

# March 2009 Transportation Revenue Forecast

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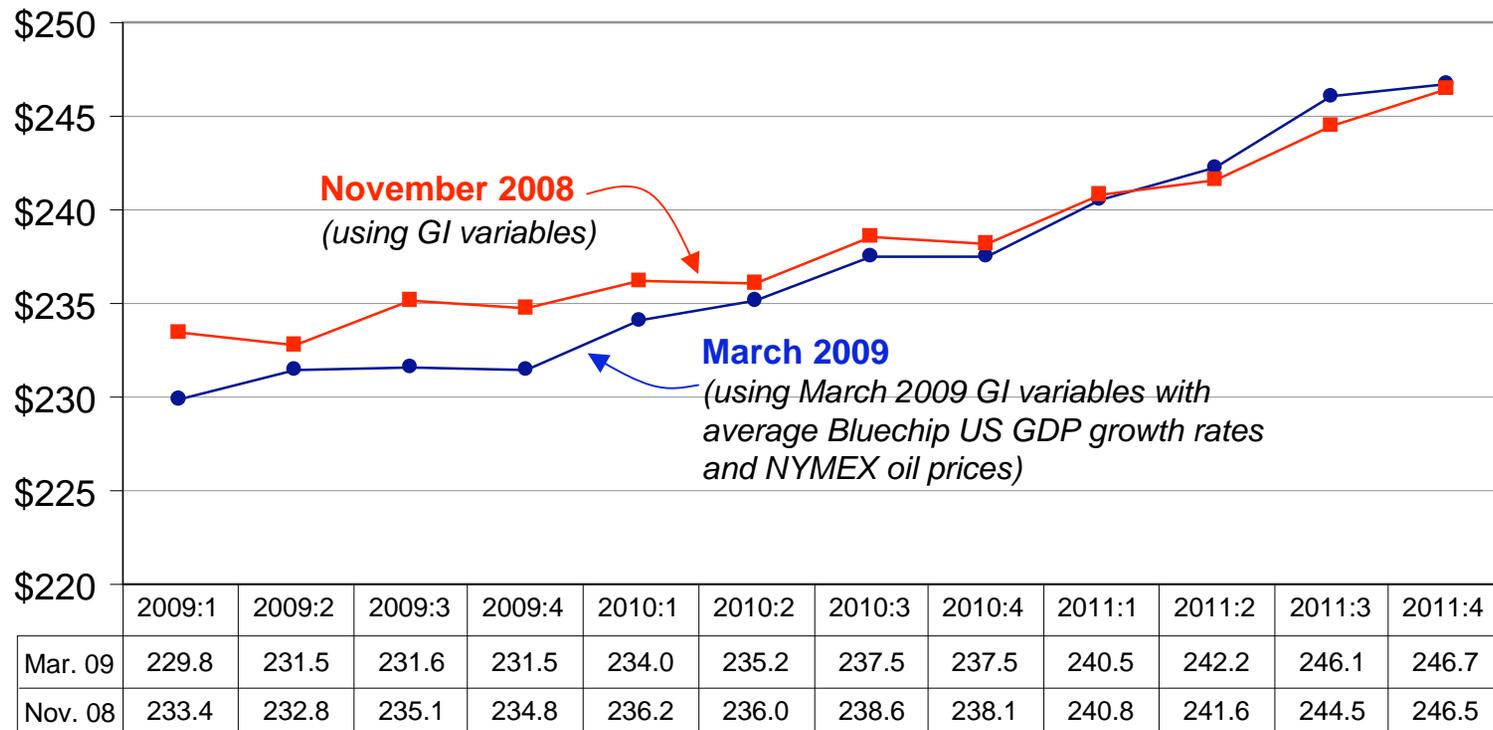


# Key Economic Variables Have Weakened Since the November 2008 Forecast

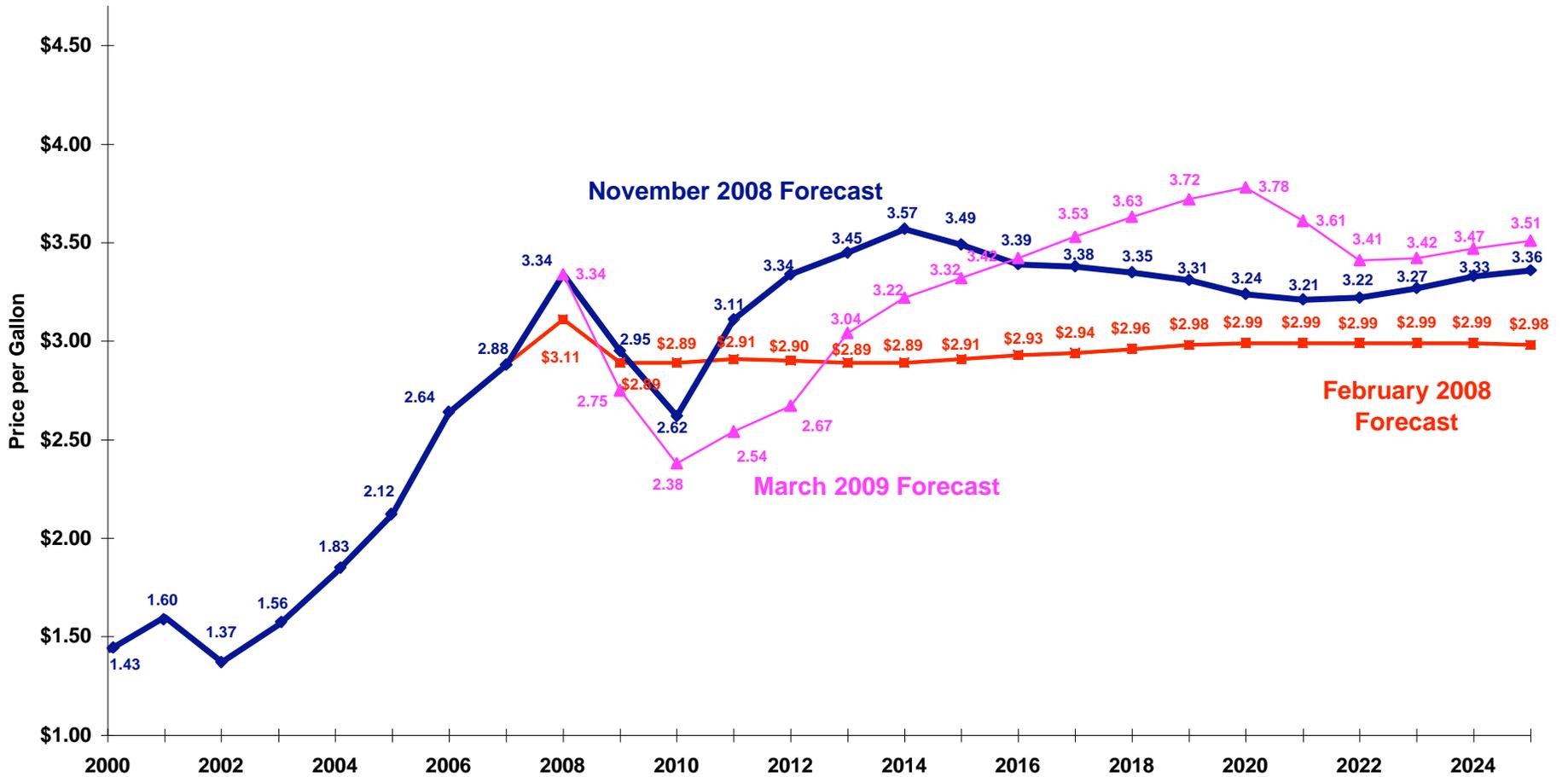
Economic Variables	Short-term Change from Nov. forecast
Washington Personal Income	
Inflation	
Fuel Prices	
Fuel Efficiency	No change
Population	No change
Unemployment Rate	

# Comparison of Washington Quarterly Real Personal Income for March 2009 vs. November 2009

Billions of Dollars



# Forecast of Washington Gasoline Prices, All Grades; March 2009 vs. November 2008 vs. February 2008



# March 2009 Revenue Projections are down for most revenue streams for WSDOT from the November 2008 Forecast

March 2009 Forecast to Forecast Comparison of Transportation Revenues - Millions of Dollars									
Revenue Sources	Current Biennium			2009-11			16-Year Period		
	2007-09			2009-11			(2007-2023)		
	Forecast	from	Percent	Forecast	from	Percent	Forecast	from	Percent
	Mar 09	Nov 08	Change	Mar 09	Nov 08	Change	Mar 09	Nov 08	Change
Motor Vehicle Fuel Taxes	2,501	(26)	-1.0%	2,657	(52)	-1.9%	22,551	(535)	-2.3%
Licenses, Permits and Fees	907	(19)	-2.0%	920	(21)	-2.2%	8,038	(155)	-1.9%
All Other Sources	662	(9)	-1.3%	721	(21)	-2.8%	7,190	(75)	-1.0%
<b>Total Revenues</b>	<b>4,070</b>	<b>(53)</b>	<b>-1.3%</b>	<b>4,299</b>	<b>(94)</b>	<b>-2.1%</b>	<b>37,779</b>	<b>(765)</b>	<b>-2.0%</b>

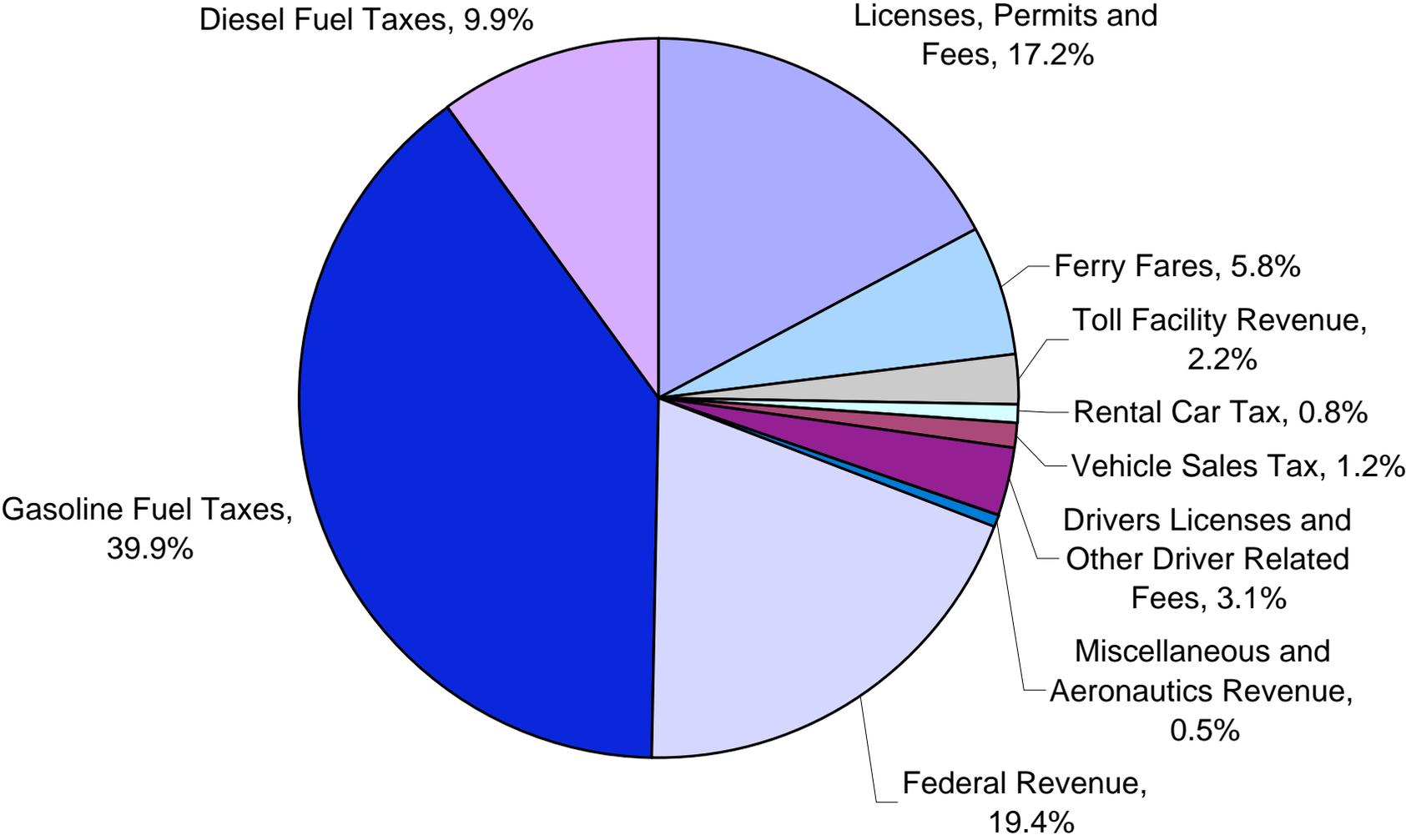
- The revenue forecast adopted March 19 reflects a more negative economic outlook than the previous forecast
  - due to sharper decline in income and consumption from recession.
- Current projections show total tax revenues to be down
  - \$53 million (1.3%) for the 2007-09 biennium.
  - \$94 million (2.1%) in the upcoming 2009-11 biennium.
  - \$765 million for the 16 year period from the November forecast.

# March 2009 Revenue Projections are down from Baseline February 2008 Revenue Forecast

March 2009 Forecast Compared to baseline February 2008 Transportation Revenue Forecast - Millions of Dollars									
Revenue Sources	Current Biennium						16-Year Period		
	2007-09			2009-11			(2007-2023)		
	Forecast	from	Percent	Forecast	from	Percent	Forecast	from	Percent
	Mar 09	Baseline	Change	Mar 09	Baseline	Change	Mar 09	Baseline	Change
Motor Vehicle Fuel Taxes	2,501	(86)	-3.3%	2,657	(140)	-5.0%	22,551	(2,073)	-8.4%
Licenses, Permits and Fees	907	(34)	-3.6%	920	(62)	-6.3%	8,038	(492)	-5.8%
All Other Sources	662	(20)	-3.0%	721	(55)	-7.1%	7,190	(267)	-3.6%
<b>Total Revenues</b>	<b>4,070</b>	<b>(140)</b>	<b>-3.3%</b>	<b>4,299</b>	<b>(257)</b>	<b>-5.7%</b>	<b>37,779</b>	<b>(2,832)</b>	<b>-7.0%</b>

- Current projections show total tax revenues to be down from baseline
  - \$140 million (3.3%) for the 2007-09 biennium.
  - \$257 million (5.7%) in the upcoming 2009-11 biennium.
  - \$2,832 million (7%) for the 16 year period from the baseline forecast.
- Motor Vehicle Fuel taxes are the primary factor contributing to the decline
  - 61% of the decline for the 2007-09 biennium.

# Transportation Revenues by Source: 2009-11 Biennium



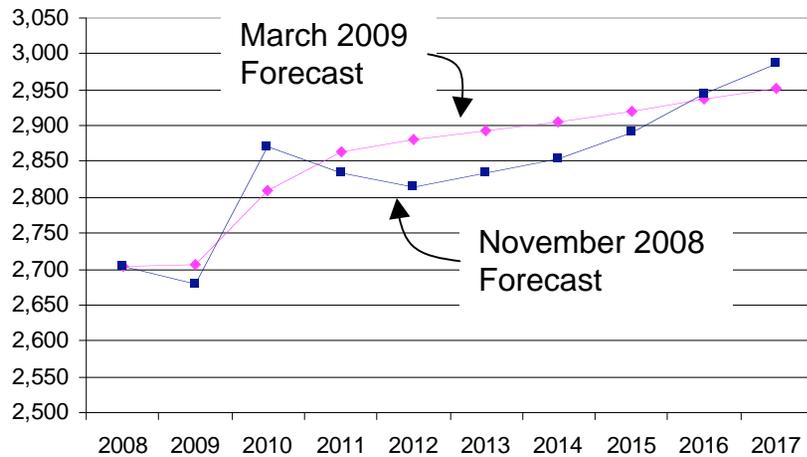
# March 2009 Forecast of Motor Vehicle Fuel Taxes are Down From the November 2008 Forecast

## Fuel Taxes

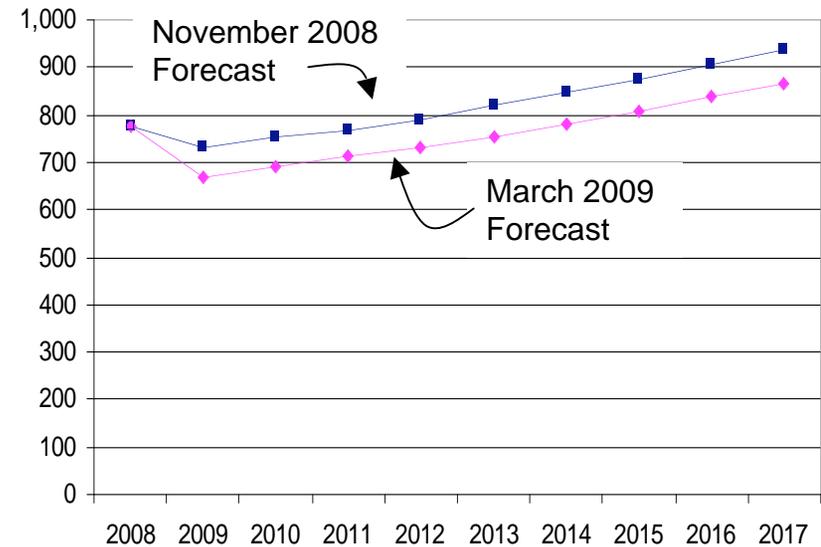
- Current projections for total motor vehicle fuel taxes are down
  - \$26.1 million (1%) for the 2007-09 biennium.
  - \$52 million (1.9%) in the upcoming 2009-11 biennium.
  - \$535 million for the 16 year period from the November forecast.
- Diesel fuel consumption is the primary driver of the loss in fuel taxes
  - Diesel fuel consumption has been hit harder than gasoline consumption and is projected to be slower to recover.
  - -\$26.3 million (4.8%) for the 2007-09 biennium.
  - -\$44 million (7.8%) in the upcoming 2009-11 biennium.
- Gasoline fuel tax collections have been coming in close to forecast
  - Gas fuel tax consumption has been impacted by lower gas prices and also by lower income and consumption.
  - +\$.2 million (.01%) for the 2007-09 biennium.
  - -\$7.8 million (.36%) in the upcoming 2009-11 biennium.
- Non-highway use fuel tax refunds have been increased.

# Gasoline and Diesel Fuel Consumption Comparison, March 2009 and November 2008 Forecasts

10-Year Gasoline Fuel Consumption Forecast  
2006-2017 (millions of gallons)



10-Year Diesel Fuel Consumption Forecast:  
2006-2017 (millions of gallons)



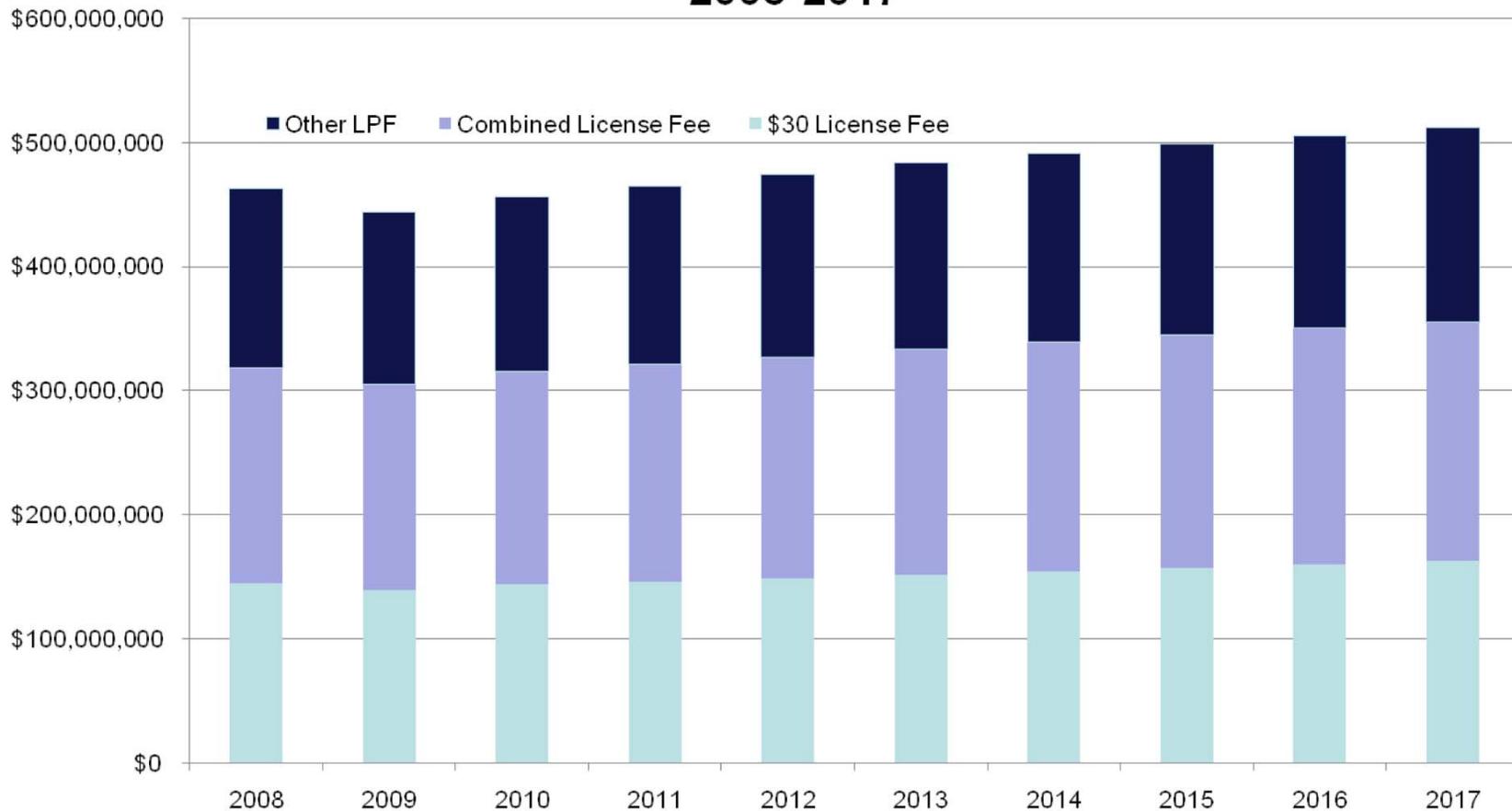
# March 2009 Forecast of Licenses, Permits and Fees are down from the November 2008 Forecast

## Licenses, Permits and Fee Revenue

- Current projections for licenses, permits and fee revenue are down
  - \$18.7 million (2%) for the 2007-09 biennium.
  - \$20.9 million (2.2%) in the upcoming 2009-11 biennium.
  - \$155 million (1.9%) for the 16 year period from the November forecast.
- Registrations for FY 2009 came in much lower than Nov. 2008 projections
  - Cars & truck growth: FY08 and FY09
    - Cars: down 3.78%
    - Trucks: down 4.4%
- Other licenses, permits and fee revenue were down from the November forecast
  - Title fees
  - License plate fees
    - Reflectivity
    - Replacement
    - Technology

# Major Components of Licenses, Permits and Fee Revenue - March 2009 Transportation Revenues

10-Year Forecast for Licenses, Permits and Fee Revenue:  
2008-2017



# Other Components of Transportation Revenue are down from the November 2008 Forecast.

## Other Transportation Revenue is Down

- **Ferry Fares Revenue** (2007-09 biennium: \$907 million)
  - \$7 million (2.3%) for the 2007-09 biennium
  - \$8.8 million (2.8%) in the upcoming 2009-11 biennium
- **Aeronautics Revenue** (2007-09 biennium: \$5.9 million)
  - \$.2 million (3%) for the 2007-09 biennium
  - Nearly no change for 2009-11 biennium
- **Rental Car Taxes** (2007-09 biennium: \$47 million)
  - \$.4 million (.9%) for the 2007-09 biennium
  - \$3.2 million (7%) for the 2009-11 biennium
- **Vehicle Sales Tax** (2007-09 biennium: \$64 million)
  - \$1.9 million (2.9%) for the 2007-09 biennium
  - \$5.2 million (7.4%) for the 2009-11 biennium
- **Miscellaneous Revenue** (2007-09 biennium: \$23 million)
  - \$1.1 million (4.7%) for the 2007-09 biennium
  - \$1.8 million (8.8%) for the 2009-11 biennium
- **Total Toll Revenue** (2007-09 biennium: \$26 million)
  - \$1.8 million for the 2007-09 biennium
  - \$5.2 million for the 2009-11 biennium

# Federal Transportation Revenue Consists of Two Rescissions and American Recovery and Reinvestment Act - March 2009 Forecast

- **SAFETEA-LU**

- Obligation Authority: FFY09
  - \$356 million – down \$57 million from November forecast.
- Rescissions
  - 1) \$8.7 billion taken in FFY09 nationwide – WA portion: \$180 million
  - 2) \$3.15 billion taken in FFY09 nationwide – WA portion: \$ 65 million\*

- **American Recovery and Reinvestment Act (ARRA)**

- FHWA: \$492 million
- State: 70%            Local: 30%
- FTA: \$179 million

\* Washington's actual rescission (2) is \$54 not \$65 million – updated information

# Questions?

For more information on the  
March 2009 Transportation Revenue Forecast,  
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