

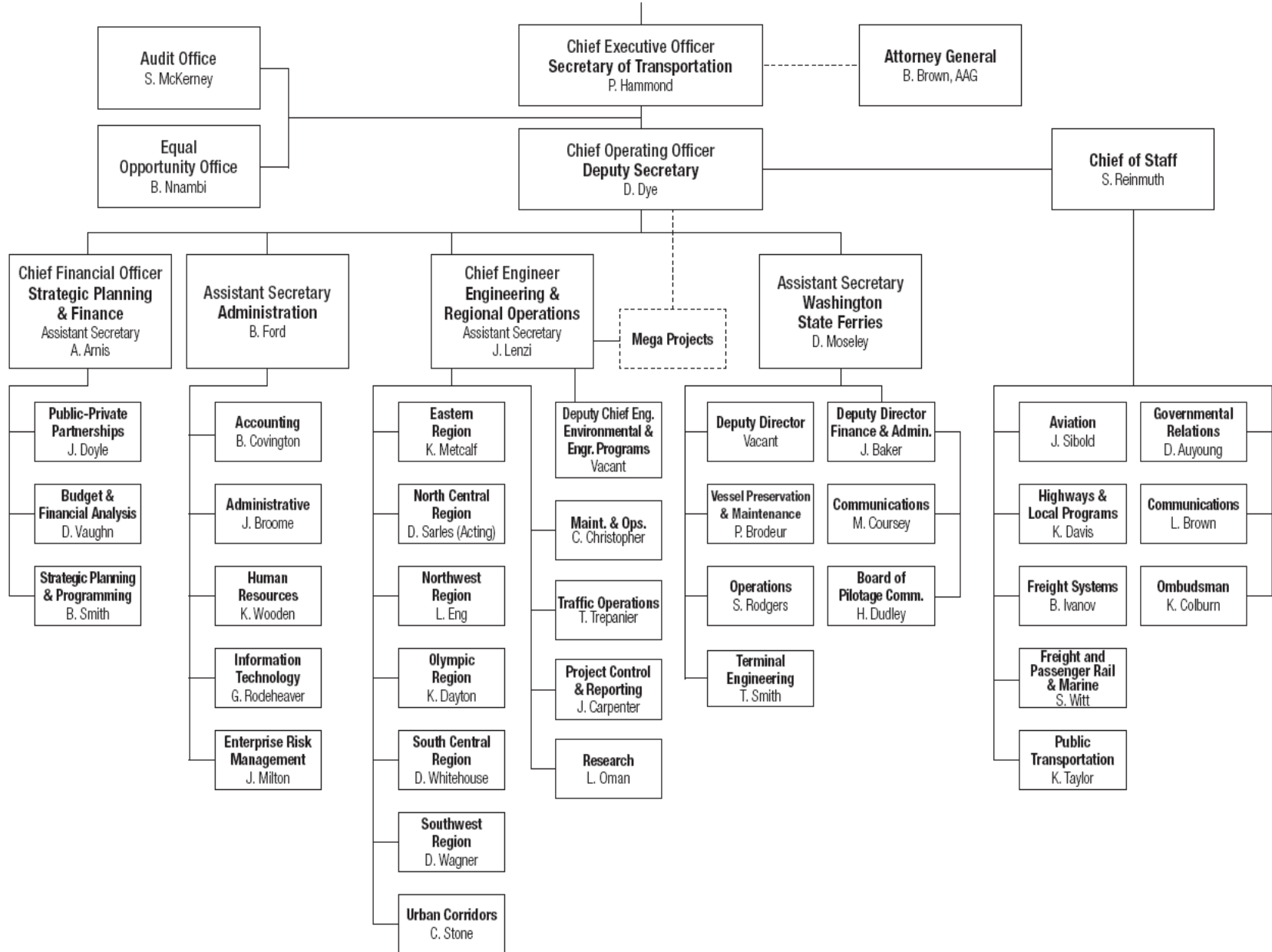


Budget & Funding Outlook

Programs & Projects:
Scope, Schedule and Budget

Objectives

- Develop a Familiarity with the Budget Process
- Create an Awareness of Budget Issues
- Provide a Understanding of the Interrelationship between Project Delivery and Program Management
- Provide an update on the budget status



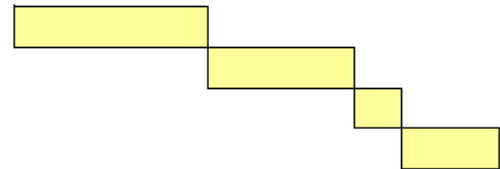
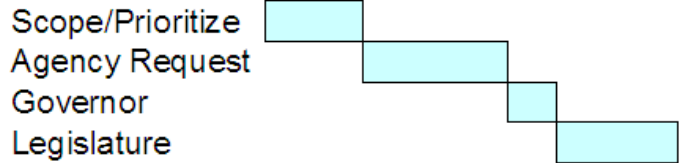
Budget Development Timeline

2006			2007			2008			2009			2010																	
FY 2007			FY 2008			FY 2009			FY 2010			FY 2011																	
05-07 Biennium			07-09 Biennium						09-11 Biennium																				
J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J

07-09 Budget Development
2008 & 2009 Supplemental

09-11 Budget Development
2010 & 2011 Supplemental

Biennial Budget



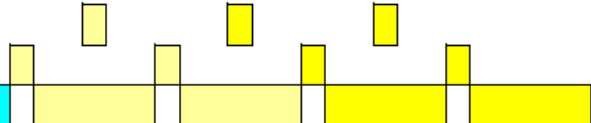
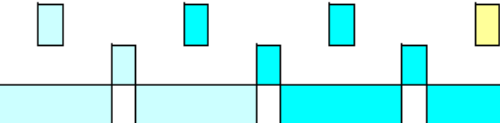
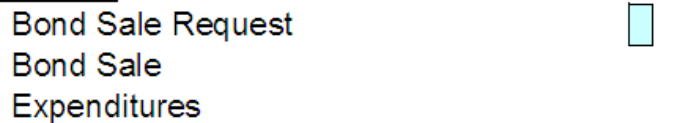
Supplemental



Implementation

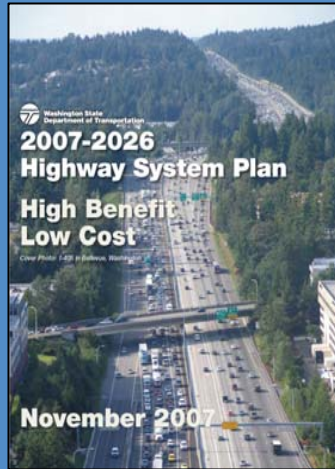


Financing

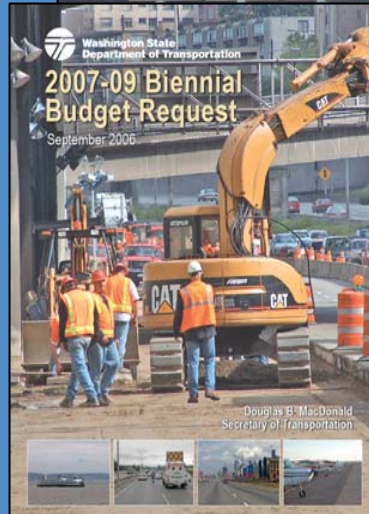


Budget Development Overview

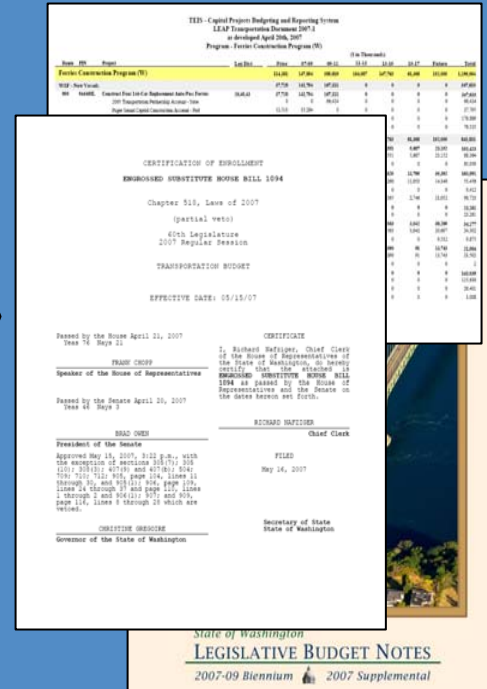
Policy Planning & Prioritization



Program Development



Legislative Budget



Revenue Forecasting & Financing

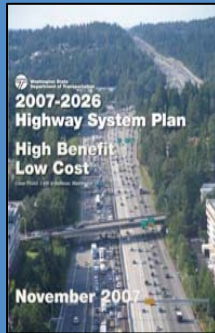


Transportation Related Forecasts For Publication September 2007

- Confidence Band for the Motor Fuel Tax Revenue Forecast 2
- Confidence Band for the Motor Vehicle Licenses, Permits, and Fees Forecast 5
- RTA (Sound Transit) Local Option Taxes 8
- Transit Retail Sales Tax Forecast 10
- Forecast of Fuel, Vehicles, and Related Data 13

Policy Planning & Prioritization

Washington Transportation Plan



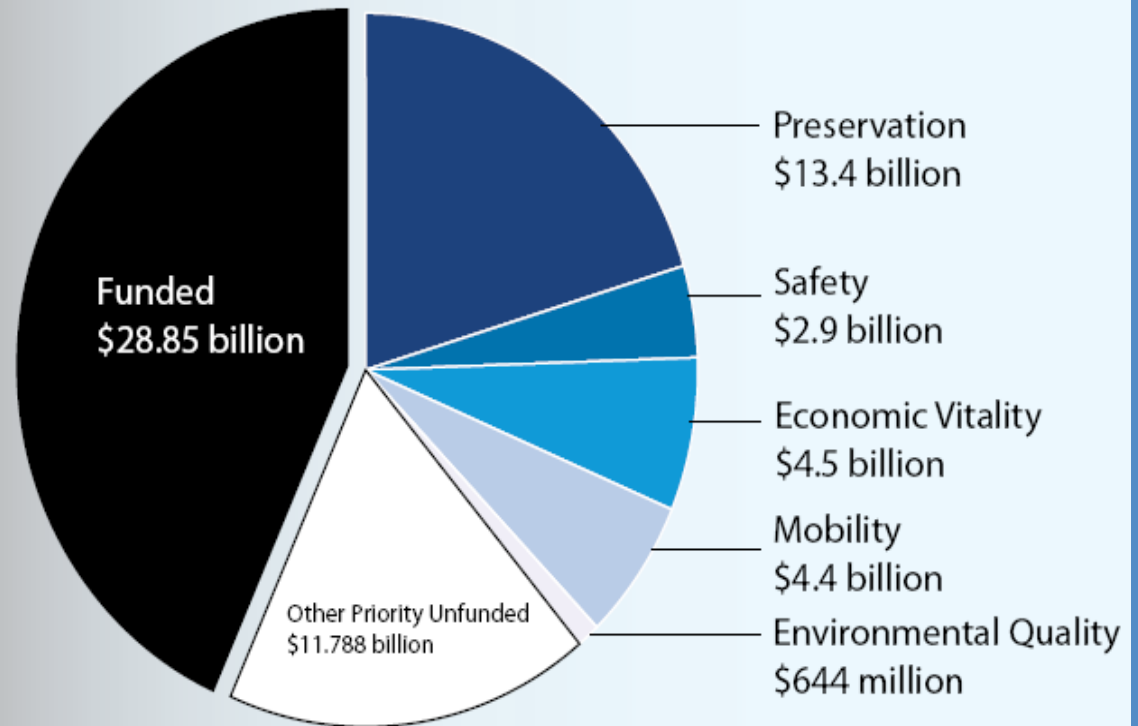
Prioritized Investment Guidelines:

- Preservation
- Safety
- Economic Vitality
- Mobility
- Environment

20-Year Transportation Investment Needs

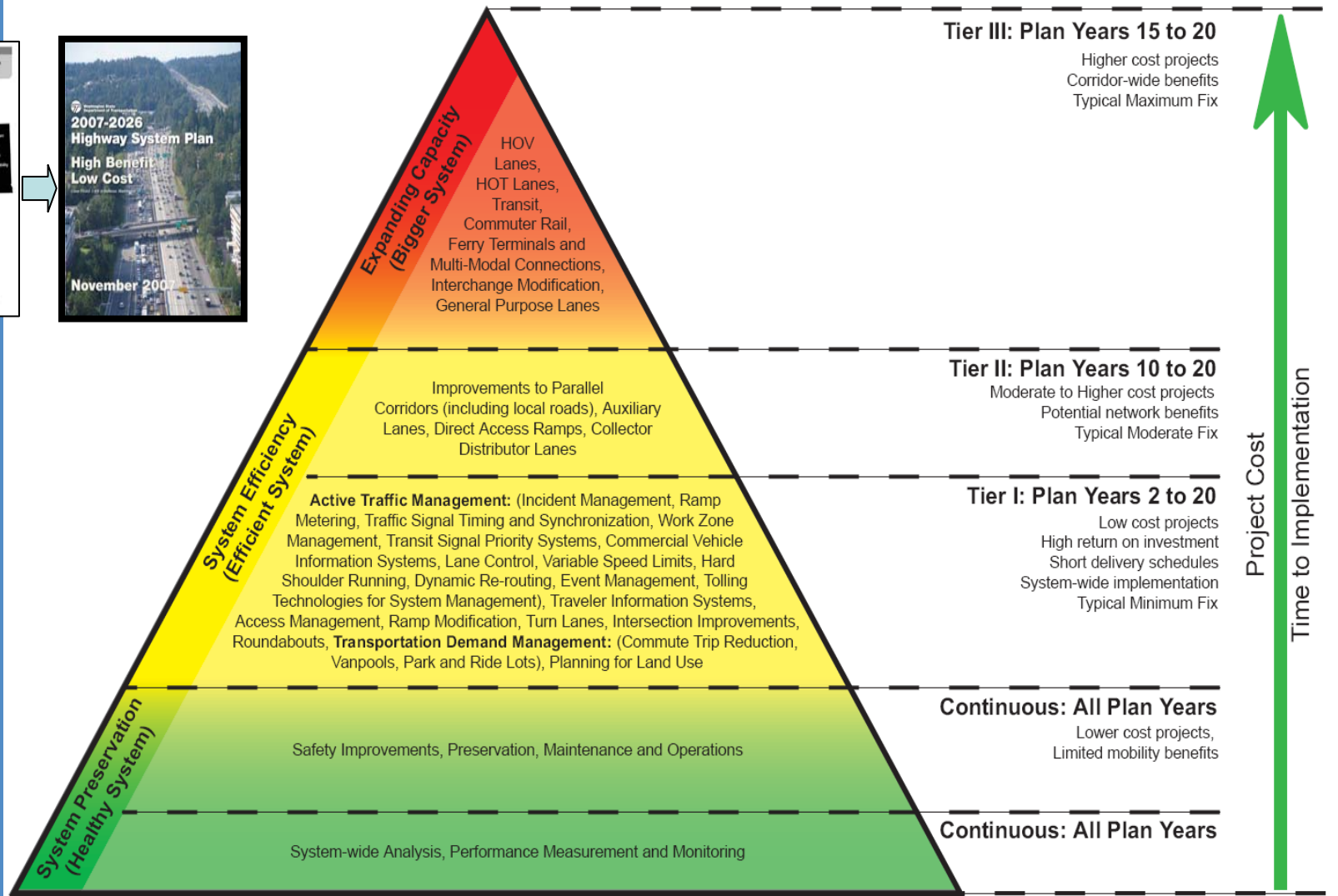
\$67 Billion (2005 dollars)

Unfunded High Priorities By Investment Guideline



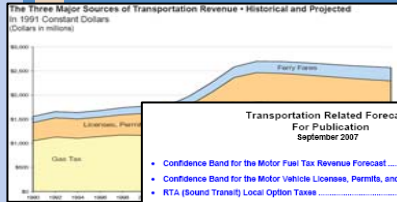
Policy Planning & Prioritization

Highway System Plan Strategies

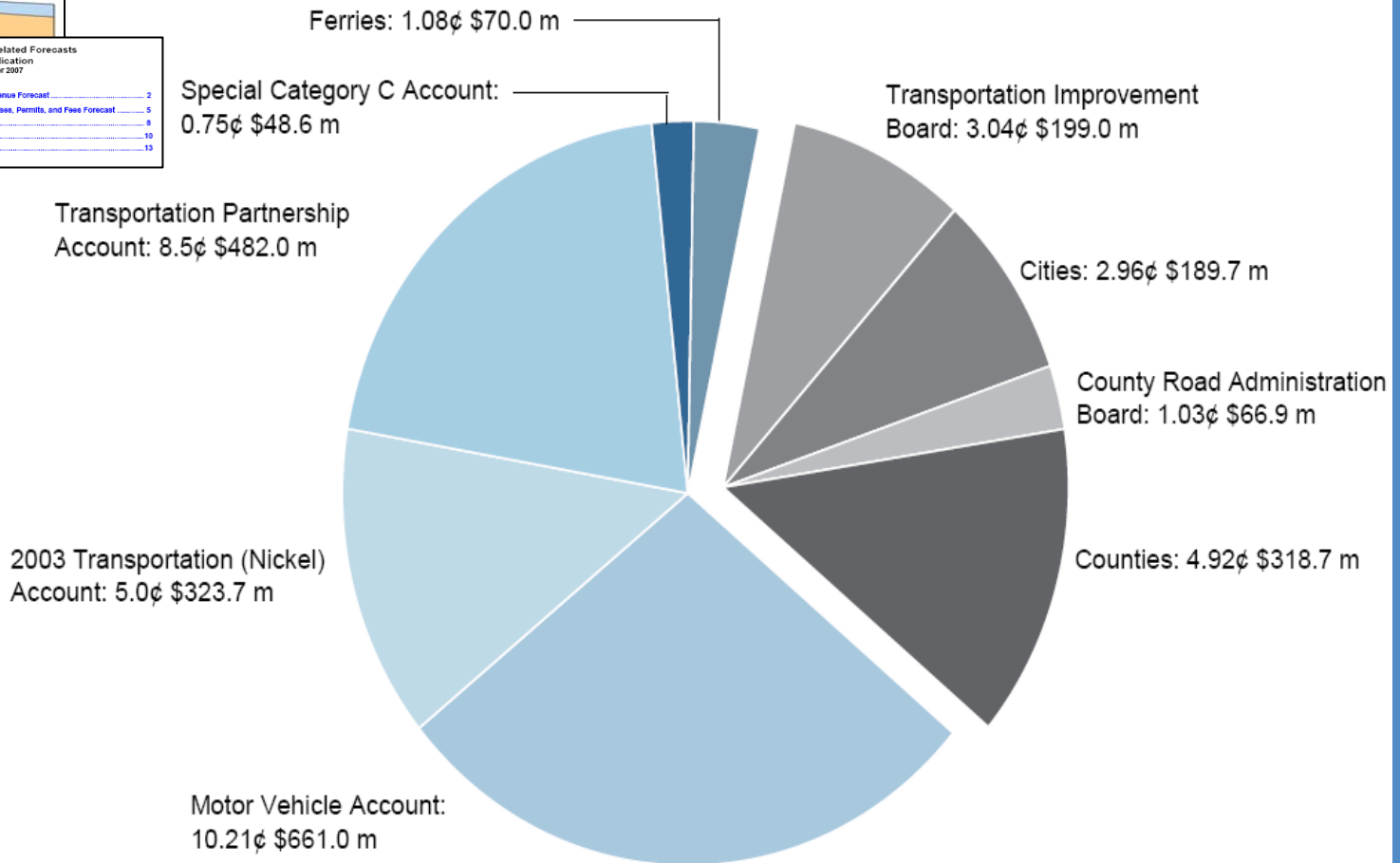


Revenue Forecasting & Financing

07-09 Biennium Gas Tax Revenue Distribution



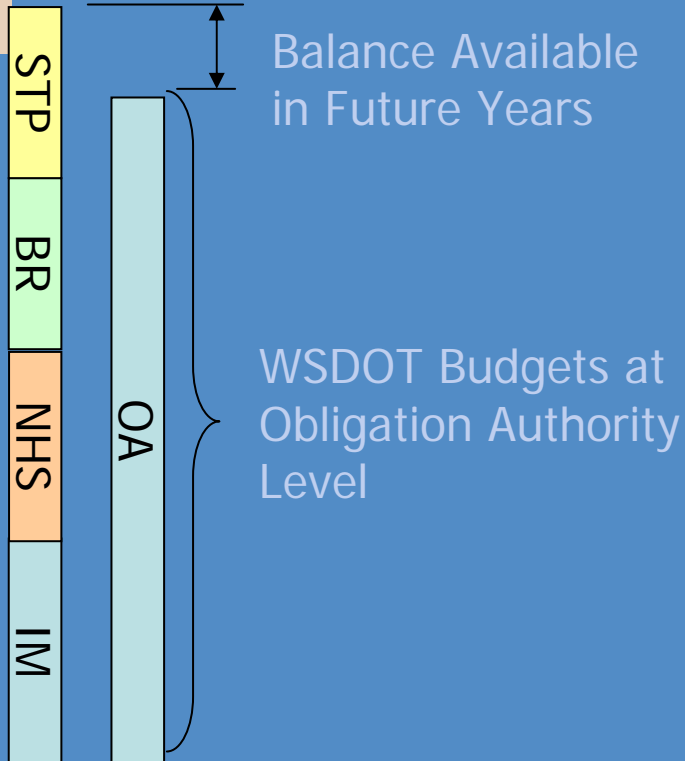
Total Revenue:
\$2,359.5 million



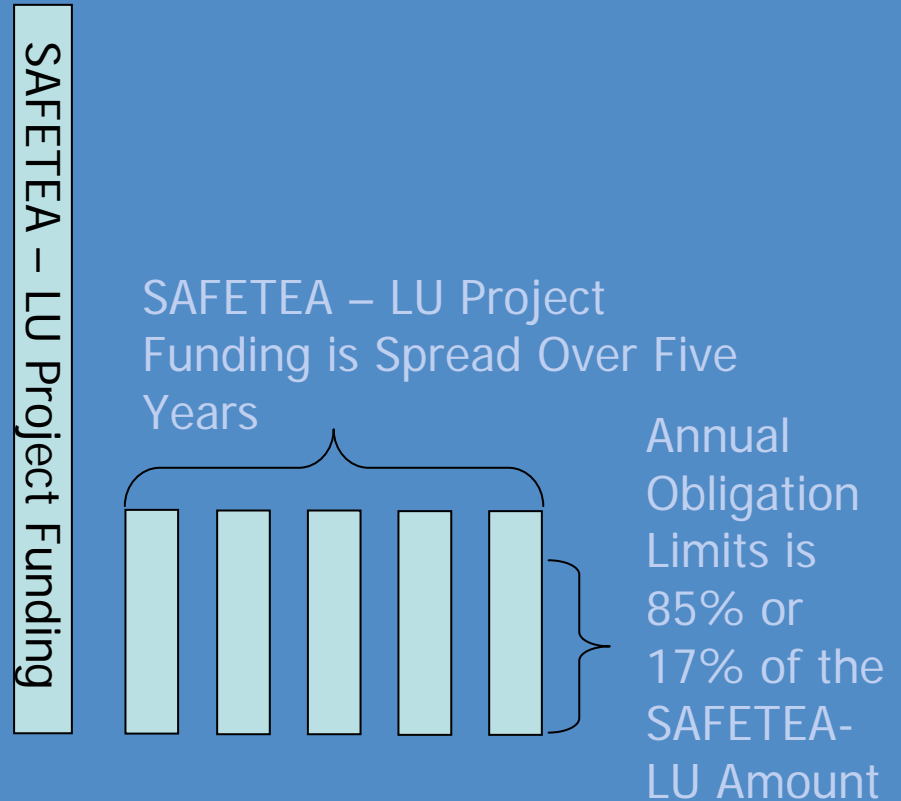
Revenue Forecasting & Financing

Federal Funding Issues

Formula Based Programmatic Distributions

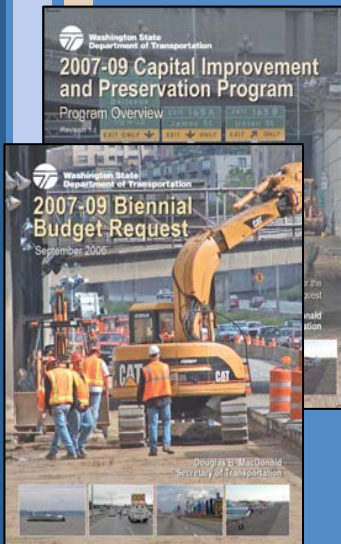


Project Specific Distribution SAFETEA – LU Projects

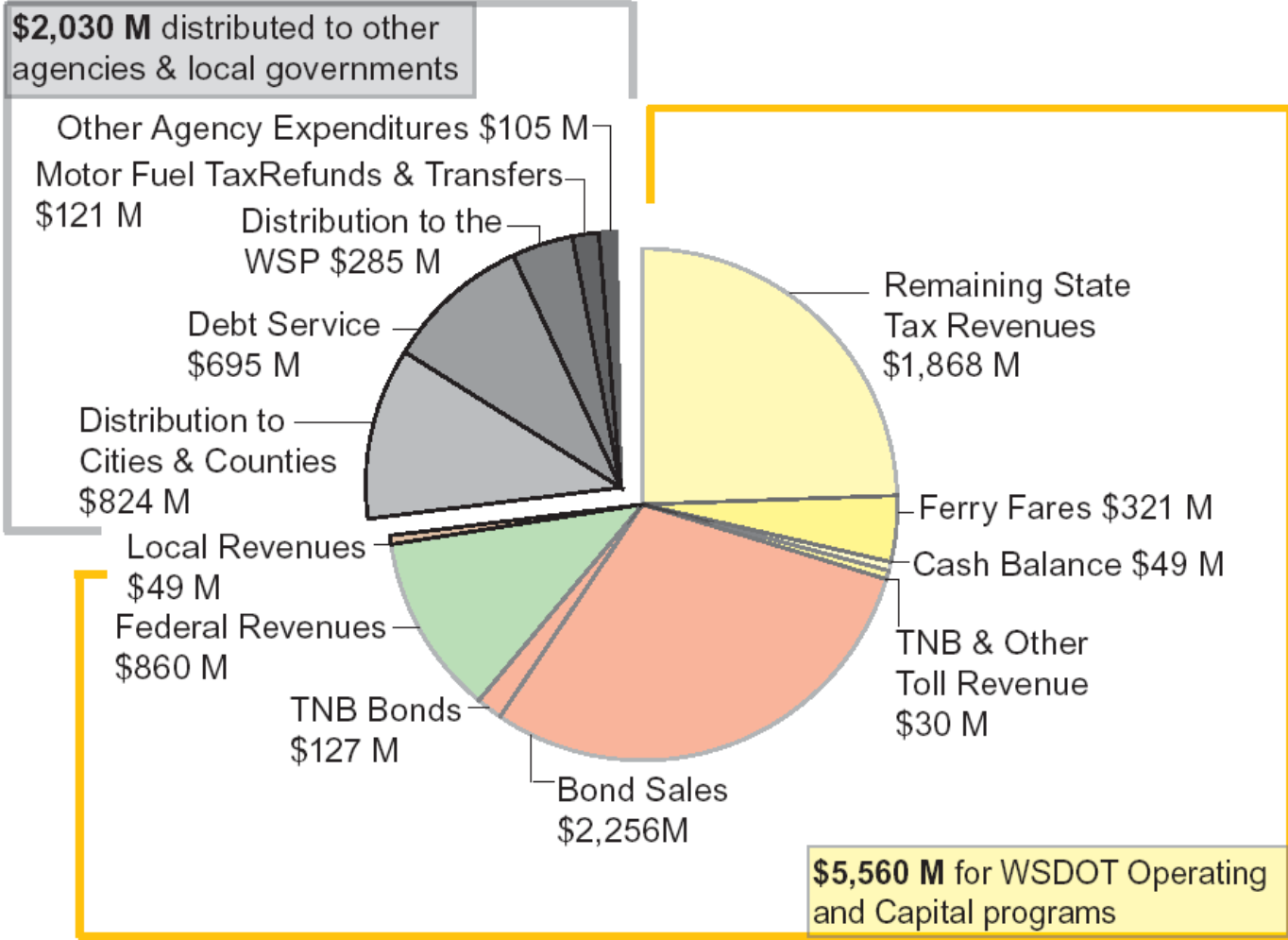


Budget & Program Development

07-09 Biennium: Distribution of Transportation Funds



Total:
\$7,590 million



Programming Inputs & Activities

- Investment decisions
- Trade-off discussions
- Funding strategies
- Delivery Flexibility



Legislative Approval

How Projects Tie to the Budget

Sec. 305. 2005 c 313 s 306 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--PRESERVATION--PROGRAM P

Transportation 2003 Account (Nickel Account)--State

Appropriation ((~~\$10,622,000~~))
\$1,687,000

Motor Vehicle Account--State Appropriation ((~~\$76,824,000~~))
\$94,799,000

Motor Vehicle Account--Federal Appropriation ((~~\$404,360,000~~))

\$435,310,000

Motor Vehicle Account--Private/Local Appropriation ((~~\$6,656,000~~))

\$8,485,000

Puyallup Tribal Settlement Account--State

Appropriation \$11,000,000

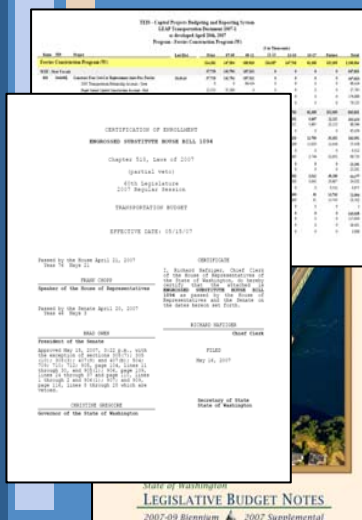
Transportation Partnership Account--State

Appropriation ((~~\$139,533,000~~))
\$24,540,000

TOTAL APPROPRIATION ((~~\$648,995,000~~))
\$575,821,000

The appropriations in this section are subject to the following conditions and limitations:

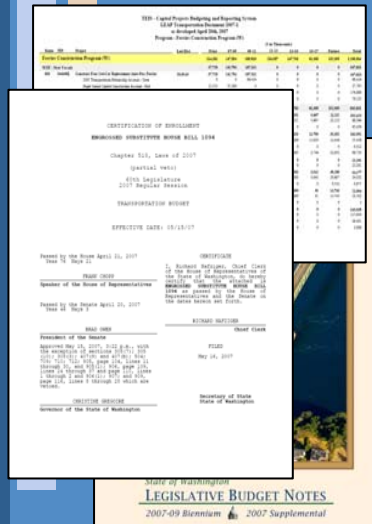
(1) The entire transportation 2003 account (nickel account) appropriation and the entire transportation partnership account appropriation are provided solely for the projects and activities as listed by fund, project and amount in LEAP Transportation Document ((2005-6)) 2006-1, Highway Preservation Program (P) as developed ((~~April 24, 2005~~)) March 8, 2006. However, limited transfers of allocations between projects may occur for those amounts listed subject to the conditions and limitations in section 603 of this act.



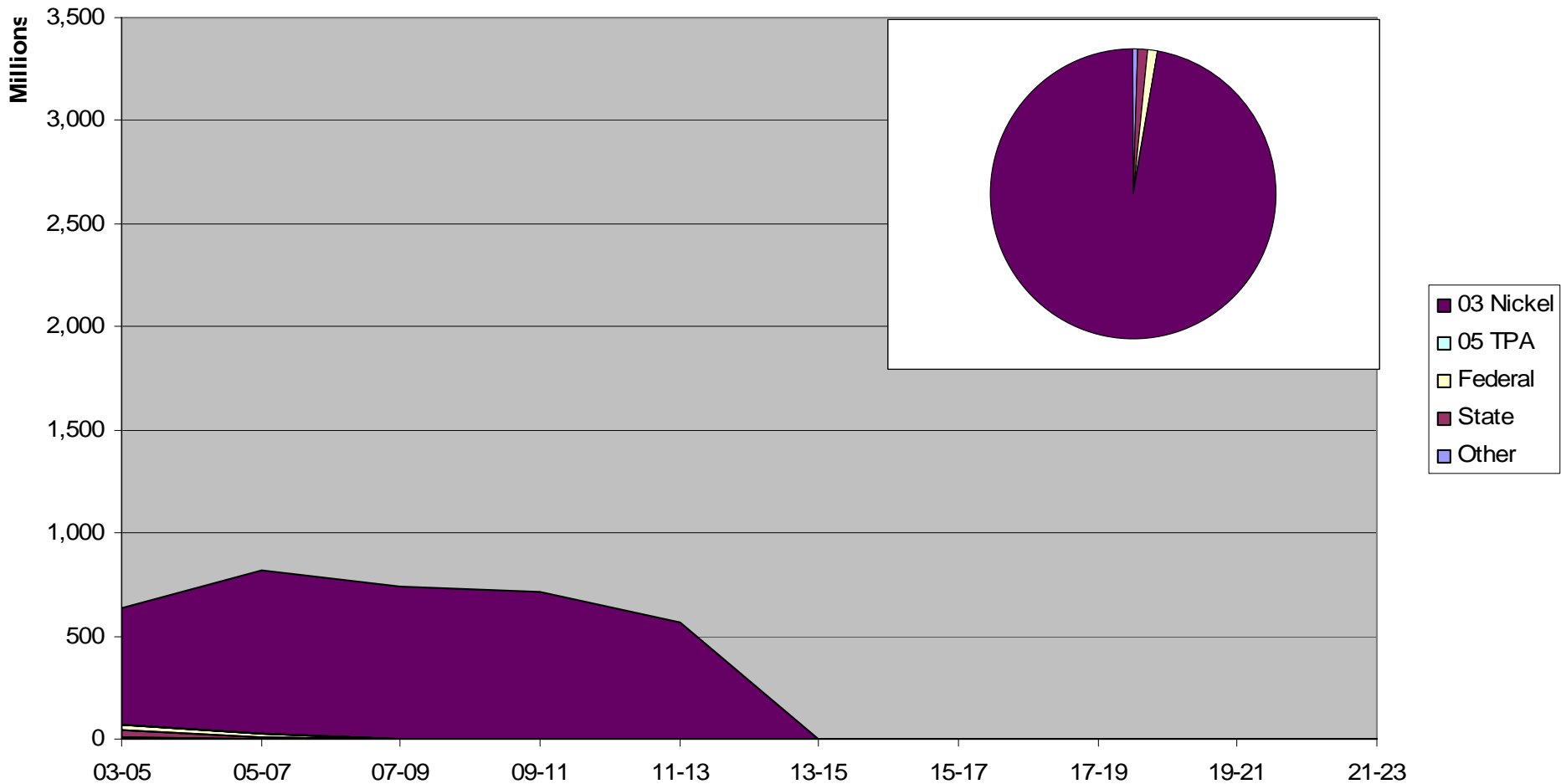
Legislative Approval

Constraints in Current Budget

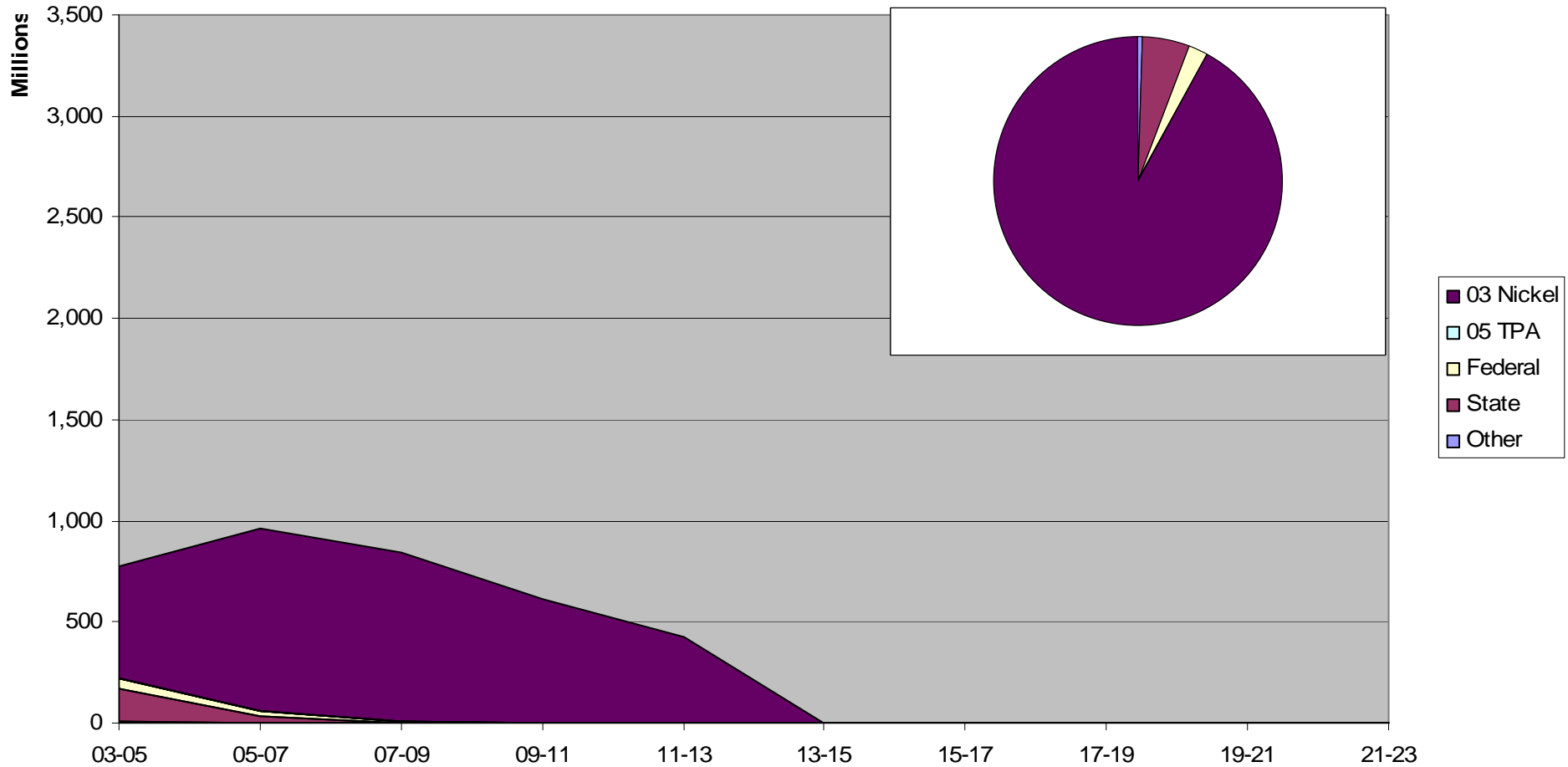
- Nickel and TPA funds are tied to a specific list of projects
- Each Nickel/TPA project has:
 - Expected Cost/Budget
 - Scope
 - Schedule
- Deviations from Legislative Expectations Require Approval
- Budget is Heavily Dependand on Bonding



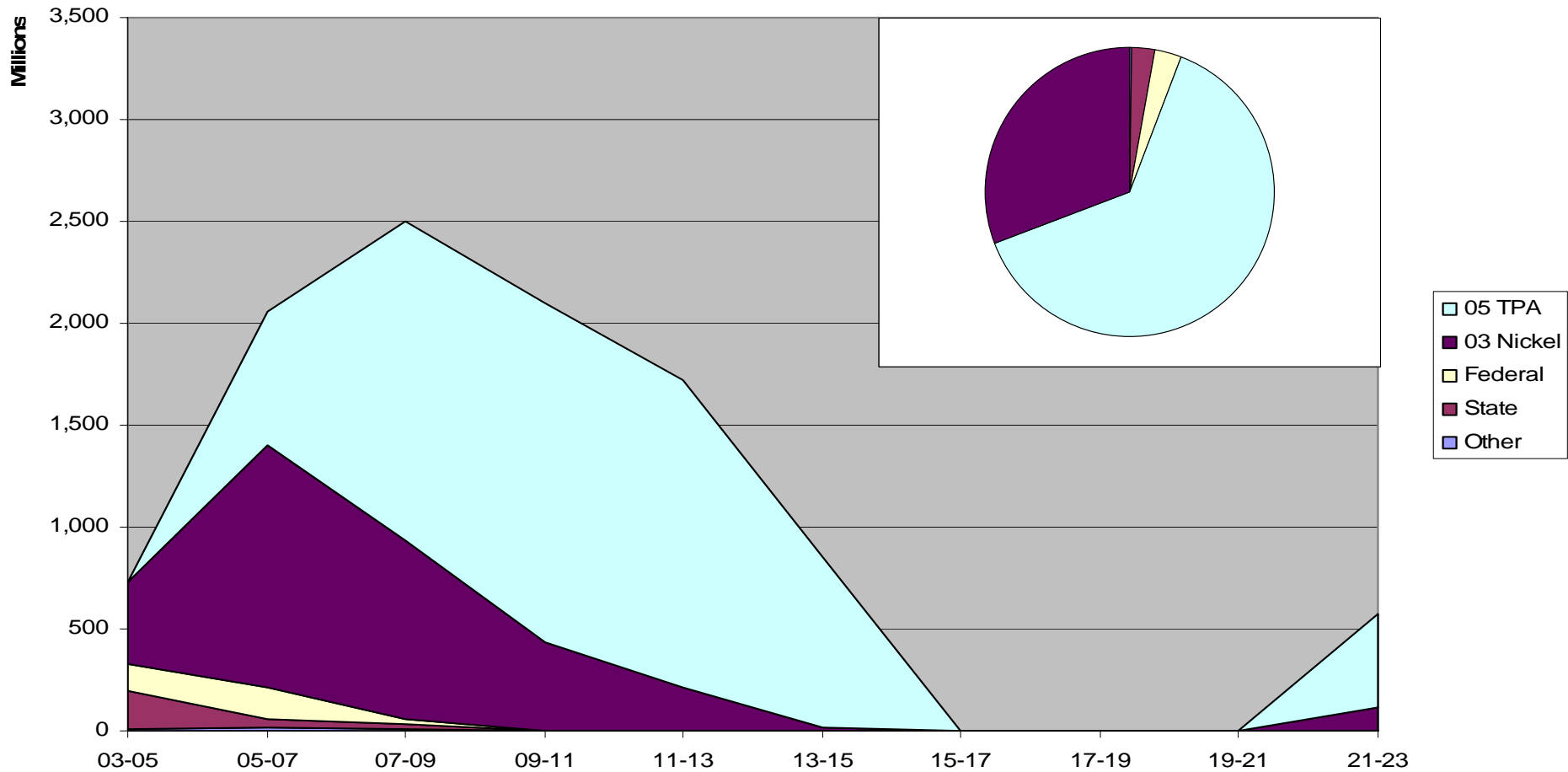
2003 Revenue Package as funded in the 2003 Budget



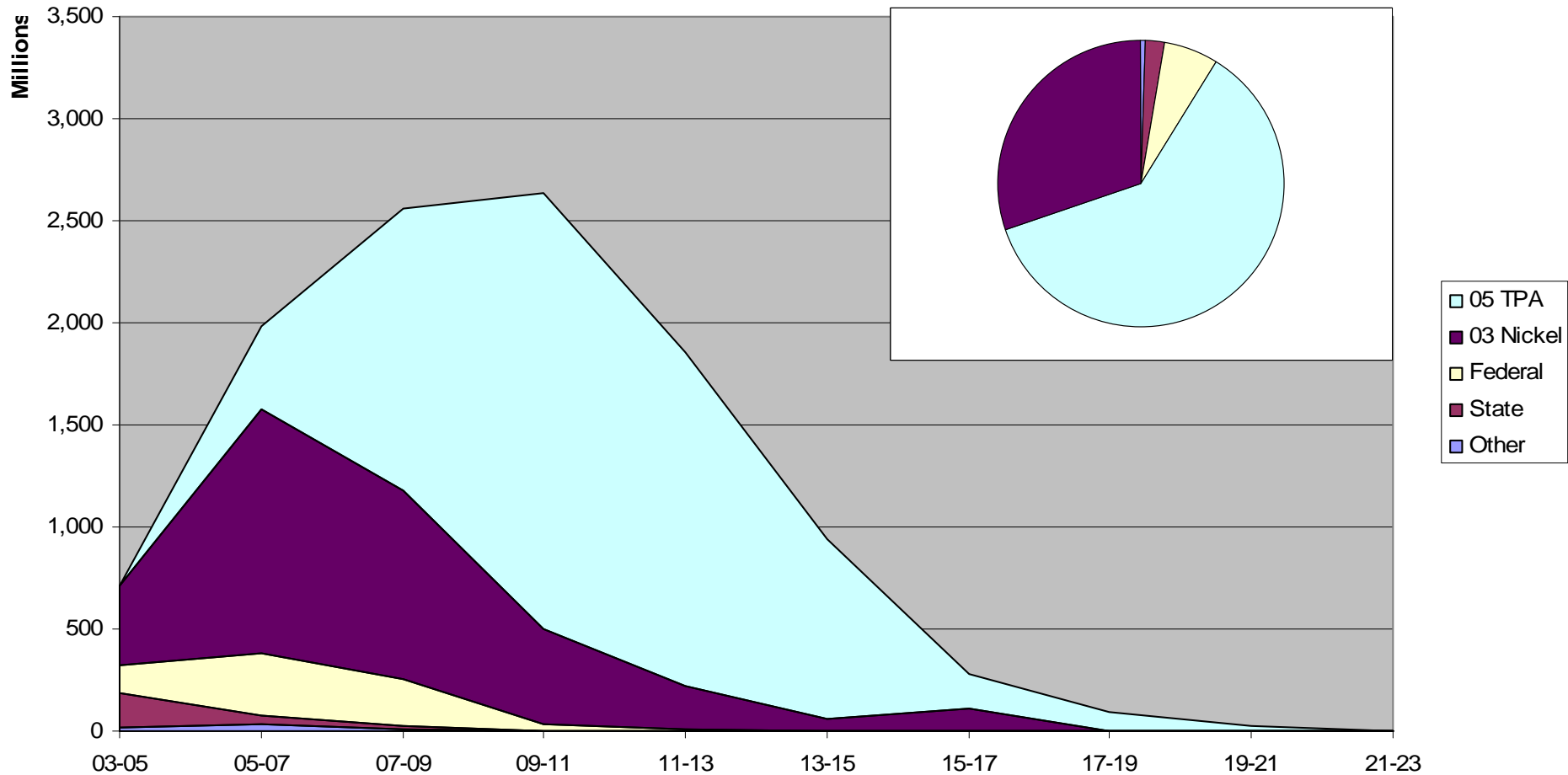
2003 Revenue Package as funded in the 2004 Budget



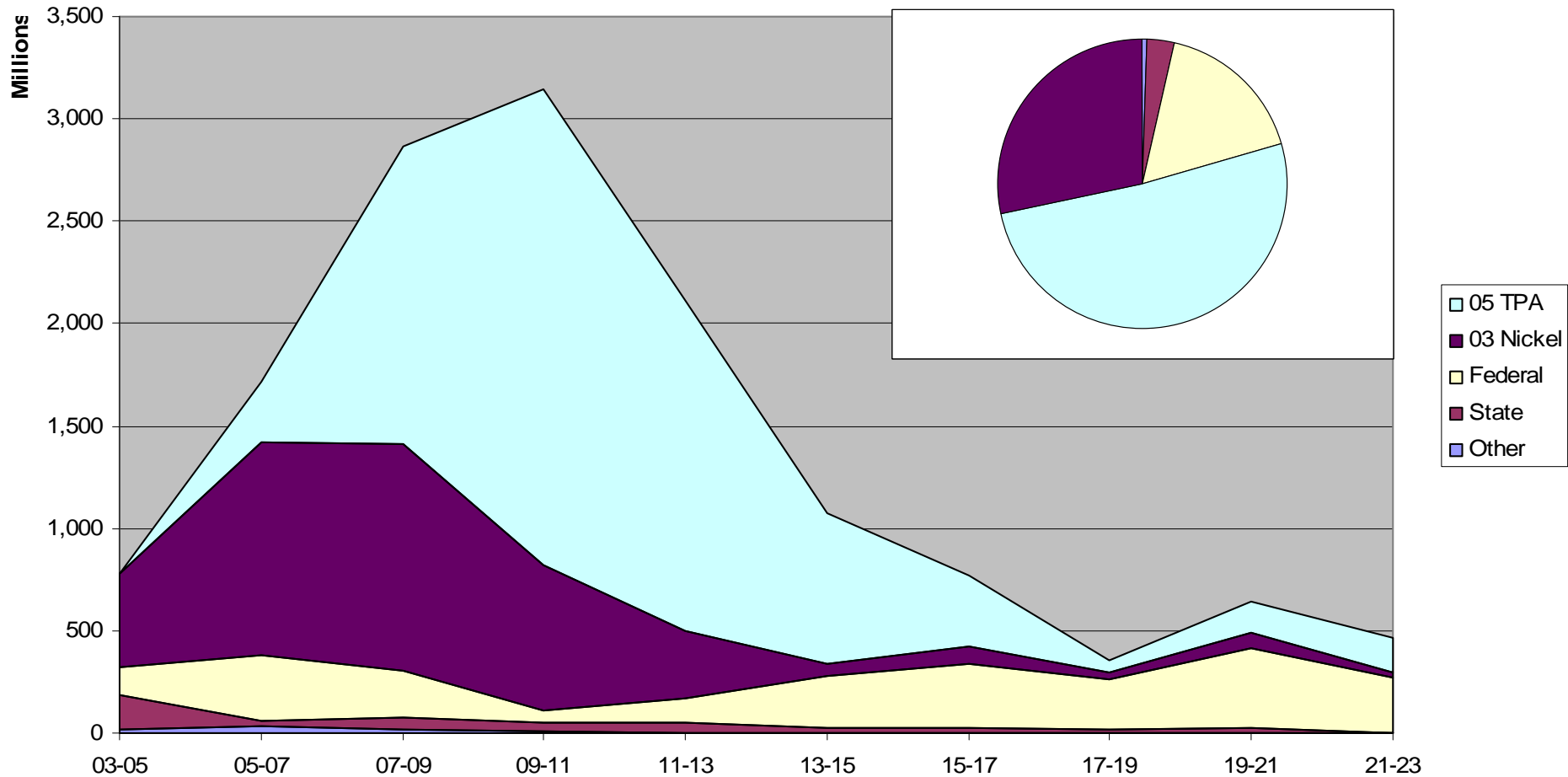
2003 & 2005 Revenue Packages as funded in the 2005 Budget



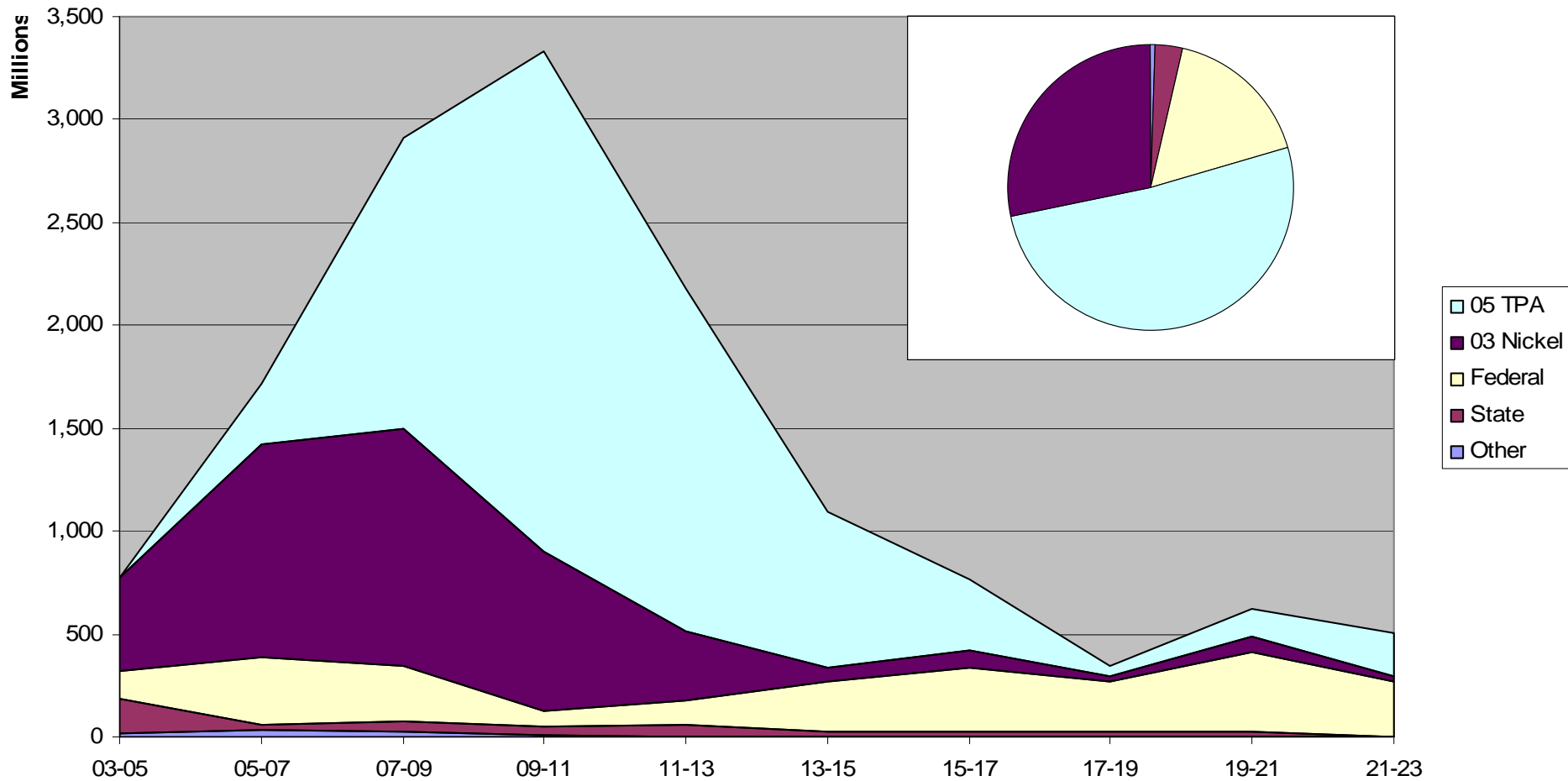
2003 & 2005 Revenue Packages as funded in the 2006 Budget



2003 & 2005 Revenue Packages as funded in the 2007 Budget



2003 & 2005 Revenue Packages as funded in the 2008 Budget



Cost Estimate and Expenditure Data is used to:

- Develop Budget Proposals that set Legislative Expectations
- Determine Bond Sales
- Develop Program Fund Management Strategies
- Determine Level of Funding Available for New Projects
- Identify Opportunities to Add New Projects or Accelerate Existing Projects

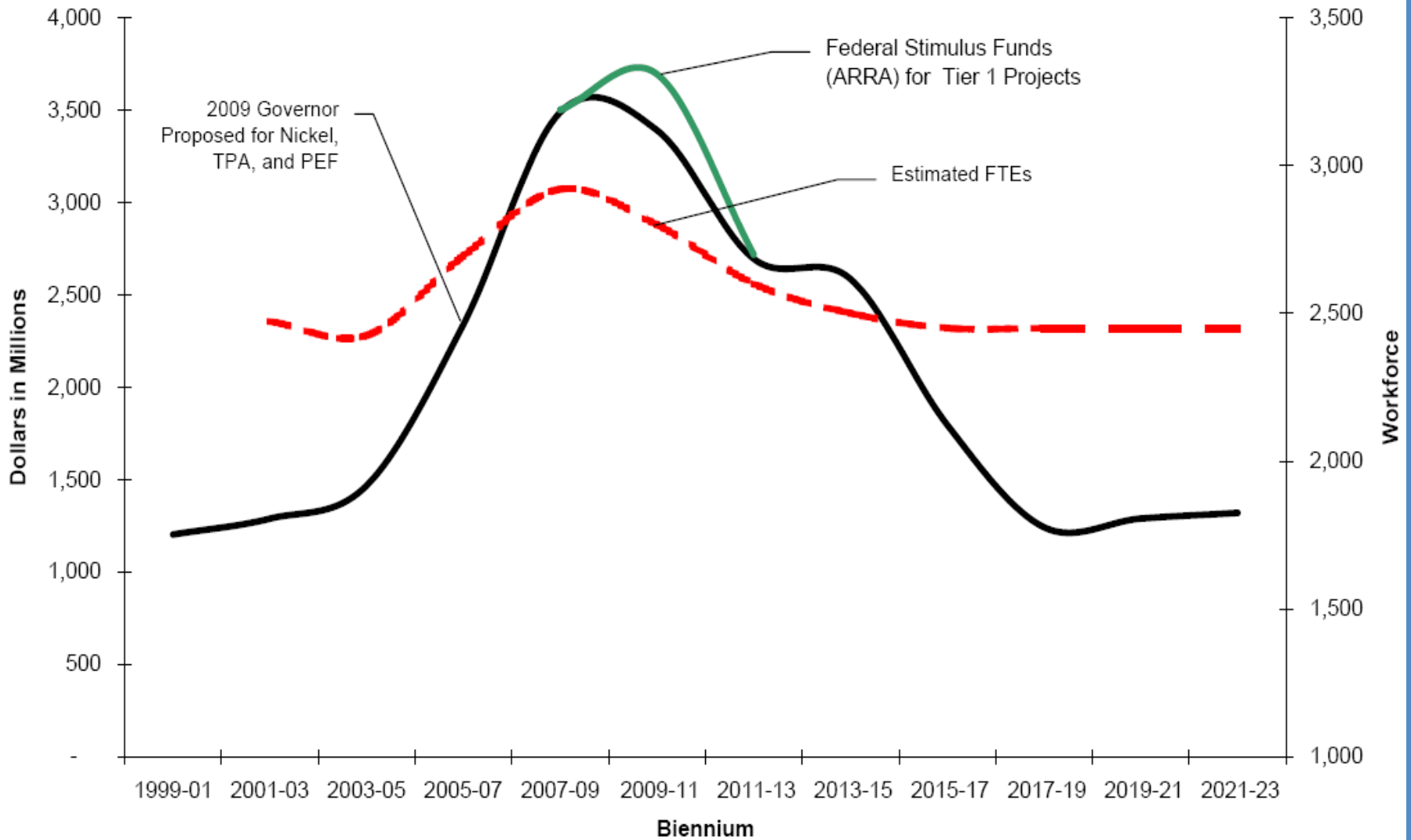
Impacts of Project Schedule and/or Cost Changes

- Other Work gets deferred or not started
- Early notification of delays potentially allows other work to be accelerated
- All cost increases reduce funding available for new projects
- Financing costs may go up

Highway Construction Program, by Type of Funds, with Workforce Projection 2009 Governor Proposed Budget - January 2009

Includes Preservation and Improvement Programs with two exceptions

Excludes expenditures for the Tacoma Narrows Bridge and expenditures in the Improvement Program reimbursed by Sound Transit

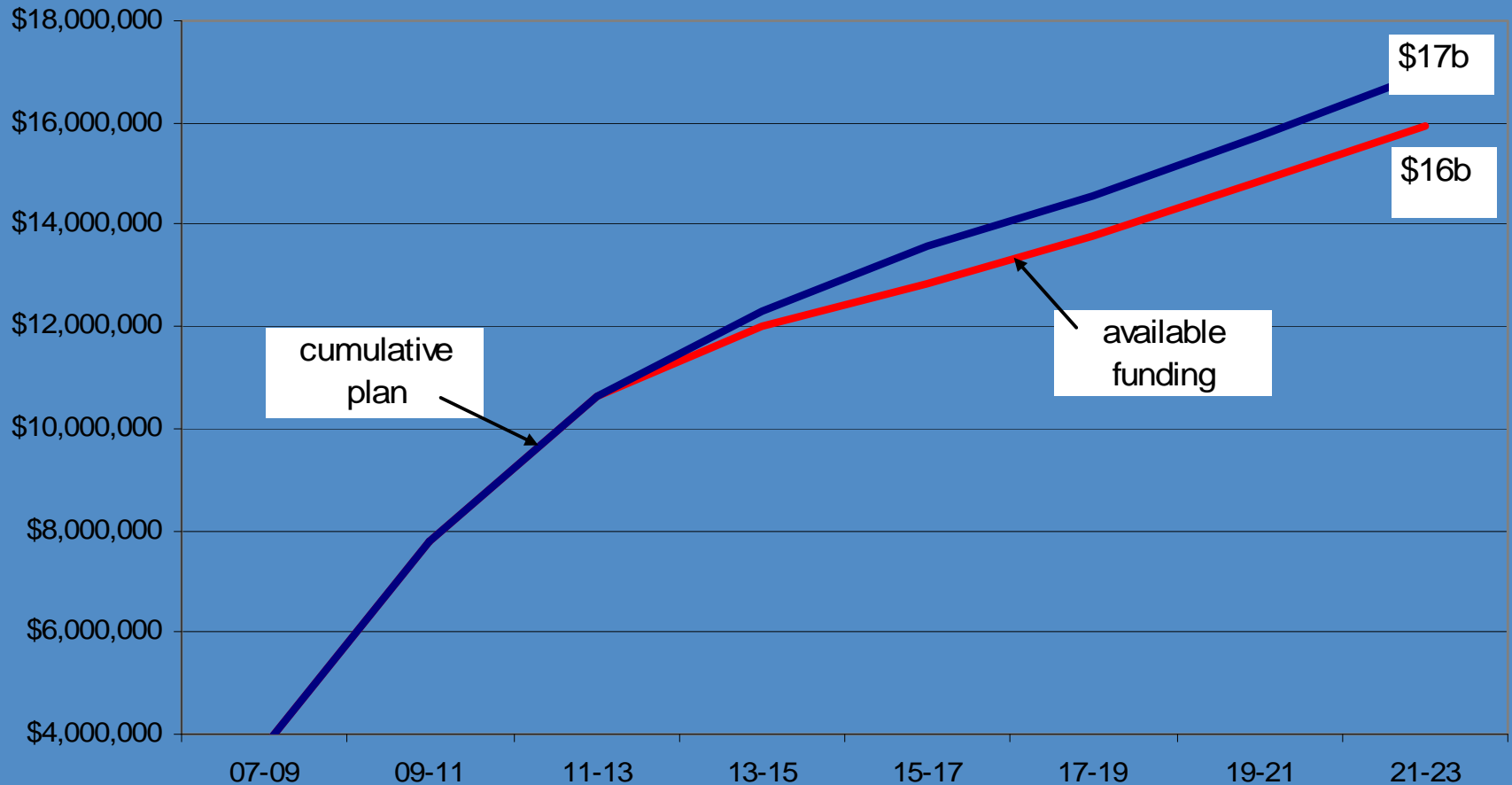


09-11 Funding Challenges

- AWW Funding
- SR 520 Bridge Acceleration
- Soil Liquefaction
- Concrete Replacement
- Overall Nickel/TPA Program Delivery
- On-going Preservation Program
- ...

2008 Expenditures vs. Available Revenue

Programs I & P, Motor Vehicle, Nickel, and TPA Accounts
Dollars in Thousands





Possible Areas for Improvement

- Streamlining Project Funding
- Aligning Project and Program Reporting with Budget and Financial Reporting
- Distributing Costs to Projects
- Projecting Cash Requirements & Minimizing Adjustments at Biennium End

Key Points

- We rely on the information you provide
- Your Region Program Manager can help sort out funding issues
- Every budget will present new or different management challenges
- Early notification of changes can improve overall program delivery

Budget & Funding Outlook

Programs & Projects:
Scope, Schedule and Budget

Questions/Answers