

KENTUCKY ROAD FUND

(CONSENSUS FORECASTING GROUP)

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MAY 22, 2020

Office of State Budget Director

Road Fund Control Interim Forecast

(Millions \$)

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	FY20 YTD		FY20 May/June		FY20 Full Year		Difference From Official
	Actual	% Chg	Estimate	% Chg	Estimate	% Chg	\$ millions
Motor Fuels	637.4	-0.2	75.4	-43.9	712.8	-7.8	-60.4
Motor Vehicle Usage	419.4	-1.6	45.8	-48.2	465.2	-9.6	-53.4
Motor Vehicle License	89.6	-8.4	26.5	14.8	116.1	-4.0	0.7
Motor Vehicle Operators	12.9	-7.2	2.8	2.3	15.7	-5.6	-1.4
Weight Distance	69.5	1.5	11.2	-26.7	80.7	-3.6	-3.1
Investment	6.3	-16.5	0.7	-83.3	7.0	-41.3	3.3
Other	33.5	-1.8	4.4	-60.2	37.9	-16.0	-2.1
Road Fund	1,268.6	-1.4	166.8	-40.3	1,435.4	-8.3	-116.4

Summary of Revenue Revisions (Control Scenario)

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- Revising revenue estimates of only four accounts
- Changes based on April receipts
 - ▣ Not model driven but accounting based
- Revisions range between -\$8 million and \$10 million
- The net change is an increase of \$6 million
- New estimate leaves us \$110.4 million short of the official estimate

Change to MVU Control Forecast

(Millions \$)

4

- | | |
|--------------------------------|-----------------|
| □ Needs for May & June | \$45.8 (-48.2%) |
| □ April Receipts | \$19.8 (-60.1%) |
| □ Revision to interim forecast | \$10.0 |
| □ New Needs | \$55.8 (-36.9%) |
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- ▣ Dealerships opened May 11th, with restrictions
 - ▣ Openings will increase revenue but only marginally
 - ▣ Revenue limited by concerns about income \safety

Change to License Control Forecast

(Millions \$)

5

□ Needs for May & June	\$26.5 (14.8%)
□ April Receipts	\$12.2 (-38.5%)
□ Revision to interim forecast	-\$8.0
□ New Needs	\$18.5 (-19.8%)

- Licenses can currently be renewed in a variety of ways
- However, there is a 90 day extension to renew
- Originally thought this would be simply a timing issue
- Once County Clerk's offices open, there will be a lag in processing due to social distancing precautions so revenue will spill over into FY21

Change to Operators Control Forecast

(Millions \$)

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□ Needs for May & June	\$2.8 (2.3%)
□ April Receipts	\$0.8 (-43.9%)
□ Revision to interim forecast	-\$1.0
□ New Needs	\$1.8 (-34.0%)

- No driver license renewals at this time
- However, there is a 90 day extension to renew
- Once Circuit Clerk's offices open, there will be a lag in processing due to social distancing precautions

Change to Other Control Forecast

(Millions \$)

7

<input type="checkbox"/> Needs for May & June	\$4.4 (-60.2%)
<input type="checkbox"/> April Receipts	\$6.1 (32.2%)
<input type="checkbox"/> Revision	\$5.0
<input type="checkbox"/> New Needs	\$9.4 (-14.7%)

Road Fund May Control Forecast

(Millions \$)

8

	FY20		FY20		FY20		Difference From Official \$ millions
	YTD		May/June		Full Year		
	Actual	% Chg	Estimate	% Chg	Estimate	% Chg	
Motor Fuels	637.4	-0.2	75.4	-43.9	712.8	-7.8	-60.4
Motor Vehicle Usage	419.4	-1.6	55.8	-36.9	475.2	-7.6	-43.4
Motor Vehicle License	89.6	-8.4	18.5	-19.8	108.1	-10.6	-7.3
Motor Vehicle Operators	12.9	-7.2	1.8	-34.0	14.7	-11.6	-2.4
Weight Distance	69.5	1.5	11.2	-26.7	80.7	-3.6	-3.1
Investment	6.3	-16.5	0.7	-83.3	7.0	-41.3	3.3
Other	<u>33.5</u>	<u>-1.8</u>	<u>9.4</u>	<u>-14.7</u>	<u>42.9</u>	<u>-5.0</u>	<u>2.9</u>
Road Fund	1,268.6	-1.4	172.8	-38.1	1,441.4	-8.0	-110.4

Road Fund Pessimistic Interim Forecast

(Millions \$)

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	FY20 YTD		FY20 May/June		FY20 Full Year		Difference From Official \$ millions
	Actual	% Chg	Estimate	% Chg	Estimate	% Chg	
Motor Fuels	637.4	-0.2	38.8	-71.1	676.2	-12.6	-97.0
Motor Vehicle Usage	419.4	-1.6	18.7	-78.8	438.1	-14.9	-80.5
Motor Vehicle License	89.6	-8.4	23.3	0.9	112.9	-6.6	-2.5
Motor Vehicle Operators	12.9	-7.2	1.1	-59.4	14.0	-15.8	-3.1
Weight Distance	69.5	1.5	4.4	-71.4	73.9	-11.7	-9.9
Investment	6.3	-16.5	0.2	-94.6	6.5	-45.5	2.8
Other	33.5	-1.8	2.1	-81.1	35.6	-21.1	-4.4
Road Fund	1,268.6	-1.4	88.6	-68.3	1,357.2	-13.3	-194.6

Summary of Revenue Revisions (Pessimistic Scenario)

10

- Revising revenue estimates of only three accounts
- Changes based on April receipts
- Revisions range between -\$7.2 million and \$20 million
- The net change is an increase of \$32.8 million
- New estimate leaves us \$161.8 million short of the official estimate

Change to Motor Fuels Pessimistic Forecast

(Millions \$)

11

- Needs for May & June \$38.8 (-71.1%)
 - April Receipts \$56.1 (-11.8%)
 - Revision to interim forecast \$20.0
 - New Needs \$58.8 (-56.2%)
-
- April revenue reflects March activity due to timing of collections so April was a good month
 - May collections will drop significantly but probably not to less than \$20M/month

Change to MVU Pessimistic Forecast

(Millions \$)

12

- Needs for May & June \$18.7 (-78.8%)
 - April Receipts \$19.8 (-60.1%)
 - Revision to interim forecast \$20.0
 - New Needs \$38.7 (-56.2%)
-
- Revenues remain essentially flat in May and June
 - After reopenings, COVID cases increase so businesses close

Change to License Pessimistic Forecast

(Millions \$)

13

- Needs for May & June \$23.3 (0.9%)
- April Receipts \$12.2 (-38.5%)
- Revision to interim forecast -\$7.2
- New Needs \$16.1 (-30.2)
 - ▣ Licenses can currently be renewed in a variety of ways
 - ▣ However, there is a 90 day extension to renew
 - ▣ Originally thought this would be simply a timing issue
 - ▣ Once County Clerk's offices open, there will be a lag in processing due to social distancing precautions so revenue will spill over into FY21

Road Fund May Pessimistic Forecast

(Millions \$)

14

	FY20 YTD		FY20 May/June		FY20 Full Year		Difference From Official \$ millions
	Actual	% Chg	Estimate	% Chg	Estimate	% Chg	
Motor Fuels	637.4	-0.2	58.8	-56.2	696.2	-10.0	-77.0
Motor Vehicle Usage	419.4	-1.6	38.7	-56.2	458.1	-11.0	-60.5
Motor Vehicle License	89.6	-8.4	16.1	-30.2	105.7	-12.6	-9.7
Motor Vehicle Operators	12.9	-7.2	1.1	-59.4	14.0	-15.8	-3.1
Weight Distance	69.5	1.5	4.4	-71.4	73.9	-11.7	-9.9
Investment	6.3	-16.5	0.2	-94.6	6.5	-45.5	2.8
Other	<u>33.5</u>	<u>-1.8</u>	<u>2.1</u>	<u>-81.1</u>	<u>35.6</u>	<u>-21.1</u>	<u>-4.4</u>
Road Fund	1,268.6	-1.4	121.4	-56.5	1,390.0	-11.2	-161.8

Road Fund Forecasts

(Millions \$)

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	FY20 Control		FY20 Pessimistic	
	Estimate	% Chg	Estimate	% Chg
Motor Fuels	712.8	-7.8	696.2	-10.0
Motor Vehicle Usage	475.2	-7.6	458.1	-11.0
Motor Vehicle License	108.1	-10.6	105.7	-12.6
Motor Vehicle Operators	14.7	-11.6	14.0	-15.8
Weight Distance	80.7	-3.6	73.9	-11.7
Investment	7.0	-41.3	6.5	-45.5
Other	<u>42.9</u>	<u>-5.0</u>	<u>35.6</u>	<u>-21.1</u>
Road Fund	1,441.4	-8.0	1,390.0	-11.2