

Could this happen in Wyoming?



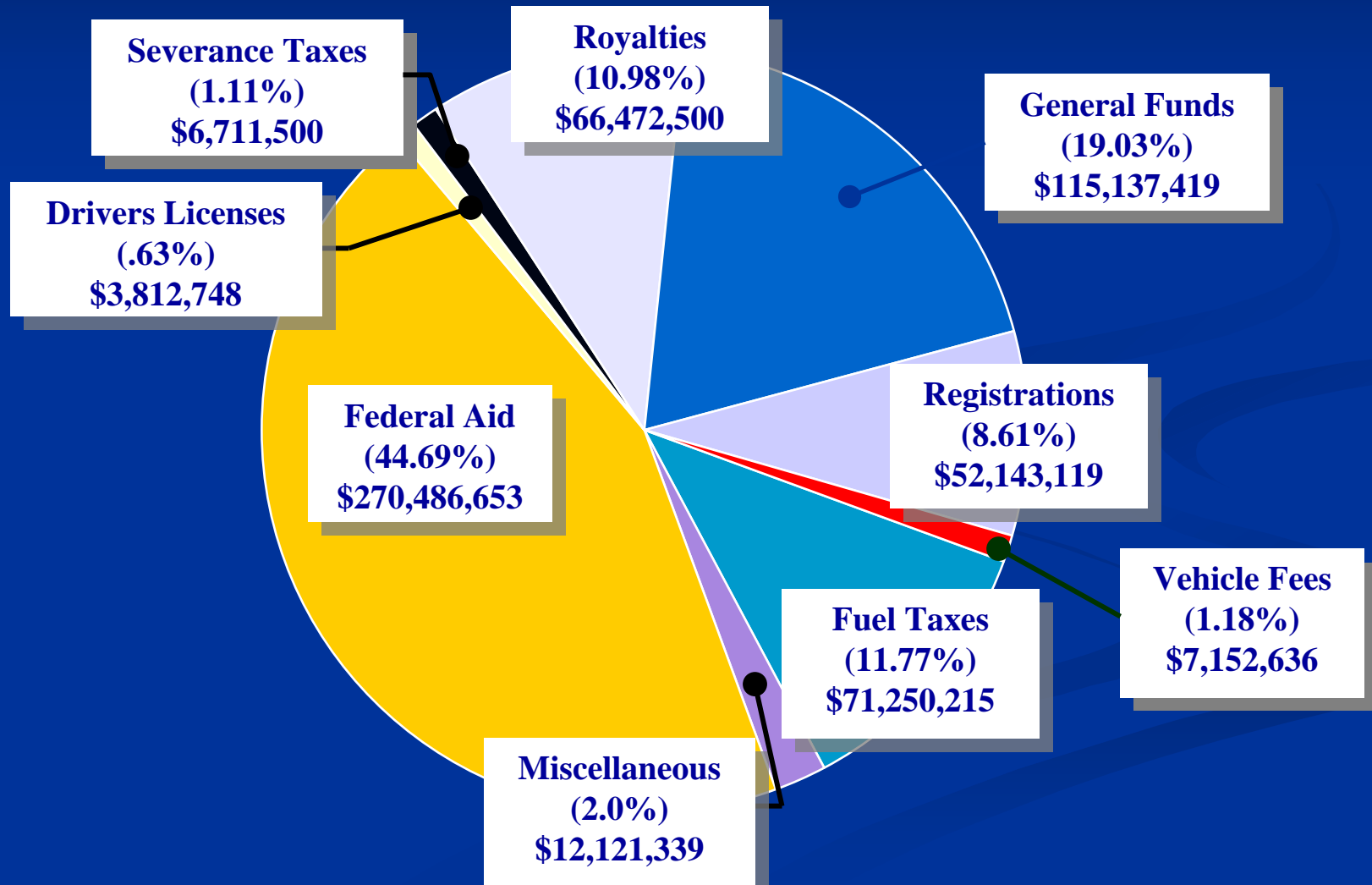
Wyoming's Roads

Condition and funding

Anticipated Revenue

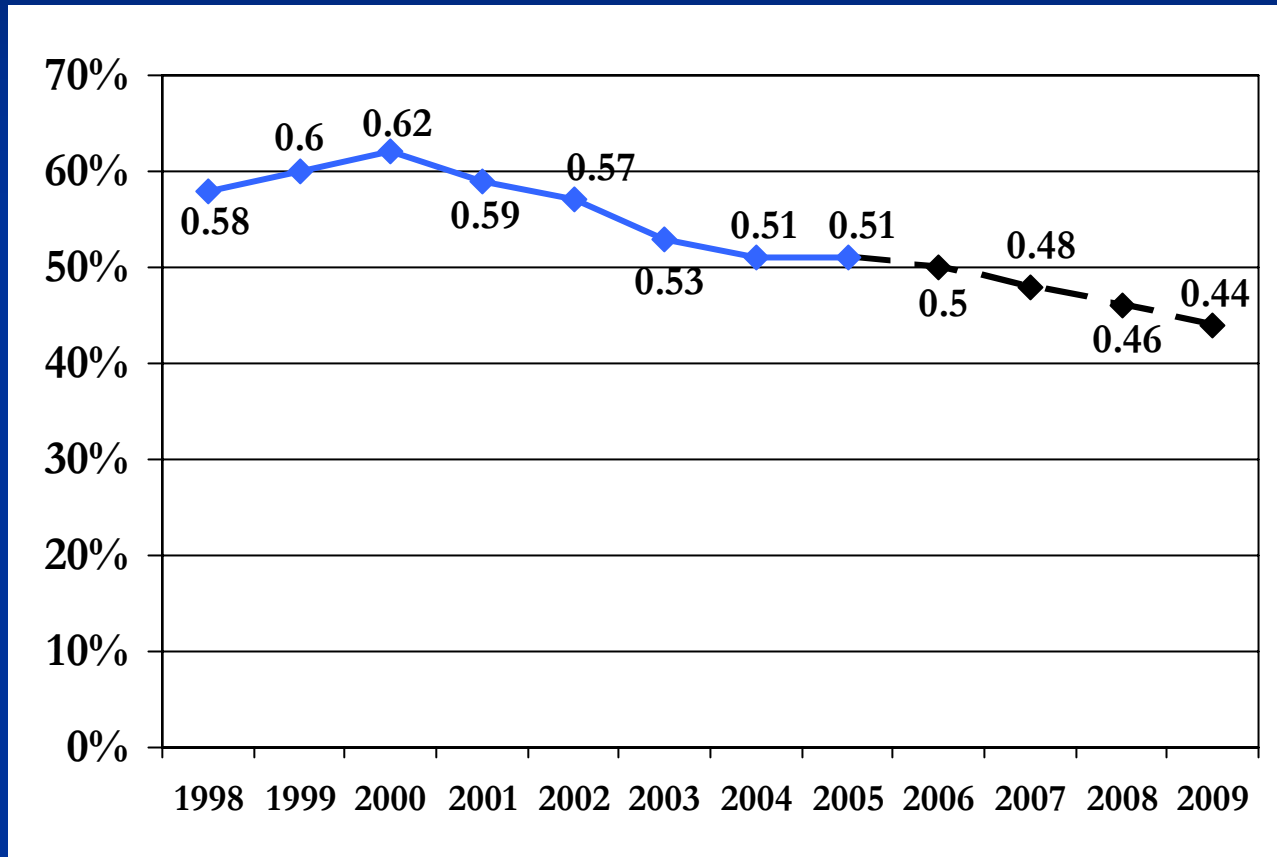
Fiscal Year 2007

\$605,288,129



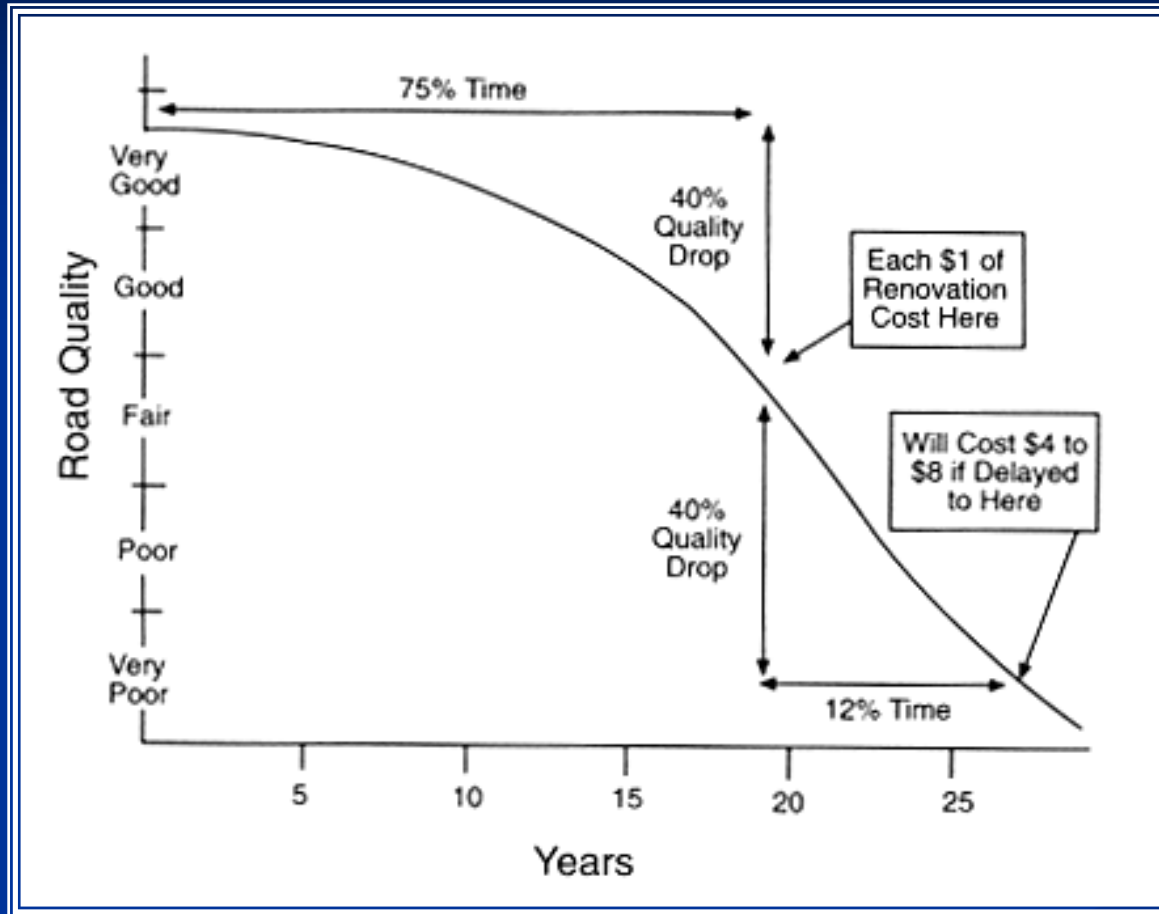
Impacts

Accelerating Road Deterioration



**State Highway System Performance Trends
Percentage Rated Good to Excellent**

Road Deterioration vs. Time



Timely maintenance is the key to getting the maximum life from our pavements. For every dollar not spent on timely preventive maintenance, \$4 to \$8 will be needed for complete reconstruction a few years later.

Impacts

Cost Increase – 100% Inflation Since 1998

Fiscal Year	Inflation %	Cumulative %
1998	13.15%	13.15%
1999	48.31%	61.46%
2000	-37.65%	23.81%
2001	2.22%	26.03%
2002	32.72%	58.75%
2003	22.03%	80.78%
2004	-31.02%	49.76%
2005	61.42%	111.18%

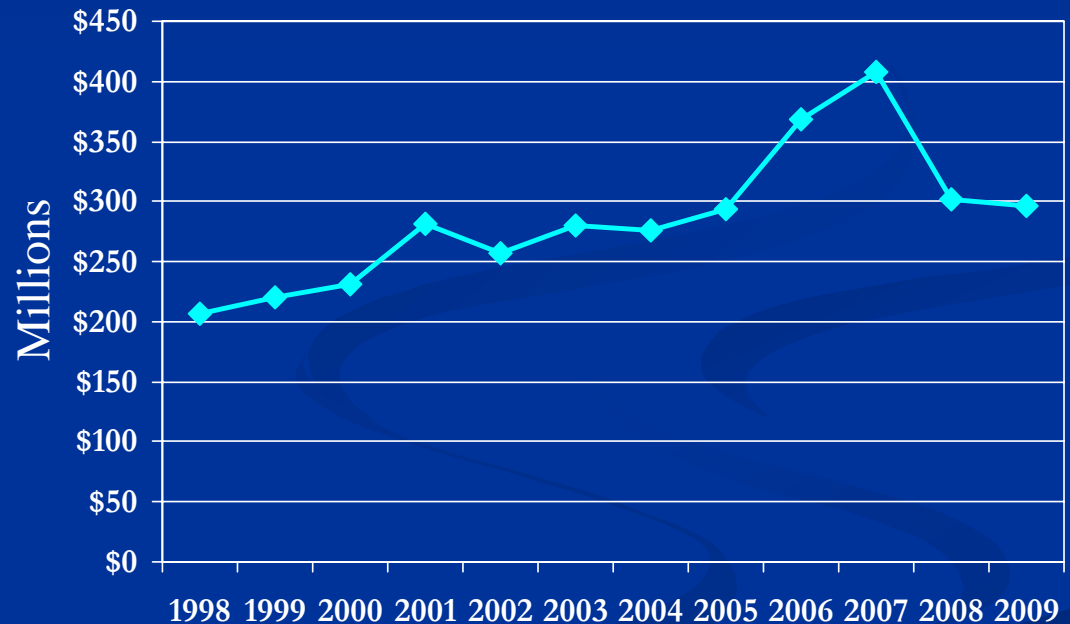
**Based on the US DOT Federal Highway Administration
Price Trends – Base Year 1987**

Impacts

Construction Dollars Available

Construction Dollars Available (in millions of dollars)

	Federal	General	State	Total
1998	165	0	41	\$206
1999	185	0	35	\$220
2000	190	0	41	\$231
2001	240	0	41	\$281
2002	224	0	33	\$257
2003	243	0	37	\$280
2004	249	0	27	\$276
2005	263	7**	23	\$293
2006	265	79**	25	\$369
2007	270*	100**	38	\$408
2008	273*	0	29	\$302
2009	271*	0	26	\$297



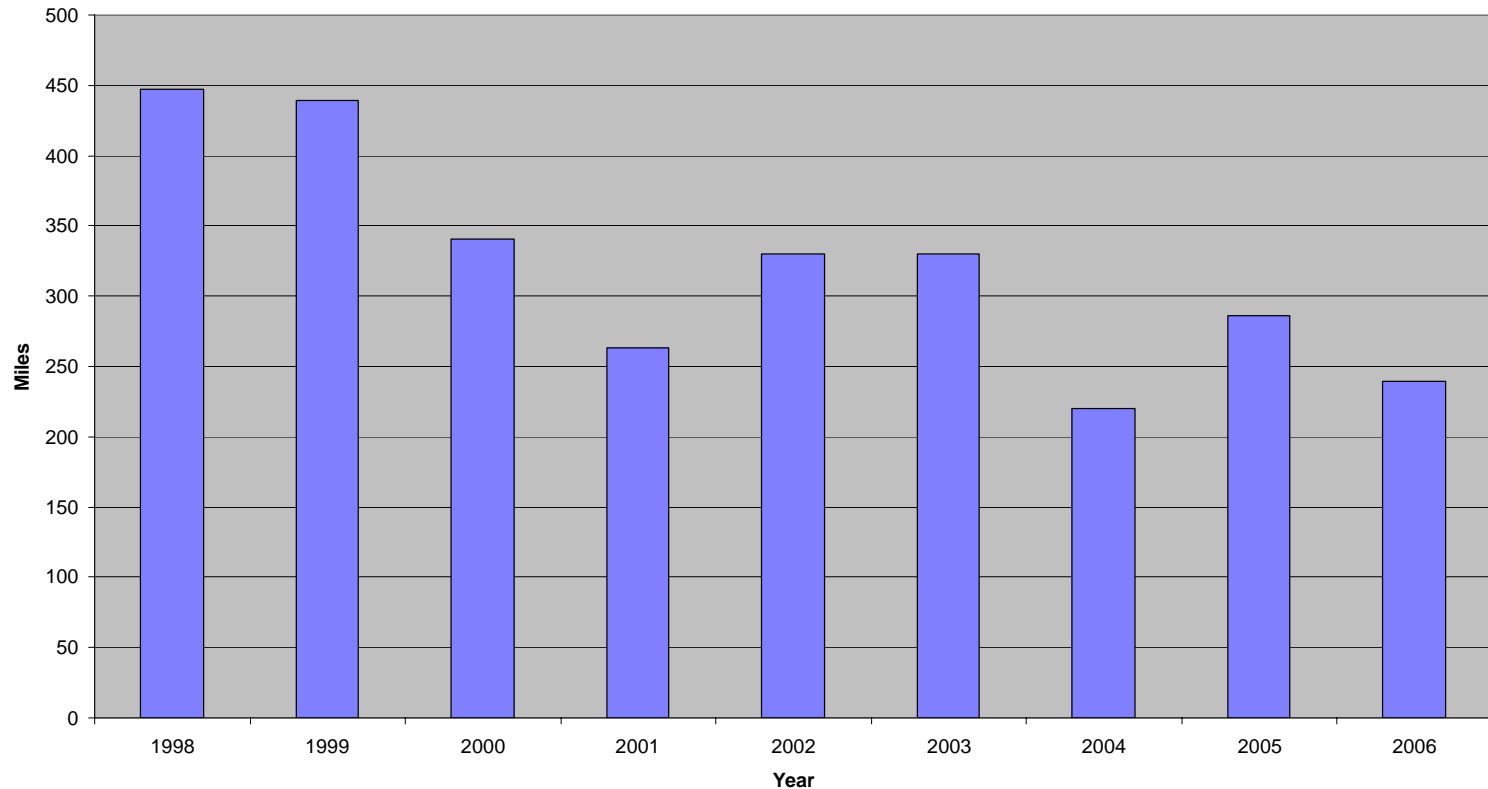
* Federal obligation authority was increased from 86.18% (based on 2006) to 89.97% based on actual 2007 received March 19, 2007.

** Total General Fund appropriations for highways used for construction, maintenance, and match requirements for federal-aid highway funds.

Impacts of Construction Inflation

Fewer Miles of Improvement

Yearly Rehabilitation Miles* 1998-2006



* Mileage for Interstate highway projects is doubled

Construction Impacts

- Cost Increase – 100% Inflation in 6 Years
- Average Cost of Projects Greatly Increased
- Construction Spending Has Been Flat
- Fewer Contractors
- Fewer Miles of Roadway Improvements
- Accelerating Road Deterioration
- Manpower Resources

Gasoline tax

To raise or not to raise?

That is the question.

Motor Fuel Tax Rates

State Gasoline Tax Rate History

1923	1 cent
1925	2 1/2 cents
1927	3 cents
1929	4 cents
1951	5 cents
1967	6 cents
1969	7 cents
1976	8 cents
1989	9 cents*
1998	14 cents**
2000	14 cents***
2002	14 cents*
2003	14 cents*
2004	14 cents*
2005	14 cents*

*An amount equivalent to this additional one-cent tax is given from severance taxes to the Department of Environmental Quality for leaking underground fuel storage tank clean-up activities.

** An amount equal to two cents of this tax was diverted from WYDOT's severance taxes/royalties to the school foundation program until \$20 million was reached.

***An amount equal to two cents in tax collections was diverted from WYDOT's royalties to the school foundation program from July 1, 2000, until June 30, 2002.

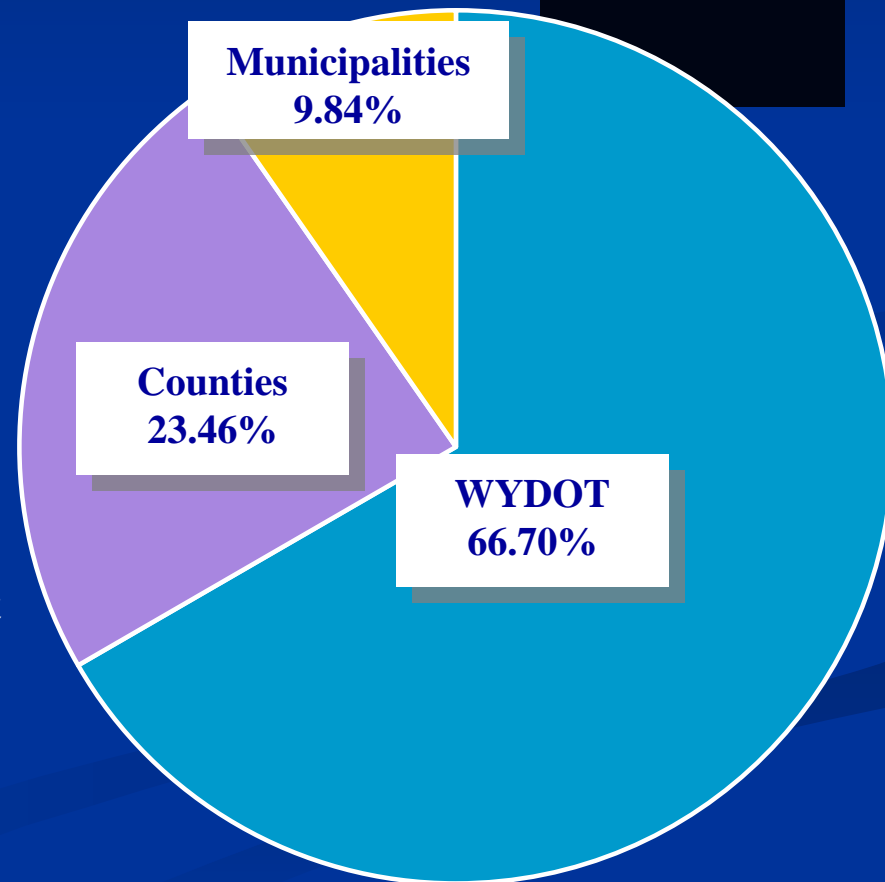
Projected Motor Fuel Allocations Fiscal Year 2007 (State Fiscal Year July thru June)

THIRTEEN CENTS

Projected Motor Fuel for FY 2007

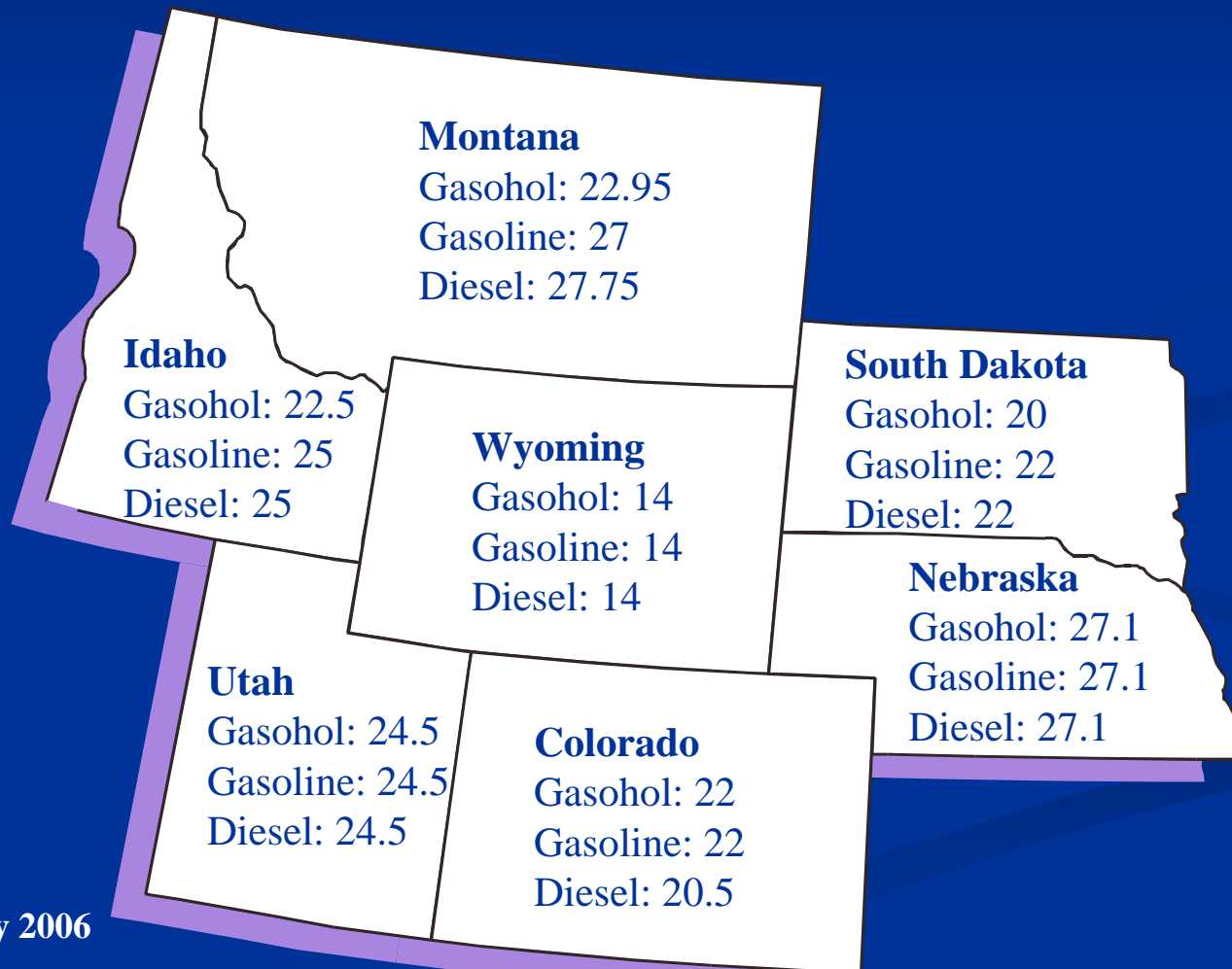
WYDOT	\$58,473,310
Counties	\$20,568,030
Municipalities	<u>\$8,624,031</u>
	\$87,665,371

Note: Preceding revenue estimates for new pennies are projected under current motor formulas excluding L.U.S.T., off sets to State Parks for off road vehicles, motor boats, and snowmobiles.



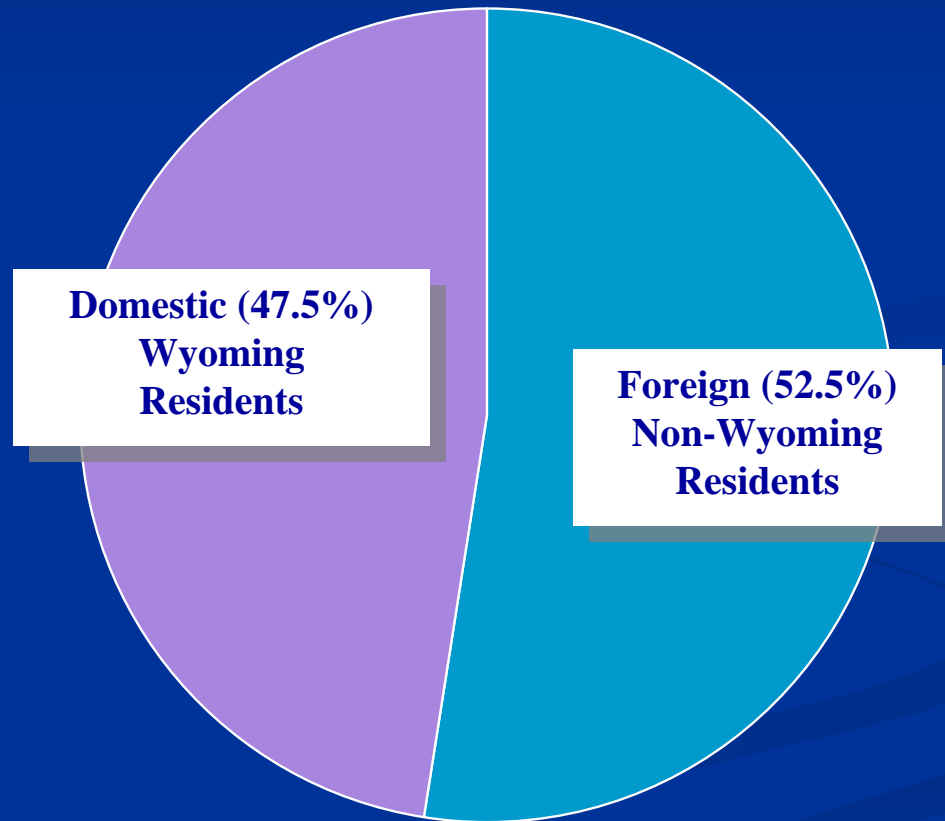
Wyoming and its neighboring states' gasohol, gasoline and diesel fuel tax rates

Shown in cents per gallon



Updated July 2006

Domestic vs. Foreign Motor Fuel Collections



Proposed increase in fuel tax:

Existing tax per gallon 14 cents

<u>effective date</u>	<u>amount of increase</u>
■ January 1, 2009	3 cents
■ January 1, 2010	3 cents
■ January 1, 2011	<u>4 cents</u>

Total State tax per gallon of
motor fuel as of January 1, 2011 **24 cents**

Projected Motor Fuel Allocations

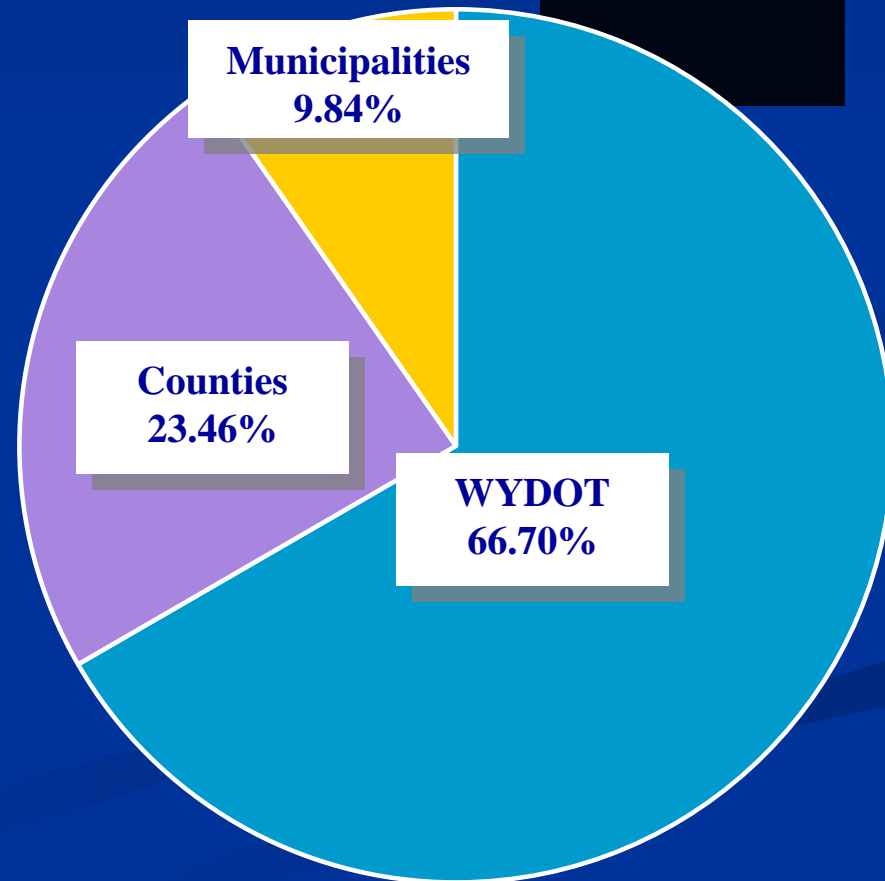
Fiscal Year 2012

(State Fiscal Year July thru June)

FOURTEEN CENT INCREASE

Projected Motor Fuel INCREASE ONLY for
FY 2012:

Total collected	\$70,700,000	100%
Counties	\$16,600,000	23.46%
Municipalities	<u>\$6,900,000</u>	<u>9.4%</u>
WYDoT	\$47,100,000	66.70%



Summary

- Inflation of 111% has impacted road construction. Less miles repaired or expanded.
- The federal funding is unpredictable, stagnant and the federal highway fund will be **bankrupt** in 2009!
- Funding from the unexpected revenue we are now enjoying is also unpredictable. And a bigger question; when will these unexpected revenues disappear?
- WyDoT can not plan with an unpredictable funding sources.
- A minimum of \$150M in additional dollars, every year, are needed to keep our roads in good to excellent condition with improvements.
- A user pays system.

Do you still wonder if it could
happen?

