

# February 2012 Transportation Revenue Forecast

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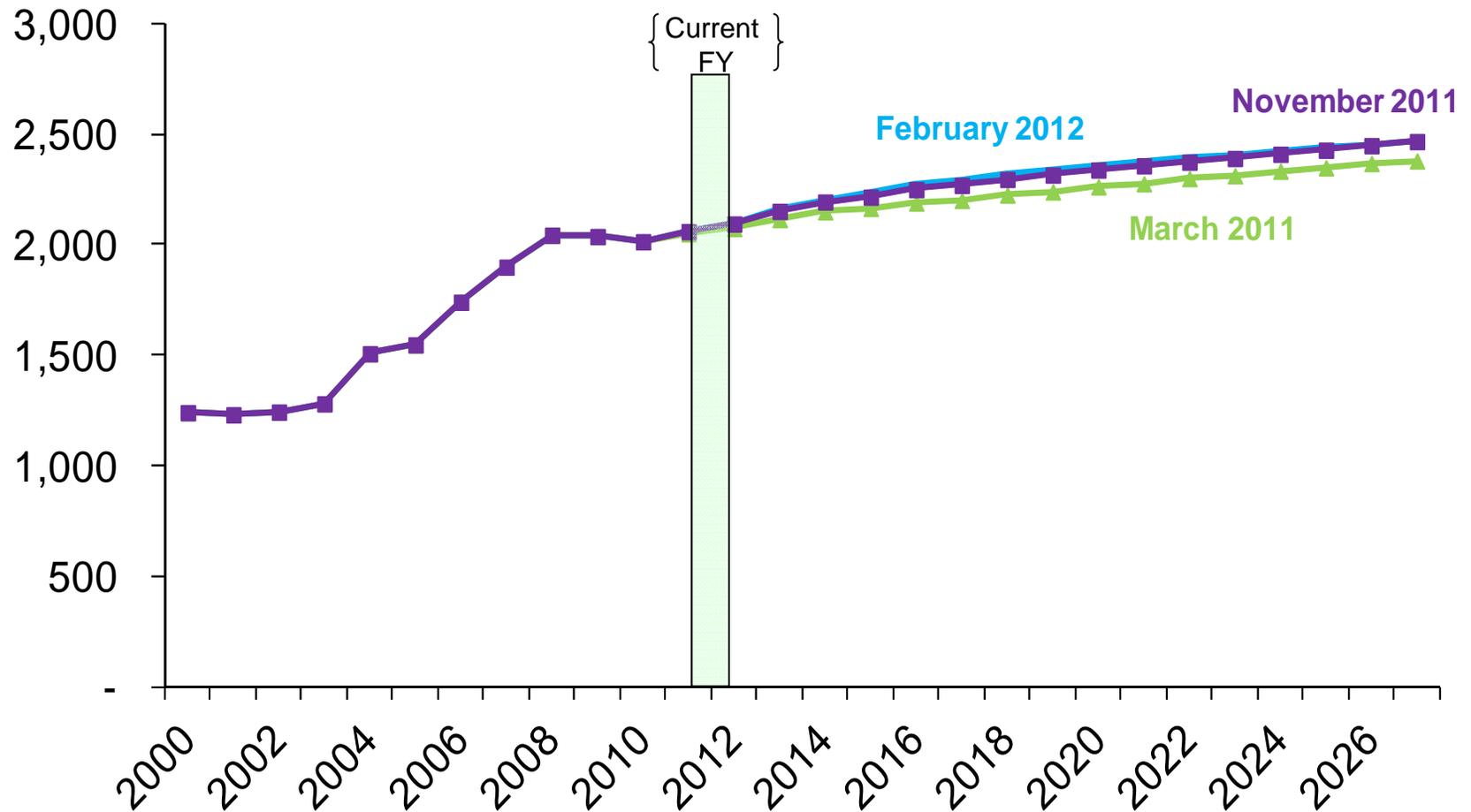
**Washington State Transportation Commission**  
March 20, 2012



**Washington State**  
**Department of Transportation**

# Total Transportation Revenues Are Up

## February 2012 vs. November and March 2011 forecasts



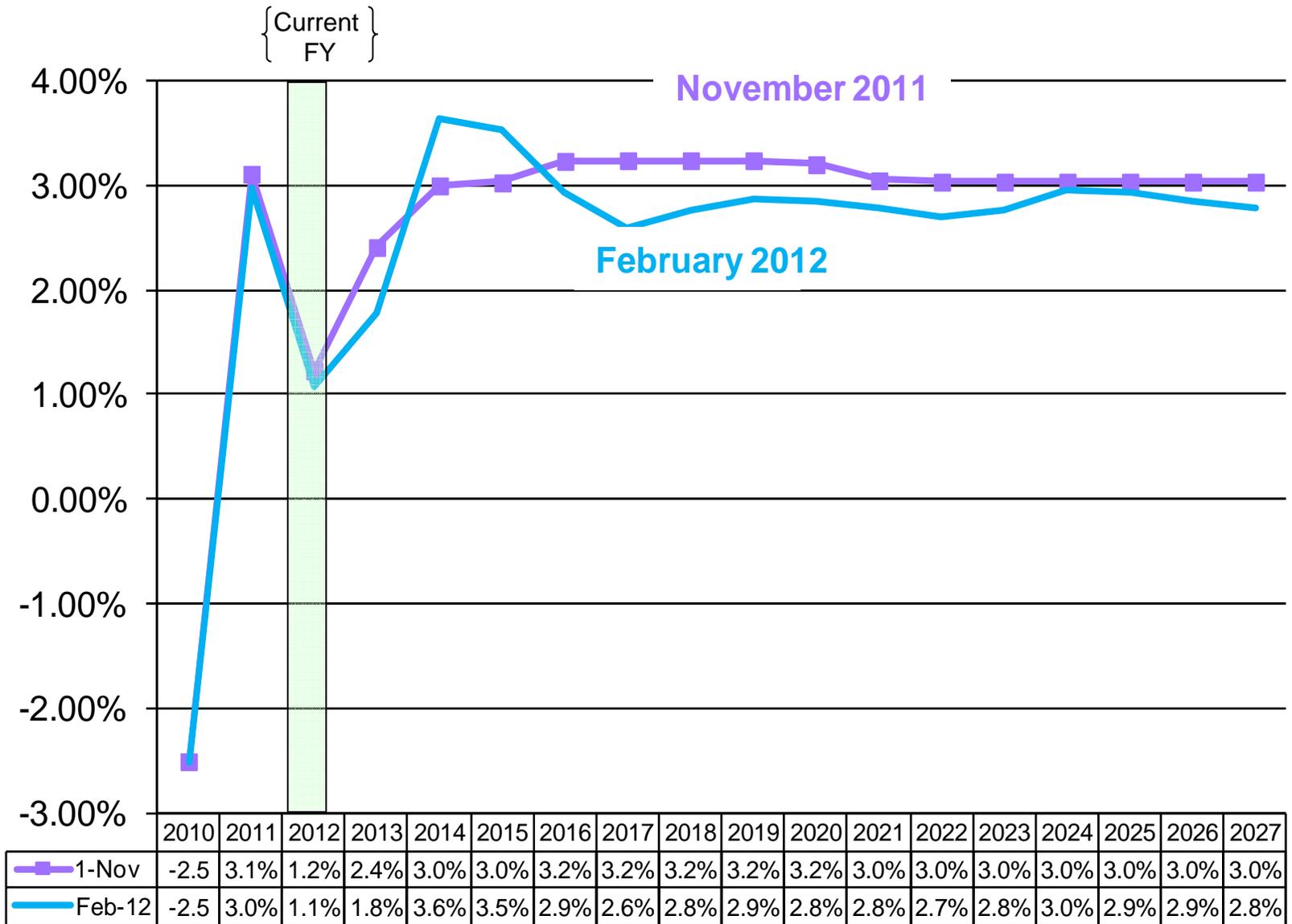
Current Forecast : \$4.264 billion increase of 4.6% over last biennium

- Overall revenue is up 0.2% forecast to forecast or (\$8.5 million)
- Largest share of change is higher gas tax collections, vehicle sales tax, ferry revenue and license, permits and fee revenue

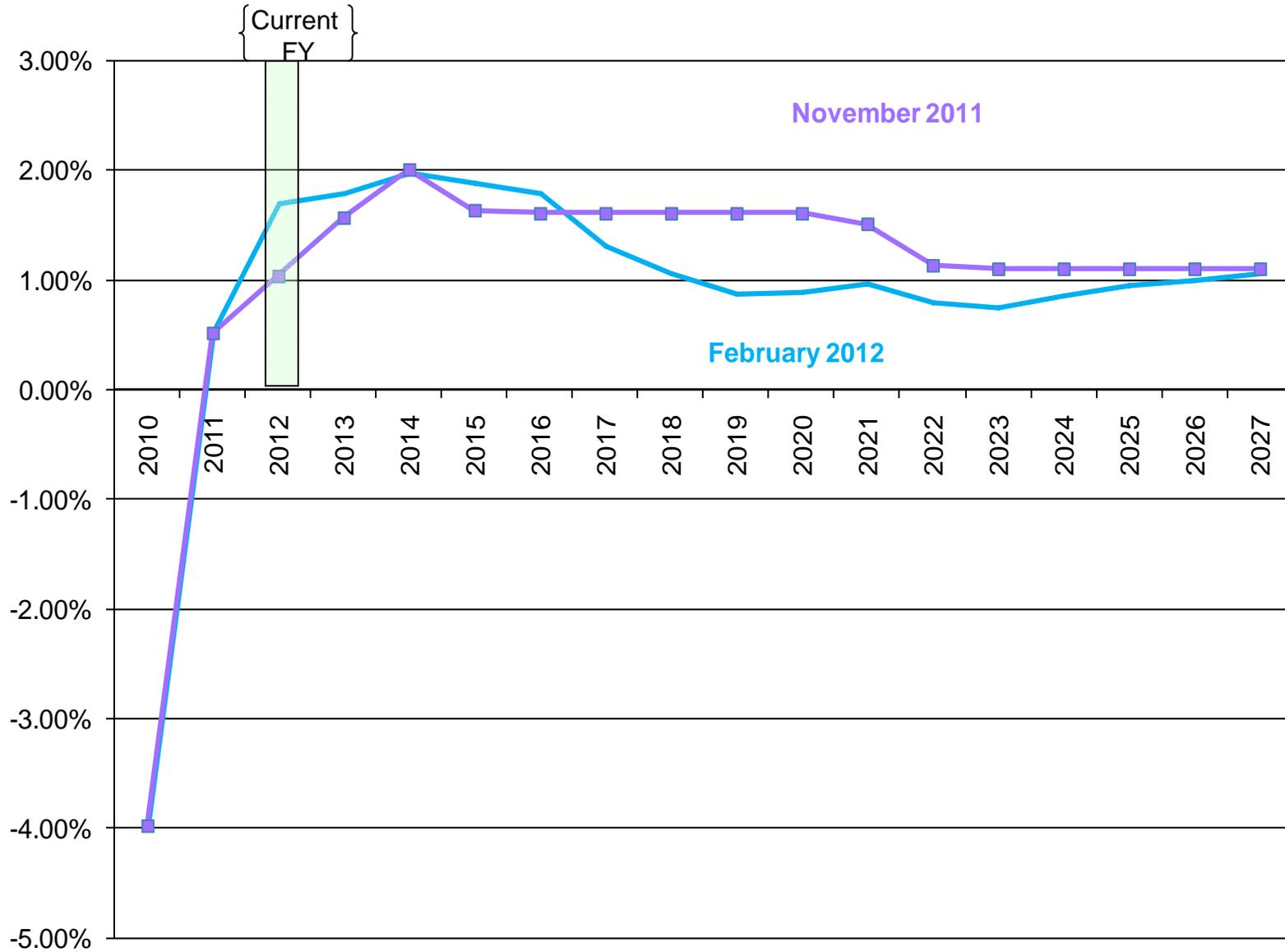
# Key Economic Variables Came in Stronger Since the Nov. 2011 Forecast

Economic Variables	Change from Nov forecast				
Washington Real Personal Income	Short-term (growth rates)		Long-term after 2015 (growth rates)		
Inflation	Up			Up slightly	
Fuel Prices	Gas: short and long term		Diesel: short and long-term		
Fuel Efficiency	No change				
Population	No change				
Employment	Growth rates are Up slightly in near-term		Long -term down (growth rates)		

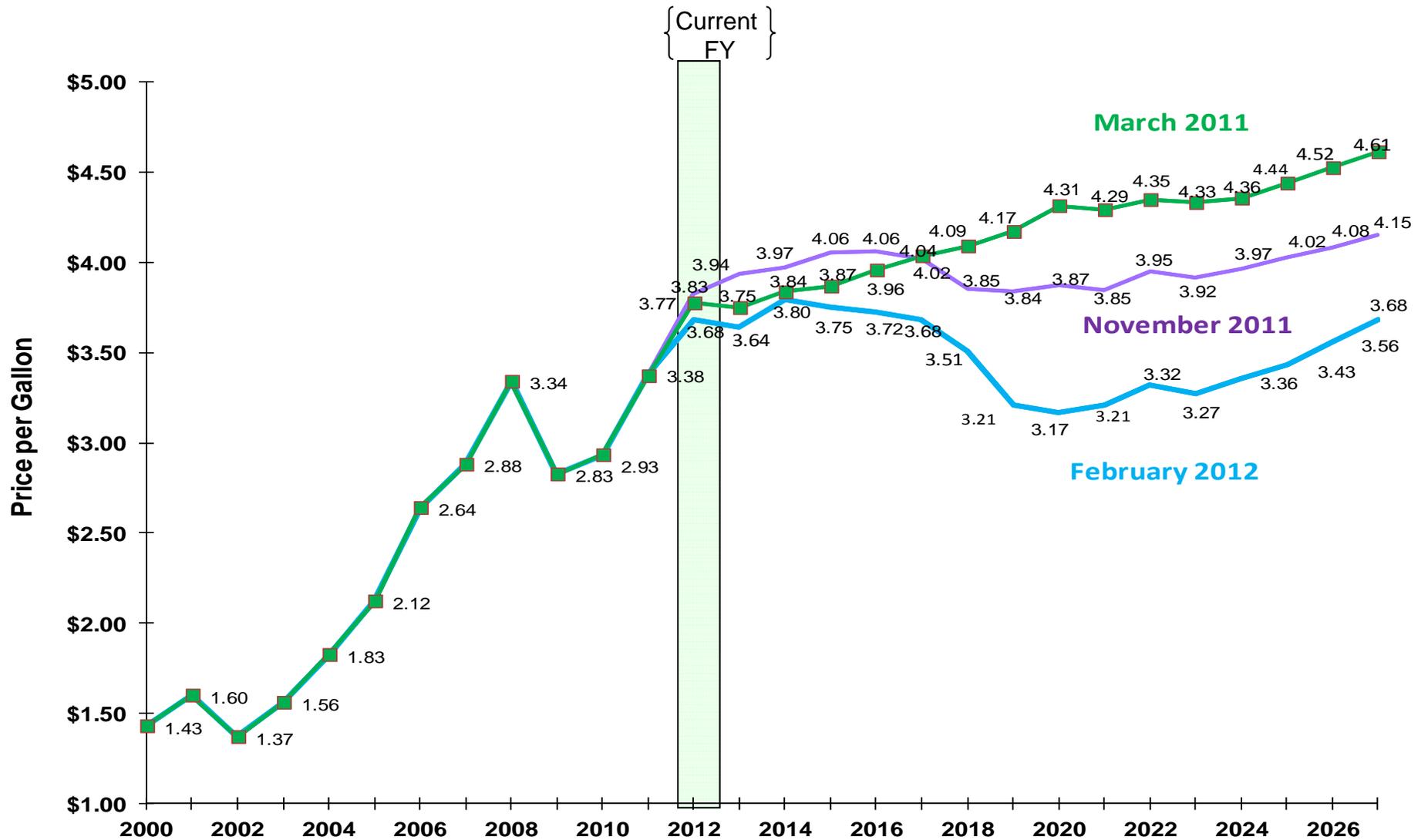
# Annual Growth Rates for Washington Real Personal Income Mixed - February 2012 vs. November 2011 Forecast



# Washington Nonfarm Payroll Employment Forecasts Mixed - February 2012 vs. November 2011



# Forecast **Down** for Washington Gasoline Prices; February vs. November vs. March 2011



# Most Recent Tax and Fee Collections Came in Stronger Than Projected

Transportation Revenue	Change from Nov forecast
Gas Tax 	\$6.6 million for past three months
Diesel Tax 	\$7.2 million for past three months
Basic Passenger Vehicle Fee 	\$0.6 million for past two months
Combined License Fee (Trucks) 	\$2.5 million for past two months
All other licenses, permits and fees 	\$0.9 million for past two months
Rental Car 	\$0.1 million for past three months
Motor Vehicle Sales Tax 	\$1.0 million for past three months
Ferry Farebox 	\$0.2 million for past three months

# February 2012 Revenue Projections are **Up** from November: Forecast to Forecast

February 2012 Forecast to Forecast Comparison of Transportation Revenues (Millions of Dollars)									
Revenue Sources	Current Biennium			Next Biennium			10-Year Period		
	2011-13			2013-15			(2011-2021)		
	Forecast Feb12	Chg from Nov11	Percent Change	Forecast Feb12	Chg from Nov11	Percent Change	Forecast Feb12	Chg from Nov11	Percent Change
Motor Vehicle Fuel Taxes	2,520	5.2	0.2%	2,577	16.6	0.6%	12,980	99.9	0.8%
Licenses, Permits and Fees	902	1.2	0.1%	928	0.6	0.1%	4,767	14.1	0.3%
All Other Sources	842	2.1	0.3%	937	4.1	0.4%	4,925	18.8	0.4%
<b>Total Revenues</b>	<b>4,264</b>	<b>8.5</b>	<b>0.2%</b>	<b>4,442</b>	<b>21.3</b>	<b>0.5%</b>	<b>22,672</b>	<b>132.8</b>	<b>0.6%</b>

Source: Figure 3 page 5 of the February 2012 Transportation Forecast Volume I: Summary Document

- February 2012 revenue forecast:
  - Projected 2011-13 biennium transportation revenue of \$4.26 billion is a 4.6% increase from 2009-11 biennium revenue.
  - The 2011-13 biennium is nearly no change with slight uptick of \$8.5 million over the November forecast.
    - Higher gas tax collections, LPF, ferry, toll, vehicle sales and other business related revenue in recent months raised revenue forecast.
  - Beginning in 2013-15 biennium, transportation revenue forecast is up even more \$21 million (0.5%) over last forecast.
    - \$17 million is due to high gas tax projections; vehicles sales taxes are up \$2.7 million; ferry revenue is up \$2.1 million
  - For the 10 year period from the November forecast:
    - Up \$133 million (0.6%) with \$100 million due to higher motor fuel taxes

# February 2012 Revenue Projections are **Up** from March: Forecast to Baseline (March 2011 Forecast)

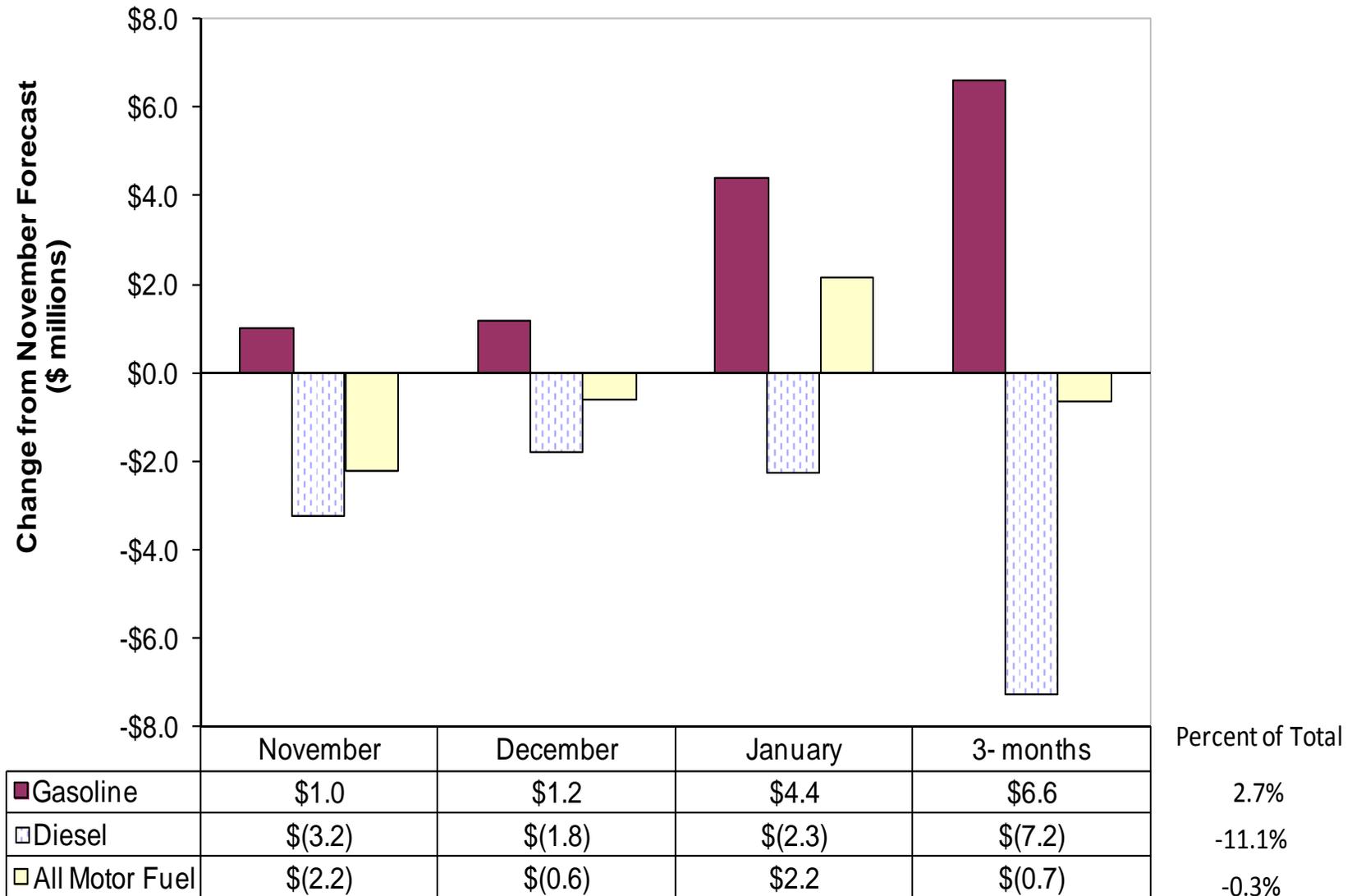
February 2012 Forecast to Baseline Comparison of Transportation Revenues (Millions of Dollars)									
Revenue Sources	Current Biennium 2011-13			Next Biennium 2013-15			10-Year Period (2011-2021)		
	Forecast Feb12	Chg from Baseline	Percent Change	Forecast Feb12	Chg from Baseline	Percent Change	Forecast Feb12	Chg from Baseline	Percent Change
Motor Vehicle Fuel Taxes	2,520	(11.9)	(0.5%)	2,577	(6.7)	(0.3%)	12,980	15.9	0.1%
Licenses, Permits and Fees	902	(13.4)	(1.5%)	928	(17.3)	(1.8%)	4,767	(79.9)	(1.6%)
All Other Sources	842	101.0	12.0%	937	152.1	16.2%	4,925	841.8	17.1%
<b>Total Revenues</b>	<b>4,264</b>	<b>75.7</b>	<b>1.8%</b>	<b>4,442</b>	<b>128.1</b>	<b>3.0%</b>	<b>22,672</b>	<b>777.8</b>	<b>3.6%</b>
<b>Total Revenues less SR520 toll revenue</b>	<b>4,174</b>	<b>(14.3)</b>	<b>(0.3%)</b>	<b>4,295</b>	<b>(18.7)</b>	<b>(0.4%)</b>	<b>21,889</b>	<b>(5.4)</b>	<b>(0.0%)</b>

Source: Figure 4 page 6 of the February 2012 Transportation Forecast Volume I: Summary Document ; Baseline is the March 2011 forecast

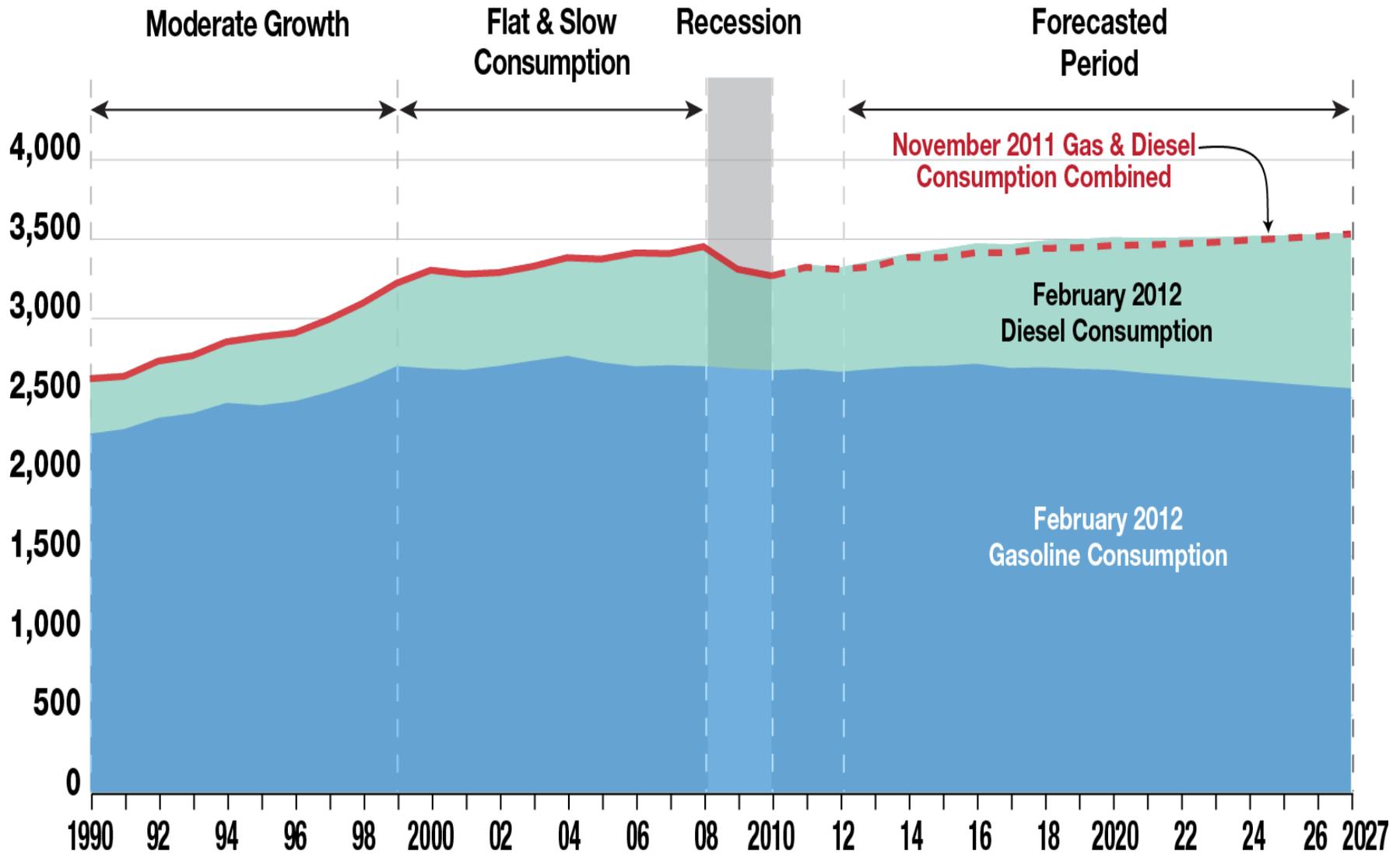
- February 2012 revenue forecast:

- The 2011-13 biennium is up \$75.7 million, 1.8%, over the March forecast due to addition of SR 520 toll revenue forecast
  - Forecast is down \$14.3 million from March if SR 520 toll revenue is excluded
  - Lower diesel tax and LPF revenue collections since March
- The 2013-15 biennium, transportation revenue forecasts have been increased by \$128 million compared to March due to the inclusion of the SR 520 toll forecast
  - Excluding the new toll revenue forecast, transportation revenues are down \$19 million from March due to the weaker economic variables.
- For the 10 year period since the March forecast
  - Down minimally \$5 million without the SR 520 toll revenue forecast

# Minor Change in Overall Gasoline and Diesel Tax Collections Since November 2011 Forecast



# Washington state gas and diesel consumption since 1990 With February 2012 and November 2011 Forecasts



# February 2012 Forecast of Fuel Taxes

- Current projections for motor vehicle fuel taxes are  in the near and long term

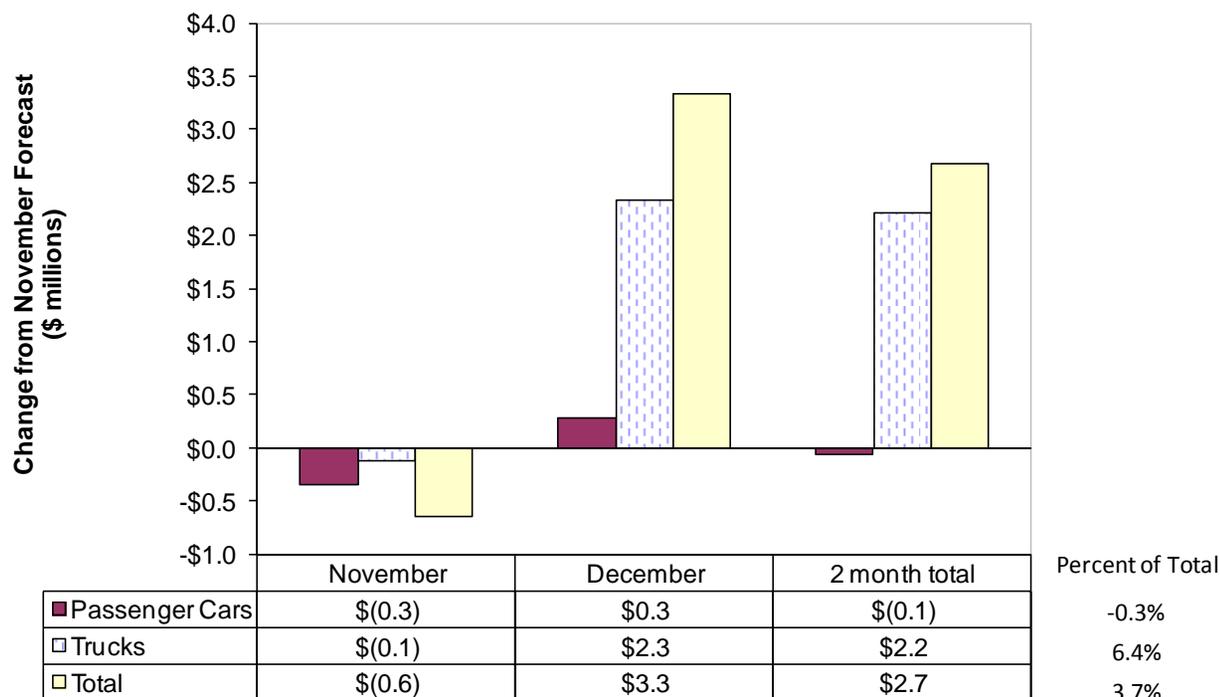
## 2011-13 biennium:

- Gross Gas Tax Revenue: 
  - Higher 2011-13 biennium projections by \$24.7 million (1.24%) than anticipated in November
  - The increase in gas tax revenue from the last forecast over the 10-year forecast horizon totaled \$213 million
- Gross Diesel Tax Revenue: 
  - Lower 2011-13 biennium projections of \$19.5 million (3.7%) than anticipated in November
  - The loss in diesel tax revenue grows over the 10-year forecast horizon for a total change of \$113 million from the November forecast
- Motor Fuel Tax Refunds: 
  - Higher 2011-13 biennium projections by \$12.5 million (9%) than anticipated in November

## 2013-15 biennium and beyond:

- Gross Motor Fuel Tax Revenue: 
  - Higher 2013-15 biennium projections of \$16.6 million (0.6%) than anticipated in November

# Uptick in License, Permits and Fee Revenue Since November 2011 Forecast



- Total projection for vehicle related licenses, permits and fee revenue is \$902 million in current biennium - **up** in current and future biennia:
  - \$ 1.2 million, 0.1% in the current 2011-13 biennium
  - \$14.1 million, 0.3% for the 10 year period from the November forecast
- Reasons for the increase in LPF revenue
  - Registrations and revenue collections in recent months have exceeded projections;
  - Higher personal income forecasts in fiscal years 2014 and 2015

# February Ferry Fare Revenues Are **Up** Due to Stronger Ridership and Economic Variable Projections 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 February is higher than in November due to several factors
  - Ridership coming in higher than projected overall for the past three months
  - Stronger economic variables in the near-term and lower fuel prices
- Farebox and Capital Surcharge Revenue (2011-13 biennium: \$314.5 million)
  - \$1.9 million, 0.6%, for the 2011-13 biennium
  - \$2.4 million, 0.7%, for the 2013-15 biennium
- Ferry Miscellaneous Revenue (2011-13 biennium: \$6.4 million)
  - \$0.4 million, 6%, for the 2011-13 biennium
  - \$0.3 million, 4%, for the 2013-15 biennium

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 Mixed With Some **Up** and Others **Down** From the November 2011 Forecast

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- **Aeronautics Revenue** (2011-13 biennium: \$5.9 million)
  -  No change for the current biennium
  -  \$0.1 million, 1.0%, for the 2013-15 biennium
- **Rental Car Taxes** (2011-13 biennium: \$48.0 million)
  -  \$0.4 million (0.7%) for the current biennium
  -  \$0.3 million (0.3%) for the 2013-15 biennium
- **Vehicle Sales Tax** (2011-13 biennium: \$60.9 million)
  -  \$2.5 million (4.3%) for the current biennium
  -  \$2.7 million (4.1%) for the 2013-15 biennium

- **Business/Other Revenue** (2011-13 biennium: \$17.5 million)
  -  \$0.1 million, 0.5%, in the current biennium
  -  \$0.1 million, 0.6%, in the 2013-15 biennium
- **Driver-Related Fees** (2011-13 biennium: \$203.3 million)
  -  \$0.3 million (0.1%) for the current biennium
  -  \$0.9 million (0.4%) for the 2013-15 biennium

# Current Forecast of Toll Revenues is **Nearly No Change** From November and Consistent With Financial Plans

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## Toll Revenue

- Total toll revenue and other sales and fee revenue is projected to be \$186.3 million in 2011-13 biennium:
  -  \$1 million , (0.7%) in the current biennium
    - \$ 0.5 million increase in TNB revenue
    - \$ 0.1 million increase in SR 167 HOT lanes revenue
    - \$ 1.8 million decline in SR 520 revenue which reflects customer-initiated payment discounts for opening Good-To-Go accounts that had already been included in other financial plans
  -  \$2 million, 0.2% for the 10 year forecast horizon
    - Due to higher TNB fee revenue from including two new fees in the baseline forecast
      - \$5 late fee on the second statement
      - \$0.25 / transaction fee on pay by plate transactions

# Questions?

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

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