2023-2027 STIP Financial Forecast Assumptions

Revenues

- Motor Fuel Taxes (excludes SB-262)
  - Partial rebound to pre-COVID19 level (actual 2020) for 2022
  - Annual growth rate of 1.5 percent for 2023 as rebounding continues
  - Annual growth rate of 0.0 percent for 2024
  - Annual growth rate of -0.25 percent for 2025 and beyond
  - Assumes greater fuel economy (Corporate Average Fuel Economy - CAFE standards) will off-set increases in vehicle miles traveled
  - Based on historical data and fuel consumption projections from the U.S. Energy Information Administration’s Annual Energy Outlook 2021 (AEO 2021) for the region

- Motor Fuel Taxes and Decal Fees (SB-262)
  - Based on Committee on Legislative Research Oversight Division’s fiscal note of April 6, 2021; FY2020 gallons with 20 percent refunds

- Motor Vehicle Sales Taxes
  - Decline to pre-COVID19 level (actual 2020) plus 3.0 percent growth for 2022
  - Annual growth rate of 2.0 percent for 2023-2024
  - Annual growth rate of 3.0 percent for 2025 and beyond
  - Based on historical data and projections from the AEO 2021

- Motor Vehicle and Driver Licensing Fees
  - Decline to pre-COVID19 level (actual 2020) plus 1.5 percent growth for 2022
  - Annual growth rate of 1.5 percent for 2023 and beyond
  - Based on historical data, population over the age of 16 projections from the AEO 2021 and driver licensing renewal data from the Department of Revenue

- Interest and Miscellaneous
  - Interest projections are based on monthly cash balances with a 0.43 percent earnings rate
  - Miscellaneous revenue is based on average annual receipts of $41.0 million for incidentals and other fees plus reimbursements for partnering projects
  - Cost Share Program
    - $35.0 million for 2022
    - $40.0 million for 2023
    - $45.0 million for 2024 and beyond

- Federal Reimbursements
  - Based on Infrastructure Investment and Jobs Act (IIJA) Federal-aid Highway Apportioned Programs and General Fund Supplemental Appropriations for Bridge Replacement, Rehabilitation, Preservation, Protection & Construction and National Vehicle Electric Formula Programs
    - $1,254.2 million for 2022
    - $1,279.3 million for 2023
    - $1,499.2 million for 2024
    - $1,525.3 million for 2025
Revenues (cont’d)

- $1,552.0 million for 2026
- $1,357.6 for 2027 and beyond
  - Rocheport Bridge and Mineola Hill INFRA grant of $81.2 million
  - Highway Infrastructure Program allocation of $112.4 million
    - Suballocation to Large Urban Areas of $43.0 million
  - Highway Infrastructure Bridge Program allocation of $82.1 million
  - Emergency Relief (ER) funds of $16.9 million for Northwest flood resiliency projects
  - Assumptions:
    - Local public agencies will fully utilize annual allocations and carryover balance of $80.0 million
    - Preventative maintenance reimbursements of $65.0 million, annually
    - Preliminary engineering (in-house) reimbursements of $17.5 million, annually
    - Construction engineering (in-house) reimbursements of $60.0 million, annually
    - Statewide planning and research (in-house) reimbursements of $20.0 million, annually

- General Revenue
  - $23.7 million for the Governor’s Transportation Cost Share Program
  - $45.2 million for the Governor’s Focus on Bridges Program annual debt service payments for six years

- Bond and MTFC Loan Proceeds
  - Governor’s Focus on Bridges Program bond issuance of $100.0 million in 2022
  - Amendment 3 bond issuance of $500.0 million in 2023
  - MTFC Loan of $62.5 million for the Rocheport Bridge and Mineola Hill INFRA Grant project
    - $24.4 million disbursement in 2023
    - $24.8 million disbursement in 2024
    - $13.3 million disbursement in 2025

Disbursements

- Operating Budget
  - Personal services includes the 2.0 percent statewide annual cost of living adjustment and department requested employee market adjustment increases starting January 1, 2022 for 2022; Program Delivery workforce expansion of 107 FTEs due to the larger construction program, Enterprise Resource Planning staff of 4 additional FTEs to implement the new accounting system; and 2.0 percent annual cost of living adjustments starting in 2023 for every year
  - Retirement contributions of 58.0 percent
  - Medical projections from the actuary for 2022-2023 and starting in 2024 the annual growth rate is the three-year average of 4.99 percent
  - Other Fringe Benefits based on personal services assumptions
**Disbursements (cont’d)**

- Expense and equipment includes increases of $5.0 million to account for inflation of roadway materials; $4.2 million for rest area improvements; $1.0 million for winter operations’ travel and lodging; $0.9 million for weigh station improvements; $0.8 million for radio tower maintenance; a one-time increase of $5.0 million for dump truck repairs; and starting in 2024 increases of $10.0 million for fleet replacement and $2.0 million for information systems

- Expense and equipment distribution to Districts
  - 35 percent Lane Miles – Major
  - 35 percent Lane Miles – Minor
  - 20 percent Vehicle Miles of Travel
  - 10 percent Minor Roads in Poor Condition
  - Asset management deficit program allocation of $15.0 million for 2022-2024

**Program Delivery**

- Contractor Awards
  - $1,118.9 million for 2022
  - $1,530.0 million for 2023 and beyond

- Design/Bridge Consultant Engineering (DBC)
  - $60.0 million for 2022
  - $70.0 million for 2023
  - $95.0 million for 2024
  - $100.0 million for 2025 and beyond

- Right of Way Acquisitions
  - $20.0 million for 2022
  - $25.0 million for 2023 and beyond

- Debt service
  - Based on current annual debt service payments
  - Governor’s Focus on Bridges Program of $45.2 million annually for six years
  - MTFC loan repayments for the Rocheport Bridge and Mineola Hill INFRA Grant project of $9.2 million annually starting in 2024 for seven years
  - Amendment 3 debt service payments of $55.0 million starting in 2024 for ten years

**Other State Agencies (Highway Patrol and Department of Revenue)**

- Based on historical data
- Highway Patrol – 87 percent spending of FY2022 appropriation
- Annual growth rate of 1.3 percent for 2023 and beyond