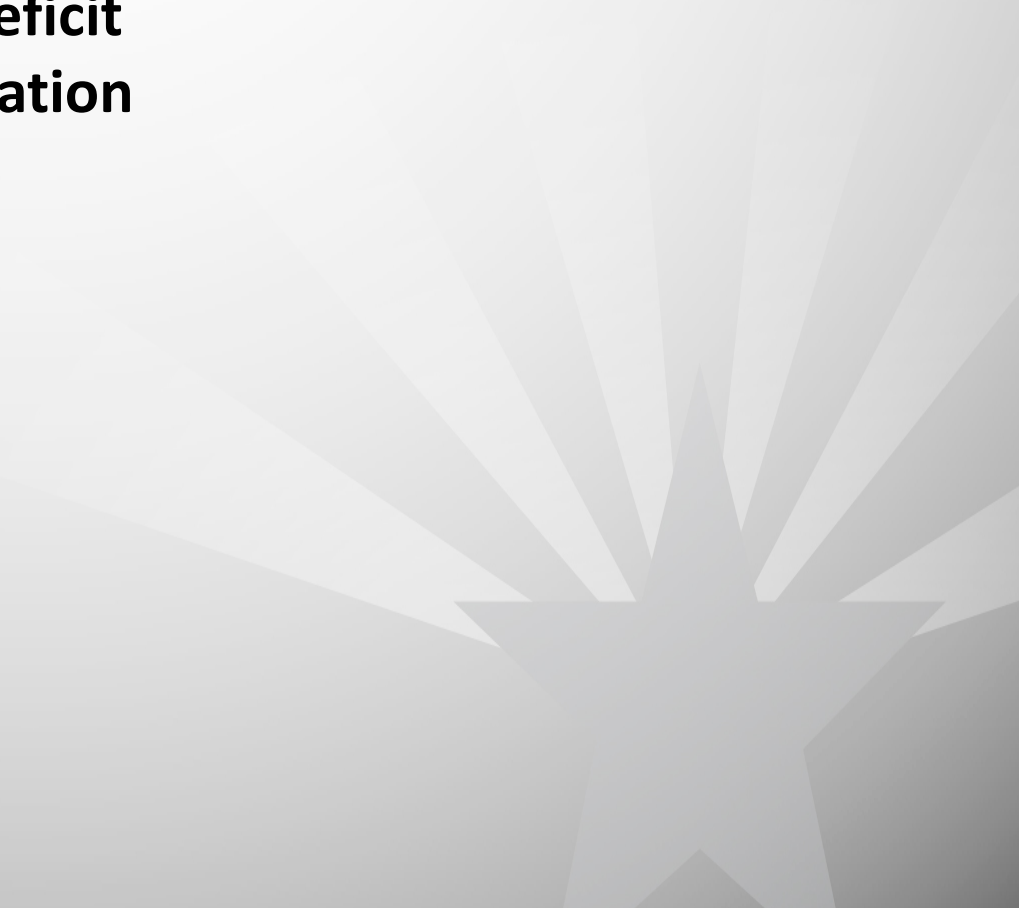
	FY2020	FY2021	FY2022	FY2023	FY2024	Total
Sources:						
SHF Discretionary	191.2	194.5	205.3	241.5	255.8	1,088.4
Debt Service	(144.2)	(144.2)	(144.2)	(142.5)	(142.5)	(717.6)
Operating Cash Requirements	(10.0)	(10.0)	(10.0)	-	-	(30.0)
HURF Sw ap	(15.3)	(15.3)	(15.3)	(15.3)	(15.3)	(76.5)
Net SHF	21.7	25.0	35.8	83.7	98.0	264.3
Federal Aid	608.1	606.9	606.9	606.9	606.9	3,035.5
August Redistribution	30.0	30.0	30.0	30.0	30.0	150.0
Final Vouchers	25.0	15.0	15.0	15.0	15.0	85.0
Advanced Construction	47.5	(21.5)	(0.3)	(94.1)	(33.0)	(101.4)
Loans and Agreements	(0.2)	(0.1)	-	(0.3)	-	(0.6)
HURF Sw ap	17.0	17.0	17.0	17.0	17.0	85.0
Total Federal Aid	727.3	647.3	668.6	574.5	635.9	3,253.6
GAN Debt Service	(24.8)	(23.9)	(24.0)	(24.0)	(24.0)	(120.7)
Net Federal Aid	702.5	623.4	644.6	550.5	611.9	3,132.9
Financing Mechanisms	86.2	77.2	160.2	190.6	147.3	661.5
State and Federal Aid Available	810.5	725.6	840.6	824.8	857.1	4,058.6
General Fund Appropriation	-	-	-	-	-	-
Inflation Adjustment	(20.2)	(40.2)	(59.3)	(81.7)	(104.5)	(305.8)
Total Sources:	790.3	685.5	781.3	743.1	752.6	3,752.8

Dollars in Millions

Tentative Program Funding

	FY2020	FY2021	FY2022	FY2023	FY2024	Total
Uses:						
5 Year Construction Program						
Statewide Program	438.7	449.4	455.9	489.9	750.0	2,583.9
PAG Program	84.6	79.4	81.2	33.6	-	278.8
MAG/RTP major projects	211.6	224.6	237.9	226.5	-	900.6
	734.9	753.4	775.0	750.0	750.0	3,763.3
Modifications to FY19-23 Program	-	-	-	-	-	-
Total Uses:	734.9	753.4	775.0	750.0	750.0	3,763.3

Potential Risks:

- **Congressional Action**
 - **Highway Trust Fund deficit**
 - **Long-term Reauthorization**
 - **State Legislative Action**
 - **Budgetary changes**
 - **Sweeps & Transfers**
 - **Special Distributions**
 - **Public Safety Fee**
 - **Economic Conditions**
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Questions

