

November 2009 Transportation Revenue Forecast

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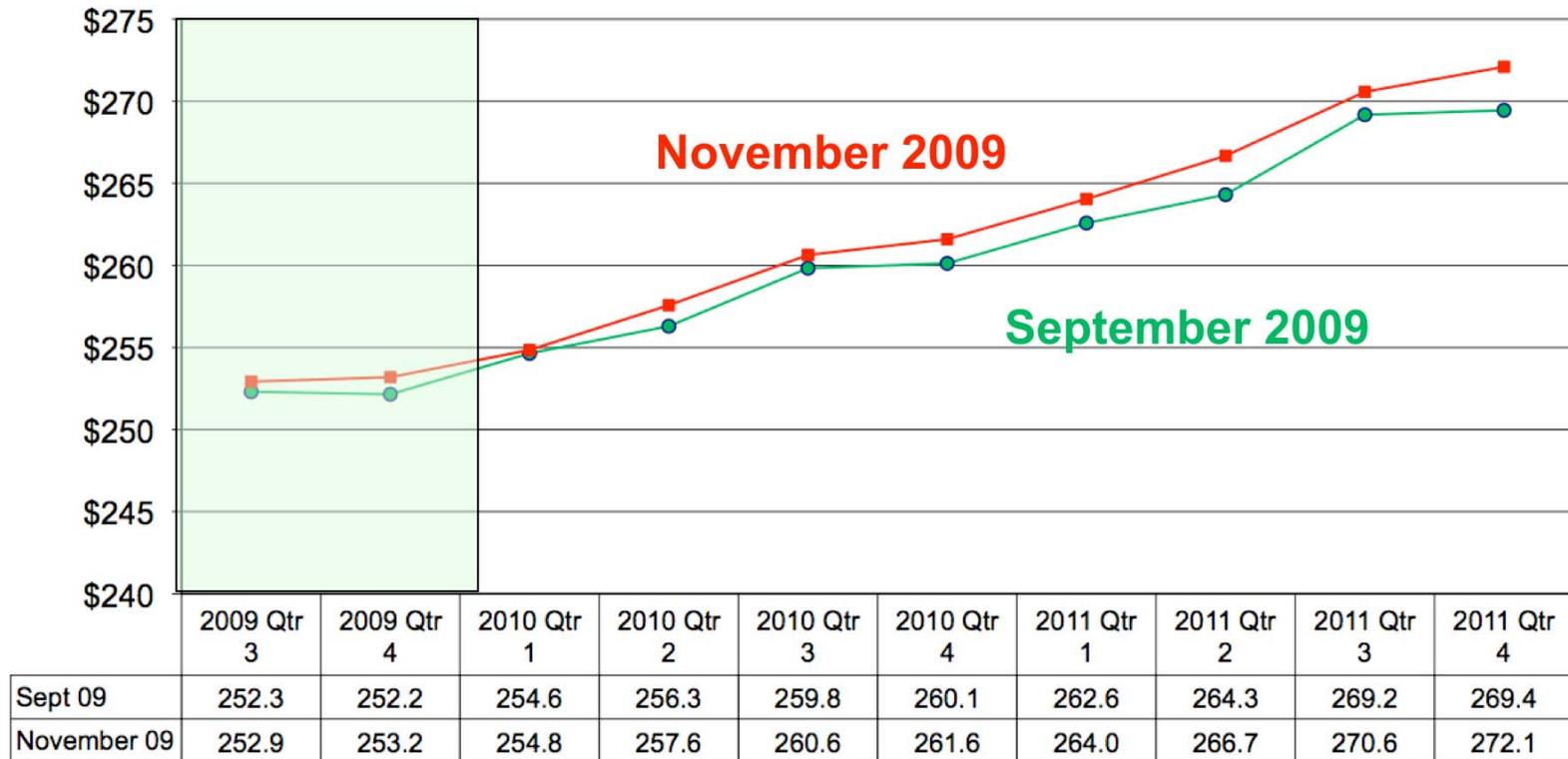


Key Economic Variables Have Changed Since the September 2009 Forecast

Economic Variables	Short-term Change from September forecast
Washington Personal Income (growth rates are down)	
Inflation	
Fuel Prices	
Fuel Efficiency (minor change in long term)	
Population	
Unemployment Rate	

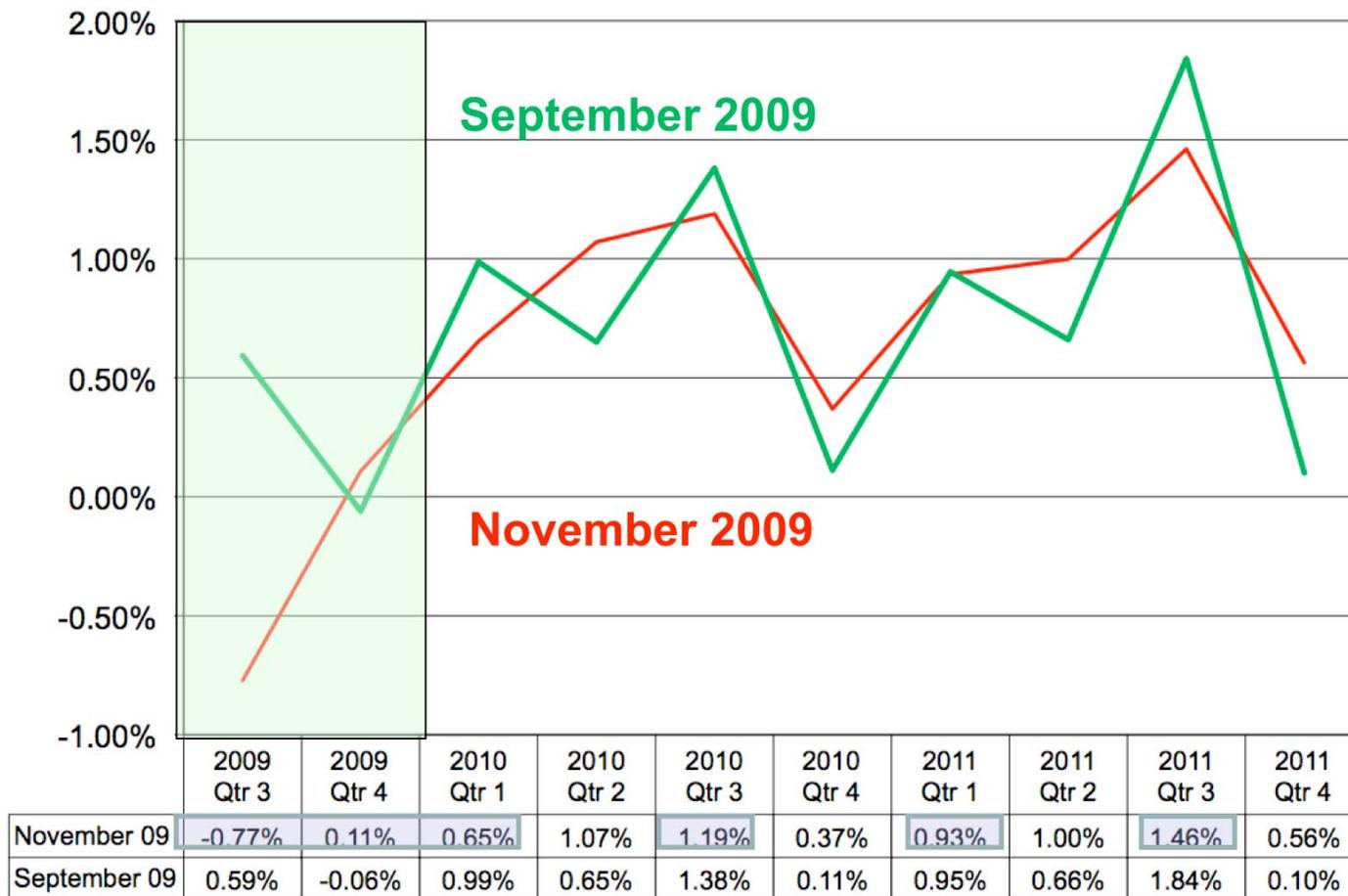
Comparison of Washington Qtr Real Personal Income for November vs. September 2009

Billions of Dollars



November Forecast: Based on November GI variables with adjustments for average Blue Chip US GDP growth rates and NYMEX future fuel prices; GI variables were rebased to 2005 dollars

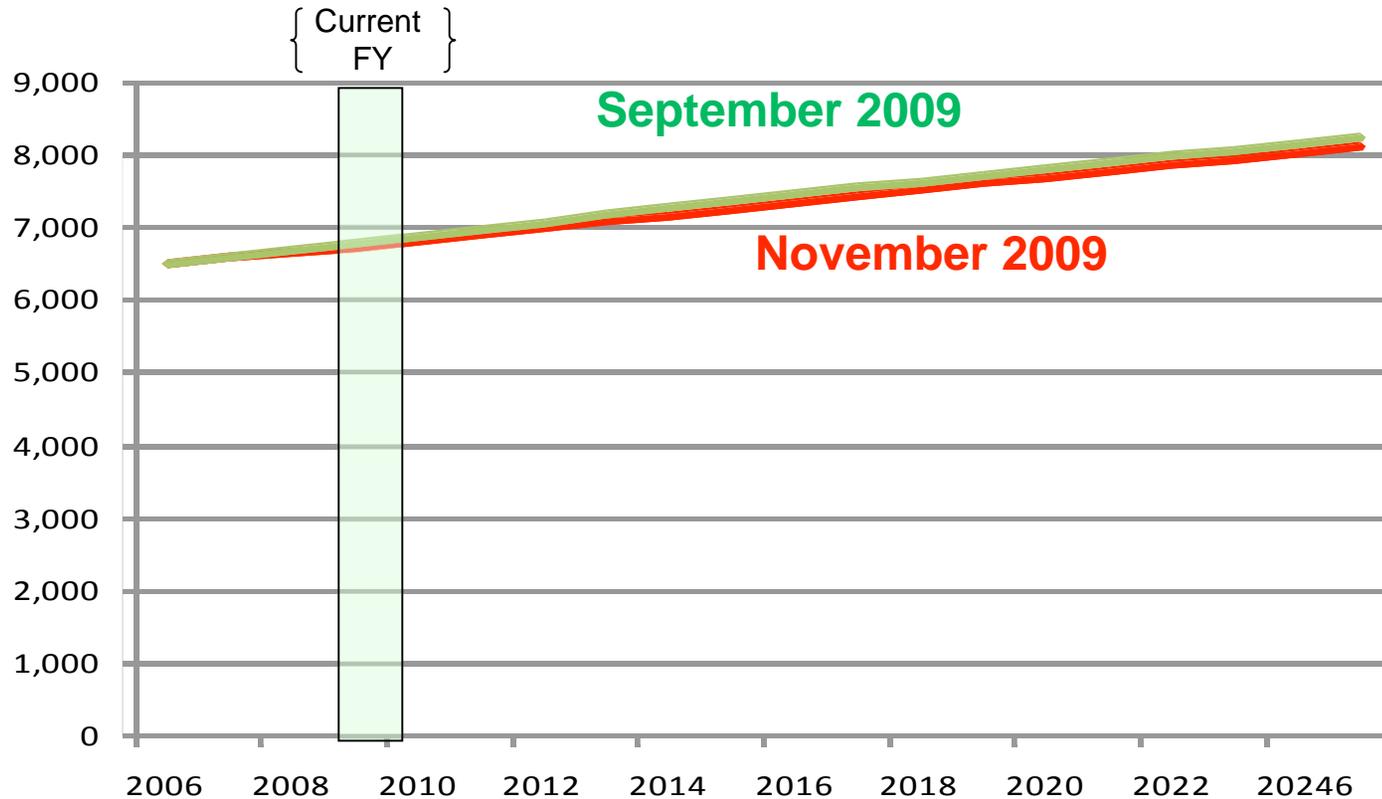
Comparison of Washington Qtr Real Personal Income Growth Rates for November vs. September 2009



NOTE: Highlighted growth rates for Nov. 09 reflect lower growth rates than previously projected in Sept.

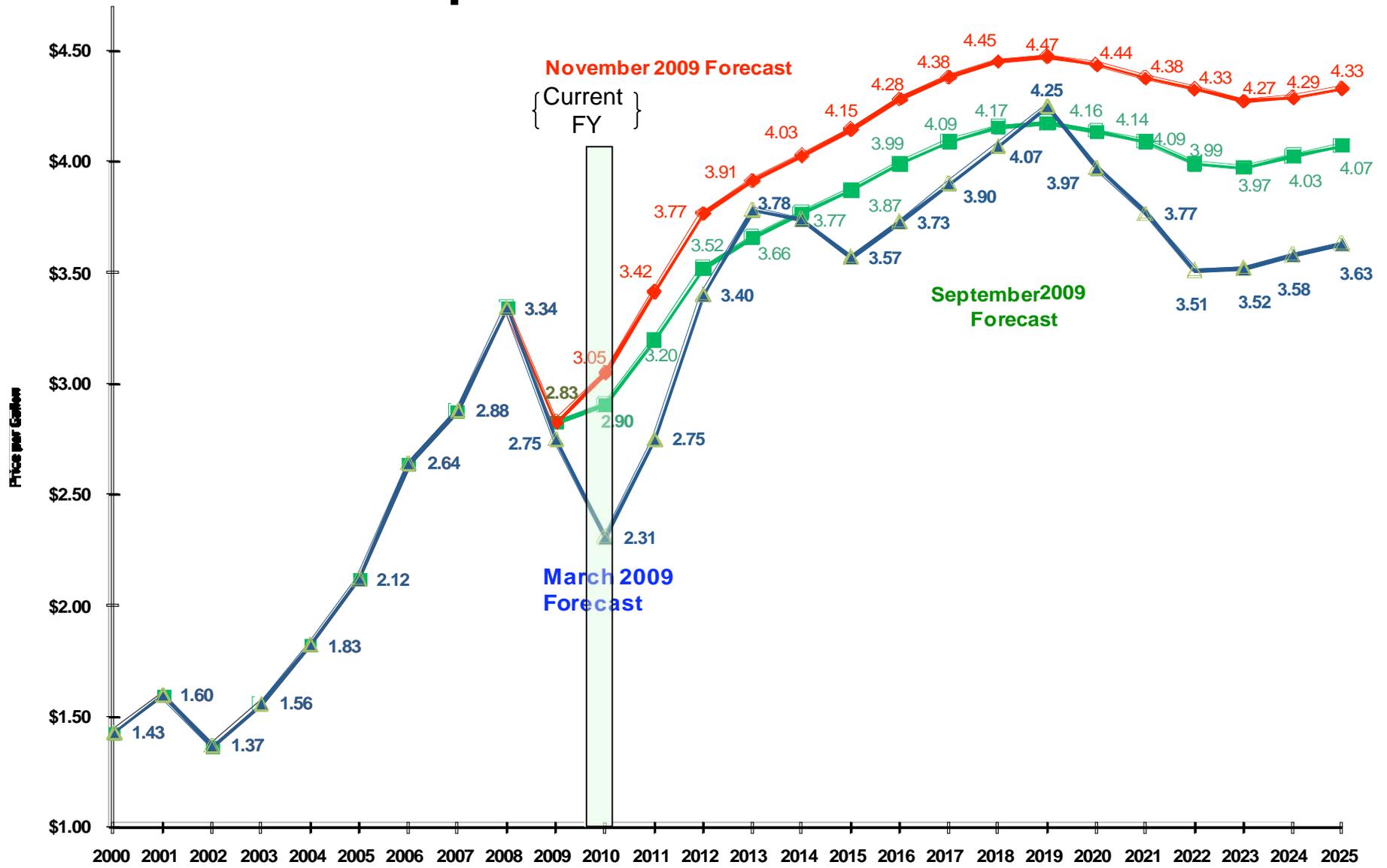
Comparison of Washington Population: 2008 vs. Preliminary 2009 Forecast

thousands

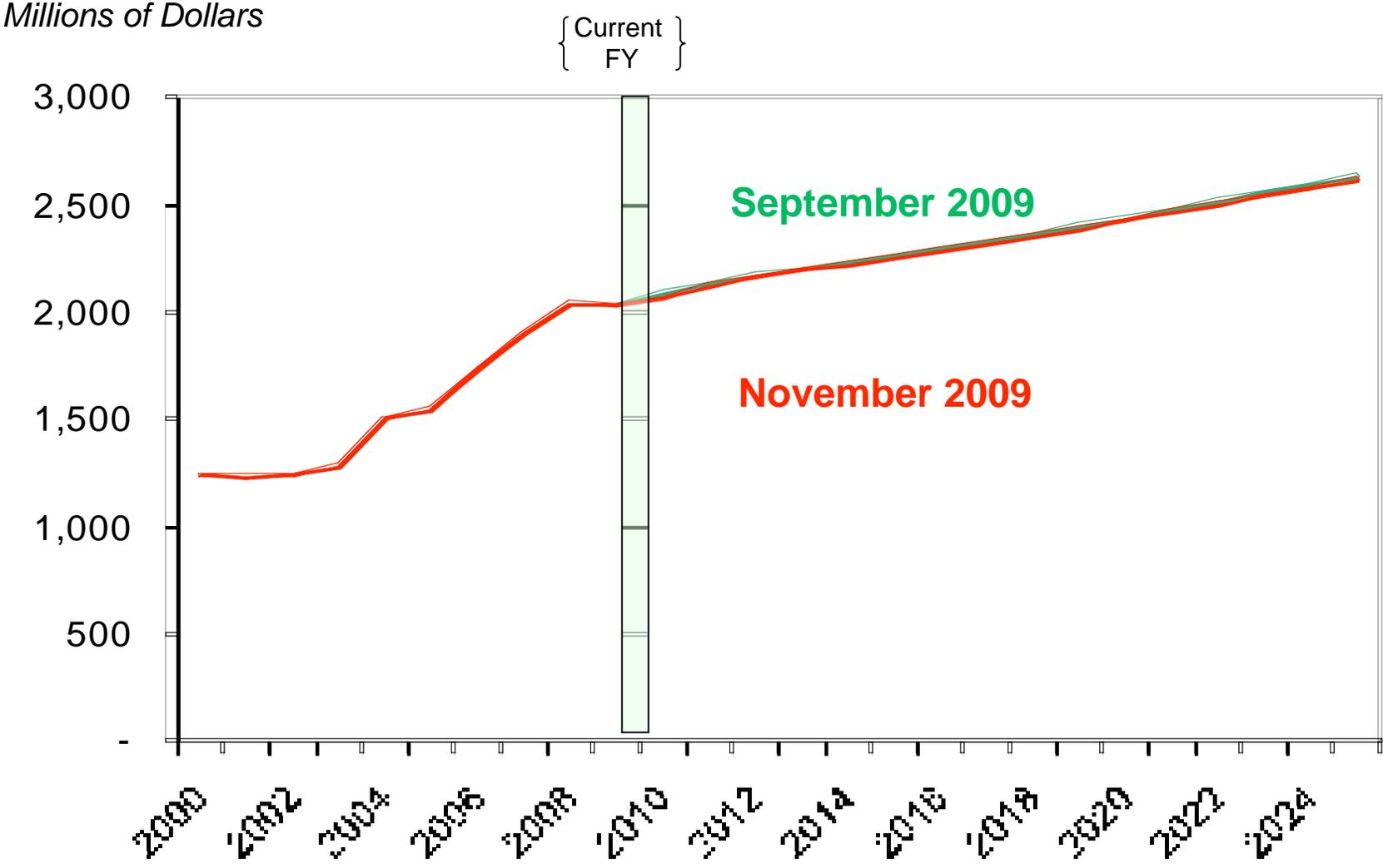


Year	2009	2010	2011	2012	2013	2014	2015 & beyond
% Chg in Population	-0.6%	-0.9%	-1.0%	-1.2%	-1.4%	-1.4%	-1.5%

Forecast of Washington Gasoline Prices, All Grades; November vs. September vs. March 2009



Overall November Transportation Revenue Projections are Nearly the Same As the September Forecast

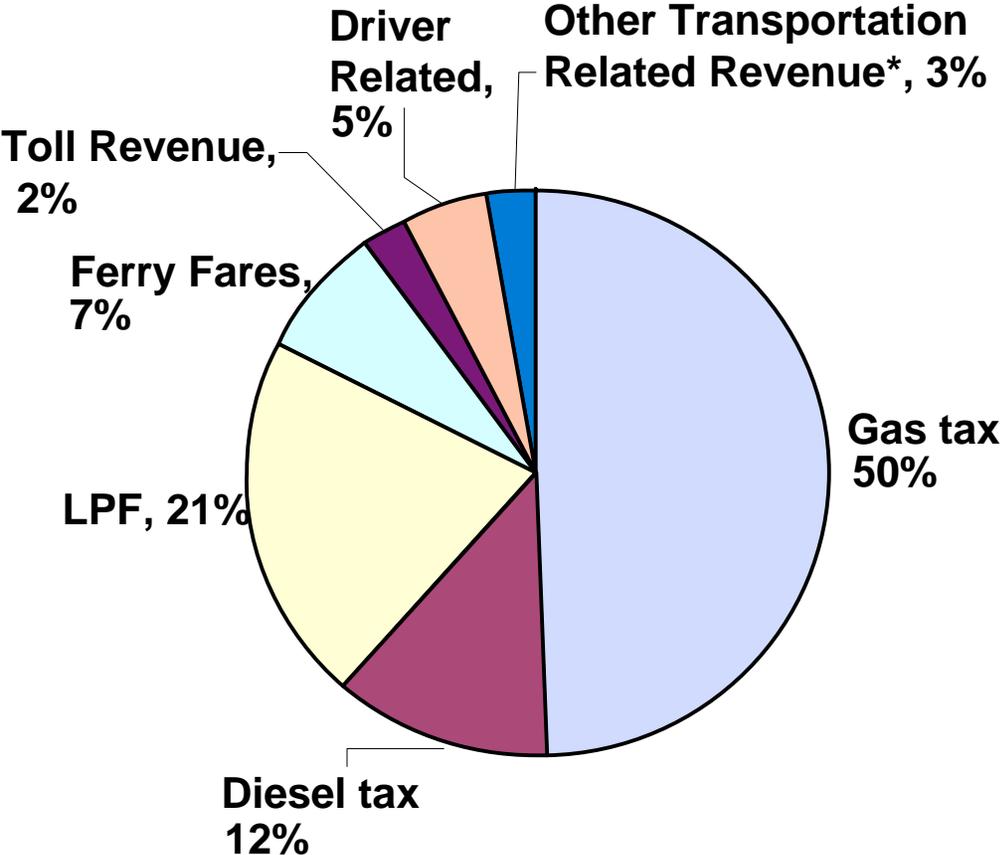


November 2009 Revenue Projections are Slightly Down From the September 2009 Forecast

November 2009 Forecast to Forecast Comparison of Transportation Revenues (Millions of Dollars)									
Revenue Sources	Current Biennium						16-Year Period		
	2009-11			2011-13			(2009-2025)		
	Forecast	from	Percent	Forecast	from	Percent	Forecast	from	Percent
	Nov09	Sept 09	Change	Nov 09	Sept 09	Change	Nov 09	Sept 09	Change
Motor Vehicle Fuel Taxes	2,587	(19)	(0.7%)	2,665	(7)	(0.3%)	22,829	(79)	(0.3%)
Licenses, Permits and Fees	885	(4)	(0.5%)	922	(5)	(0.5%)	7,943	(68)	(0.8%)
All Other Sources	720	(5)	(0.7%)	771	(3)	(0.4%)	6,761	(26)	(0.4%)
Total Revenues	4,192	(28)	(0.7%)	4,358	(14)	(0.3%)	37,533	(173)	(0.5%)

- The revenue forecast adopted in November reflects a slightly lower economic outlook than the previous forecast:
 - due to continued decline in tax collections and lower growth rates of Washington personal income and population
 - higher fuel prices than expected in September forecast in the near term
- Current projections show the following changes in total revenue:
 - down \$28 million (0.7%) for the 2009-11 biennium
 - down \$14 million (0.3%) in the 2011-13 biennium
 - down \$173 million (0.5%) for the 16 year period from the September forecast

Transportation Revenues by Source: 2009-11 Biennium



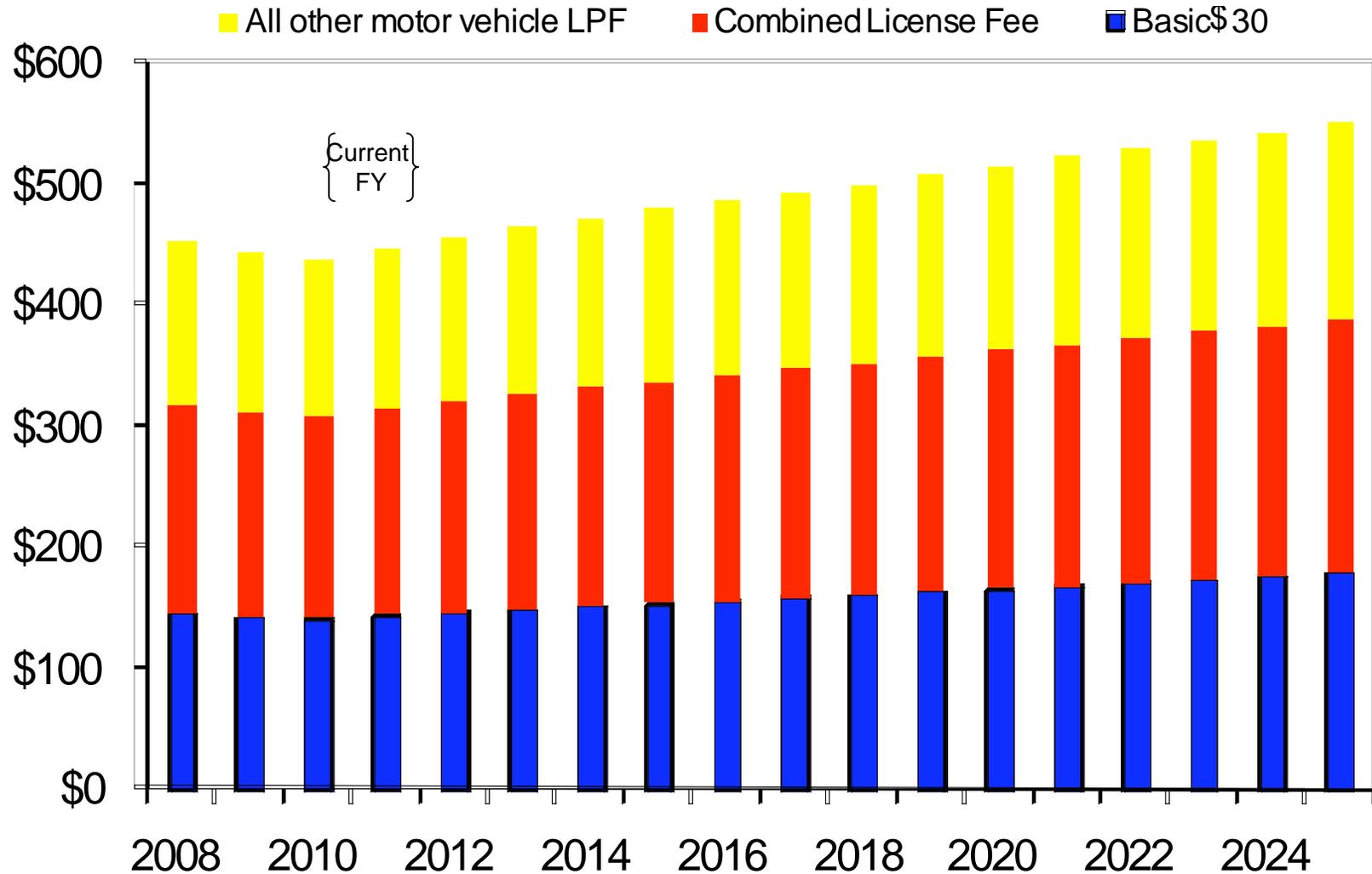
* Transportation Related Revenue is comprised of the vehicle sales and rental car taxes and the business related misc. taxes

November 2009 Forecast of Motor Vehicle Fuel Taxes Are Down Slightly From the Sept. Forecast

Fuel Taxes

- Current projections for total motor vehicle fuel taxes are  :
 - \$18.6 million (0.7%) for the current biennium
 - \$7.4 million (0.3%) in the 2011-13 biennium
 - \$78.6 million (0.3%) for the 16 year period from the September forecast
- Gasoline fuel consumption is the primary driver of the loss in fuel taxes for the November forecast:
 - Gasoline tax collections came in under forecast by \$7.4 million for September and October combined
 - In future: higher projections of gas prices result in future revenue decline
 - November gross gasoline tax forecast is \$2.1 billion for the current biennium
 - down \$12.6 million (0.6%) from the Sept forecast for the current biennium
 - down \$6.2 million (0.3%) in the 2011-13 biennium
 - down each remaining biennia by approx. (0.3%)
- Diesel fuel tax collections have come in a little under but close to forecast:
 - Diesel fuel consumption has been hit harder than gasoline consumption and is projected to be slower to recover
 - November gross diesel tax forecast is \$502.7 million for the current biennium
 - down \$6 million (1.2%) in the current 2009-11 biennium
 - down \$1.2 million (0.2%) in the upcoming 2011-13 biennium

Major Components of Licenses, Permits and Fee Revenues - November Forecast



November 2009 Forecast of Licenses, Permits and Fees Are Down From the September 2009 Forecast

Licenses, Permits and Fee Revenue

- Total projection for vehicle related licenses, permits and fee revenue is \$885 million in current biennium - down in current and future biennia:
 -  \$4.1 million (0.5%) for the 2009-11 biennium
 -  \$4.6 million (0.5%) in the current 2011-13 biennium
 -  \$67.6 million (0.8%) for the 16 year period from the September forecast
- Registrations in recent months (Sept. & Oct.) came in close to prior projections:
 - Projected cars & truck registration growth: FY09 and FY10 is minimal
 - Cars: down 0.3% between FY09-10 (0.7% below the Sept forecast)
 - Trucks: down 0.2% between FY09-10 (0.6% below the Sept forecast)
- Reason for the decline in current vehicle related LPF forecast:
 - Primary drivers are the passenger car and combined license fee registrations
 - Lower WA personal income growth rates in near term
 - Lower population forecasts in the long-term
- Other licenses, permits and fee revenue were  from the September forecast:
 - Passenger vehicle weight fees - Vehicle inspection fees
 - Special permit fees (DOT)

Other Components of Transportation Revenue Are Both Up and Down From the September 2009 Forecast

- **Total Ferry Revenue** (2009-11 biennium: \$302 million)
 - ↓ \$5.8 million (1.9%) for the 2009-11 biennium
 - ↑ \$0.2 million (0.1%) in the 2011-13 biennium
- **Aeronautics Revenue** (2009-11 biennium: \$5.4 million)
 - ↔ nearly no change (-\$3,600) for the 2009-11 biennium
 - ↔ nearly no change (-\$7,100) for 2011-13 biennium
- **Rental Car Taxes** (2009-11 biennium: \$44 million)
 - ↓ \$0.5 million (1.1%) for the 2009-11 biennium
 - ↓ \$1.3 million (2.7%) for the 2011-13 biennium
- **Vehicle Sales Tax** (2009-11 biennium: \$58.2 million)
 - ↑ \$0.5 million (0.9%) for the 2009-11 biennium
 - ↓ \$0.8 million (1.1%) for the 2011-13 biennium
- **Business/Other Revenue** (2009-11 biennium: \$16.5 million)
 - ↔ no change for the 2009-11 biennium
 - ↓ \$0.02 million (0.2%) for the 2011-13 biennium
- **Driver-Related Fees** (2009-11 biennium: \$195 million)
 - ↓ \$1.5 million (0.8%) for the 2009-11 biennium
 - ↓ \$0.5 million (0.3%) for the 2011-13 biennium

Good News: TNB Toll Revenue is Up in Current Biennium

Toll Rates	2009	2010	2011 & beyond
ETC	\$2.75	\$2.75	\$2.75
Cash	\$4.00	\$4.00	\$4.00

- TNB traffic volume is forecasted at 14.7 million drivers in FY 2010 and 15.5 million in FY 2011 (+5.4%): 1.8% and 0.8% increase in FY 2010 & 2011 from last forecast.
- HOT lanes traffic volume is forecasted at 512,000 drivers in FY 2010 and 694,000 in FY 2011 (+35.5%): 0.4% and 1.3% increase in FY 2010 & 2011 from last forecast.
- Total Toll Revenue (Includes HOT lanes) (2009-11 biennium: \$99.2 million)
 - ↑ \$1.8 million for the current biennium from September forecast
 - ↑ \$0.5 million for the 2011-13 biennium from September forecast
 - ↑ \$4.9 million for entire 16-year forecast horizon from last forecast
- Primary reasons for the revenue increase were higher projections of toll revenue and TNB violations fee revenue.

Questions?

If you have questions, or want additional information on the November Revenue Forecast, please contact:

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**Washington State
Department of Transportation**