



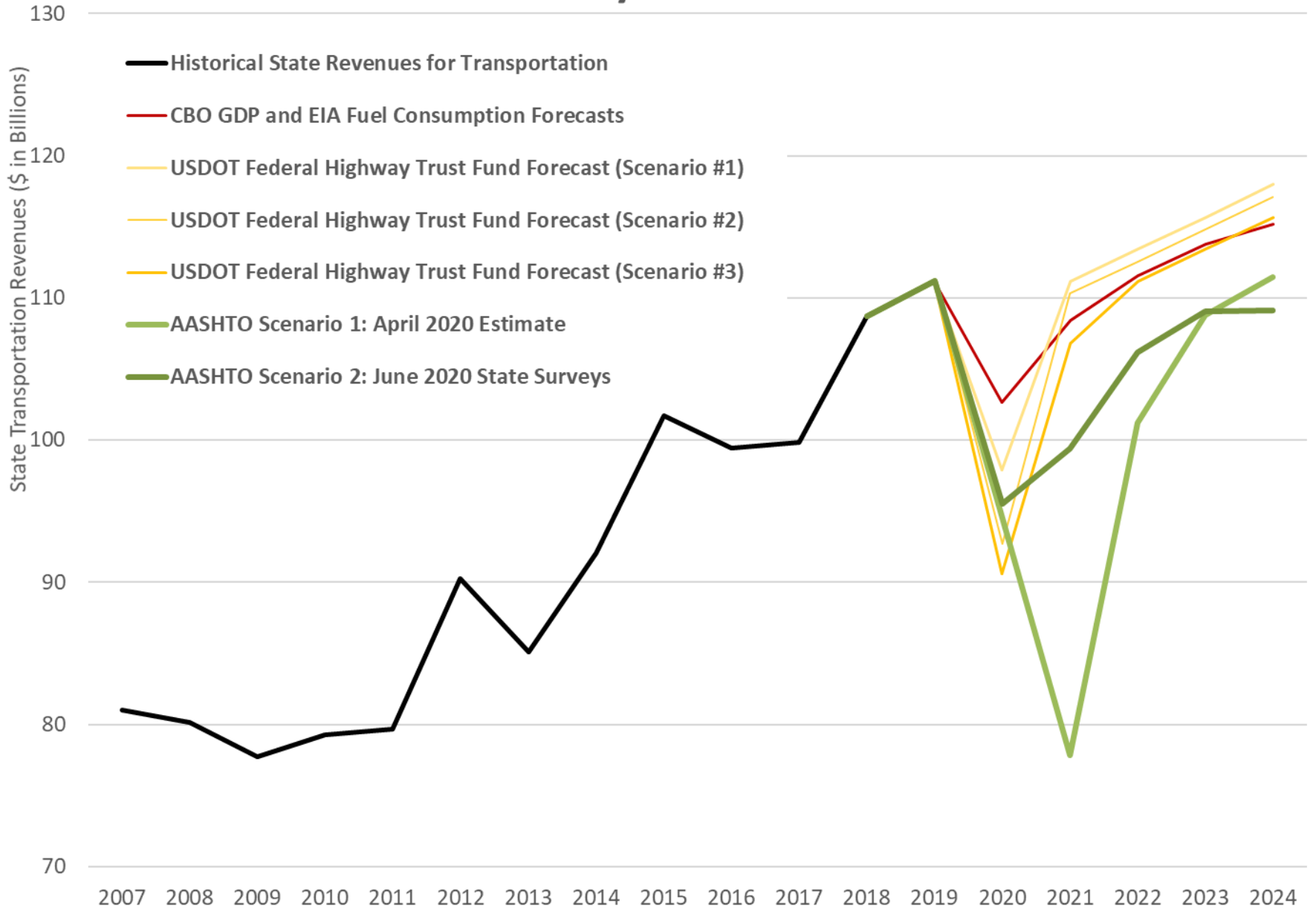
AASHTO REQUEST TO CONGRESS FOR COVID-19 RELIEF TO STATE DOTs

Scenarios of State Transportation Revenue Estimates

July 10, 2020



Summary of Scenarios



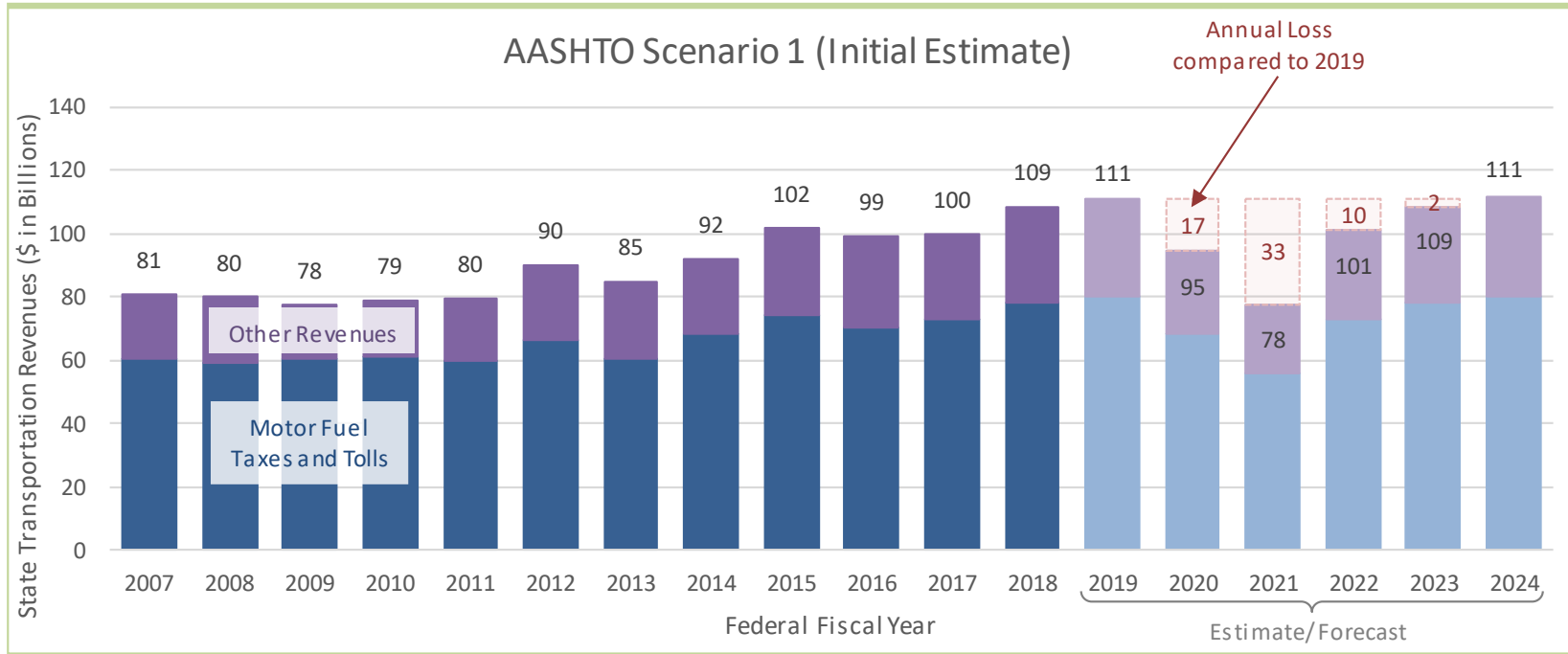
KEY ASSUMPTIONS/ RESULTS

% Change from 2019 Revenues	2019	2020	2021	2022	2023	2024
AASHTO Scenario 1: April 2020 Estimate	0%	-15%	-30%	-9%	-2%	0%
AASHTO Scenario 2: June 2020 State Survey	0%	-14%	-11%	-5%	-2%	-2%
USDOT Federal Highway Trust Fund Forecast (Scenario #1)	0%	-12%	0%	2%	4%	6%
USDOT Federal Highway Trust Fund Forecast (Scenario #2)	0%	-17%	-1%	1%	3%	5%
USDOT Federal Highway Trust Fund Forecast (Scenario #3)	0%	-18%	-4%	0%	2%	4%
CBO GDP and EIA Fuel Consumption Forecasts	0%	-8%	-3%	0%	2%	4%

\$ Change from 2019 Revenues (\$ in Billions)	2019	2020	2021	2022	2023	2024	Total Revenue Loss	Recovery Period
AASHTO Scenario 1 (Initial Estimate)	-	-\$17	-\$33	-\$10	-\$2	-	-\$62	4 years
AASHTO Scenario 2 (State Surveys)	-	-\$16	-\$12	-\$5	-\$2	-\$2	-\$37	5 years
USDOT Federal Highway Trust Fund Forecast (Scenario #1)	-	-\$13	-	-	-	-	-\$13	1 year
USDOT Federal Highway Trust Fund Forecast (Scenario #2)	-	-\$18	-\$1	-	-	-	-\$19	2 years
USDOT Federal Highway Trust Fund Forecast (Scenario #3)	-	-\$21	-\$4	-	-	-	-\$25	2 years
CBO GDP and EIA Fuel Consumption Forecasts	-	-\$9	-\$3	-	-	-	-\$11	2 years

Note: Using 2019 revenues as the basis for revenue loss calculations provides a conservative estimate of losses. The actual receipts compared to forecast revenues would produce larger loss amounts.

AASHTO SCENARIO 1: APRIL 2020 ESTIMATE



Revenue Loss (\$B)
-62

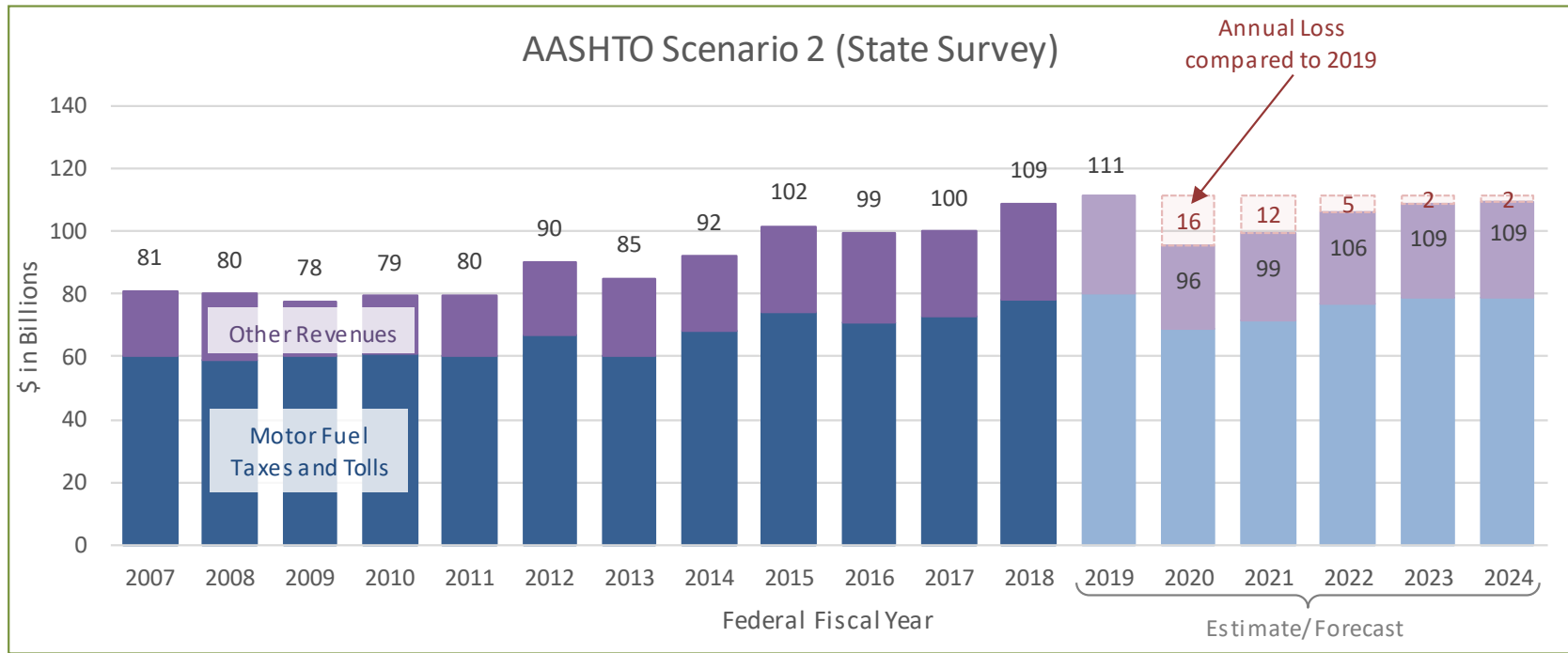
Recovery Period
4 years

Assumption:

- More significant losses estimated in FFY 2021 compared to FFY 2020.



AASHTO SCENARIO 2: JUNE 2020 STATE SURVEY



Assumptions:

- Average of state estimated percent losses compared to 2019, weighted by each state's 2018 non-federal transportation revenues.
- Less significant losses in FFY 2021 compared to FFY 2020.



LIMITATIONS AND CONSIDERATIONS

Timing of data and general uncertainty

- Conditions are changing daily so there are limitations of all data in their ability to capture new developments.
- Given that the trajectory of the pandemic is unknown, transportation revenue forecasts—particularly longer-term forecasts—necessarily rely on many assumptions.

Timing of tax receipts

- Receipt of tax revenues are typically delayed by weeks or months following economic activity.
- As the delay varies widely by state and tax type, these estimates do not attempt to account for the delay in receipts.
- This may result in losses being shifted earlier (for example, the impact of a downturn in activity in late summer might be felt until FFY2021).



LIMITATIONS AND CONSIDERATIONS

Seasonality of revenues

- These estimates do not attempt to account for the seasonal variability of tax receipts.

Comparison to 2019 revenues

- The methodology of state revenue forecasting and the timing of forecast releases vary widely, in order to be as consistent as possible these analyses compare expected revenues to FFY2019 rather than to annual forecasts.
- Since most state forecasts expect increasing revenues our methodology understates the losses states will experience.

