

# *Transportation Funding*

*Transportation Implementation Working Group*

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# Overview of Transportation Revenues

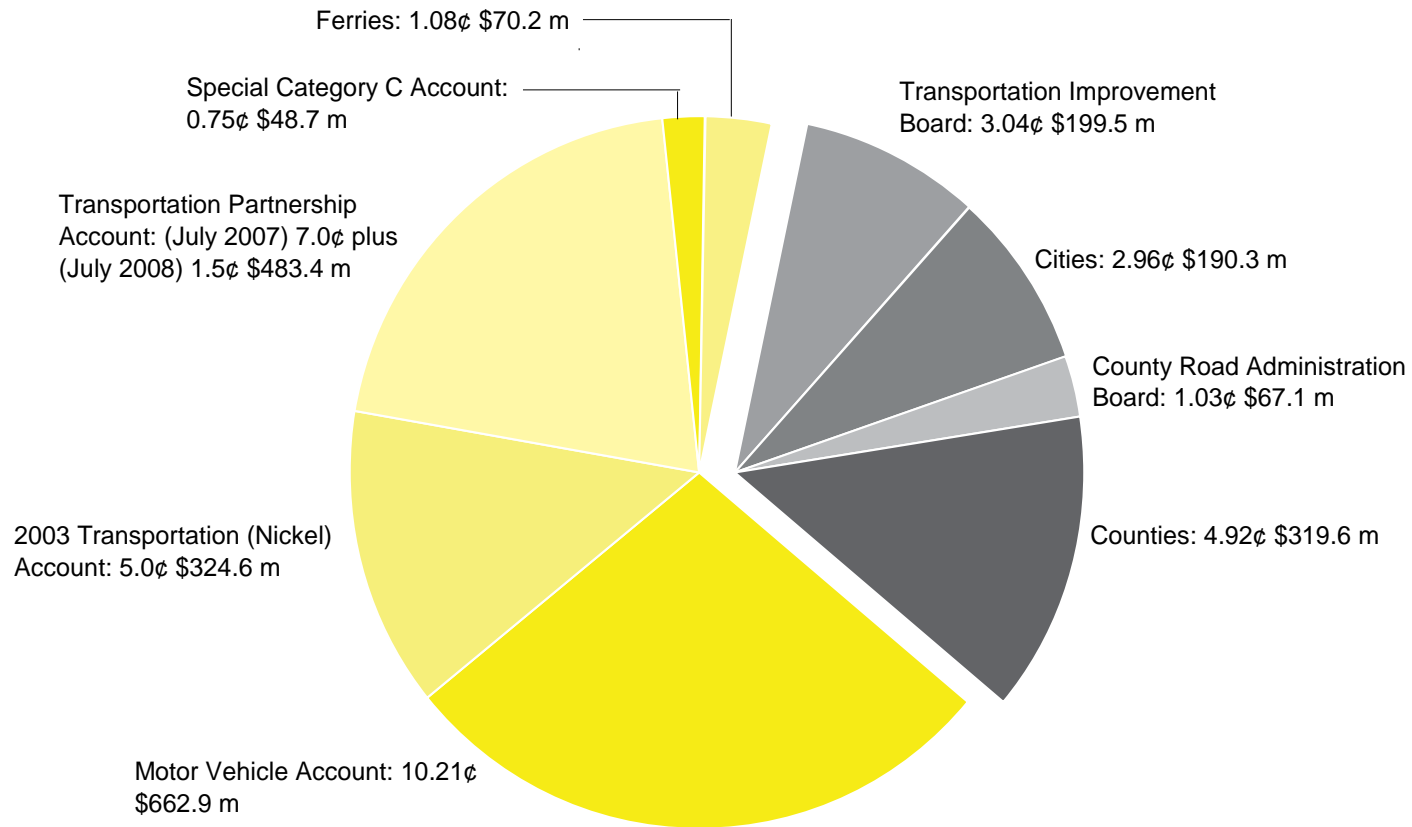
## Major Transportation Revenues:

- Gas Tax
- Licenses, Permits, and Fees
- Ferry Fares
- Toll Revenue

# Gas Tax Revenue Distribution

**2007-2009 Biennium 36¢-37.5 ¢ Gas Tax Revenue Distribution \$2,366.3 million**

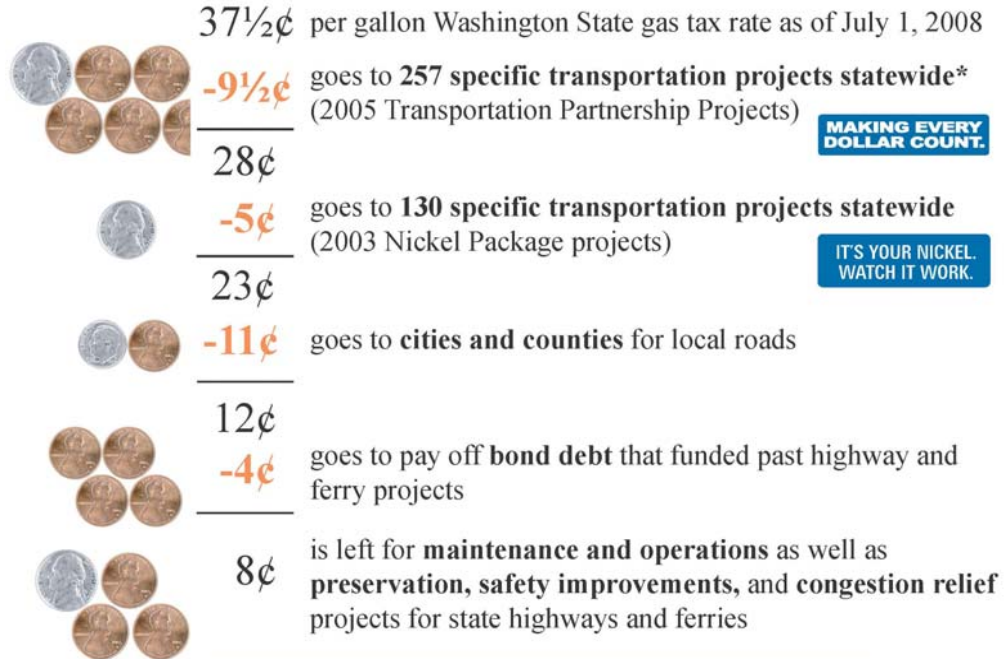
*By July 2008, all of the 9.5¢ gas tax enacted by the 2005 Legislature (1.5¢ increase in July 2008) will be implemented (8.5¢ to the Transportation Partnership Account, 0.5¢ to counties and 0.5¢ to cities).*



Gas Tax Revenue Distribution based on the June 2008 Transportation Revenue Forecast

*Totals may not add due to rounding*

# Where does the gas tax go?



## How much does the state gas tax cost you each year?

If you drive 12,000 miles a year:

| Miles per gallon | Base 23¢ Gas Tax | 2003 5¢ Gas Tax* | 2005 9.5¢ Gas Tax | Total Annual State Gas Tax |
|------------------|------------------|------------------|-------------------|----------------------------|
| 30               | \$92             | \$20             | \$38              | <b>\$150</b>               |
| 20               | \$138            | \$30             | \$57              | <b>\$225</b>               |
| 10               | \$276            | \$60             | \$114             | <b>\$450</b>               |

\*The nickel tax will be eliminated when all bonds associated with it have been paid. This will occur about 25 years after the last bond issue is sold. (according to the current financial plan the tax will be eliminated sometime in 2046)

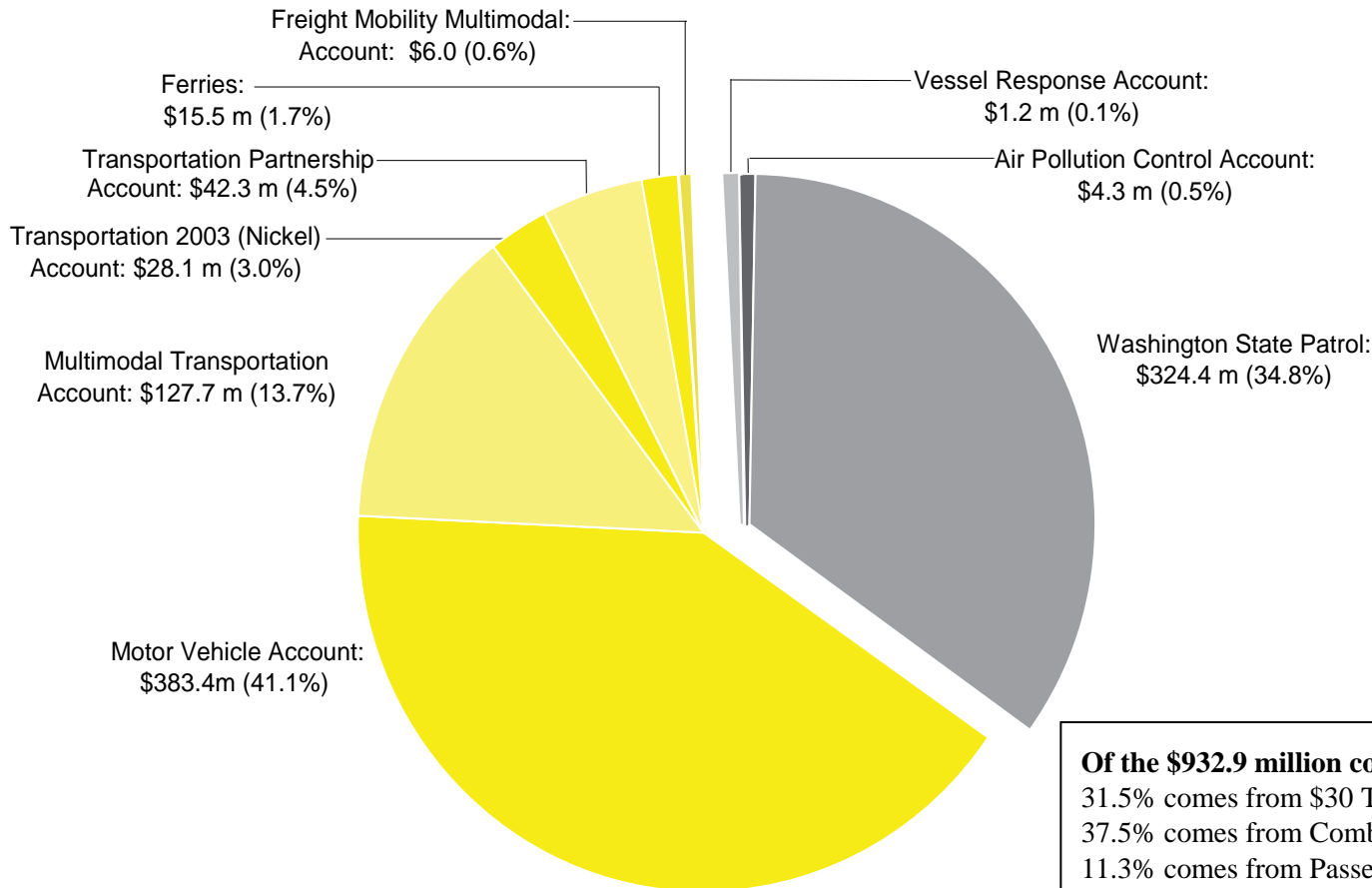
\*Of the 9½ cents, 8½ cents is used by the state for highway projects, 1 cent goes to cities and counties for improvements to streets and roads.

The 2003 Funding Package funded 160 projects statewide. 130 projects are funded through the nickel gas tax, the other 30 projects utilize multimodal funds provided from increases in various licenses, permits, and fees, as well as an increase to the sales tax on new and used vehicles.

The 2005 Funding Package funded 274 projects statewide. 257 projects are funded through the 9.5¢ gas tax increase, the remaining 17 are funded through the multimodal program from increases to various licenses, permits, and fees as well as a vehicle weight tax.

# License, Permits, and Fees Distribution

2007-2009 Biennium Licenses, Permits, and Fees \$932.9 million



**Of the \$932.9 million collected:**

- 31.5% comes from \$30 Tab Fees
- 37.5% comes from Combined License Fees
- 11.3% comes from Passenger Vehicle Weight Fees
- 19.6% comes from Other Licenses Permits or Fees

WSDOT Receives 64.6% of all License Permits and Fees collected

LPF Revenue Distribution based on the June 2008 Transportation Revenue Forecast

Totals may not add due to rounding

# Ferry Facts

| 2007 Ferry Statistics     |              |
|---------------------------|--------------|
| Number of Vessels*        | 28           |
| Ports of Call (Terminals) | 20           |
| Number of Routes          | 10           |
| Passengers Carried        | 13.0 million |
| Vehicles and Driver       | 10.7 million |
| Gallons of Fuel Used      | 17.2 million |
| Trips Scheduled           | 167,355      |

\* 20 boats are currently in service

## 2008 Summer Ferry Fare Rates

| Fare Description*                  | Mukilteo to Clinton | Seattle Pier 52 to Bainbridge Island | Anacortes to Friday Harbor |
|------------------------------------|---------------------|--------------------------------------|----------------------------|
| Passenger - Adult (age 19-64)      | \$3.95              | \$6.70                               | \$11.85                    |
| Passenger - Senior (age 65 & over) | \$1.95              | \$3.35                               | \$5.90                     |
| Passenger - Youth (age 6-18)       | \$3.20              | \$5.40                               | \$9.50                     |
| Multi-Ride Commuter Card           |                     |                                      |                            |
| Passenger Only **                  | \$31.60             | \$53.60                              | \$71.20                    |
| Vehicle Under 20' & Driver         | \$8.60              | \$14.45                              | \$46.15                    |
| Multi-Ride Commuter Card           |                     |                                      |                            |
| Vehicle Under 20' & Driver ***     | \$109.60            | \$184.80                             | \$142.15                   |
| Motorcycle & Driver                | \$3.70              | \$6.25                               | \$19.95                    |

\*All fares are quoted as one-way.

\*\*Multi Ride Passenger Commuter card, all routes listed - 10 rides

\*\*\* Multi Ride Vehicle Commuter card: Mukilteo to Clinton, Seattle Pier 52 to Bainbridge Island - 20 rides, Anacortes to Friday Harbor 5 Rides



## 2007 Ridership by Route

| Route                         | Ridership         |
|-------------------------------|-------------------|
| Anacortes-InterIsland-Sidney  | 134,417           |
| Anacortes-San Juans           | 1,721,540         |
| Port Townsend-Keystone        | 688,616           |
| Mukilteo-Clinton              | 4,036,352         |
| Edmonds-Kingston              | 4,292,762         |
| Tahlequah-Point Defiance      | 652,376           |
| Fauntleroy-Vashon-Southworth  | 3,138,578         |
| Seattle-Vashon-Passenger Only | 125,024           |
| Seattle Bainbridge Island     | 6,412,504         |
| Seattle - Bremerton           | 2,498,756         |
| Seattle-Port Townsend*        | 8,172             |
| <b>Total Ridership</b>        | <b>23,709,097</b> |

\* This was a temporary route and is no longer in service

## For 2007-2009

Estimated Ferry Fare Revenue: \$295 million  
 Farebox Fares cover about 68% of operating expenses.

# Toll Revenue



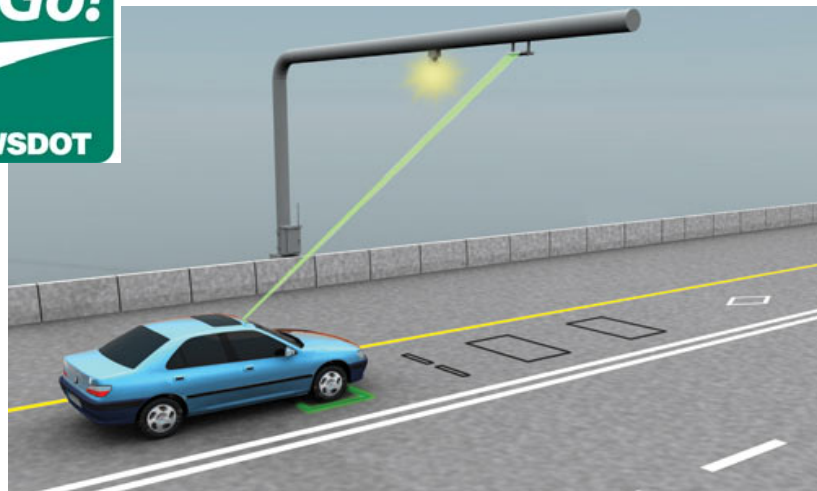
Current Toll rates for the Tacoma Narrows Bridge:  
\$4.00 per vehicle, round trip  
\$2.75 per vehicle with *Good To Go!* transponder, round trip

## For 2007-2009

Estimated Toll Revenue: \$75 million  
Estimated Debt Service: \$41.6 million  
Estimated Operating Costs: \$32.5 million



Future toll facilities will also use *Good To Go!* transponders. The SR 167 Hot lanes, opened in 2008 and also uses the *Good To Go!* transponders to collect tolls.



# Forecast Comparison

**Current Forecast and Legislative Baseline Comparison for Transportation Revenues**  
**June 2008 • millions of dollars**

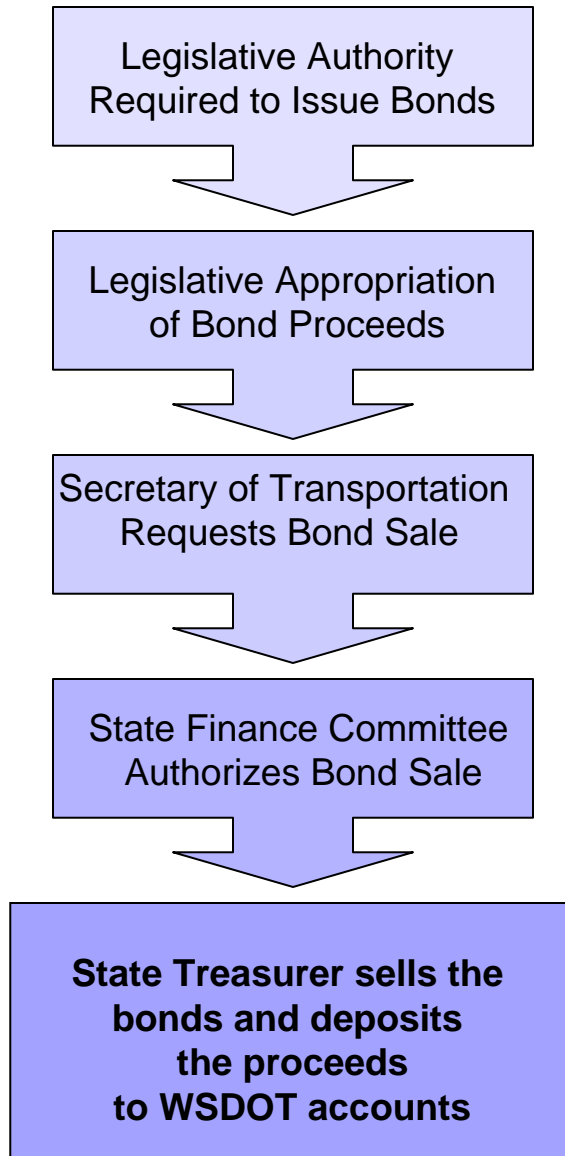
|                            | Current Biennium<br>2007-09 |                             |                                       | 2009-11               |                             |                                       | 16-Year Period<br>(2007-2023) |                             |                                       |
|----------------------------|-----------------------------|-----------------------------|---------------------------------------|-----------------------|-----------------------------|---------------------------------------|-------------------------------|-----------------------------|---------------------------------------|
|                            | June 2008<br>Forecast       | Change<br>from<br>Baseline* | Percent<br>Change<br>from<br>Baseline | June 2008<br>Forecast | Change<br>from<br>Baseline* | Percent<br>Change<br>from<br>Baseline | June 2008<br>Forecast         | Change<br>from<br>Baseline* | Percent<br>Change<br>from<br>Baseline |
| <b>Sources of Revenue</b>  |                             |                             |                                       |                       |                             |                                       |                               |                             |                                       |
| Motor Vehicle Fuel Taxes   | 2,532                       | (55)                        | -2.1%                                 | 2,703                 | (95)                        | -3.4%                                 | 24,121                        | (503)                       | -2.0%                                 |
| Licenses, Permits and Fees | 933                         | (8)                         | -0.9%                                 | 967                   | (15)                        | -1.5%                                 | 8,422                         | (107)                       | -1.3%                                 |
| Ferry Fares†               | 295                         | (7)                         | -2.2%                                 | 320                   | (9)                         | -2.6%                                 | 3,178                         | (59)                        | -1.8%                                 |
| Toll Revenue               | 75                          | (2)                         | -2.5%                                 | 120                   | (7)                         | -5.2%                                 | 1,329                         | (17)                        | -1.2%                                 |
| Aeronautics Revenues       | 5.89                        | (0.1)                       | -2.3%                                 | 6                     | (0.2)                       | -3.6%                                 | 53                            | (1)                         | -1.8%                                 |
| Rental Car Tax             | 47                          | 0.2                         | 0.5%                                  | 47                    | (2)                         | -3.5%                                 | 486                           | (8)                         | -1.5%                                 |
| Vehicle Sales Tax          | 69                          | (5)                         | -6.8%                                 | 73                    | (8)                         | -9.8%                                 | 747                           | (17)                        | -2.2%                                 |
| Driver Licenses and Other  |                             |                             |                                       |                       |                             |                                       |                               |                             |                                       |
| Driver-Related Fees        | 153                         | (1)                         | -0.9%                                 | 162                   | (3)                         | -1.7%                                 | 1,369                         | (15)                        | -1.1%                                 |
| Miscellaneous Revenues     | 22                          | 2                           | 10.4%                                 | 21                    | 1                           | 3.4%                                  | 192                           | 12                          | 6.5%                                  |
| <b>Total Revenues</b>      | <b>4,134</b>                | <b>(76)</b>                 | <b>-1.8%</b>                          | <b>4,419</b>          | <b>(137)</b>                | <b>-3.0%</b>                          | <b>39,897</b>                 | <b>(714)</b>                | <b>-1.8%</b>                          |

\* 08LEG - Conference draft 4/15/08

† Scenario #2 – 2.5% fare increases each October, 2009 through 2024.

Components may not add due to rounding.

# The Bonding Process



Bonding authorizations require 60% majority vote of the legislature.

The Legislature also must appropriate the bond proceeds to programs and expected projects.

The Secretary of Transportation requests a bond sale when proceeds are needed based on a detailed cash flow analysis. In the recent past, bond sales have occurred twice each year.

The State Finance Committee authorizes the sale of the bonds.

Bonds are sold and the proceeds are directed to the proper WSDOT account by the State Treasurer.

# Authorization Amounts

**The 2008 Enacted Supplemental Budget includes \$1.8 billion in bonds for transportation capital projects.**

- ✓ \$17 million bond sale for the Tacoma Narrows Bridge.
- ✓ \$105 million bond sale for Washington State Ferries.
- ✓ \$825 million bond sale for the 2003 Transportation (Nickel) Account specified projects.
- ✓ \$144.5 million in State General Obligation (GO) bonds for the Multimodal Account.
- ✓ \$740 million bond sale for the 2005 Transportation Partnership Account specified projects.
- ✓ \$ 21 million bond sale for Special Category C Highway Projects

## 2008 Legislative 16-Year Bond Sale Plan

*Millions of dollars*

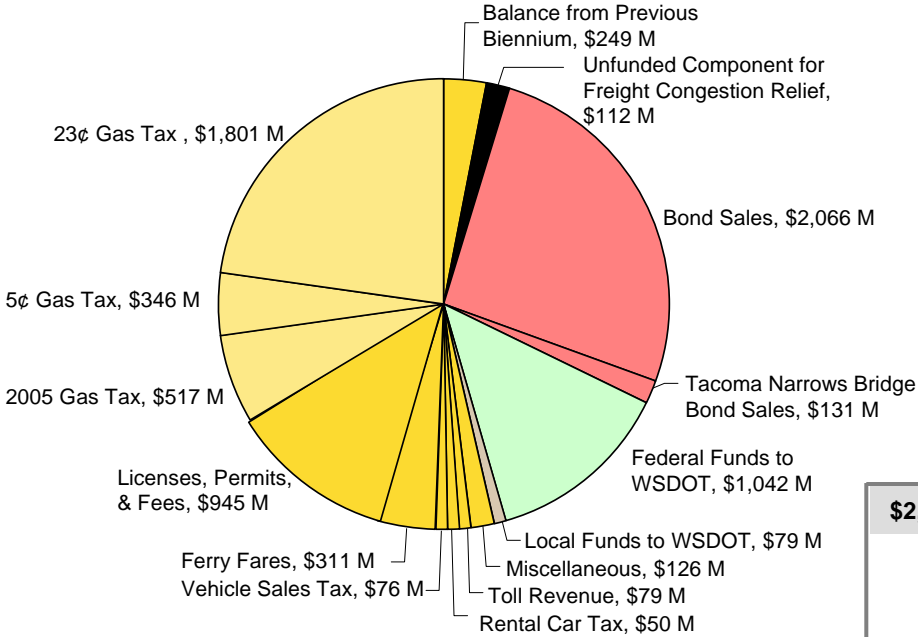
| Bond Authorization<br><i>millions of dollars</i>                 | Authorized<br>in Statute  | Additional<br>Authorization<br>2007 Legislative<br>Session | Total<br>Authorization | Remaining<br>Authorization<br>as of<br>July 1, 2007 | 2007-2009<br>Budget | Amount<br>Planned<br>for the<br>16 -Year Plan | Total 16-Year<br>Bond Sale Plan<br>(2007-2023) | Remaining<br>Authorization<br>as of<br>June 30, 2023 |
|--|---|--|------------------------|---|---------------------|---|--|--|
| <b>Referendum 49 Bonds</b> <i>RCW 47.10.813*</i>                 |   |  |                        |   |                     |   |  |  |
| State and Local Highway Improvements                             | \$1,100   | \$0  |                        | \$228   | \$105               | \$236   | \$341  | (\$113)  |
| Set-aside for Tacoma Narrows Bridge                              | \$800   | \$0  |                        | \$131   | \$17                | \$0   | \$17   | \$114  |
| <b>Total R 49 Bond Authorization</b>                             | <b>\$1,900</b>  | <b>\$0</b>   | <b>\$1,900</b>         | <b>\$359</b>  | <b>\$122</b>        | <b>\$236</b>                                  | <b>\$358</b>                                   | <b>\$1</b>   |
| <b>Transportation 2003 (Nickel) Account</b> <i>RCW 47.10.861</i> |   |  |                        |   |                     |   |  |  |
| Highway Improvements (I)   | \$2,600   | \$600  | <b>\$3,200</b>         | \$2,101   | <b>\$825</b>        | \$1,147                                       | \$1,972  | \$129  |
| <b>Multimodal Bonds (GO Bonds)</b> <i>RCW 47.10.867</i>          |   |  |                        |   |                     |   |  |  |
| Multimodal Transportation Projects                               | \$349.5   | \$0  | <b>\$349.5</b>         | \$292.7   | <b>\$144.5</b>      | \$143   | \$287.1  | \$6  |
| <b>Transportation Partnership Account</b> <i>RCW 47.10.873</i>   |   |  |                        |   |                     |   |  |  |
| Highway Improvements (I)   | \$5,100   | \$200  | <b>\$5,300</b>         | \$5,195   | <b>\$740</b>        | \$4,430                                       | \$5,170  | \$25   |
| <b>Special Category C</b> <i>RCW 47.10.812</i>                   |   |  |                        |   |                     |   |  |  |
| Highway Improvements (I)   | \$330   | \$270  | <b>\$600</b>           | \$270   | <b>\$21</b>         | \$112   | \$134  | \$136  |
|  | <b>Total Bond Sales Required to Support the<br/>2007-2009 Budget and 16-Year Plan</b> |  |                        |   | <b>\$1,853</b>      | <b>\$6,068</b>                                | <b>\$7,921</b>                                 | <b>\$297</b>   |

\*The 2007-09 Budget includes the entire remaining bond authorization for the Tacoma Narrows Bridge. The current estimate of unissued bonds for Tacoma Narrows Bridge is approximately \$114 million.

# 2007 - 2009 Enacted Budget

*Has not been updated to include the 2008 Enacted Supplemental Budget.*

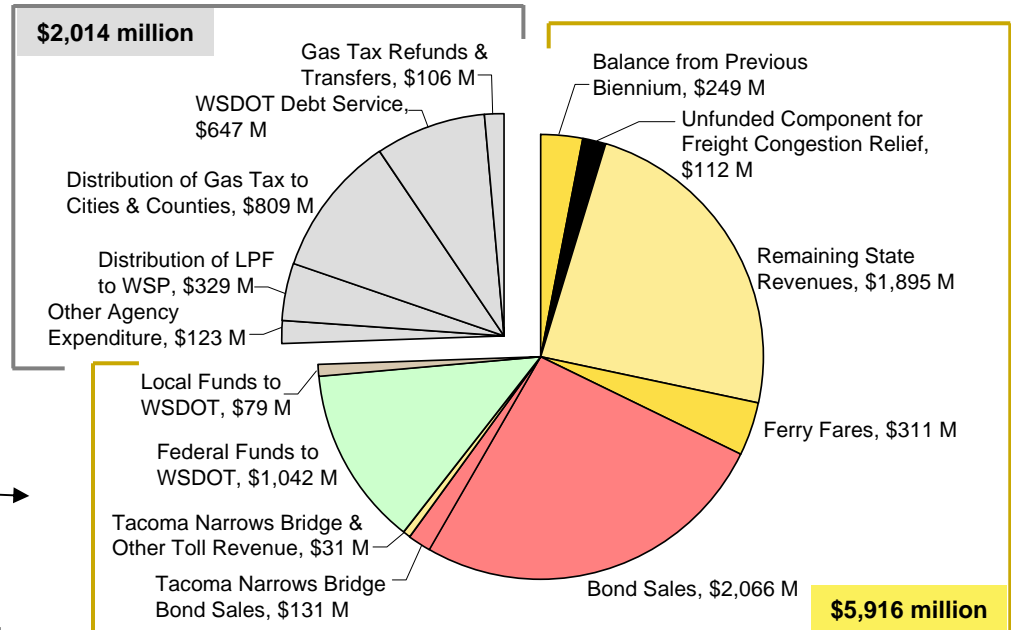
## Transportation Revenues and Funds Collected by the State 2007-09 • \$7.9 billion



Funding for transportation comes from a variety of sources, including fuel taxes, licenses, permits, and fees, ferry fares and concessions, rental car taxes, and miscellaneous revenues like interest earnings. A portion of the budget is also funded from bond sales, federal funds, and local funds and remaining cash balances from previous years.

## Distribution of State Collected Transportation Revenues and Funds 2007-09 • \$2.0 B to other agencies and governments, \$5.9 B retained by WSDOT

Out of the total collected funds, distributions are made to various agencies and governments. During the 2007-2009 biennium, of the estimated \$7,930 million in transportation funds collected, WSDOT retains approximately \$5,916 million. The remaining \$2,014 million is distributed to cities and counties, the Washington State Patrol, the Office of the State Treasurer (to pay debt service), and other agencies.



Revenue projections based on the June 2007 Transportation Revenue Forecast

# WSDOT Funds by Source: Operating and Capital Investment 2007-09 Enacted Budget\*

*Has not been updated to include the 2008 Enacted Supplemental Budget.*

WSDOT expenditures are categorized as Operating or Capital.

WSDOT's Operating budget for 2007-09 is \$1,351 million, with \$1,309 coming from state revenues, \$35 million coming from federal funds and \$5 million coming from local funds. The operating budget funds road and facility maintenance, traffic operations, Washington State Ferries maintenance and operations, public transportation operations, rail operations, aviation operations, data collection, transportation planning and research, management and support and information technology.

The capital budget funds WSDOT's capital programs. These include preservation and improvement projects, Washington State Ferries capital construction, rail, and local programs. WSDOT's Capital budget for 2007-09 is \$4,565 million, with \$1,289 million from state funds, \$2,197 million from the sale of bonds, \$1,007 in federal funds and \$72 million in local funds.

The 2005 funding package (nickel gas tax) provides \$1,251 million and the 2005 funding package (9.5¢ gas tax) provides \$1,579 million.

## 2007-2009

|                             |                 |
|-----------------------------|-----------------|
| Cash Balance                | \$ 249          |
| State Revenues              | \$ 1,895        |
| Ferry Fares                 | \$ 311          |
| Tolls                       | \$ 31           |
| <b>Total State Funds</b>    | <b>\$ 2,486</b> |
| Unfunded**                  | \$ 112          |
| Bonds                       | \$ 2,066        |
| Tacoma Narrows Bridge Bonds | \$ 131          |
| Federal Funds               | \$ 1,042        |
| Local Funds                 | \$ 79           |

**Total Funds \$5,916**

**Operating  
\$1,351 M**

|          |
|----------|
| \$ 1,309 |
| \$ 35    |
| \$ 6     |

**Capital  
\$4,565 M**

|            |
|------------|
| \$ 1,289   |
| \$ 2,066   |
| TNB \$ 131 |
| \$ 1,007   |
| \$ 72      |

\* Revenue projections based on the June 2007 Transportation Revenue Forecast

\*\* Unknown source of funds for the Freight Congestion Relief account