



Update on Transportation Revenues and Program Impacts

Reta R. Busher
February 20, 2008

Revenue Outlook for Next Six Years

- Like the overall economy, the transportation revenue continues to slow since the last update in December 2007.
- The November 2007 Commonwealth Transportation Fund revenue estimate for the current and next six years was down \$387 million.
- On February 15th, the Department of Taxation provided a February Transportation revenue forecast update – down an additional \$722 million over the current and next six years.
- **As a result, the six year revenue reduction is \$1.1 billion from that planned a year ago.**
 - **The result is a 44% average reduction in the secondary, urban, and primary construction allocations**

Revenue Outlook for Next Six Years – Change Since June 2007

- The \$722 million February 15th transportation revenue forecast reduction -
 - Reflects the pending repeal of the Abusive Driver Fees
 - Significant reductions in Motor Vehicle Sales and Use Taxes
 - Additional reductions in Vehicle License Fees, Retail Sales and Recordation taxes

	<i>(amounts in millions)</i>							
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Total
HMOF	\$ (41.8)	\$ (122.9)	\$ (143.6)	\$ (147.8)	\$ (142.8)	\$ (103.4)	\$ (97.0)	\$ (799.3)
TTF	(36.8)	(53.9)	(56.8)	(52.5)	(53.0)	(37.4)	(18.9)	(309.3)
Total	\$ (78.6)	\$ (176.8)	\$ (200.4)	\$ (200.3)	\$ (195.8)	\$ (140.8)	\$ (115.9)	\$ (1,108.6)

Impact of Revenue Reductions

- Formula Transit funding from the TTF plus Recordation Taxes is down an average of 10% a year.

	<i>(amounts in millions)</i>						
	<u>FY 2008</u>	<u>FY2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
Mass Transit (TTF + Recordation)							
2008-13	\$ 131.8	\$ 180.4	\$ 188.7	\$ 193.9	\$ 199.0	\$ 202.4	\$ -
2009-14	-	158.1	169.8	174.4	179.6	185.5	189.4
Difference	-	(22.3)	(18.9)	(19.5)	(19.4)	(16.9)	-
Reduction		-12%	-10%	-10%	-10%	-8%	
Average				-10%			

- Rail funding is flat

HMOF Shortfall / Crossover

- **The revenue loss in the HMOF further exasperates the fund's shortfall and the construction crossover.**

	<i>(amounts in millions)</i>		
	<u>Deficit / Crossover</u>	<u>Federal Funding</u>	<u>Total</u>
FY 2009	\$388.1	\$157.1	\$545.2
FY 2010	387.0	160.7	547.7
FY 2011	432.3	166.3	598.6
FY 2012	471.1	172.5	643.6
FY 2013	504.9	179.0	683.9
FY 2014	575.7	187.1	762.8

- **Based on this forecast, state construction funds become unavailable to fully support the needed HMOF transfer beginning in FY 2016.**

Impact to Highway Systems Construction Formula

- As a reminder, by law, the last items funded in the allocation formula are the primary, secondary and urban construction allocations.
- With the latest revenue outlook, there will be an average annual reduction in formula allocations of 44%.

	<i>(amounts in millions)</i>						
	<u>FY 2008</u>	<u>FY2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
State Formula							
Primary							
2008-13	\$ 136.5	\$ 179.0	\$ 158.2	\$ 162.6	\$ 159.2	\$ 136.3	\$ -
2009-14	-	95.2	91.0	87.7	87.1	83.1	60.5
Difference	-	(83.8)	(67.2)	(74.9)	(72.1)	(53.2)	-
Secondary							
2008-13	102.4	134.2	118.7	121.9	119.4	102.2	-
2009-14	-	71.4	68.2	65.8	65.3	62.3	45.4
Difference	-	(62.8)	(50.5)	(56.1)	(54.1)	(39.9)	-
Urban							
2008-13	102.4	134.2	118.7	121.9	119.4	102.2	-
2009-14	-	71.4	68.2	65.8	65.3	62.3	45.4
Difference	-	(62.8)	(50.5)	(56.1)	(54.1)	(39.9)	-
Reduction		-47%	-43%	-46%	-45%	-39%	
Average				-44%			

SYIP Development

- **The review of the Interstate and Primary priorities provided by the Districts is underway**
 - **Ensuring that schedules and estimates are up to date.**
- **Available funding for construction has been recalculated based on last week's revenue estimate so reductions can begin.**
- **The schedule is for the draft interstate six-year program to be provided to CTB members in early March and the primary system draft planned for early April.**
- **The draft rail and public transportation programs will be provided to CTB members in early March and April respectively.**



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