



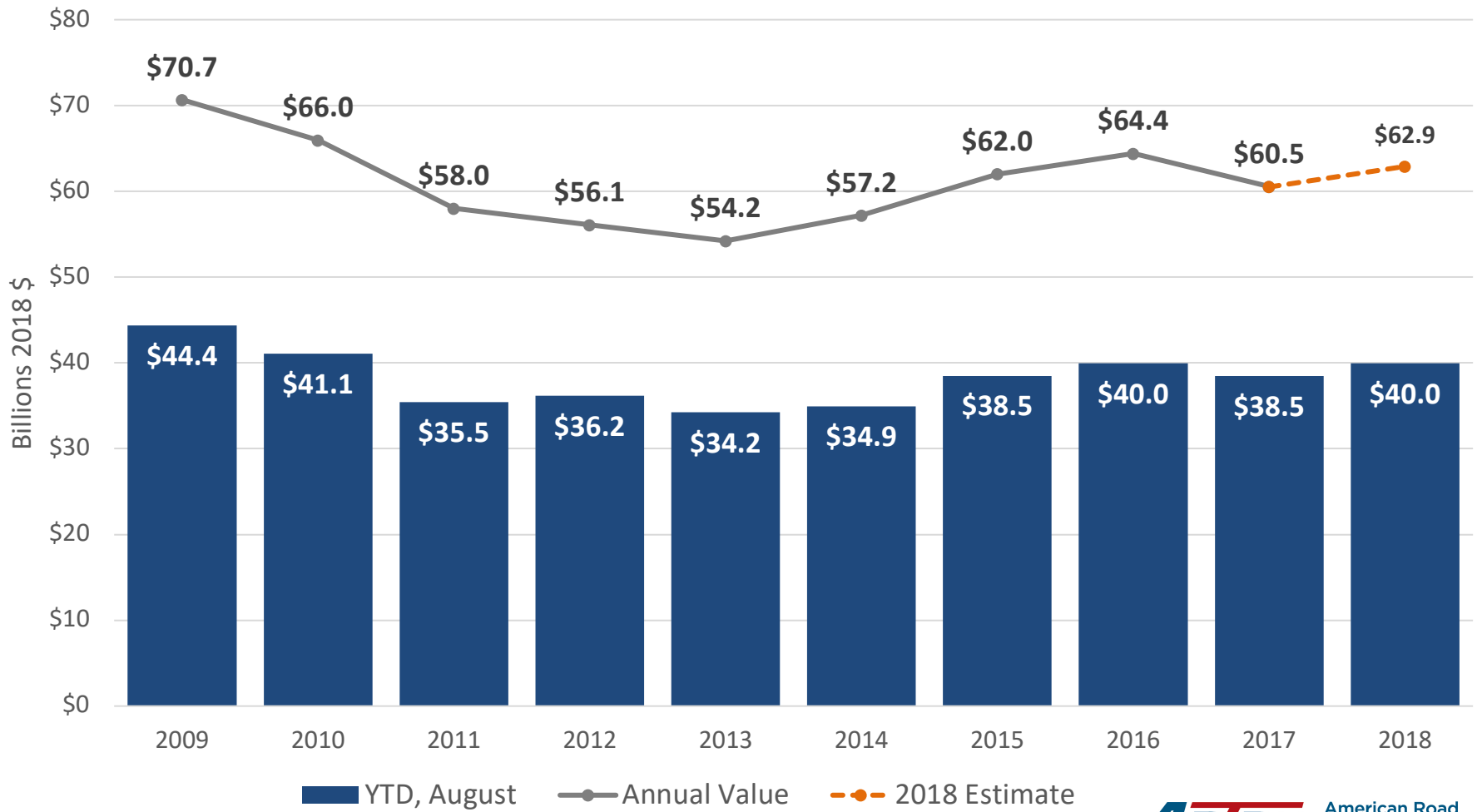
Transportation Construction Market Update

Alison Premo Black, PhD
ARTBA Senior VP & Chief Economist

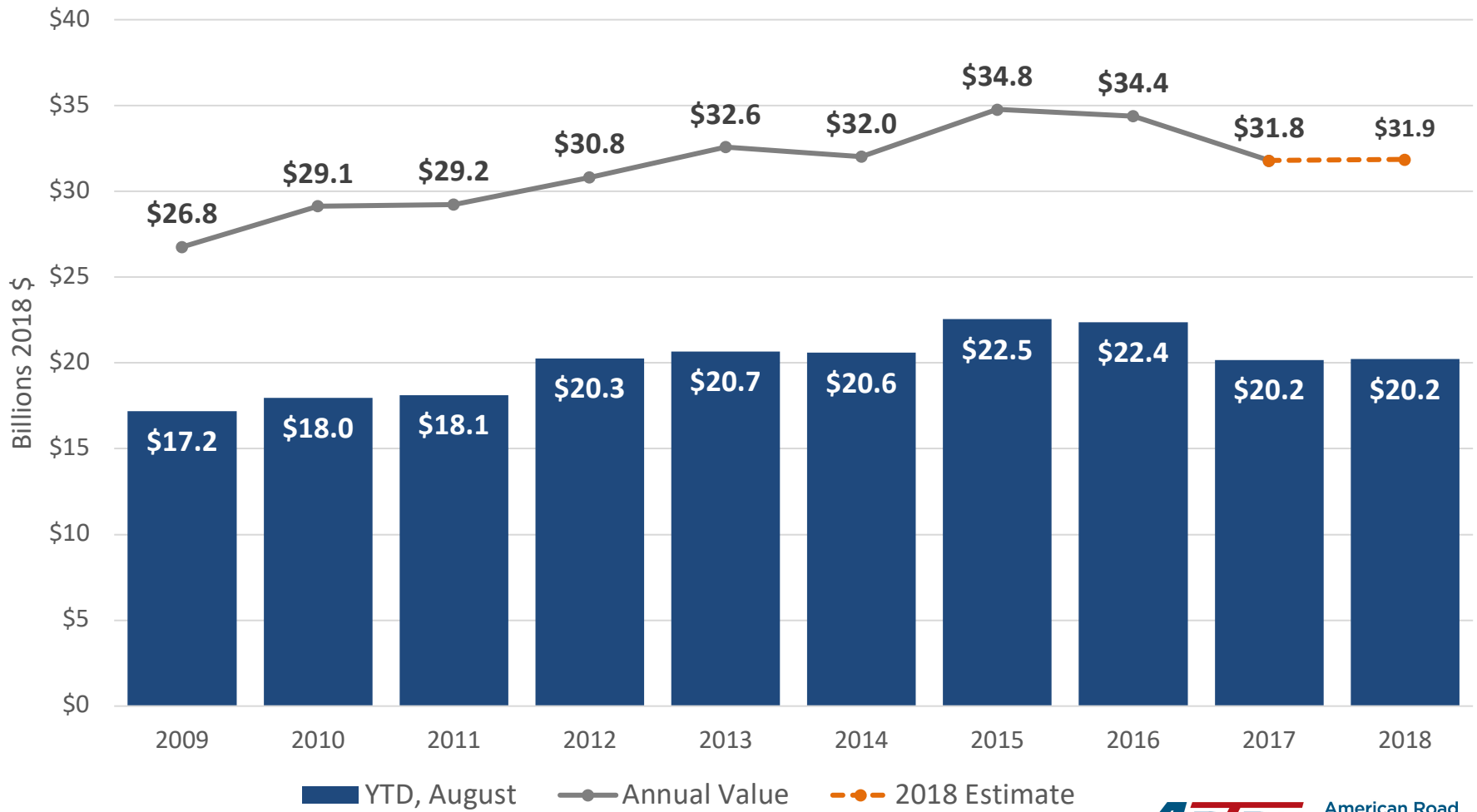
November 8, 2018

ARTBA Central Regional Meeting

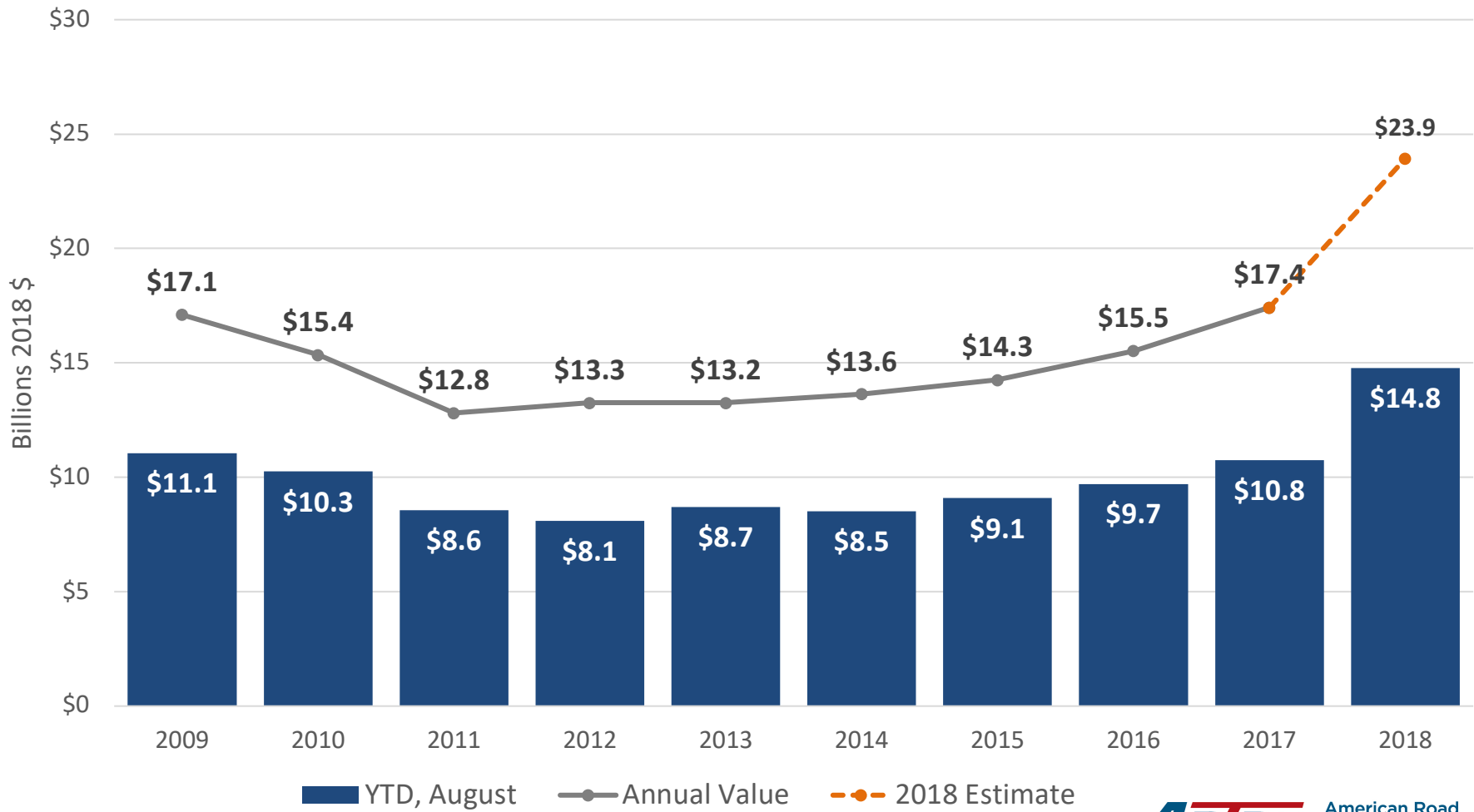
Real Value of Highway Construction Work



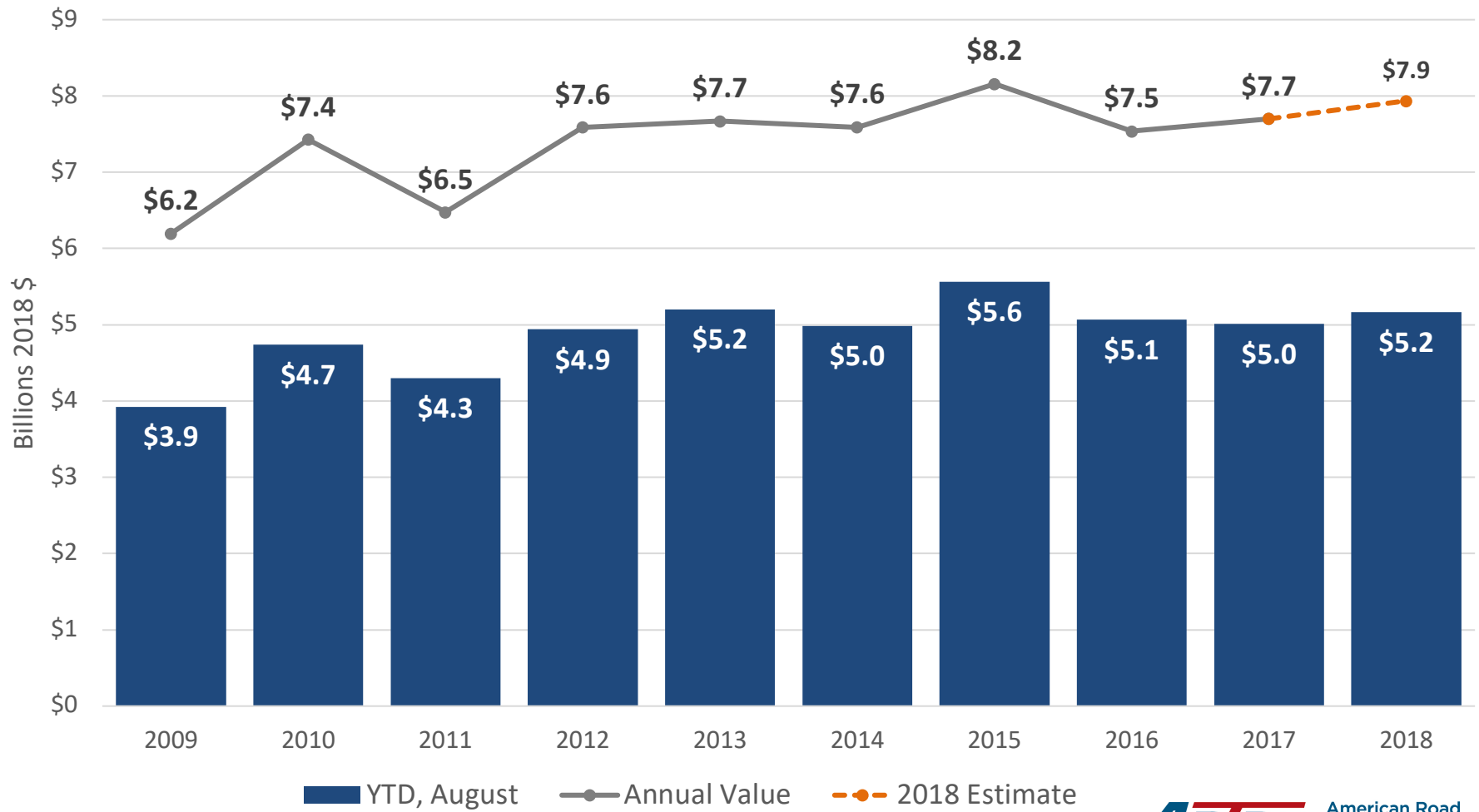
Real Value of Bridge Construction Work



Real Value of Airport & Runway Construction Work



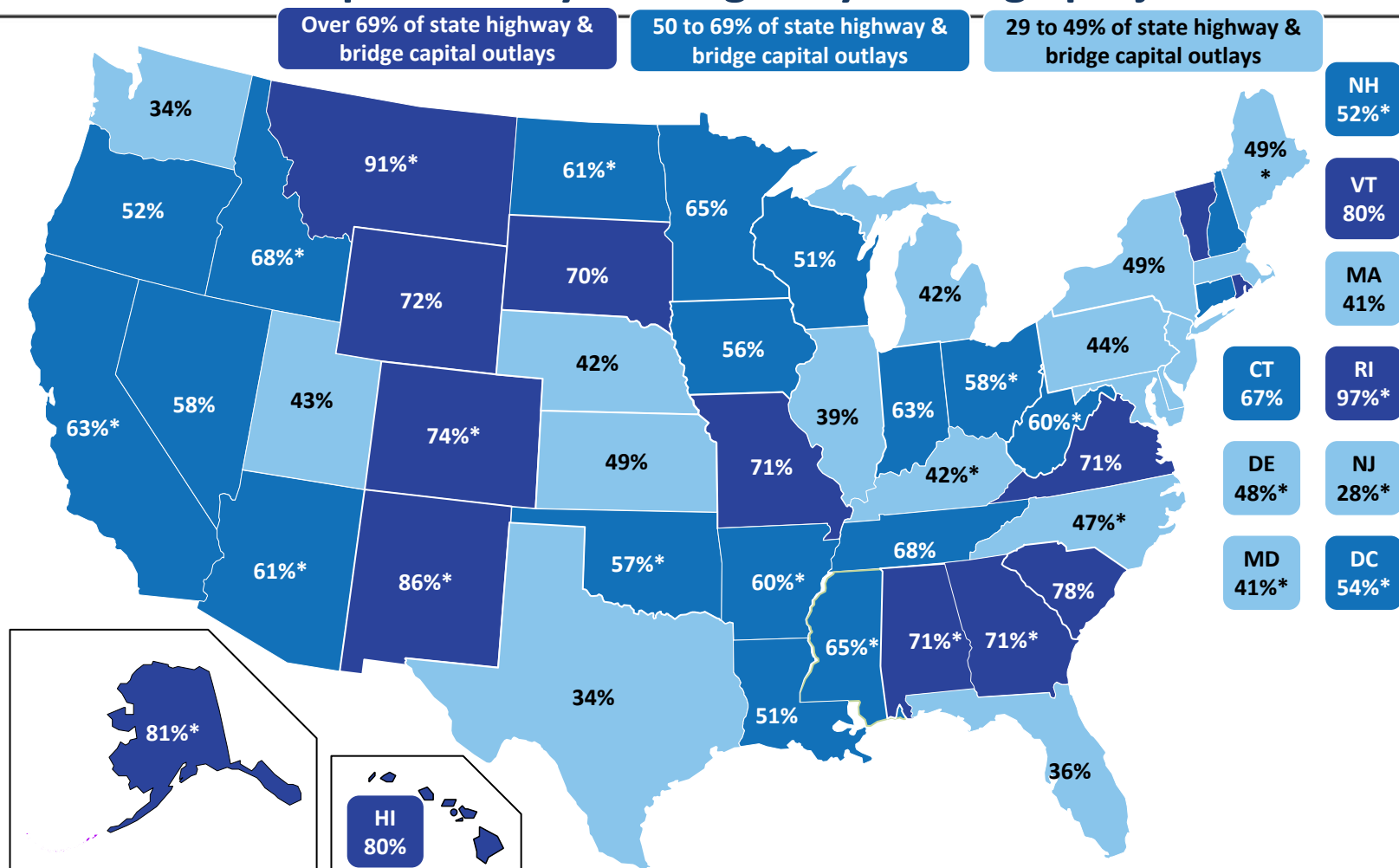
Real Value of Subway & Lightrail Transit Construction Work





Federal Transportation Investment

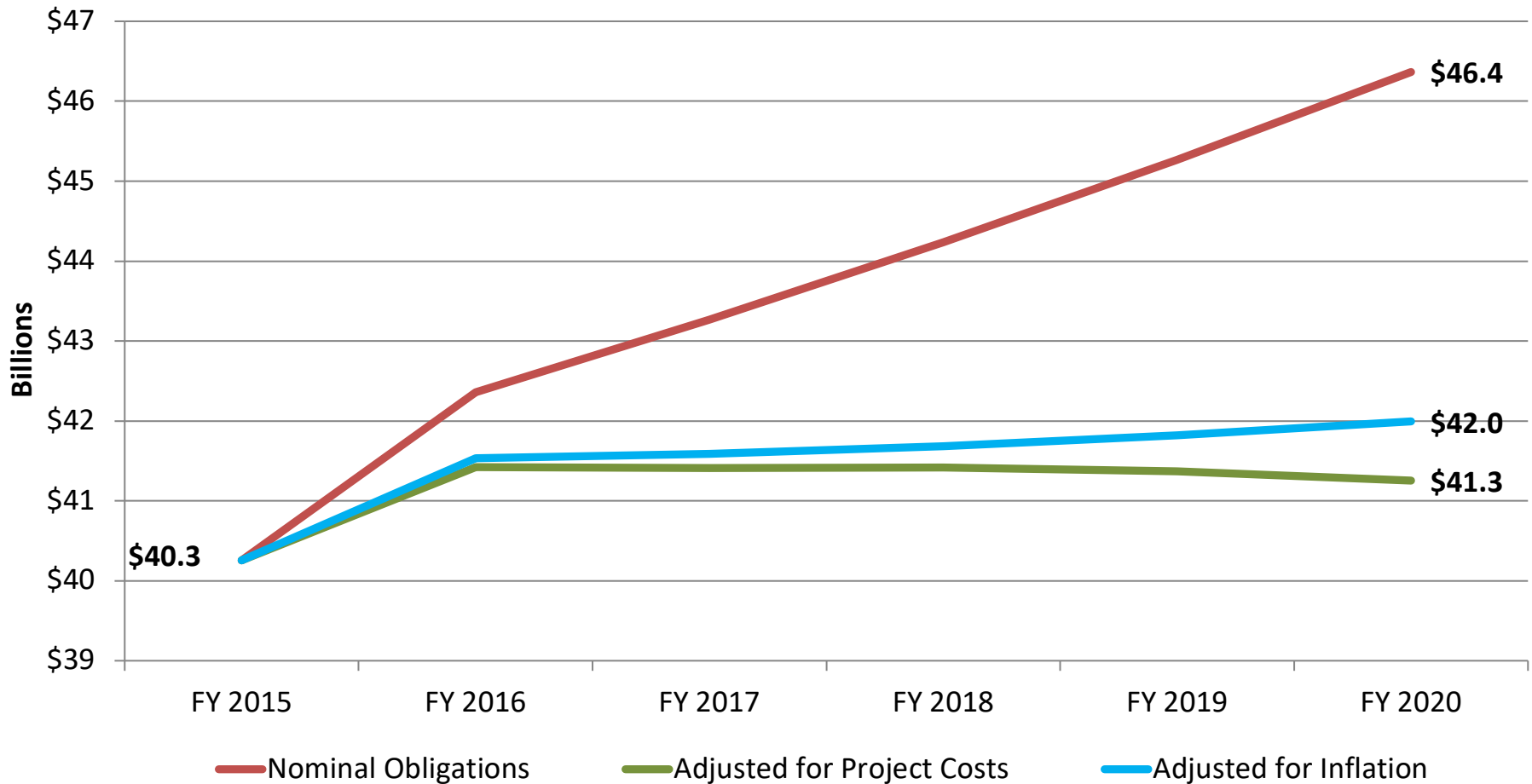
Federal funds, on average, provide 51% of annual state DOT capital outlays for highway & bridge projects



Source: ARTBA analysis of FHWA Highway Statistics data, total ten year average 2006-2015 from tables SF-1 and SF-2. The percent is the ratio of federal aid reimbursements to the state and total state capital outlays and is indicative of the importance of the federal aid program to state capital spending for highways and bridges. Does not include local capital spending. Federal highway reimbursements are primarily used for capital outlays, including construction, right of way and engineering, but are also used for debt service for GARVEE bonds.

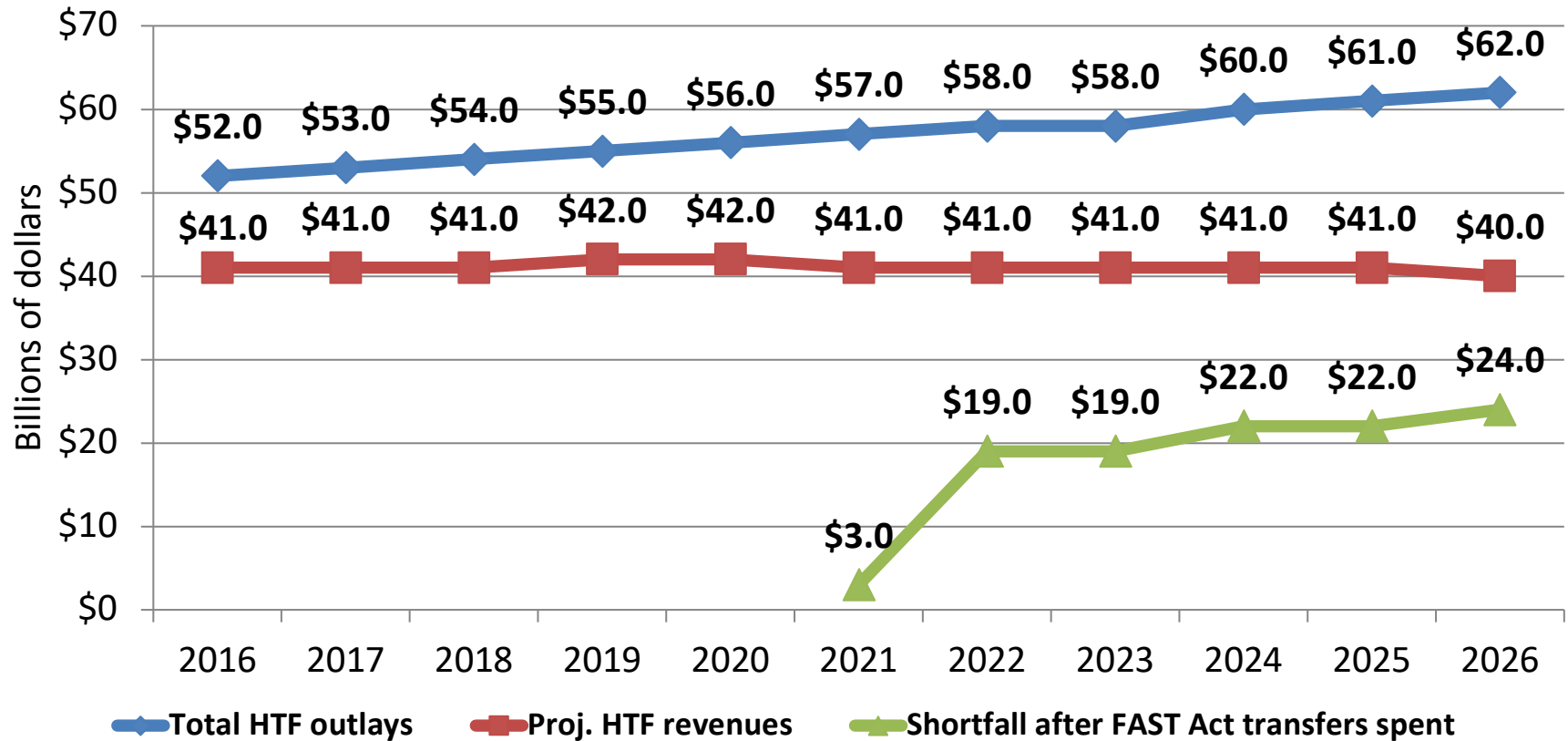
* States that have issued GARVEE bonds before 2014.

Federal Aid Highway Program FAST Act Obligations



Source: ARTBA analysis of the FAST Act. Project costs are expected to grow in line with historical averages according to the ARTBA price index, which takes into account changes in material prices, industry wages and overall inflation. Inflation forecast of 2% from CBO's August 2015 report An Update to the Budget and Economic Outlook: 2015 to 2025.

Highway Trust Fund Revenue Crisis Will Return

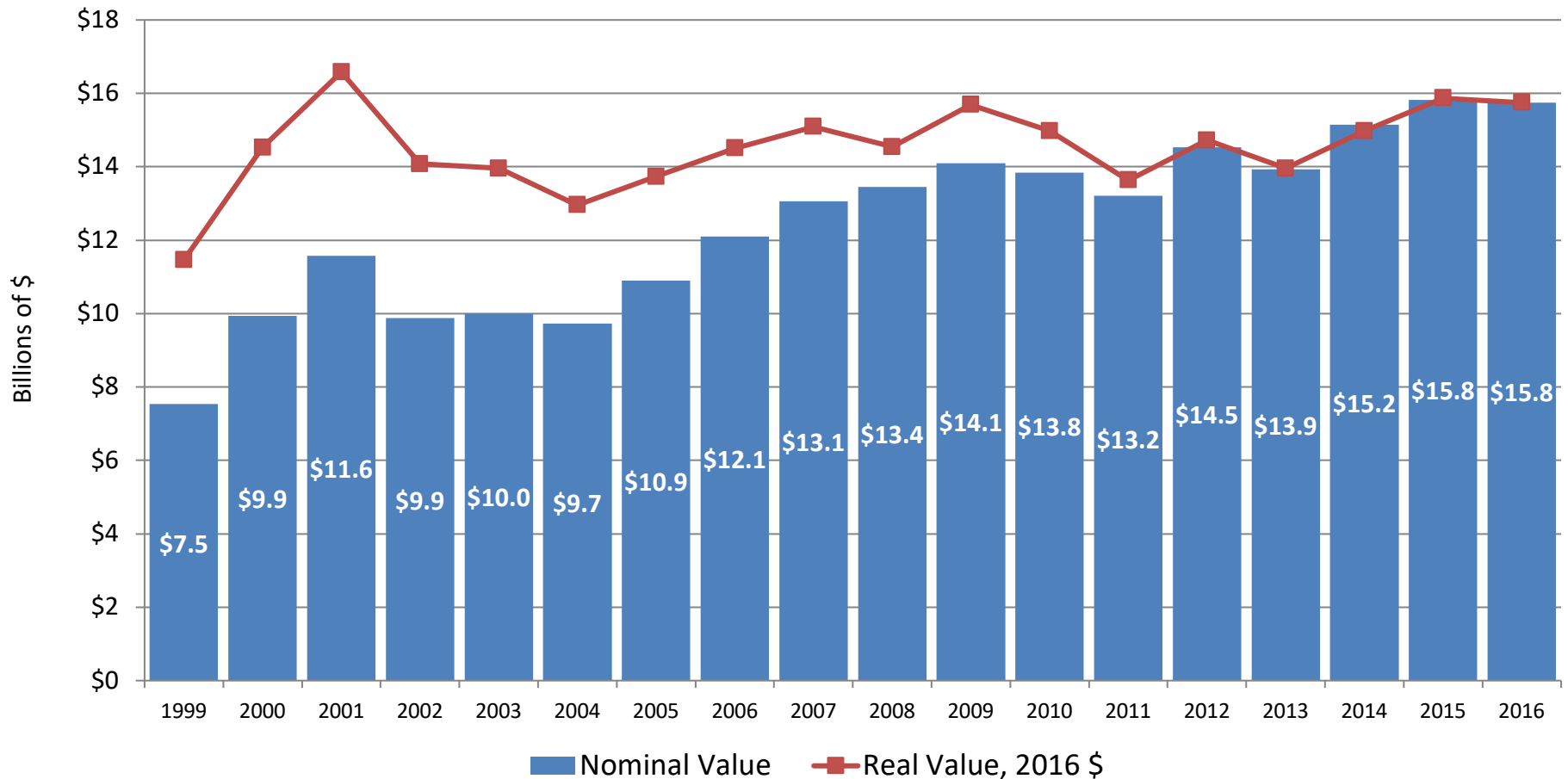


Source: Congressional Budget Office Highway Trust Fund baseline, April 2018

Total may not add up due to rounding.

Central Region Highway & Bridge Program Capital Outlays

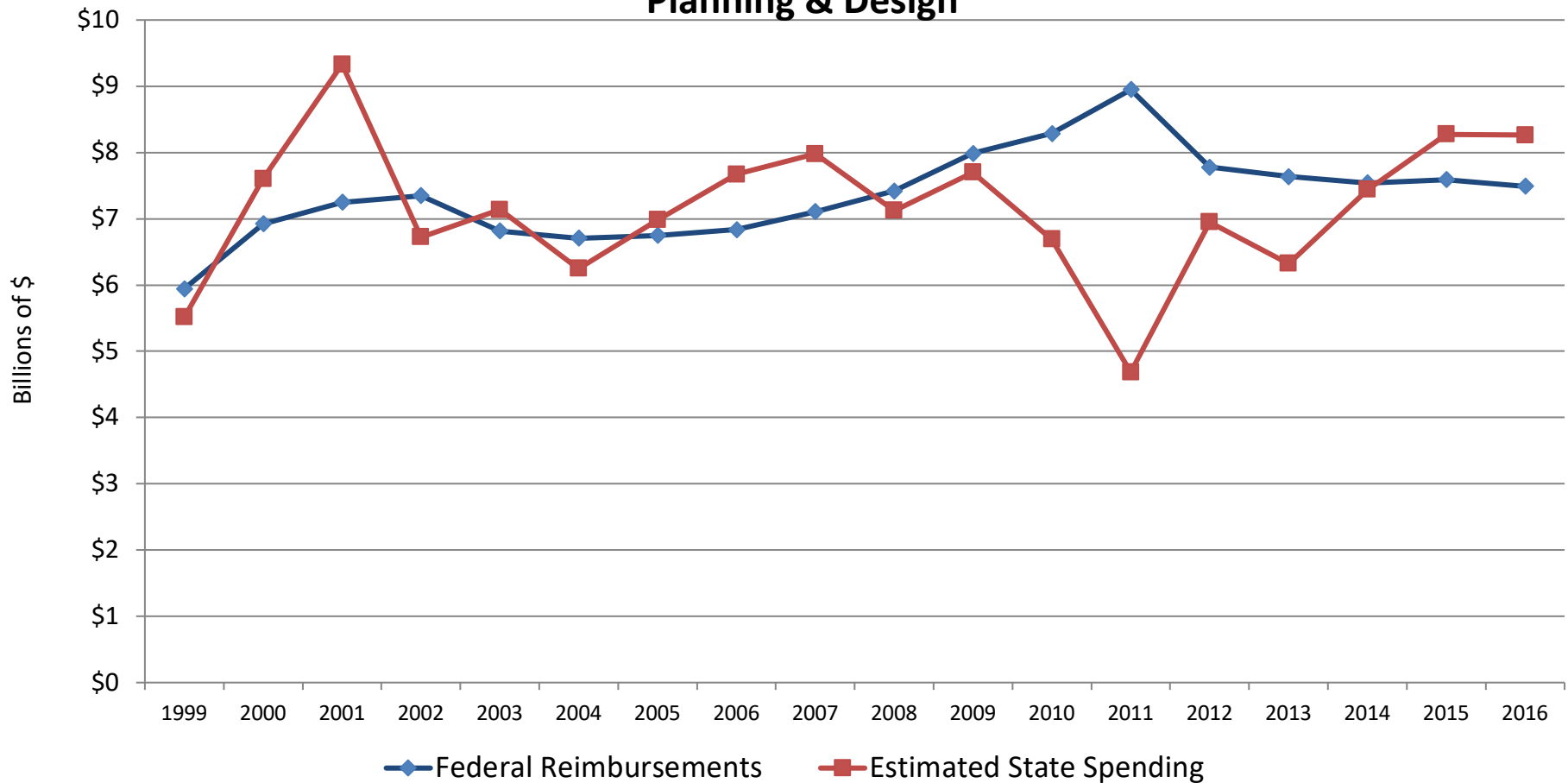
State Spending on Construction, ROW Purchases and Planning & Design



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Central Region Highway & Bridge Program Capital Outlays

Federal & State Real Spending on Construction, ROW Purchases and Planning & Design



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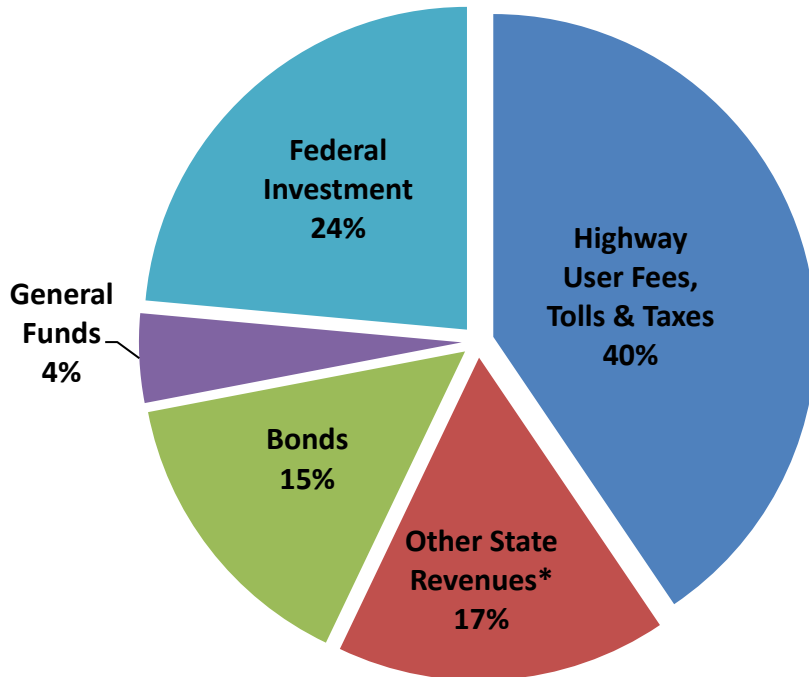


Developments in State & Local Funding

State Highway & Bridge Program Revenue

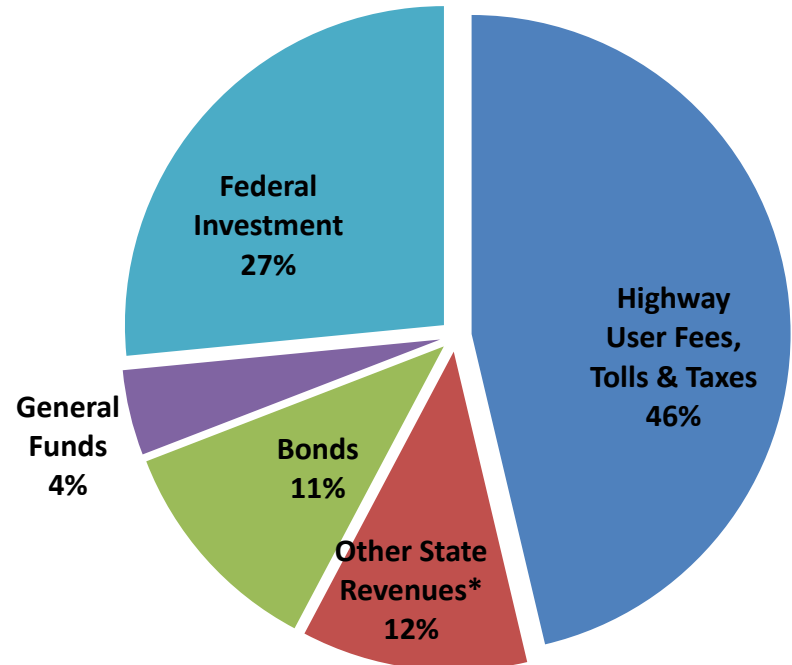
National Average

State Highway Program Revenues
2012-2016



Central Region

State Highway Program Revenues
2012-2016



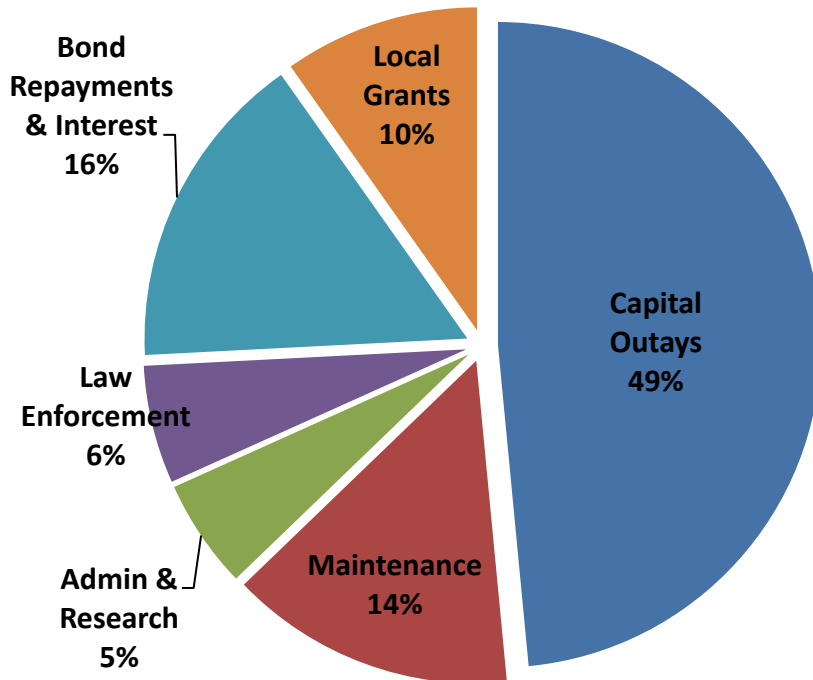
*Other state revenues include the state sales taxes, local government reimbursement and other imposts.

Source: Federal Aid Highway Statistics

State Highway & Bridge Program Expenditures

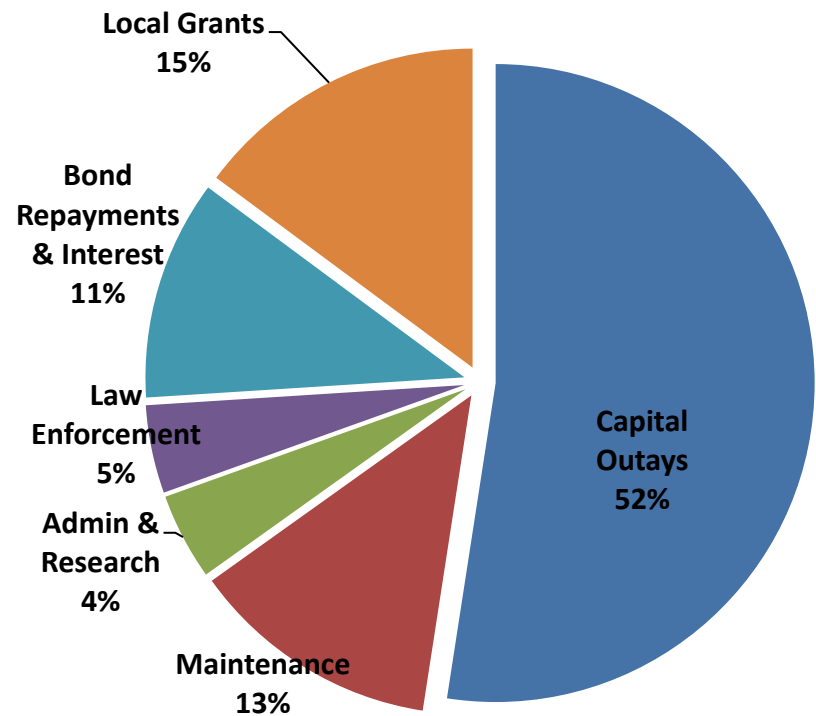
National Average

State Highway Program Spending
2012-2016



Central Region

State Highway Program Spending
2012-2016



*Other state revenues include the state sales taxes, local government reimbursement and other imposts.

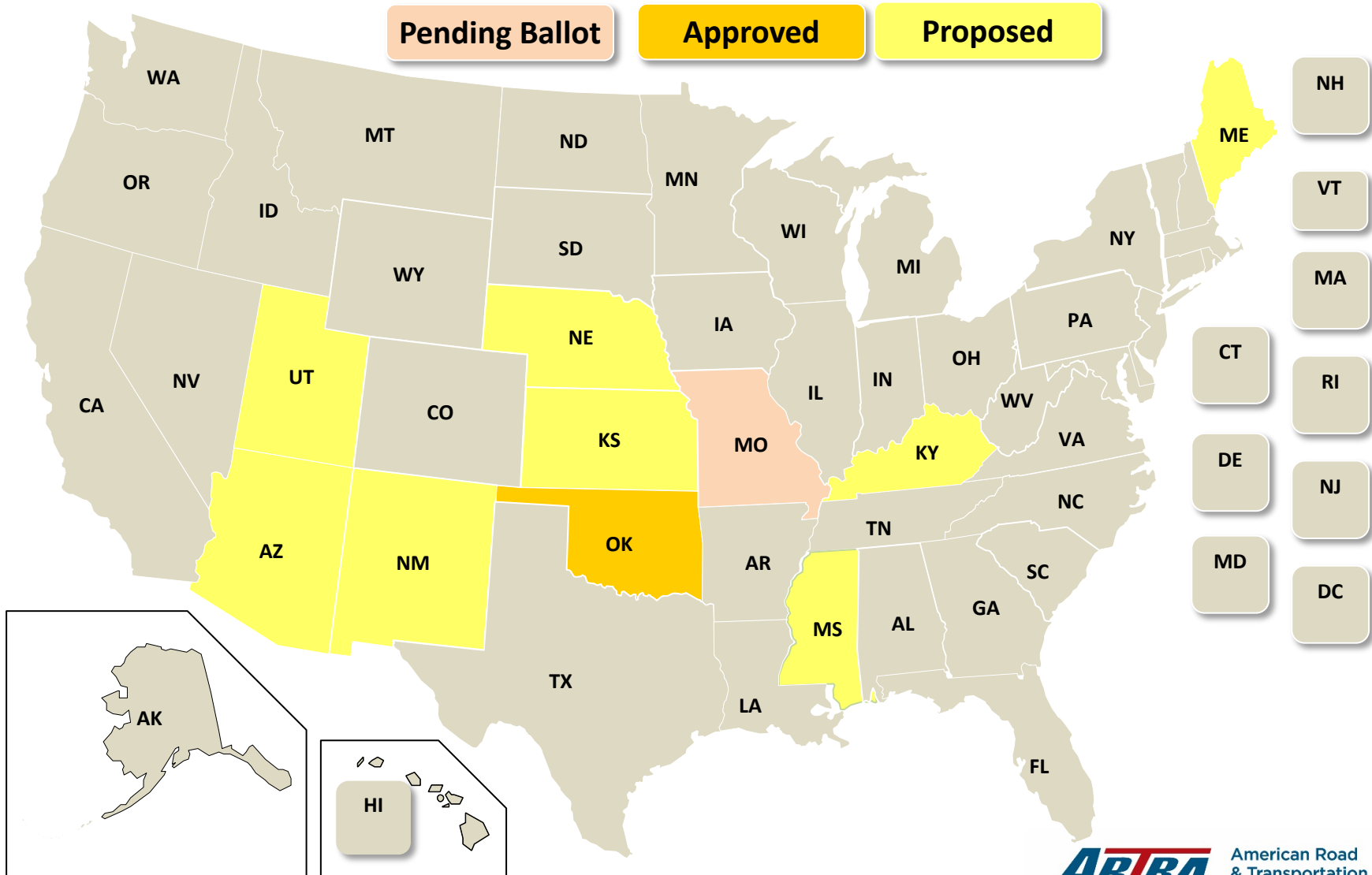
Source: Federal Aid Highway Statistics

The map displays the legislative status of ARPA across all 50 states and DC. The legend indicates three categories:

- Legislation Approved**: Dark blue shading.
- Legislation Introduced**: Medium blue shading.
- No Legislation**: Tan shading.

State	Legislation Status
AK	Introduced
AL	Approved
AR	No Legislation
AZ	Approved
CA	Introduced
CO	Approved
CT	Approved
DE	No Legislation
FL	Introduced
GA	Approved
HI	Introduced
ID	Introduced
IL	Introduced
IN	Introduced
IOWA	Introduced
KANSAS	Approved
KS	Approved
LA	Introduced
MA	Introduced
MD	No Legislation
ME	Introduced
MICHIGAN	Introduced
MI	Introduced
MINN	Approved
MN	Approved
MISSISSIPPI	Approved
MS	Approved
MT	No Legislation
NEBRASKA	Introduced
NE	Introduced
NH	Introduced
NJ	Introduced
NM	Approved
NC	Approved
ND	No Legislation
NV	Introduced
OR	Approved
OH	Introduced
OK	Approved
PA	Introduced
RI	No Legislation
SC	No Legislation
SD	Approved
TENNESSEE	Introduced
TN	Introduced
TEXAS	No Legislation
TX	No Legislation
UT	Approved
VIRGINIA	Introduced
VA	Introduced
VT	Approved
WA	Introduced
WI	Introduced
WISCONSIN	Introduced
WY	No Legislation
DC	No Legislation

One State Approved a State Fuel Tax Increase in 2018



Approved **Introduced**

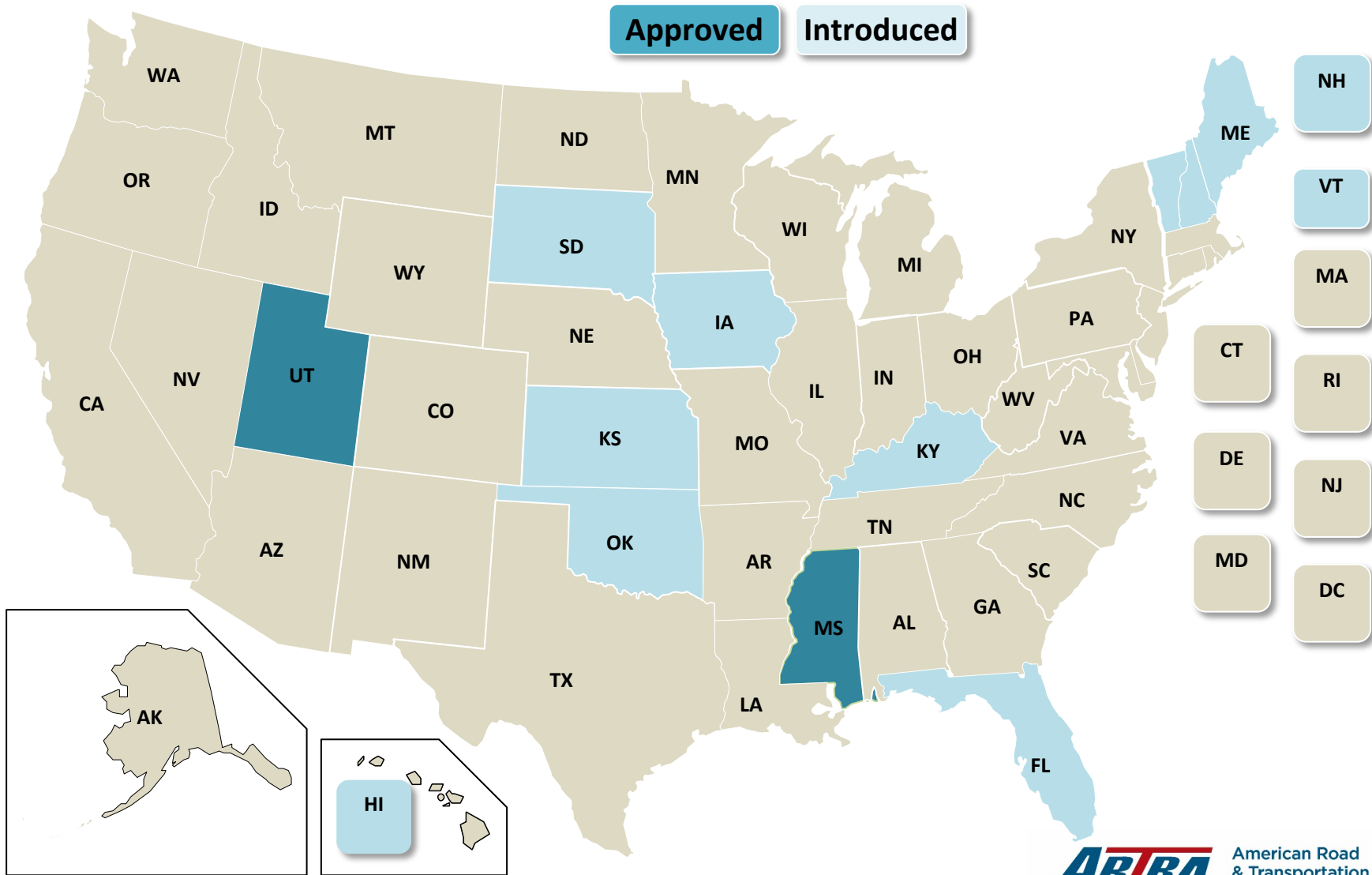
States with **Approved** status: OR, UT, KS, MS, HI.

States with **Introduced** status: CA, MN, WI, IL, MO, LA, ME, NY, CT, DE, NH.

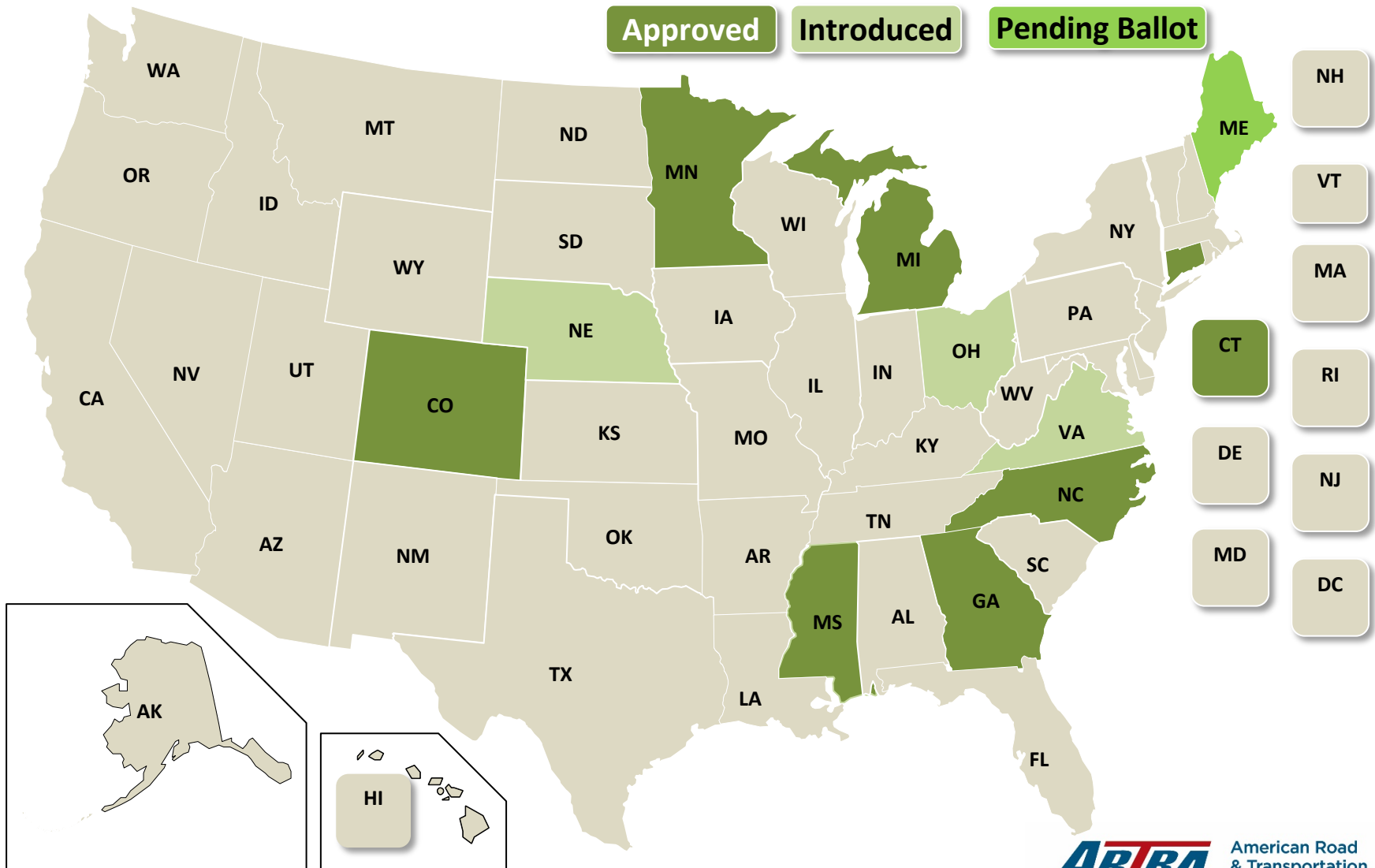
Other states: WA, MT, ND, ID, WY, SD, NE, IA, MI, WI, IN, OH, PA, WV, VA, NC, SC, GA, FL, TX, NM, CO, AZ, NV, AK.

ARPA American Road & Transportation Builders Act

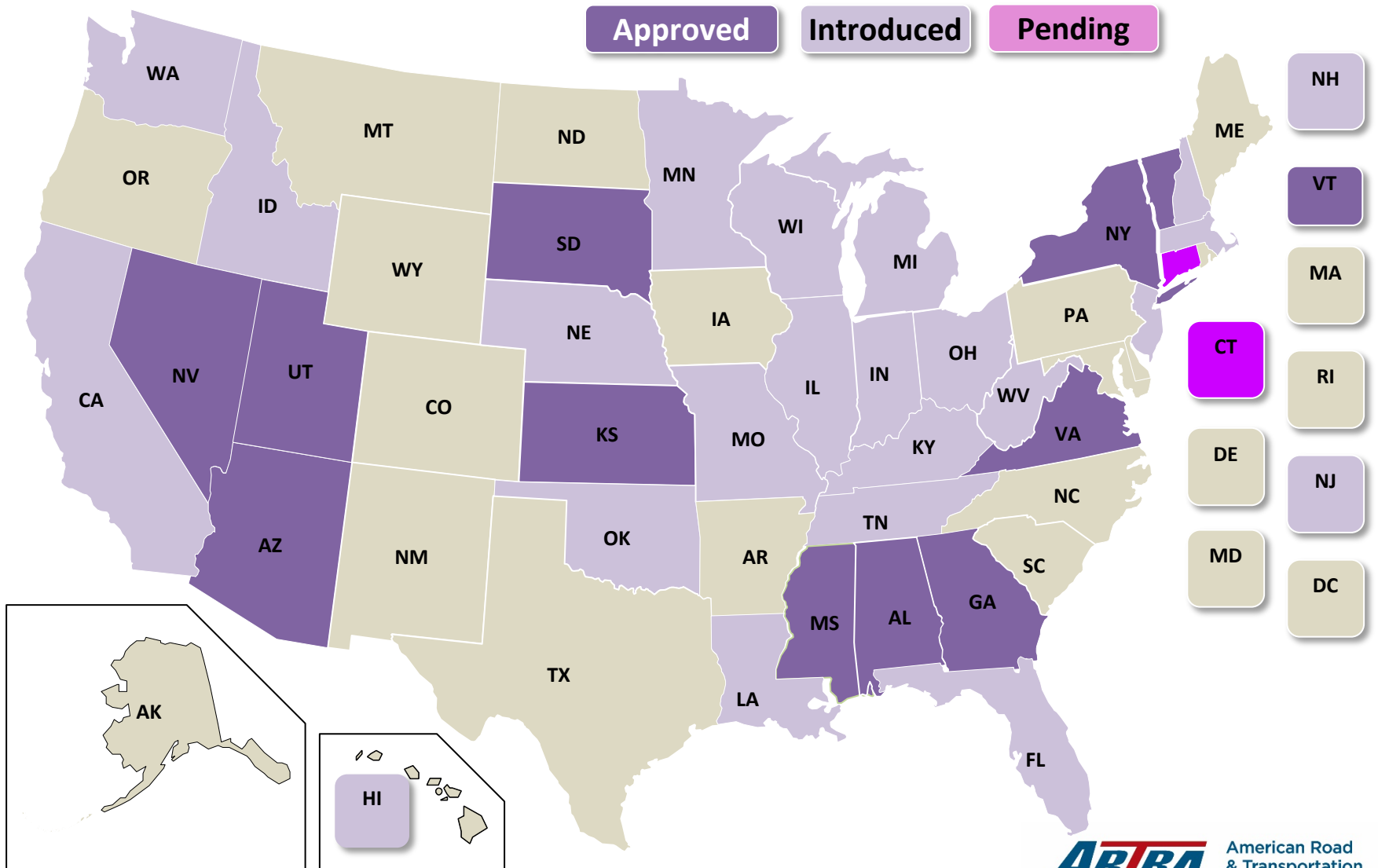
Two States Approved Alternative Fuel & Electric Vehicle Taxes/Fees



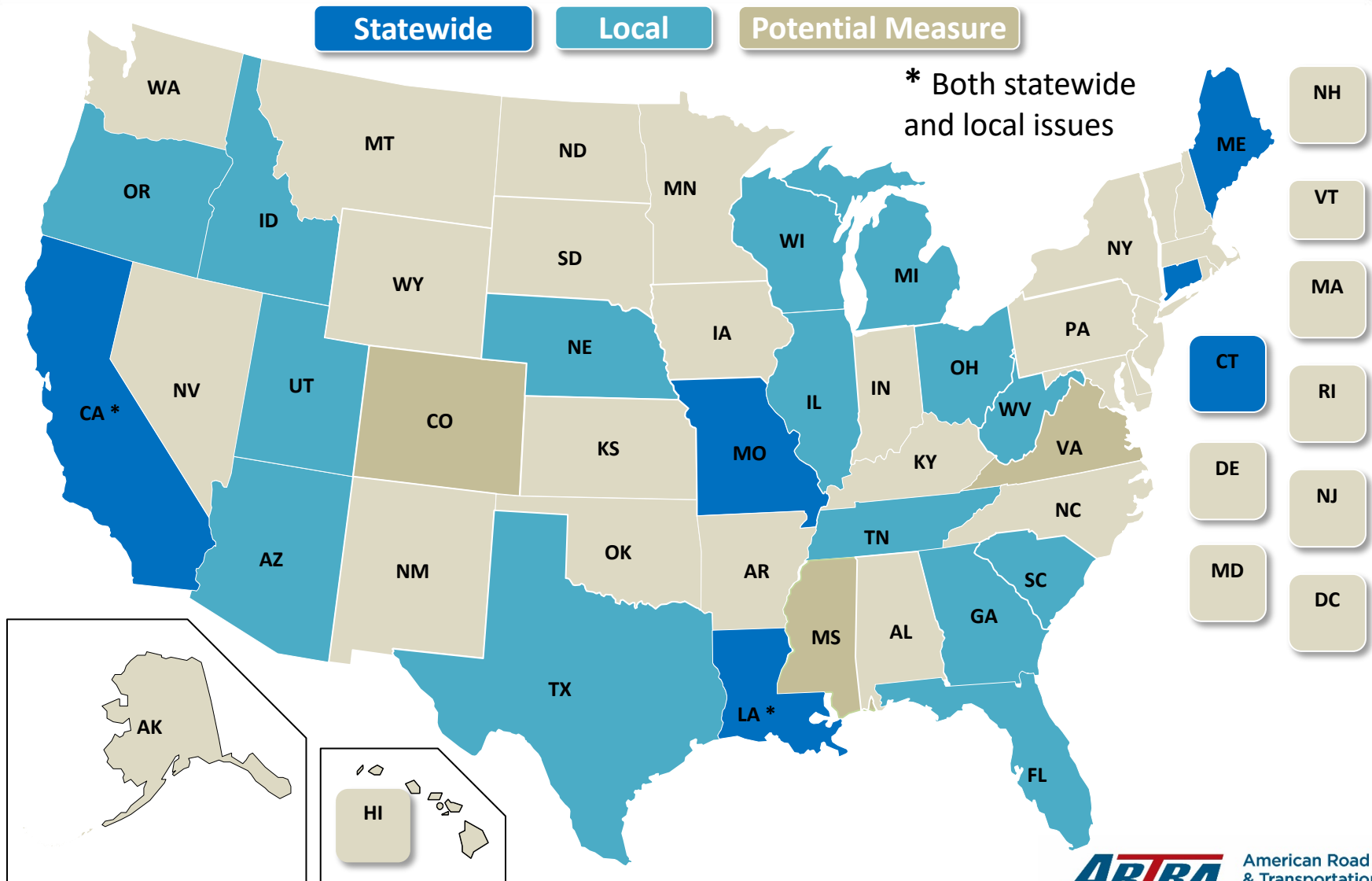
Seven States Approved One-Time Revenues



11 States Approved Other Funding Measures

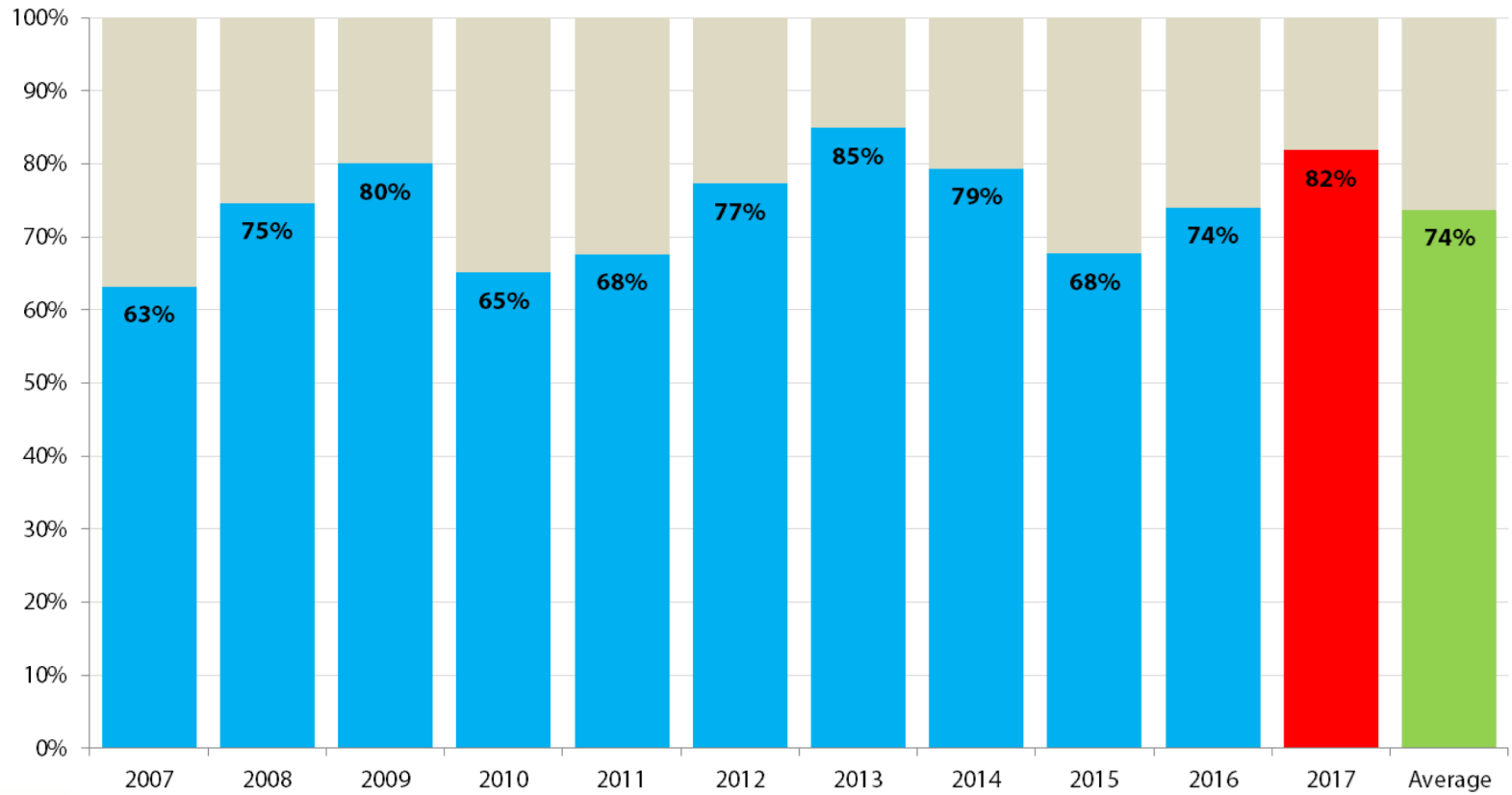


2018 Transportation Funding Ballot Measures

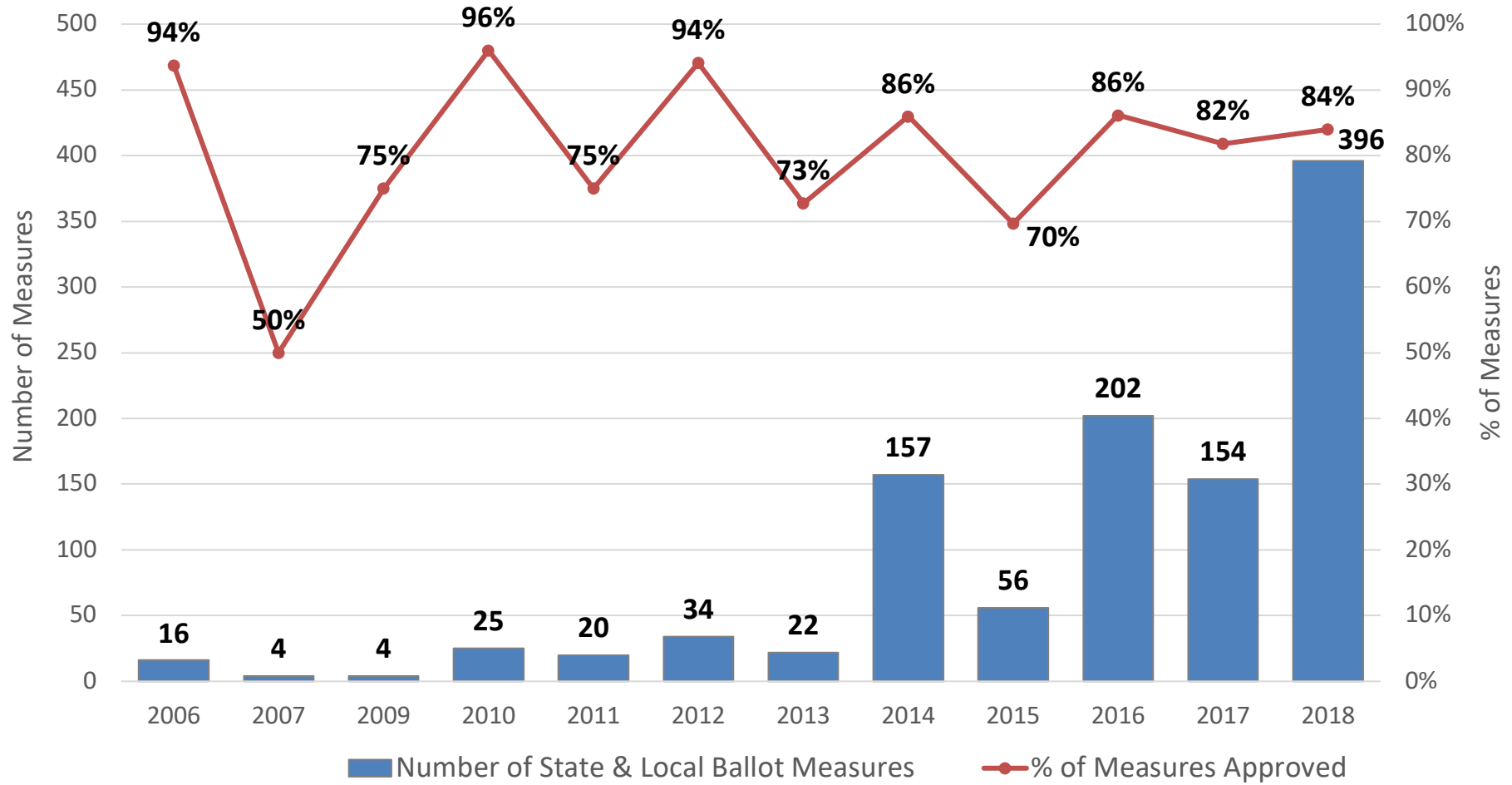


Transportation Funding Ballot Measures Approved

Percent of Ballot Measures Approved
2007-2017



State & Local Transportation Funding Ballot Measures in the Central Region



State or Local Ballot Measure



VT

MA

CT

RI

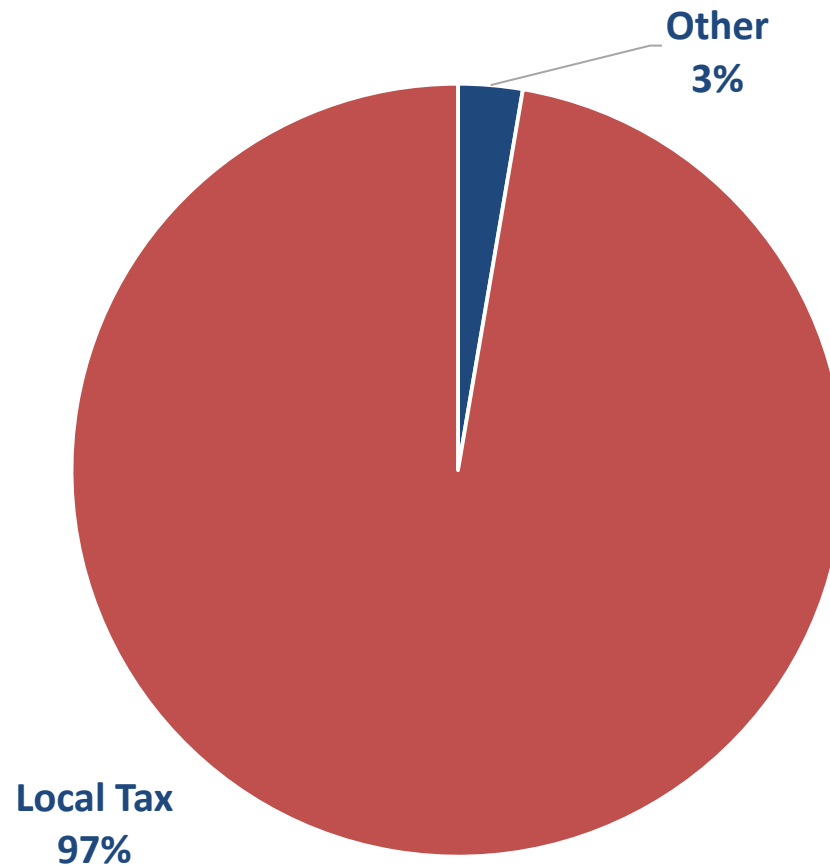
DE

NJ

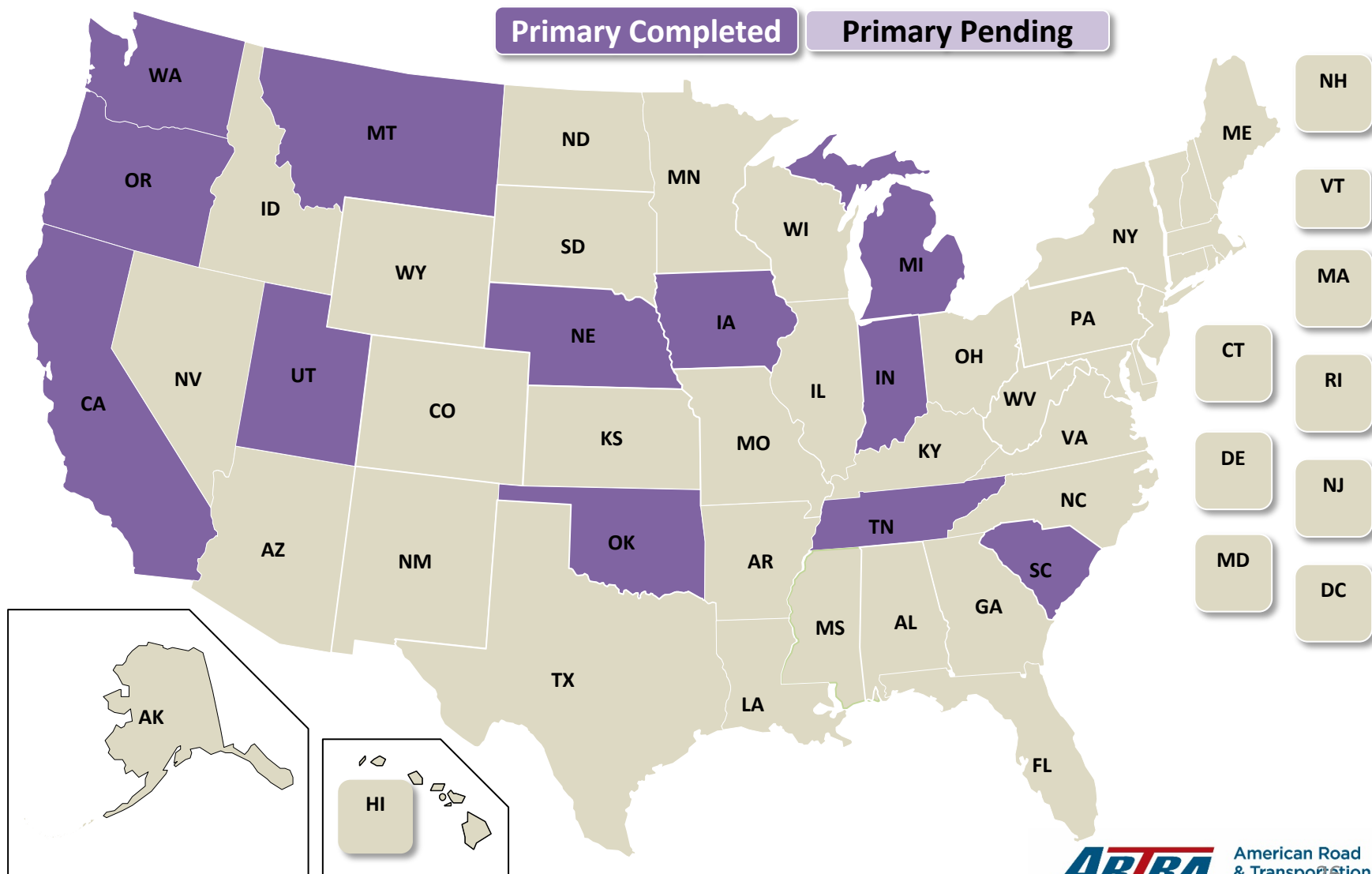
MD, 1

DC

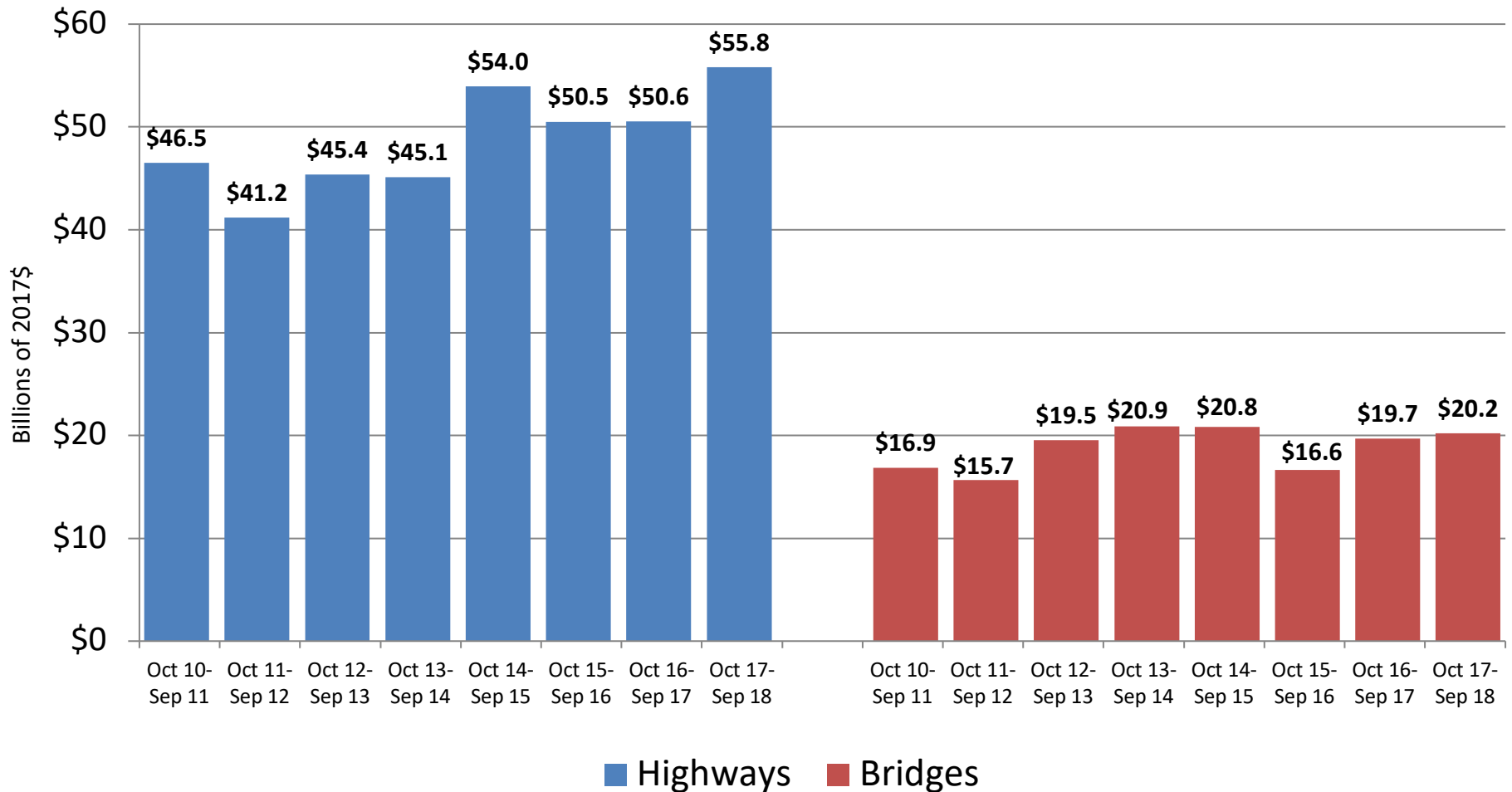
Type of State & Local Transportation Funding Ballot Measures Introduced in the Central Region, 2006 to 2018



96% of State Legislators Voting for a Gas Tax Increase Won Their 2018 Primary

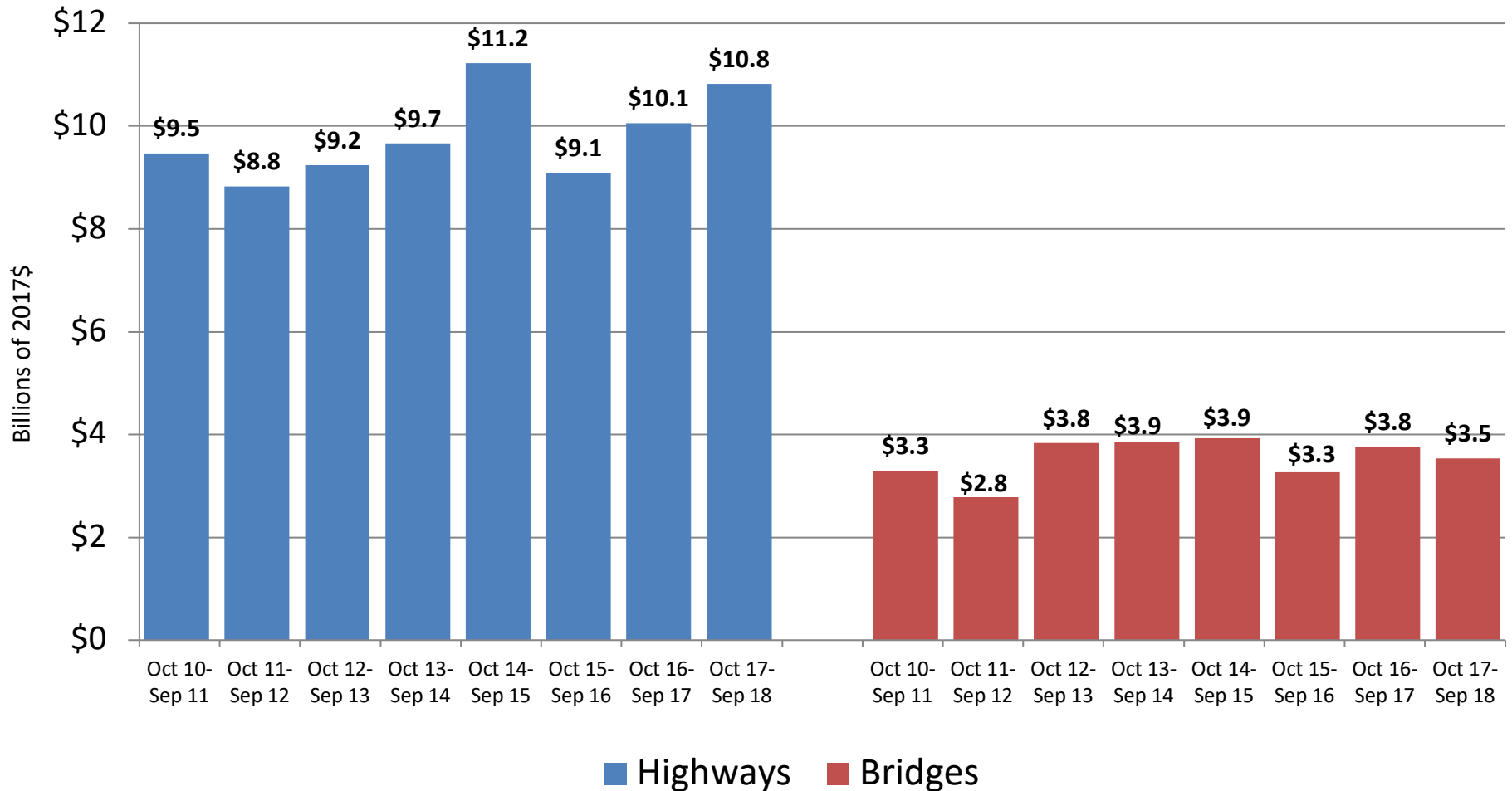


12-Month Rolling Totals – State & Local Contract Awards



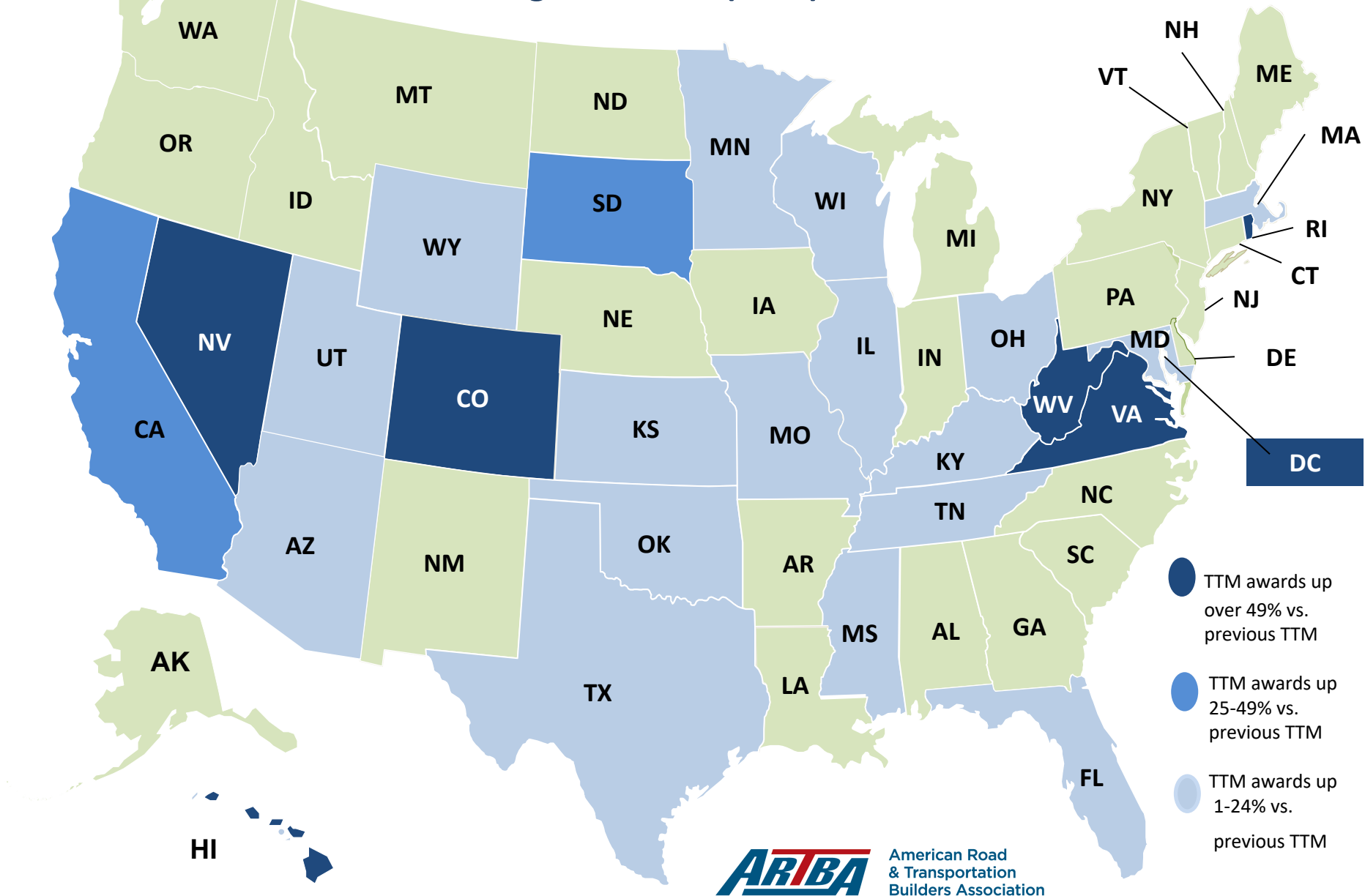
Source: ARTBA analysis of data from Dodge Data & Analytics, adjusted with the ARTBA Price Index for project costs. © 2018 ARTBA. All rights reserved. No part of this document may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without prior written permission of ARTBA.

12-Month Rolling Totals – Central Region State & Local Contract Awards

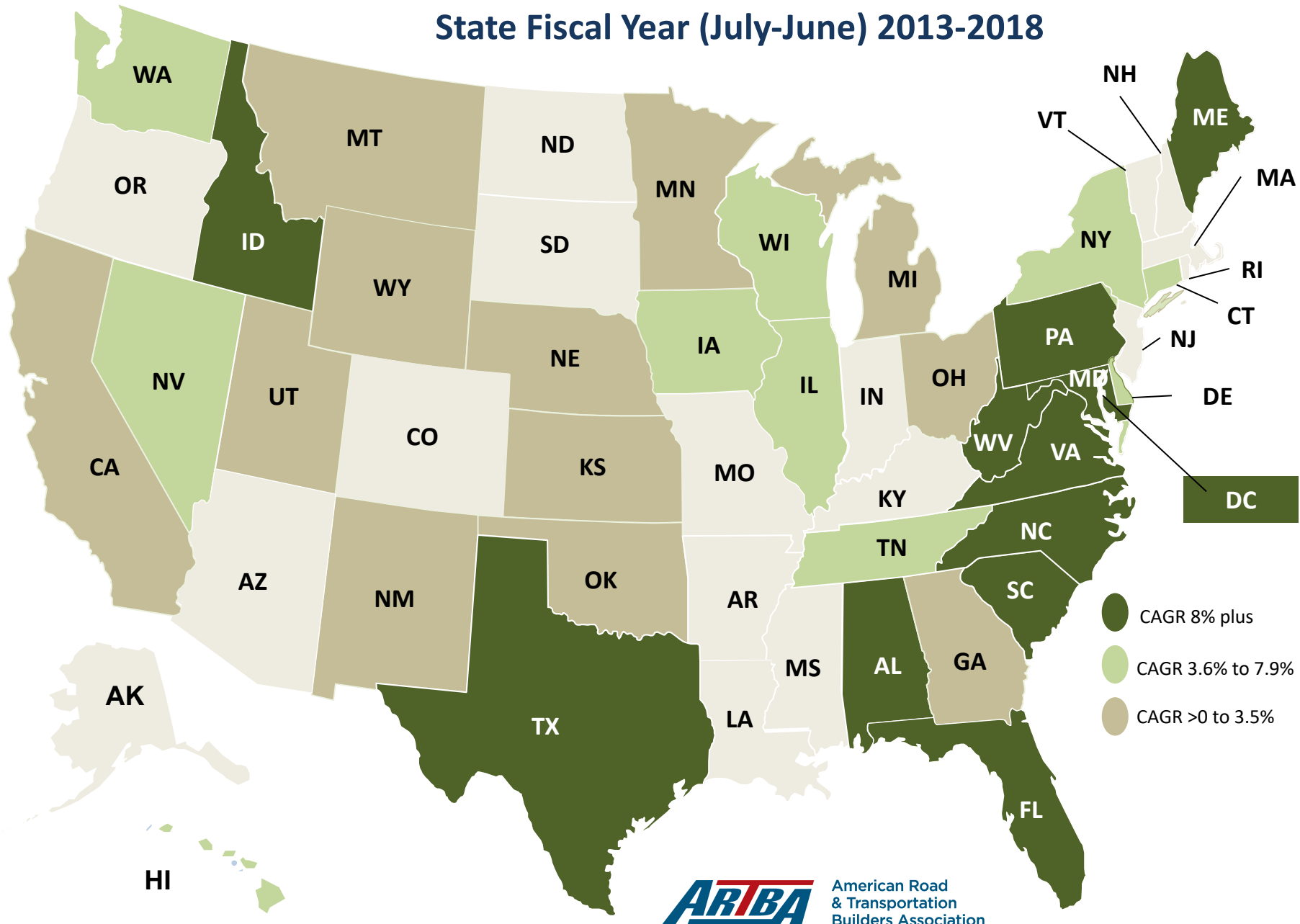


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State by state highway & bridge outlook – increase in trailing 12-month (TTM) total contract award



Fastest Growing States – Highway & Bridge Contract Awards, State Fiscal Year (July-June) 2013-2018



Source: ARTBA analysis of McGraw Hill Data, adjusted for inflation. 12-month values September to October.



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