

# June 2011 Transportation Revenue Forecast

**Paula J. Hammond, P.E.**  
Secretary

**David L. Dye, P.E.**  
Deputy Secretary

**Steve Reinmuth**  
Chief of Staff

**Doug Vaughn**  
Director  
Budget & Financial Analysis

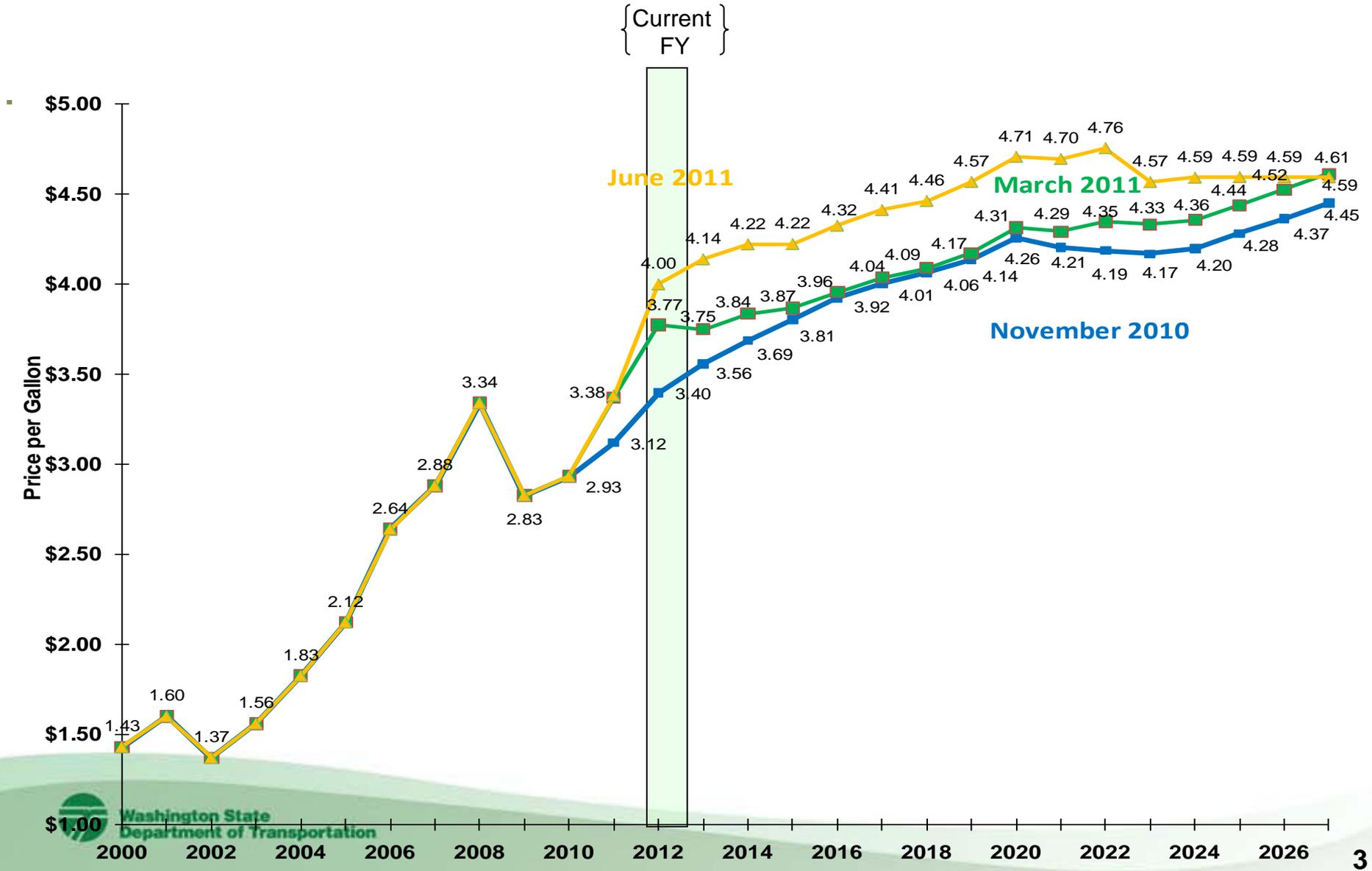
**Lizbeth Martin-Mahar**  
Assistant Director  
Economic Analysis

**Washington State Transportation Commission**  
**July 20, 2011**

# Key Economic Variables Have Minor Changes Since the March 2011 Forecast

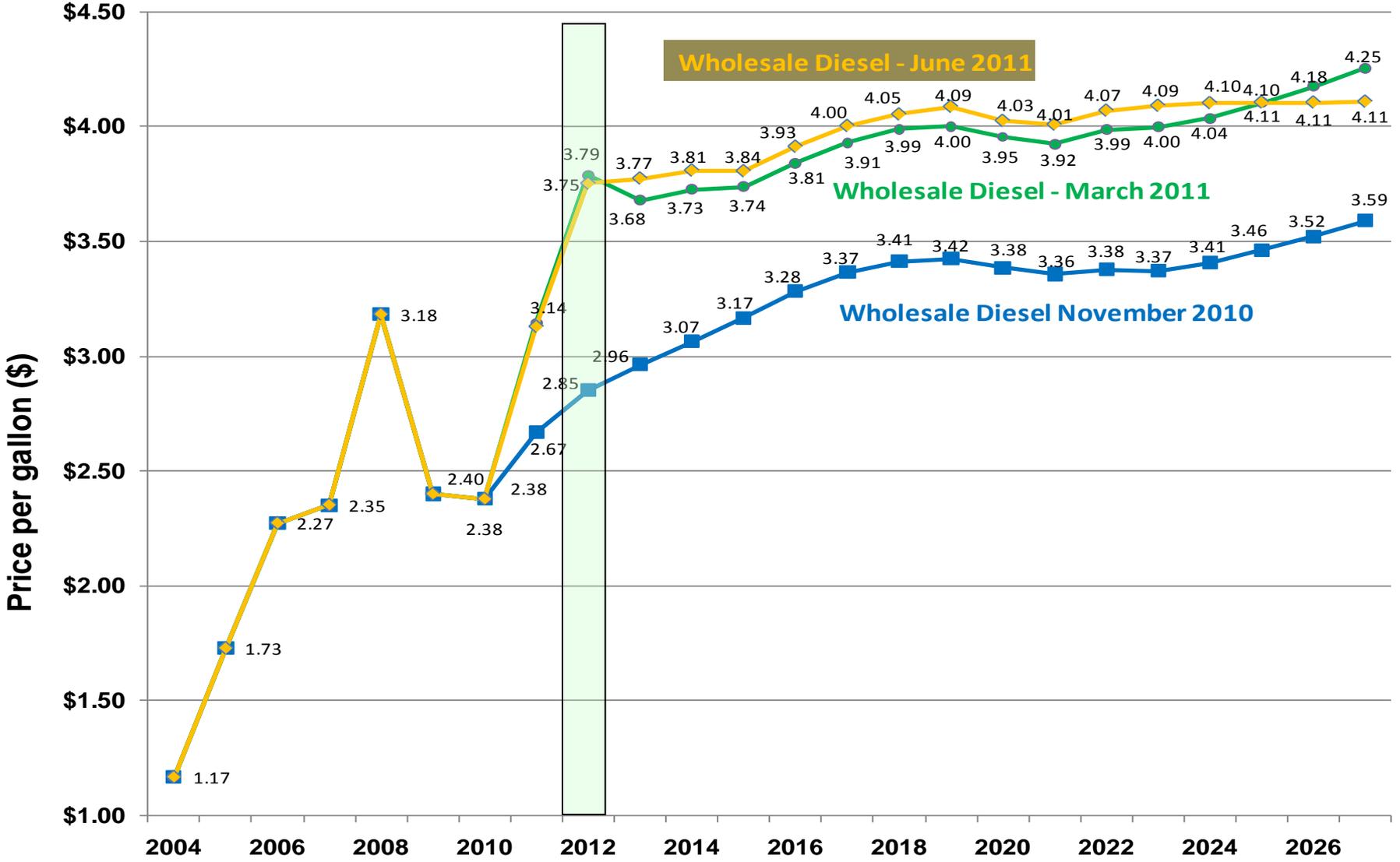
Economic Variables	Change from March forecast	
Washington Real Personal Income	Short-term (growth rates) 	Long-term (growth rates) 
Inflation	Up (due to higher fuel and food prices) 	Down slightly 
Fuel Prices	Gas: short and long term 	Diesel: short and long-term 
Fuel Efficiency	No change 	
Population	Generally growth rates are 	
Employment	Growth rates are Down slightly in near-term 	Growth rates are Up slightly in long-term 

# Forecast **Up** for Washington Gasoline Prices; June vs. March 2011 vs. November 2010



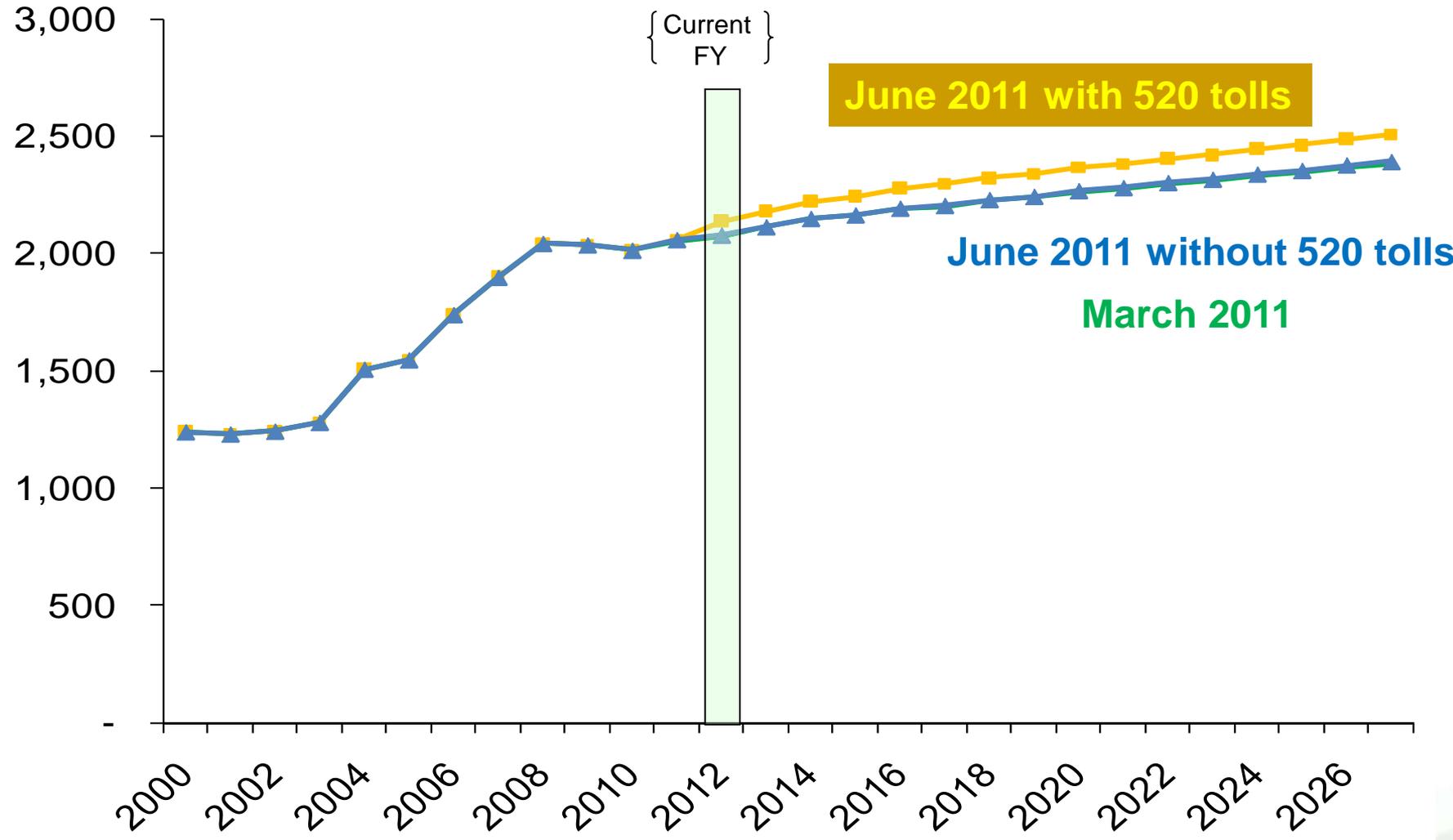
# Forecast **Up** of Washington Wholesale Diesel Prices; June vs. March 2011 vs. November 2010

{ Current FY }



# June 2011 Transportation Revenue Projections are From the Last Forecast Mainly Due to the Inclusion of the SR 520 Toll Forecast

Millions of Dollars



# June 2011 Revenue Projections are Up Slightly from March: Forecast to Forecast

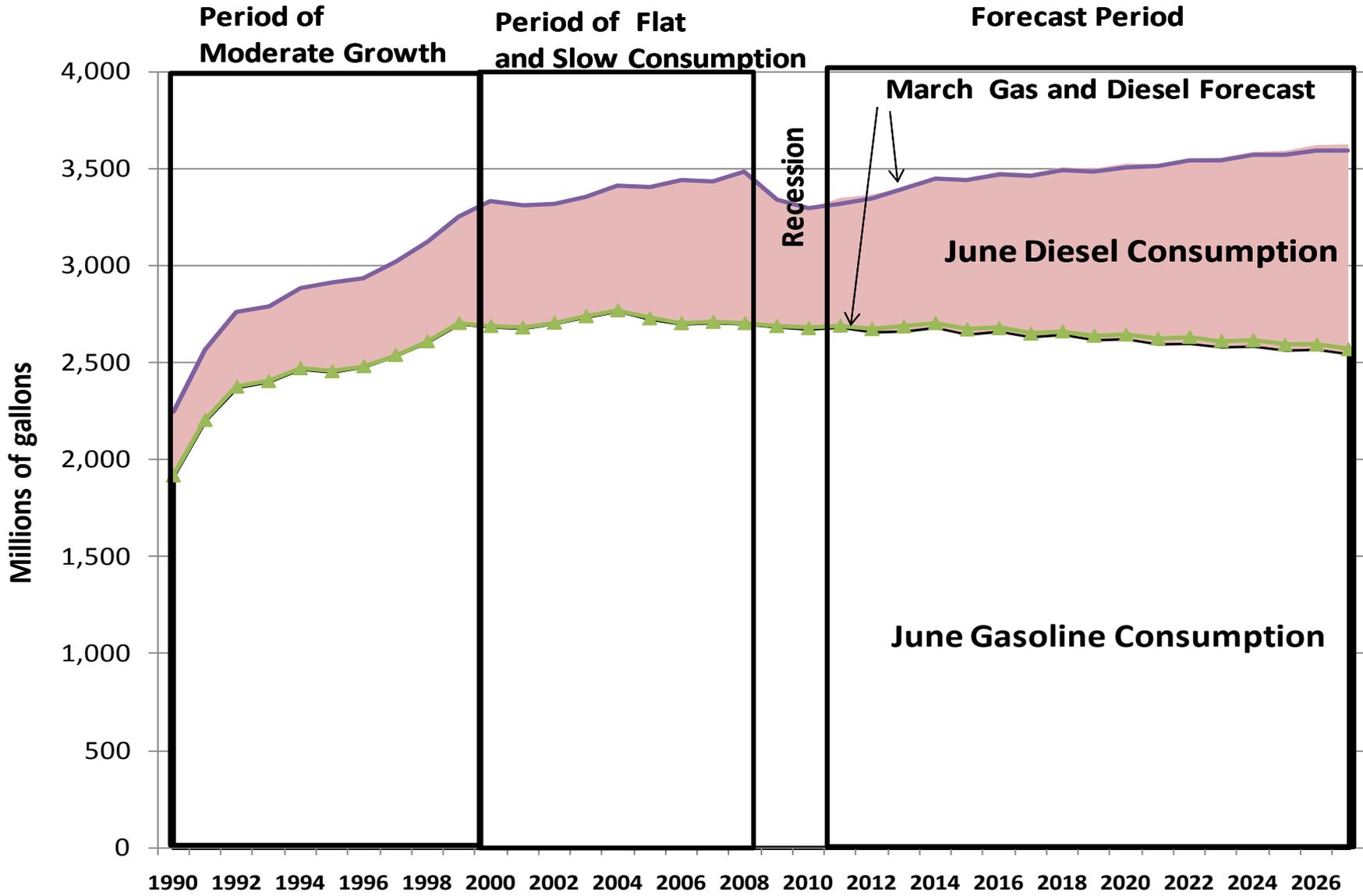
## June 2011 Forecast to Forecast Comparison of Transportation Revenues (Millions of Dollars)

Revenue Sources	Last Biennium			Current Biennium			10-Year Period		
	2009-11			2011-13			(2011-2021)		
	Forecast June11	Chg from March11	Percent Change	Forecast June11	Chg from March11	Percent Change	Forecast June11	Chg from March11	Percent Change
Motor Vehicle Fuel Taxes	2,492	12.4	0.5%	2,542	10.4	0.4%	13,019	55.0	0.4%
Licenses, Permits and Fees	870	(3.6)	(0.4%)	912	(3.3)	(0.4%)	4,834	(12.6)	(0.3%)
All Other Sources	710	1.4	0.2%	866	124.5	14.4%	4,923	839.3	17.0%
<b>Total Revenues</b>	<b>4,072</b>	<b>10.2</b>	<b>0.3%</b>	<b>4,320</b>	<b>131.6</b>	<b>3.1%</b>	<b>22,776</b>	<b>881.7</b>	<b>4.0%</b>
<b>Total Revenues less SR520 toll revenue</b>	<b>4,072</b>	<b>10.2</b>	<b>0.3%</b>	<b>4,194</b>	<b>5.6</b>	<b>0.1%</b>	<b>21,932</b>	<b>37.6</b>	<b>0.2%</b>

Source: Figure 3 page 5 of the June 2011 Transportation Forecast Volume I: Summary Document

- June 2011 revenue forecast:
  - Projected 2009-11 biennium transportation revenue of \$4.07 billion is a decline from 2007-09 biennium revenue by 0.2%.
  - The 2009-11 biennium is up \$10 million, 0.3%, over the March forecast.
    - Higher diesel tax collections raised overall motor fuel revenue forecast.
  - Beginning in 2011-13 biennium, prelim. SR 520 toll revenue forecast is included for the entire biennium. Without SR 520 toll revenue, the June forecast is up only \$5.6 million or 0.1%.
  - For the 10 year period from the March forecast:
    - Up \$881.7 million with the SR 520 toll revenue forecast
    - Up \$37.6 million, 0.2%, without the SR 520 toll revenue forecast

# Fuel Consumption Since 1990 With June vs. March 2011 Projections: Down Slightly for Gas and Up for Diesel



# June 2011 Forecast of Fuel Taxes

- Current projections for total motor vehicle fuel taxes are  in the near-term and long-term
- **Actual fuel consumption came in above forecast (3 months March-May):**
  - Gasoline tax collections: under forecast by \$1.5 million
  - Diesel fuel tax collections: above forecast by \$13 million
  - Total fuel tax collections: up \$11.6 million (3.9%) from March forecast
- **In the 2009-11 biennium:**
  - Gas tax revenue was \$2 billion which was down by \$1.8 million from the last forecast
  - Diesel tax revenue was \$483.5 million which was up by \$14.2 million from March
- **2011-13 biennium and beyond:**
  - Gas Tax Revenue: 
    - Lower 2011-13 biennium projections of \$11.7 million than anticipated in March
    - The loss in gas tax revenue from the last forecast over the 10-year forecast horizon totaled \$61 million
  - Diesel Tax Revenue: 
    - Higher 2011-13 biennium projections of \$22.1 million than anticipated in March
    - The gain in diesel tax revenue grows over the 10-year forecast horizon for a total change from the March forecast of \$116 million

# June 2011 Forecast of Licenses, Permits and Fees and Ferry Revenues are both **Down** Slightly From March

## Licenses, Permits and Fee Revenue

- Total projection for vehicle related licenses, permits and fee revenue is \$870 million in current biennium - **down** in current and future biennia:
  -  \$3.6 million, (0.4%) for the 2009-11 biennium
  - \$3.3 million, (0.4%) in the current 2011-13 biennium
  - \$12.6 million, (0.3%) for the 10 year period from the March forecast
- Reason for the decrease in LPF revenue
  - Truck registrations and revenues in recent months have not met projections which lowered the near-term forecast
  - Lower real personal income growth rates decreased the forecast in the near –term

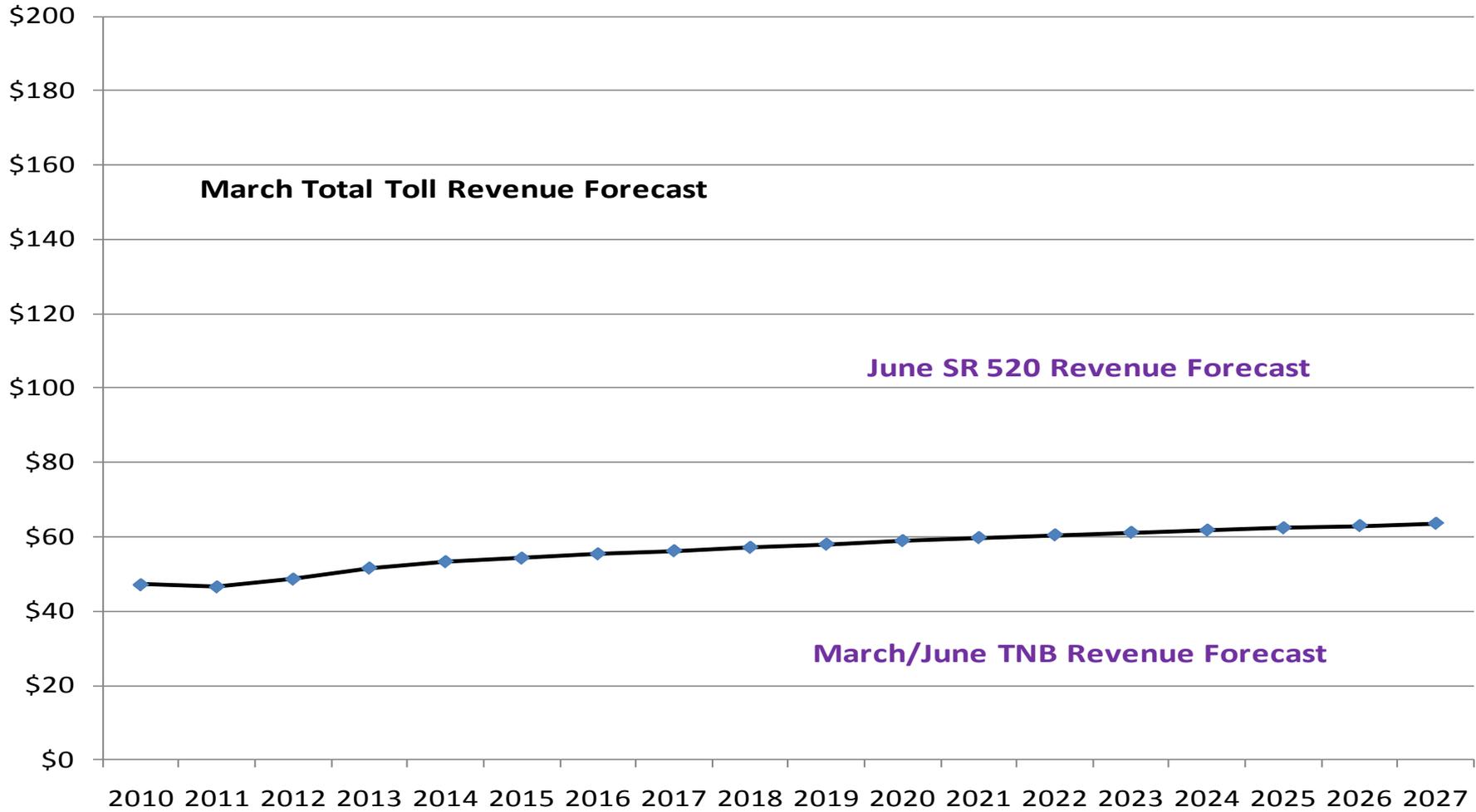
---

## Baseline Ferry Revenue

- Total ferry farebox and miscellaneous revenue is \$300.3 million in 2009-11 (excludes 25 cent capital surcharge):
  -  \$0.1 million, (0.01%) for the 2009-11 biennium
  - \$5.2 million, (1.7%) in the current 2011-13 biennium
  - \$18.4 million, (1.1%) for the 10 year period from the March forecast
- Reason for the decrease in Ferry revenue
  - Slightly vehicle/driver ridership came in lower in recent months than prior projections
  - Incorporates lower economic variable projections and ridership
- If enacted - Capital Surcharge Revenue: 2011-13 biennium projection of \$6.38 million

# June 2011 Total Toll Revenue Projections are Nearly the Same as in March Except for the Inclusion of the SR 520 Toll Forecast

Millions of Dollars



# Other Components of Transportation Revenue Are Up Slightly or Nearly No Change From the March 2011 Forecast

- **Aeronautics Revenue** (2009-11 biennium: \$5.5 million)
  - ↑ \$6,800 (0.1%) for the 2009-11 biennium
  - ↑ \$0.02 million (0.2%) for the 2011-13 biennium
- **Rental Car Taxes** (2009-11 biennium: \$44.5 million)
  - ↑ \$0.3 million (0.8%) for the 2009-11 biennium
  - ↑ \$0.5 million (1.1%) for the 2011-13 biennium
- **Vehicle Sales Tax** (2009-11 biennium: \$54.4 million)
  - ↑ \$0.3 million (0.6%) for the 2009-11 biennium
  - ↑ \$0.8 million (1.3%) for the 2011-13 biennium
- **Business/Other Revenue** (2009-11 biennium: \$12.4 million)
  - ↑ \$0.09 million (0.7%) in the 2009-11 biennium
  - ↑ \$0.1 million (1.1%) in the 2011-13 biennium
- **Driver-Related Fees** (2009-11 biennium: \$200.6 million)
  - ↑ \$0.8 million (0.4%) for the 2009-11 biennium
  - ↑ \$1.4 million (0.7%) for the 2011-13 biennium

# Questions?

If you have questions, or want additional information on the June 2011 Revenue Forecast, please contact:

Doug Vaughn, Director of Budget and Financial Analysis,  
at (360) 705-7401 or [VaughnD@wsdot.wa.gov](mailto:VaughnD@wsdot.wa.gov)