



**ORANGE COUNTY TRANSPORTATION AUTHORITY**

## **Measure M2 Sales Tax Forecast**

**PowerPoint**



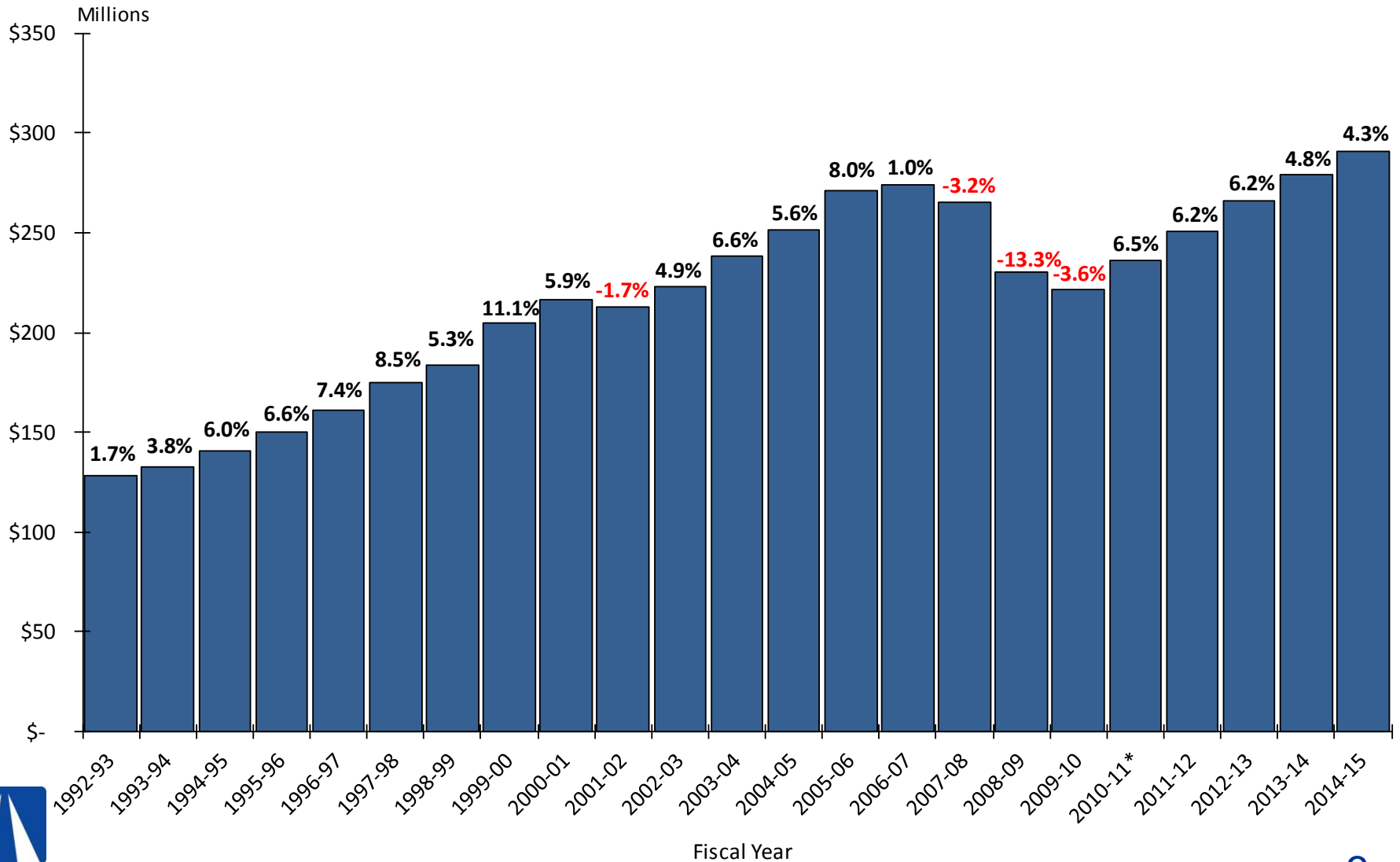
# Measure M2 Sales Tax Forecast



# Background

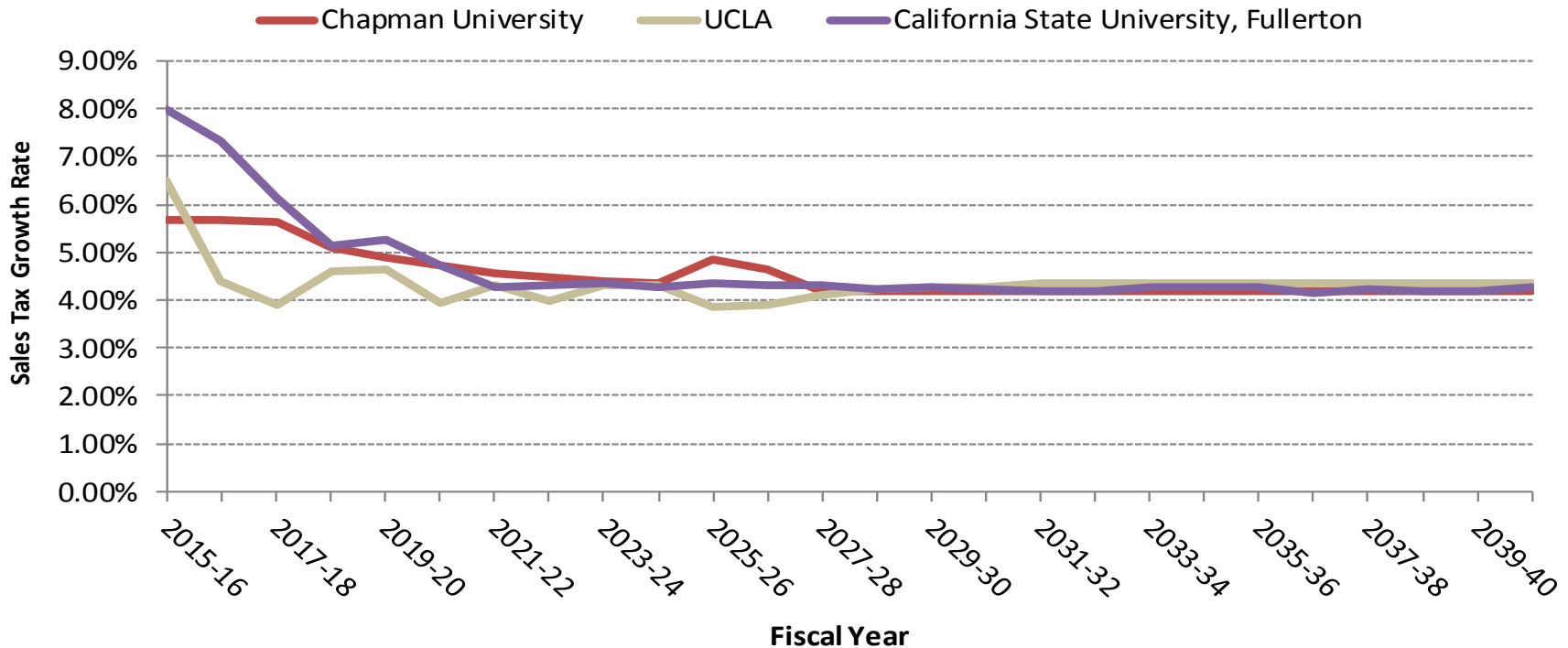
- Chapman University Forecast
  - Since inception of Measure M (M1) in 1991
- Three University Forecast
  - Since development of Measure M2 (M2)
  - Average of three forecasts
    - Chapman University
    - UCLA – Anderson Forecast
    - California State University, Fullerton
- Sales tax for M2 Program forecasted to be \$15.6 billion based on updated forecasts

# Historical Measure M Sales Tax Revenues



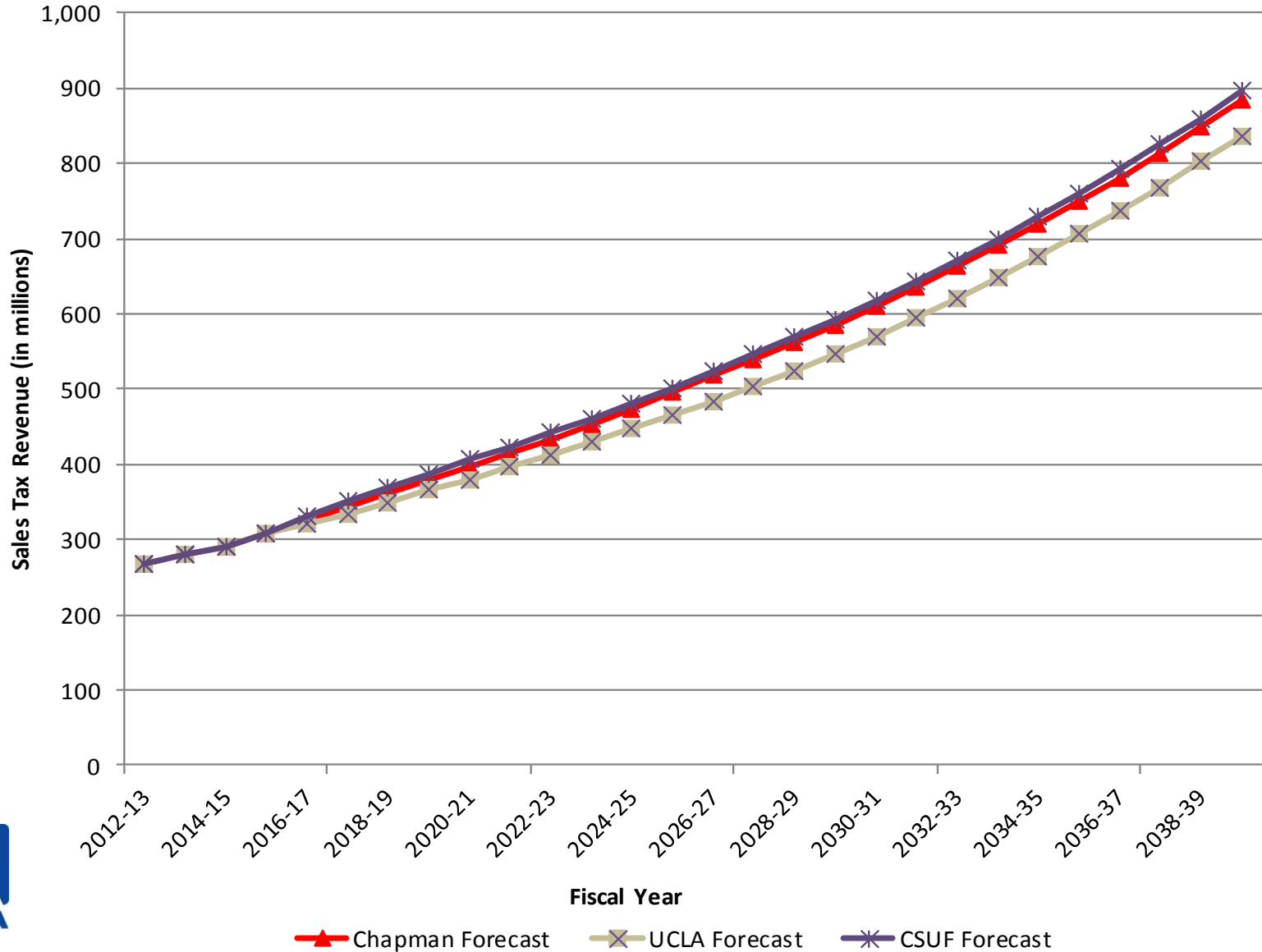
\* FY 2010-11 represents a combination of Measure M1 (three quarters of the year) and Measure M2 (one quarter of the year) sales tax revenues

# Long Term Growth Rate Forecasts



	1-Year Rate FY 2016	Average 3-Year Rate FY 2016-2018	Average 5-Year Rate FY 2016-2020	Average 10-Year Rate FY 2016-2025	Average Long Term Rate FY 2016-2041	Sales Tax Forecast * (\$ Billions)
Chapman University	5.68%	5.66%	5.40%	4.95%	4.53%	\$ 15.8
UCLA	6.51%	4.94%	4.81%	4.49%	4.35%	\$ 15.1
California State University, Fullerton	7.98%	7.15%	6.37%	5.37%	4.68%	\$ 16.4

# Annual Sales Tax Revenue Forecast By University



# Discussion of Options Going Forward

- Continue with the Three University Forecast as-is
- Take a more conservative approach to the Three University Forecast
  - Use 90% - 95% of the blended rate
  - Use the most conservative forecast
- Adjust the entities that provide the forecasts
  - Other options include:
    - California Economic Forecast
    - Beacon Economics
    - California Lutheran University
    - California State University, Long Beach

# Sales Tax Revenue Forecasts Based on More Conservative Options

100% of Three University Rate	Average	Average	Average	Average	Sales Tax	
	1-Year Rate	3-Year Rate	5-Year Rate	10-Year Rate	Long Term Rate	Forecast *
	FY 2016	FY 2016-2018	FY 2016-2020	FY 2016-2025	FY 2016-2041	(\$ Billions)
Chapman University	5.68%	5.66%	5.40%	4.95%	4.53%	\$ 15.8
UCLA	6.51%	4.94%	4.81%	4.49%	4.35%	\$ 15.1
California State University, Fullerton	7.98%	7.15%	6.37%	5.37%	4.68%	\$ 16.4

95% of Three University Rate	Average	Average	Average	Average	Sales Tax	
	1-Year Rate	3-Year Rate	5-Year Rate	10-Year Rate	Long Term Rate	Forecast *
	FY 2016	FY 2016-2018	FY 2016-2020	FY 2016-2025	FY 2016-2041	(\$ Billions)
Chapman University	5.40%	5.38%	5.13%	4.70%	4.30%	\$ 15.3
UCLA	6.18%	4.69%	4.57%	4.26%	4.13%	\$ 14.7
California State University, Fullerton	7.58%	6.79%	6.05%	5.10%	4.45%	\$ 15.8

90% of Three University Rate	Average	Average	Average	Average	Sales Tax	
	1-Year Rate	3-Year Rate	5-Year Rate	10-Year Rate	Long Term Rate	Forecast *
	FY 2016	FY 2016-2018	FY 2016-2020	FY 2016-2025	FY 2016-2041	(\$ Billions)
Chapman University	5.11%	5.10%	4.86%	4.45%	4.07%	\$ 14.8
UCLA	5.86%	4.44%	4.33%	4.04%	3.91%	\$ 14.3
California State University, Fullerton	7.18%	6.43%	5.73%	4.84%	4.21%	\$ 15.3

\* Based on actuals through FY 2014-15 and forecast rates thereafter