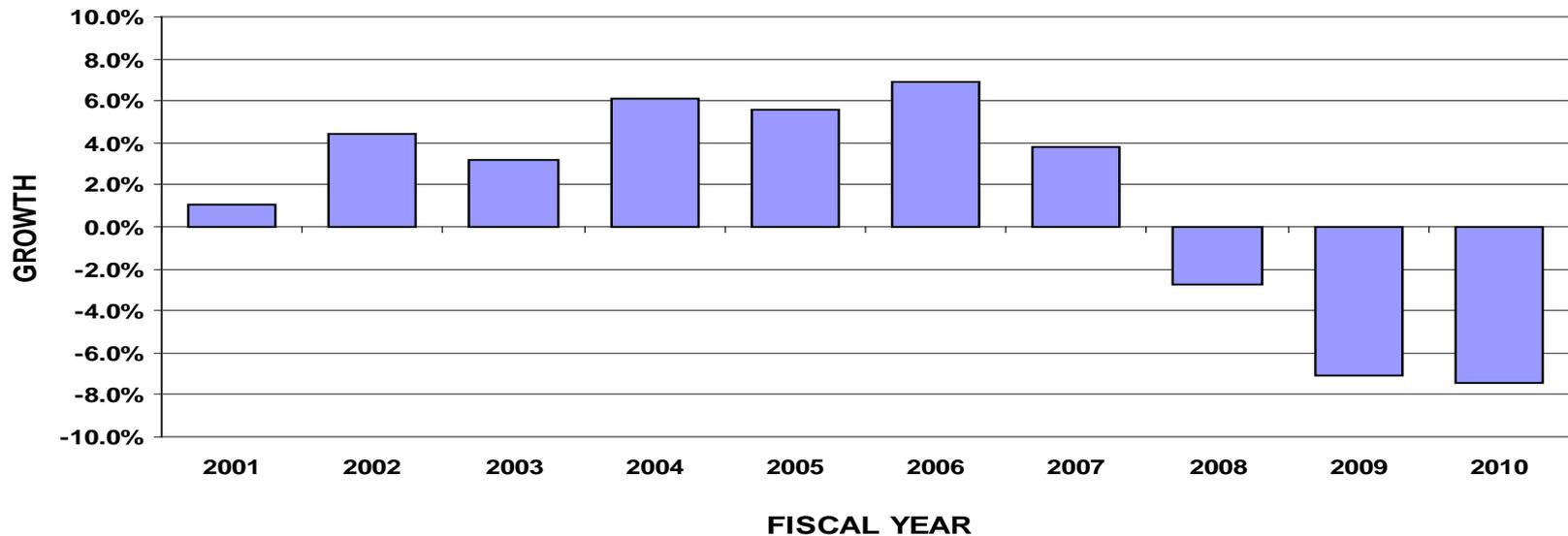
The background features a large, faint watermark of the Arizona Department of Transportation logo, which includes a stylized mountain range and the letters 'ADOT'.

Arizona Department of Transportation Revenue and Budget Update

**MAG Management Committee
January 13, 2010**

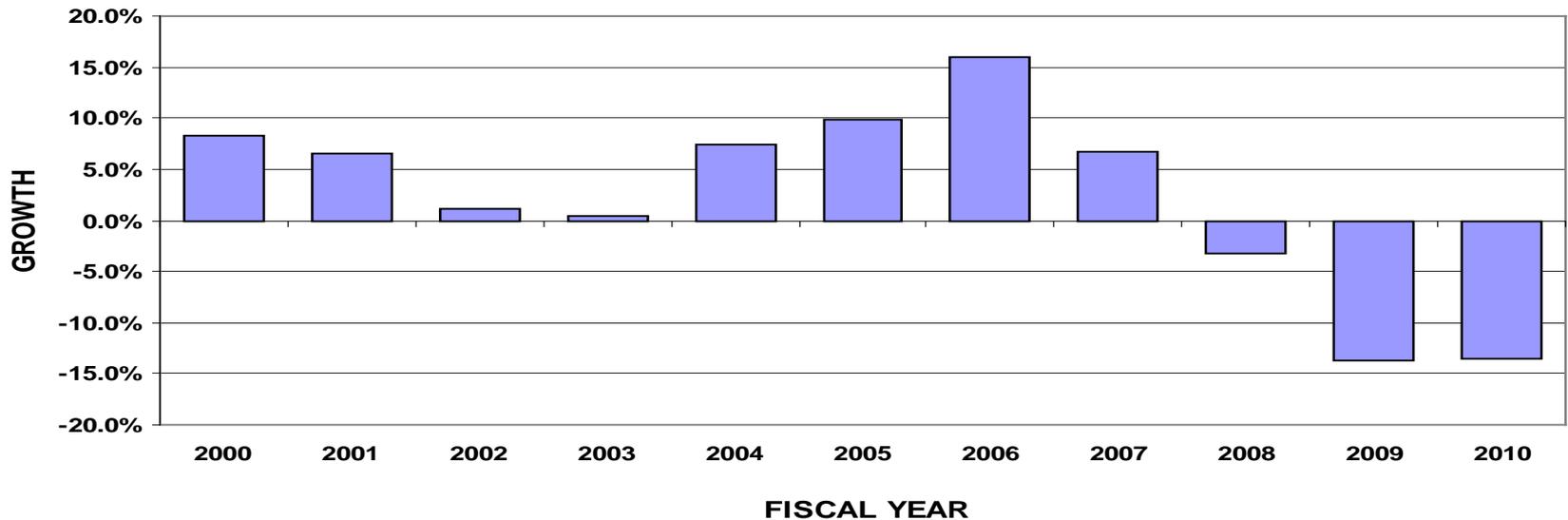
Arizona Department of Transportation

Highway User Revenue Fund Percentage Change by Fiscal Year FY 2001 – 2010



NOTE: FY 2010 through December 2009.

Regional Area Road Fund Percentage Change by Fiscal Year FY 2001 – 2010

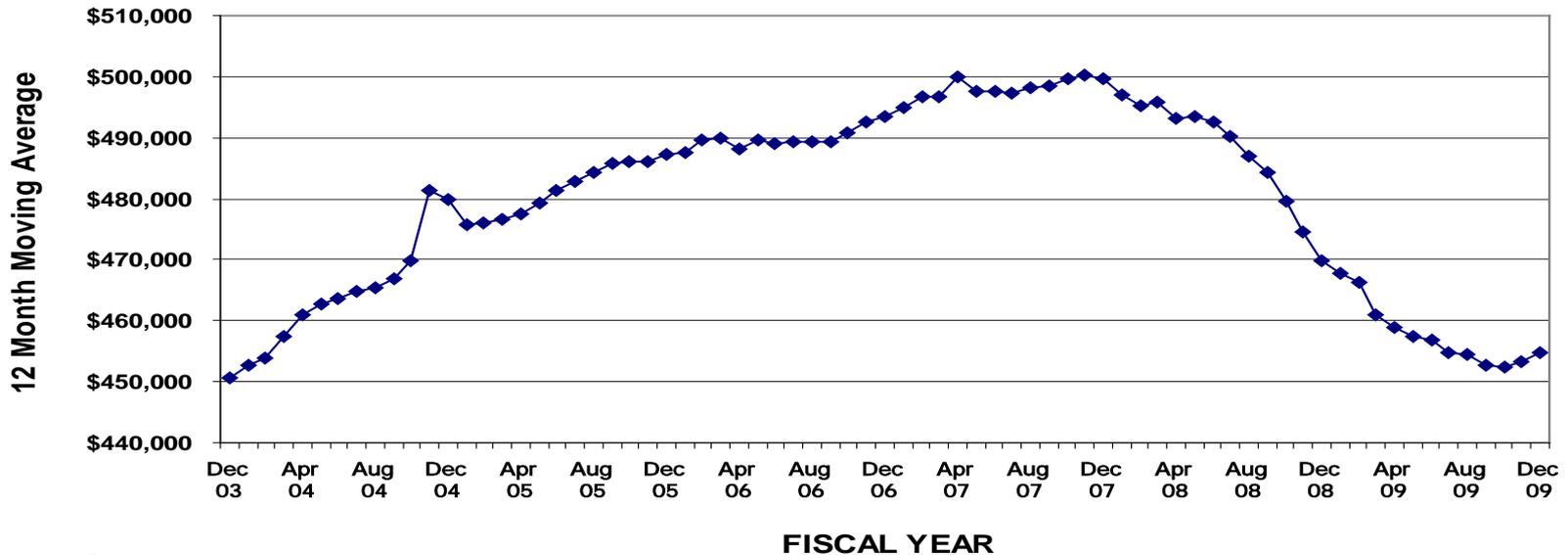


NOTE: FY 2010 through November 2009.

Transportation Revenue Growth

12-Month Moving Average

Gas Tax

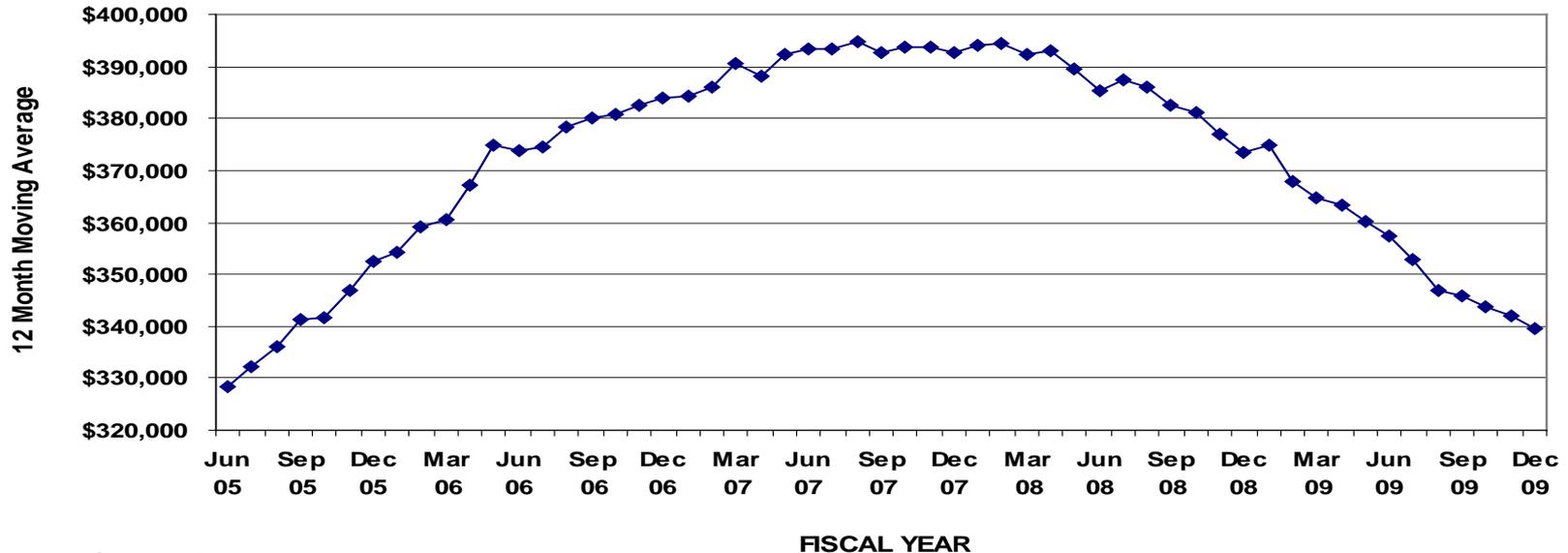


NOTE: FY 2010 through December 2009.

Transportation Revenue Growth

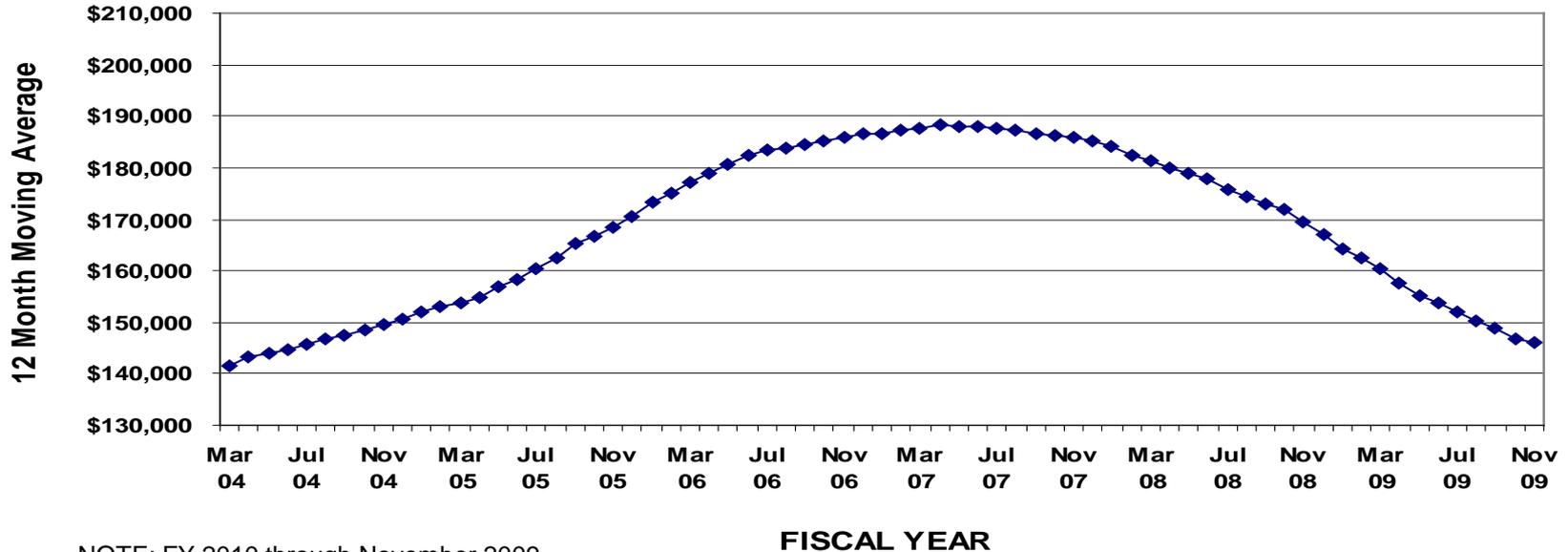
12-Month Moving Average

Vehicle License Tax



NOTE: FY 2010 through December 2009.

Transportation Revenue Growth 12-Month Moving Average Retail Sales

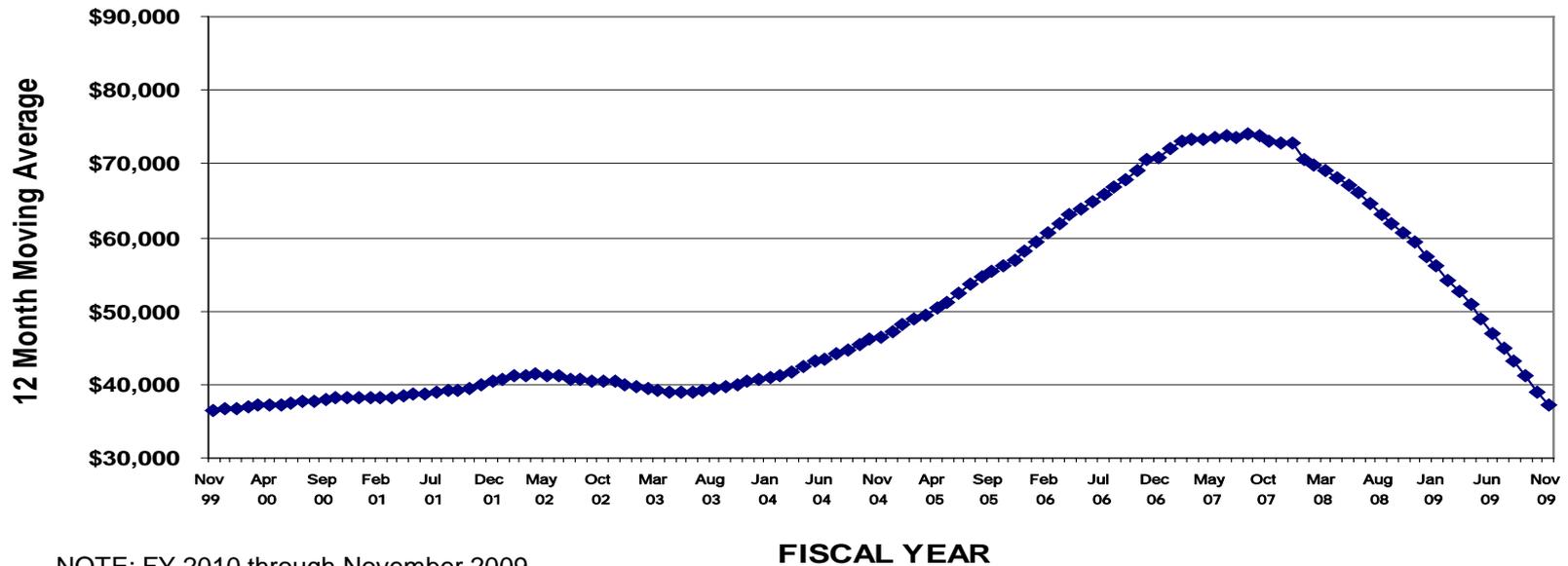


NOTE: FY 2010 through November 2009.

Transportation Revenue Growth

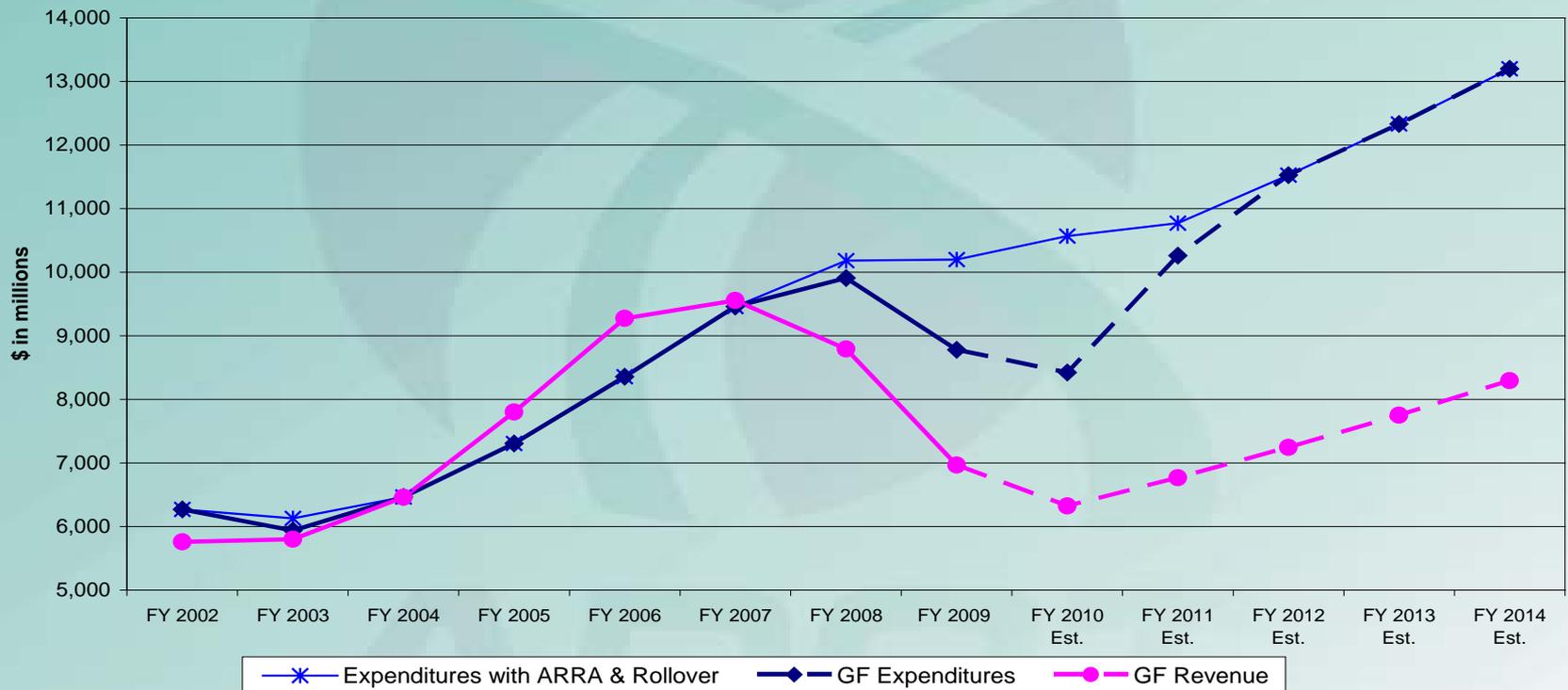
12-Month Moving Average

Contracting



State General Fund – Structural Deficit

General Fund Ongoing Revenue and Expenditures before Solutions



Assumptions: **Revenue:** Ongoing revenue does not include one time items such as fund transfer, asset sales, etc. Growth rates assumptions: FY10: -9.2%, FY11:7%, FY12 and 7%. **Expenditure:** Ongoing expenditure does not include rollover or ARRA. FY10 and FY11 estimated Expenditure from most current S&U, FY12 and beyond assuming 7% growth.

Transfers to DPS from HURF and State Highway Fund FY 2002 - 2010 (Dollars in Millions)

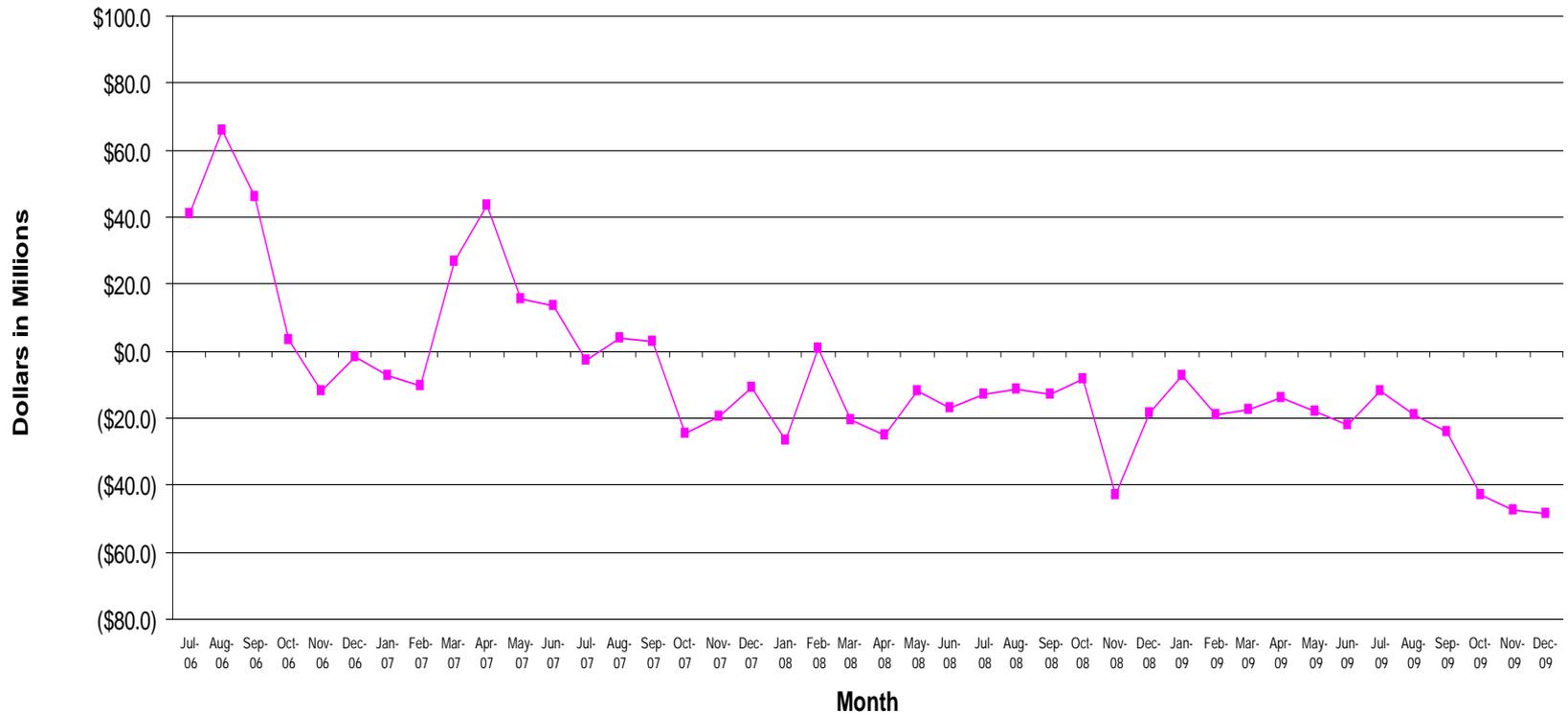
Fiscal Year	HURF	SHF	Total	ADOT Impact	Per Statute	Additional Transfers
2002	\$52	\$25	\$77	\$52	\$15	(\$37)
2003	\$55	\$38	\$93	\$66	\$15	(\$51)
2004	\$49	\$30	\$79	\$55	\$15	(\$40)
2005	\$52	\$33	\$85	\$58	\$15	(\$43)
2006	\$64	\$42	\$106	\$74	\$15	(\$59)
2007	\$10	\$10	\$20	\$15	\$15	\$0
2008	\$10	\$52	\$62	\$57	\$15	(\$42)
2009	\$85	\$41	\$126	\$84	\$15	(\$69)
2010 (Est.)	\$79	\$41	\$120	\$81	\$15	(\$66)
Total	\$456	\$312	\$768	\$542	\$135	(\$407)

Note: Does not include VLT transfers to state general fund and DPS.

VLT Transfers to DPS and State General Fund
 FY 2002 - 2010
 (Dollars in Millions)

Fiscal Year	DPS Parity Compensation	State General Fund	Total
2002	\$0	\$0	\$0
2003	\$0	\$1	\$1
2004	\$0	\$0	\$0
2005	\$0	\$122	\$122
2006	\$3	\$0	\$3
2007	\$3	\$0	\$3
2008	\$3	\$0	\$3
2009	\$2	\$67	\$69
2010 (Est.)	\$3	\$44	\$47
Total	\$14	\$234	\$248

State Highway Fund Low Cash Balance FY 2007 – FY 2010



—■ Low SHF Balance

NOTE: Excludes BFOs.

Arizona Highway User Revenue Fund

Projected Total Revenue

Risk Analysis Results

(Dollars in Millions)

Fiscal Year	September 2008		September 2009		Variance	Conf Limit
	Forecast	% Growth	Forecast	% Growth		
2010	1,441.4	7.2%	\$1,247.8	-0.1%	(\$193.6)	50%
2011	1,509.3	4.7%	1,264.6	1.3%	(244.7)	50%
2012	1,584.8	5.0%	1,298.0	2.6%	(286.8)	50%
2013	1,666.4	5.1%	1,346.5	3.7%	(319.9)	50%
2014	1,746.7	4.8%	1,398.4	3.9%	(348.3)	50%
2015	1,835.0	5.1%	1,458.0	4.3%	(377.0)	50%
2016	1,926.9	5.0%	1,516.5	4.0%	(410.4)	50%
2017	2,014.4	4.5%	1,575.9	3.9%	(438.5)	50%
2018	2,110.0	4.7%	1,642.3	4.2%	(467.7)	50%
2019	<u>2,209.5</u>	<u>4.7%</u>	<u>1,710.8</u>	<u>4.2%</u>	<u>(498.7)</u>	50%
Totals:						
FY 10-19	\$18,044.6	4.9%	\$14,458.8	3.6%	(\$3,585.8)	
<u>Distributions FY 2010-19</u>						
ADOT 50.5%	\$9,112.5		\$7,301.7		(\$1,810.8)	
Cities/Towns 27.5%	\$4,962.3		\$3,976.2		(\$986.1)	
Cities over 300K 3%	\$541.3		\$433.8		(\$107.6)	
Counties 19%	\$3,428.5		\$2,747.2		(\$681.3)	

Note: Both forecasts used the 50 percent confidence level.

Distributions for FY 2010-19 to HURF recipients have not been netted of the "off the top" (DPS, MVD, ESP) distributions.

Totals may not add due to individual rounding.

Maricopa County Regional Area Road Fund Projected Total Revenue Risk Analysis Results (Dollars in Millions)

Fiscal Year	September-08		January-09		September-09		Variance	Conf. Limit
	Forecast	% Growth	Forecast	% Growth	Forecast	% Growth		
2009	\$328.2	(Actual)	\$328.2	(Actual)	\$328.2	(Actual)		
2010	396.8	20.9%	350.9	6.9%	315.3	-3.9%	(35.6)	NA
2011	431.5	8.7%	368.4	5.0%	321.9	2.1%	(46.5)	60%
2012	467.9	8.4%	396.0	7.5%	347.0	7.8%	(49.0)	60%
2013	505.3	8.0%	427.7	8.0%	379.1	9.3%	(48.6)	60%
2014	544.9	7.8%	461.2	7.8%	435.0	14.7%	(26.2)	55%
2015	585.6	7.5%	495.7	7.5%	492.2	13.1%	(3.5)	50%
2016	626.8	7.0%	530.5	7.0%	524.1	6.5%	(6.4)	50%
2017	670.6	7.0%	567.6	7.0%	557.3	6.3%	(10.3)	50%
2018	715.0	6.6%	605.2	6.6%	594.8	6.7%	(10.4)	50%
2019	759.4	6.2%	642.8	6.2%	633.1	6.4%	(9.7)	50%
2020	809.9	6.6%	685.5	6.6%	671.1	6.0%	(14.4)	50%
2021	862.1	6.4%	729.7	6.4%	711.2	6.0%	(18.5)	50%
2022	918.1	6.5%	777.1	6.5%	759.4	6.8%	(17.7)	50%
2023	978.8	6.6%	828.5	6.6%	803.6	5.8%	(24.9)	50%
2024	1,043.7	6.6%	883.4	6.6%	851.9	6.0%	(31.5)	50%
2025	1,112.2	6.6%	941.4	6.6%	905.0	6.2%	(36.4)	50%
2026/1	688.6	6.1%	582.6	6.1%	559.9	6.1%	(22.7)	50%
Totals								
FY 2010-26	\$12,117.2		\$10,274.3		\$9,861.9		(\$412.4)	

Distribution FY 2010-26								
Freeways (56.2%)	\$6,809.9		\$5,774.1		\$5,542.4		(\$231.8)	
Arterial Streets (10.5%)	1,272.3		1,078.8		1,035.5		(43.3)	
Public Transportation Fund (33.3%)	4,035.0		3,421.3		3,284.0		(137.3)	
Total	\$12,117.2		\$10,274.3		\$9,861.9		(\$412.4)	

/1 Proposition 400 collections began on January 1, 2006.

FY 2009 actual revenues were \$328.2 million.

FY 2026 amount represents RARF collections for 7 months and the growth rate is annualized.

Totals may not add due to individual rounding.

Appropriated and Executed Budgets FY 2007- 2010 (Dollars in millions)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Appropriated Budget	\$391.8	\$418.2	\$420.0	\$426.2
Budget as Executed:				
Highways	\$130.3	\$138.9	\$112.3	\$105.0
Maintenance	\$118.1	\$128.7	\$109.8	\$100.9
MVD	\$99.5	\$105.1	\$94.9	\$79.4
Administration	<u>\$43.9</u>	<u>\$45.5</u>	<u>\$43.4</u>	<u>\$34.6</u>
Total	\$391.8	\$418.2	\$360.4	\$320.0
Variance	-	-	(\$59.7)	(\$106.2)

Note: May not add due to rounding.

Questions?

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