



OHIO DEPARTMENT OF TRANSPORTATION

Ohio Transportation Engineering Conference

Julie Ray, Deputy Director
Division of Finance & Forecasting
October 28, 2008





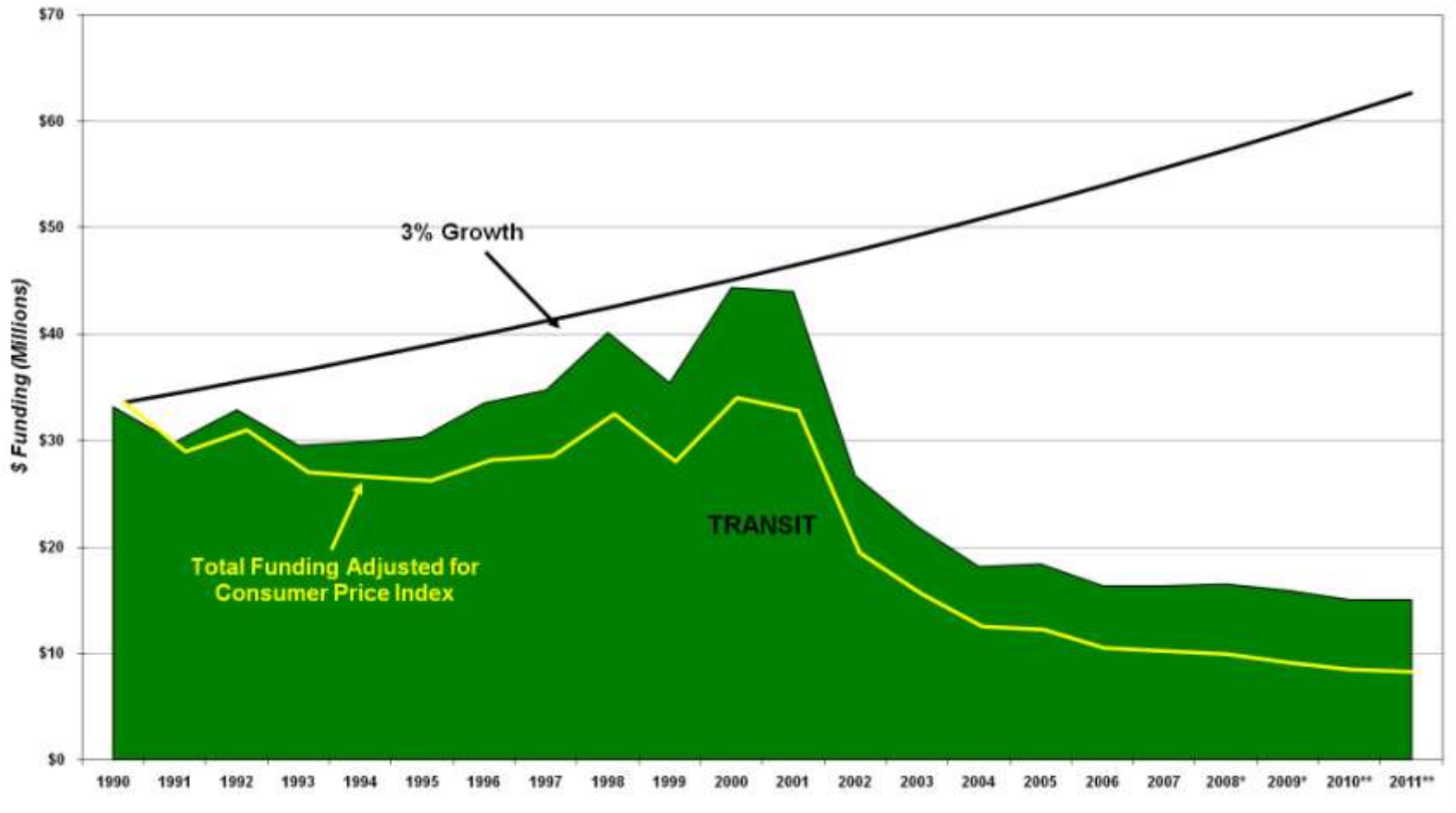
Objectives

- Trends
 - General Revenue (GRF)
 - Highway
 - Highway Sources & Uses
 - State MFT
 - Federal MFT
 - Bonds - (State and Federal)
- 2010 – 2015: Future Federal Funding
 - Challenges
 - Funding Scenarios

General Revenue Trends



Ohio Department of Transportation Transit General Revenue Funding

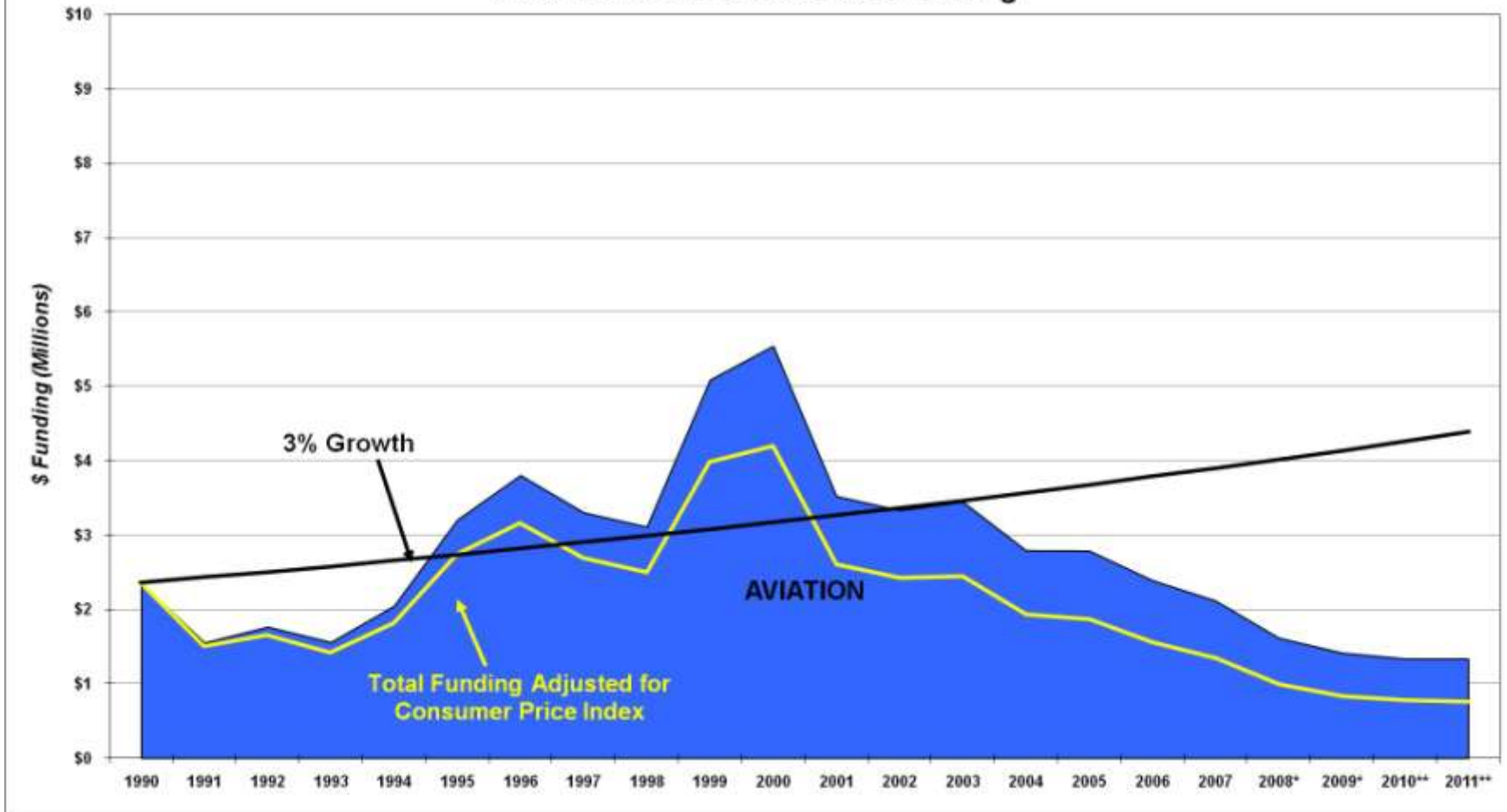


	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008*	2009*	2010**	2011**
TRANSIT	\$33.12	\$29.82	\$32.84	\$29.49	\$29.84	\$30.28	\$33.48	\$34.69	\$40.10	\$35.36	\$44.32	\$43.97	\$26.63	\$21.90	\$18.11	\$18.35	\$16.32	\$16.31	\$16.47	\$15.87	\$15.00	\$15.00
Amounts Adjusted for CPI (1982-1984 Base)	\$33.12	\$28.61	\$30.59	\$26.67	\$26.25	\$25.90	\$27.82	\$28.17	\$32.07	\$27.67	\$33.55	\$32.37	\$19.29	\$15.51	\$12.50	\$12.25	\$10.55	\$10.25	\$9.94	\$9.19	\$8.57	\$8.33
Projection based on 3% growth from 1990	\$33.12	\$34.11	\$35.14	\$36.19	\$37.28	\$38.40	\$39.55	\$40.74	\$41.96	\$43.22	\$44.51	\$45.85	\$47.22	\$48.64	\$50.10	\$51.60	\$53.15	\$54.74	\$56.39	\$58.08	\$59.82	\$61.62

*FY 2008 and 2009 based on the revised budgets after the 10% budget reduction in 2008/2009 and the 4.75% reduction in FY 2009.

** FY 2010 and 2011 based on OBM Budget Guidance limiting 2010 and 2011 levels to 90% of 2009 Reduced Levels, not including additional reductions in FY09

Ohio Department of Transportation Aviation General Revenue Funding



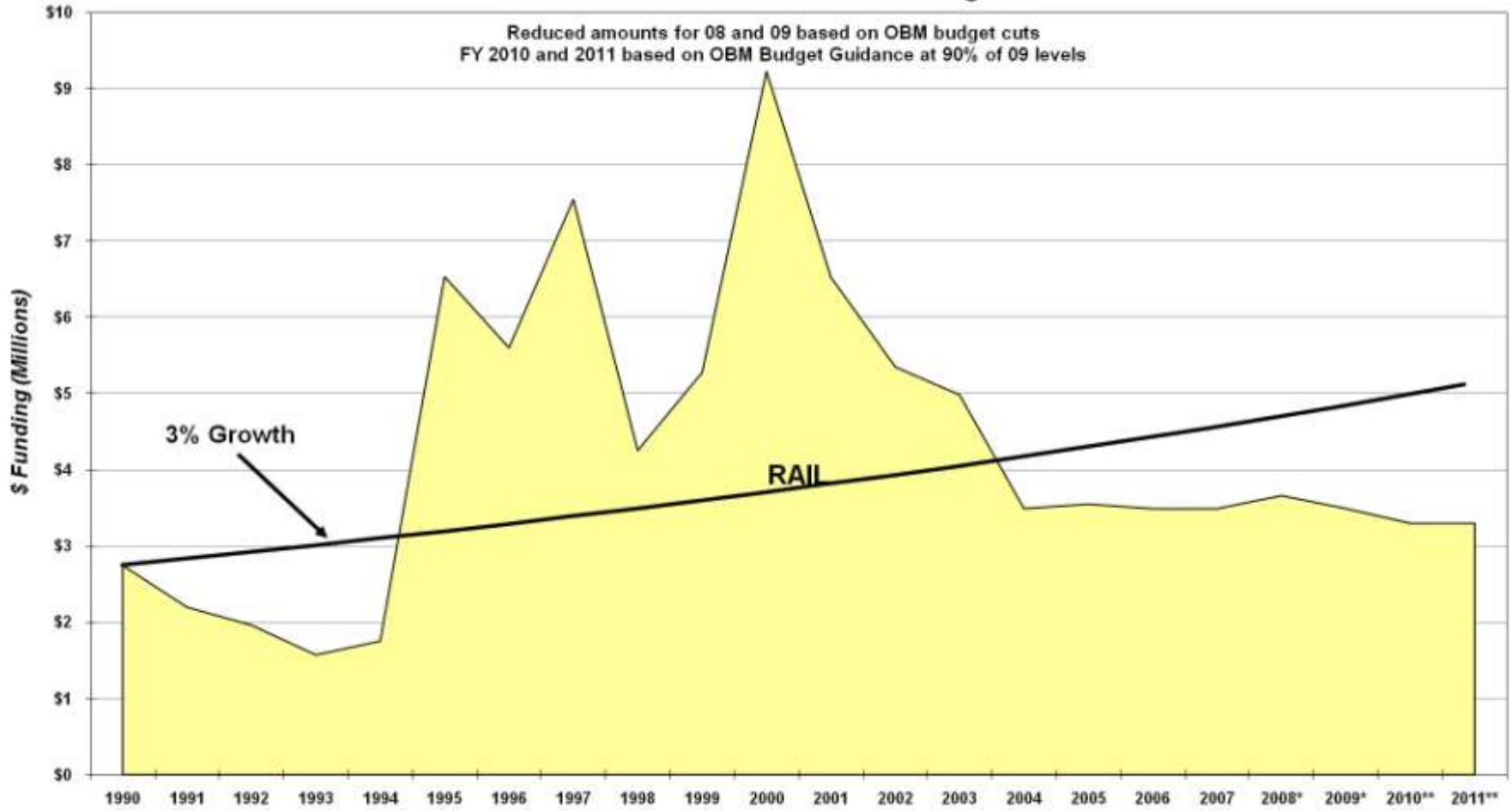
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008*	2009*	2010**	2011**
AVIATION	\$2.35	\$1.55	\$1.76	\$1.56	\$2.04	\$3.20	\$3.80	\$3.30	\$3.11	\$5.08	\$5.53	\$3.52	\$3.33	\$3.44	\$2.79	\$2.79	\$2.39	\$2.11	\$1.62	\$1.41	\$1.34	\$1.34
Amounts Adjusted for CPI (1982-1984 Base)	\$2.35	\$1.49	\$1.64	\$1.41	\$1.80	\$2.74	\$3.16	\$2.68	\$2.48	\$3.97	\$4.19	\$2.59	\$2.41	\$2.44	\$1.92	\$1.86	\$1.54	\$1.33	\$0.97	\$0.82	\$0.76	\$0.74
Projection based on 3% growth from 1990	\$2.35	\$2.42	\$2.50	\$2.57	\$2.65	\$2.73	\$2.81	\$2.89	\$2.98	\$3.07	\$3.16	\$3.26	\$3.35	\$3.45	\$3.56	\$3.66	\$3.77	\$3.89	\$4.00	\$4.12	\$4.25	\$4.38

*FY 2008 and 2009 based on the revised budgets after the 10% budget reduction in 2008/2009 and the 4.75% reduction in FY 2009.

** FY 2010 and 2011 based on OBM Budget Guidance limiting 2010 and 2011 levels to 90% of 2009 Reduced Levels, not including additional reductions in FY09

Ohio Department of Transportation Rail General Revenue Funding

Reduced amounts for 08 and 09 based on OBM budget cuts
FY 2010 and 2011 based on OBM Budget Guidance at 90% of 09 levels



	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008*	2009*	2010**	2011**
RAIL	\$2.75	\$2.20	\$1.96	\$1.57	\$1.75	\$6.53	\$5.60	\$7.55	\$4.25	\$5.28	\$9.23	\$6.53	\$5.35	\$4.98	\$3.49	\$3.55	\$3.49	\$3.49	\$3.66	\$3.49	\$3.30	\$3.30
Projection based on 3% Growth from 1990	\$2.75	\$2.83	\$2.91	\$3.00	\$3.09	\$3.18	\$3.28	\$3.38	\$3.48	\$3.58	\$3.69	\$3.80	\$3.91	\$4.03	\$4.15	\$4.28	\$4.41	\$4.54	\$4.67	\$4.81	\$4.96	\$5.11

*FY 2008 and 2009 based on the revised budgets after the 10% budget reduction in 2008/2009 and the 4.75% reduction in FY 2009.

** FY 2010 and 2011 based on OBM Budget Guidance limiting 2010 and 2011 levels to 90% of 2009 Reduced Levels, not including additional reductions in FY 09

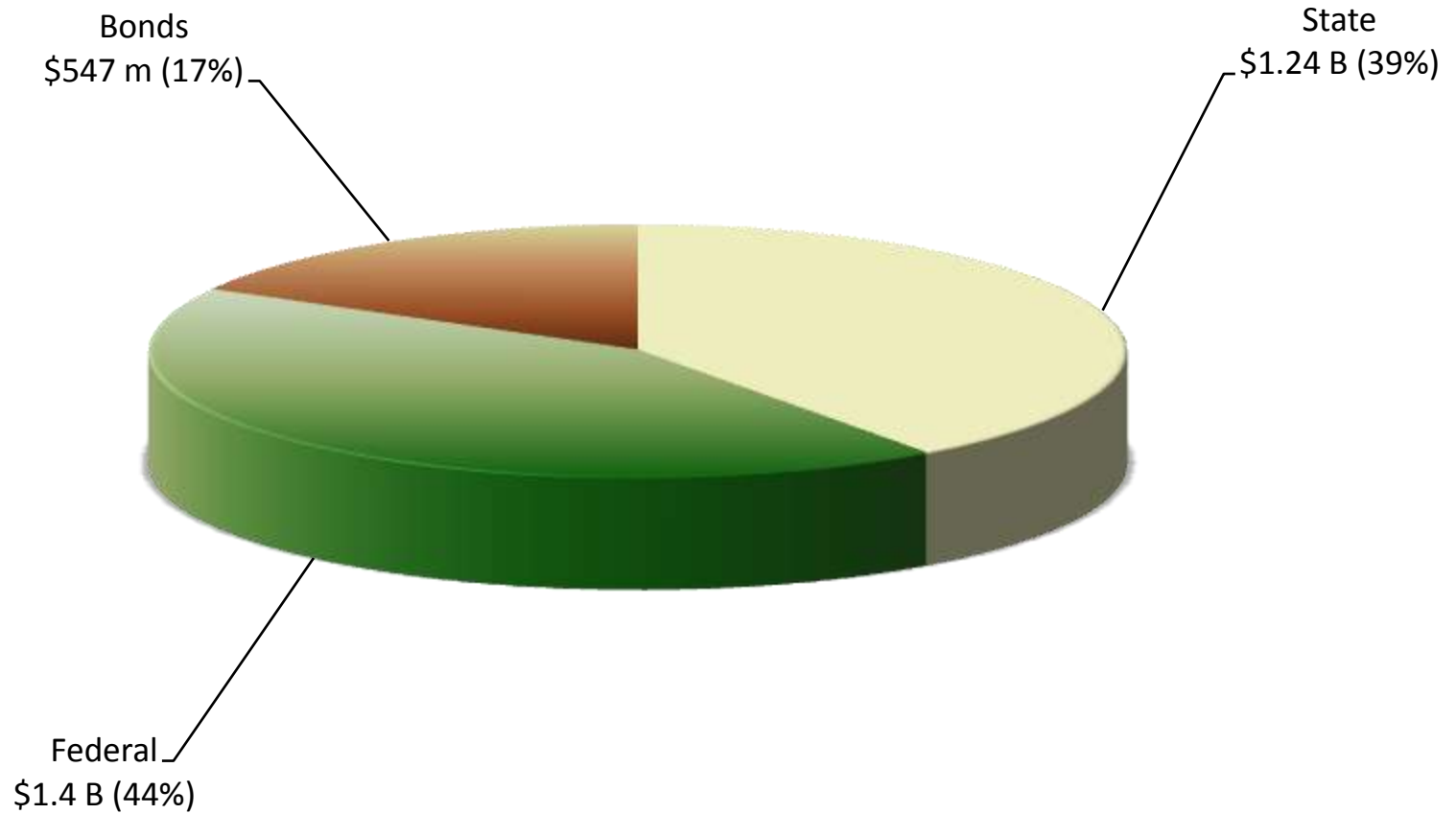
Highway Sources & Uses





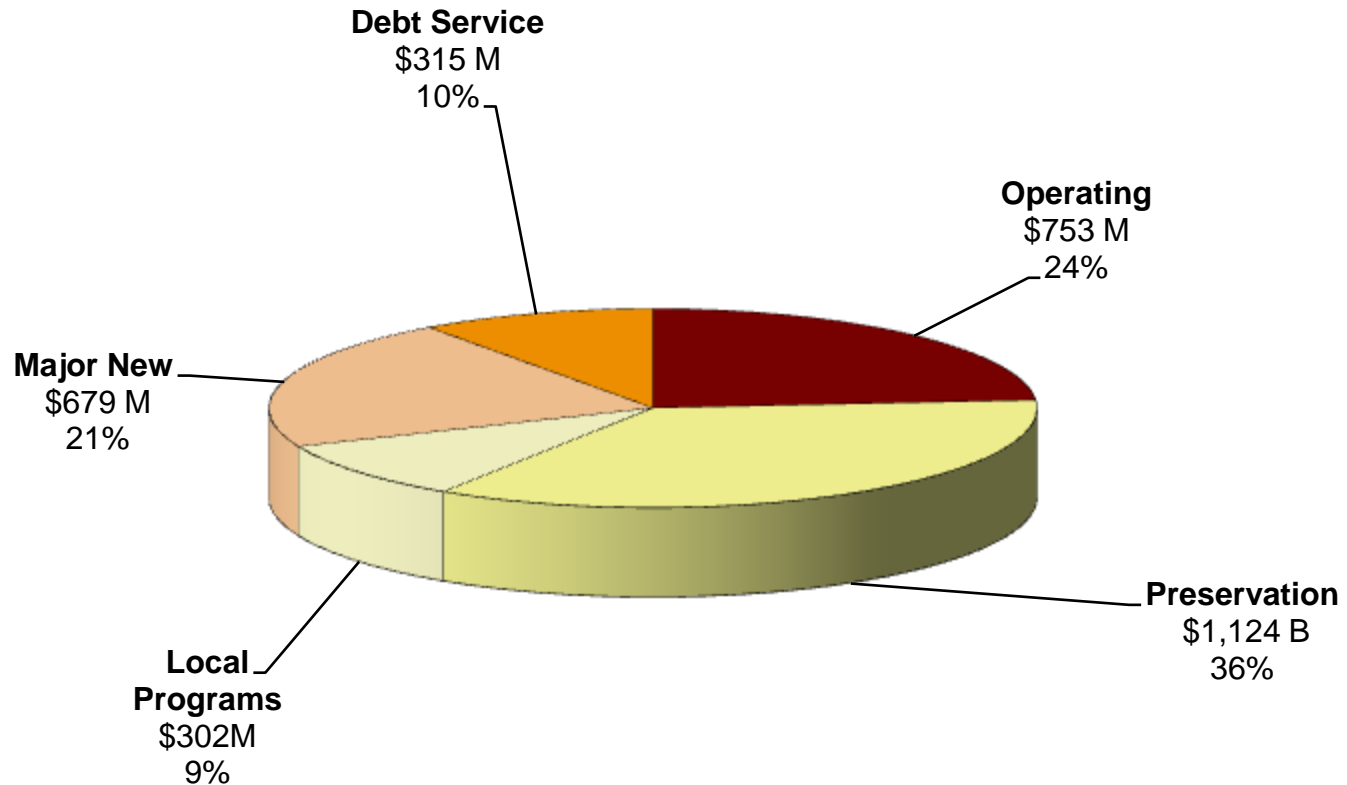
Ohio Department of Transportation Primary Funding Portfolio

FY 08 - \$3.18 Billion



FY 08 Capital & Operating Funding Uses

\$3.1 Billion Budget



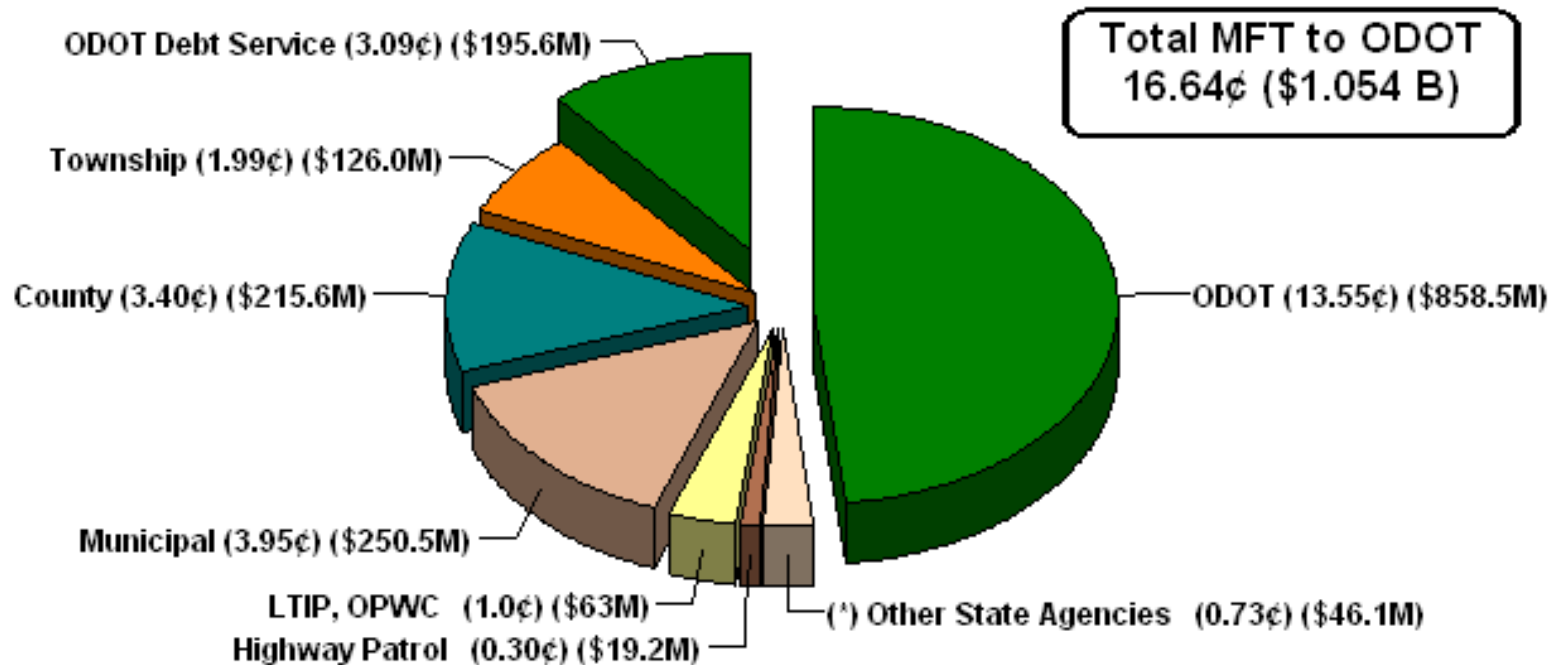
State Funding Trends





Ohio Motor Fuel Tax – 28 Cents

FY 2008 DISTRIBUTION - \$1,774,501,860



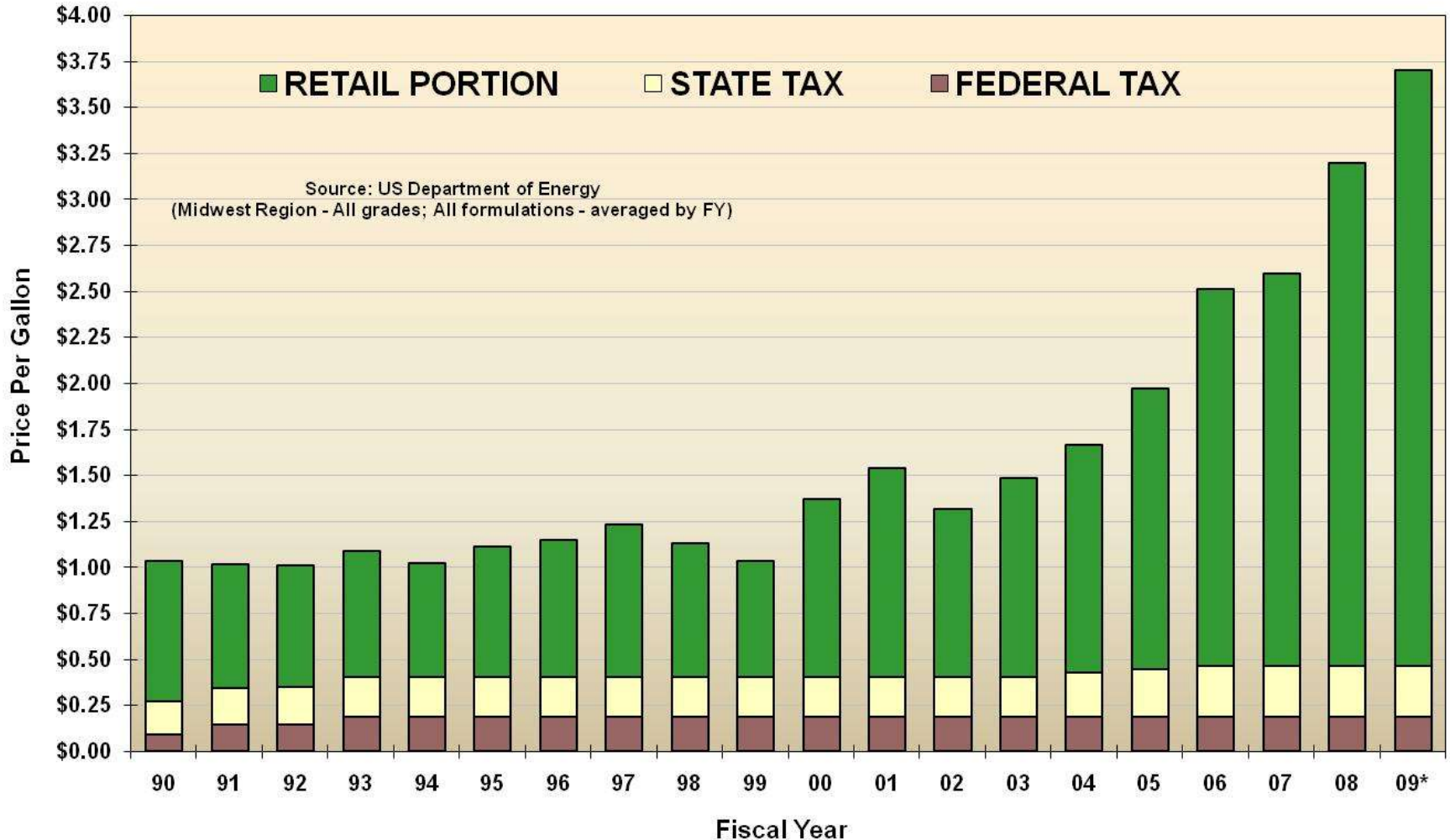
(*) Other State Agencies - Waterway Safety, ODNR, PUCO, ODOD, Taxation, and Turnpike.

1¢ = \$63 Million to the State

Ohio Motor Fuel Price History

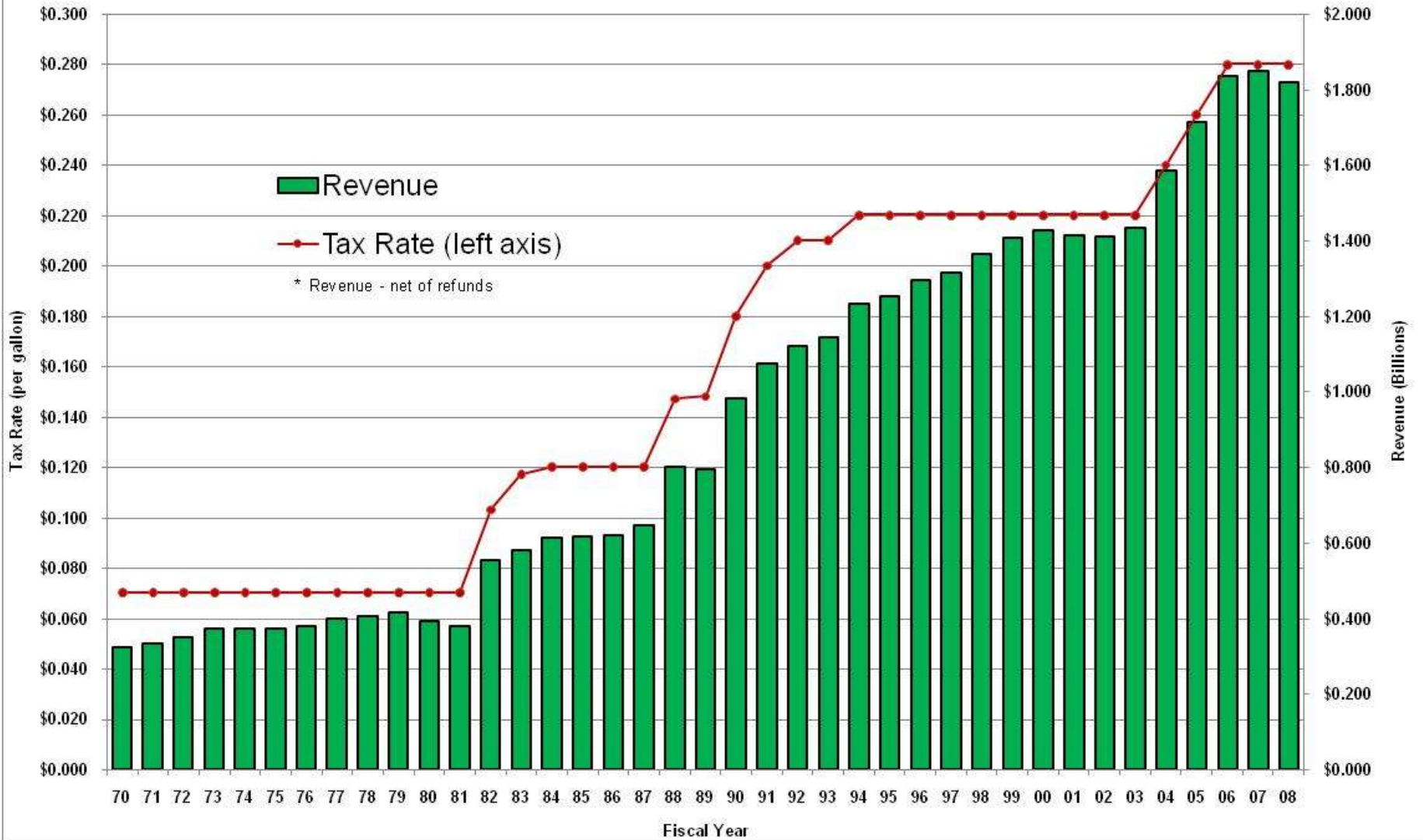
Price Components from 1990 to 2009

(Gasoline Only)

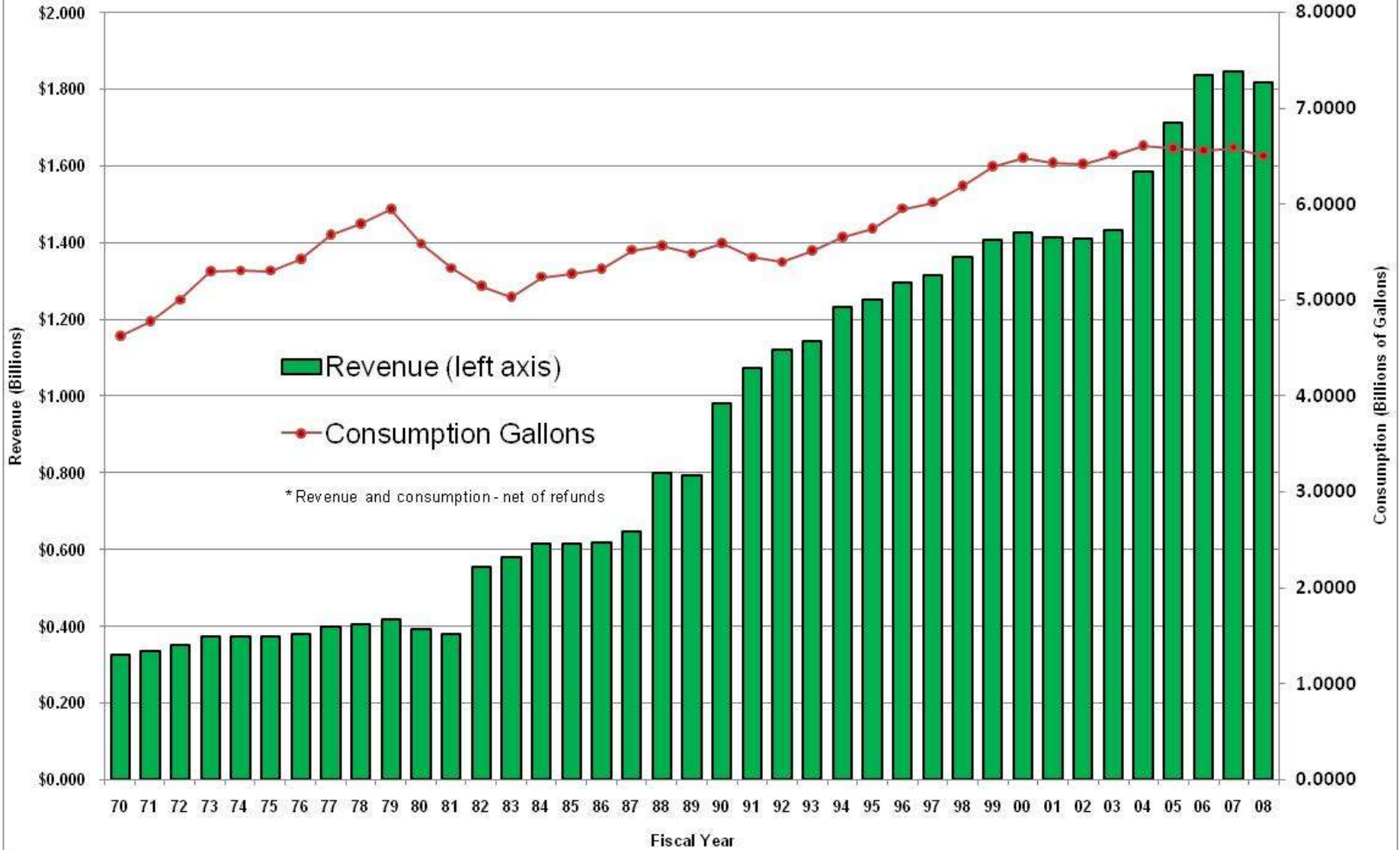


* FY09 Data through week ending October 20, 2008. Although the average price for the FY09 is \$3.70, the average price for October 20, 2008 was \$2.81.

Ohio Motor Fuel Tax - Revenue and Tax Rate History



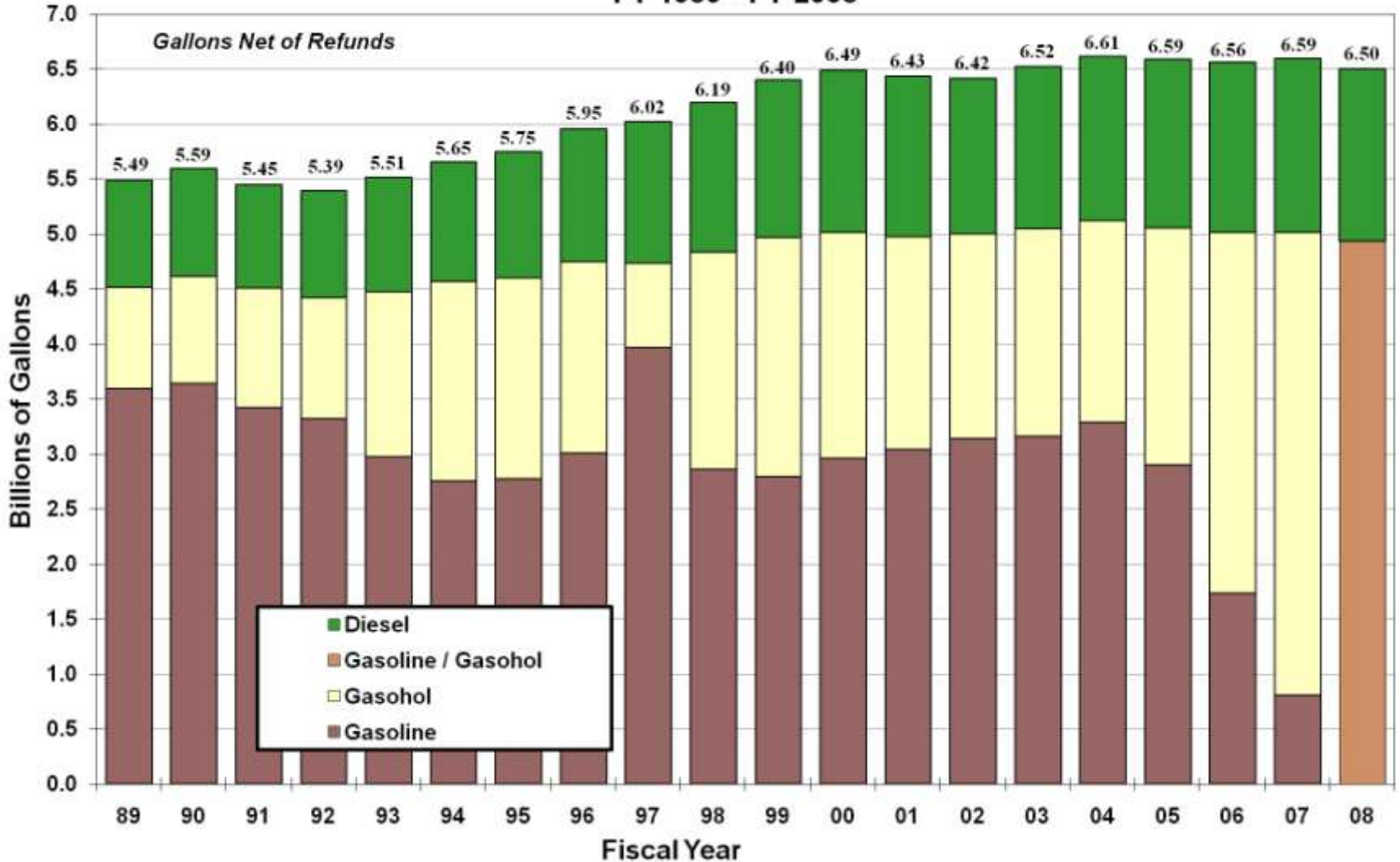
Ohio Motor Fuel Tax - Revenue and Consumption History



Ohio Motor Vehicle Fuel

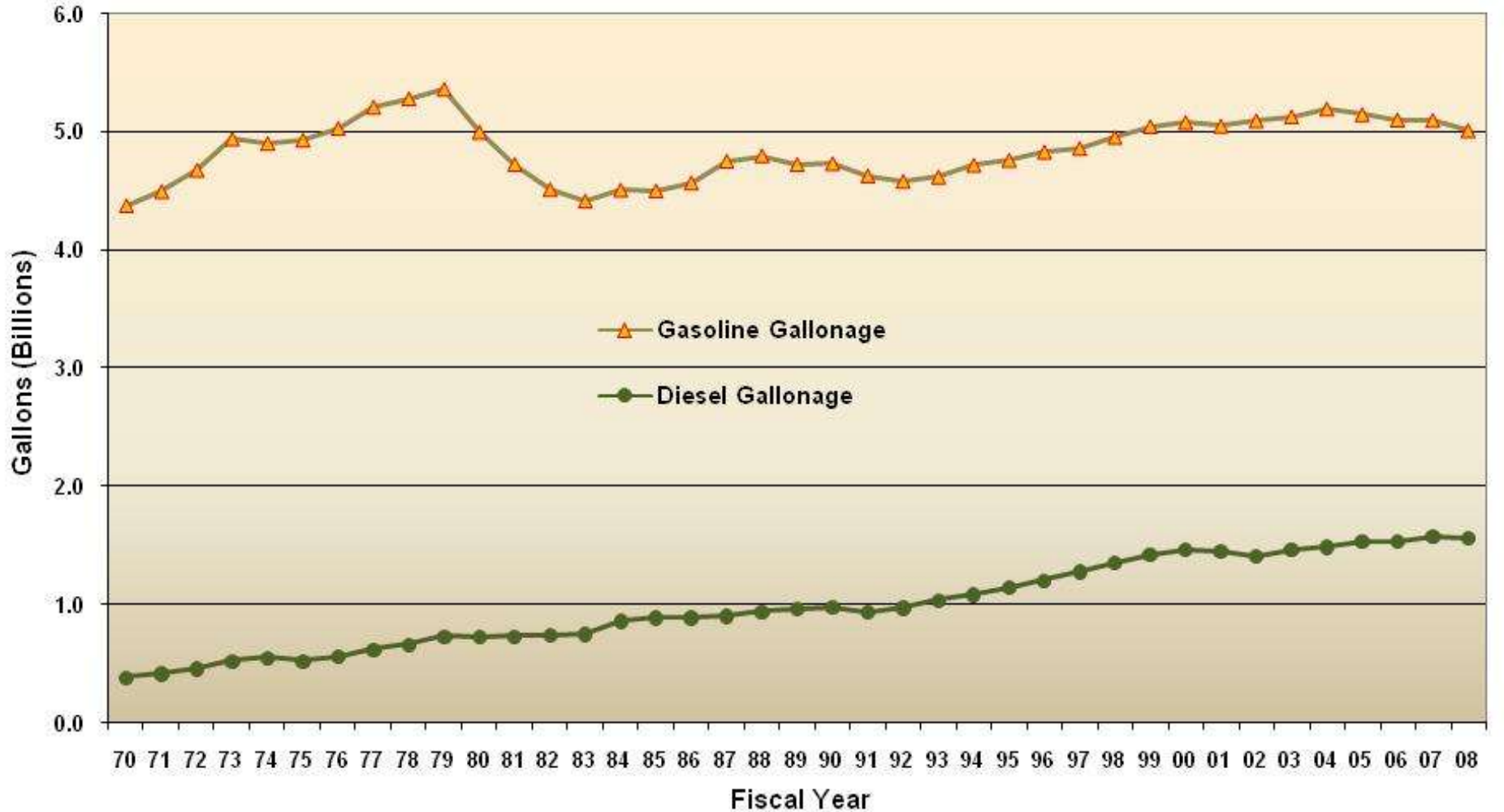
Billions of Gallons Taxed

FY 1989 - FY 2008

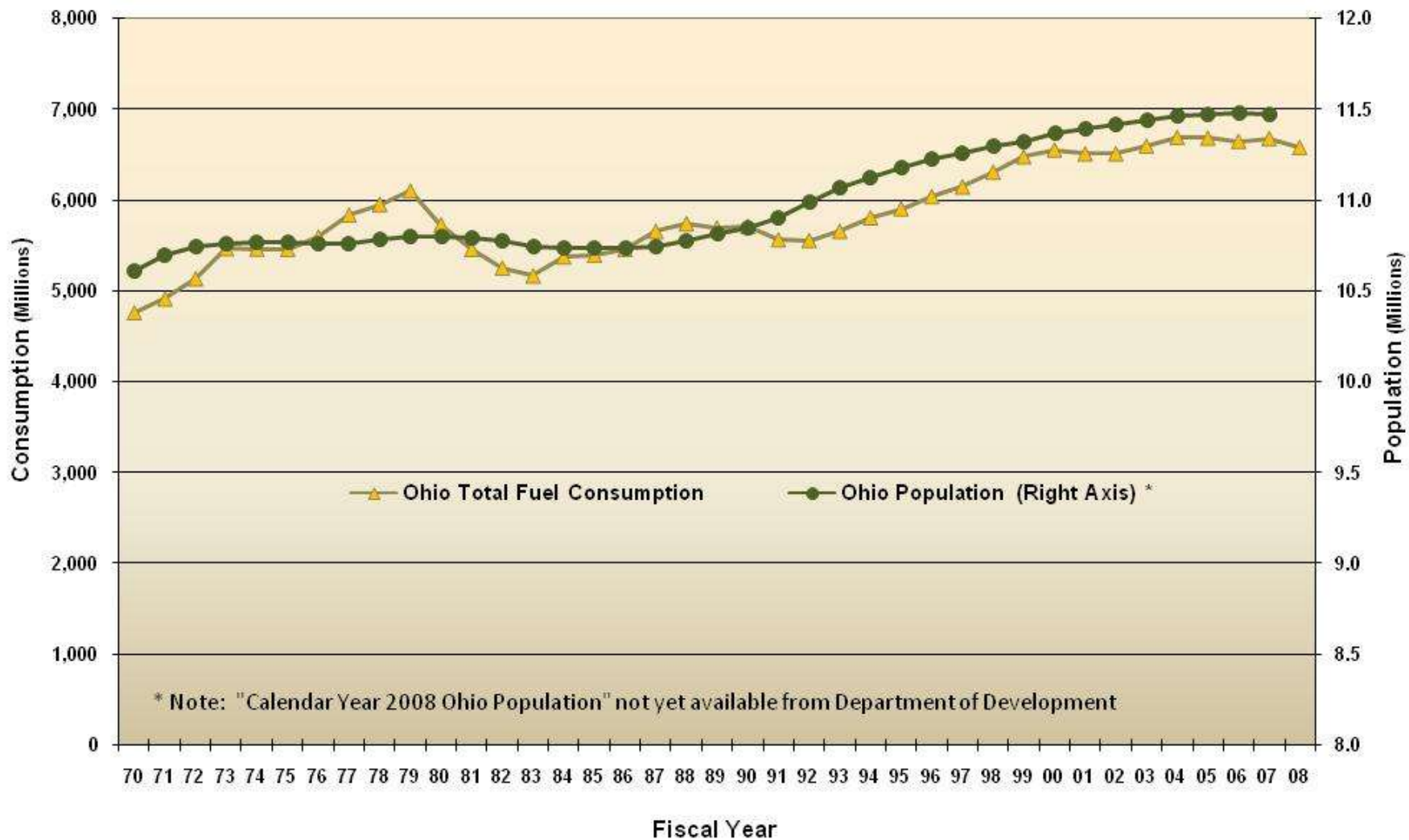


Note: For FY08 detailed Gasohol information is not available. Gasoline and Gasohol are combined.

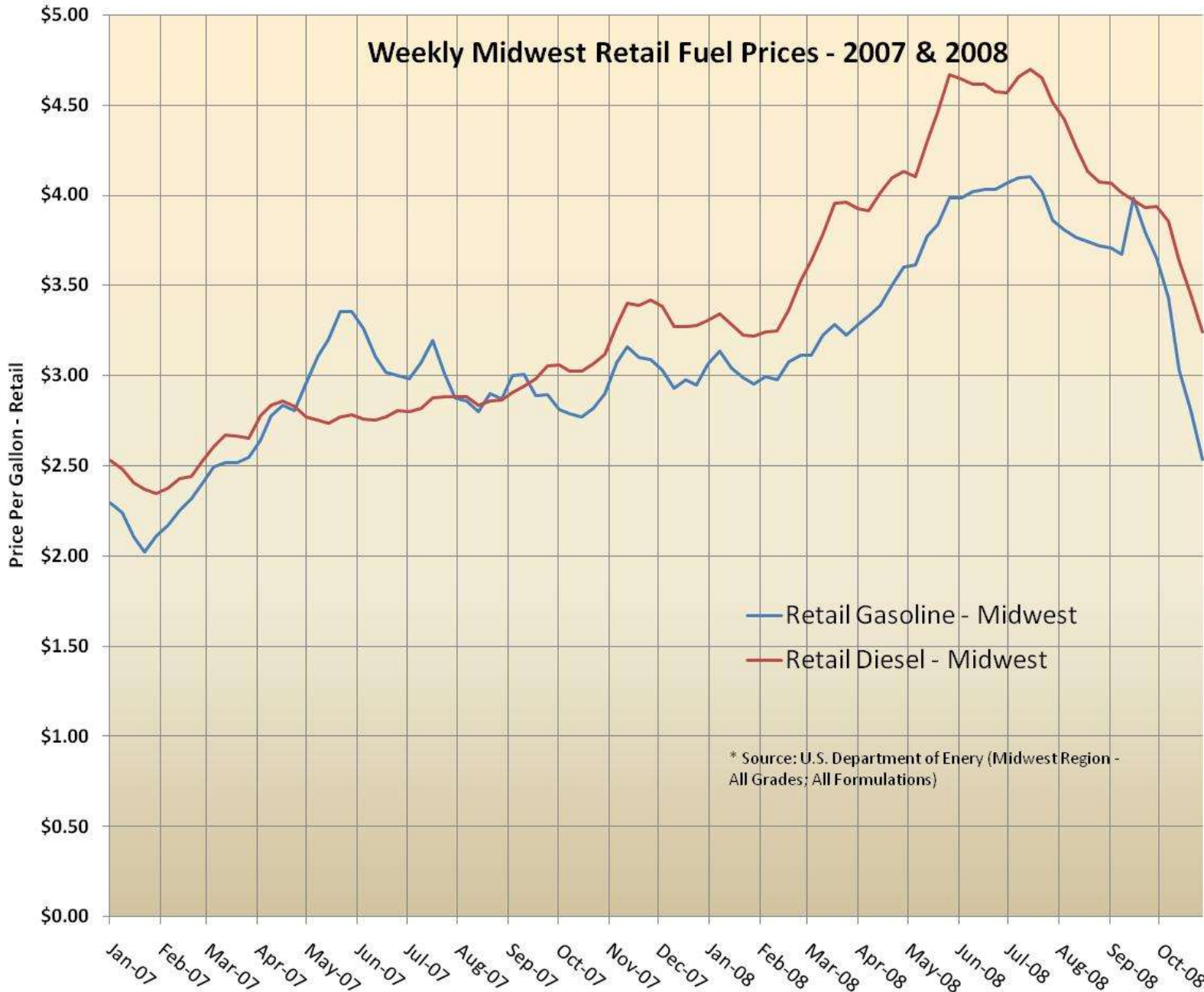
Gasoline and Diesel Fuel Consumption in Ohio FY 1970-2008



Population and Fuel Consumption in Ohio 1970-2008

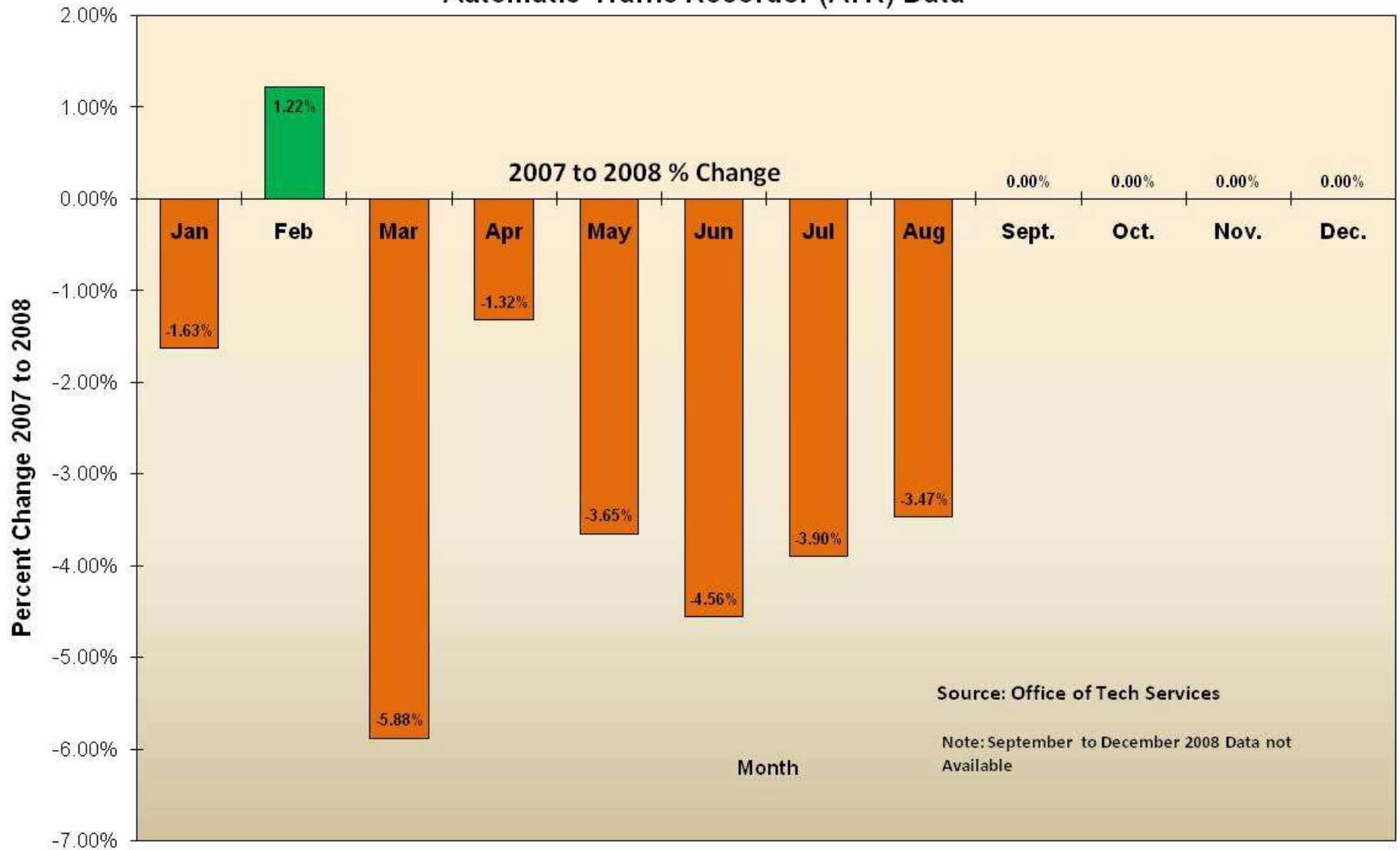


Weekly Midwest Retail Fuel Prices - 2007 & 2008

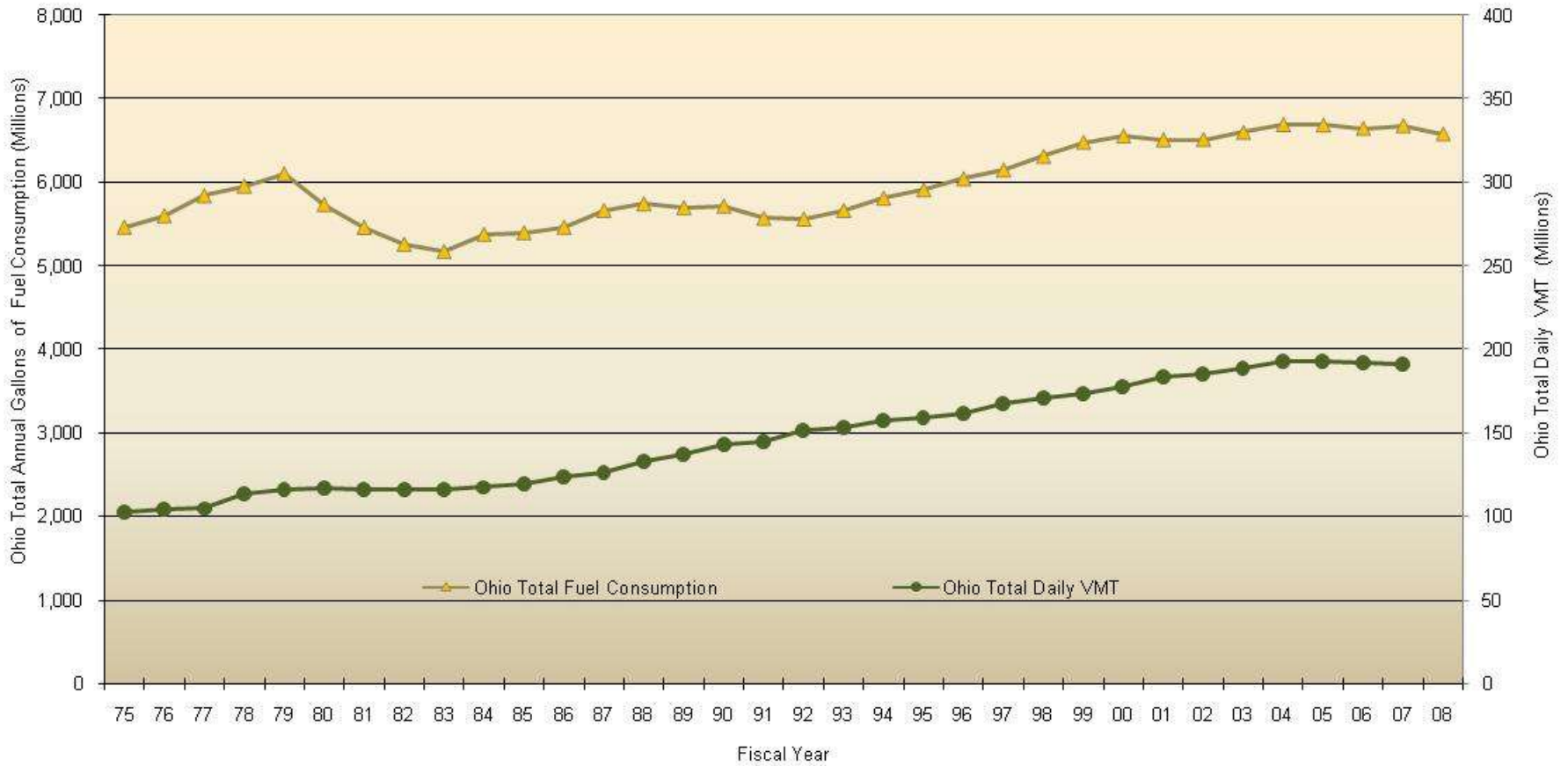


* Source: U.S. Department of Energy (Midwest Region - All Grades; All Formulations)

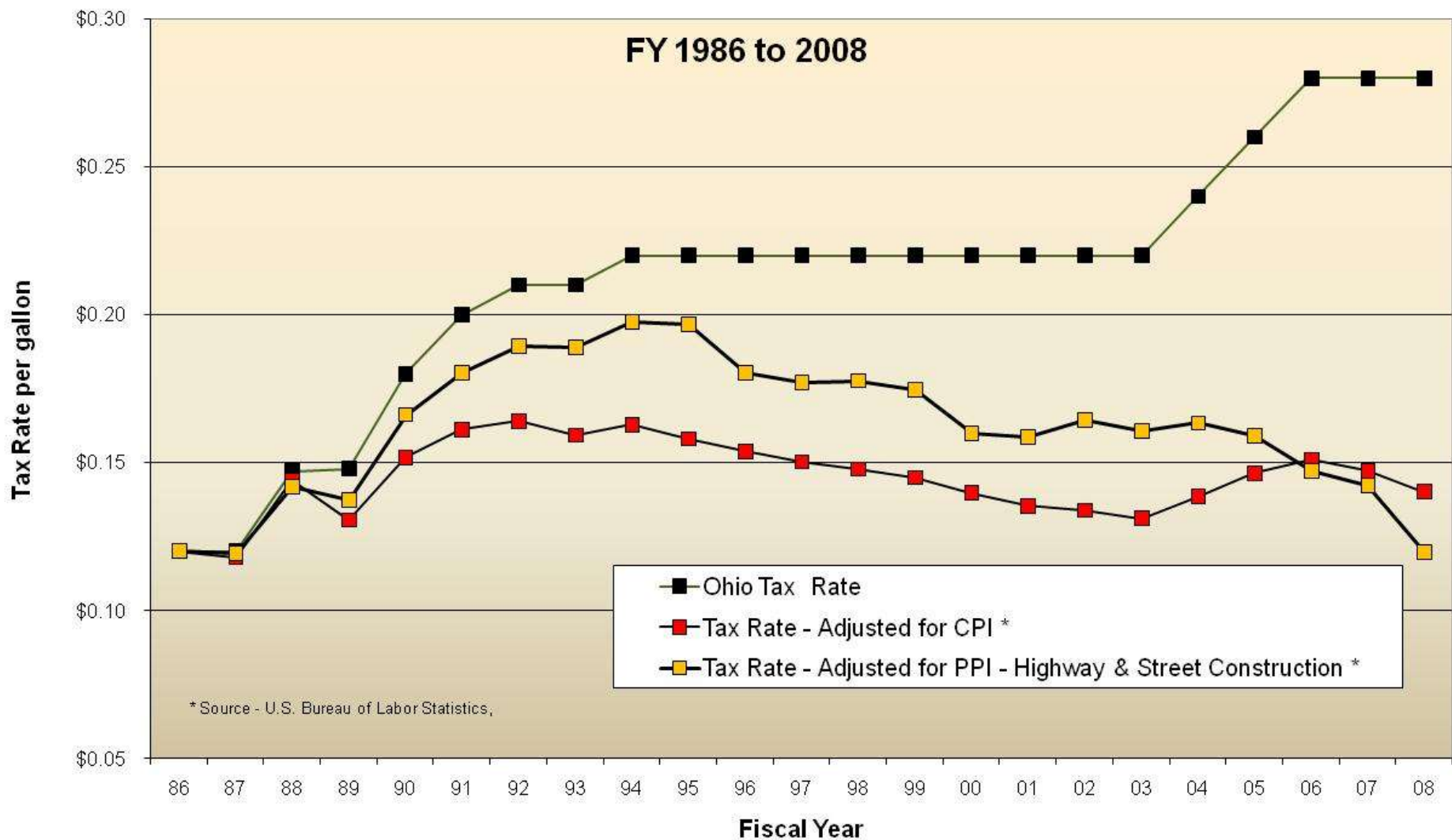
% Change in Monthly Traffic Volumes Year 2007 to 2008 - State Highway System Automatic Traffic Recorder (ATR) Data



Daily VMT State Routes and Fuel Consumption in Ohio 1975-2008

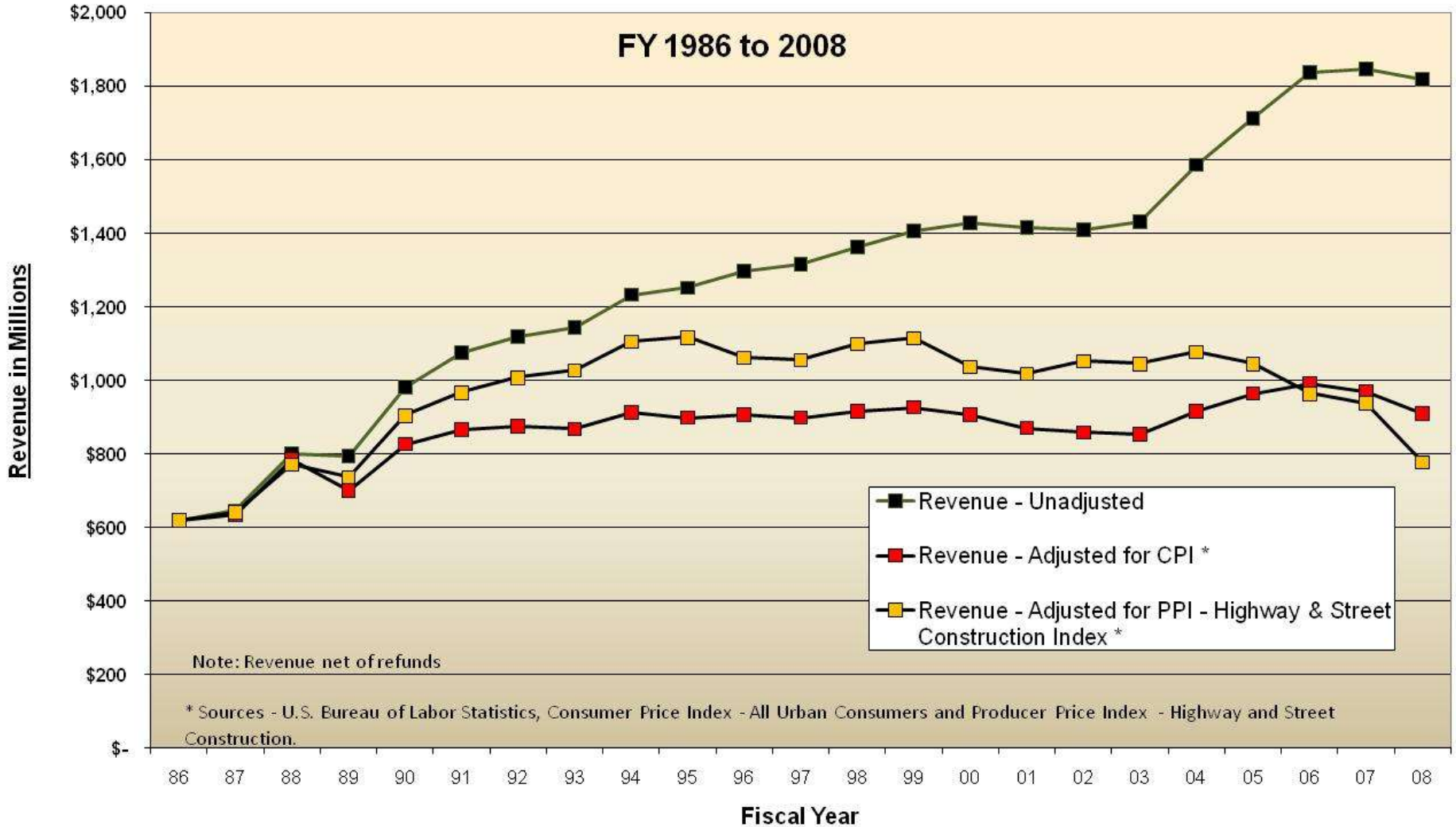


Gas Tax Rate Adjusted for Price Indexes



MFT Revenue Adjusted for Price Indexes

FY 1986 to 2008



Note: Revenue net of refunds

* Sources - U.S. Bureau of Labor Statistics, Consumer Price Index - All Urban Consumers and Producer Price Index - Highway and Street Construction.

Federal Funding





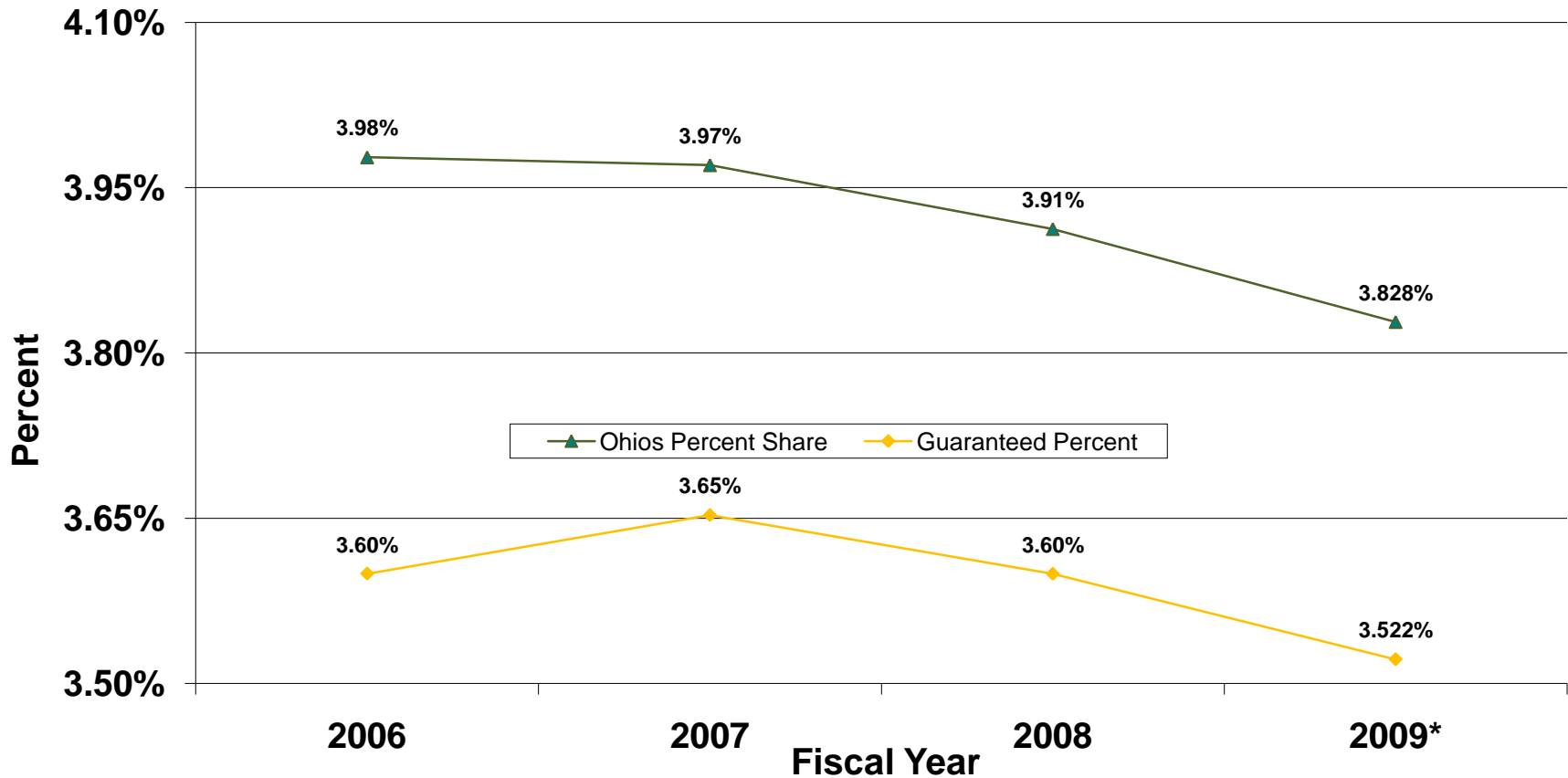
Federal Highway - User Tax Rate

Fuel	Tax Rate	Highway Trust Fund		Leaking Underground Storage Tank Trust Fund
		Highway	Transit	
Gasoline/Gasohol	18.4	15.44	2.86	.1
Diesel Fuel	24.4	21.44	2.86	.1

- 1¢ = \$57 M
- \$57 M x 92% = \$52 M
- Last Federal Gas Tax Increase was 4.3 ¢ in 1993



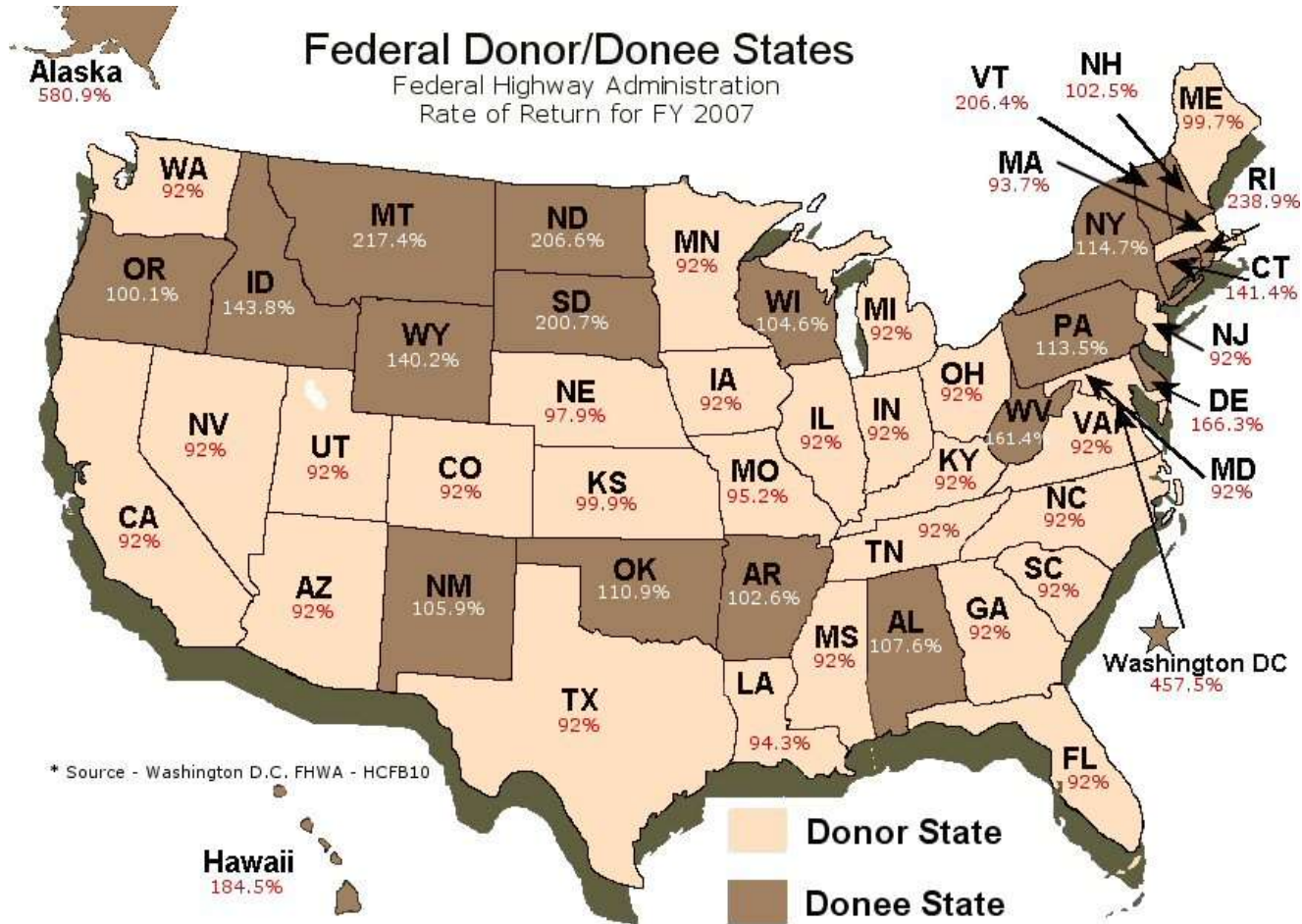
Ohio Share of Federal Highway Trust Fund Contribution



* 2009 is based on preliminary FHWA statistics. Will be revised when final numbers are provided.

Note: Each states percent share is based on a combination of revenue collected and motor fuel consumption. The revenue is 2 years behind and the motor fuel consumption is 3 years behind. For instance 2009 percent share is based on 2007 revenues and 2006 gallons.

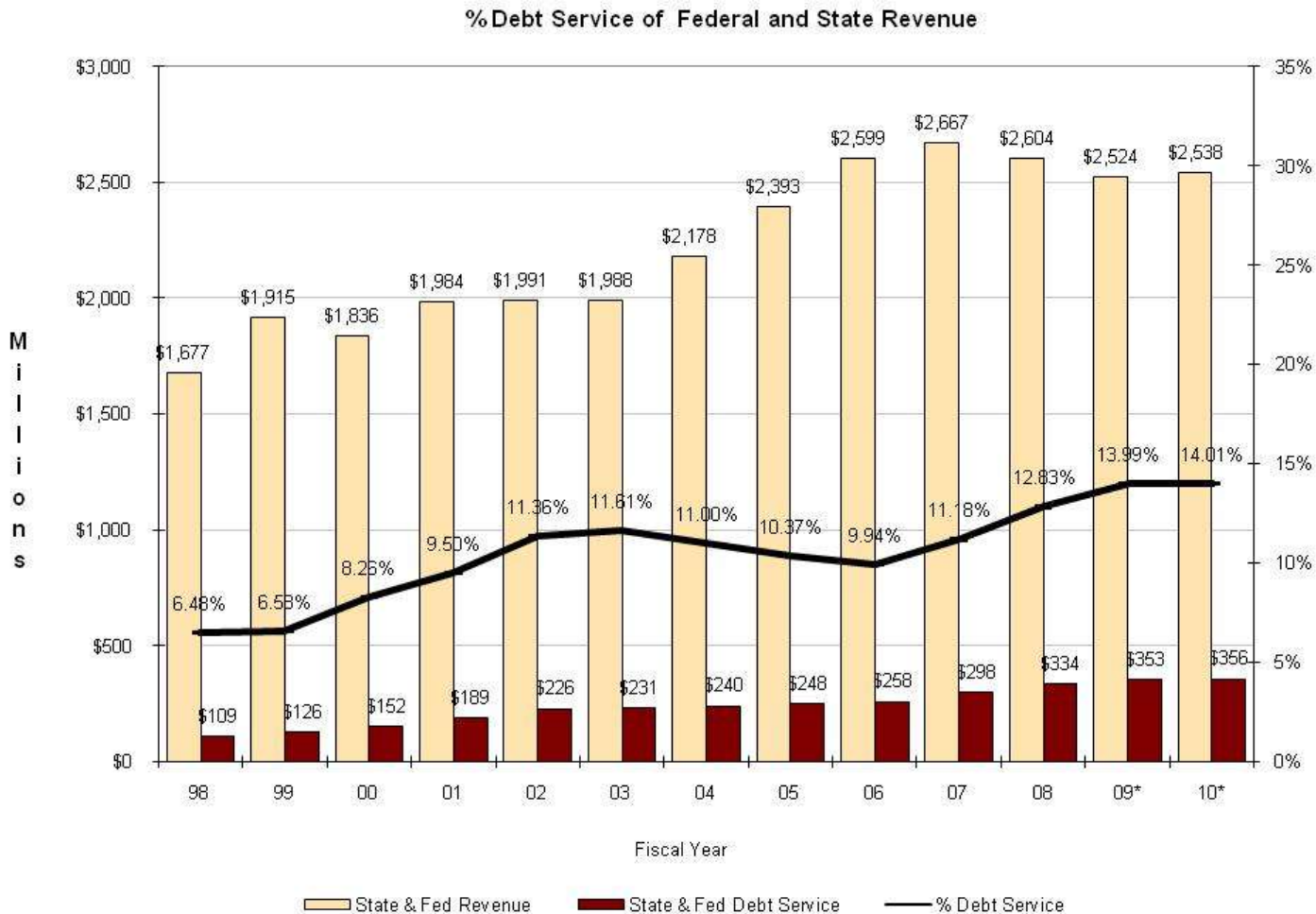
Federal Donor/Donee States - Highway



Bonds



% Debt Service of Federal and State Revenue



* Revenue and debt service for FY 2009-10 are estimates

** The debt service amount is based on the debt service payment schedule. It does not include investment income

Future Federal Challenges (2010 – 2015)





Future Federal Funding Challenges

- Next Federal Reauthorization Bill (2010 – 2015)
 - Complete reform of:
 - Federal Funding Categories:
 - Current:
 - Bridge
 - STP
 - CMAQ
 - Etc.
 - Proposed:
 - Preservation & Renewal
 - Highway Safety Improvement
 - Operations
 - Environmental Programs
 - Transportation System Improvements/Congestion
- Revising Formulas used to allocate funding to the States
- Revising Federal Regulations



Future Federal Funding Challenges

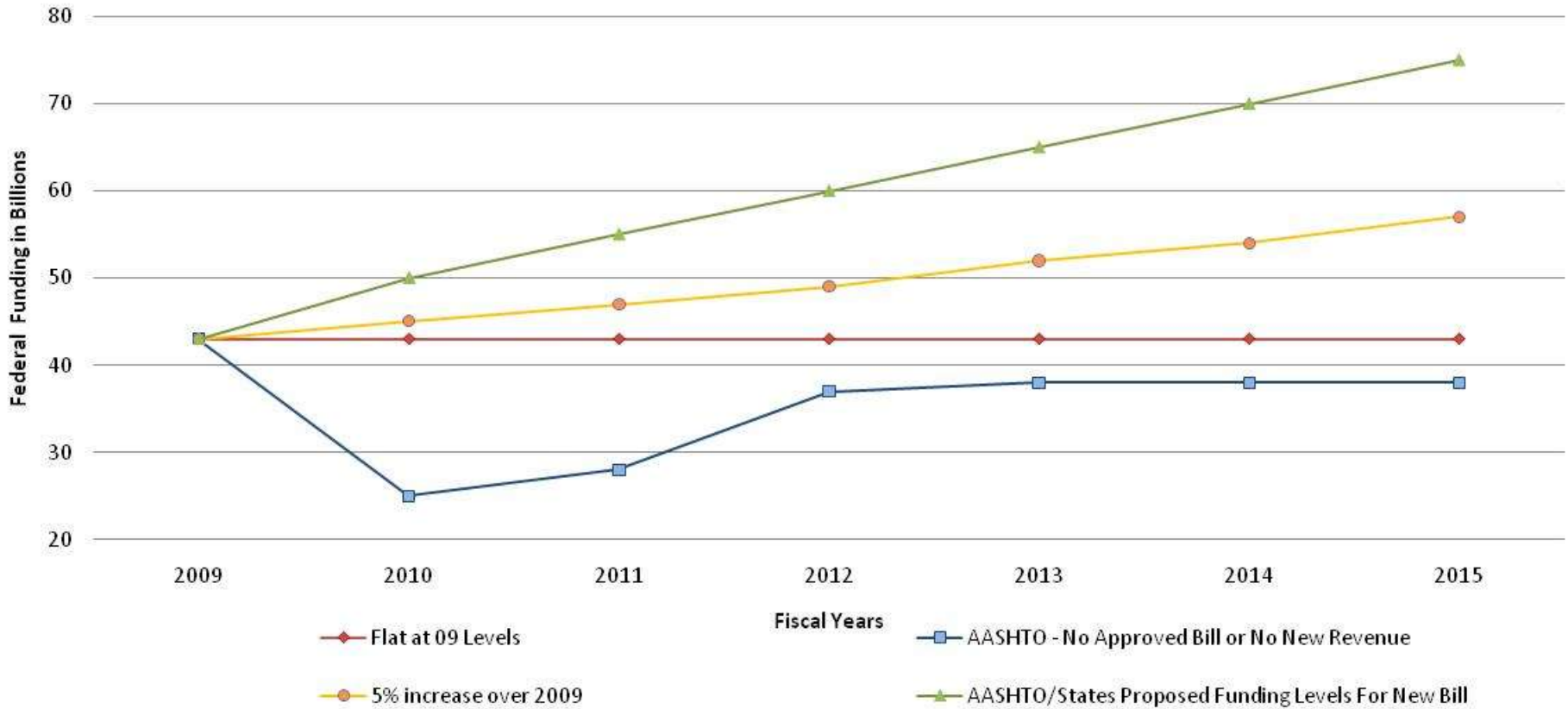
- New Administration & Congressional Members
 - Require Education on:
 - Current Federal Process
 - Proposed Federal Reform
 - Consideration & Approval of New Revenue Options to Fund the Future Transportation System



Future Federal Funding Challenges

- Presume “No” Authorization Bill for FFY 2010
 - What will be funding level for FFY 2010?
 - Held Flat at FFY 2009 Fund level at 43 Billion
 - Ohio’s Share = \$1.295 Billion
 - Or Reduction – AASHTO projects funding level at \$25 Billion
 - Ohio’s Share = \$800 Million
 - What will be the funding source used to sustain Highway Trust Fund in FFY 2010
 - Note: \$8 Billion fix was for FFY 2009 only

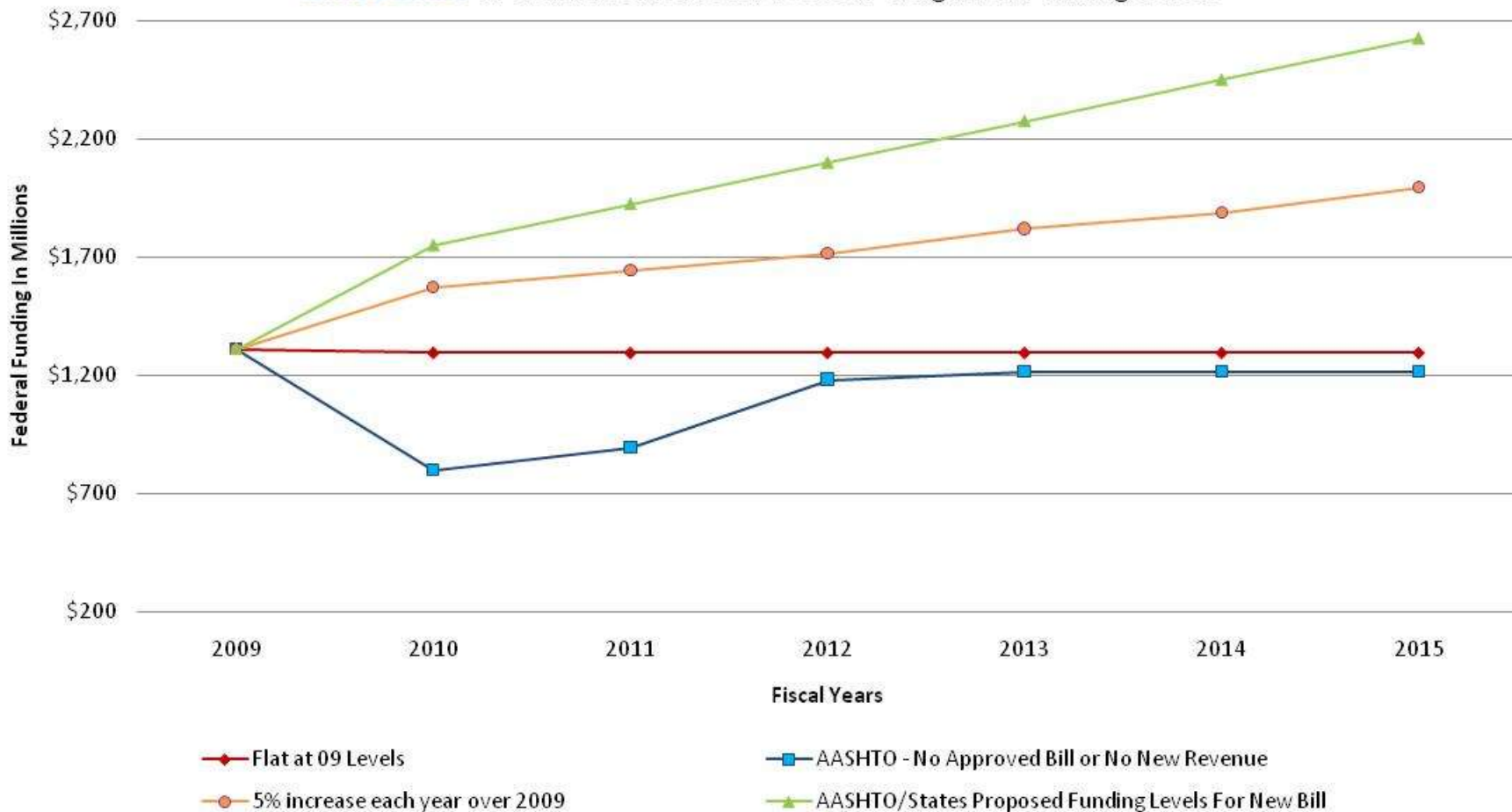
Federal Highway Forecast
 Highway Funding
 2010 - 2015
 Estimated **National** Federal Obligation Funding Levels



	2009	2010	2011	2012	2013	2014	2015
Flat at 09 Levels	\$43 B	\$43 B	\$43 B	\$43 B	\$43 B	\$43 B	\$43 B
AASHTO - No Approved Bill or No New Revenue	\$43 B	\$25 B	\$28 B	\$37 B	\$38 B	\$38 B	\$38 B
5% increase each year over 2009	\$43 B	\$45 B	\$47 B	\$49 B	\$52 B	\$54 B	\$57 B
AASHTO/States Proposed Funding Levels For New Bill	\$43 B	\$50 B	\$55 B	\$60 B	\$65 B	\$70 B	\$75 B

Federal Highway Forecast
 Highway Funding
 2010 - 2015

Ohio's Share of Estimated National Federal Obligation Funding Levels



	2009	2010	2011	2012	2013	2014	2015
Flat at 09 Levels	\$1,312	\$1,295	\$1,295	\$1,295	\$1,295	\$1,295	\$1,295
AASHTO - No Approved Bill or No New Revenue	\$1,312	\$800	\$896	\$1,184	\$1,216	\$1,216	\$1,216
5% increase each year over 2009	\$1,312	\$1,575	\$1,645	\$1,715	\$1,820	\$1,890	\$1,995
AASHTO/States Proposed Funding Levels For New Bill	\$1,312	\$1,750	\$1,925	\$2,100	\$2,275	\$2,450	\$2,625



Future Federal Funding Challenges

- AASHTO Highway Trust Fund Revenue Options to reach \$375 million by 2015
 - Increase Federal MFT Rate 10 cents - \$75 B
 - Increase Federal MFT Rate 10 cent and index to CPI \$82 B
 - Five Percent Sales Tax on GAS (if fuel prices increase 4% annually) \$85 B
 - 14.2 Percent Sales Tax on Gas in lieu of 28.4 Cent Gas Tax (if fuel prices increase 4% annually) \$95 B

Questions?



Contact:

Julie Ray, Deputy Director
Division of Finance & Forecasting
Ohio Department of Transportation

Phone: 614-466-2687

Email: julie.ray@dot.state.oh.us

