

Financial Planning & Analysis

Draft FY22 Budget & Draft FY21 – FY27 ITIP

Idaho Transportation Board Workshop

JUNE 17, 2020

Rev #1



Your Safety. Your Mobility. Your Economic Opportunity.

Workshop Agenda

1. Strategic Outlook FY21

(Justin Collins FP&A) – 10 minutes

2. Strategic Outlook FY22 and High-level Notes

(Justin Collins FP&A) – 10 minutes

3. Trends and State Revenue

(Bob Thompson FP&A) - 15 minutes

4. Draft FY22 Budget Request

(Chris Bray FP&A) - 20 minutes

BREAK (10 minutes)

5. Draft FY21 – FY 27 ITIP Program

(Nathan Hesterman FP&A) - 45 minutes

6. Public Outreach

(Vincent Trimboli Office of Communications) - 10 minutes



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FY21 Strategic Outlook

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COVID – 19 Response

- February ITD began analyzing the potential revenue impacts COVID–19
- Attention was focused on the potential revenue impact for FY20 & FY21
 - Aeronautics Fund
 - State Highway Account
- Multiply scenarios were analyzed
- Monitored on a month to month basis and adjusted when needed



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FY20 & FY21 Budget Stabilization Plan - (Aero)

Revenue impact (internal target – 30% or ~\$1.1M)

	<u>FY20</u>	<u>FY21</u>
Original Forecasted Revenue	\$ 3.9M	\$ 4.0M
FY20 Modeled COVID-19 Related Impact	\$ (0.3)M	
FY21 30% Modeled COVID-19 Related Impact		\$ (1.2)M
New Estimated Revenue	\$ 3.6M	\$ 2.8M



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FY20 & FY21 Budget Stabilization Plan - (Aero)

Mitigation Strategy

- FY21 line item request for the Idaho Airport Aid Program (IAAP) \$1.75M



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FY21 Budget Stabilization Plan - (State Highway Account)

Revenue impact (internal target – 20% or ~\$70M)

	10% Reduction	15% Reduction	20% Reduction
FY21 Original Forecasted State Revenue	\$ 354.0M	\$ 354.0M	\$ 354.0M
Modeled COVID-19 Related Impact	\$ (35.4)M	\$ (53.1)M	\$ (70.8)M
New Estimated FY21 Revenue	\$ 318.6M	\$ 300.9M	\$ 283.2M



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FY21 Budget Stabilization Plan – (State Highway Account)

Mitigation Strategy

(Construction Program funds not yet allocated to projects ~\$60M)

FY19 Reversion of State Spending Authority	\$ 3.7M
FY19 Receipts above Forecast/Appropriation	\$ 8.5M
Increase in Forecast in State Revenues - FY20	\$ 9.6M
Removal of Capital Facilities for D4 HQ	\$ 12.5M
Growth in FY21 Forecast/Est FY21 Cash Balance	\$ 4.5M
FY21 Federal Indirect Cost Recovery (FICR)	\$ 21.0M
Total	\$ 59.8M



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FY21 Budget Stabilization Plan - (State Highway Account)

Mitigation Strategy

(Potential Holdback Areas ~\$10M)

FY20 – Planned Dedicated Reversions	\$ 12.0M
FY21 – Potential Dedicated Reversions	\$ 4.5M
FY21 – Disallowed 2% Change Employee Compensation	\$ 2.6M
FY20 – Stockpile replenishment needs – Salt	\$ (2.0)M
FY20 – Estimated Receipts below Forecast	\$ (7.0)M
Total	\$ 10.1M



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FY21 Budget Stabilization Plan

- The mitigation strategy taken in FY21 allowed the budget to be implemented as originally intended
- FP&A will work closely with the Construction Program Management Office (PMO) and adjust as needed.



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FY22 Strategic Outlook & High-level Notes

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Noteworthy Items FY22

- Revenue numbers
 - August 2019 forecast (Updated in August 2020)
 - ~5% cash balance at the end of the FY22
- DFM personnel adjustments
 - Variable benefits, health benefits, CEC, etc.
- Continuous iterations with business



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FY22 Budget Timeline

FINANCIAL MANAGEMENT TIMELINE

	FY20	Fiscal Year 2021											
		Calendar Year 2020						Calendar Year 2021					
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY22 - Secure next year's budget		WE ARE HERE											
Request	Board	Board											
Revenue Forecast		Forecast											
Receive Approval				Governor's Office				Gov Rec-JFAC-Approp Bill					



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FY22 Budget Request Goal

Due to uncertain economic conditions - keep budget request at base where possible

- **Capital Facilities will remain at the base level**
- **Equipment replacement items are \$1.5M lower than FY21 levels**
- **Line Item requests are fewer by 10 totaling \$101.1M less than FY21**



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FY22 Personnel Factors

- **During the 2020 Legislative Session \$3.6M was removed from Personnel**
- **FY21 2% CEC Appropriation**
- **Decreasing Vacancy Count**



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Trends and State Revenue

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DRAFT FY22 APPROPRIATION REQUEST

Potential Impacts to Revenue

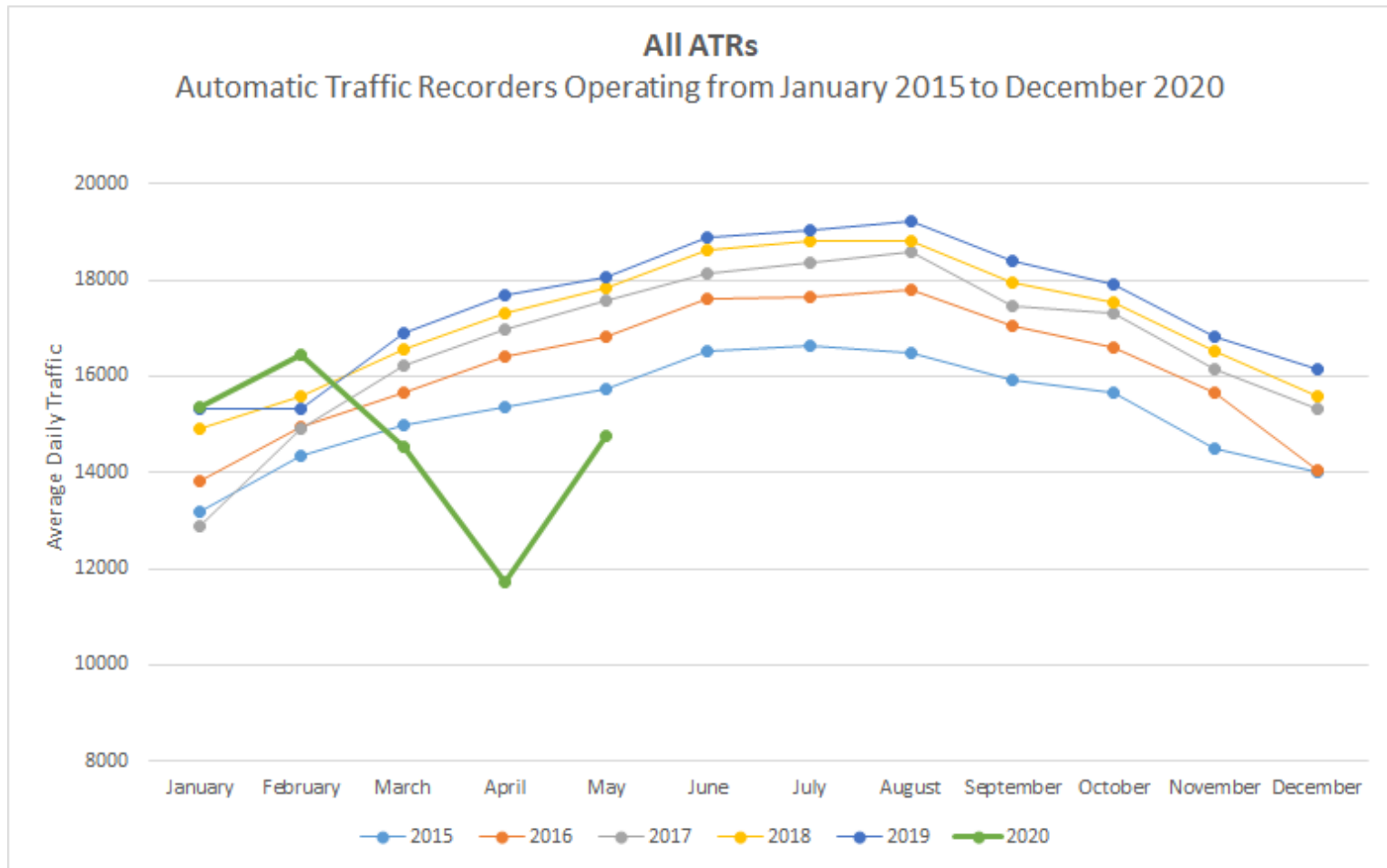
- Reduction of traffic volumes has been upwards of 30% to 35% since the order was issued on March 25th.
- Extension of Vehicle registration expiration deadlines
- Decrease of Air Travel 30% to 70% since last year



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DRAFT FY22 APPROPRIATION REQUEST

Potential Impacts to Revenue



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DRAFT FY22 APPROPRIATION REQUEST

Potential Impacts to Revenue

Legislative Actions

a. H0334: Bridge Inspection Fund

Increases funding for the local bridge inspection account by \$75,000 annually to \$175,000

b. S1379: Dyed Diesel Enforcement

Provides for using existing law enforcement and ITD resources to inspect commercial vehicles for dyed fuel.

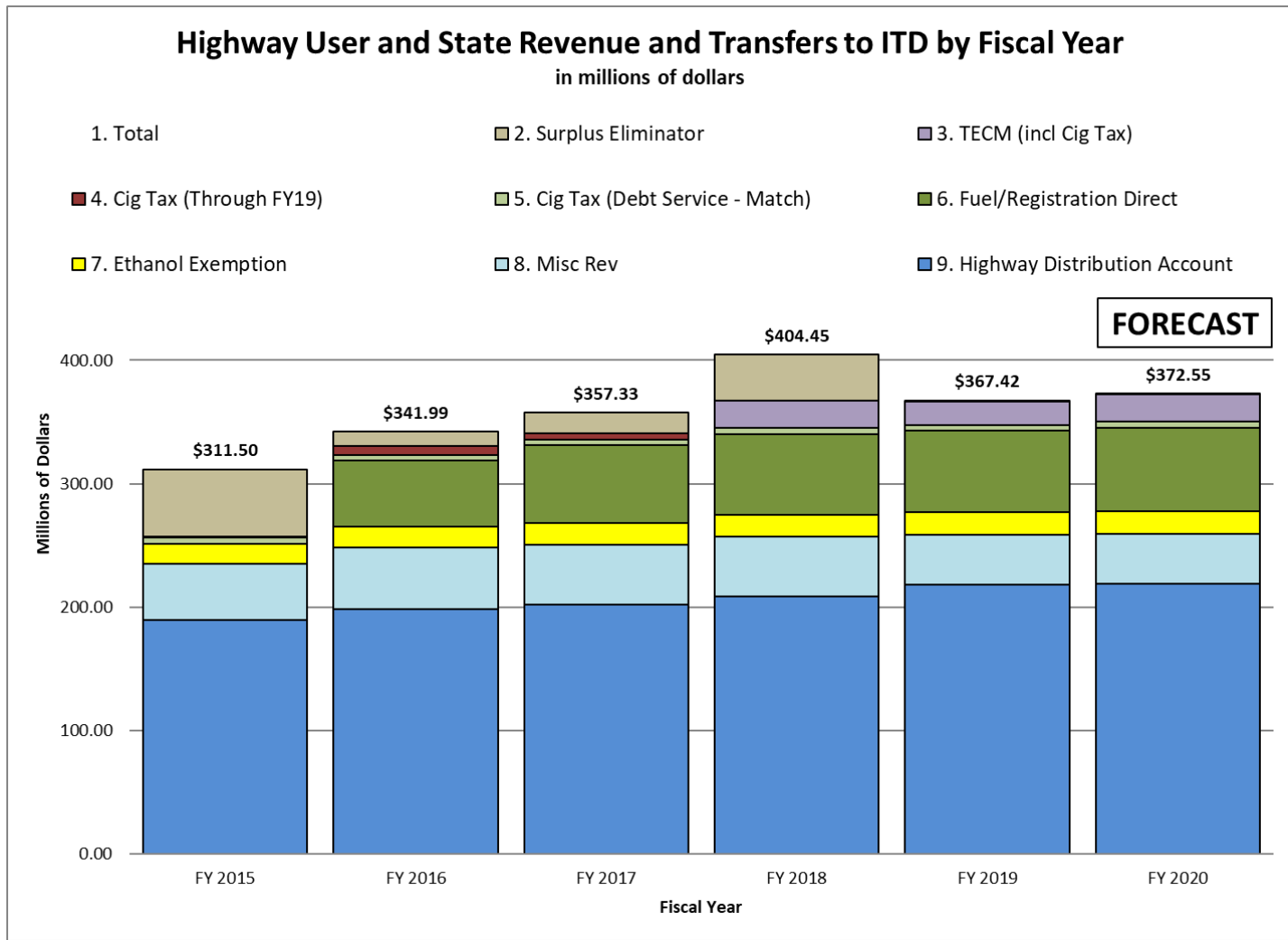
c. S1201: (2019 Session) Removes ISP from HDA distribution formula

Raises revenue to the SHA \$1.9M per year (FY22 to FY26)
Total of \$11M to the SHA in FY26.



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Highway User Revenue and Transfers to ITD



*FY15 – FY19 are Actual Values. FY20 is Forecasted



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Draft FY22 Budget Request

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Draft FY22 Budget

— Appropriation Summary —

(Subject to Adjusted Forecast in August 2020)

(amounts in millions, sums may not add, due to rounding)

	Approp. FY21	Request FY22	Change
Full-Time Positions	1,648.0	1,648.0	-----
Base	\$639.1	\$646.1	\$6.9
Adjustments to Base			
- Personnel Costs (CEC, Health Insurance, PERSI Increase)	1.6	4.1	2.5
- Highway Reduction in PC	(3.6)	0.0	3.6
- Statewide Cost Allocation	0.1	0.1	0.0
- Replacement Equipment	30.1	28.6	(1.5)
- Other Base Adjustments	<u>3.6</u>	<u>(26.7)</u>	(30.3)
Total Base Adjustments	31.7	6.1	(25.6)
Program Maintenance	670.8	652.1	(18.6)
Line Items	<u>111.9</u>	<u>10.8</u>	(101.1)
Appropriation	782.7	663.0	119.7
GARVEE Debt Service	<u>67.9</u>	<u>68.6</u>	0.7
Total Program Funding	\$850.6	731.6	(\$119.0)



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Draft FY22 Budget

— Replacement Items —
(amounts in millions and rounded)

• BuyBack Equipment Cost	\$ 9.8
• Road Equipment	11.7
• Computer Equipment	4.3
• Lab and Engineering Equipment	0.4
• Specific Use Equipment	0.5
• Other Equipment	<u>1.9</u>
Total Replacement Items	\$ 28.6

Estimated BuyBack sale proceeds are \$9,759,500.



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Draft FY22 Budget

- Line Items -

	<u>BUDGET UNIT</u>	<u>AMOUNT</u>
Geographic Information Systems Integration (Phase 4 Final)	Hwy Operations	\$ 1,750,000
<ul style="list-style-type: none">▪ <i>One-time state funds Operating Expense</i>▪ <i>Improved information and mapping for employees and users of the Highway system</i>▪ <i>More efficient and productive highway operations and service delivery</i>		
CARES Act Federal Transit Administration Grant (Public Transportation)	Hwy Operations	\$ 9,000,000
<ul style="list-style-type: none">▪ <i>One-time federal funds Trustee and Benefits</i>▪ <i>Aid in the recovery of revenue loss caused by the travel restrictions imposed to combat the COVID-19</i>▪ <i>Maintains intercity bus services, rural transit and administration</i>		
Personnel Cost Increase	(To Be Determined)	
<ul style="list-style-type: none">▪ <i>Ongoing state funds</i>		



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Idaho Transportation Department

DRAFT FY22 Agency Budget Request (6/17/20)

(Subject to Adjusted Forecast in August 2020)

\$ in Millions and Rounded - sums may not add, due to rounding

FUND SOURCES		State	Federal	Other	Total	
1	Distribution of Highway User Revenue to ITD	317.0			317.0	
2	Cigarette Tax - for Debt Service fund (state match)	4.7			4.7	
3	Cigarette Tax - to Transp Expansion/Congestion Mitigation (TECM)	5.7			5.7	
4	1% Sales Tax - to Transp Expansion/Congestion Mitigation (TECM)	19.4			19.4	
5	Aviation Fuel Tax	2.7			2.7	
6	Federal		345.0		345.0	
7	Local Match			4.7	4.7	
8	Services for State Agencies			0.3	0.3	
9	Misc State	41.1			41.1	
10	FHWA Funds Appropriated as State	25.0	(25.0)			
11	Prior Year Federal Authority Obligated		-			
12	Pre-FY21 Funding Received / Secured	-	-	-		
13	Cash Adjustment	7.1	0.70	-	7.8	
14	TOTAL FUND SOURCES	422.5	320.7	5.0	748.2	
15						
16	EXPENDITURES					
17	Personnel	121.2	15.4	0.4	137.0	20.7%
18	Operating	87.2	8.5	0.2	95.9	14.5%
19	Capital Facilities	3.6	-	-	3.6	0.5%
20	Equipment	28.6	-	-	28.6	4.3%
21	Sub-Grantee (Pass-Through)	1.5	26.7	-	28.1	4.2%
22	Contract Construction & Right-of-Way Acquisition	158.5	206.7	4.4	369.6	55.8%
23	TOTAL EXPENDITURES [SPENDING AUTHORITY]	400.7	257.3	5.0	663.0	100.0%
24		55.3%	44.0%	0.7%		
25	DEBT SERVICE	5.1	63.5		68.6	
26						
27	TOTAL PROGRAM FUNDING	405.8	320.8	5.0	731.6	
28		55.5%	43.8%	0.7%		
29	Funds in Excess of Appropriation	16.7	-	-	16.7	



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FY 2021 – 2027 Draft ITIP

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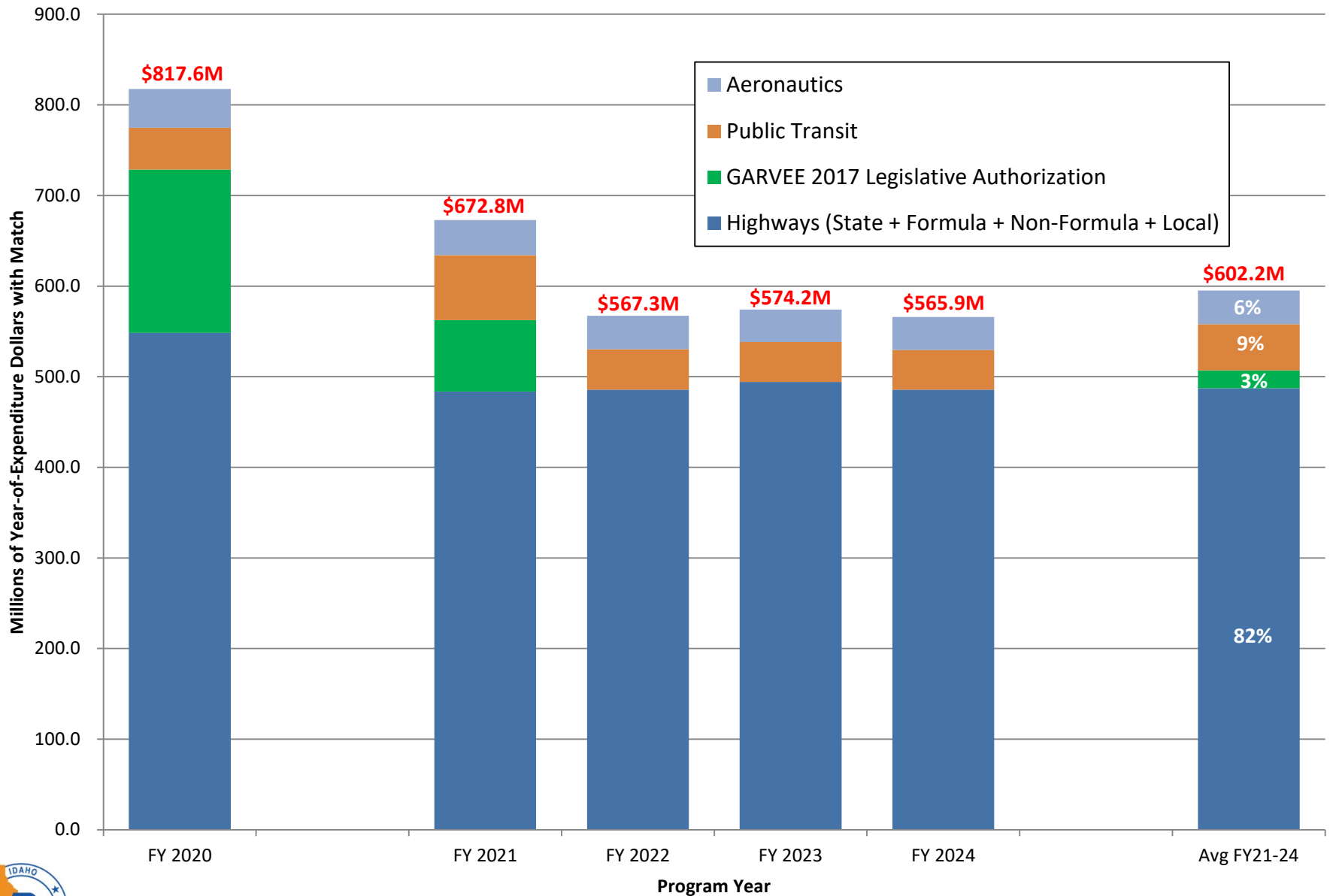
Draft FY 2021 - 2027 Program Update Activities

When	What	Status
November	Draft Targets & Program Descriptions Available	done
	FY27 Safety & Capacity Submittals Due	done
January	District Program Update Tours	done
	OTIS Program Update Training	done
	FY21 Program Update Manual Published	done
February	Begin Entry into District Draft Scenarios	done
March	FY27 Safety & Capacity Project Nominations	done
April	District ITIP Submittals Due	done
	LHTAC & COMPASS Submittals Due	done
May	Hwy PMO Office Review	done
	Multi-Modal Submittals Due	done
	Program Rebalancing	done
	Management Review of Draft ITIP	done
June	Board Review of Draft ITIP	now
July	Draft ITIP Public Involvement	
August	Incorporate Public Comments & FY20 EOY	
September	Board Approval of Recommended ITIP	
	Close of Federal 2020 Fiscal Year	
October	Board-Approved ITIP Published	
	Begin Obligation of Existing & New Grouped Projects	
	FY20 Amendment to Begin Obligation of All Projects	
	MPO Board TIP Approvals	
November	STIP Submittal to FHWA & FTA	
December	FHWA, FTA, EPA STIP Approval	
	STIP Published	



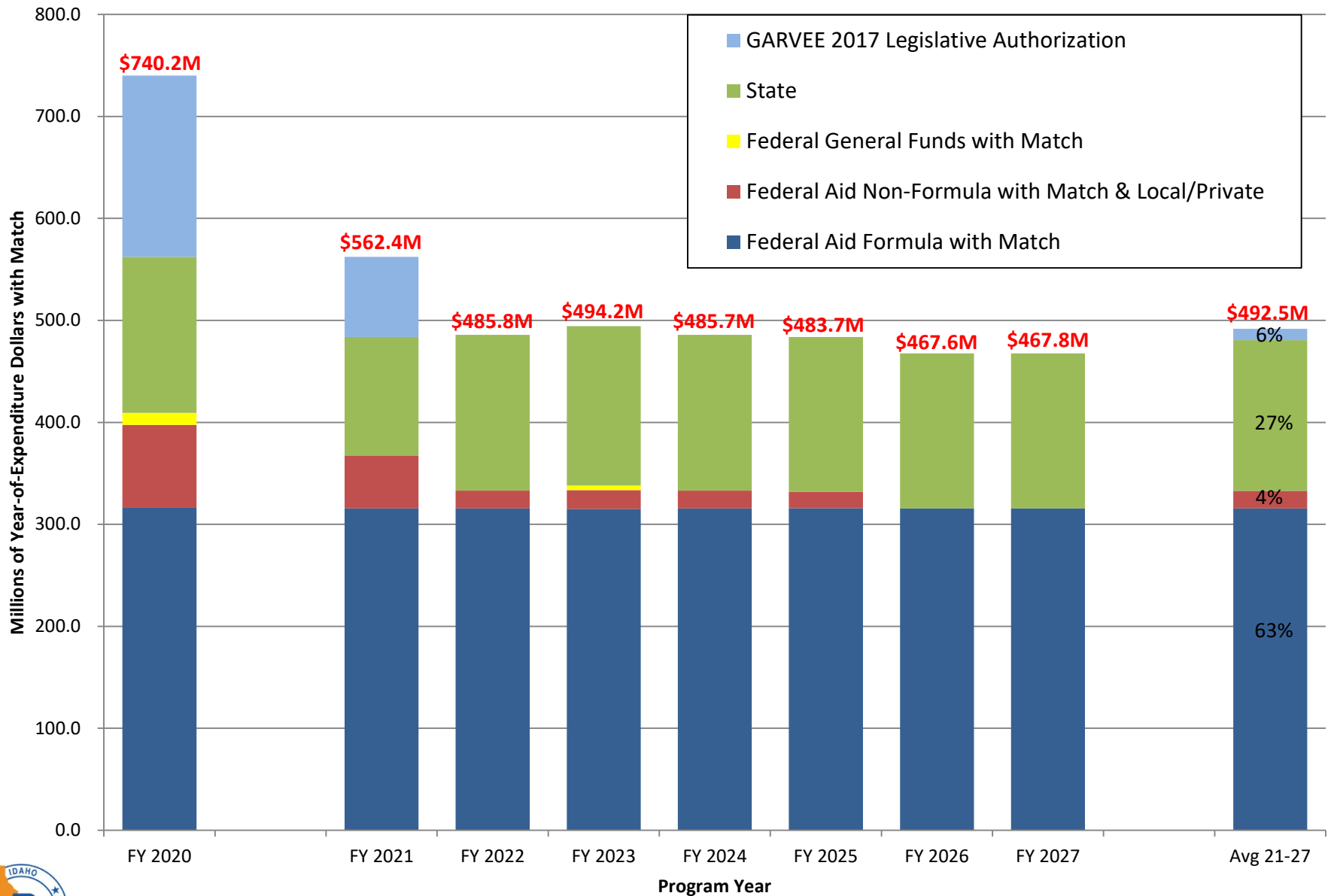
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All Capital Programs by Mode



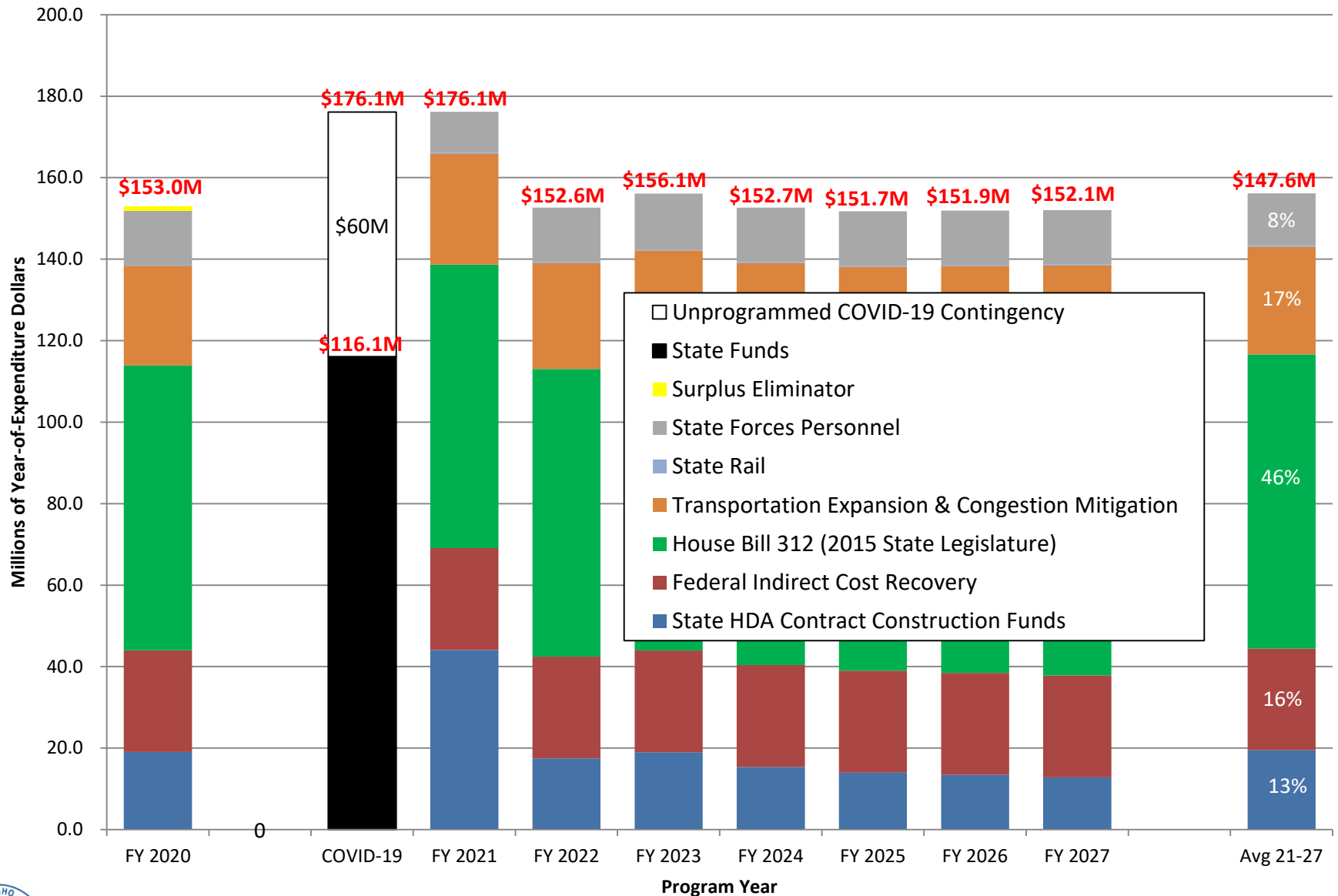
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Hwy Funding Estimates



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Hwy Funding Estimates - State



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Available Funding Vs. Programmed Projects Summary

Ref. No.		FY21	FY22	FY23	FY24	FY25	FY26	FY27	Sum	4 Yr STIP
1	Highways Estimated Apportionments w/Match	431,772	468,177	475,857	468,297	467,527	537,248	409,261	3,258,139	1,844,103
2	Highways Programmed Dollars	436,120	477,041	488,040	472,617	486,494	538,674	405,655	3,304,641	1,873,818
3	Balance	(4,348)	(8,864)	(12,183)	(4,320)	(18,967)	(1,426)	3,606	(46,502)	(29,715)
4	Percent of Apportionment Estimates	101.0%	101.9%	102.6%	100.9%	104.1%	100.3%	99.1%	101.4%	101.6%

Program Name		Sum FY21-27		Average \$000 in Year-Of-Expenditure Dollars			
		Available	Program	Available	Program	Balance	% of Avail
5	Pavement Preservation (Commerce)	226,644	207,376	32,378	29,625	2,753	91.5%
6	Pavement Preservation (Non-Commerce)	69,620	67,450	9,946	9,636	310	96.9%
7	Pavement Restoration	603,797	549,413	86,257	78,488	7,769	91.0%
8	SHS Pavements	900,061	824,239	128,580	117,748	10,832	91.6%
9	Bridge Preservation	125,006	132,631	17,858	18,947	(1,089)	106.1%
10	Bridge Restoration	456,510	507,824	65,216	72,546	(7,331)	111.2%
11	SHS Bridges	581,516	640,456	83,074	91,494	(8,420)	110.1%
12	Supporting Infrastructure Assets	49,000	50,499	7,000	7,214	(214)	103.1%
13	Safety - Rest Areas	-	-	-	-	-	-
14	Safety (Avail. for Safety Alone Not Applicable)	-	265,730	-	37,961	-	-
15	Capacity (Avail. for Capacity Alone Not Applicable)	-	388,184	-	55,455	-	-
16	Safety & Capacity	581,478	653,914	83,068	93,416	(10,348)	112.5%
17	<i>(Row 8+11+12+13+16) SHS Core</i>	2,112,055	2,169,107	301,722	309,872	(8,150)	102.7%
18	Significant Projects & Corridors	-	-	-	-	-	-
19	Formula Debt Service + Fees & Interest ¹	486,356	486,356	69,479	69,479	-	100.0%
20	SHS Strategic	486,356	486,356	69,479	69,479	-	100.0%
21	System Support	45,500	55,621	6,500	7,946	(1,446)	122.2%
22	State Board Unallocated	35,000	35,000	5,000	5,000	-	100.0%
23	SHS Other	80,500	90,621	11,500	12,946	(1,446)	112.6%
24	Planning & Scoping	7,150	8,590	1,021	1,227	(206)	120.1%
25	Metropolitan Planning	9,423	9,475	1,346	1,354	(7)	100.5%
26	State Planning and Research	35,153	35,426	5,022	5,061	(39)	100.8%
27	Hwy Planning	51,726	53,491	7,389	7,642	(252)	103.4%
28	Recreational Trails	8,553	8,555	1,222	1,222	(0)	100.0%
29	Transportation Alternatives (TAP)	19,109	19,664	2,730	2,809	(79)	102.9%
30	Freight	72,755	51,003	10,394	7,286	3,107	70.1%
31	Congestion Mitigation/Air Quality (CMAQ)	-	-	-	-	-	-
32	Hwy Statewide Competitive	100,417	79,222	14,345	11,317	3,028	78.9%
33	STBG - Local Urban	74,155	77,374	10,594	11,053	(460)	104.3%
34	STBG - Transportation Mgt Area	76,208	64,576	10,887	9,225	1,662	84.7%
35	TAP - Transportation Mgt. Area	3,358	3,051	480	436	44	90.9%
36	STBG - Local Rural	116,049	108,837	16,578	15,548	1,030	93.8%
37	Bridge, Local	50,570	49,159	7,224	7,023	201	97.2%
38	Bridge, Off System	29,078	37,049	4,154	5,293	(1,139)	127.4%
39	Safety - Local	62,330	71,059	8,904	10,151	(1,247)	114.0%
40	Safety - Railroad Crossings	15,338	14,737	2,191	2,105	86	96.1%
41	Hwy Local	427,086	425,843	61,012	60,835	178	99.7%
42	LHTAC Programs	258,027	266,104	36,861	38,015	(1,154)	103.1%
43	Hwy Federal Formula & State Funds	3,258,139	3,304,641	465,448	472,092	(6,643)	101.4%

Funds expressed in Thousands of Year-Of-Expenditure Dollars assuming 2% annual inflation.

¹ GARVEE bonds provide no net additional transportation funding as they are repaid with future federal funds via debt service.

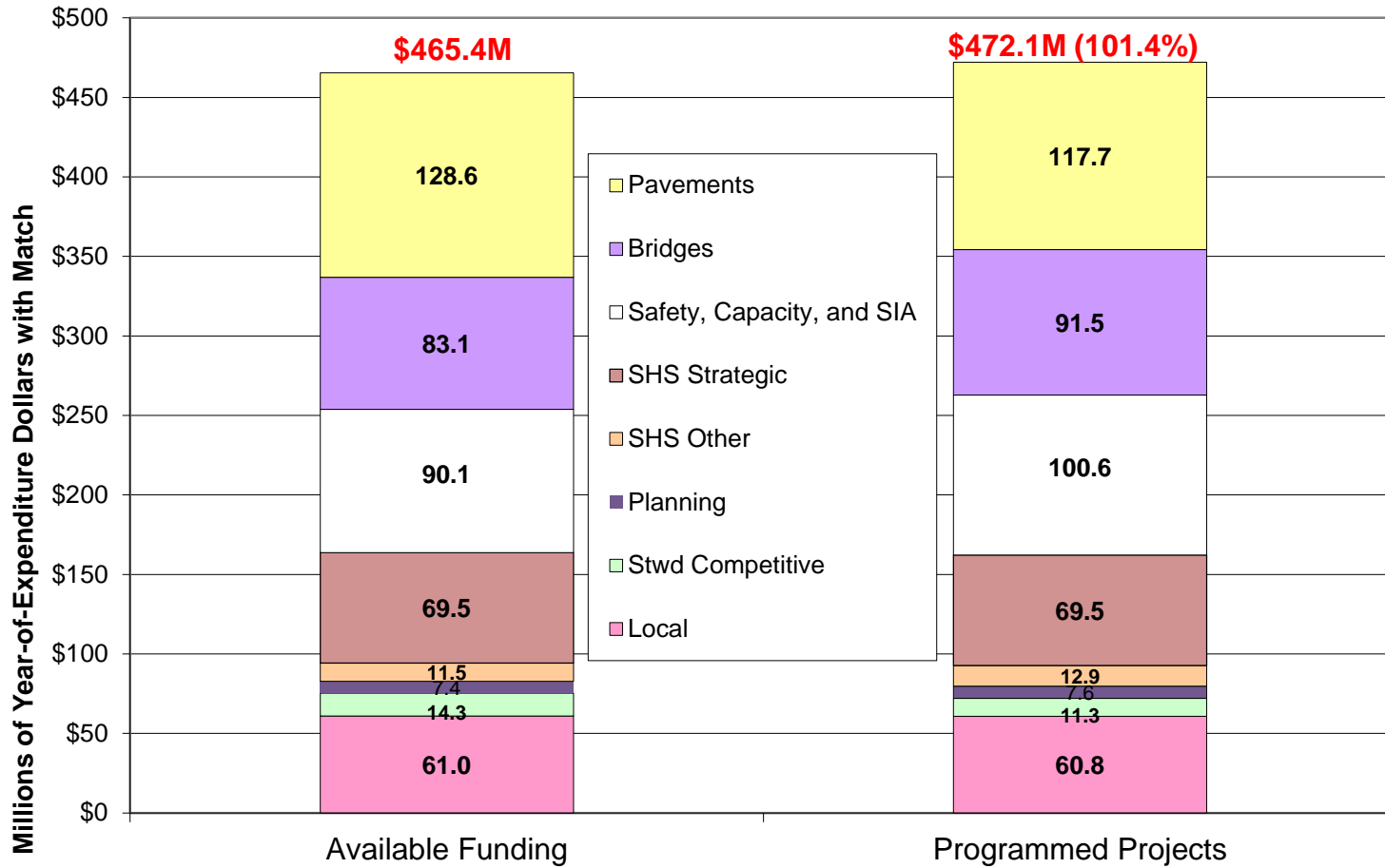


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Available Funding vs. Programmed Projects

FY 2021- 2027 Federal Formula & State Capital Hwy Funds

7-Year Average



Includes Federal Formula & State Funded Capital Investments in Year-of-Expenditure Dollars with match



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Program Change Summary

District	Advances		FY21 - 27 Project Shifts				Sum
	To FY20	Advances	Delays	New	Removed	No Change	
1	4	4	9	46	1	93	157
2	1	0	10	33	1	67	112
3	3	11	11	49	4	117	195
4	2	1	9	30	3	93	138
5	0	0	12	31	6	69	118
6	0	6	9	40	3	76	134
Sum	10	22	60	229	18	515	854

Changes to highway programs since February through the June Workshop 2020



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ITIP Outreach

Vincent Trimboli- Office of Communication



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Outreach Efforts:

- Ad in local papers (Boise, Twin Falls, Lewiston, Coeur d'Alene, Pocatello, Idaho Falls)
- News Release (customized per district)
- Dept. Social Media (Facebook, Twitter, YouTube)
- Constant Contact (stakeholders, elected officials, public)
- Simple Short Videos/ITD in Motion
- ITD.Idaho.gov



YOU ARE INVITED TO COMMENT
On the Draft
Idaho Transportation Investment Program



The draft Idaho Transportation Investment Program (ITIP) lists proposed projects for the next five years, and includes programmed improvements to highways, bicycle routes, pedestrian projects, safety projects, bridges and public transportation. The draft ITIP can be viewed at: www.itd.idaho.gov/itip.

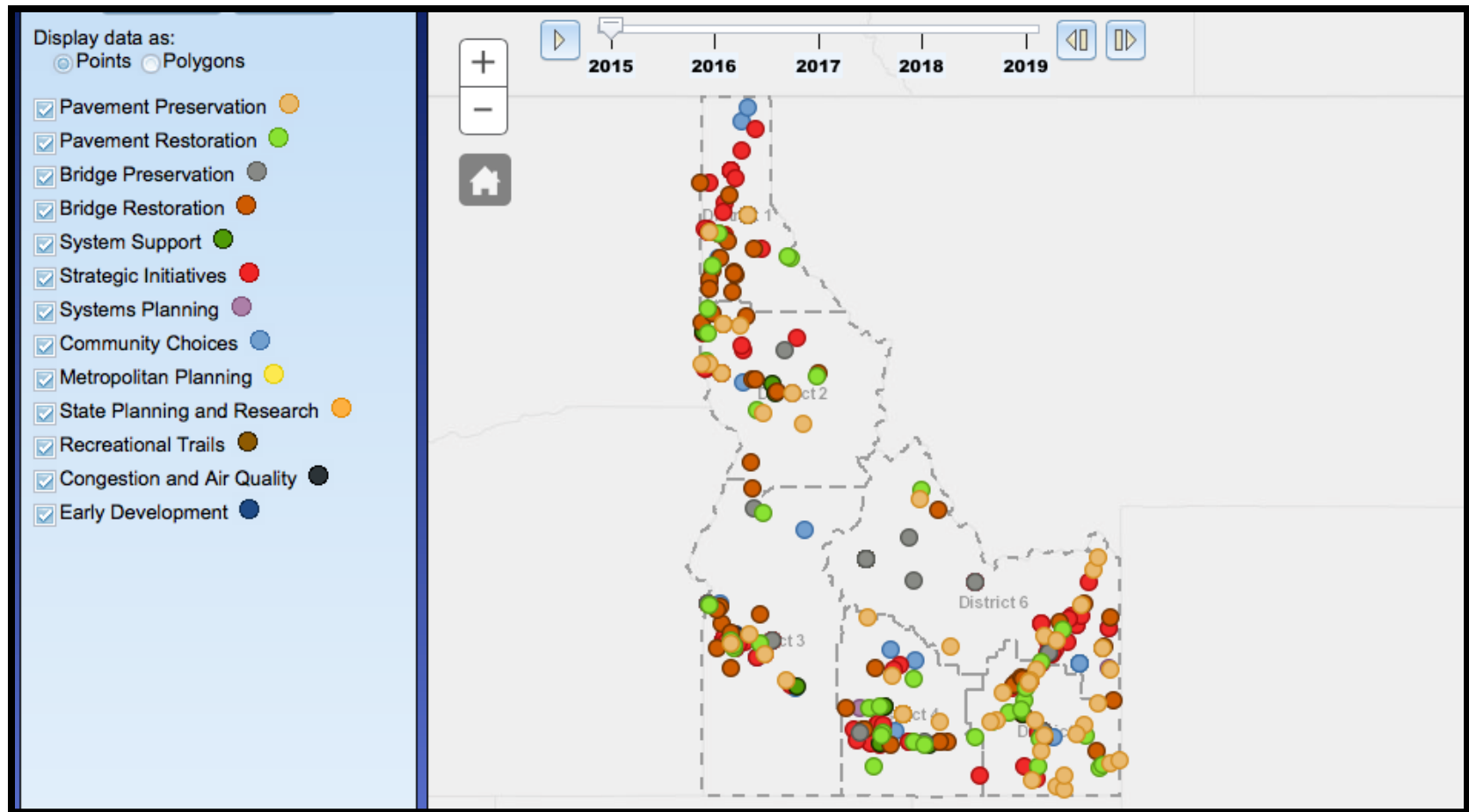
Comments are being taken from July 1 through July 30. They can be e-mailed to: comments@itd.idaho.gov. They also can be mailed to: ITD – ITIP Comment, Attn: Adam Rush, P.O. Box 7129, Boise, ID 83707-1129

For CDs and paper copies, call Adam Rush at (208) 334-8119 or e-mail comments@itd.idaho.gov.



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Interactive Project Map



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Webpage

Approved Idaho Transportation Investment Program (ITIP)



[FY 2015-2019 STIP](#)

[FHWA & FTA Amendments](#)

[Click here](#) to go to the **Draft** Idaho Transportation Investment program (ITIP)

Sorted by District

[D1](#) [D2](#) [D3](#) [D4](#) [D5](#) [D6](#) [Statewide Projects](#)

Sorted by County/City

[Aero](#) [Highways](#) [Transit](#)

Sorted by Route

[Highways](#)

Sorted by Program

[Aero](#) [Highways](#) [Indian Reservation Roads Program](#) [Transit](#)



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Process for handling comments:

- Comments routed to Sr. Transportation Planner
- Transportation Planner forwards comments to subject matter experts (SMEs)
- SMEs provide information for responses





Questions?



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