

The Financial Planning and the Economic Analysis offices are a collaborative group. Much of the data generated is used by the Secretary's office, WSDOT's Communications office, and many other offices within the department. Many other agencies, state, local, and federal, rely on information provided by our offices. The logos below represent some of the different agencies and departments with whom we have a relationship.



Office of Financial Management



Financial Planning and Economic Analysis provides comprehensive responses to ad hoc requests by other departments, agencies, the Governor's office, the Transportation Commission and the Legislature with turnaround expectations ranging from urgent to long-term.

Accounts are reconciled using information from the Office of the State Treasurer, Office of Financial Management, Department of Licensing, Department of Revenue and WSDOT's accounting office to ensure accuracy. Actual revenue collections are monitored and data is incorporated into economic models and financial plans.

Our office conducts cash-flow analysis for transportation accounts and major projects such as the Columbia River Crossing and the SR 520 bridge replacement, including multimodal modeling and tolling scenarios. Account balances for all transportation accounts are monitored daily.

Financial Planning and Economic Analysis offices are responsible for the preparation of fiscal notes and bill analyses during the legislative session.

Financial and procedural analyses are prepared at the request of the Secretary's office, the Treasurer's office, the Office of Financial Management, the Transportation Commission, and the Legislature.

We also partner with the real estate and environmental offices to manage the Advanced Environmental Mitigation Revolving Account and the Advanced Right-of-Way Account.



Joint Transportation Committee

For additional information visit our website at: www.wsdot.wa.gov/finance/ or contact Nella Rycraft rycrafn@wsdot.wa.gov 360-705-7500 fax 360-705-6886

Financial Planning

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 Claudia Lindahl Financial Plans
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 Martin Eussen Monthly Financial Plans
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Economic Analysis

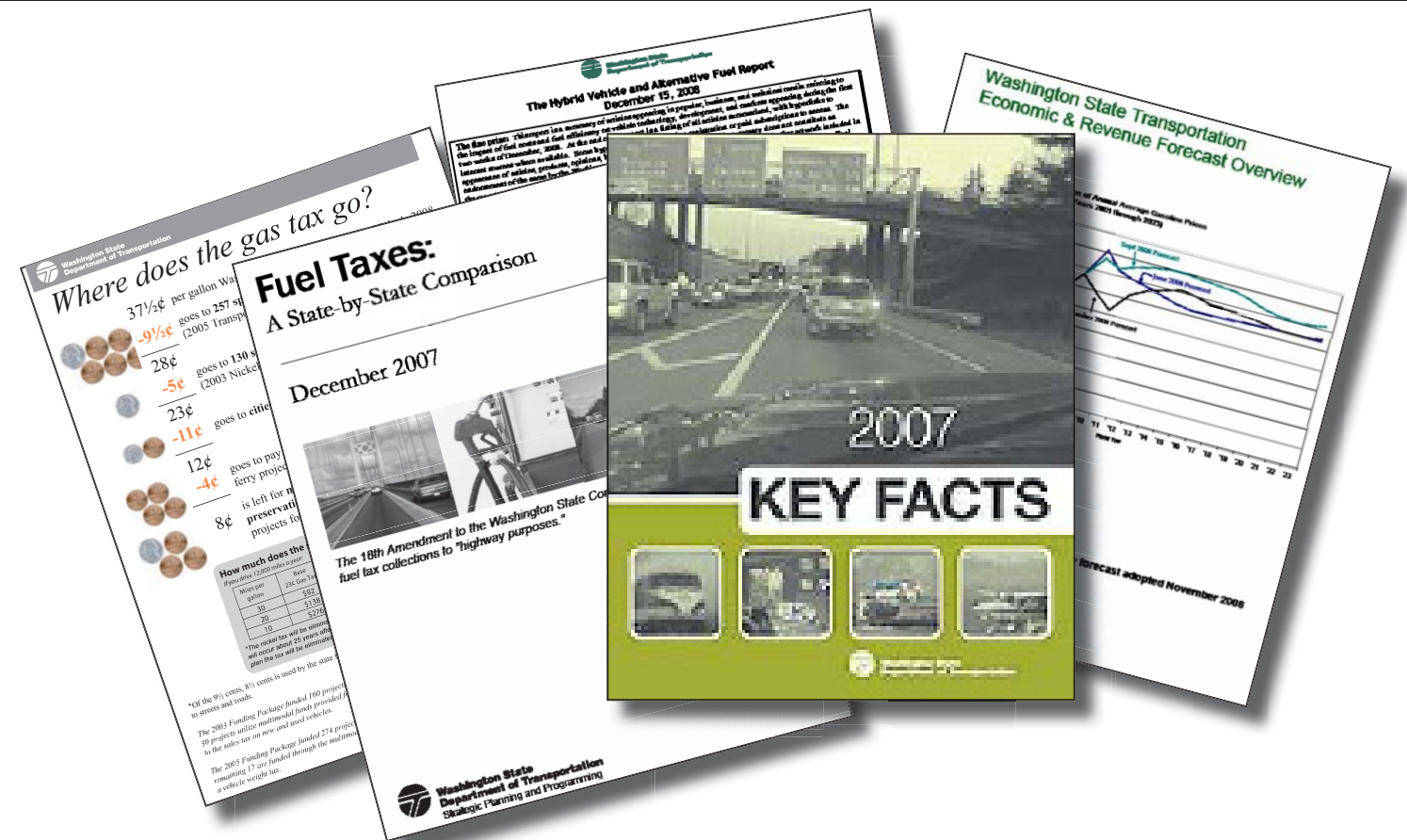
Lizbeth Martin-Mahar Assistant Director
 Kasi Reeves Financial Statistics Supervisor
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Financial Planning and Economic Analysis



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The Financial Planning and Economic Analysis team serves as the agency's fiscal advisor and as an important link to the Governor, Legislature, and State Treasurer. This requires constant monitoring of sources and uses of funds, national and local economic trends, and the political climate among Washington stakeholders.

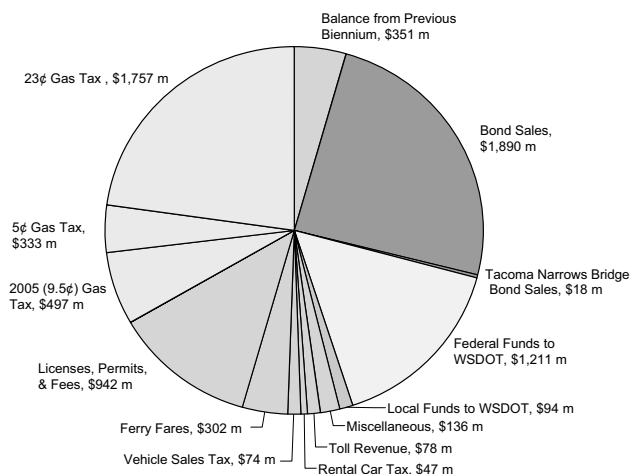


Financial Planning and Economic Analysis offices merged with the Budget office in 2007. Budget and Financial Analysis provides budget development, advocacy, allotment, monitoring, economic data, and financial analysis services for the Washington State Department of Transportation and its partners. Our staff assists and advises program professionals in developing, analyzing, proposing, directing, implementing, monitoring, and evaluating agency financial policies and operational activities consistent with the department's strategic plan, legislative direction, and external environment, along with evaluating and coordinating fiscal notes, and providing systems and analytical support for all department programs.

2008 Enacted Supplemental Budget

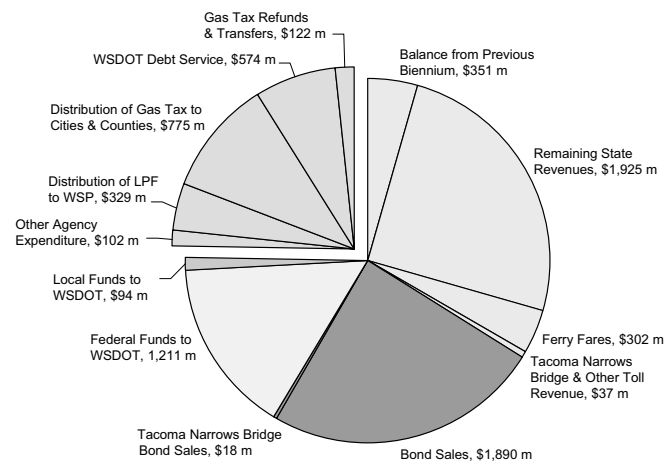
Transportation Revenues and Funds Collected by the State • 2008 Budget • \$7.7 billion

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



Distribution of State Collected Transportation Revenues and Funds • 2008 Enacted Budget \$1.9 B to other agencies and governments, \$5.8 B retained by WSDOT

Out of the total collected funds, distributions are made to various agencies and governments. During the 2007-09 biennium, of the estimated \$7,730 million* in transportation funds collected, WSDOT retains approximately \$5,827 million. The remaining \$1,903 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 February 2008 Transportation Revenue Forecast

The Financial Planning section manages WSDOT's financial plans, which reflect the current enacted budget and ensuing 16-year plan. A 16-year biennial plan as well as current biennium monthly plans are maintained by this office. Quarterly updates for revenue forecasts provided by the Economic Analysis section and changes and adjustments to the expenditures provided by the Project Control and Reporting office are incorporated into all the plans. The 16-year biennial plan is used in WSDOT's budget development and resulting budget request. Bond sale amounts (usually four sales per biennium) are all determined by this office. Associated estimated debt service is modeled, and actual debt service for existing bond sales is also tracked. This information becomes part of the financial plan as we work to keep all the transportation accounts in balance throughout the 16-year plan.

The Financial Planning Section translates financial and performance data into easily understood reports, publications, and presentations that are custom tailored depending on the intended audience, including the Washington State Transportation Commission, the Legislature, various committees and organizations, and the public.

This office is responsible for numerous other duties including:

- Uploading the quarterly adopted revenue forecasts into TEIS (Transportation Executive Information System) so other agencies can monitor and develop their budgets.
- Calculating motor fuel tax refunds to cities and counties for state supervision and studies.
- Bond sale sizing, debt service withholding projections, accounting, and reconciliation.

- Monitoring the spending of bond sale proceeds to ensure compliance with budget provisos and rules of federal arbitrage requirements. Ensuring proper IRS certification for bond sale requests to the State Treasurer.
- Managing administrative transfers.
- Uploading WSDOT's budget request for use by Office of Financial Management (OFM).
- Monitoring the spending of bond sale proceeds to ensure positive cash flow in all the transportation accounts within the current enacted budget.
- Quarterly financial submittals to the Gray Notebook.
- Revenue forecast development for WSDOT property sales and other miscellaneous revenue.
- Providing financial information for use in Washington's Transportation Plan, the agency's Strategic Plan, and numerous other publications and presentations.
- Developing toll and rate scenarios to support decision making.
- Bill analysis and fiscal note preparation during the legislative session.

The primary functions of the Economic Analysis section includes preparation, monitoring, and adjusting revenue forecasts for major federal and state revenue sources funding transportation. Primary forecasts include the motor vehicle fuel tax; vehicle license, permits, and fees; and federal funding. Other revenue forecasts include aeronautics and pilot registrations. Revenue forecasts are used by WSDOT, Office of Financial Management (OFM), the Legislature, the State Treasurer, and other state agencies. Economic Analysis coordinates transportation related forecasts created by Department of Licensing, Economic Revenue Forecast Council, Washington State Ferries, Tacoma Narrows Bridge, and the SR167 HOT Lanes, which are used by Transportation Revenue Forecast Council. Quarterly updates to forecasts are required by law. The office also provides expert review of transportation revenue forecasts prepared by others.

Economic Analysis is responsible for collecting, preparing, and analyzing a series of 11 federally required reports on state and local transportation revenues, financing, and driver and vehicle statistics. These reports are required by the Federal Highway Administration (FHWA) and are used by the FHWA in determining federal funding apportionment levels. The filing of these reports directly impacts the level of federal funds received by WSDOT. These reports are also used by the United States Department

of Transportation for benchmark measures on administrative expenditures, local government revenue, and expenditure reports. The report information is used widely in city/county level analysis.

Forecasts for treasury accounts are now requested for 16 years, which is similar to what one would call a "long-range plan," that supports compliance with federal requirements for "fiscally constrained" regional plans and the Transportation Improvement Program. Economic Analysis prepares long-range revenue forecasts which are included in the financial plan and used for Washington's Transportation Plan. This long-range plan is used by the Transportation Commission, WSDOT Executives, Office of Financial Management, Legislative staff, and Legislators.

Economic Analysis expertise is requested frequently by WSDOT executives, Senate Transportation Committee staff, House Transportation Committee staff, OFM transportation analysts, other governmental jurisdictions, and the public.

Staff also provides bill analysis and fiscal note preparation during the legislative session.

Economic Analysis is responsible for publishing *The Hybrid Vehicle and Alternative Fuel Report* and *The Fuel and Vehicle Trends Report* to give decision makers information that may affect transportation revenue and funding.