

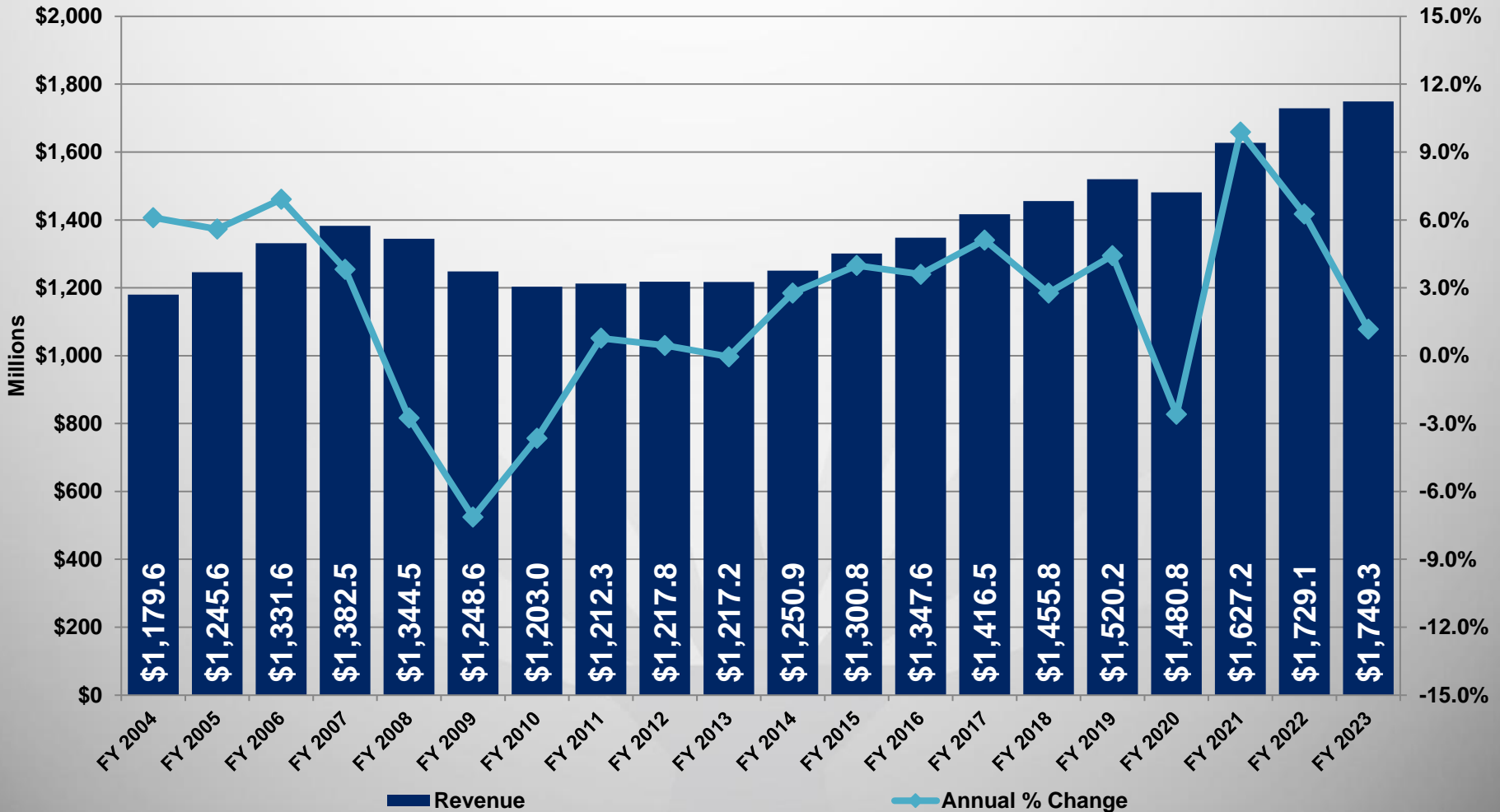
# Rural Transportation Summit



**Presentation by: Kristine Ward, CFO**

**October 19, 2023**

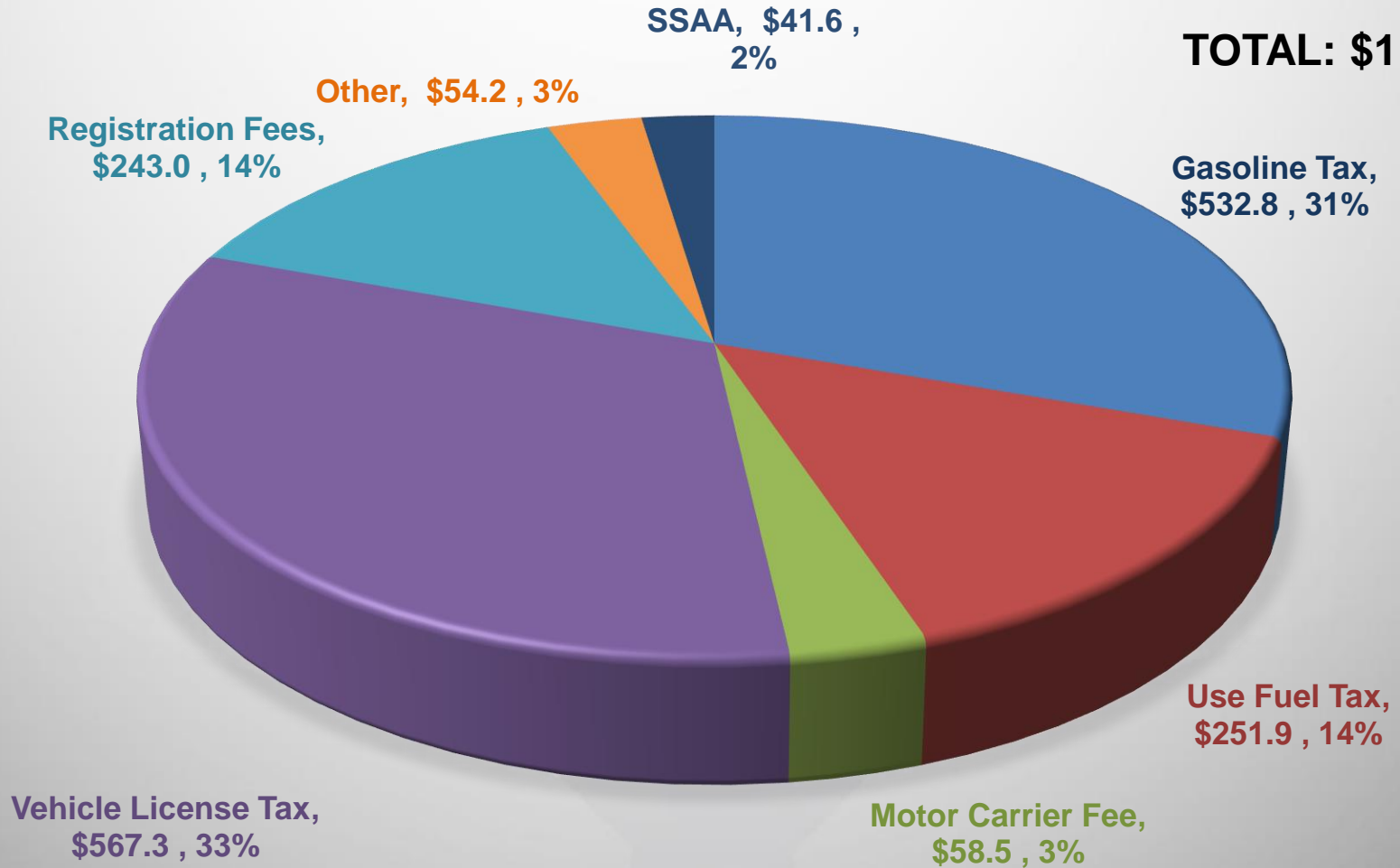
# HURF: Revenue History



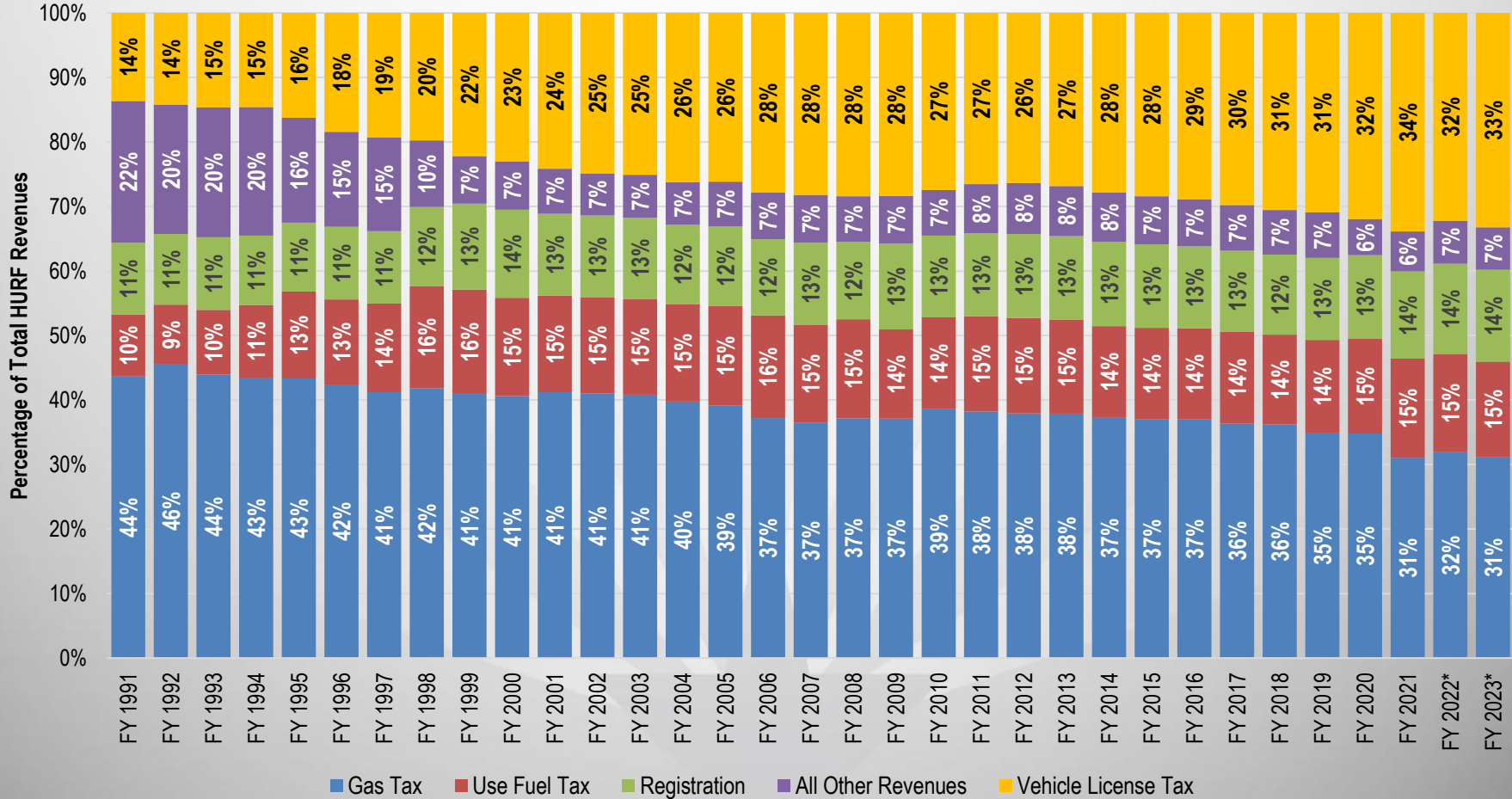
# Breakdown of HURF Revenues

## FY 2023 Actuals

**TOTAL: \$1,749.3**



# Revenue Categories as a Percentage of HURF FY 1991–FY 2023 (Adjusted)

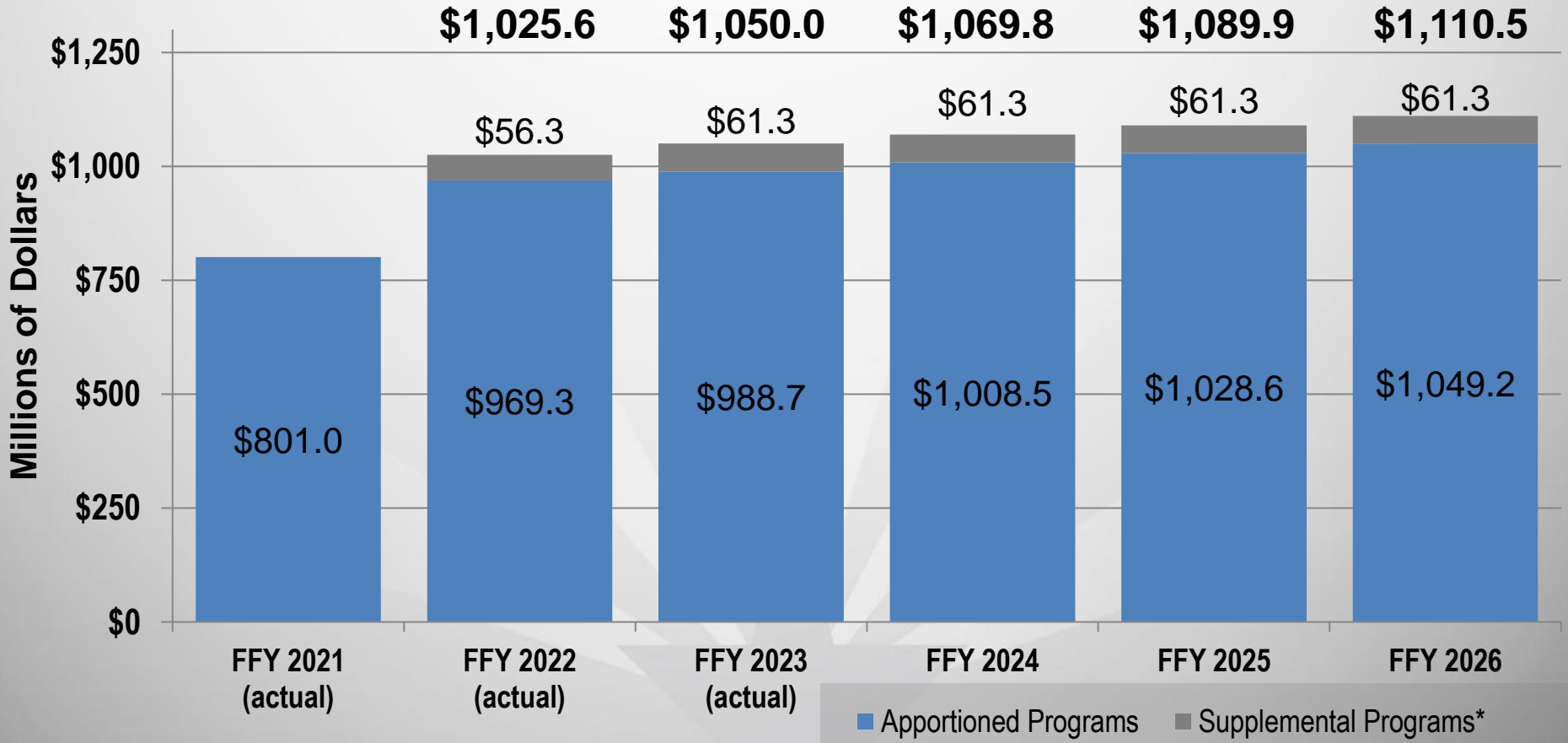


\* The Smart & Safe AZ Fund added a new HURF revenue source in FY 2022. Revenue from this source has been removed to normalize the historical distribution.

# IJA/BIL Apportionment Estimates

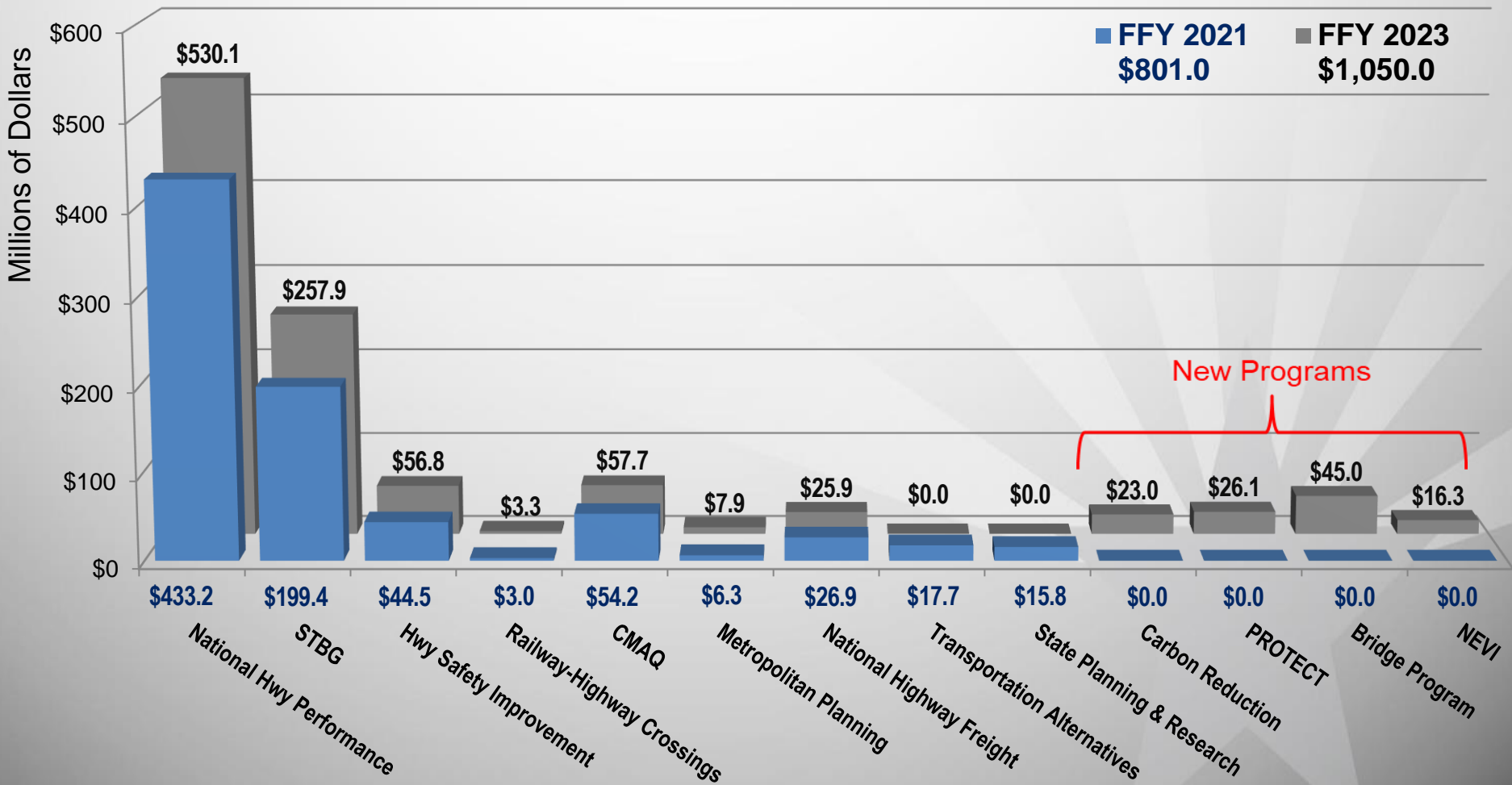
**FFY 2022 – FFY 2026**

*Total Estimated IJA funding limits: \$5.3 billion*

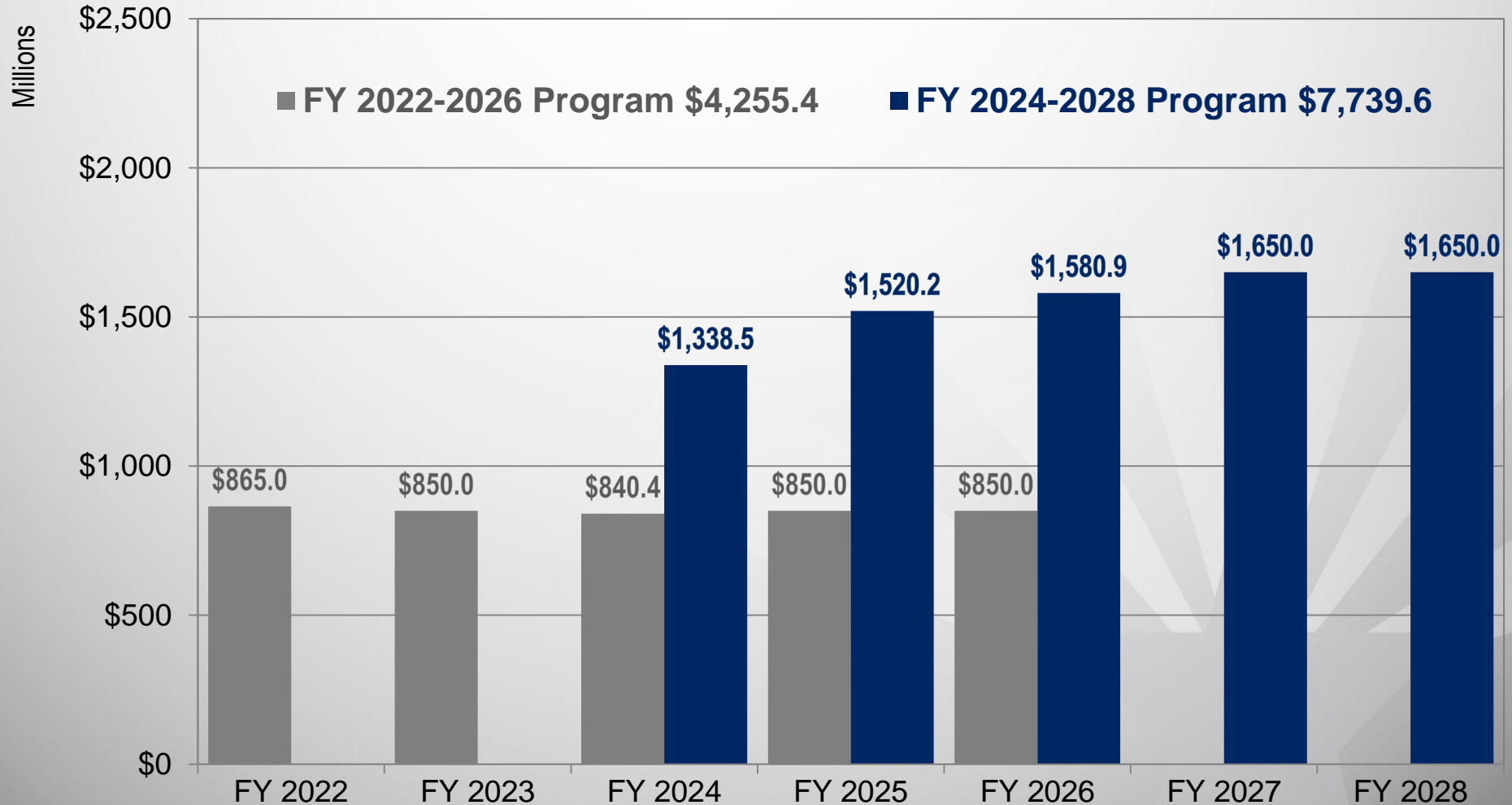


\*Supplemental Programs consist of Bridge Program (\$45M) and National Electric Vehicle Infrastructure (NEVI) (\$11.3M to \$16.3M)

# FAST v. IJA Apportionment Comparison



# Highway Construction Program Funding





# Economic Headwinds

- Inflation
- Interest Rates
- Labor Shortages
- Emerging Markets

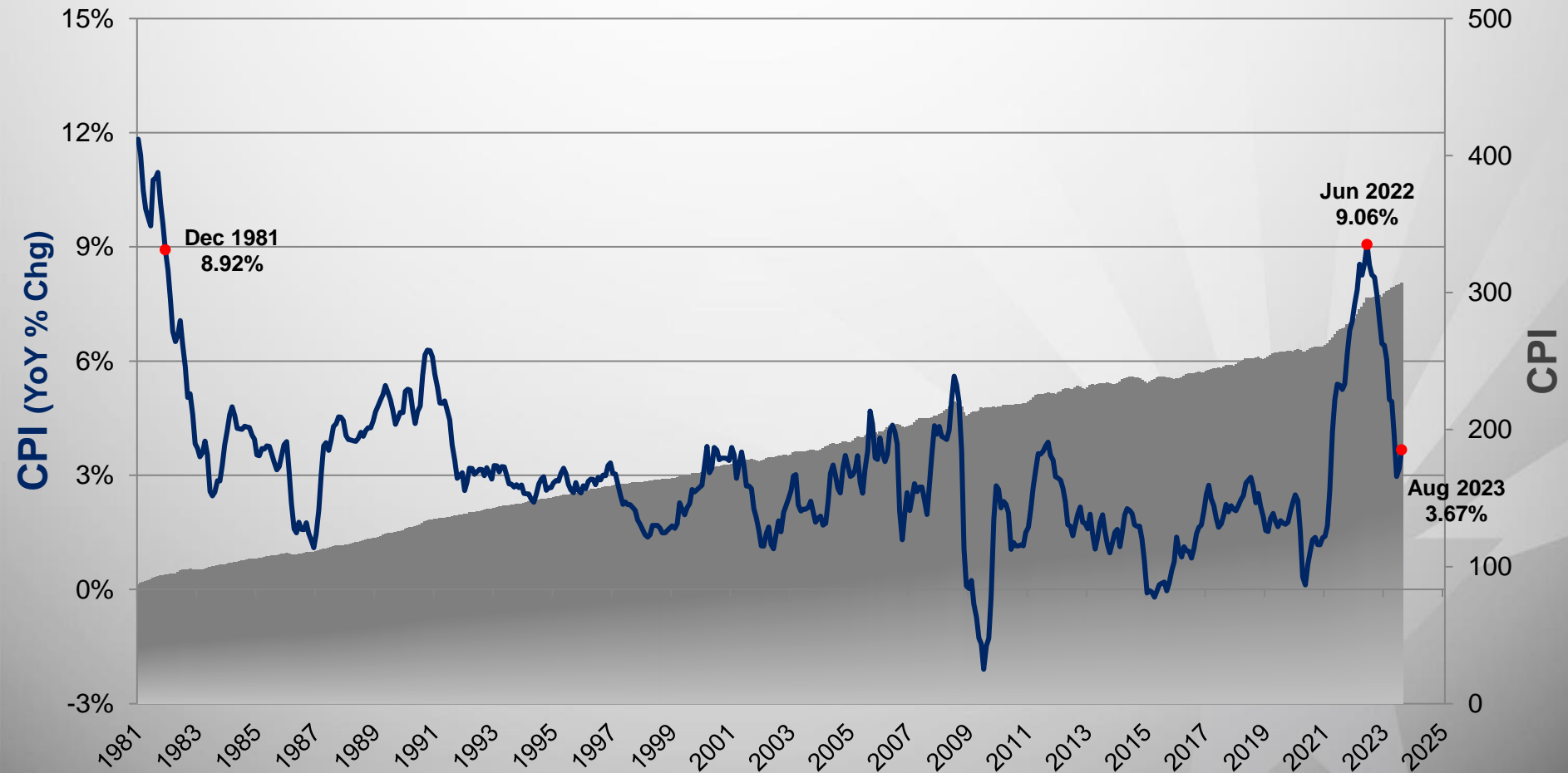




# US Inflation Hit 40yr High

## Monthly Consumer Price Index: Jan 1981 – Aug 2023

I WAS GOING TO MAKE AN  
*inflation joke*  
  
BUT IT'S NOT WORTH IT ANYMORE

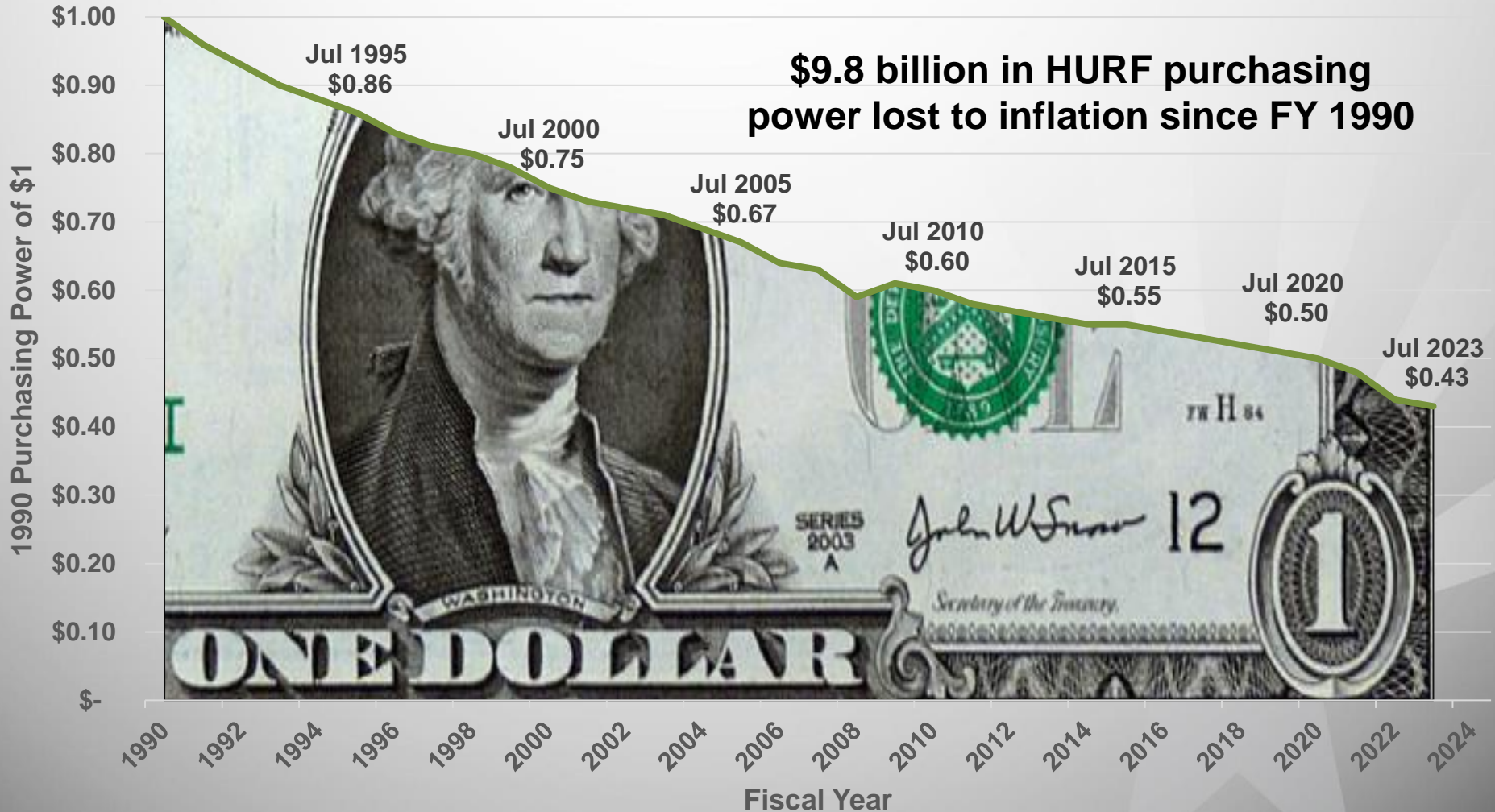


# ADOT CONSTRUCTION COST INDEX

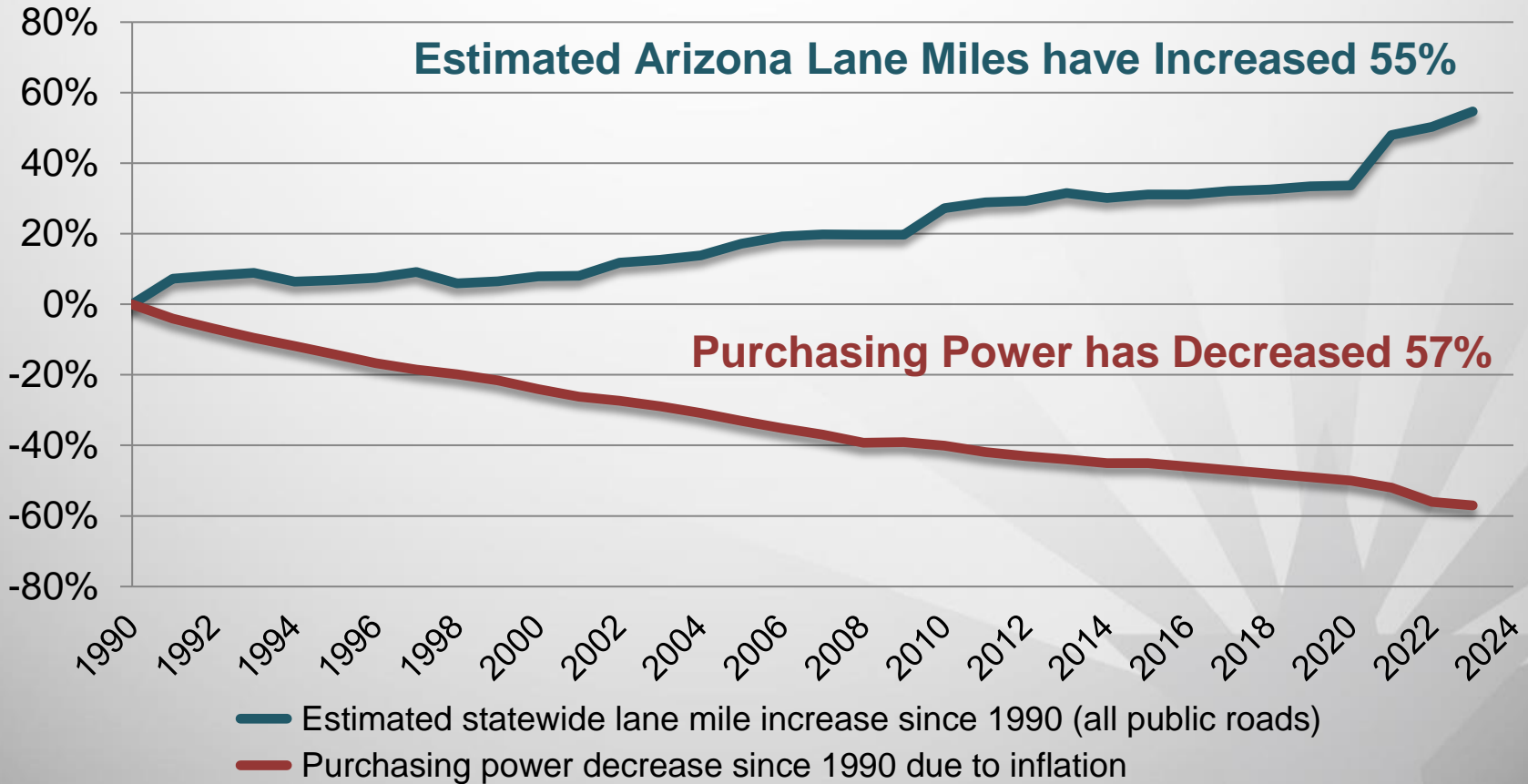
## Q4 FY 2016 – Q4 FY 2023



# Diminishing Purchasing Power

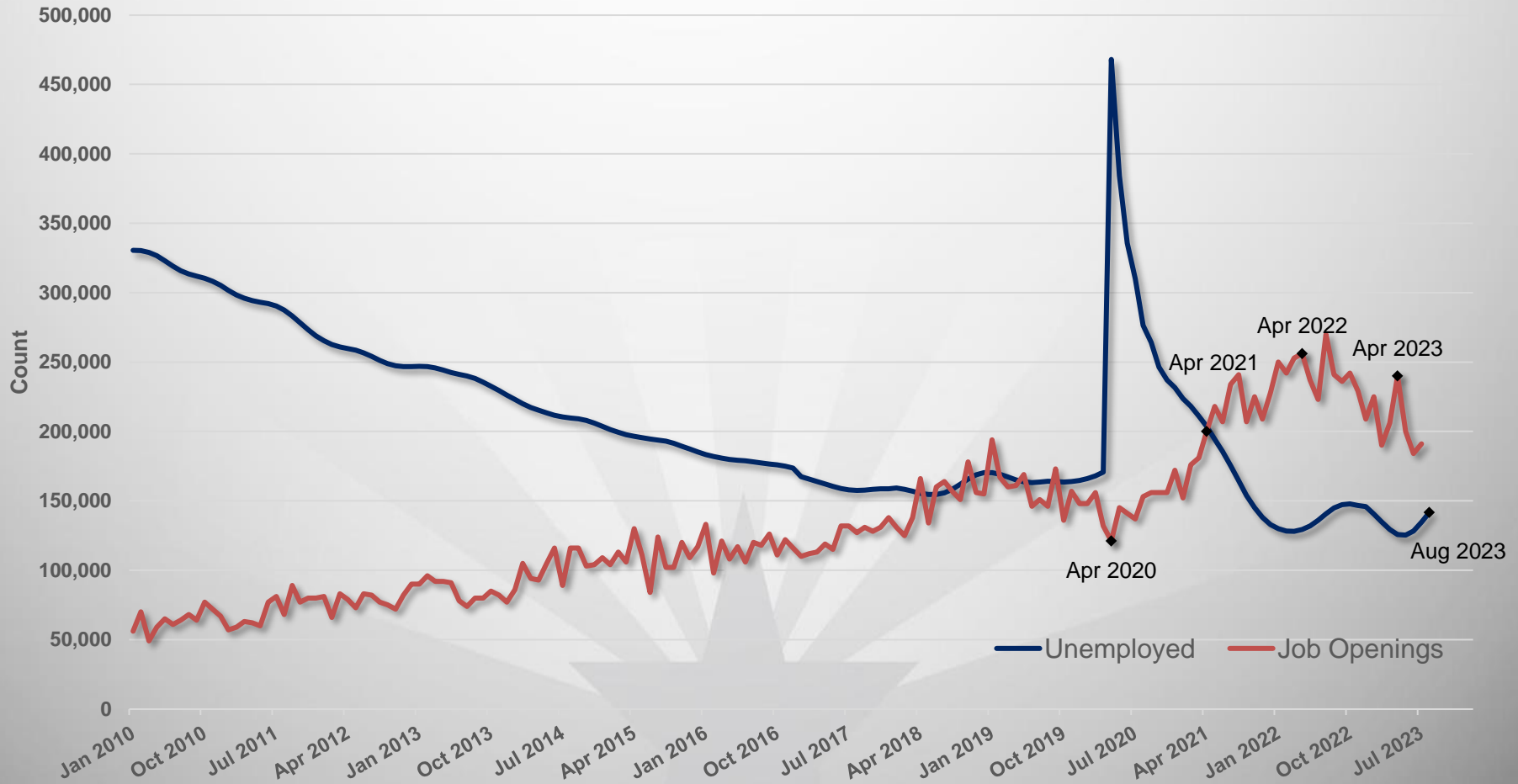


# AZ Lane Miles vs Purchasing Power FY 1990 to FY 2023



# Labor Shortage

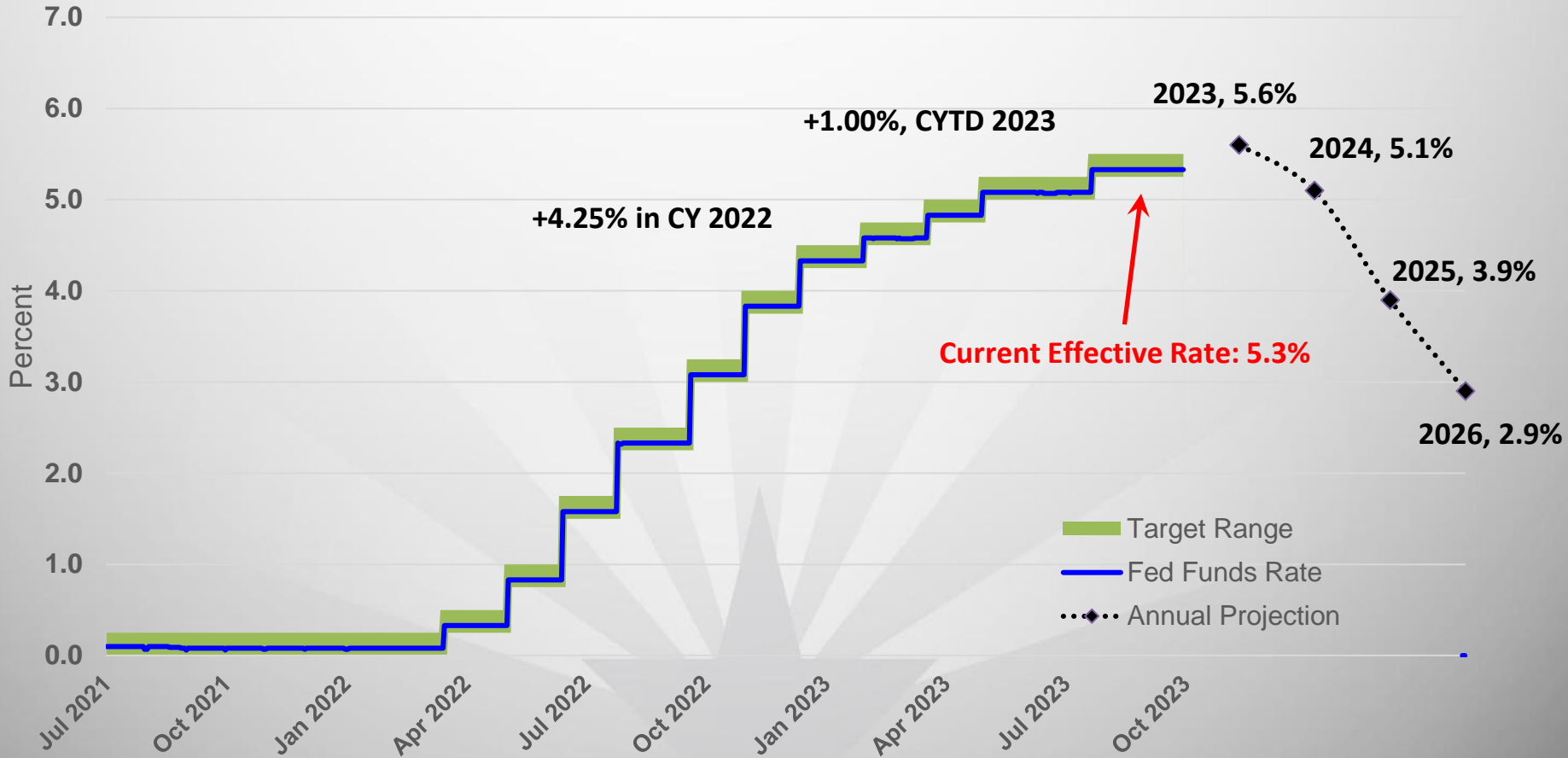
## Arizona Unemployment vs Job Openings



Source: U.S. Bureau of Labor Statistics.

# Federal Funds Rate & Projections

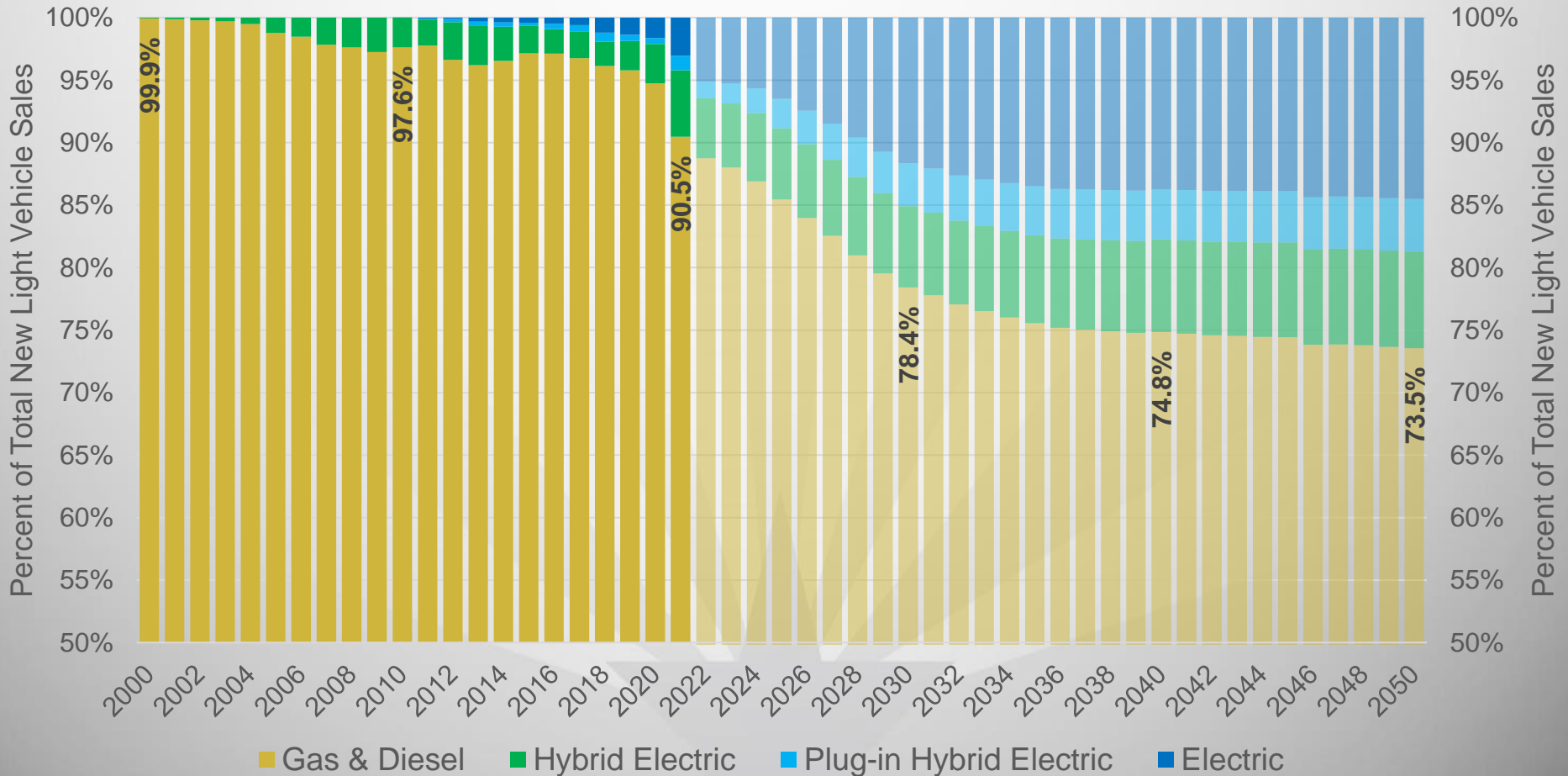
July 1, 2021–October 5, 2023



Source: Board of Governors of the US Federal Reserve System, September 2023 Federal Open Market Committee (FOMC)

# US New Light Vehicle Sales by Fuel Type

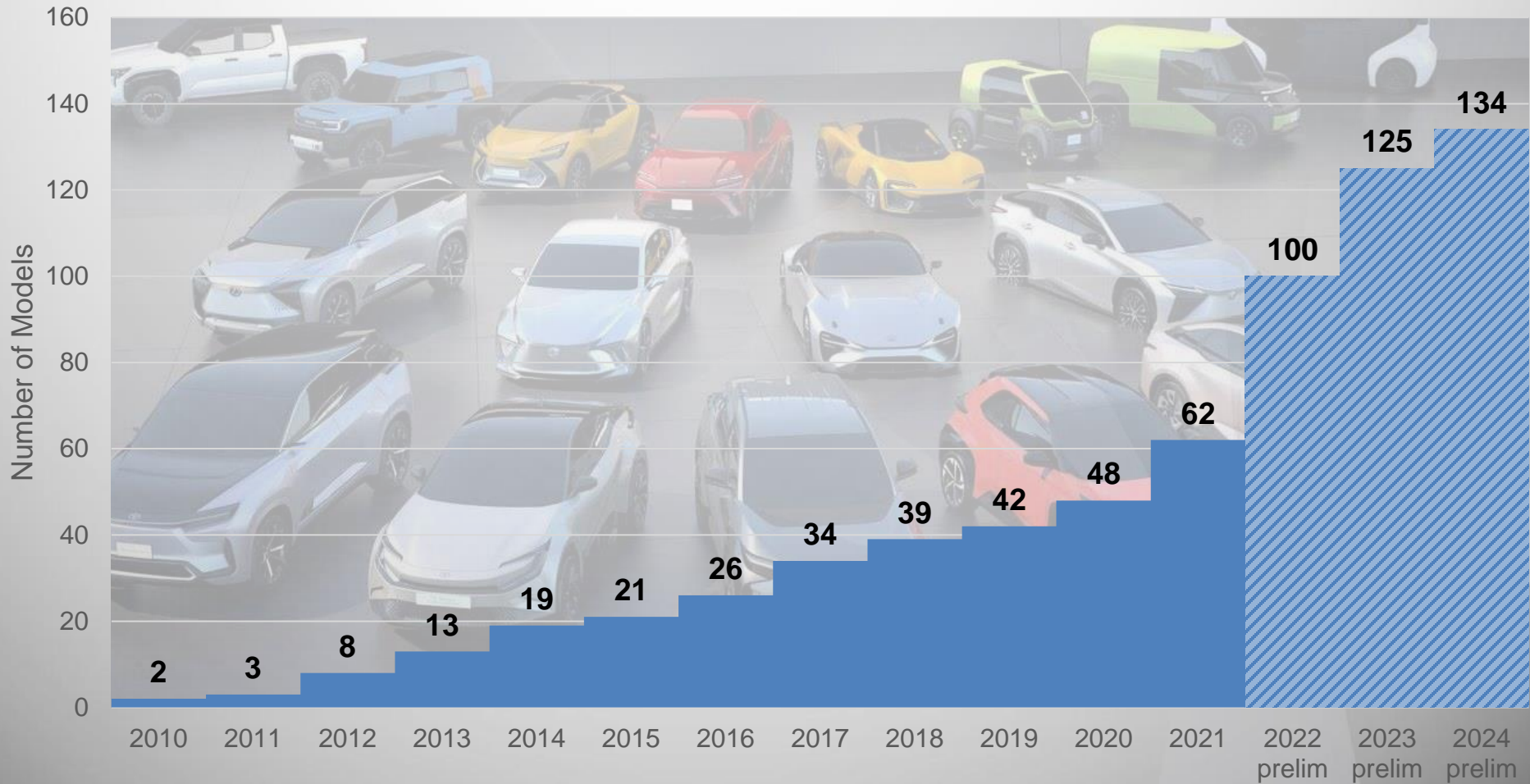
## 2000–2021 Actual, 2022-2050 Projections



Source: US Bureau of Transportation Statistics, 2021 National Transportation Statistics; US Energy Information Administration, 2023 Annual Energy Outlook.

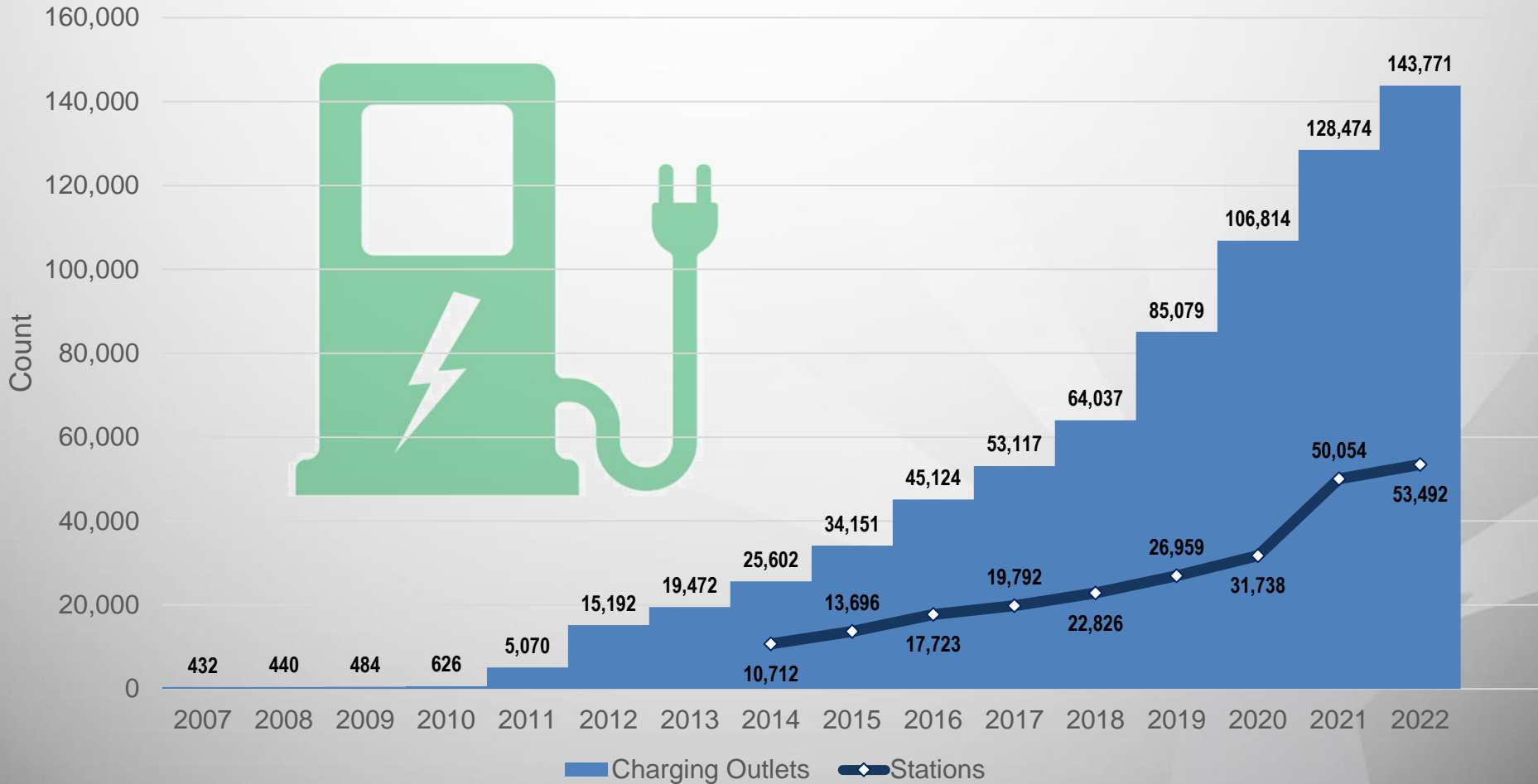


# EV Models Available



**Source:** Electric Power Research Institute, GM Authority, and Car and Driver

# Electric Vehicle Charging Stations/Outlets



# Disruption to Fuel Tax Revenue

Electric Cars Have Dented Fuel Demand. By 2040, They'll Slash It

## Electric Vehicle Ownership Costs:

Today's Electric Vehicles Offer Big Savings for Consumers

International Energy Agency (IEA): transportation accounts for around 60% of global oil demand, and the rise of EVs could significantly reduce this demand.

## Predicting the Big Crash

The amount of oil displaced by electric cars depends on when vehicle sales take off. Here are three scenarios for rising EV sales.

**2020 Consumer Reports Study:**  
EV drivers tend to spend about 60% less on fuel.

Est. \$2/gallon charging cost equivalency –  
EV owners can save nearly \$1000 in fuel costs each year.



# Questions?

