

June 2012 Transportation Revenue Forecast

Paula J. Hammond, P.E.
Secretary

Steve Reinmuth
Chief of Staff

Doug Vaughn
Director
Budget & Financial Analysis

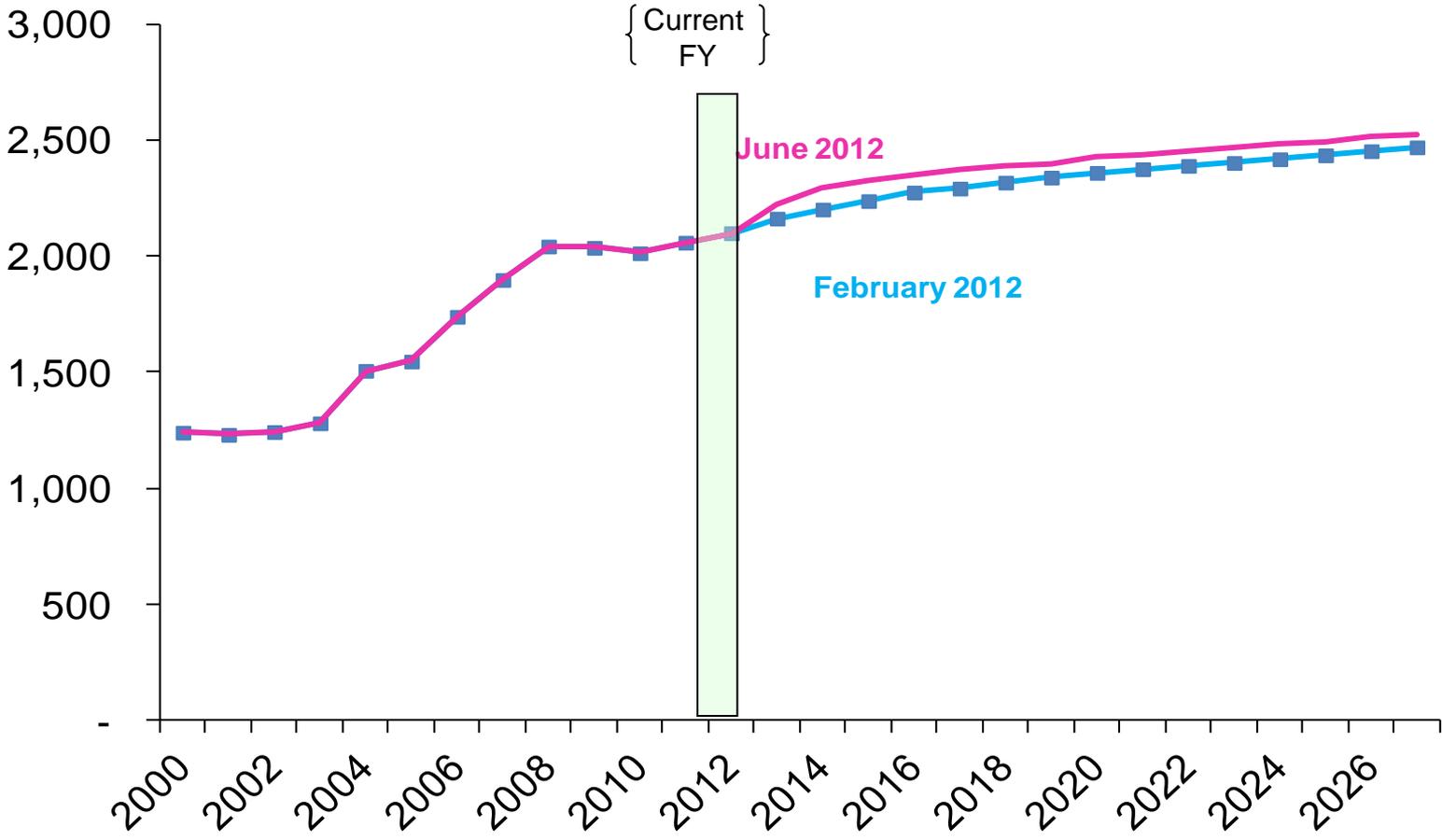
Lizbeth Martin-Mahar
Assistant Director
Economic Analysis

Washington State Transportation Commission
July 18, 2012



Washington State
Department of Transportation

Figure 1 Total Transportation Revenues are Up June vs. February 2012 forecasts



Current Forecast : \$4.32 billion increase of 6% over last biennium

- Overall revenue is up 1.3% forecast to forecast or (\$54.7 million)
- Largest share of change is due to recent legislation raising licenses, permits and fees, driver related fees and new WSP fee

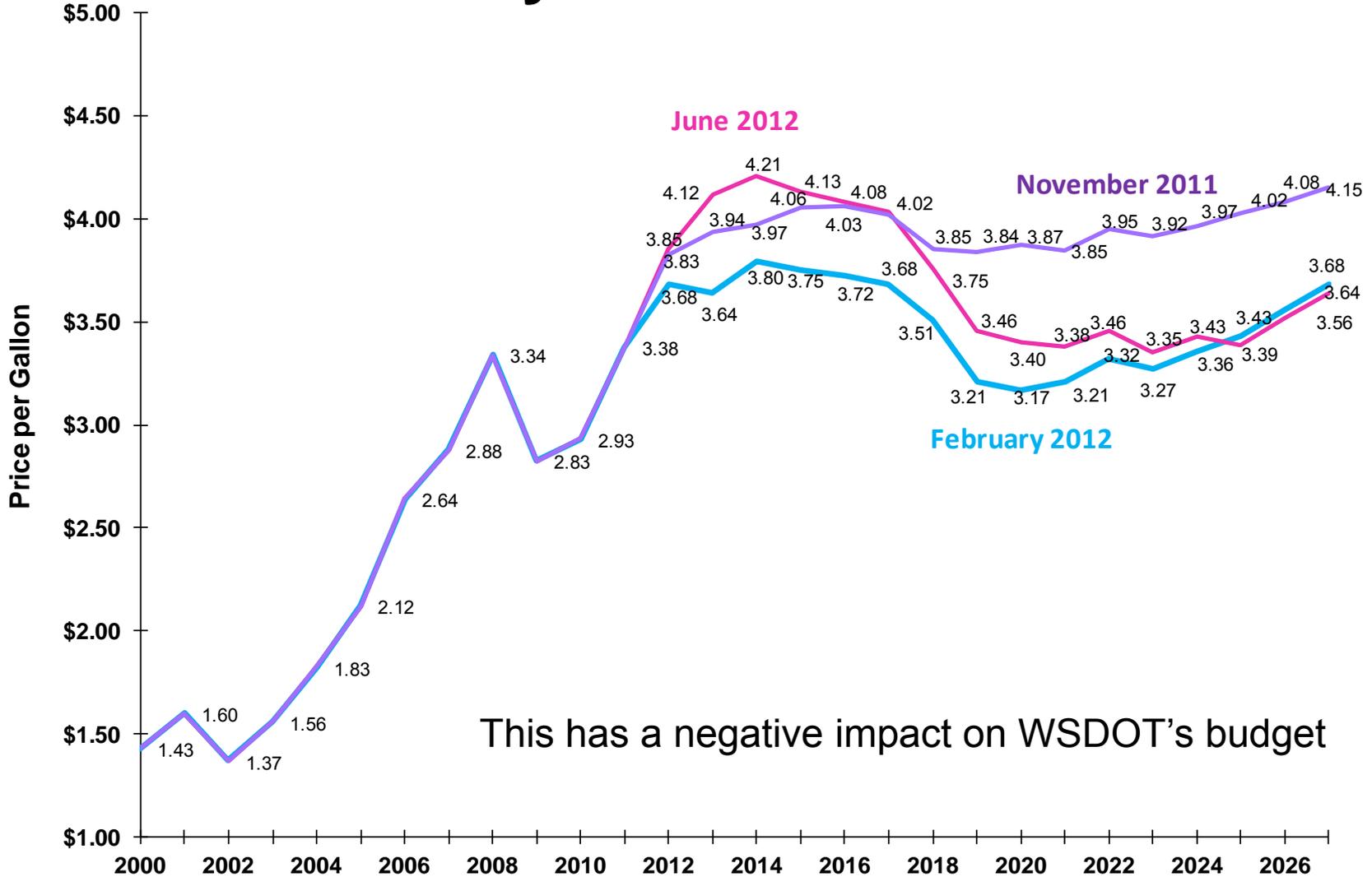
Key Economic Variables Are Up but Some No Change: Since the February 2012 Forecast

- Each quarter TRFC uses the latest economic variable forecasts by ERFC or OFM along with other forecasting entities like Global Insight

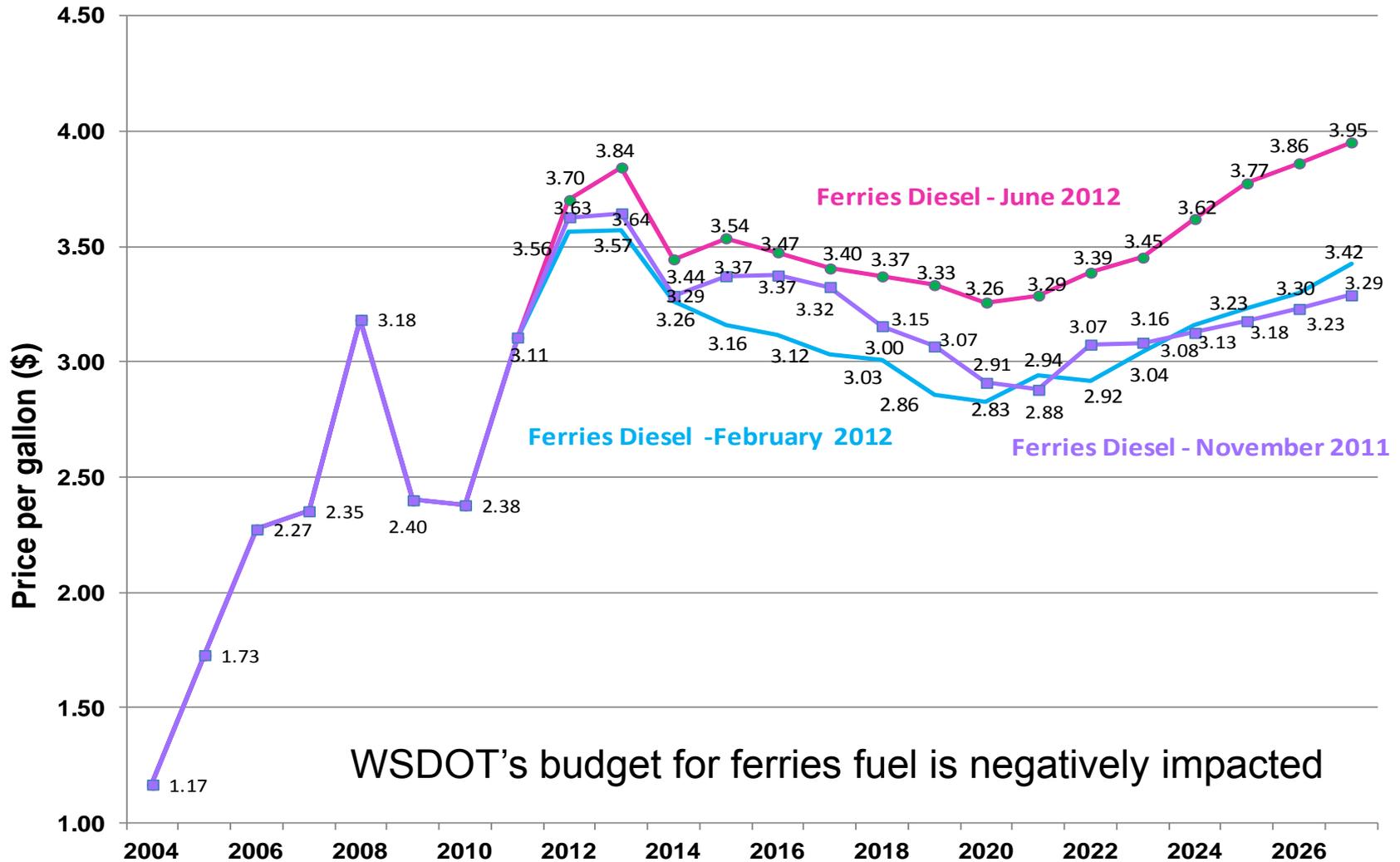
Economic Variables	Short-term Change from Feb. forecast
Washington Personal Income	
Inflation	
Fuel Prices	
Fuel Efficiency	
Population	
Non-ag. employment	

Fuel Price Forecasts:

Forecast of Washington Gasoline Prices UP June vs February 2012 vs. November 2011



Forecast of Washington Ferry Fuel Prices UP June vs February 2012 vs. November 2011



Most Recent Tax and Fee Collections Are Added into the Revenue Forecasts

Transportation Revenue		Change from Feb forecast
Gas Tax		\$2.1 million for past four months
Diesel Tax		\$8.6 million for past four months
Basic Passenger Vehicle Fee		\$0.7 million for past four months
Combined License Fee (Trucks)		\$0.85 million for past four months
All other licenses, permits and fees		\$1.3 million for past four months
Rental Car		\$0.02 million for past three months
Motor Vehicle Sales Tax		\$0.24 million for past three months
Ferry Farebox		\$0.2 million for past four months

Overall Revenue Projections are **UP** from February but Motor Fuel Tax Forecast is **Down**

June 2012 Forecast Compared to February Transportation Revenue Forecast - Millions of Dollars									
Revenue Sources	Current Biennium			2013-15			10-Year Period		
	2011-13			2013-15			(2011-2021)		
	Forecast June 12	Chg from Feb. 12	Percent Change	Forecast June 12	Chg from Feb. 12	Percent Change	Forecast June 12	Chg from Feb. 12	Percent Change
Motor Vehicle Fuel Taxes	2,496	(23.7)	-0.9%	2,543	(33.9)	-1.3%	12,735	(244.5)	-1.9%
Licenses, Permits and Fees	927	25.7	2.8%	998	70.8	7.6%	5,081	314.4	6.6%
All Other Sources	896	52.7	5.9%	1,075	136.9	12.7%	5,497	570.6	10.4%
Total Revenues	4,319	54.7	1.3%	4,616	173.8	3.9%	23,313	640.5	2.8%

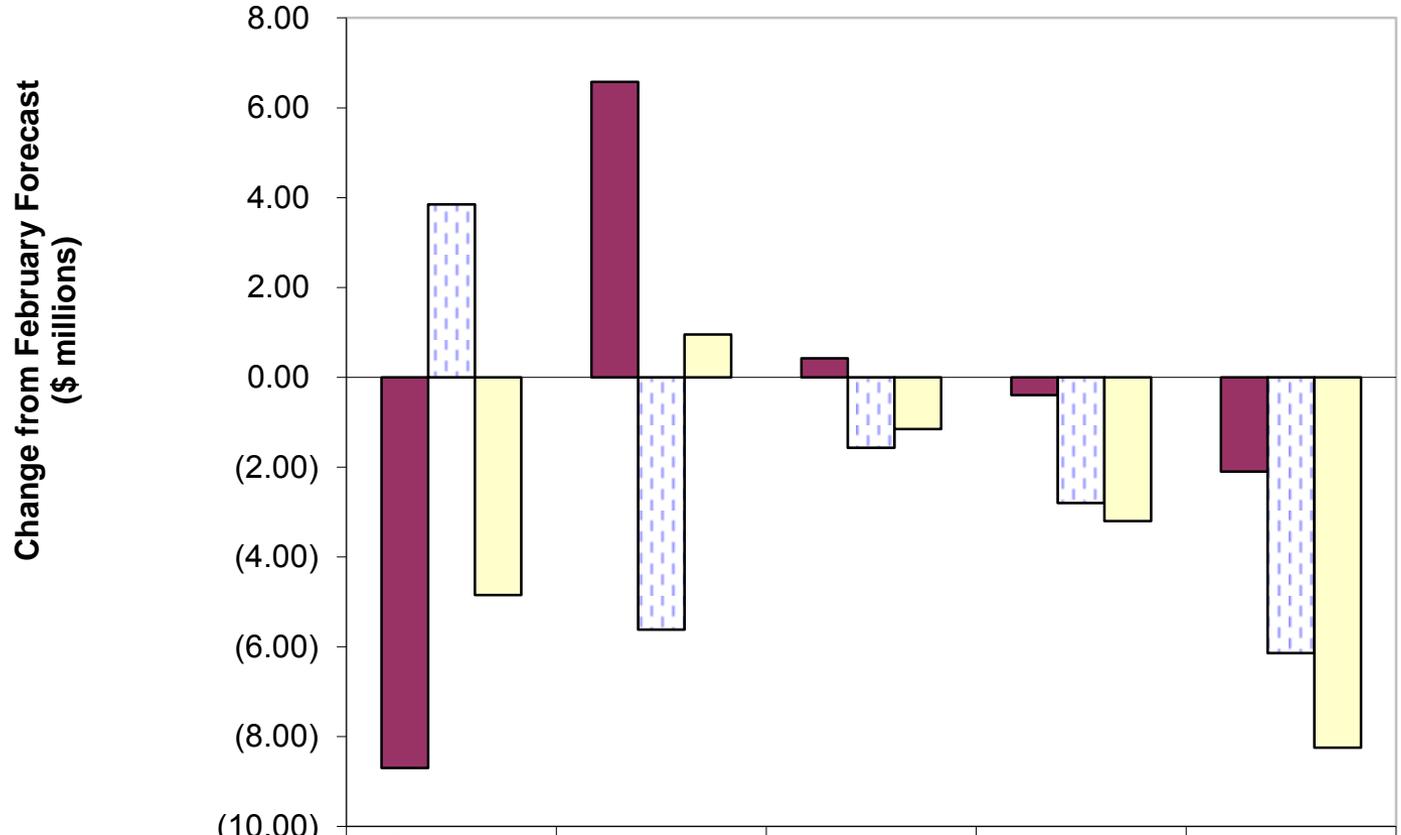
- Current projections show total tax revenues to be up from February
 - \$54.7 million (1.3%) for the 2011-13 biennium.
 - \$173.8 million (3.9%) in the upcoming 2013-15 biennium.
 - \$640.5 million (2.8%) for the 10 year period from the February forecast.
- Motor Vehicle Fuel taxes are drag on the current forecast
 - Nearly 1% decline for the current biennium
 - Decline grows over the forecast horizon to nearly 2%

Recently Passed Legislation or Commission Adopted Toll or Ferry Rate Changes

- June 2012 transportation forecast is essentially about the addition of new fee and higher fee changes
 - Legislation:
 - EHB 2660
 - MVF, Nickel, Multimodal
 - ESSB 6150
 - Impacts mainly HSF
 - Commission adopted higher TNB toll rates

Forecast Category	Legislation / Title	2011-13 Revenue Impact (\$ millions)	2013-15 Revenue Impact (\$ millions)
EHB 2660 - Addressing Transportation Revenue: Increases or creates the following fees October 1, 2012			
LPF	Late Transfer Penalty \$25 to \$50	\$674,310	\$1,661,460
LPF	Title Fees \$5 to \$15	\$15,674,900	\$44,302,900
LPF	Original Issue Fee - 2-Plates New \$20	\$8,656,450	\$24,798,000
LPF	Original Issue Fee - Single-Plate New \$10	\$391,430	\$1,204,900
LPF	Original Issue Fee - MC Plates New \$4	\$78,850	\$241,840
LPF	Replacement Plate Fee - MC Plates \$2 to \$4	\$41,900	\$121,140
LPF	Electric Vehicle Fee New \$100 *February 1, 2013	\$28,500	\$116,200
Driver-related	Driver Abstracts ADR \$10 to \$13	\$6,712,900	\$18,243,940
LPF	Motor Vehicle Dealer Original License \$750 to \$975	\$175,730	\$174,380
LPF	Motor Vehicle Dealer License Renewal \$250 to \$325	\$342,600	\$330,450
	Total EHB 2660	\$32,777,570	\$91,195,210
	Difference from fiscal note for EHB 2660	\$7,520	(\$1,251,170)
ESSB 6150- Driver's License, Permit, and Identocard System, including the Administration of a --Facial Recognition Matching System: Increases or creates the following fees October 1, 2012; July 1, 2013			
Driver-related	Instruction Permits \$20-\$25	\$510,040	\$1,428,070
Driver-related	Examinations \$20-\$35	\$4,413,200	\$12,648,000
Driver-related	Duplicate Documents \$15-\$20	\$852,730	\$2,370,060
Driver-related	DUI Hearings \$200-\$375	\$1,394,140	\$3,716,100
Driver-related	Identicards \$20-\$45-\$54	\$3,312,850	\$12,335,680
Driver-related	Drivers Licenses \$25-\$45-\$54	\$16,203,160	\$59,435,370
Driver-related	Commercial Drivers Licenses (CDL) Endorsement \$61-\$85-\$102	\$872,500	\$2,608,010
Driver-related	Hazardous Materials (CDL) Endorsement \$61-\$85	\$ -	\$238,100
Driver-related	Motorcycle Endorsements	\$ -	\$555,100
	Total ESSB 6150	\$27,558,620	\$95,334,490
	Difference from fiscal note for ESSB 6150	\$256,373	(\$614,246)
2SHB 2443- Driving Under the Influence - Effective August 1, 2012			
Driver-related	Reduced Reckless Driving conviction needs Ignition Interlock License (IIL).	<i>Indeterminate</i>	<i>Indeterminate</i>
Driver-related	Monthly fee for Ignition Interlock Device (IID) tied to court jurisdiction.	\$258,690	\$1,162,470
Business-related	Fee schedule for ignition interlock manufacturers, technicians, providers and persons required to install an ignition interlock device in their vehicles.	\$1,842,000	\$1,842,000
	Total 2SHB 2443	\$2,100,690	\$3,004,470
	Difference from fiscal note for 2SHB 2443	\$208,300	(\$1,082,220)
SSB 5246- Employer Review of Abstracts of Driving Records: Effective June 7, 2012			
Driver-related	Employees' records regularly reviewed and reported.	<i>Indeterminate</i>	<i>Indeterminate</i>

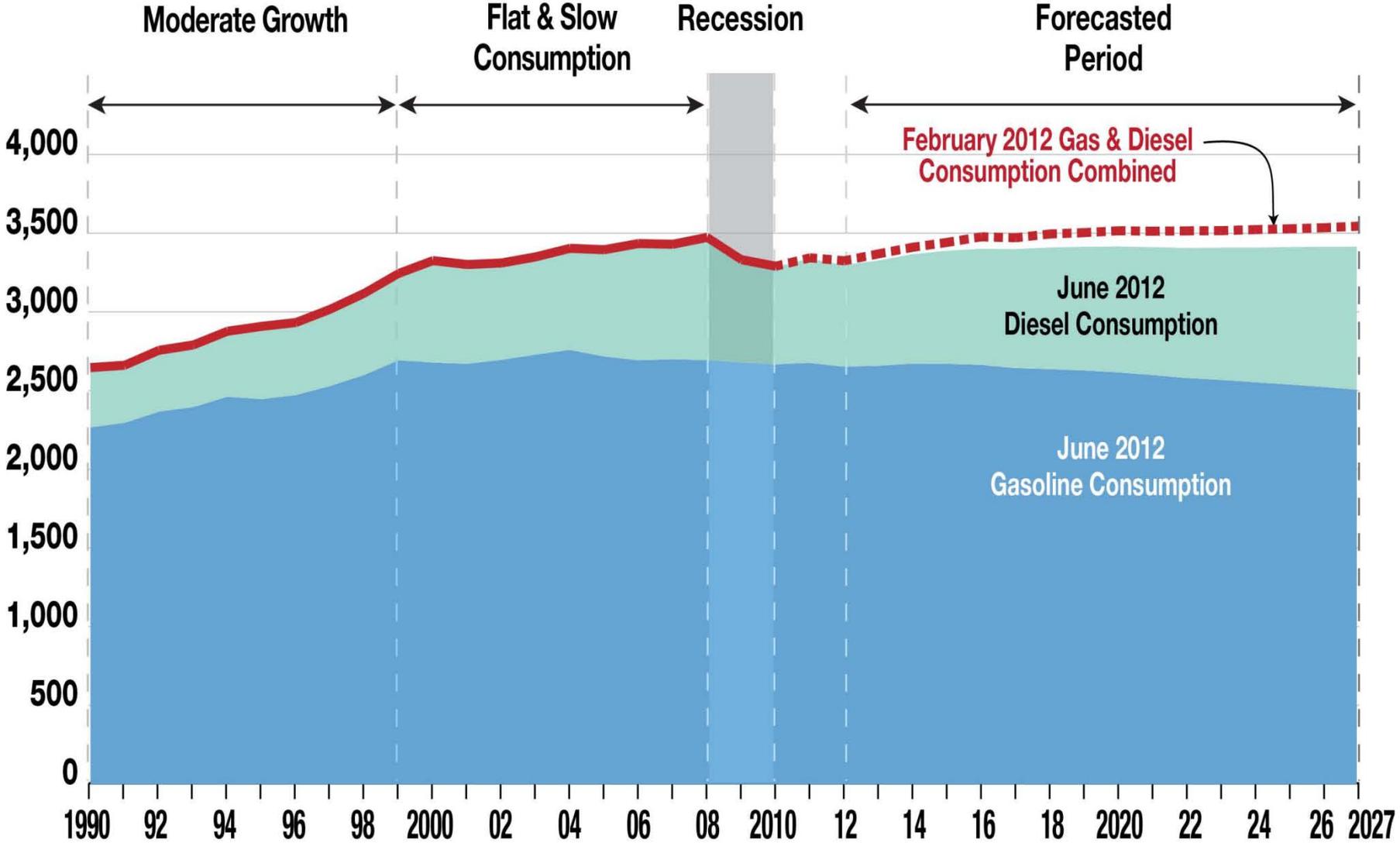
Reduction in Overall Gasoline and Diesel Tax Collections Since February 2012 Forecast



	February	March	April	May	4- months	Percent of Total
■ Gasoline	\$(8.7)	\$6.6	\$0.4	\$(0.4)	\$(2.1)	-0.7%
□ Diesel	\$3.9	\$(5.6)	\$(1.6)	\$(2.8)	\$(6.1)	-5.5%
□ All Motor Fuel	\$(4.9)	\$1.0	\$(1.2)	\$(3.2)	\$(8.2)	-1.7%

Washington state gas and diesel consumption since 1990

With June 2012 and February 2012 Forecasts



Current Forecast of Fuel Taxes



2011-13 biennium:

– Gross Gas Tax Revenue:

- Lower 2011-13 biennium projections by \$9.9 million (-0.5%) than anticipated in February 
- The decrease in gas tax revenue from the last forecast over the 10-year forecast horizon totaled \$135.6 million

– Gross Diesel Tax Revenue:

- Lower 2011-13 biennium projections of \$13.8 million (-2.7%) than anticipated in February 
- The loss in diesel tax revenue grows over the 10-year forecast horizon for a total change of \$109 million from the February forecast

– Motor Fuel Tax Refunds:

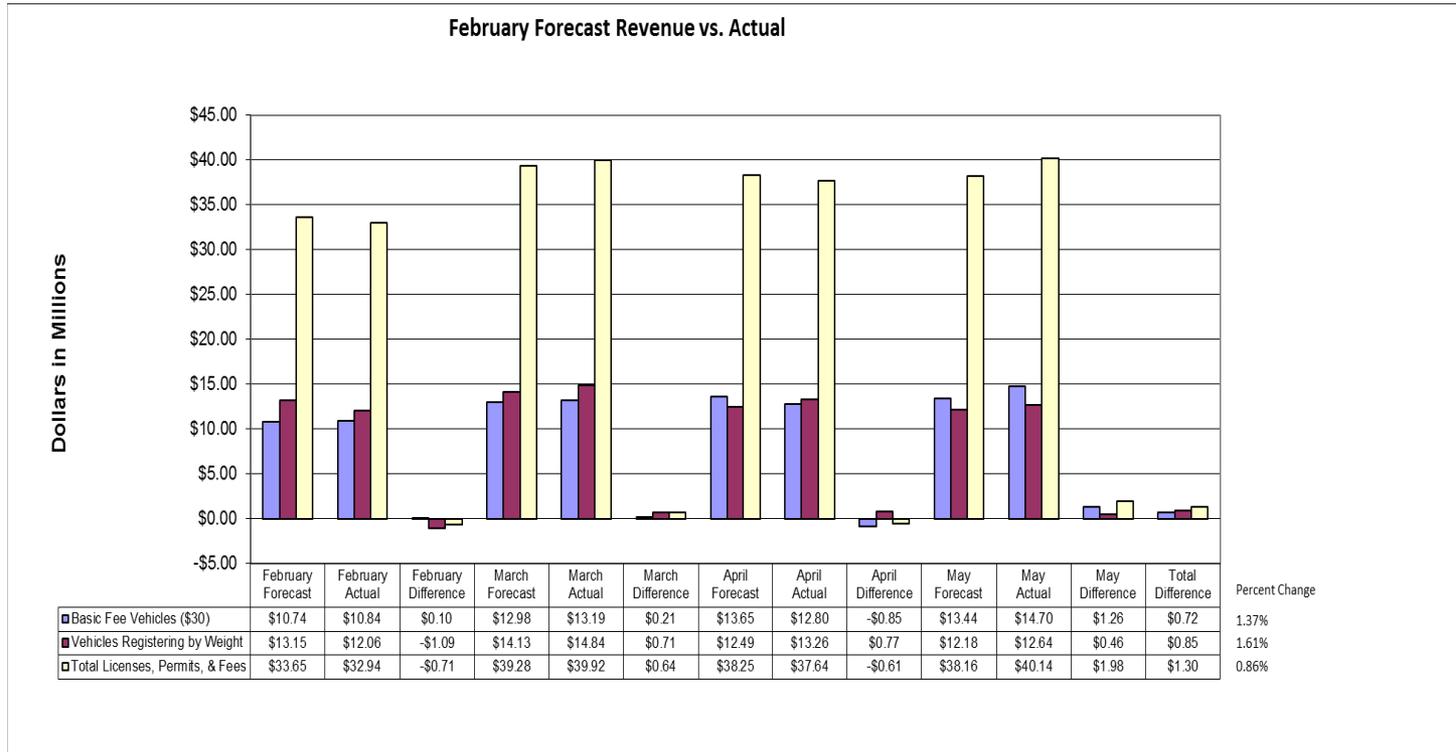
- Lower 2011-13 biennium projections by \$3.8 million (-2.7%) than anticipated in February 

2013-15 biennium and beyond:

– Gross Motor Fuel Tax Revenue:

- Lower 2013-15 biennium projections of \$33.9 million (-1.3%) than anticipated in February 

Recent Collections in Vehicle Passenger Car and Truck Revenue Close to February 2012 Forecast



- Total projection for vehicle related licenses, permits and fee revenue is \$927 million in current biennium -  in current and future biennia:
 - \$25.7 million, 2.8% in the current 2011-13 biennium
 - \$314.4 million, 6.6% for the 10 year period from the February forecast
- Reasons for the increase in LPF revenue
 - New legislation raising title fees, original issue plate fees and electric vehicle renewal fee

June Ferry Fare Revenues Are Minimally Since Last Forecast

Ferry Fares Assumptions in Baseline Forecast

- 2.5% fare increase on October 1, 2011
- 3% fare increase on May 1, 2012 and no further increases
- Capital ferry surcharge of \$0.25 each year

- 
- Ferry Ridership in June is lower than in February due to several factors
 - Ridership coming in lower than projected overall for the past months
 - High fuel prices and nearly no change in employment forecasts
 - Farebox and Capital Surcharge Revenue (2011-13 biennium: \$314.2 million)
 - Down \$0.24 million, 0.1%, for the 2011-13 biennium
 - Up \$1.2 million, 0.3%, for the 2013-15 biennium
 - Ferry Miscellaneous Revenue (2011-13 biennium: \$6.4 million)
 - Up \$2,000 for the 2011-13 biennium
 - Down \$10,000 for the 2013-15 biennium
 - Total Ferry Revenue 10-year forecast horizon (10-yr total = \$1.7 billion)
 - Down \$1.3 million

Note: Ferry forecast used for budgeting purposes assumes additional ferry fare increases of 2.5% each year beginning Oct. 1, 2013

Other Components of Transportation Revenue Are **Up** (Some A lot and Others Minimally) From the Last Forecast

- **Aeronautics Revenue** (2011-13 biennium: \$6.9 million)
 -  Up \$1 million for the current biennium
 -  Up \$0.1 million, 1.9%, for the 2013-15 biennium
- **Rental Car Taxes** (2011-13 biennium: \$48.1 million)
 -  \$0.1 million (0.1%) for the current biennium
 -  \$0.1 million (0.2%) for the 2013-15 biennium
- **Vehicle Sales Tax** (2011-13 biennium: \$61.6 million)
 -  \$0.7 million (1.1%) for the current biennium
 -  \$0.7 million (1.1%) for the 2013-15 biennium

- **Business/Other Revenue** (2011-13 biennium: \$20.7 million)
 -  \$3.2 million, 18.4%, in the current biennium
 -  \$2.0 million, 10.9%, in the 2013-15 biennium
- **Driver-Related Fees** (2011-13 biennium: \$236.6 million)
 -  \$33.3 million (16.4%) for the current biennium
 -  \$109.3 million (52.9%) for the 2013-15 biennium

Current Forecast of Toll Revenue is Higher Due to Recent Toll Rate Change Since February

Traffic Volume

- Reduction in TNB baseline ridership forecast

Toll Revenue

- Total toll revenue and other sales and fee revenue is projected to be \$201 million in 2011-13 biennium:

-  \$14.7 million, (7.9%) in the current biennium
 - \$12.03 million increase in TNB revenue
 - \$0.4 million increase in SR 167 HOT lanes revenue
 - \$2.3 million increase in SR 520 revenue which reflects actual collections to date
-  \$116.7 million, 8.8% for the 10 year forecast horizon
 - Due to higher TNB toll rate change

Questions?

If you have questions, or want additional information on the June 2012 Revenue Forecast, please contact:

Doug Vaughn
Director of Budget and Financial Analysis
(360) 705-7401 or VaughnD@wsdot.wa.gov