

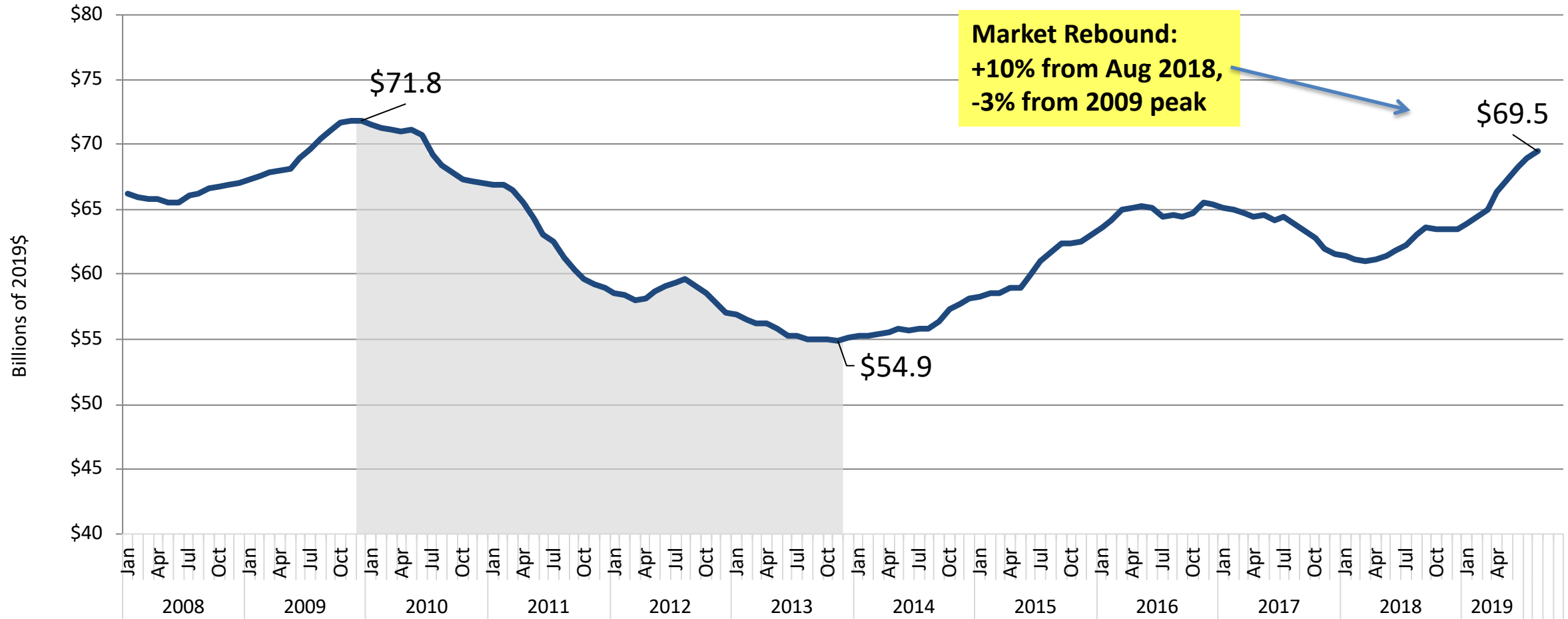


# Transportation Construction Market Update

Alison Premo Black, PhD  
ARTBA Senior Vice President &  
Chief Economist

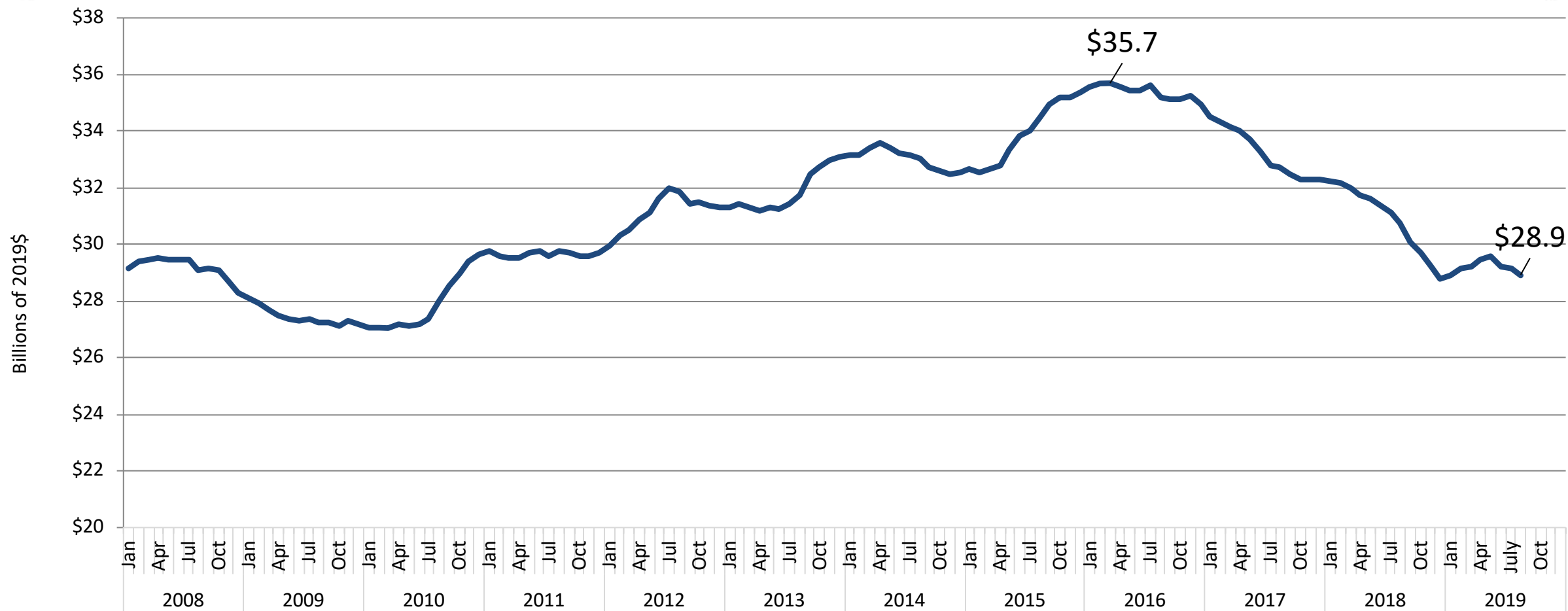
October 28, 2019

# Real Value of U.S. Highway & Street Construction Work – Rolling 12-month Totals



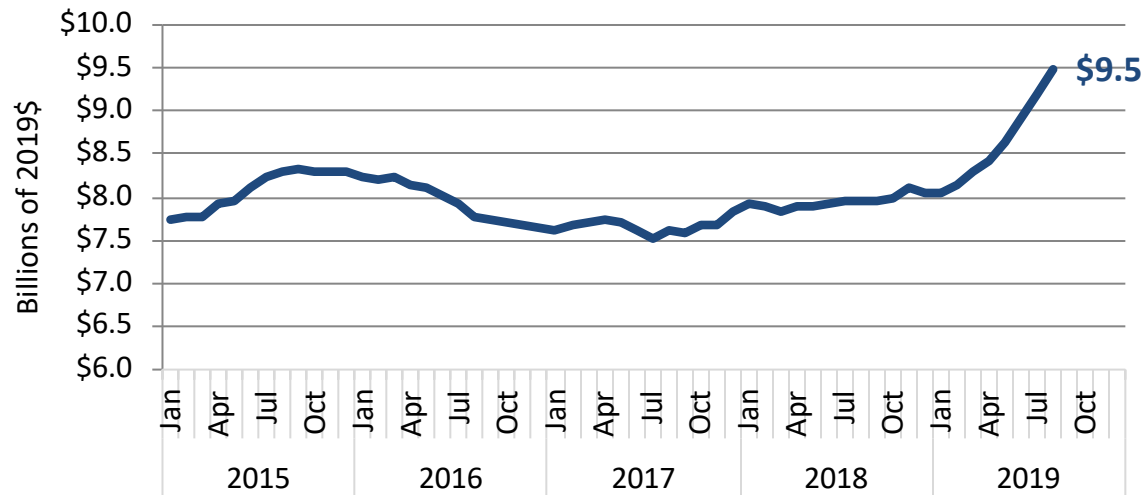
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## Real Value of U.S. Bridge Construction Work – Rolling 12-month Totals

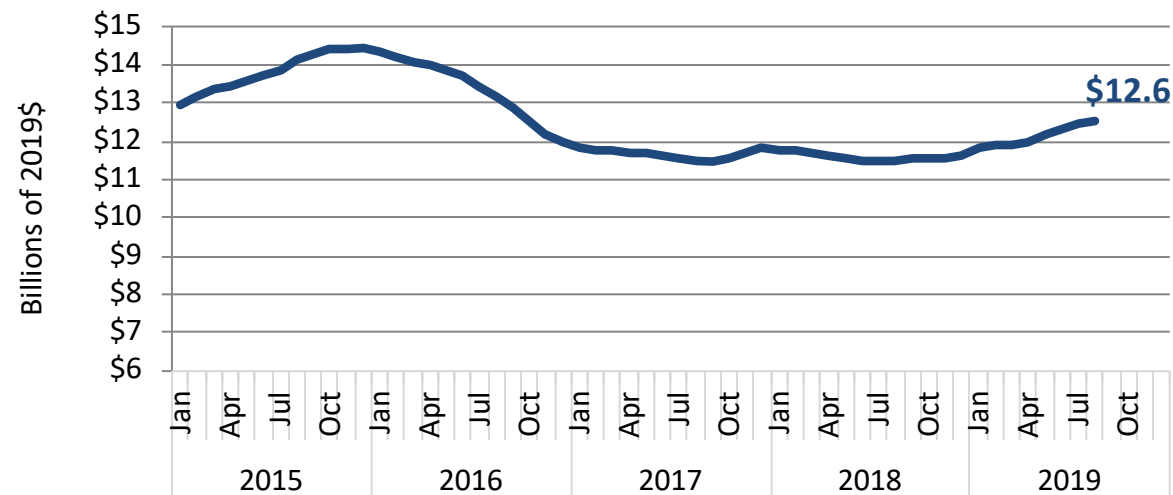


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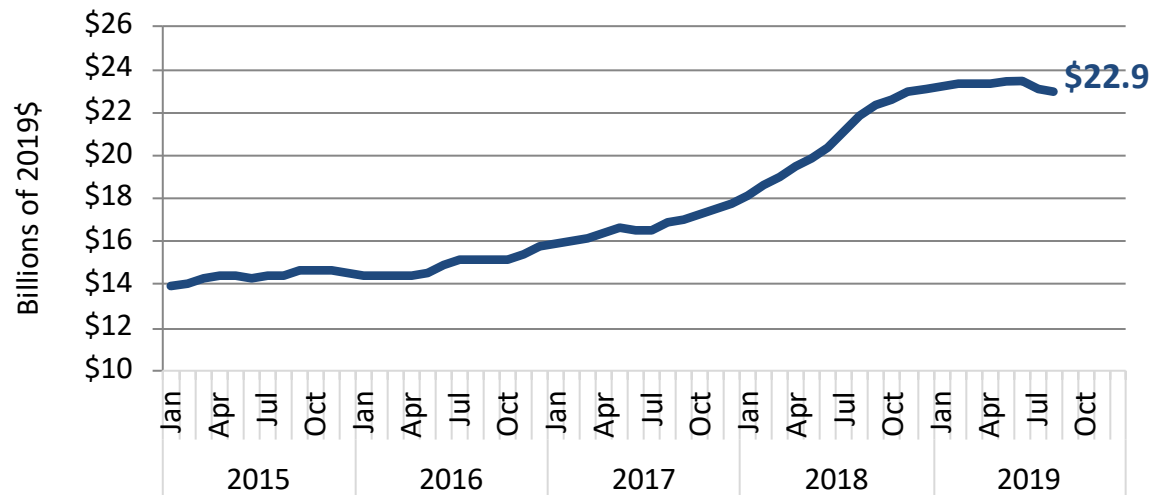
**Real Value of Transit Construction Work,  
Rolling 12-month Totals**



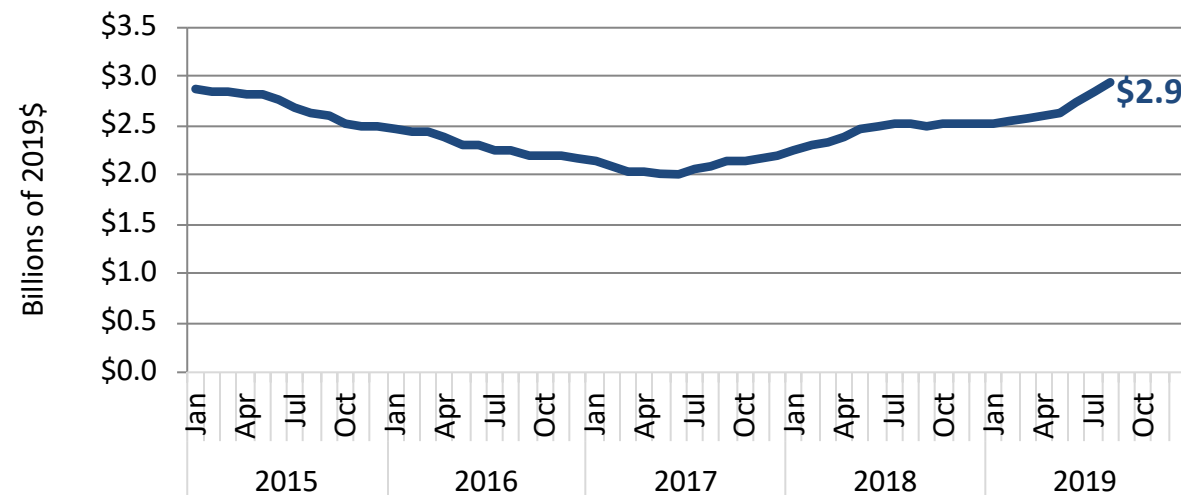
**Real Value of Railroad Construction Work,  
Rolling 12-month Totals**



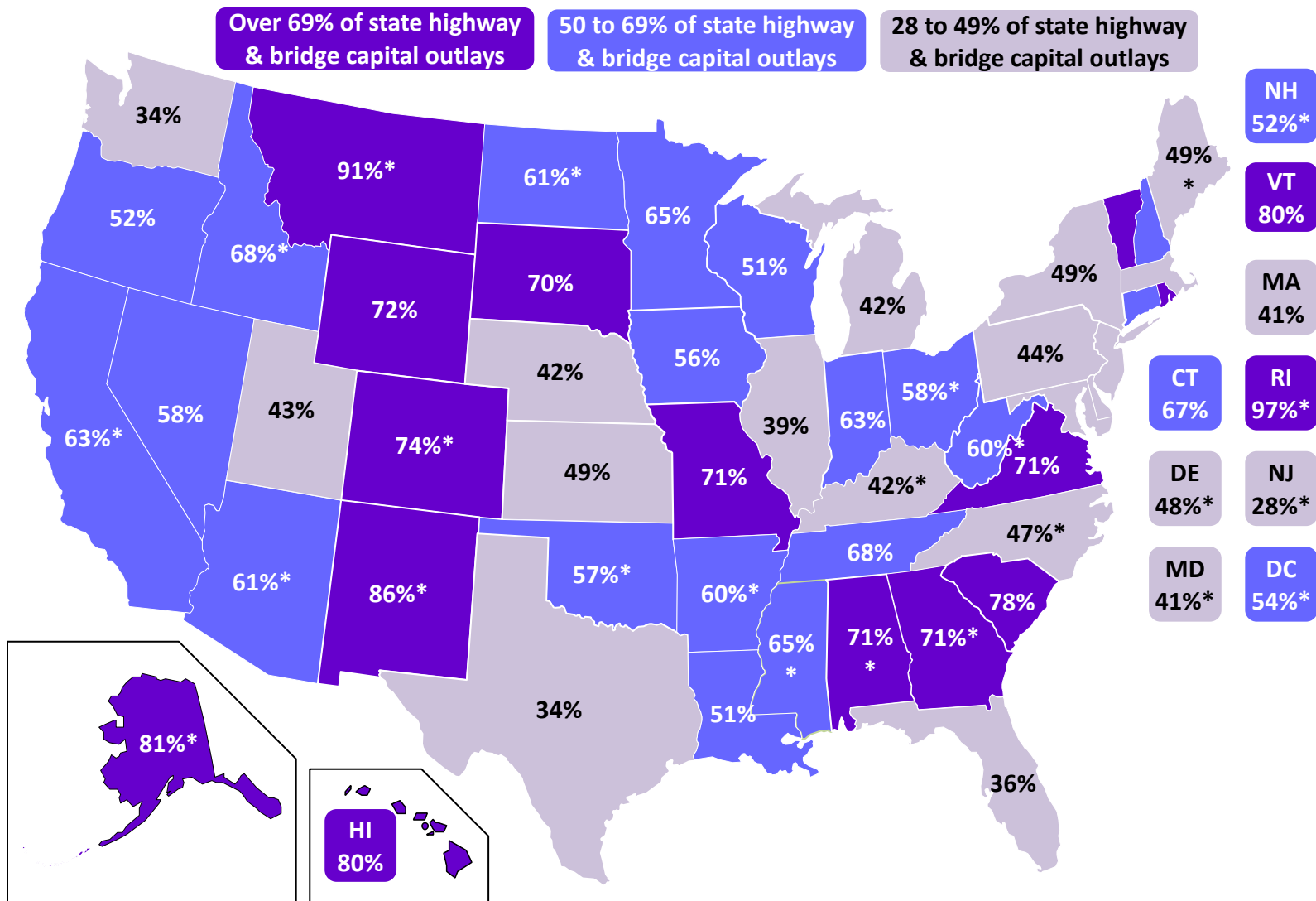
**Real Value of Airport Construction Work,  
Rolling 12-month Totals**



**Real Value of Port & Waterway Construction Work,  
Rolling 12-month Totals**



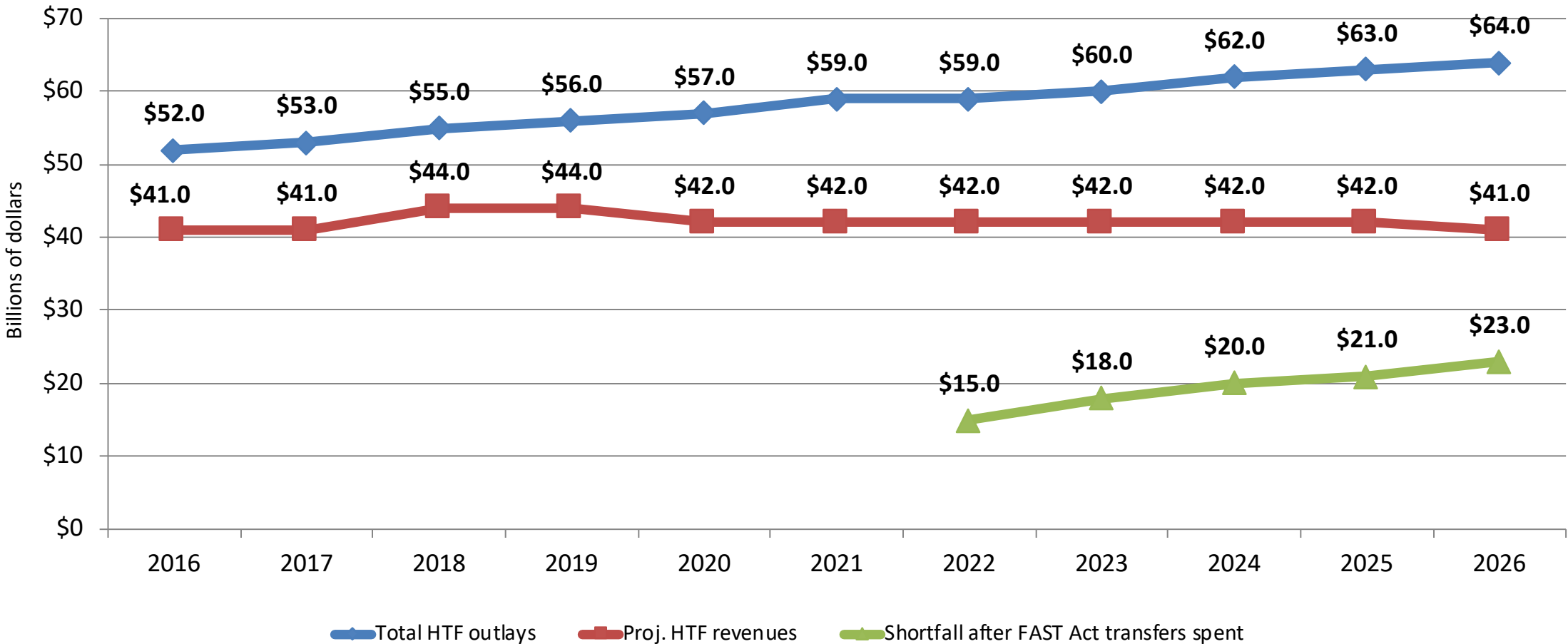
# Federal funds, on average, provide 51% of annual State DOT capital outlays for highway & bridge projects



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.

# The Highway Trust Fund Revenue Crisis Will Return

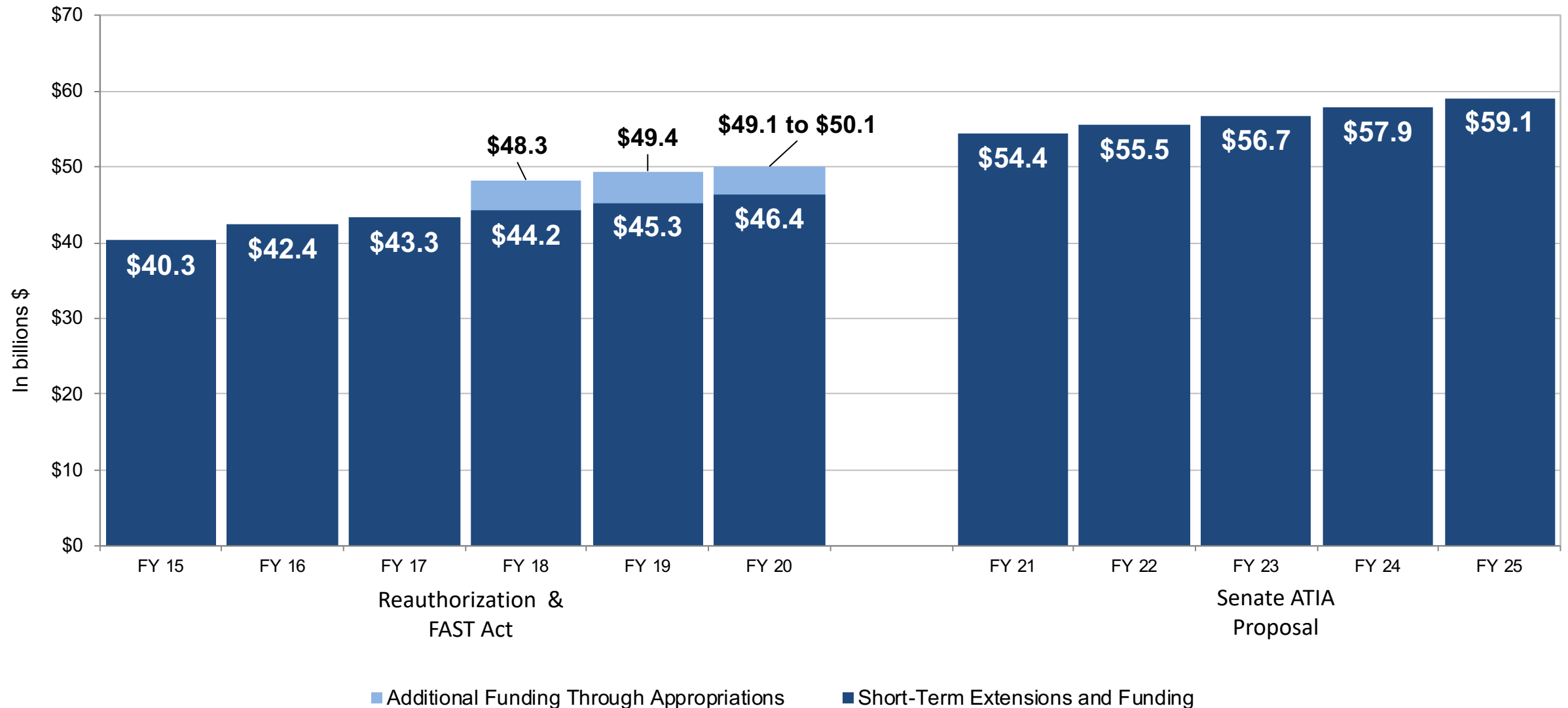


Source: Congressional Budget Office Highway Trust Fund baseline, May 2019

Total may not add up due to rounding.

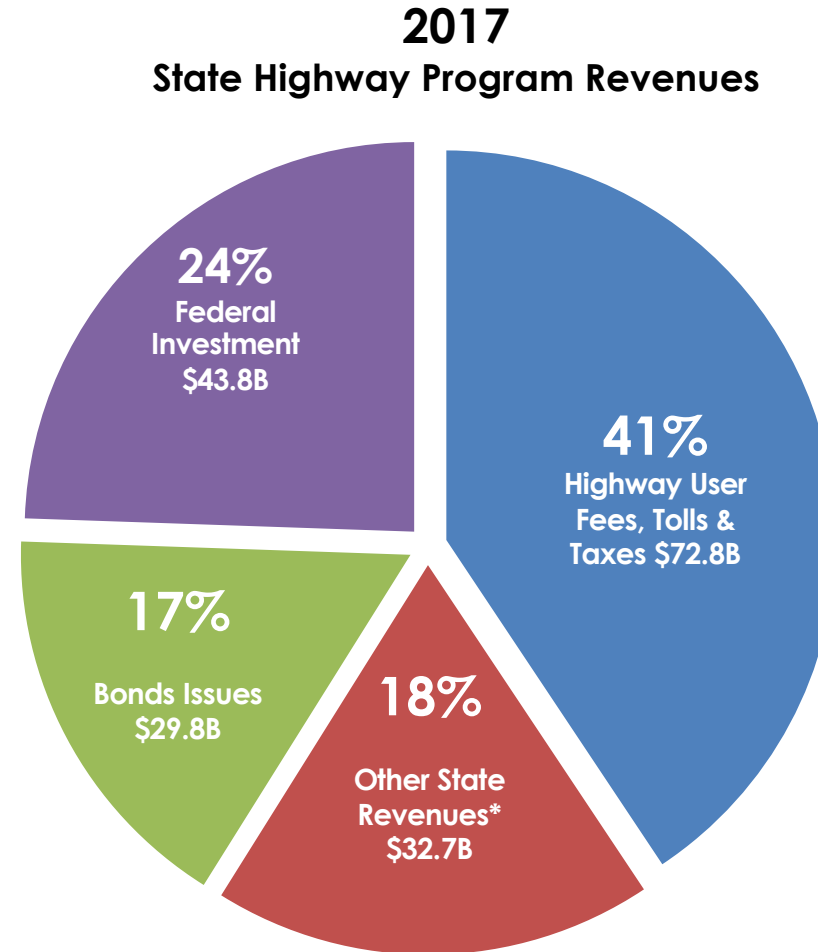
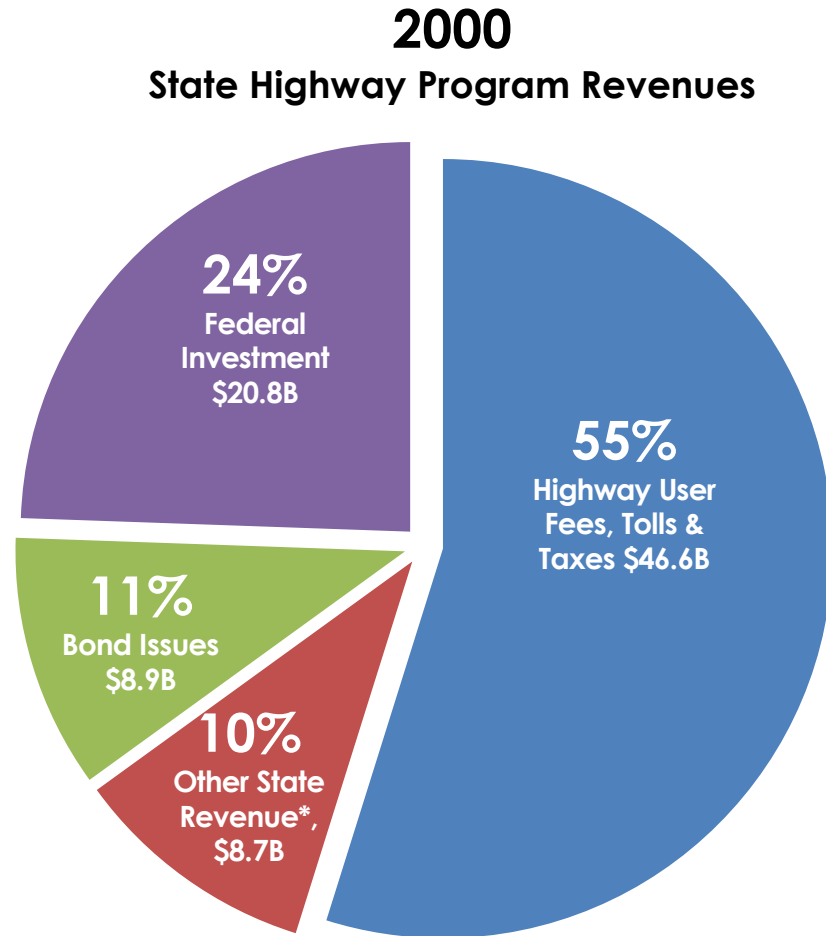


# Federal Highway Program Obligation Limitation Under FAST Act, Annual Appropriations and Senate ATIA Proposal



Source: FHWA final notices for annual highway program obligations.

# State Highway & Bridge Program Revenue Mix Has Changed

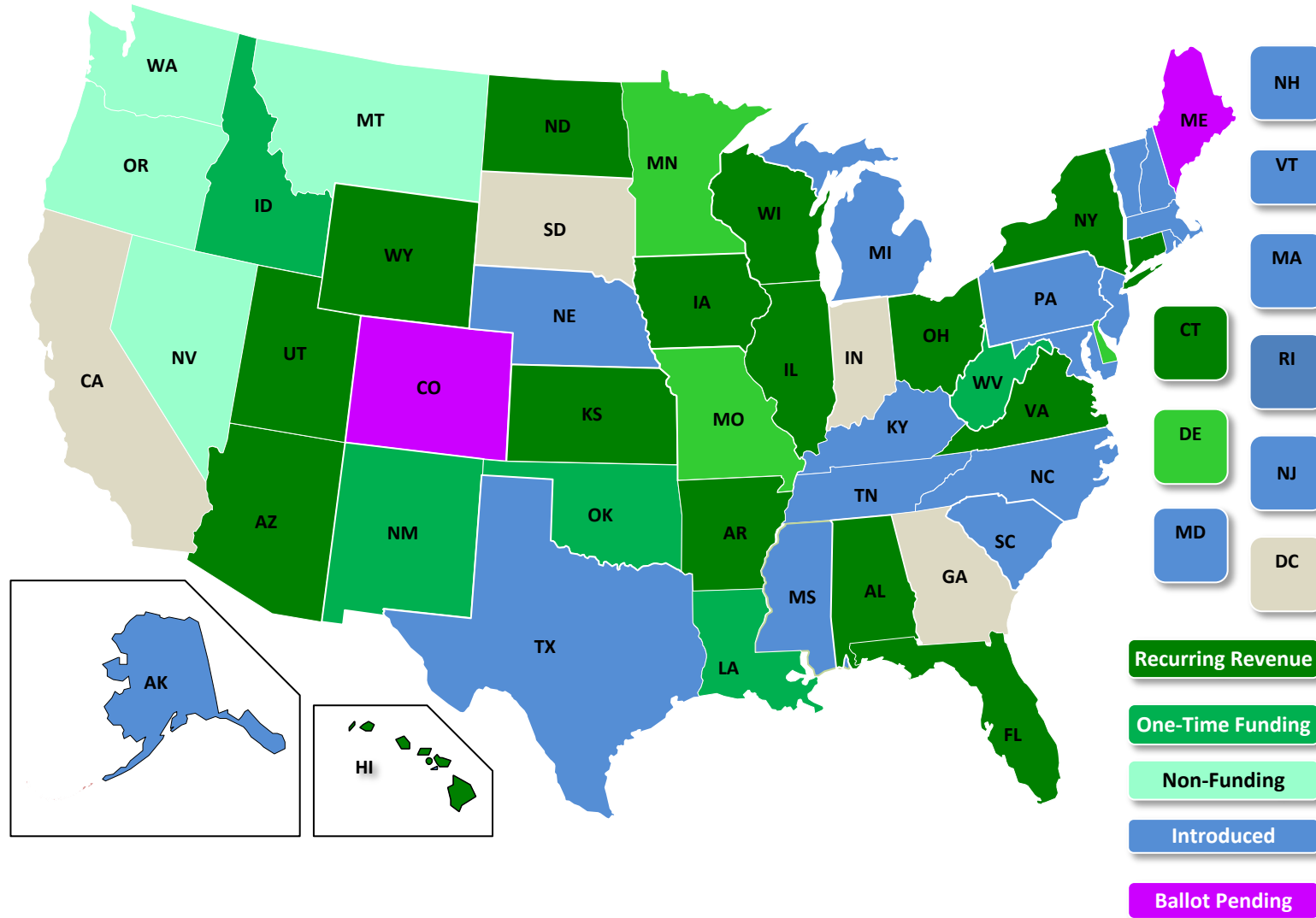


\*Other state revenues include the state General Fund, sales taxes, local government reimbursement and other imposts.

Source: Federal Aid Highway Statistics



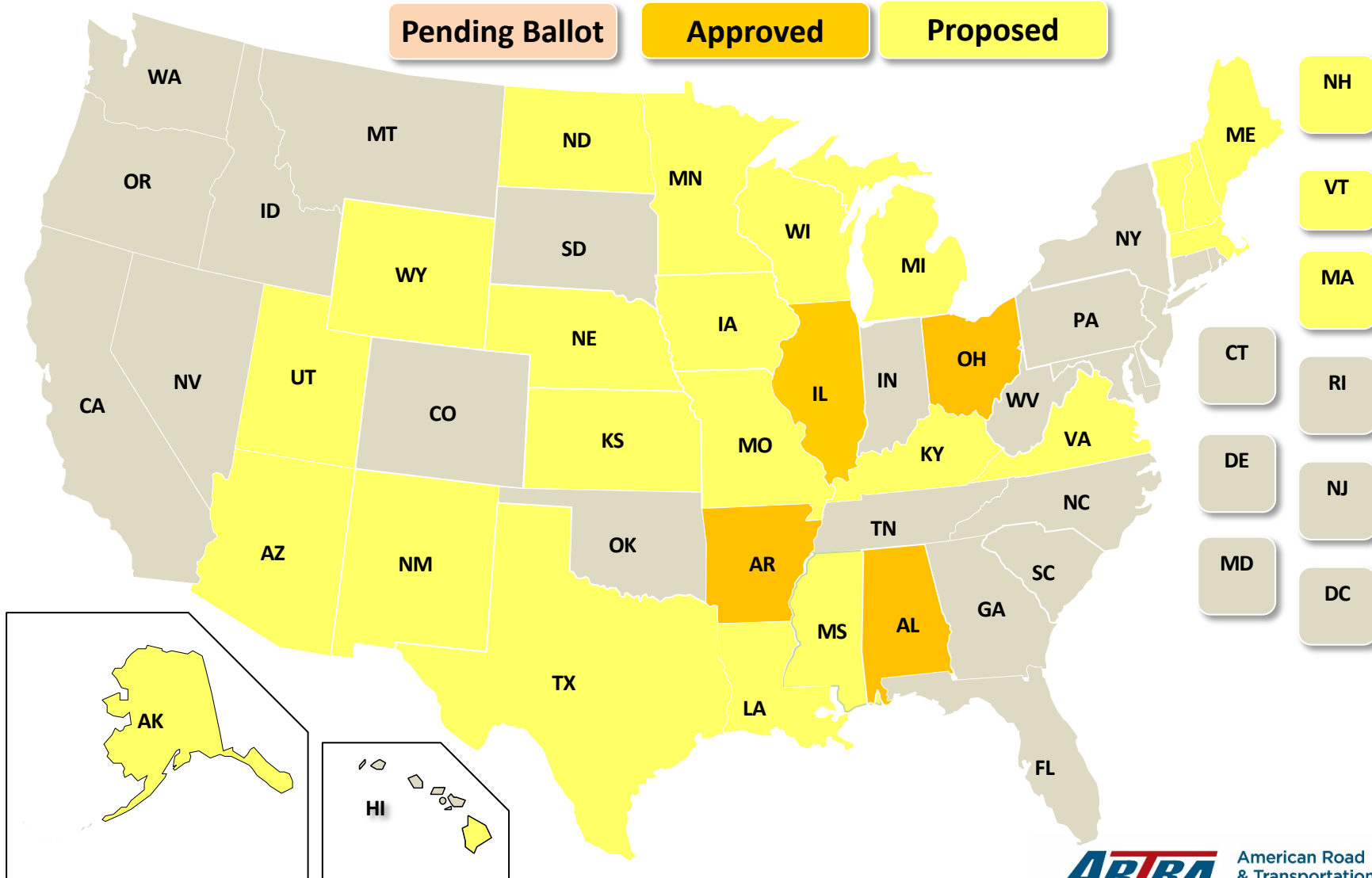
# 2019: 300+ Transportation Funding-Related Bills in 46 States To-Date



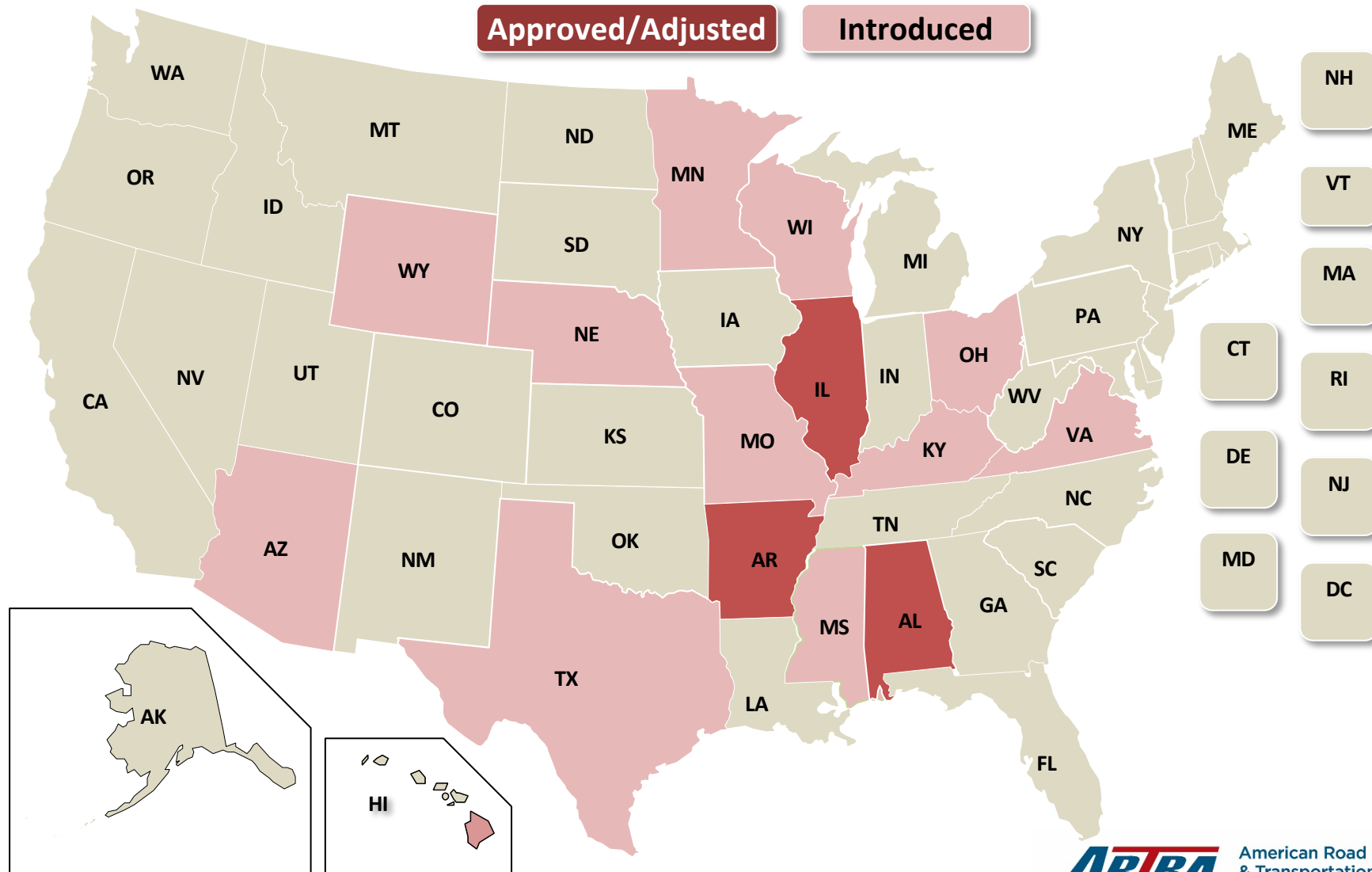
Source: ARTBA's Transportation Investment Advocacy Center June 2019 *State Funding Initiatives Report*.

\* Indicates multiple bills in varying stages.

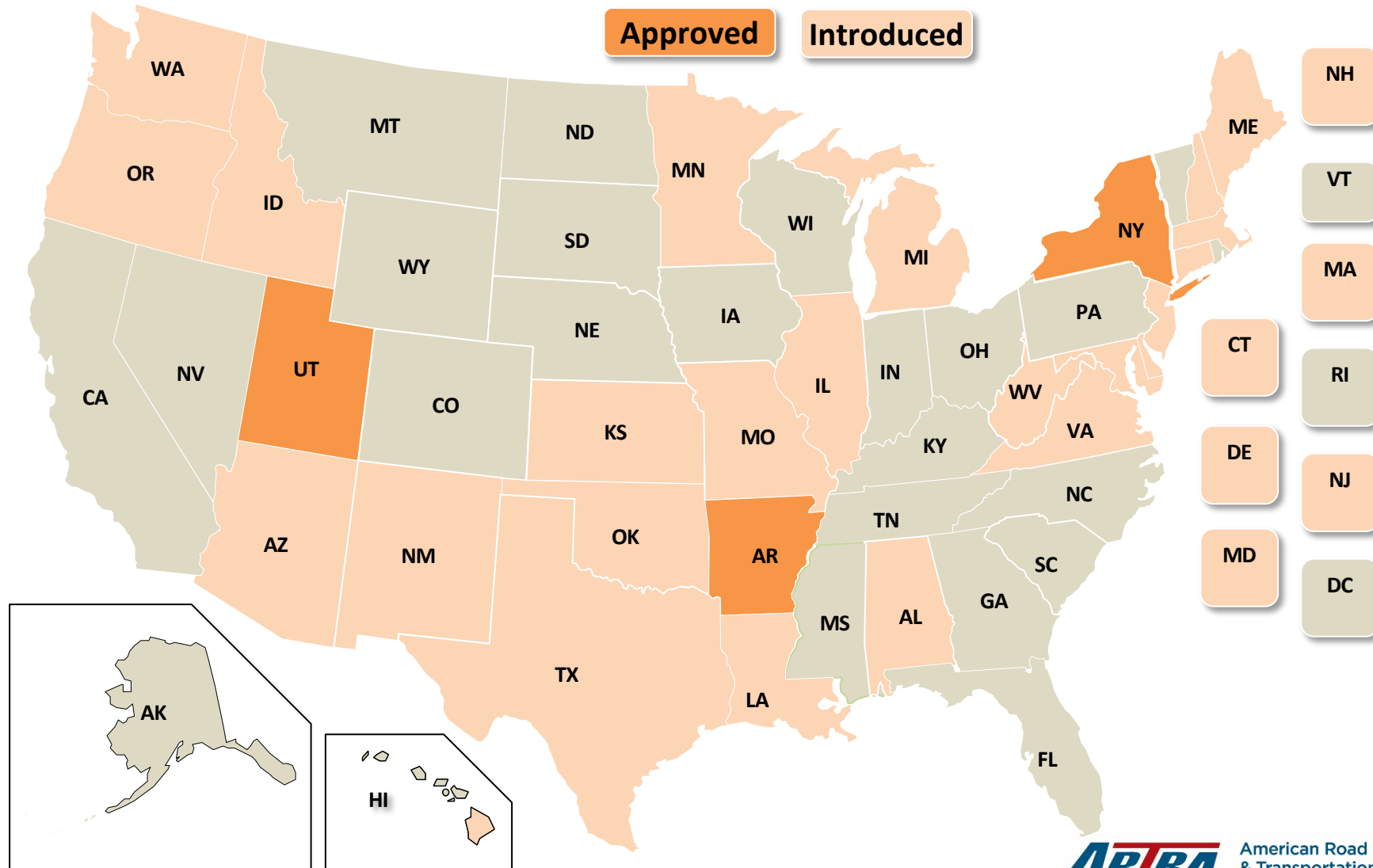
## 2019: 18 States Propose a State Fuel Tax Increase



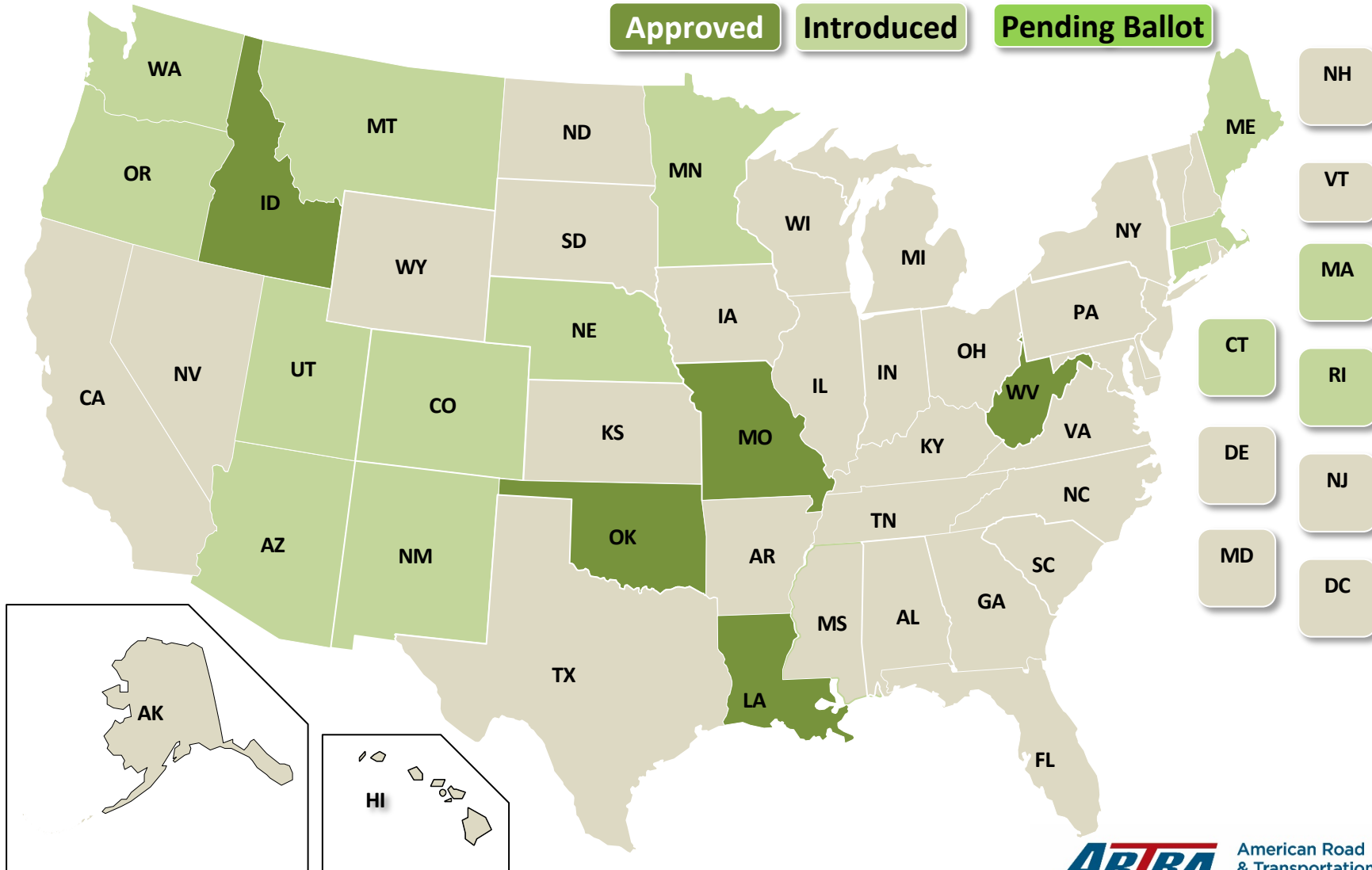
# 2019: 15 States Propose New/Adjusted Variable-Rate Gas Taxes



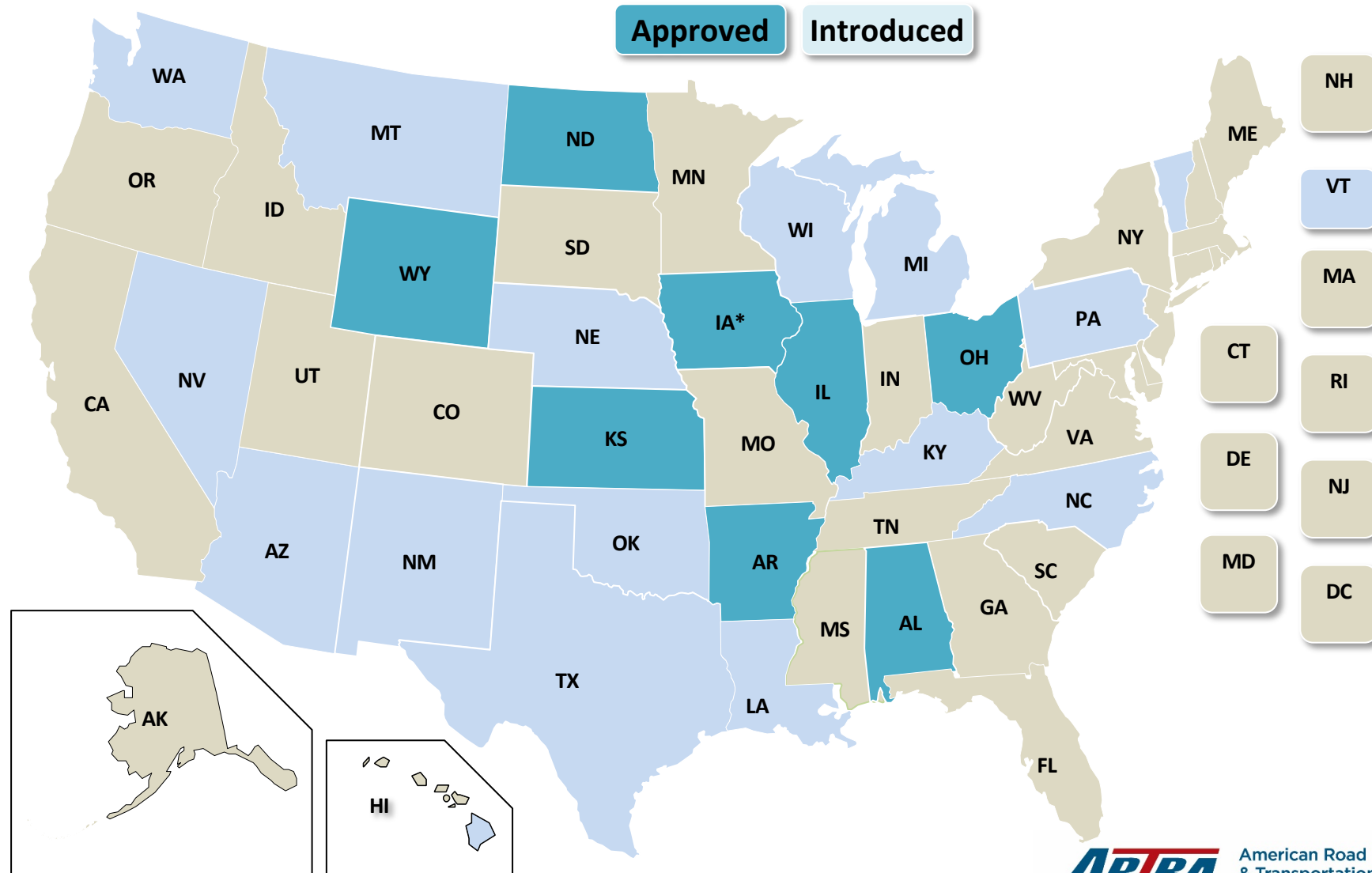
## 2019: 26 States Propose Other Recurring Funding Measures



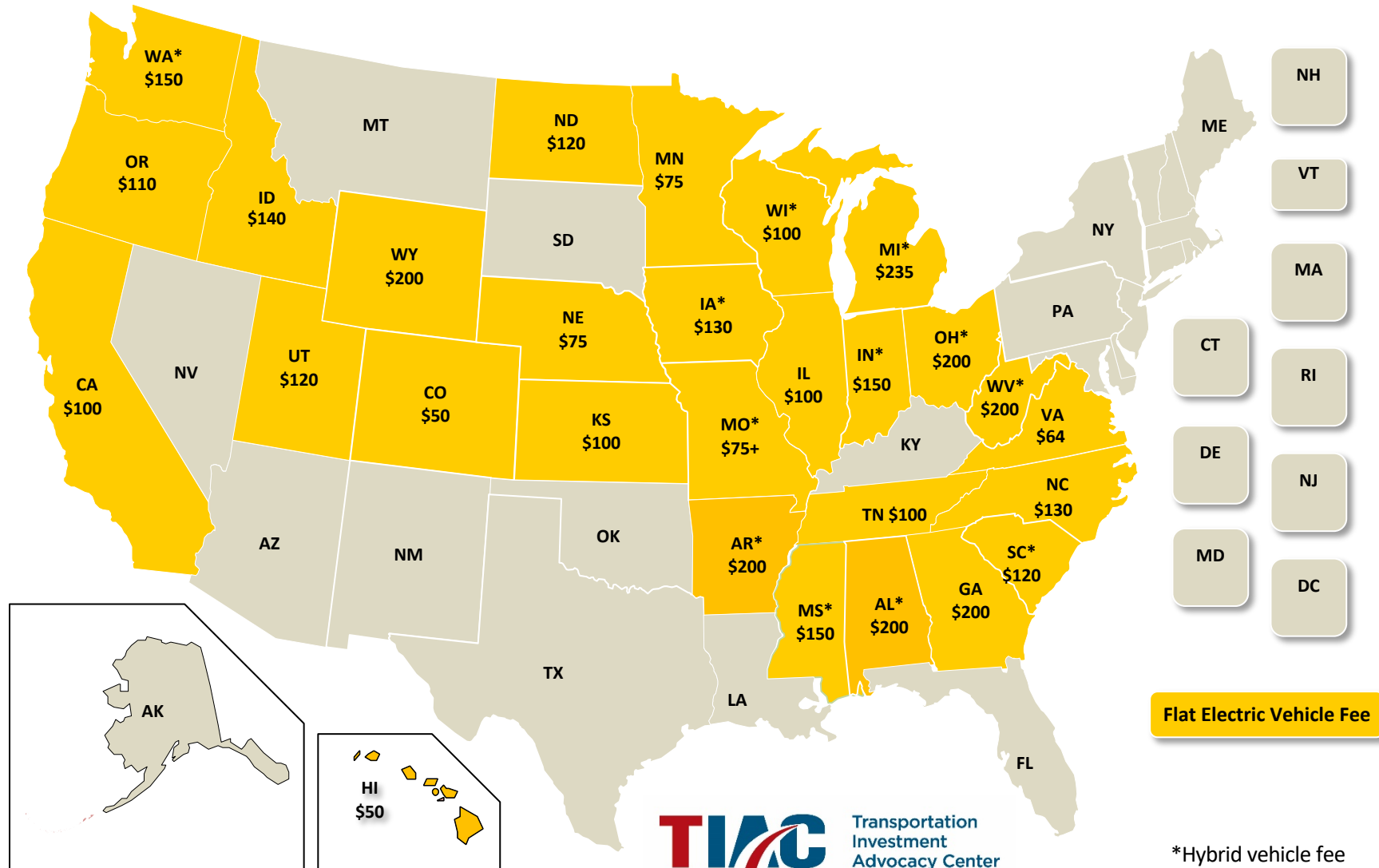
## 2019: 15 States Propose One-Time Revenues



## 2019: 23 States Propose Alternative Fuel or Electric Vehicle Taxes/Fees



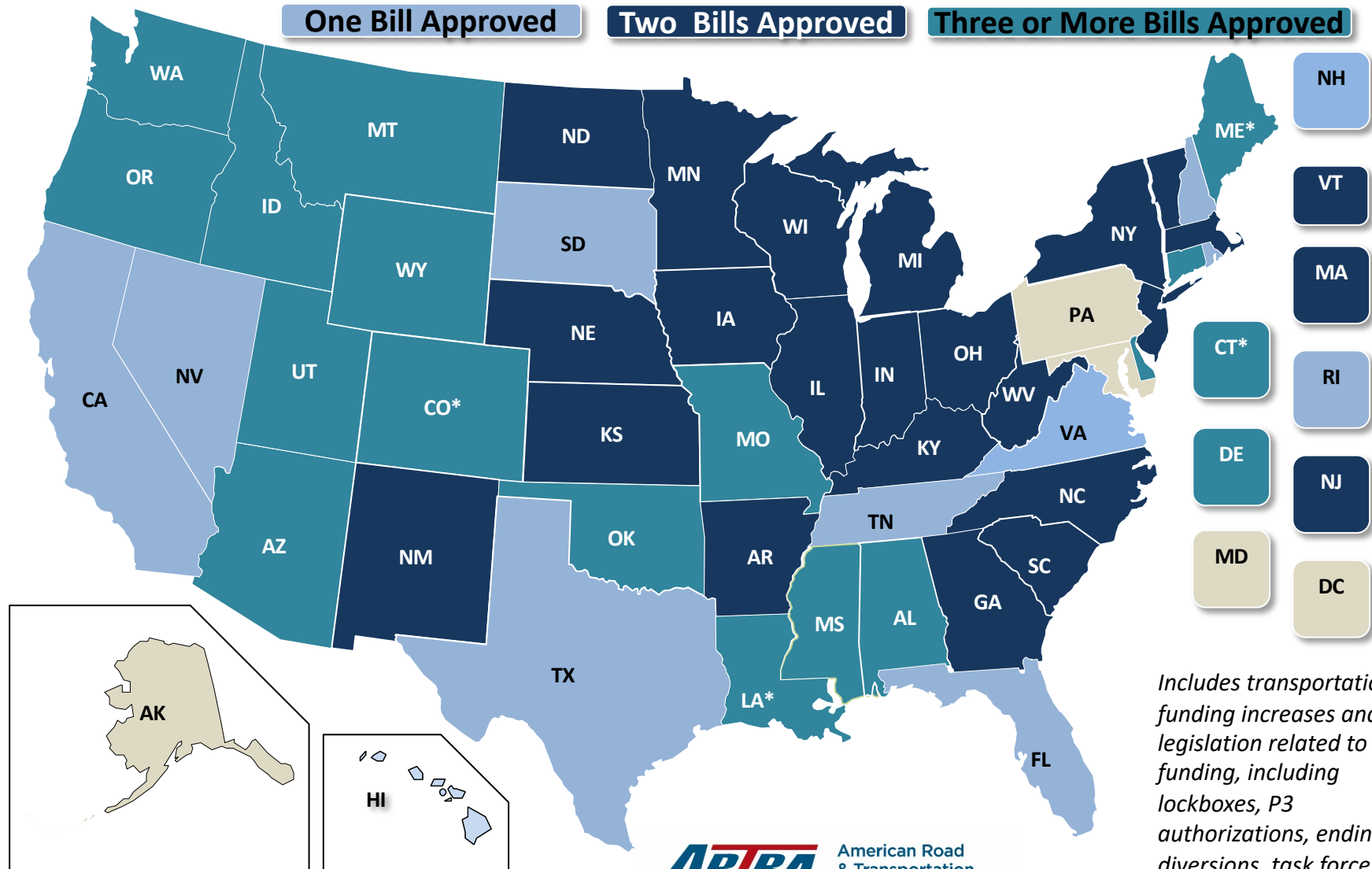
## 28 States Have an Electric Vehicle Fee



Source: TIAC, "State Electric Vehicle Fees", July 2019

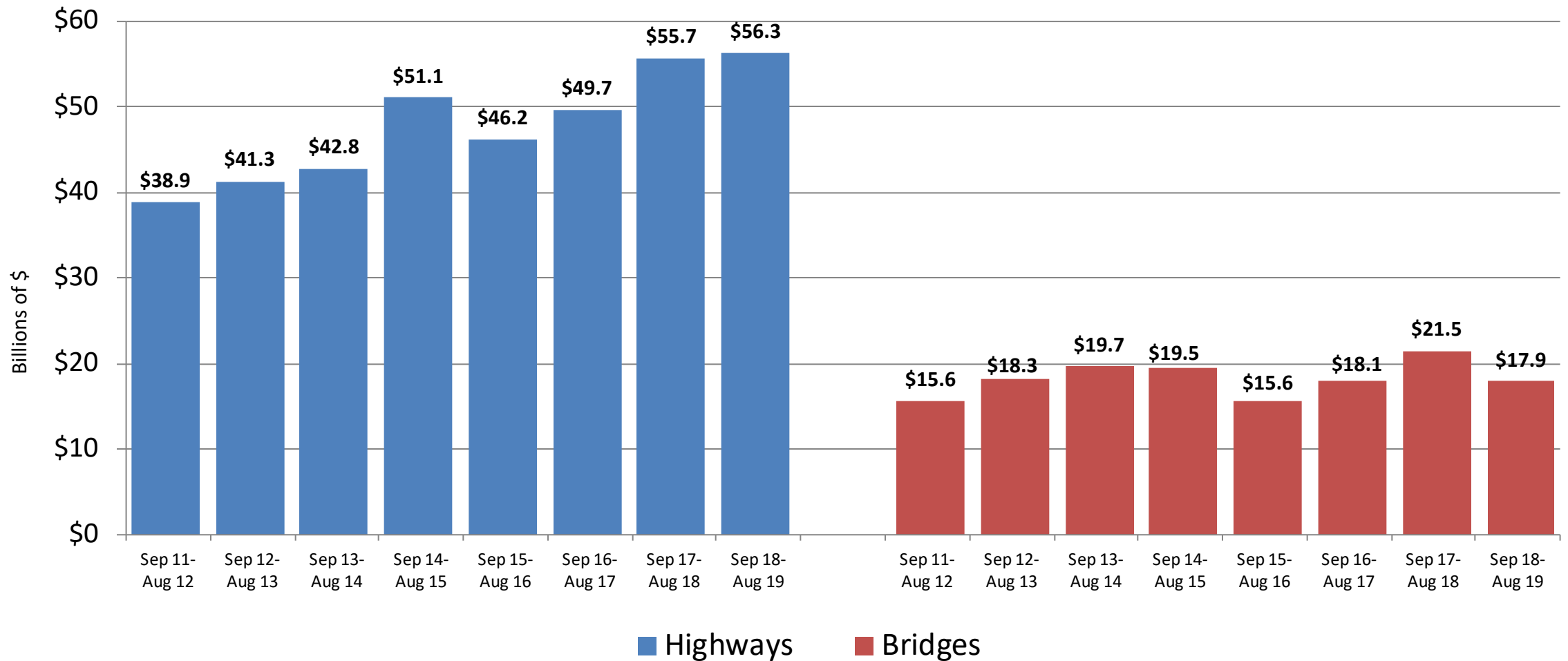


# States Approving Transportation Funding Legislation 2015-2019



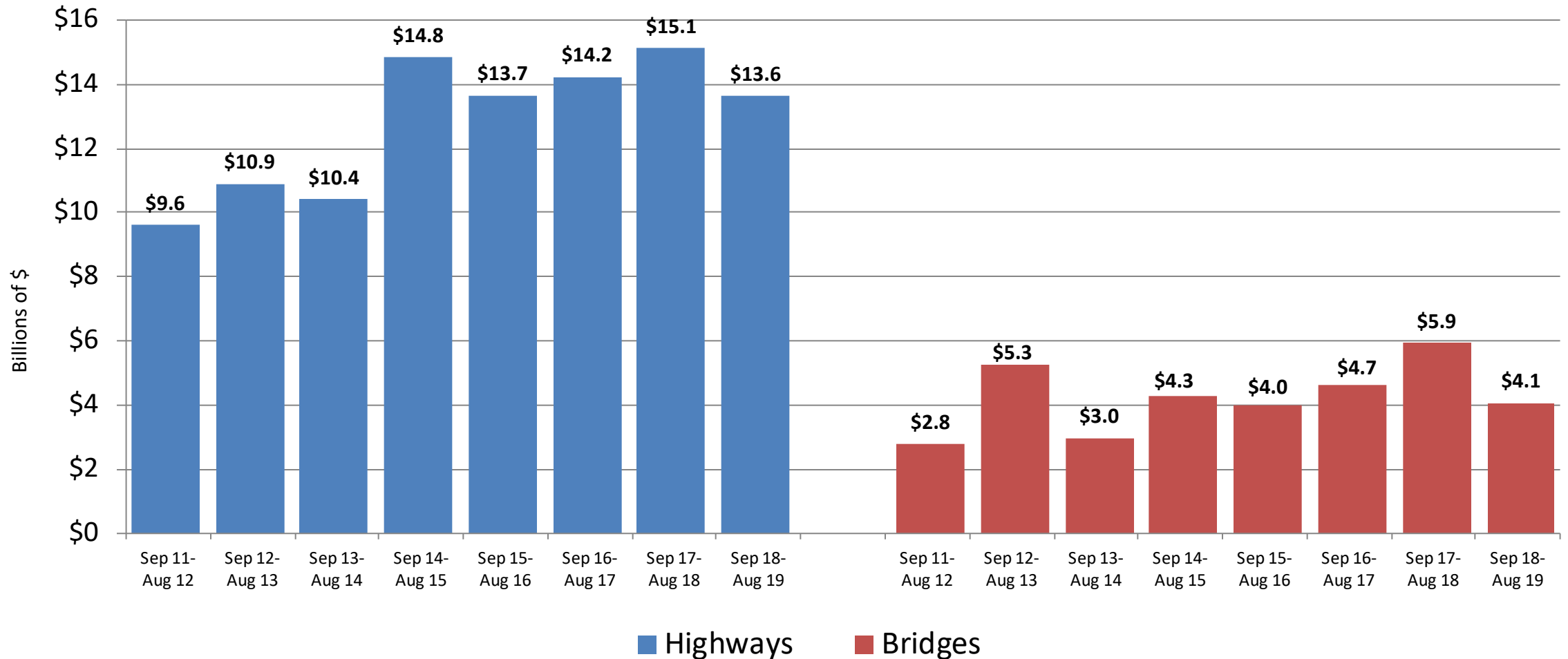
*Includes transportation funding increases and legislation related to funding, including lockboxes, P3 authorizations, ending diversions, task force or study, pilot program, etc.*

## 12-Month Rolling Totals – State & Local Contract Awards



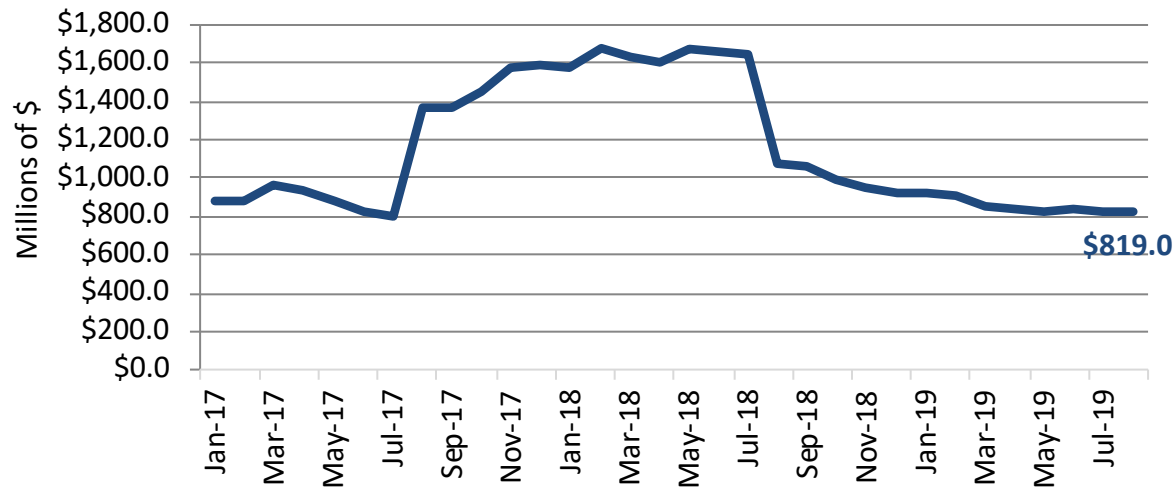
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## 12-Month Rolling Totals – Southern State & Local Contract Awards

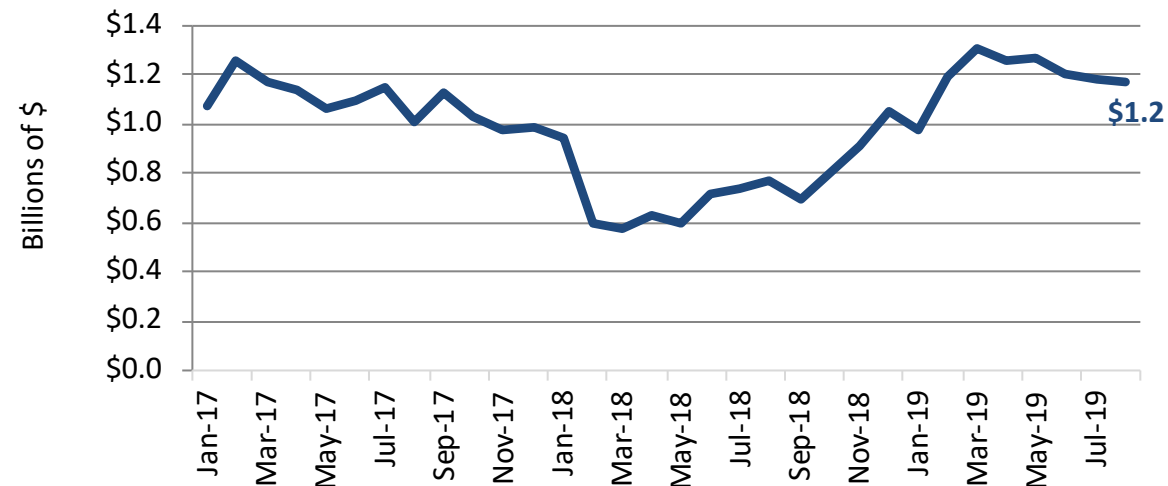


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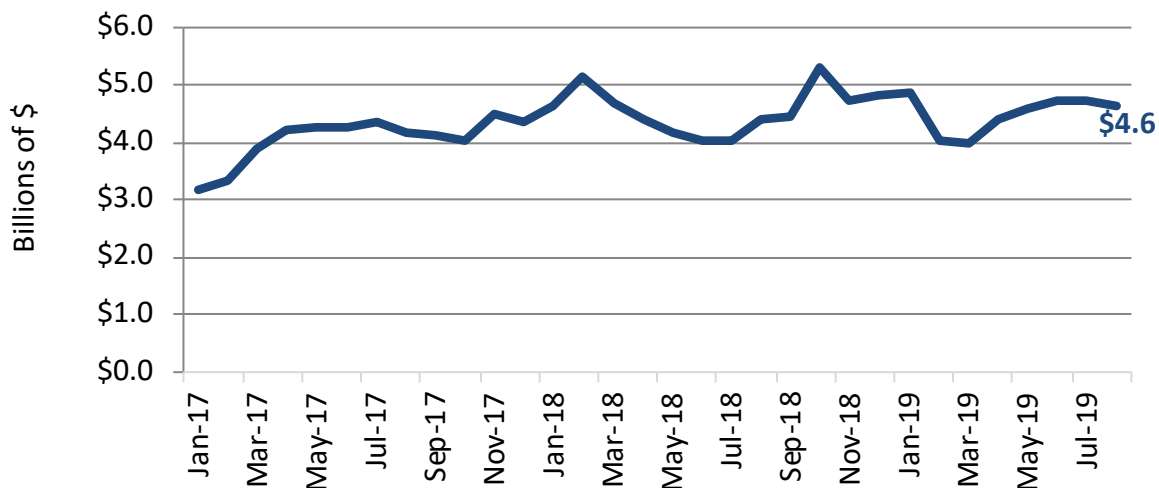
**Alabama Highway & Bridge Contract Awards  
Rolling 12-Month Totals**



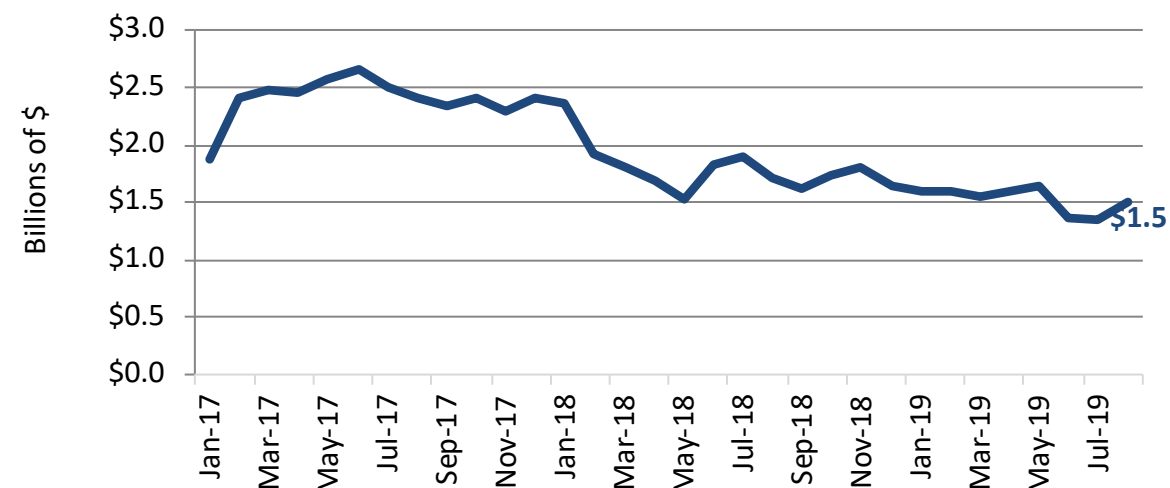
**Arkansas Highway & Bridge Contract Awards  
Rolling 12-Month Totals**



**Florida Highway & Bridge Contract Awards  
Rolling 12-Month Totals**

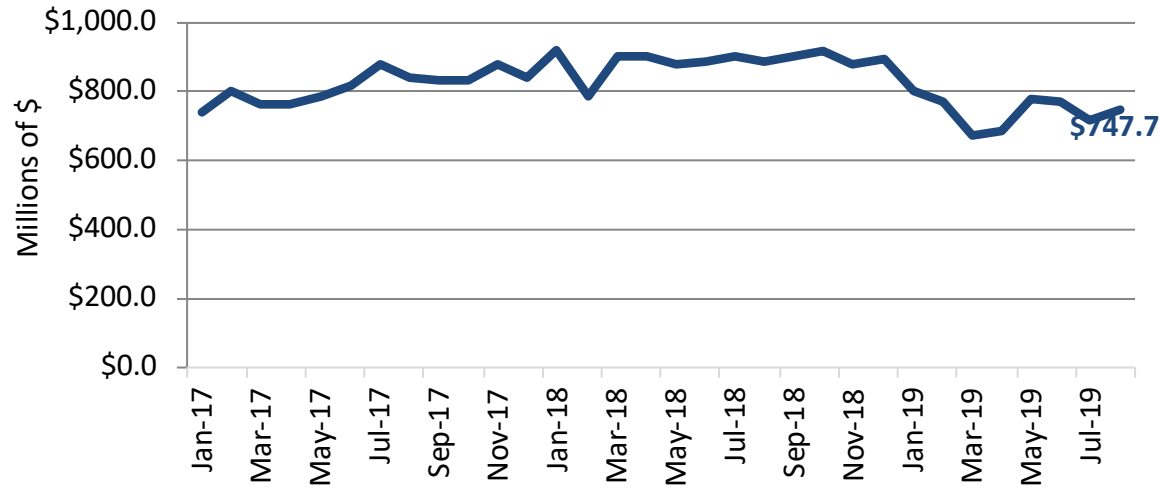


**Georgia Highway & Bridge Contract Awards  
Rolling 12-Month Totals**

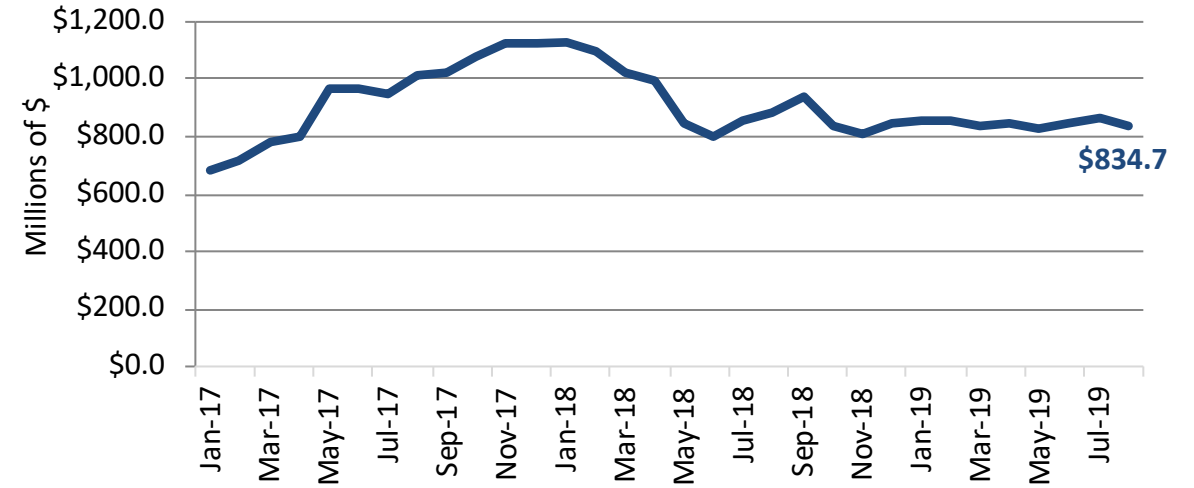


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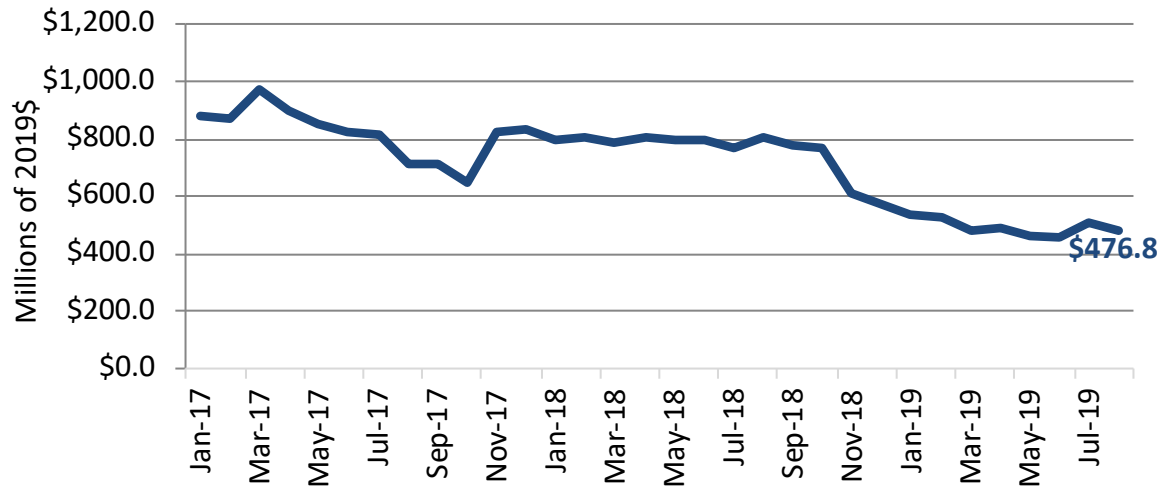
**Kentucky Highway & Bridge Contract Awards**  
Rolling 12-Month Totals



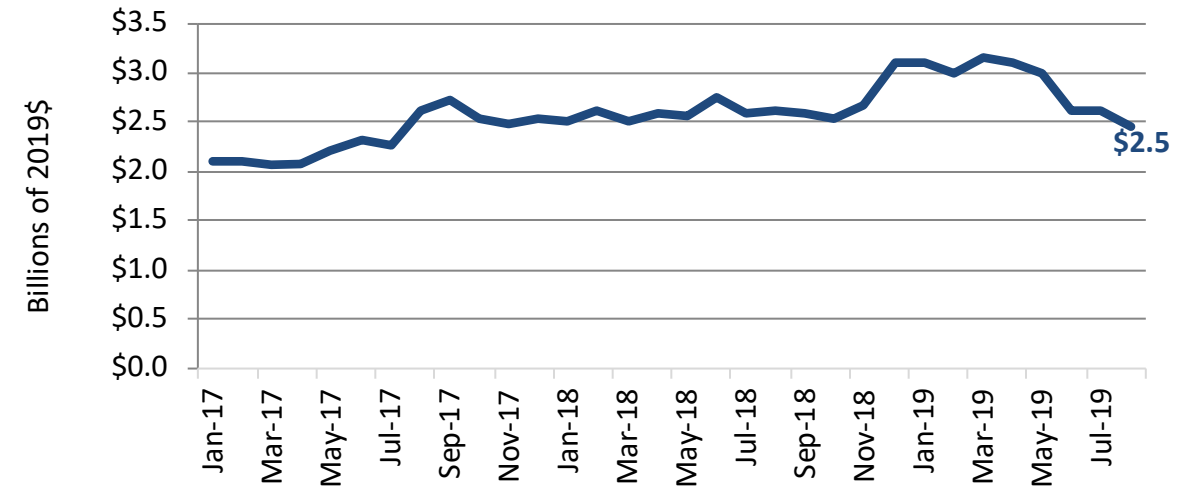
**Louisiana Highway & Bridge Contract Awards**  
Rolling 12-Month Totals



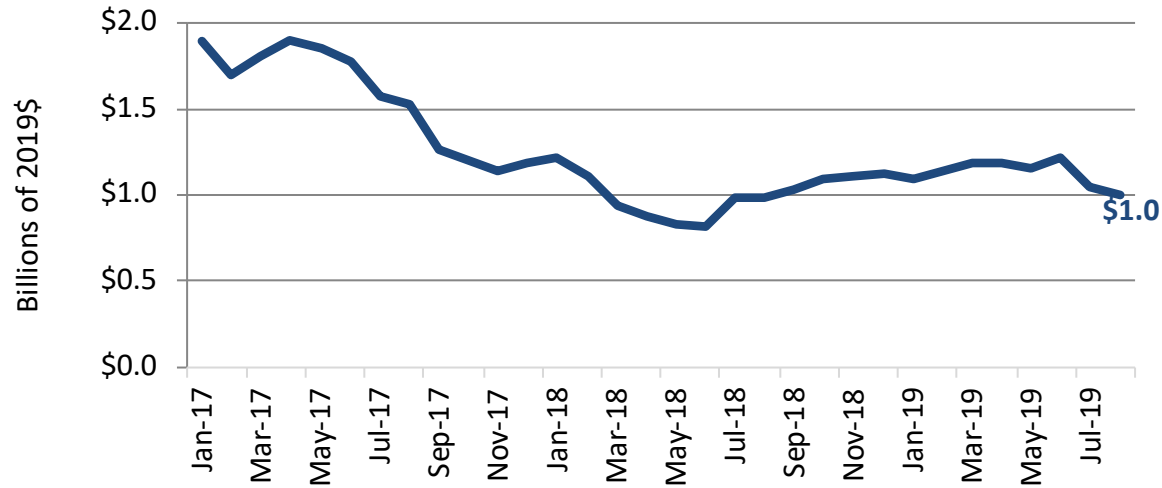
**Mississippi Highway & Bridge Contract Awards**  
Rolling 12-Month Totals



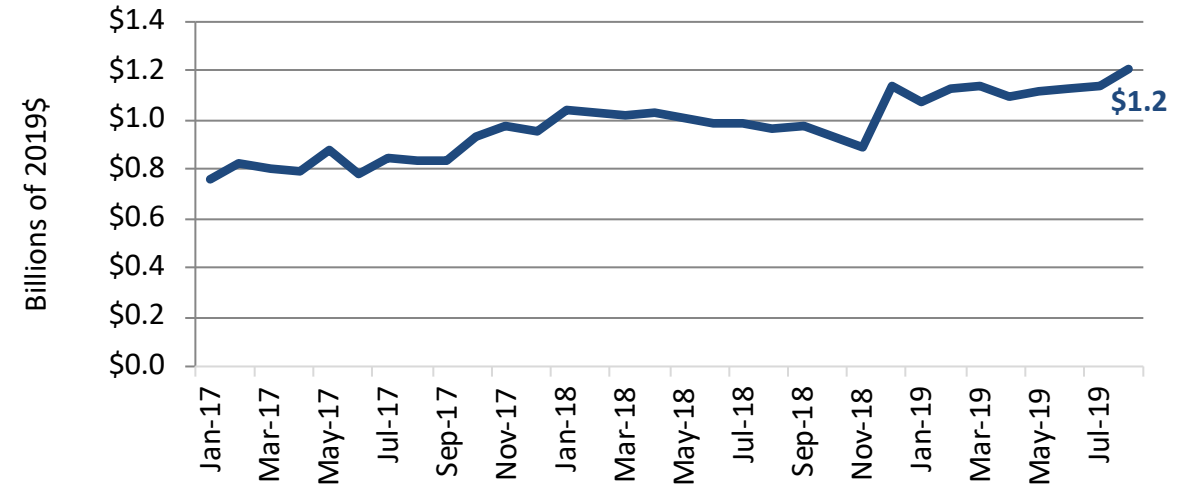
**North Carolina Highway & Bridge Contract Awards**  
Rolling 12-Month Totals



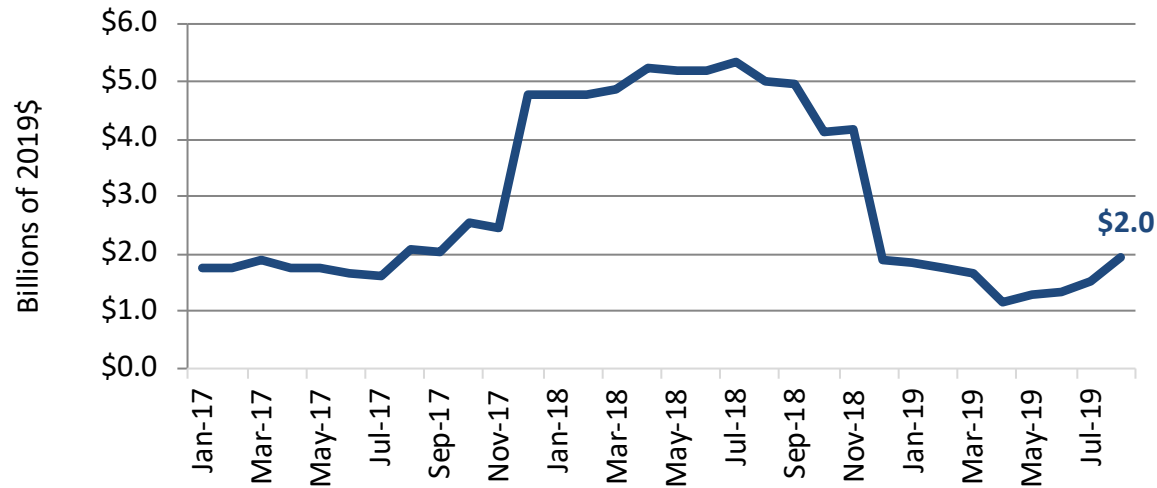
**South Carolina Highway & Bridge Contract Awards  
Rolling 12-Month Totals**



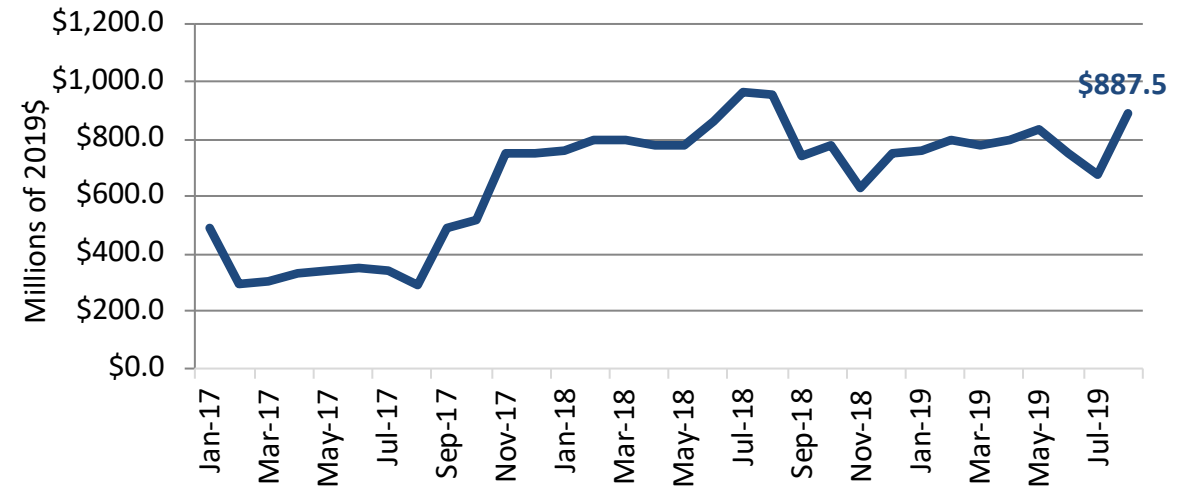
**Tennessee Highway & Bridge Contract Awards  
Rolling 12-Month Totals**



**Virginia Highway & Bridge Contract Awards  
Rolling 12-Month Totals**

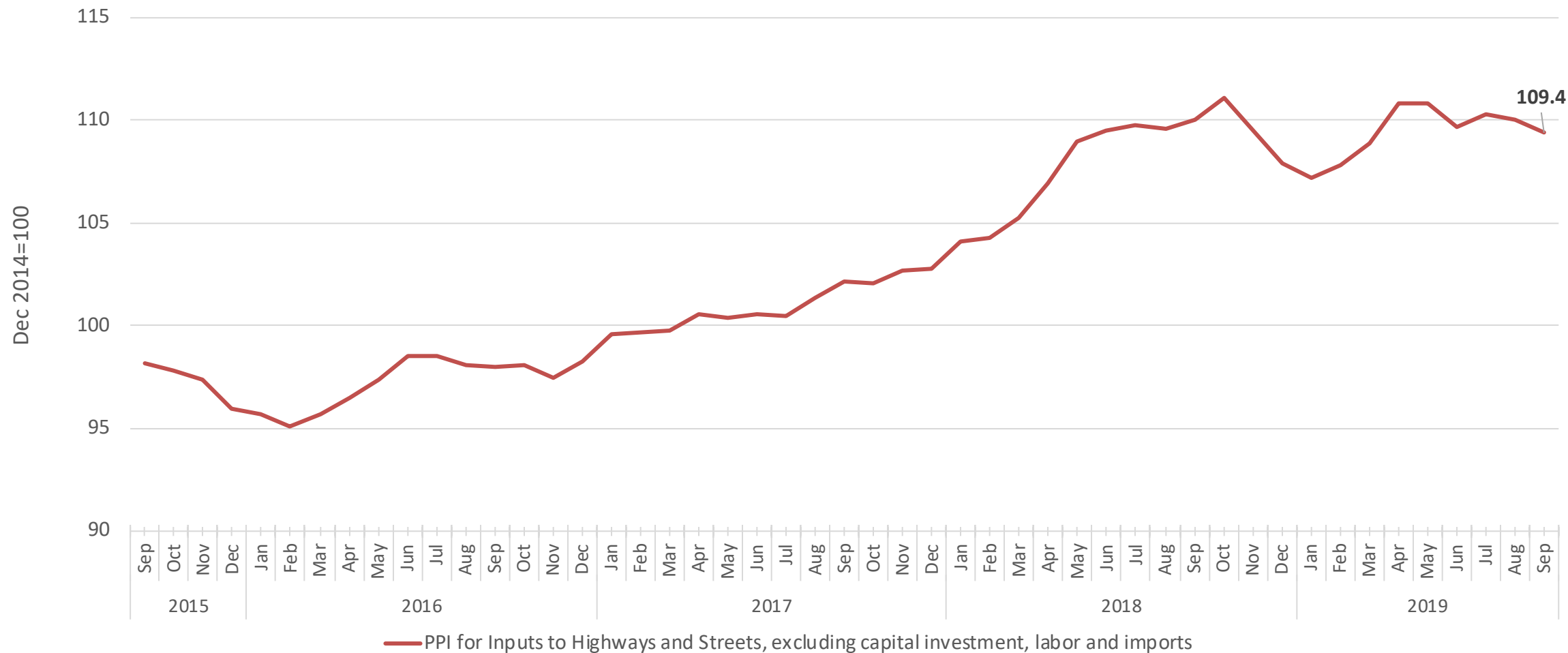


**West Virginia Highway & Bridge Contract Awards  
Rolling 12-Month Totals**



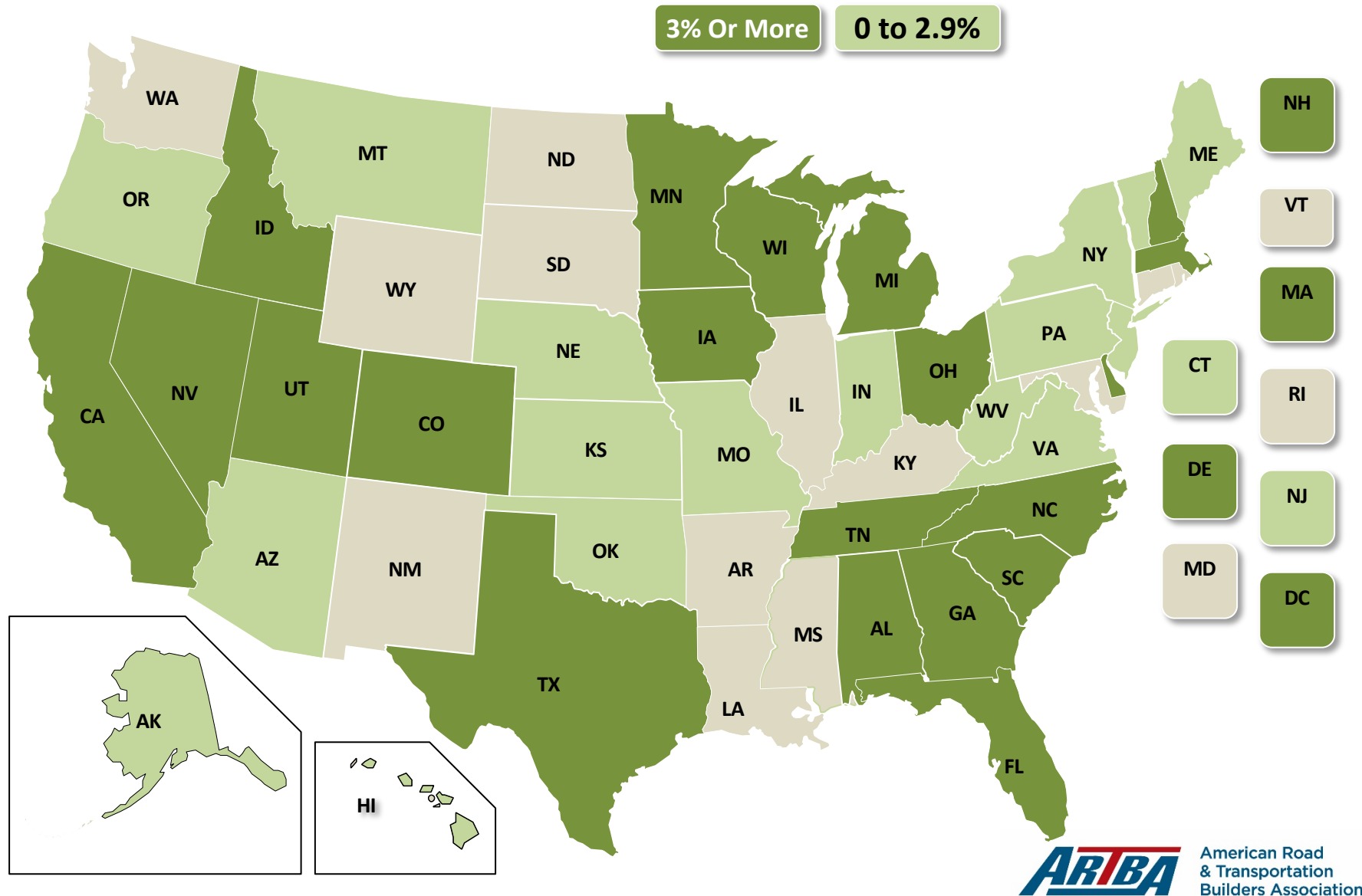
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# Material Inputs to Highway & Street Construction



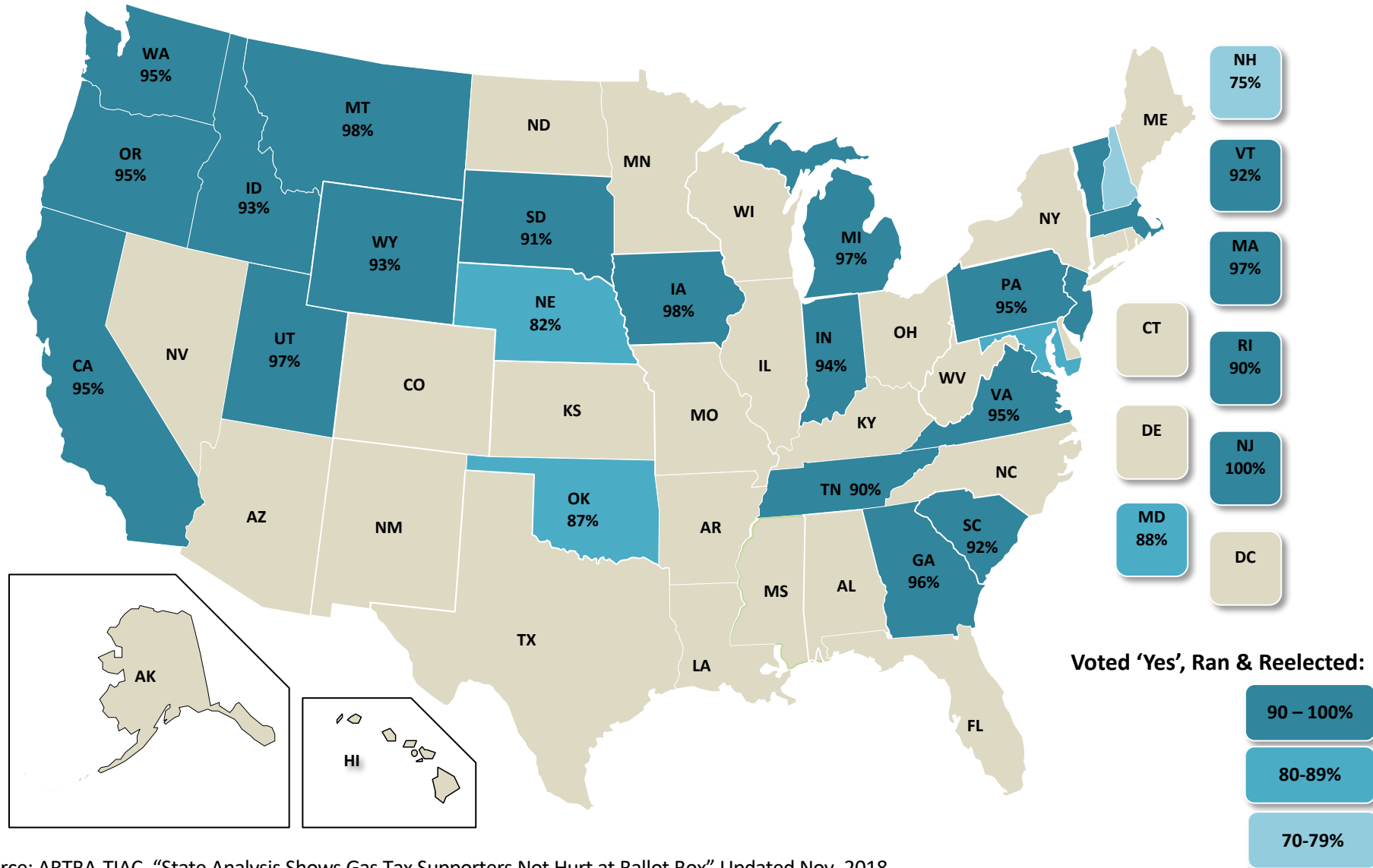


# Average Annual Growth Rate in Highway Construction Employment 2013 to 2018



Source: US Bureau of Labor Statistics

## 92% of legislators who voted in favor of a state gas tax increase and ran for the same seat won their reelection.



Source: ARTBA-TIAC, "State Analysis Shows Gas Tax Supporters Not Hurt at Ballot Box" Updated Nov. 2018

State & Local Government Contract Awards

August 2019

Monthly Value  
\$8.4B

Number of Projects: 3,096

Year to Date (YTD) Value  
\$57.0B

Number of Projects: 23,746

Trailing 12-Month (TTM) Value  
\$86.0B

Number of Projects: 31,712

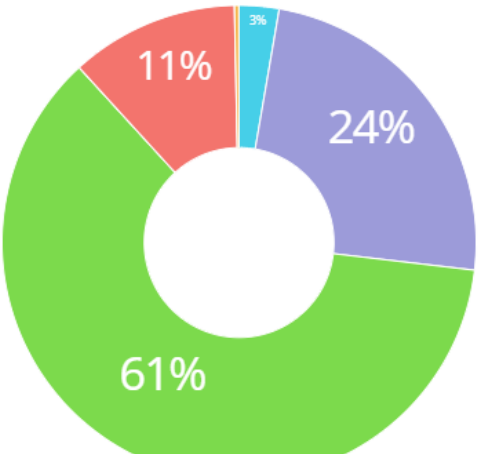
MONTH | YTD | TTM

Mode	Monthly Value					
	2015	2016	2017	2018	2019	
Airport	261,329,000	342,389,000	343,011,000	327,543,000	227,067,000	
Bridge & Tunnel	1,202,475,000	1,404,803,000	1,959,494,000	2,099,957,000	2,020,352,000	
Highway & Pavement	3,580,085,000	4,274,931,000	5,228,437,000	5,824,070,000	5,133,311,000	
Rail & Transit	277,061,000	159,000,000	74,876,000	716,596,000	960,371,000	
Waterway	91,730,000	88,948,000	110,536,000	51,071,000	26,268,000	
Grand Total	5,412,680,000	6,270,071,000	7,716,354,000	9,019,237,000	8,367,369,000	

Monthly Value by State



Monthly Value by Mode



California Helps Drive Monthly Contract Awards Up 25 Percent

Led by an increase in rail and transit awards in California, the total value of state and local government transportation contract awards increased 25 percent from \$8.7 billion in July of 2018 to \$10.9 billion in July of 2019.

Monthly awards were up for airports (+7%) and docks, piers and wharves (+4%).

Rail and transit awards increased from \$125 million in July 2018 to \$3 billion in July 2019.

Bridge and tunnel awards fell from \$2 billion to \$1.5 billion, and highway contract awards were down slightly from \$5.9 billion in July 2018 to \$5.8 billion in July 2019, a decline of 2 percent.

It is not uncommon for award levels to fluctuate from month to month or year to year, since large projects can increase totals in a given time frame.

Year to date (YTD), total contract awards are running behind last year's pace, but still above averages for the same time period to 2017.

States awarded \$54.6 billion in transportation contract awards between January and July 2018, compared to an average of \$46.9 billion in the same time period for the same period to 2017, an increase of 14 percent.

Several states had award levels in 2018 above average, including California, Massachusetts, New York, and Texas.





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