

Governor's Transportation Finance Panel



Presented by Secretary Ben Barnes

Office of Policy and Management

April 28, 2015



This Presentation will cover:

1. Background Information on the Special Transportation Fund:
 - Current Revenue Sources
 - Current Expenditure Programs
 - Capital Programs
2. Provide current projections on the long-term financial condition of the fund
3. Provide projections of the estimated future funding gap
4. Provide some potential options for preliminary discussion

Creation of the Special Transportation Fund

Transportation Fund Timeline

1983 1-Jan The Bipartisan Commission on State Tax Revenue and Related Fiscal Policy recommends diverting a portion of gasoline tax revenue to transportation projects.

1983 9-Feb Governor O'Neill's proposed budget recommends the creation of a Transportation Fund beginning in FY 1984

1983 28-Jun A section of the Mianus River Bridge on Interstate 95 in Greenwich collapses resulting in fatalities

1983 30-Jun Public Act 83-30 of the June Special Session creates the Special Transportation Fund beginning in FY 1984

1984 3-May Public Act 84-254 provides for a 10 year schedule of tax and fee increases in order to Fund the Special Transportation Fund

Special Transportation Fund Original Tax and Fee Increase Schedule

<u>State Fiscal Year</u>	<u>Motor Fuels Tax</u>	<u>Motor Vehicle Receipts</u>	<u>License, Permits & Fees</u>
1985	1¢	25.0%	
1986	1¢		50.0%
1987	1¢	24.0%	
1988	2¢		
1989	1¢	12.9%	
1990			50.0%
1991	2¢		
1992	1¢		25.0%
1993		14.3%	
1994			25.0%

Note: The Motor Fuels Tax Rate was 14 cents per gallon in FY 1984.

Source: Official Statement
State of Connecticut, 9/28/1984.

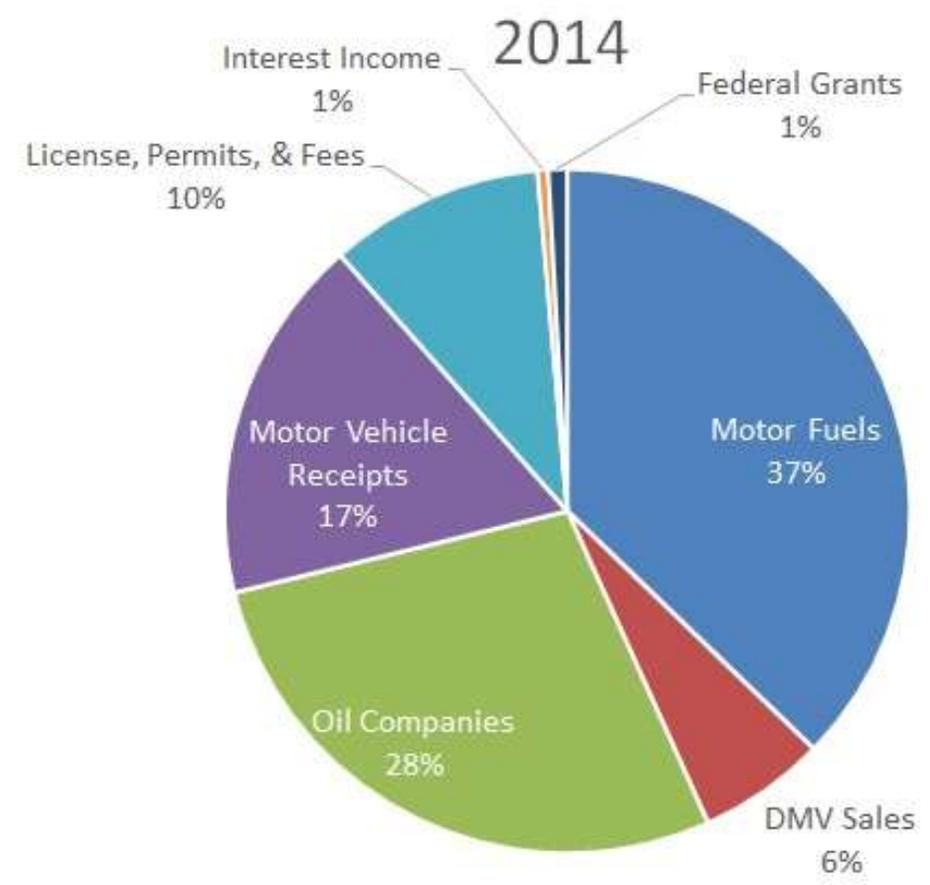
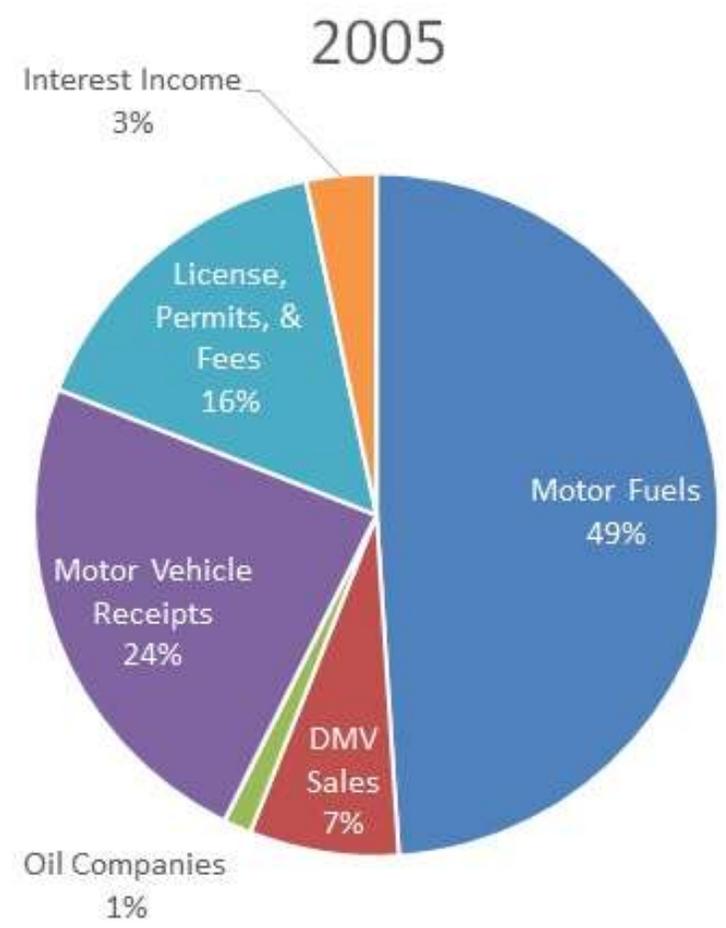
Revenues Added to the Special Transportation Fund

<u>Date</u>	<u>Revenue Source</u>	<u>Previously Deposited To:</u>
FY 1985	Motor Fuels Tax	General Fund
FY 1985	Motor Vehicle Receipts	General Fund
FY 1985	License, Permits, Fees (Transp. Related)	General Fund
FY 1999	Oil Companies	General Fund & Other
FY 2000	Sales Tax - DMV	General Fund
FY 2010	General Fund Transfer	General Fund

Note: In FY 1984 1 cent of the Motor Fuels Tax was transferred to the Special Transportation Fund.

Revenues

Special Transportation Fund Revenues (Excludes Transfers and Refunds)



Motor Vehicle Fuels Tax

- **Description:** All motor fuel sold in Connecticut is subject to a cent per gallon tax known as the Motor Vehicle Fuels Tax.
- **STF Revenue: FY 1985**
- **Current Rates:**
 - Gasoline: 25.0¢
 - Diesel: 54.5¢ (FY 2015)

<u>Fiscal Year</u>	<u>Gasoline Rate(¢)</u>	<u>Diesel Rate(¢)</u>	<u>Collection</u>	<u>Growth</u>
2005	25.0	26.0	\$483,797,382	4.2%
2006	25.0	26.0	\$480,867,798	-0.6%
2007	25.0	26.0	\$478,250,020	-0.5%
2008	25.0	37.0	\$495,122,768	3.5%
2009	25.0	43.4	\$495,024,644	0.0%
2010	25.0	45.1	\$503,635,414	1.7%
2011	25.0	39.6	\$483,526,139	-4.0%
2012	25.0	46.2	\$492,794,802	1.9%
2013	25.0	51.2	\$501,269,424	1.7%
2014	25.0	54.9	\$508,057,833	1.4%

Per 83-30 JSS: 1¢ per gallon was transferred to the STF beginning in FY 1984. Beginning in FY 1985 all Motor Fuels Tax was transferred to the STF.

Motor Vehicle Fuels Tax

Diesel Fuel Tax Rate

- The diesel fuel tax rate is higher than the gasoline tax rate because it is exempt from the Oil Companies tax
- The diesel fuel tax rate is set annually by the Department of Revenue Services based on the sum of (C.G.S. 12-458h):
 1. A base rate of 29 cents per gallon
 2. Calculation of the average wholesale price for the Hartford/Rocky Hill and New Haven areas as reported by the Oil Price Information Service from April 1st to March 31st of the prior year multiplied by the Oil Companies tax rate.

Motor Fuel Rate History

Motor Fuels Tax Changes (In Cents Per Gallon)

Effective Date	Increase/ (Decrease)	Total	Fiscal Year	Effective Date	Increase/ (Decrease)	Total	Fiscal Year
July 1, 1984	1	15	1985	July 1, 1994	1	31	1995
July 1, 1985	1	16	1986	Jan. 1, 1995	1	32	1995
July 1, 1986	1	17	1987	July 1, 1995	1	33	1996
July 1, 1987	2	19	1988	Oct. 1, 1995	1	34	1996
July 1, 1988	1	20	1989	Jan. 1, 1996	1	35	1996
July 1, 1989	-	20	1990	Apr. 1, 1996	1	36	1996
July 1, 1990	2	22	1991	July 1, 1996	1	37	1997
July 1, 1991	1	23	1992	Oct. 1, 1996	1	38	1997
Sept. 1, 1991	2	25	1992	Jan. 1, 1997	1	39	1997
Jan. 1, 1992	1	26	1992	July 1, 1997	(3)	36	1998
Jan. 1, 1993	2	28	1993	July 1, 1998	(4)	32	1999
July 1, 1993	1	29	1994	July 1, 2000	(7)	25	2001
Jan. 1, 1994	1	30	1994				

Diesel Fuel Tax Changes (In Cents Per Gallon)

Effective Date	Increase/ (Decrease)	Total	Fiscal Year
Sept. 1, 1991	(5)	18	1992
August 1, 2002	8	26	2003
July 1, 2007	11	37	2008
July 1, 2008	6.4	43.4	2009
July 1, 2009	1.7	45.1	2010
July 1, 2010	(5.5)	39.6	2011
July 1, 2011	6.6	46.2	2012
July 1, 2012	5	51.2	2013
July 1, 2013	3.7	54.9	2014
July 1, 2014	(0.4)	54.5	2015

Notes:

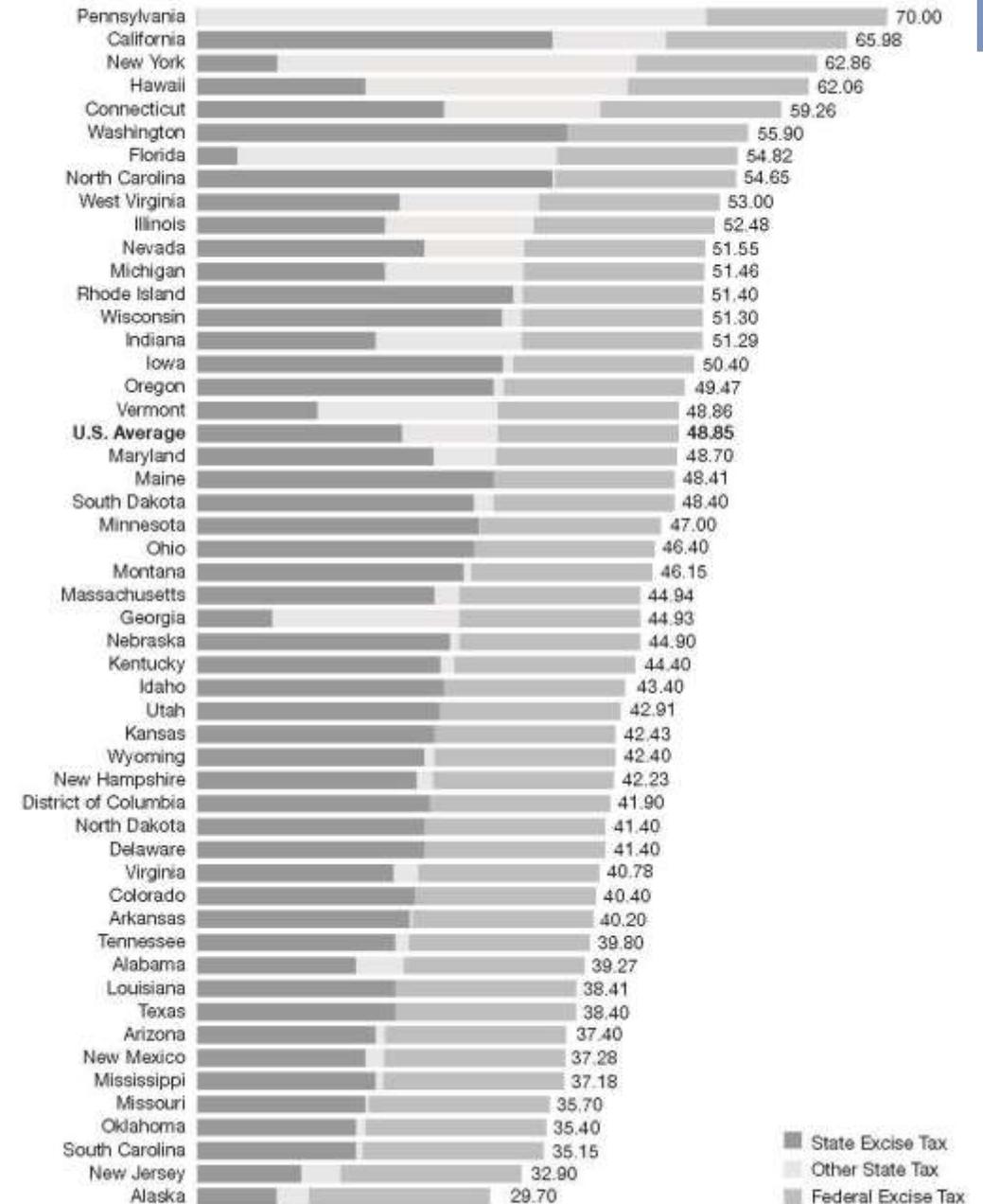
- Prior to 1991, diesel fuel was taxed at the same rate as other motor fuels. PA 91-3, JSS lowered the rate to 18 cents per gallon
- Beginning July 1, 2007 diesel fuel was exempted from the Oil Companies Tax and an annual reset mechanism was enacted under the Moto Fuels Tax based upon the wholesale price of diesel fuel per PA 07-1, JSS section 136.

National Gasoline Taxes

- Nationally Connecticut ranks 5th for highest cumulative gasoline related taxes (in cents per gallon):
 - Connecticut – 59.26
 - U.S. Average – 48.85
- Neighboring state taxes (in cents per gallon):
 - New York – 62.86
 - Rhode Island – 51.40
 - Massachusetts – 44.94

Source: American Petroleum Institute, "State Motor Fuel Taxes" 4/01/2015

Gasoline Motor Fuel Taxes as of April 1, 2015



Oil Companies Tax

(Also known as the Petroleum Products Gross Receipts Tax)

- **Description:** Levied on the gross earnings from the first sale of petroleum products by distributors in Connecticut. The total amount collected is deposited to the State's General fund and a set amount, determined by statute, is transferred to the STF.
- **STF Revenue:** FY 1999
- **Current Rate:** 8.1%
- **FY 15 Projection:** \$360.3 million

<u>Fiscal Year</u>	<u>Rate</u>	<u>Gross Collections</u>	<u>STF Deposit</u>	<u>STF Growth</u>
2005	5.0%	\$179,047,466	\$13,000,000	23.8%
2006	5.8%	\$279,590,420	\$43,500,000	234.6%
2007	6.3%	\$309,403,945	\$141,000,000	224.1%
2008	7.0%	\$367,783,240	\$127,800,000	-9.4%
2009	7.0%	\$267,813,157	\$141,900,000	11.0%
2010	7.0%	\$264,917,723	\$141,900,000	0.0%
2011	7.0%	\$334,462,843	\$165,300,000	16.5%
2012	7.0%	\$372,966,634	\$226,900,000	37.3%
2013	7.0%	\$374,925,895	\$199,400,000	-12.1%
2014	8.1%	\$416,109,657	\$380,700,000	90.9%

Oil Companies Tax

- Significant exemptions include:
 1. Diesel Fuel
 2. Home Heating: Oil, Kerosene, Propane gas
- Tax on gasoline is capped when the wholesale price exceeds \$3.00 per gallon

Motor Vehicle Receipts

- **Description:** This revenue source contains several different motor vehicle related fees and licenses including: All vehicle registrations, operator licenses, vanity plates and late fees.
- **STF Revenue:** FY 1985
- **Major Sources:**
 - Motor Vehicle Registrations – 79% of total revenue
 - Operator Licenses – 14% of total revenue

<u>Fiscal Year</u>	<u>Collection</u>	<u>Growth</u>
2005	\$233,851,818	6.7%
2006	\$227,261,155	-2.8%
2007	\$224,677,566	-1.1%
2008	\$225,524,482	0.4%
2009	\$220,780,735	-2.1%
2010	\$220,703,173	0.0%
2011	\$220,144,426	-0.3%
2012	\$235,446,219	7.0%
2013	\$234,483,769	-0.4%
2014	\$236,063,131	0.7%

Licenses, Permits and Fees

- **Description:** Multiple revenue accounts are found within LPF. These include various fines, motor vehicle fees and information requests.
- **STF Revenue:** FY 1985
- **Major Sources:**
 - Court Fees/Fines – 17% of total revenue
 - Driver Inquiries – 17% of total revenue
 - Title Certificates – 14% of total revenue

<u>Fiscal</u>	<u>Collection</u>	<u>Growth</u>
2005	\$155,083,239	0.0%
2006	\$160,441,942	3.5%
2007	\$170,460,043	6.2%
2008	\$153,761,952	-9.8%
2009	\$142,430,802	-7.4%
2010	\$135,003,639	-5.2%
2011	\$135,453,360	0.3%
2012	\$135,974,435	0.4%
2013	\$137,283,583	1.0%
2014	\$138,390,185	0.8%

Sales Tax DMV

- **Description:** Sales tax collected on private sales of automobiles (outside of the retail network). Collected by the DMV when the vehicle is registered.
- **STF Revenue:** FY 2000
- **Rate:** 6.35%

<u>Fiscal</u>	<u>Collection</u>	<u>Growth</u>
2005	\$69,719,828	-1.0%
2006	\$68,418,669	-1.9%
2007	\$67,889,267	-0.8%
2008	\$64,863,384	-4.5%
2009	\$57,133,714	-11.9%
2010	\$67,784,155	18.6%
2011	\$71,942,605	6.1%
2012	\$76,617,579	6.5%
2013	\$79,000,463	3.1%
2014	\$82,215,610	4.1%

Note: Excluding Sales Tax DMV, total car sales generate \$310.0 million in sales tax revenue

Transfers Into the Transportation Fund

- **Description:** The STF has several Transfers, both to the fund and out of the fund. The only significant transfer into the fund comes from the General Fund. General Fund transfers are specified in statute (C.G.S. 13b-61c).
- **Future Transfers To the Fund:**
 - General Fund:
 - FY 2016: \$152.8 million
 - FY 2017 and thereafter: \$162.8 million

<u>Fiscal Year</u>	<u>General Fund Transfer</u>
2005	-
2006	-
2007	-
2008	-
2009	-
2010	\$71,200,000
2011	\$107,550,000
2012	\$81,550,000
2013	\$95,245,000
2014	-

Transfers Out of the Transportation Fund

- **Description:** The STF has several Transfers, both to the fund and out of the fund. Major transfers out of the fund include:
 - Transportation Strategy Board – Ends in FY 2015
 - Emissions Fund Transfer

Fiscal Year	General Fund Transfer	Transportation Strategy Board Transfer	Emissions Fund Transfer	Total Transfers
2005	-	-\$28,726,897	-\$6,500,000	-\$35,226,897
2006	-	-\$25,300,000	-\$1,600,000	-\$26,900,000
2007	-	-\$20,300,000	-\$4,000,000	-\$24,300,000
2008	-	-\$20,800,000	-\$6,500,000	-\$27,300,000
2009	-\$6,492,122	-\$15,300,000	-\$6,500,000	-\$28,292,122
2010	-	-\$15,300,000	-\$6,500,000	-\$21,800,000
2011	-	-\$15,300,000	-\$6,500,000	-\$21,800,000
2012	-	-\$15,000,000	-\$6,500,000	-\$21,500,000
2013	-	-\$15,000,000	-\$6,500,000	-\$21,500,000
2014	-\$76,500,000	-\$15,000,000	-\$6,500,000	-\$98,000,000

All Other Revenue

- **Interest Income:** Interest earnings accrued from the funds and accounts within the STF.
- **Federal Grants:** Per the federal American Recovery and Reinvestment Act of 2009, the state is entitled to a cash subsidy from the United States Treasury equal to 35% of the interest payable for any Taxable Build America Bond
- **Total Refunds:** Includes both refunds given on behalf of taxes and other payments.

<u>Fiscal Year</u>	<u>Interest Income</u>	<u>Federal Grants</u>	<u>Total Refunds</u>
2005	\$32,680,585	-	-\$11,108,174
2006	\$40,125,272	-	-\$11,518,513
2007	\$45,999,653	-	-\$10,632,223
2008	\$36,555,359	-	-\$9,718,296
2009	\$15,582,811	-	-\$8,856,449
2010	\$6,681,167	\$3,001,784	-\$10,220,941
2011	\$5,505,557	\$9,359,810	-\$9,774,254
2012	\$2,208,273	\$12,914,777	-\$9,985,495
2013	\$4,137,922	\$12,415,547	-\$9,248,493
2014	\$6,770,537	\$12,100,107	-\$10,606,966

Items not included within the Special Transportation Fund Revenues

- Farebox revenue as they offset bus and rail accounts within the Department of Transportation's operating budget (See expenditures for more details)
- Items that are outside of the operating budget and are part of capital program (See Capital Program for more details):
 - Federal reimbursements on capital projects
 - State Bond Funds

Expenditures

Special Transportation Fund History of Expenditures

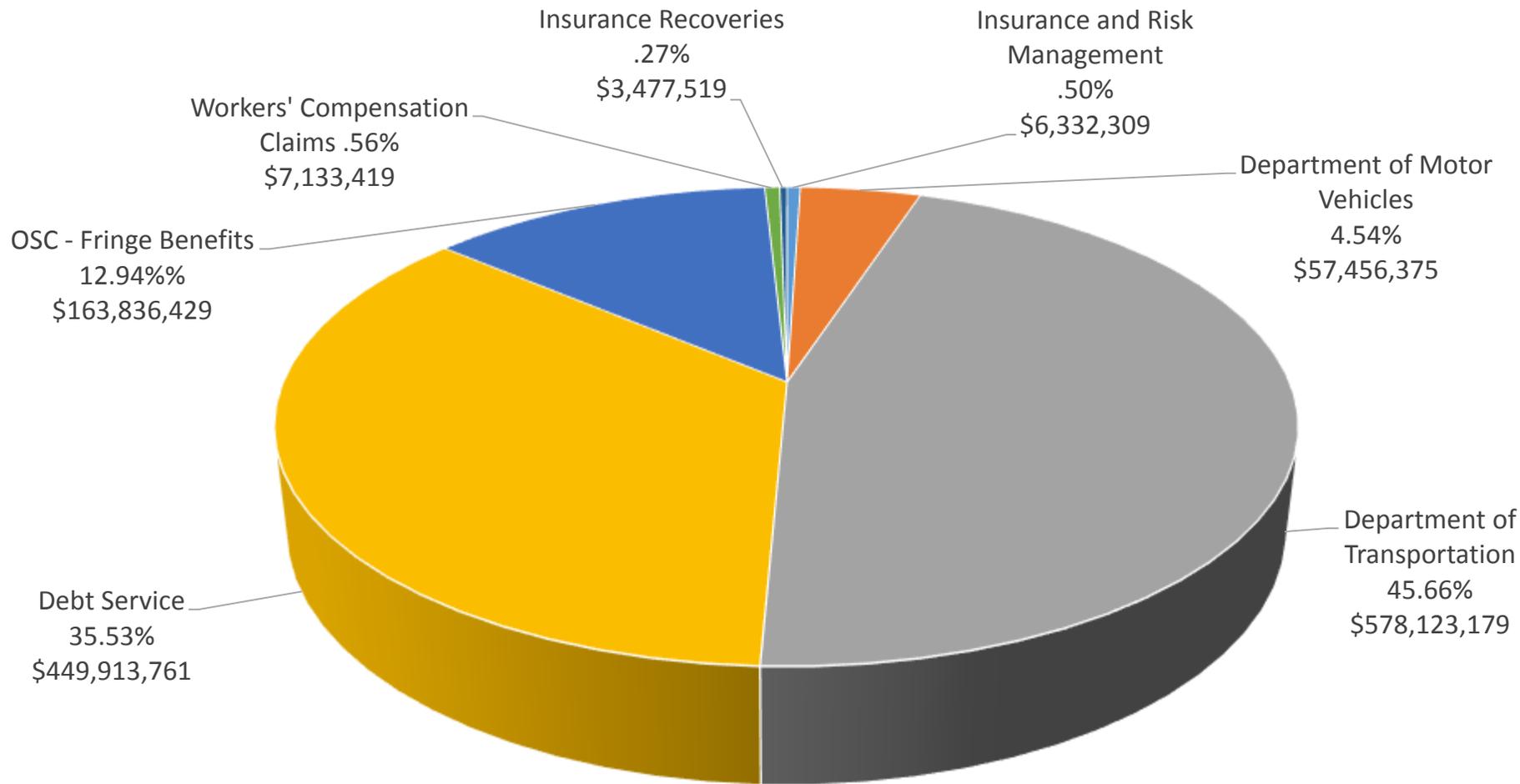
- Components:**

- Department of Transportation
- Debt Service
- Department of Motor Vehicles
- Fringe Benefits
- Workers' Compensation Claims
- Other Accounts

<u>Fiscal</u> <u>Year</u>	<u>Actual</u> <u>Expenditures</u>	<u>Growth</u> <u>\$</u>	<u>Growth</u> <u>%</u>
2005	\$932,756,482	-	-
2006	\$999,010,446	\$66,263,964	7.10%
2007	\$1,037,182,817	\$38,172,371	3.82%
2008	\$1,096,935,392	\$59,752,575	5.76%
2009	\$1,128,201,531	\$31,266,139	2.85%
2010	\$1,101,442,615	\$(26,758,916)	-2.37%
2011	\$1,166,629,733	\$65,187,118	5.92%
2012	\$1,193,408,074	\$26,778,341	2.30%
2013	\$1,214,044,173	\$20,636,099	1.73%
2014	\$1,266,272,991	\$52,228,818	4.30%

Average Growth: 3.49%

Special Transportation Fund FY 2014 Actual Expenditures By Agency



Special Transportation Fund Personal Services Growth

Department of Transportation

<u>Fiscal Year</u>	<u>Position Count</u>	<u>Personal Services Funding</u>	<u>Growth %</u>
2005	3262	\$121,005,173	-
2006	3225	\$124,236,169	2.67%
2007	3225	\$137,260,348	10.48%
2008	3421	\$151,635,820	10.47%
2009	3426	\$152,726,365	0.72%
2010	3398	\$147,780,033	-3.24%
2011	3294	\$161,349,424	9.18%
2012	2924	\$140,069,901	-13.19%
2013	2976	\$146,219,753	4.39%
2014	3085	\$158,709,484	8.54%

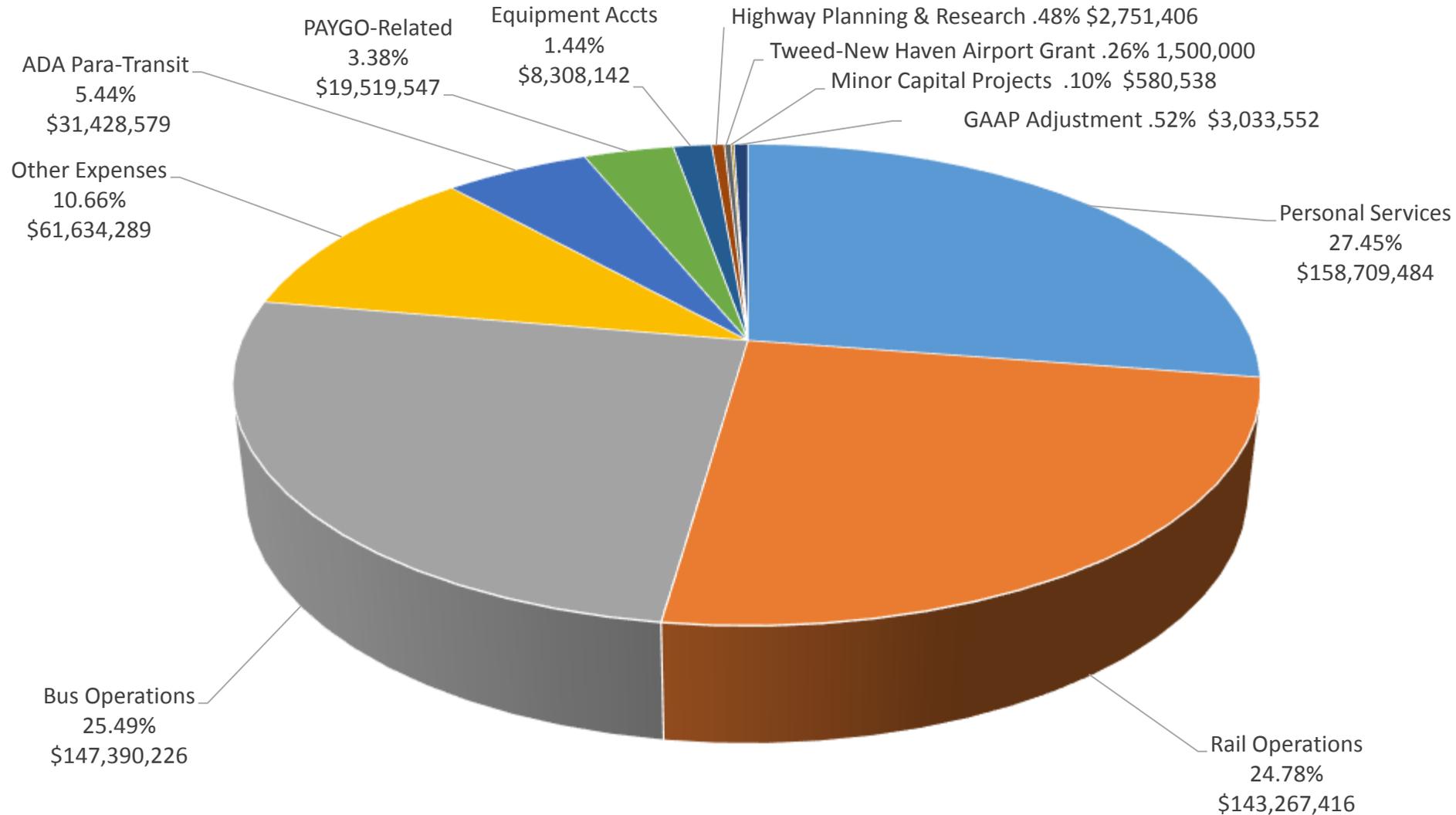
Average Growth: 3.34%

Department of Motor Vehicles

<u>Fiscal Year</u>	<u>Position Count</u>	<u>Personal Services Funding</u>	<u>Growth %</u>
2005	595	\$34,831,601	-
2006	631	\$38,086,268	9.34%
2007	642	\$41,189,479	8.15%
2008	679	\$42,961,018	4.30%
2009	679	\$42,598,829	-0.84%
2010	618	\$38,426,084	-9.80%
2011	566	\$38,994,079	1.48%
2012	573	\$39,640,952	1.66%
2013	573	\$38,551,088	-2.75%
2014	577	\$41,166,161	6.78%

Average Growth: 2.04%

Department of Transportation FY 2014 - Actual Expenditures by Account



Special Transportation Fund

History of Rail Operations Expenditures

- State Operating Subsidy
 - Operations
 - Maintenance & Repair

- Metro North
 - New Haven to NYC
 - Connecting branches to New Canaan, Danbury, & Waterbury

- Amtrak
 - Shore Line East from New London to New Haven

Rail Operations

Fiscal Year	Actual Expenditures	Growth \$	Growth %
2005	\$69,215,131	-	-
2006	\$81,384,260	\$12,169,129	17.58%
2007	\$84,694,785	\$3,310,525	4.07%
2008	\$94,364,226	\$9,669,441	11.42%
2009	\$108,147,408	\$13,783,182	14.61%
2010	\$117,622,332	\$9,474,924	8.76%
2011	\$126,681,216	\$9,058,884	7.70%
2012	\$137,284,937	\$10,603,721	8.37%
2013	\$137,917,549	\$632,612	0.46%
2014	\$143,267,416	\$5,349,867	3.88%

Average Growth: 8.54%

Special Transportation Fund

History of Bus Operations Expenditures

- State Operating Subsidy
 - Maintenance of Bus Fleet and Facilities
 - Urban and Rural Local and Commuter Bus Services
 - Commuter Lot Leases
- CTfastrak
- CT Transit

Bus Operations

Fiscal Year	Actual Expenditures	Growth \$	Growth %
2005	\$82,555,172	-	-
2006	\$86,937,384	\$4,382,212	5.31%
2007	\$100,002,319	\$13,064,935	15.03%
2008	\$111,889,786	\$11,887,467	11.89%
2009	\$115,567,969	\$3,678,183	3.29%
2010	\$124,280,561	\$8,712,592	7.54%
2011	\$132,605,184	\$8,324,623	6.70%
2012	\$131,794,529	\$(810,655)	-0.61%
2013	\$140,594,871	\$8,800,342	6.68%
2014	\$147,390,226	\$6,795,355	4.83%

Average Growth: 6.74%

Special Transportation Fund

History of ADA Paratransit Operations Expenditures

- Operating Subsidy for Van Services
- Mandated by the Americans with Disabilities Act (ADA) of 1990
- Provided parallel to all local fixed route bus service
- 14 Districts/Regions

ADA Paratransit Operations

<u>Fiscal Year</u>	<u>Actual Expenditures</u>	<u>Growth \$</u>	<u>Growth %</u>
2005	\$13,294,537	-	-
2006	\$15,479,804	\$2,185,267	16.44%
2007	\$18,998,030	\$3,518,226	22.73%
2008	\$20,630,035	\$1,632,005	8.59%
2009	\$23,020,591	\$2,390,556	11.59%
2010	\$24,862,359	\$1,841,768	8.00%
2011	\$25,523,811	\$661,452	2.66%
2012	\$27,674,980	\$2,151,169	8.43%
2013	\$28,820,833	\$1,145,853	4.14%
2014	\$30,852,218	\$2,031,385	7.05%

Average Growth: 9.96%

Special Transportation Fund Pay-As-You-Go Program

- Non-Bondable Transportation Projects
- Support Maintenance of State Roads & Bridges
- Cover
 - Resurfacing
 - Pavement Crack Repair
 - Line Striping
 - Bridge Inspection Operations
 - Bridge Joint Repair

Pay-As-You-Go Program			
Fiscal Year	Actual Expenditures	Growth \$	Growth %
2005	\$11,778,498	-	-
2006	\$12,755,023	\$976,525	8.29%
2007	\$10,770,530	\$(1,984,493)	-15.56%
2008	\$10,730,329	\$(40,201)	-0.37%
2009	\$10,300,402	\$(429,927)	-4.01%
2010	\$9,318,638	\$(981,764)	-9.53%
2011	\$13,730,027	\$4,411,389	47.34%
2012	\$20,413,055	\$6,683,028	48.67%
2013	\$16,763,191	\$(3,649,864)	-17.88%
2014	\$14,920,014	\$(1,843,177)	-11.00%

Average Growth: 5.11%

Note: Before FY12 referred to as the Highway and Bridge Renewal account

Department of Transportation

Other Notes

- Connecticut Airport Authority (CAA)
 - Established in Public Act 11-84
 - Bradley overseen by CAA but not funded through STF
 - DOT Budget Provides Support to General Aviation Airport Operations
 - Administers Tweed-New Haven Airport Grant (from DOT Budget)
- Governor's Recommended Budget
 - Connecticut Port Authority (CPA)
 - Established by Public Act 14-222
 - Quasi Public Entity to coordinate development and marketing of state ports
 - Transit Corridor Development Authority (TCDA)
 - Coordinate Economic Development within ½ mile of Transit Centers
 - Funding Recommended in FY 2017 to Support Operations

Capital

Capital Expenditures

- Special Transportation Fund Capital projects are primarily funded through:
 1. State Bonds – Special Tax Obligation Bonds
 2. Federal Reimbursements

State Bonds

- Special Transportation Fund capital projects are primarily funded through Special Tax Obligation Bonds (Revenue bonds). Some of the features include:
 - 20 Year maturity
 - Fixed Rate
 - Two times revenue coverage for debt service (See next slide)
 - Debt Service Reserve Requirement
 - Level Debt Service Amortization
- Current Ratings:
 - Moody's – Aa3 (Stable)
 - Standard & Poor's – AA (Stable)
 - Fitch – AA (Stable)
- \$9.2 billion of new money tax-exempt bonds have been issued since the program's inception (41 bond sales).
- Annual new money bond sale amounts have been significantly higher in the last several years (\$500 million to \$600 million) versus the programs first 25-years (\$125 million to \$250 million)
- There is currently \$5.9 billion in outstanding principal and interest outstanding on the STO bond

Coverage Test Requirement

- **All Pledged Revenues** must equal at least **two times** the **Maximum Annual Debt Service** for all Outstanding Bonds.
 - A breach of this bond covenant would create an event of default under the bond indenture.
- The State is allowed to modify pledged revenues (add, substitute, reduce) so long as coverage requirement is met.
- In addition, revenues can not be reduced if the next ensuing year has a projected deficit.

Debt Service Reserve Requirement

- A requirement under the Bond indenture
- The state is required to maintain an amount equal to the maximum Principal and Interest requirements on the Bonds for the current or any fiscal year.
- \$459.0 million is currently held in the reserve account

Federal Reimbursement

- State capital expenditures structured to maximize federal reimbursements
- Unfortunately there is uncertainty going forward as to the level of federal reimbursement
- Congress has failed to act on properly funding the federal highway trust fund
 - Federal Gasoline tax has remained at 18.4 cents per gallon since 1993 (22 years). 18.4 cents in 1993 dollars is roughly equivalent to 30.2 cents in 2015 dollars.

Fund Projections

Transportation Plan Assumptions

	Forecast		
	Yrs. 1-2	Yrs. 3-5	Yrs. 6-25
	<u>FY 2016 - 2017</u>	<u>FY 2018 - 2020</u>	<u>FY 2021 - 2040</u>
<u>Revenue</u>			
Motor Fuels Tax	0.5%	0.0%	-0.5%
Oil Companies Tax	Statute	Statute	Statute
Sales Tax - DMV	1.2%	1.2%	1.2%
Motor Vehicle Receipts	0.3%	0.3%	0.3%
Licenses, Permits, Fees	0.4%	0.4%	0.4%
Transfers	Statute	Statute	Statute
All Other	Various	Various	Various
<u>Expenditures</u>			
Personal Services	3.0%	3.0%	3.0%
All Other (CPI)	0.5%	2.5%	2.5%
<u>Other</u>			
Interest Rates	3.5%	4.0%	4.5%
Construction Inflation	2.5%	2.5%	2.5%
Federal Reimbursement	\$650M	\$650M	\$650M

M denotes millions

Baseline Forecast

(in millions)

	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
Revenues											
1.Total Revenue	\$ 1,340.6	\$ 1,501.6	\$ 1,516.9	\$ 1,519.9	\$ 1,522.4	\$ 1,525.0	\$ 1,524.5	\$ 1,523.6	\$ 1,522.7	\$ 1,521.8	\$ 1,520.8
Expenditures											
2.Base Debt Service	\$ 464.9	\$ 495.9	\$ 536.8	\$ 578.9	\$ 614.4	\$ 653.0	\$ 683.6	\$ 701.2	\$ 727.1	\$ 763.7	\$ 791.6
3.Additional Debt Service	-	-	-	-	-	-	-	-	-	-	-
4.Total Debt Service	\$ 464.9	\$ 495.9	\$ 536.8	\$ 578.9	\$ 614.4	\$ 653.0	\$ 683.6	\$ 701.2	\$ 727.1	\$ 763.7	\$ 791.6
5.Agency Expenditures	\$ 876.6	\$ 936.2	\$ 941.5	\$ 965.6	\$ 1,012.5	\$ 1,053.1	\$ 1,080.7	\$ 1,112.5	\$ 1,145.4	\$ 1,179.5	\$ 1,214.6
6.Additional Expenditures	-	-	-	-	-	-	-	-	-	-	-
7.Total Expenditures	\$ 876.6	\$ 936.2	\$ 941.5	\$ 965.6	\$ 1,012.5	\$ 1,053.1	\$ 1,080.7	\$ 1,112.5	\$ 1,145.4	\$ 1,179.5	\$ 1,214.6
8.Grand Total Expenditures	\$ 1,341.5	\$ 1,432.1	\$ 1,478.3	\$ 1,544.6	\$ 1,626.9	\$ 1,706.0	\$ 1,764.3	\$ 1,813.7	\$ 1,872.6	\$ 1,943.2	\$ 2,006.2
9.Surplus/(Deficit)	\$ (0.9)	\$ 69.5	\$ 38.6	\$ (24.6)	\$ (104.5)	\$ (181.0)	\$ (239.8)	\$ (290.1)	\$ (349.9)	\$ (421.4)	\$ (485.4)
Revenue Requirements											
10.Additional Revenue	\$ 0.9	\$ -	\$ -	\$ 24.6	\$ 79.9	\$ 76.5	\$ 58.7	\$ 50.3	\$ 59.8	\$ 71.5	\$ 64.0
11.Cumulative Revenue	\$ -	\$ -	\$ -	\$ 24.6	\$ 104.5	\$ 181.0	\$ 239.8	\$ 290.1	\$ 349.9	\$ 421.4	\$ 485.4

Let's Go CT 10 Year Forecast

(in millions)

	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
Revenues											
1.Total Revenue	\$ 1,340.6	\$ 1,501.6	\$ 1,516.9	\$ 1,519.9	\$ 1,522.4	\$ 1,525.0	\$ 1,524.5	\$ 1,523.6	\$ 1,522.7	\$ 1,521.8	\$ 1,520.8
Expenditures											
2.Base Debt Service	\$ 464.9	\$ 495.9	\$ 536.8	\$ 578.9	\$ 614.4	\$ 653.0	\$ 683.6	\$ 701.2	\$ 727.1	\$ 763.7	\$ 791.6
3.Additional Debt Service	-	5.3	23.0	53.2	89.9	127.1	181.4	260.5	368.3	513.6	706.1
4.Total Debt Service	\$ 464.9	\$ 501.2	\$ 559.8	\$ 632.2	\$ 704.3	\$ 780.1	\$ 865.1	\$ 961.7	\$ 1,095.4	\$ 1,277.3	\$ 1,497.7
5.Agency Expenditures	\$ 876.6	\$ 936.2	\$ 941.5	\$ 965.6	\$ 1,012.5	\$ 1,053.1	\$ 1,080.7	\$ 1,112.5	\$ 1,145.4	\$ 1,179.5	\$ 1,214.6
6.Additional Expenditures	-	-	-	24.7	27.3	43.4	65.3	74.1	83.3	93.1	165.5
7.Total Expenditures	\$ 876.6	\$ 936.2	\$ 941.5	\$ 990.3	\$ 1,039.9	\$ 1,096.4	\$ 1,146.0	\$ 1,186.6	\$ 1,228.7	\$ 1,272.5	\$ 1,380.1
8.Grand Total Expenditures	\$ 1,341.5	\$ 1,437.4	\$ 1,501.3	\$ 1,622.5	\$ 1,744.1	\$ 1,876.5	\$ 2,011.1	\$ 2,148.3	\$ 2,324.1	\$ 2,549.8	\$ 2,877.8
9.Surplus/(Deficit)	\$ (0.9)	\$ 64.2	\$ 15.7	\$ (102.6)	\$ (221.7)	\$ (351.5)	\$ (486.5)	\$ (624.7)	\$ (801.4)	\$ (1,028.0)	\$ (1,357.0)
Revenue Requirements											
10.Additional Revenue	\$ 0.9	\$ -	\$ -	\$ 102.6	\$ 119.2	\$ 129.8	\$ 135.0	\$ 138.2	\$ 176.7	\$ 231.3	\$ 441.9
11.Cumulative Revenue	\$ -	\$ -	\$ -	\$ 102.6	\$ 221.7	\$ 351.5	\$ 486.5	\$ 624.7	\$ 801.4	\$ 1,032.8	\$ 1,474.6

Revenue Options

Existing Tax Types

General Fund		Special Transportation Fund
Taxes	Other Revenue	Taxes
1. Personal Income Tax	13. Transfers-Special Revenue	18. Motor Fuels Tax
2. Sales & Use	14. Indian Gaming Payments	19. Oil Companies Tax
3. Corporation	15. Licenses, Permits, Fees	20. Sales Tax - DMV
4. Public Service	16. Sales of Commodities	
5. Inheritance & Estate	17. Rents, Fines, Escheats	Other Revenue
6. Insurance Companies		21. Motor Vehicle Receipts
7. Cigarettes		22. Licenses, Permits, Fees
8. Real Estate Conveyance		
9. Oil Companies		
10. Alcoholic Beverages		
11. Admissions & Dues		
12. Health Provider		

Potential Revenue Options

	Current Rate	Increase	Additional Revenue (in millions)
1. Gasoline Tax	25¢	1¢	\$14.2
2. Diesel Fuel Tax	54.5¢	1¢	\$2.8
3. Oil Companies Tax	8.10%	1.00%	\$51.4
4. Driver's License	\$72.00	\$1.00	\$0.4
5. Motor Vehicle Registrations			
a. Passenger Vehicle	\$80.00	\$1.00	\$1.3
b. Commercial	various	\$1.00	\$0.3
c. Combination	various	\$1.00	\$0.4
6. Rail Fares	various	1.00%	\$2.0
7. Bus Fares	\$1.50	5¢	\$1.0
8. Sales Tax	6.35%	1.00%	\$640.0
9. Sales Tax - Motor Vehicle and Parts Dealers	6.35%		\$385.0
10. Sales Tax - Vehicle Sales	6.35%		\$310.0

Other Revenue Options

- Tolls
- Automated Traffic Enforcement
- Sponsorships
- Asset Sales
- Vehicle Miles Traveled
- Revenue options used by other states

Conclusion

- Doing nothing is not an option:
 - Even the existing Transportation Program will require additional resources as early as Fiscal Year 2018
- Let's Go CT provides a comprehensive plan for maintenance, improvement and construction of the state's transportation infrastructure
- Connecticut's Ageing Infrastructure needs to be addressed today