

June 2010 Transportation Revenue Forecast

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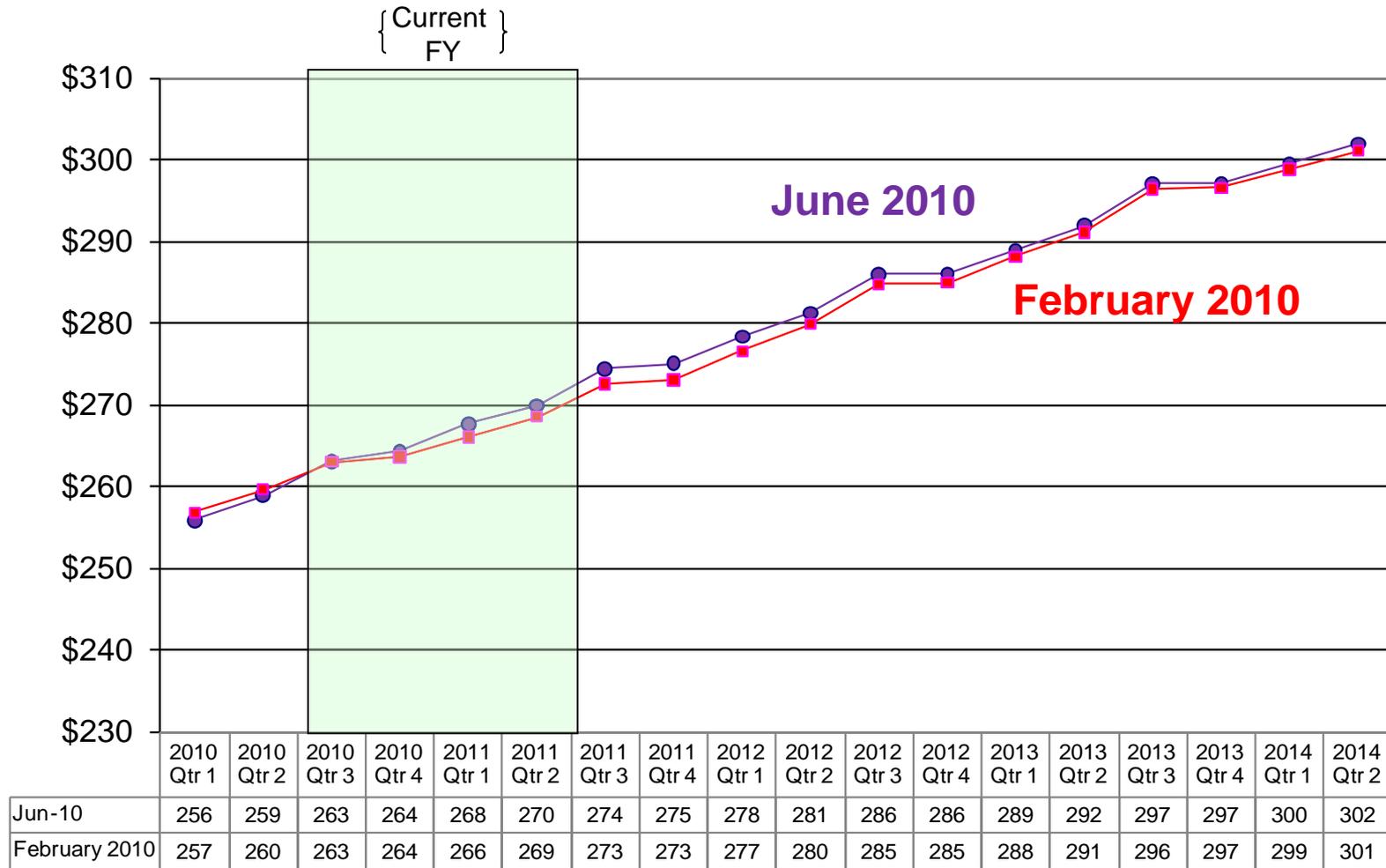
Washington State
Department of Transportation

Key Economic Variables Have Changed Since the February 2010 Forecast

Economic Variables	Change from February forecast	
Washington Personal Income	Short-term 	Long-term 
Inflation	Nearly no change 	
Fuel Prices	Gas: until 2021 	Gas: long-term Diesel: all years 
Fuel Efficiency		
Population		
Unemployment Rate		

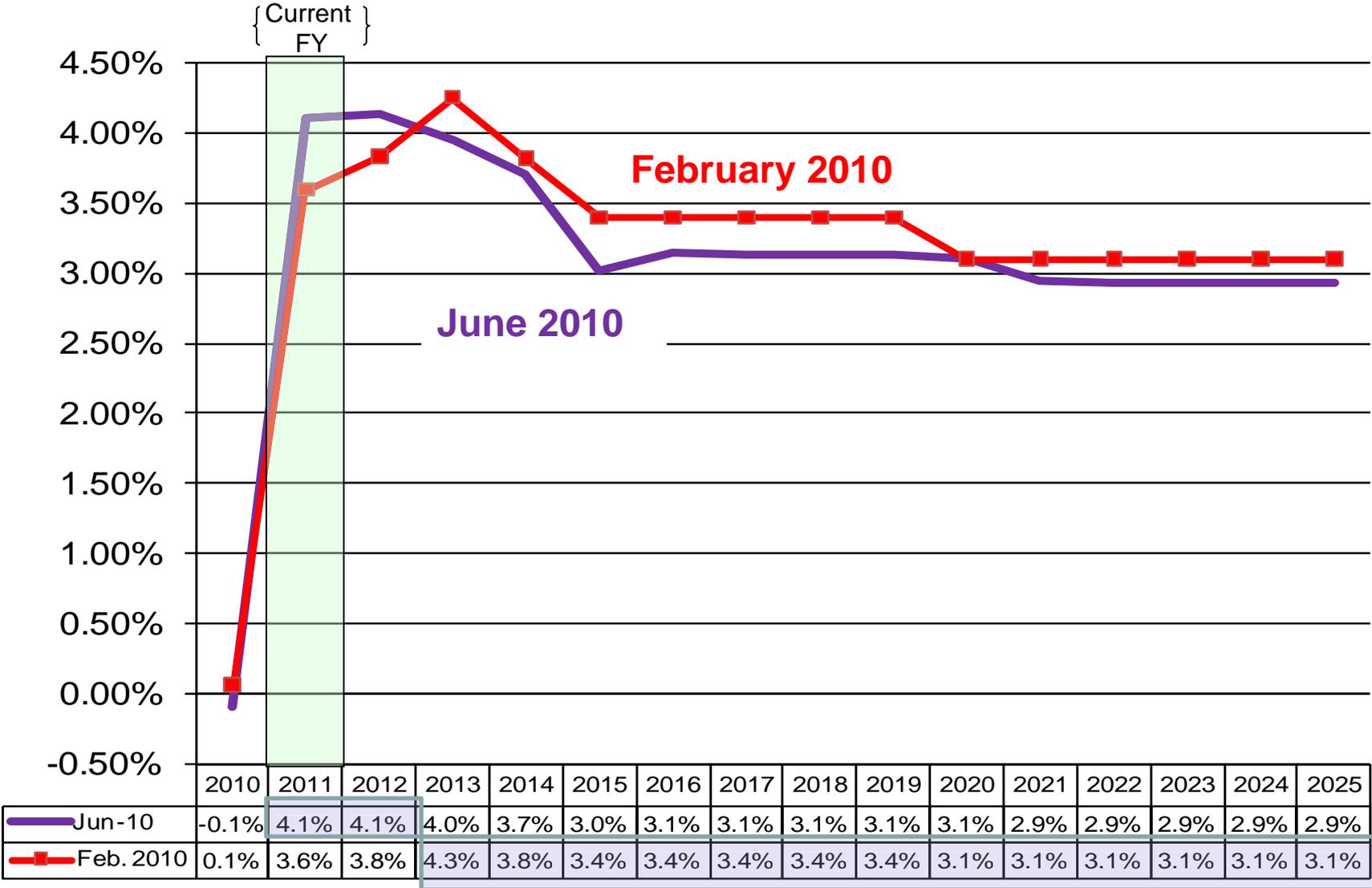
Comparison of Washington Qtr Real Personal Income for June vs. February 2010

Billions of Dollars



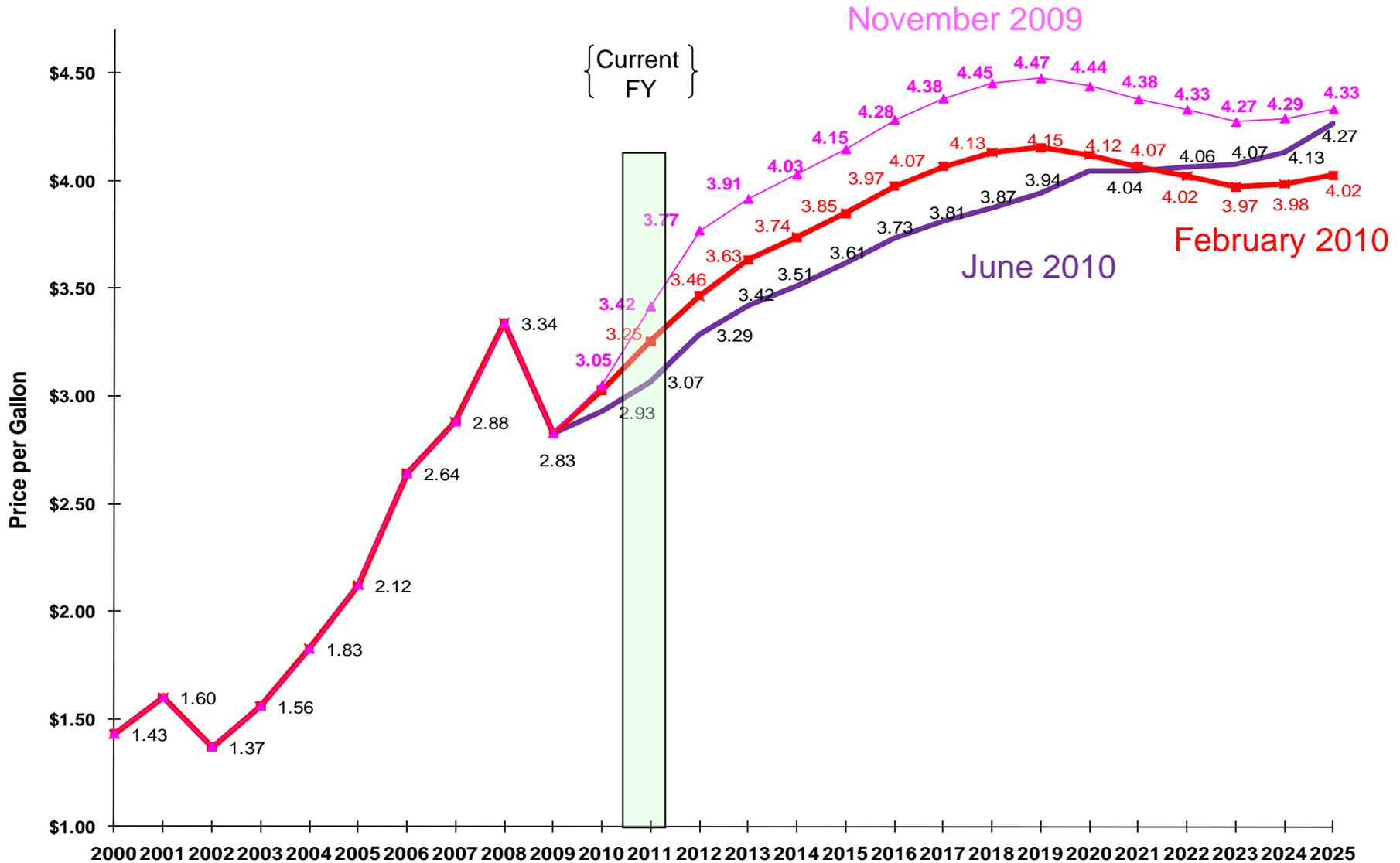
rates and NYMEX future fuel prices; ERFC projects real personal income out through Q4 of 2013

Comparison of Washington Annual Real Personal Income Growth Rates for June vs. February 2010

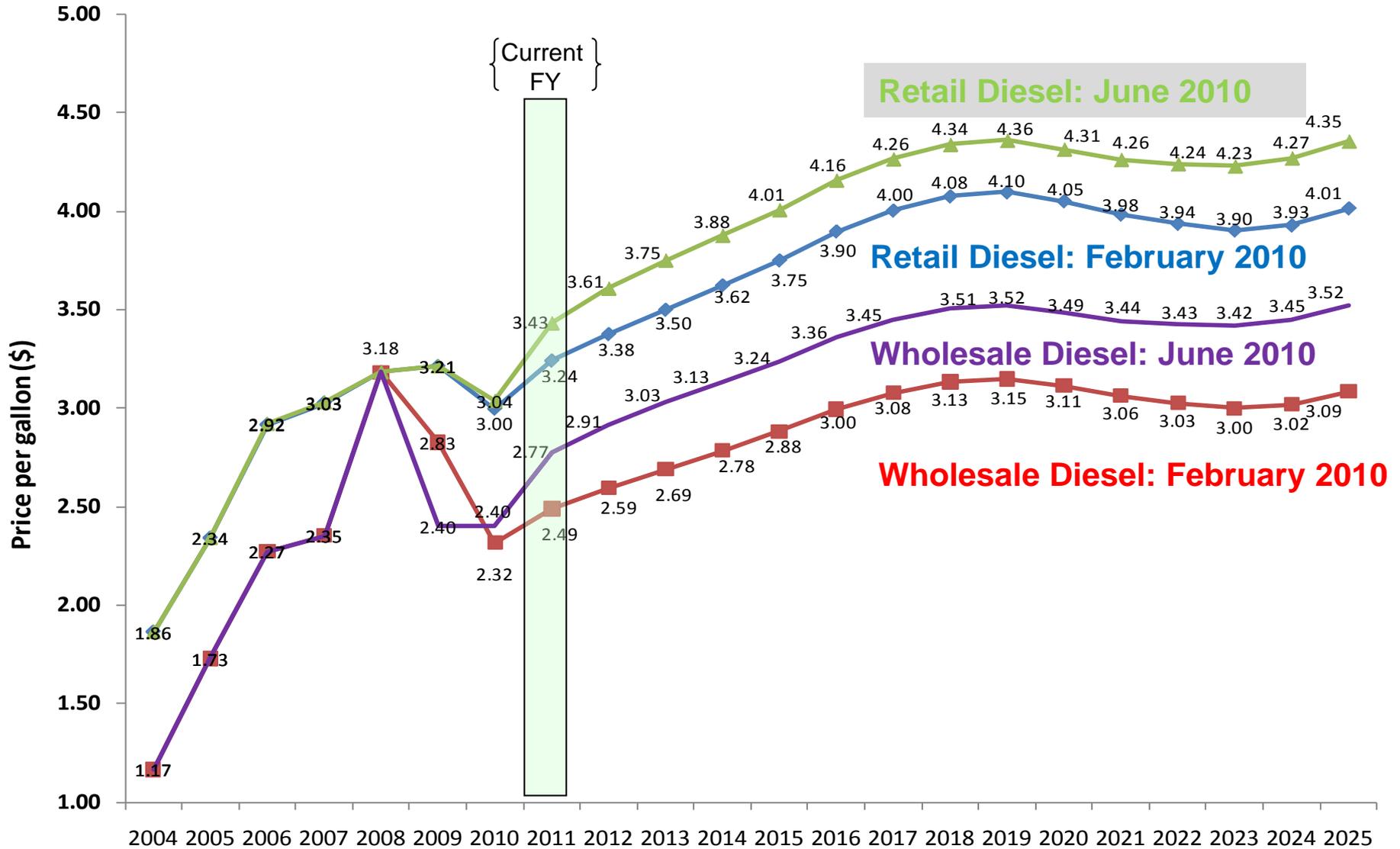


NOTE: Highlighted growth rates for June 2010 forecast reflect the impact of ERFC growth rates versus OFM's 2010 long-term real personal income growth rates

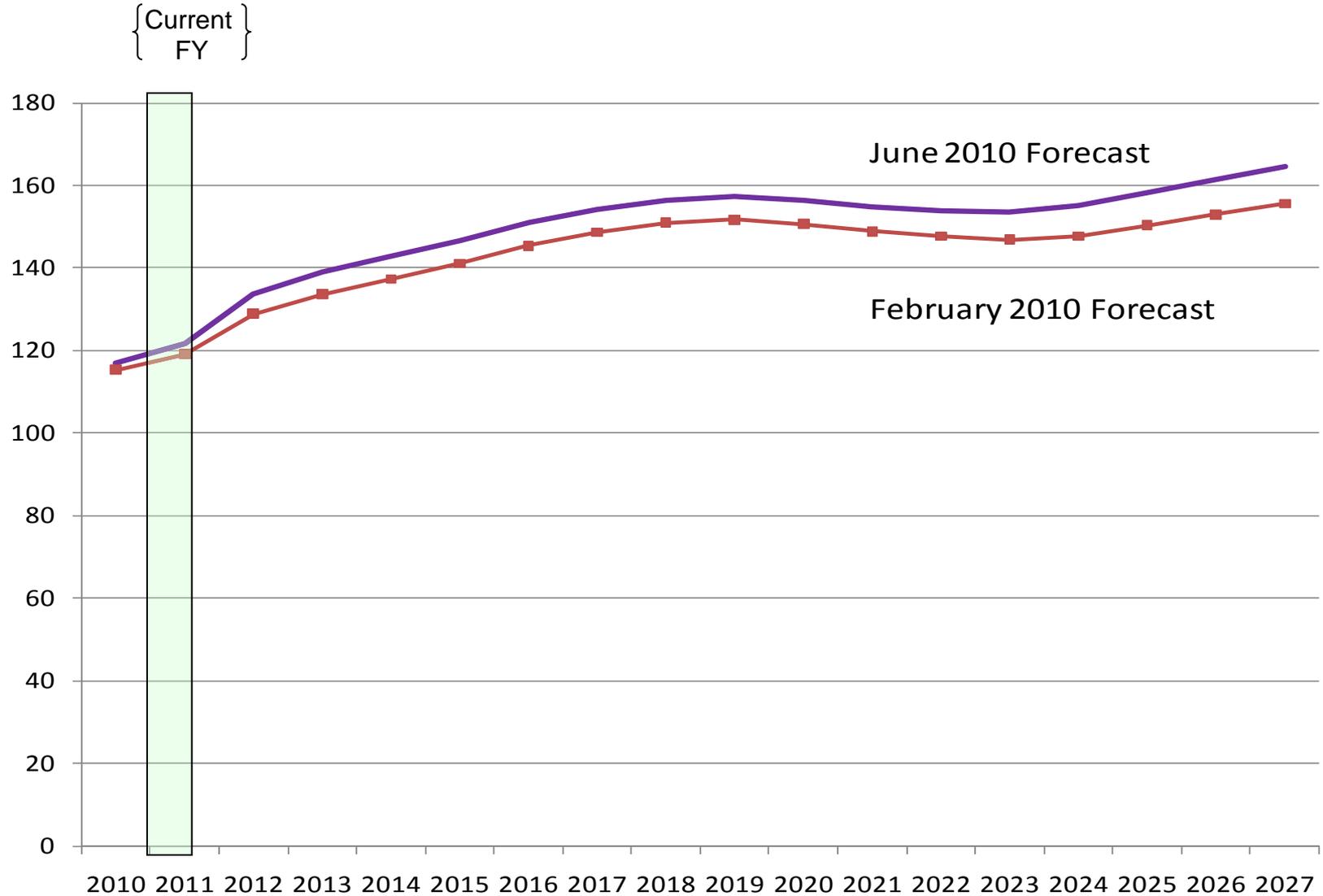
Forecast of Washington Gasoline Prices, All Grades; June vs. February 2010 and November 2009



Forecast of Washington Retail and Wholesale Diesel Prices; June vs. February 2010

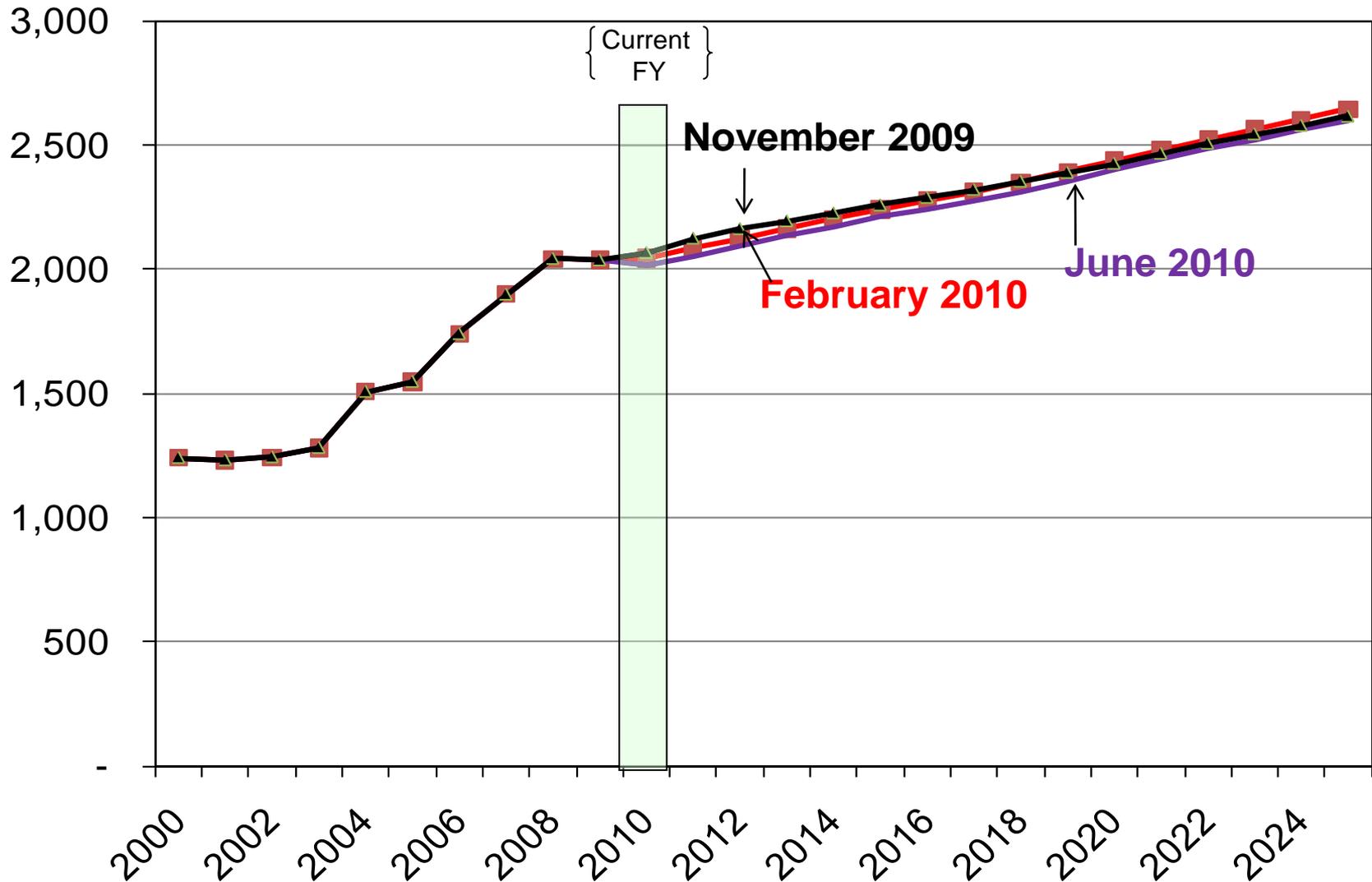


Forecast of Oil/Gas Price Index; June vs. February 2010



Overall June 2010 Transportation Revenue Projections are Down From the February & November Forecasts

Millions of Dollars



June 2010 Revenue Projections are Down From the February 2010 Forecast

June 2010 Forecast to Forecast Comparison of Transportation Revenues (Millions of Dollars)									
Revenue Sources	Current Biennium						16-Year Period		
	2009-11			2011-13			(2011-2027)		
	Forecast June 10	Chg from Feb 10	Percent Change	Forecast June 10	Chg from Feb 10	Percent Change	Forecast June 10	Chg from Feb 10	Percent Change
Motor Vehicle Fuel Taxes	2,485	(43)	(1.7%)	2,554	(44)	(1.7%)	23,038	(411)	(1.8%)
Licenses, Permits and Fees	874	(8)	(1.0%)	921	(4)	(0.5%)	8,155	(44)	(0.5%)
All Other Sources	705	(15)	(2.1%)	753	(13)	(1.7%)	6,936	(142)	(2.0%)
Total Revenues	4,064	(66)	(1.6%)	4,228	(61)	(1.4%)	38,129	(597)	(1.5%)

Source: Figure 3 page I-5 of the June 2010 Transportation Forecast Volume I: Summary Document

- The revenue forecast adopted in June reflects a lower economic outlook in the near-term than the previous forecast:
 - Projected 2009-11 biennium transportation revenue of \$4 billion is a decline from 2007-09 biennium revenue by -0.4%
 - continued decline in fuel tax collections and a flat real personal income growth for FY2010 is lowering the forecast in the near-term
 - Higher personal income in the near-term helps improve the some forecasts of revenues
- Current projections show the following changes in total revenue:
 - down \$65.5 million (1.6%) for the 2009-11 biennium
 - down \$61 million (1.4%) in the 2011-13 biennium
 - down \$597 million (1.5%) for the 16 year period from the February forecast

Comparison Gasoline Consumption (gallons): First 11 months FY2009- FY2010

^b

**1st 11 months FY 2009 =
3.045 billion gallons**

-0.7%

**1st 11 months FY 2010 =
3.004 billion gallons**

215,539,558	May	219,122,009
221,942,033	April	226,096,000
200,374,315	March	178,369,454
242,660,894	February	224,546,632
204,646,456	January	220,312,844
184,071,491	December	210,612,522
283,315,782	November	226,957,041
215,342,795	October	222,786,152
236,709,789	September	238,234,544
230,586,970	August	244,023,111
222,222,944	July	228,314,944

1st 11 months FY 2009 - Gas

1st 11 months FY 2010 - Gas

Comparison Diesel Consumption (gallons) : First 11 months FY2009- FY2010

1st 11 months FY 09 =
588.3 million gallons

1st 11 months FY 10 =
564.9 million gallons

-4.0%

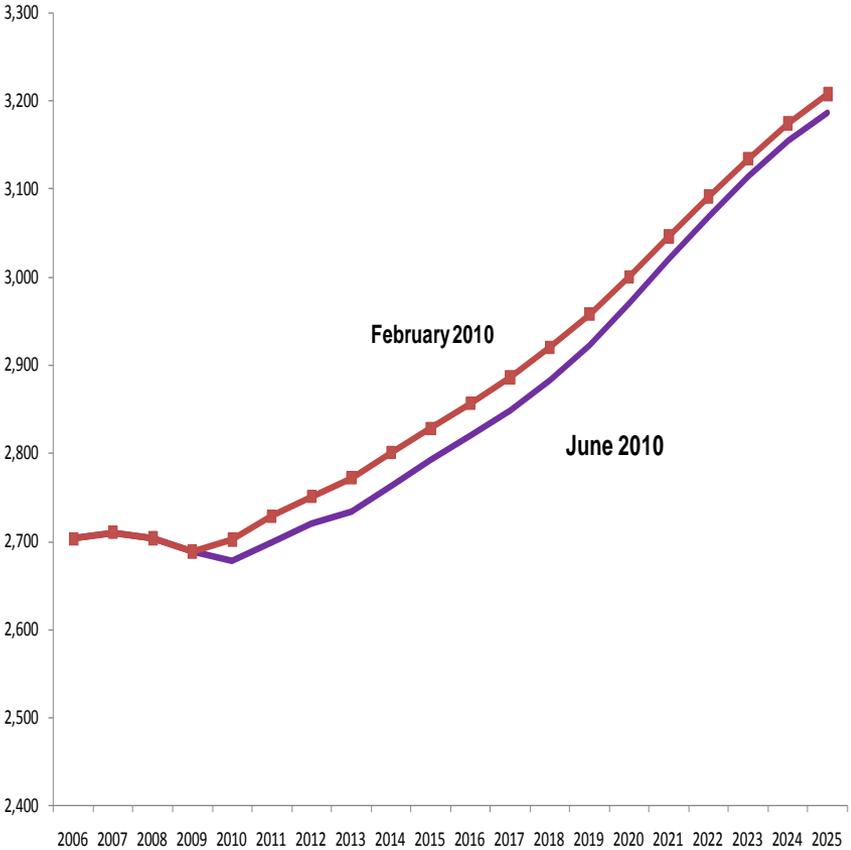
49,978,037	May	48,806,935
47,087,934	April	51,370,667
51,850,000	March	65,152,876
48,425,354	February	24,523,499
47,999,377	January	50,210,253
76,418,242	December	49,841,338
35,902,423	November	55,256,796
59,416,630	October	53,873,014
58,086,493	September	56,057,155
58,426,050	August	56,664,464
54,742,132	July	53,197,919

1st 11 months FY 2009 - Diesel

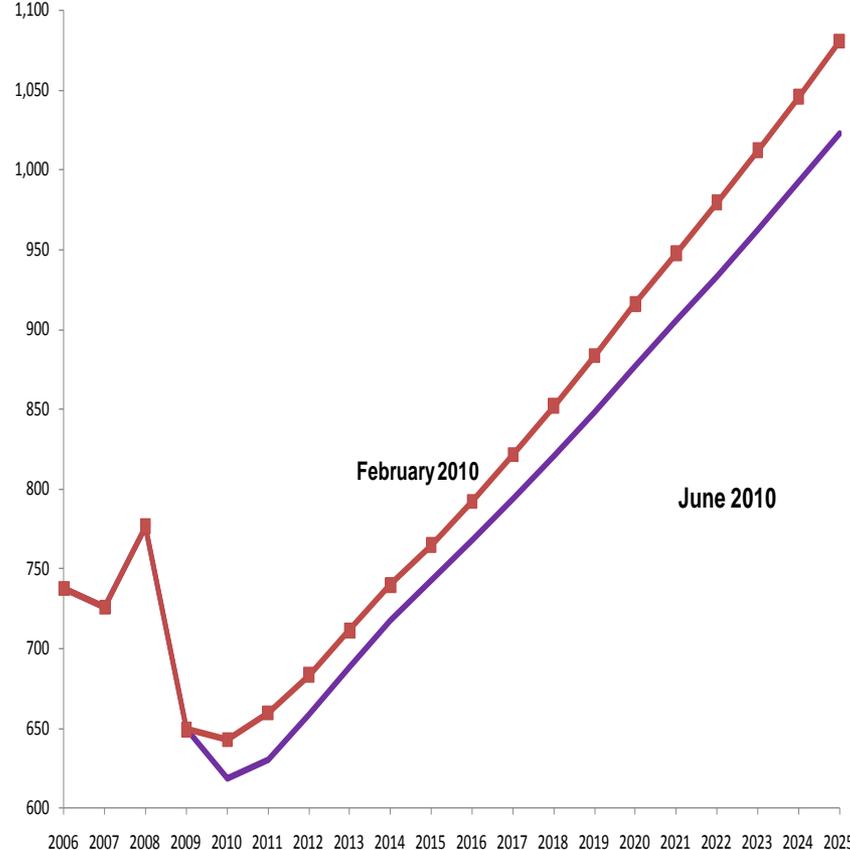
1st 11 months FY 2010 - Diesel

Gasoline and Diesel Fuel Consumption Comparison, June and February 2010 Forecasts

Gasoline Motor Fuel Consumption Comparison: June vs. February 2010 forecast (millions of gallons)



Diesel Motor Fuel Consumption Comparison: June vs. February 2010 forecast (millions of gallons)



June 2010 Forecast of Motor Vehicle Fuel Taxes Are Down From the February Forecast

Fuel Taxes

- Current projections for total motor vehicle fuel taxes are :
 - \$42.5 million (1.7%) for the current biennium
 - \$44 million (1.7%) in the 2011-13 biennium
 - \$411 million (1.8%) for the 16 year period from the February forecast
- Gasoline fuel consumption is the primary driver of the loss in fuel taxes:
 - Gasoline tax collections came in under forecast by \$9.3 million for February thru May 2010 combined (2.8% below February forecast)
 - In long-term: higher projections of oil/gas price index results in lower revenue forecasts
 - June gross gasoline tax forecast is \$2.02 billion for the current biennium
 - down \$21.4 million (1.0%) from the February forecast for the current biennium
 - down \$25.7 million (1.2%) in the 2011-13 biennium
 - Future reduction each biennia of approx. 1.3% from the 2011-13 biennium until 2017-2019; decline in percentage to less than 1% each biennia
- Diesel fuel tax collections have come in under forecast as well:
 - Diesel fuel consumption came in under forecast by \$9 million (12% below)
 - June gross diesel tax forecast is \$470 million for the current biennium
 - down \$21.1 million (4.3%) in the current 2009-11 biennium
 - down \$17.8 million (3.4%) in the upcoming 2011-13 biennium

June 2010 Forecast of Licenses, Permits and Fees Are Down From the February Forecast

Licenses, Permits and Fee Revenue

- Total projection for vehicle related licenses, permits and fee revenue is \$860 million in current biennium - down in current and future biennia:
 -  \$8.5 million (1.0%) for the 2009-11 biennium
 -  \$4.3 million, (0.5%) in the current 2011-13 biennium
 -  \$81.8 million, (0.5%) for the 16 year period from the February forecast
- Registrations in recent months (Jan.-May) came in close to prior projections:
 - Projected cars & truck registration change: FY09 and FY10 is minimal
 - Cars: down 0.3% between FY09-10 (nearly no change from the Feb. forecast)
 - Trucks: down 2.1% between FY09-10 (1.9% decline from the Feb. forecast)
- Reason for the decline in truck reg. tax collections in the current and future biennium vehicle related LPF forecast:
 - Truck registrations and collections have come in under forecast – collections were down from the last forecast (Jan.-May) by \$6.5 million
 - Long-term: truck registration forecast is down in future biennia due to the lower starting point in the current biennium
 - Passenger car fee revenue forecast is up very minimally in the current and future biennia
- Other licenses, permits and fee revenue were  from the February forecast:
 - Title fees
 - Plate replacement fees
 - Temporary dealer permits
 - Plate reflectivity fees

Other Components of Transportation Revenue Are Generally Down From the June 2010 Forecast

- **Total Ferry Revenue** (2009-11 biennium: \$300 million)

 \$0.8 million (0.25%) for the 2009-11 biennium

 \$6.4 million (2.0%) in the 2011-13 biennium

- **Aeronautics Revenue** (2009-11 biennium: \$4.9 million)

 \$0.5 million (10.5%) for the 2009-11 biennium

 \$0.9 million (18.8%) for 2011-13 biennium

- **Rental Car Taxes** (2009-11 biennium: \$43 million)

 \$0.7 million (1.5%) for the 2009-11 biennium

 \$0.9 million (1.9%) for the 2011-13 biennium

- **Vehicle Sales Tax** (2009-11 biennium: \$56.7 million)

 \$1.6 million (2.7%) for the 2009-11 biennium

 \$3.1 million (4.5%) for the 2011-13 biennium

- **Business/Other Revenue** (2009-11 biennium: \$8.6 million)

 \$7.9 million (48%) for the 2009-11 biennium

 \$1.3 million (-8.5%) for the 2011-13 biennium

- **Driver-Related Fees** (2009-11 biennium: \$196 million)

 \$0.2 million (0.1%) for the 2009-11 biennium

 \$0.6 million (0.3%) for the 2011-13 biennium

Toll Revenue is Down in Current Biennium and 2011-13 Biennium; Future Revenues Up Slightly

Toll Rates	2011 & Beyond
ETC	\$2.75
Cash	\$4.00

- TNB traffic volume is forecasted at 14.26 million drivers in FY 2010 and 14.95 million in FY 2011: -2.5% decrease in FY 2010 from the last forecast. 
- HOT lanes traffic volume in FY 2010 is 506,000 and future years have been revised downward significantly from prior forecasts to 546,000 drivers in FY 2011: -20.5% and -37.8% decrease in FY 2011 & 2012 from the last forecast. 
- **Addition of Civil Penalties Fee Revenue**
 - Violations revenue was lowered by \$1.6 million in current and future biennia
 - New civil penalties revenue begins partially in FY 2011 at \$0.15 million and grows each year thereafter to a maximum of \$1.8 million by FY 2027
 - In outer biennia, new civil penalties revenue > violations fee revenue loss
- Total Toll Revenue (Includes HOT lanes) (2009-11 biennium: \$94.8 million)
 - -\$4.0 million for the current biennium from February forecast
 - -\$1.6 million for the 2011-13 biennia from February forecast
 - Beginning 2013-15 biennia, total toll revenue projections are higher than previously forecasted

Questions?

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

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