Legislative Update

MAG Regional Council

May 27, 2009

Legislative Update

- Highway Trust Fund
- White House Corporate Average Fuel Economy (CAFE) Standards
- Reauthorization
- ARRA Transportation Investment Generating Economic Recovery (TIGER) Grants
- High Speed Rail
- State Legislative Actions

Highway Trust Fund

- Projected shortfall in September 2009
- Will require injection of funding: $4 billion
- Move from daily to weekly reimbursements
- Similar issue foreseen for FY 2010
- May fix 2009 & 2010 together:
  - Total $10-11 billion

Funding source uncertain:

Perhaps from General Fund like last year

White House FY 2010 Budget

- Highways
  - $40.7 billion in 2009 to $41.1 billion in 2010
    - $5.0 billion from Trust Fund
    - $36.1 billion from the general fund
- Mass Transit
  - 1% increase for FTA programs
- Rail
  - $1 billion for Capital Assistance for High-Speed Rail Corridors and Intercity Passenger Rail Service

White House CAFE Standards

- Increase fuel economy
- Lower GHG from new cars/trucks by 30%
- Manufacturer fleet average
  - 30.5 miles per gallon; effective 2016

Expected to reduce Highway Trust Fund revenue by $2.1 billion (cumulative) by 2017

Reauthorization

- Set to expire at the end of September 2009
- Based on HTF shortfall & FY 2010…
- May not see enactment until sometime next year – or even later

ARRA TIGER Discretionary Grants

- $1.5 billion nationally
- $300 million max per state
- Minimum project size $20 million
- Applications due September 15, 2009

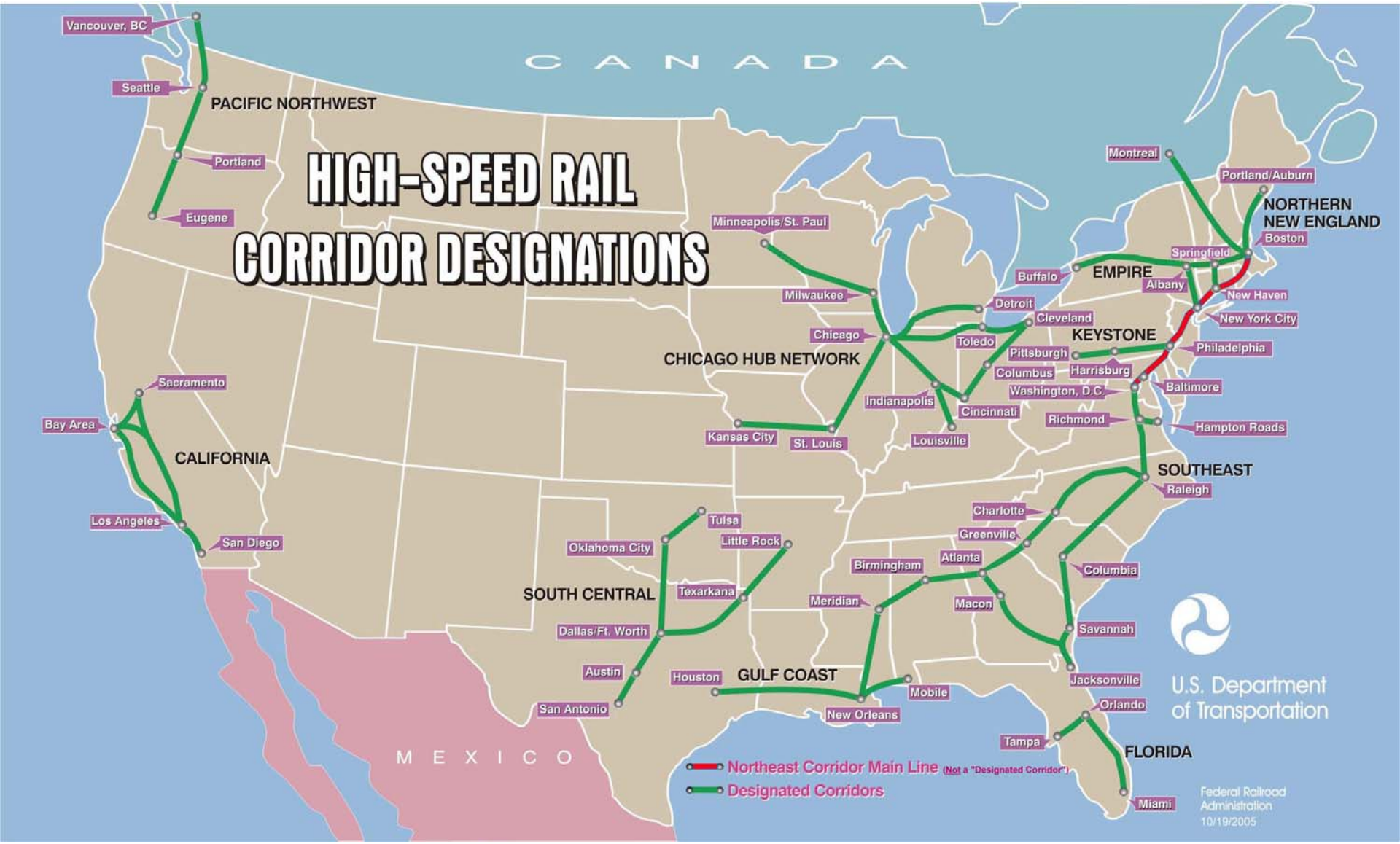
Information and Federal Register:

www.dot.gov/affairs/2009/dot6909.htm

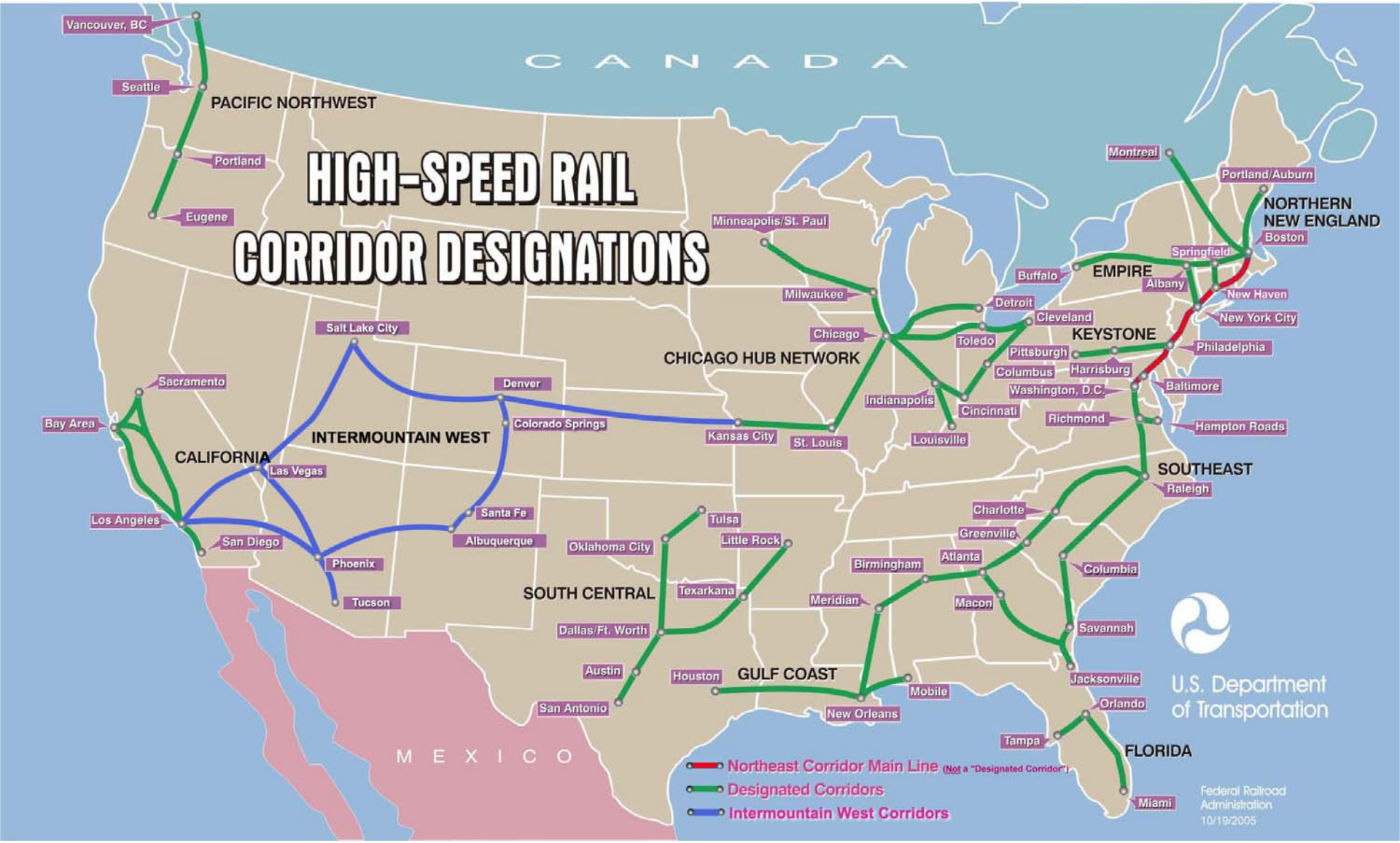
ARRA TIGER Discretionary Grants

- **Primary Selection Criteria**
  - Long-Term Outcomes
    - Significant impact for the Nation, metro area or region
  - Job Creation & Economic Stimulus
    - Expected to quickly create and preserve jobs
    - Particularly in economically distressed areas
- **Secondary Selection Criteria**
  - Innovation
    - Priority for use of innovative strategies in accomplishing above
  - Partnership
    - Demonstrate strong collaborative efforts

High Speed Rail



High Speed Rail



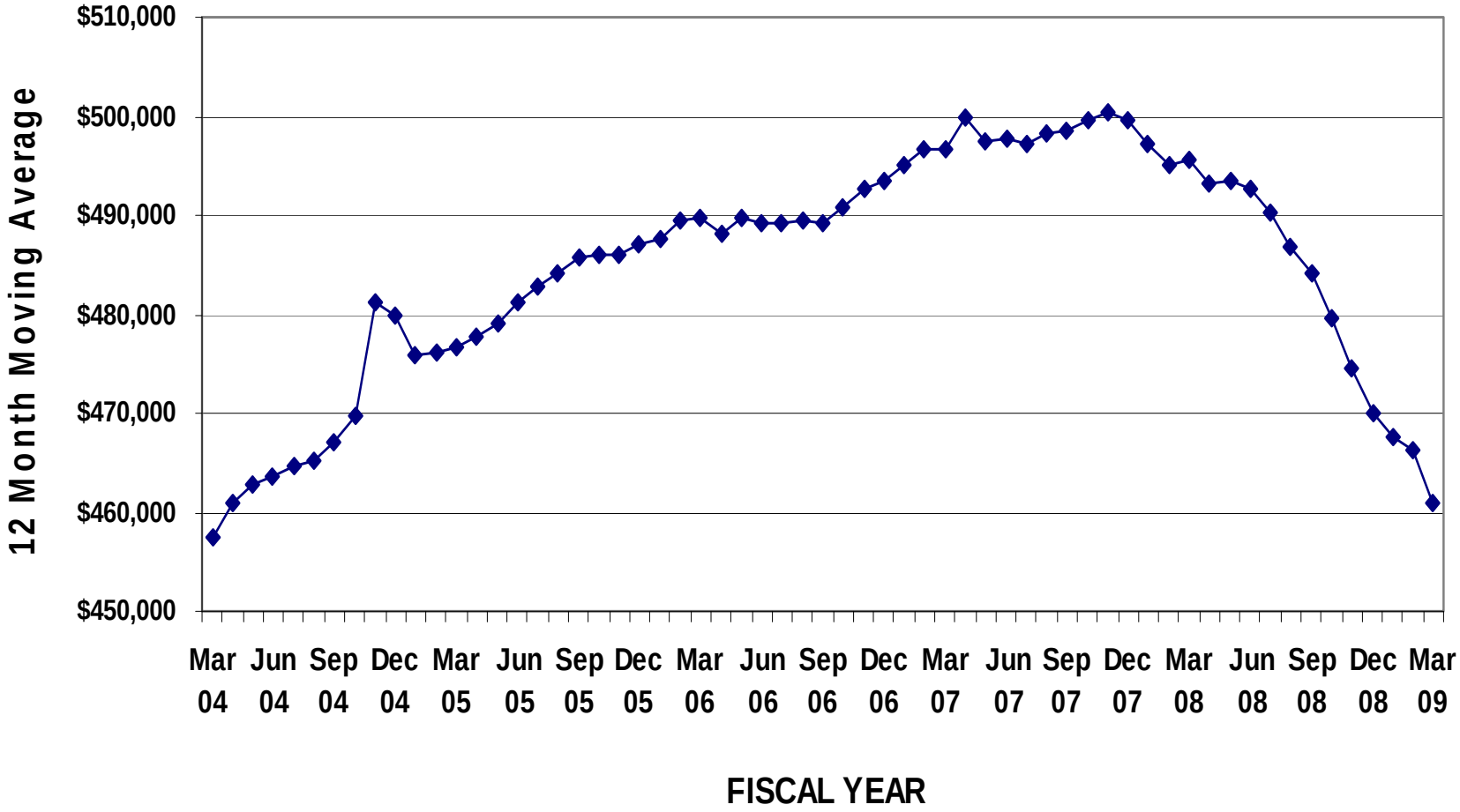
FY 2009 State Legislative Action

- Over $295 million in transportation funds will be transferred from ADOT to address the FY 2009 state general fund budget deficit:

HURF/SHF to DPS	$ 87M
VLT Diversions	$ 66M
Aviation Fund	$ 22M
MVD/Other Funds	$ 16M
STAN	$104M
TOTAL	$295M

Transportation Revenue Growth

12 Month Moving Average - Gas Tax

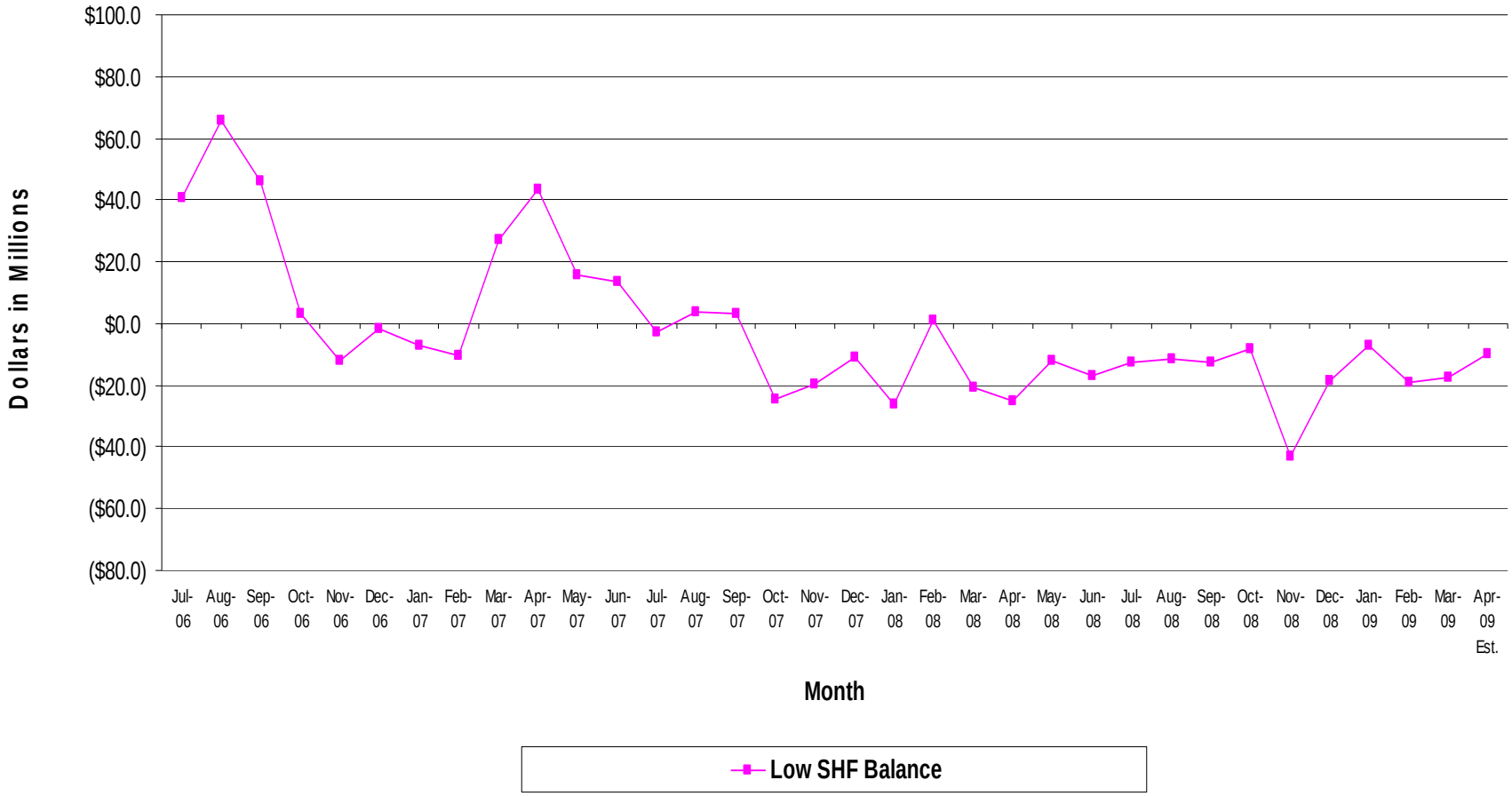


NOTE: 1. FY 2009 through March 2009.

Arizona Department of Transportation

STATE HIGHWAY FUND LOW CASH BALANCE

FY 2007 – FY 2009



NOTE: Excludes BFOs.