

Transportation Revenue Forecast Council

June 2023 Transportation Economic and Revenue Forecasts

Volume I: Summary

Washington Transportation Economic and Revenue Forecast June 2023 Forecast

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Preface

Washington law mandates the preparation, adoption of economic, and revenue forecasts. The organizations primarily responsible for revenue forecasts are the Economic and Revenue Forecast Council and the Office of Financial Management. The Office of Financial Management has the statutory responsibility to prepare and adopt those forecasts not made by the Economic and Revenue Forecast Council (RCW 43.88.020). The Office of Financial Management carries out its forecast responsibilities for transportation revenues through the Transportation Revenue Forecast Council. Each quarter, technical staff of the Department of Licensing, Department of Transportation, Washington State Patrol, and the

Office of Forecast Council produce forecasts. The revenue forecasts agreed upon by the Transportation Revenue Forecast Council members become the official estimated revenues under RCW 43.88.020 21.

June 2023 Transportation Forecast Overview

Forecast Overview

- The June forecast is based on economic projections produced by the Washington Economic and Revenue Forecast Council and IHS-Markit, a subsidiary of Standard & Poor's. The current forecast anticipates subpar growth for the three quarters beginning in FY 2023, Quarter 2.
- The current 2021-23 biennium total transportation revenue forecast is up \$34.62 million up, or 0.5 percent, when compared to the previous March 2023 forecast. The same total transportation revenues for the 2023-25 biennium are down -\$38.16 million reductions, or -0.5 percent.
- For the 10-year forecast horizon, total transportation revenue is projected to be \$36.249 billion, which is an increase from the March 2023 forecast by \$80.62 million or 0.2 percent.
- Changes in toll revenue interest earnings are responsible for the majority of the revision in the FY 2021-FY 2023 biennium estimate.
- Comparing the June 2023 forecast to actual collections during the 2019-21 biennium, the current 2021-23 biennium total transportation revenue estimate is \$6,633 billion which is an increase of 8.4 percent. For the 2023-25 biennium, revenues are forecasted at \$7.008 billion which is a 14.5 percent increase.

Figure 1: Current June 2023 vs. March 2023 Forecast: All Revenues

Forecast to Forecast Comparison for Transportation Revenues and Distributions 10-Year Period												
June 2023 Forecast to March 2023 Forecast millions of dollars												
	Current Biennium 2021-2023				2023-2025				10-Year Period (2022-2031)			
	Forecast June 2023	Forecast March 2023	Chg from March 2023	Percent Change	Forecast June 2023	Forecast March 2023	Chg from March 2023	Percent Change	Forecast June 2023	Forecast March 2023	Chg from March 2023	Percent Change
Sources of Transportation Revenue												
Motor Vehicle Fuel Tax Collections	3,368.49	3,394.0	(25.54)	-0.75%	3,370.25	3,369.6	0.62	0.02%	17,205.41	17,230.08	(24.67)	-0.14%
Licenses, Permits and Fees	1,764.20	1,780.7	(16.52)	-0.93%	2,036.19	2,073.8	(37.60)	-1.81%	10,601.11	10,638.51	(37.40)	-0.35%
Ferry Revenue†	346.35	349.7	(3.39)	-0.97%	406.73	416.0	(9.28)	-2.23%	2,063.31	2,093.39	(30.08)	-1.44%
Toll Revenue	467.96	392.4	75.60	19.27%	483.31	489.4	(6.08)	-1.24%	2,645.02	2,561.70	83.32	3.25%
Aviation Revenues	13.18	12.3	0.88	7.19%	15.29	13.7	1.56	11.37%	70.80	64.39	6.41	9.96%
Rental Car Tax	85.34	85.1	0.23	0.27%	90.90	89.9	0.98	1.09%	473.97	469.70	4.27	0.91%
Vehicle Sales Tax	128.98	127.1	1.83	1.44%	134.11	131.5	2.59	1.97%	698.84	686.20	12.65	1.84%
Driver-Related Fees	329.33	329.2	0.13	0.04%	343.64	343.8	(0.15)	-0.04%	1,812.33	1,812.29	0.04	0.00%
Business/Other Revenues	129.03	127.6	1.39	1.09%	127.41	118.2	9.19	7.77%	678.59	612.51	66.07	10.79%
Total Revenues	6,632.85	6,598.2	34.62	0.52%	7,007.82	7,046.0	(38.16)	-0.54%	36,249.38	36,168.76	80.62	0.22%
Distribution of Revenue												
Motor Fuel Tax Refunds and Transfers	264.99	264.2	0.83	0.32%	259.24	246.5	12.76	5.18%	1,326.32	1,272.75	53.57	4.21%
Motor Fuel Administrative Fee - DOL	18.75	18.0	0.75	4.19%	18.77	18.8	0.00	0.00%	96.03	95.28	0.75	0.79%
State Uses												
Motor Vehicle Account (108)	1,277.23	1,295.2	(17.95)	-1.39%	1,312.75	1,322.5	(9.78)	-0.74%	7,078.39	7,032.41	45.98	0.65%
Transportation 2003 (Nickel) Account (550)	411.82	407.3	4.56	1.12%	409.05	412.2	(3.12)	-0.76%	2,094.31	2,098.47	(4.16)	-0.20%
Transportation 2005 Partnership Account (09H)	597.54	601.5	(3.91)	-0.65%	601.42	606.0	(4.60)	-0.76%	3,077.42	3,097.77	(20.35)	-0.66%
Connecting Washington Account (20H)	743.30	748.3	(5.02)	-0.67%	743.06	747.5	(4.42)	-0.59%	3,805.73	3,825.19	(19.45)	-0.51%
Multimodal Account (218)	619.80	625.2	(5.40)	-0.86%	695.37	702.6	(7.21)	-1.03%	3,553.59	3,596.37	(42.78)	-1.19%
Special Category C Account (215)	46.85	47.2	(0.32)	-0.67%	46.83	47.1	(0.28)	-0.59%	239.86	241.09	(1.23)	-0.51%
Puget Sound Capital Construction Account (099)	34.09	34.3	(0.23)	-0.67%	34.07	34.3	(0.20)	-0.59%	174.52	175.41	(0.89)	-0.51%
Puget Sound Ferry Operations Account (109)	404.60	407.9	(3.26)	-0.80%	463.82	473.5	(9.63)	-2.03%	2,356.24	2,387.90	(31.66)	-1.33%
Capital Vessel Replacement Account (18J)	57.67	58.3	(0.62)	-1.06%	61.3	61.3	(0.00)	0.00%	307.78	312.53	(4.75)	-1.52%
Tacoma Narrows Bridge Account (511)	160.24	161.7	(1.50)	-0.93%	155.61	155.5	0.07	0.05%	802.06	803.45	(1.39)	-0.17%
High Occupancy Toll Lanes Account (09F)*	8.23	9.2	(1.00)	-10.79%	14.39	15.2	(0.83)	-5.42%	87.45	89.02	(1.57)	-1.77%
SR 520 Corridor Account (16J)	132.82	134.2	(1.42)	-1.06%	177.62	190.2	(12.59)	-6.62%	942.38	953.64	(11.26)	-1.18%
SR 520 Corridor Civil Penalties Account (17P)	(4.90)	(1.3)	(3.59)	274.89%	5.88	5.0	0.89	17.78%	22.96	25.55	(2.59)	-10.15%
Interstate 405 Express Toll Lanes Operations (59S)	42.14	38.2	3.92	10.26%	63.76	62.8	0.91	1.44%	390.91	385.27	5.64	1.46%
Alaskan Way Viaduct Replacement Acct. (53S)	129.42	50.2	79.19	157.65%	66.04	60.6	5.47	9.03%	399.25	304.77	94.49	31.00%
Aeronautics Account (039)	13.09	12.2	0.89	7.28%	15.19	13.6	1.57	11.49%	70.34	63.88	6.46	10.11%
Washington State Aviation Account (21G)	0.08	0.1	(0.00)	-4.97%	0.09	0.1	(0.01)	-5.87%	0.42	0.46	(0.05)	-9.83%
State Patrol Highway Account (081)	457.80	460.5	(2.67)	-0.58%	469.41	475.0	(6.60)	-1.39%	2,410.26	2,443.94	(33.68)	-1.38%
Highway/Motorcycle Safety Accts. (106 & 082)	294.45	294.4	0.09	0.03%	296.51	287.0	9.47	3.30%	1,587.99	1,520.00	67.99	4.47%
School Zone Safety Account (780)	0.34	0.4	(0.03)	-8.96%	0.60	0.6	0.00	0.00%	2.83	2.86	(0.03)	-1.16%
Other accounts (201, 06T, 09T, 09E, 216, 07C, 24-K)	39.81	40.0	(0.19)	-0.48%	43.58	43.9	(0.33)	-0.75%	219.24	220.96	(1.72)	-0.78%
Electric Vehicle Account (20J)	36.57	36.4	0.13	0.36%	48.11	47.8	0.34	0.71%	84.68	84.21	0.47	0.56%
Ignition Interlock Devices Revolving Acct 14V	7.31	7.7	(0.40)	-5.17%	8.60	8.8	(0.16)	-1.81%	42.55	43.60	(1.05)	-2.40%
Multistate Roadway Safety Account Collections-571	0.48	0.5	0.00	0.69%	0.54	0.5	0.03	4.93%	2.69	2.60	0.09	3.30%
Move Ahead WA Accounts - 26P	96.92	99.9	(2.97)	-2.97%	235.28	239.5	(4.26)	-1.78%	1,118.79	1,132.95	(14.16)	-1.25%
Move Ahead WA Accounts - 26Q	9.88	9.8	0.04	0.39%	28.81	28.8	0.02	0.05%	151.48	151.34	0.14	0.09%
Total for State Use	5,617.59	5,579.3	38.33	0.69%	5,995.53	6,042.0	(46.42)	-0.77%	31,024.12	30,995.63	28.49	0.09%
Cities	179.66	180.9	(1.21)	-0.67%	179.60	180.7	(1.07)	-0.59%	919.88	924.58	(4.70)	-0.51%
Counties	291.56	293.9	(2.33)	-0.79%	290.87	292.7	(1.88)	-0.64%	1,492.58	1,501.29	(8.71)	-0.58%
Transportation Improvement Board (112 & 144)	193.87	195.2	(1.31)	-0.67%	195.60	196.7	(1.15)	-0.58%	1,021.43	1,017.49	3.94	0.39%
County Road Administration Board (102 & 253)	66.44	66.9	(0.45)	-0.67%	68.22	68.6	(0.39)	-0.57%	369.02	361.75	7.28	2.01%
Total for Local Use	731.53	736.8	(5.30)	-0.72%	734.28	738.8	(4.49)	-0.61%	3,802.91	3,805.10	(2.19)	-0.06%
Total Distribution of Revenue	6,632.85	6,598.2	34.62	0.52%	7,007.82	7,046.0	(38.16)	-0.54%	36,249.38	36,168.76	80.62	0.22%

† Ferry Fares plus non-farebox revenue

Figure 2 compares transportation revenues for the last four cycles: June 2023, March 2023, November 2022, and September 2022. While June 2023 Forecast total estimate increased slightly compared to March 2023 forecast, it's less than the amounts estimated in the September 2022 and November 2022 quarterly forecasts.

Figure 2: Total Transportation Revenues Estimates: June 2023 – September 2022



Washington's transportation revenues come from numerous taxes, fees, permits, tolls, and other revenues. Revenues forecasted each quarter include the sources contained in Figure 3. This graph displays the anticipated share of each revenue source to the total for the 2021-23 biennium, (\$6.6 billion). Gasoline fuel taxes comprise the largest share at 39 percent. Fuel taxes comprise roughly 51 percent of all revenues. Licenses, permits, and fee revenues comprise the second largest share at 27 percent. The three largest revenue sources are projected to consist of 77 percent of revenues in the 2021-23 biennium. The remaining 23 percent consists of ferry fares, toll revenue, driver related revenue and other transportation related revenue.

Figure 3: Revenue By Source 2021-23 Biennium (\$6.6 billion)

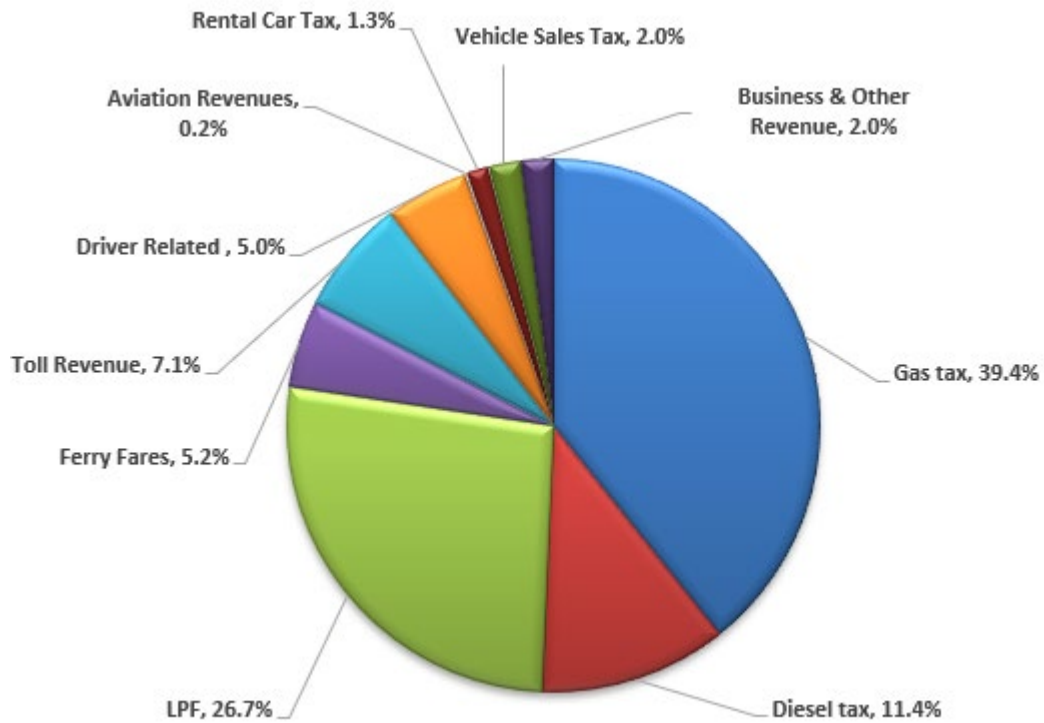


Figure 4 shows the latest revenue variance in major transportation revenue sources since the March 2023 forecast. performance reduction to March 2023 forecast by

Figure 4: Transportation Revenue Actuals Compared to the March 2023 Forecast: February 2023 – April 2023

Changes in Transportation Revenue Since the March 2023 Forecast (February - April 2023 distributions)				
\$ in millions	Difference in Actual Collections Compared to March 2023			% Change
	Feb-23	Mar-23	Apr-23	
Major Revenue Sources				
Gross Fuel Taxes (before refunds/transfers)	\$0.176	-\$12.996	\$5.644	-1.79%
Licenses Permits and Fee Revenue	\$0.802	-\$2.770	-\$8.243	-5.35%
WSF Base Fare & Surcharge Revenues	-\$1.044	-\$1.223	-\$0.408	-6.81%
Tolling Revenues	-\$1.109	\$0.401	\$1.543	1.72%
Rental Car Tax	\$0.000	\$0.098	\$0.086	2.27%
Motor Vehicle Sales Tax	\$0.343	\$0.676	\$0.370	9.34%
Total All Revenue Sources	-\$0.832	-\$15.814	-\$1.008	-2.51%

Figure 5 shows the June 2023 forecast LESS the Move Ahead Revenue Package compared to the June 2022 forecast.

Figure 5: Current forecast compared to the previous forecast less the impacts of the Move Ahead Washington Package

Forecast to Forecast Comparison for Transportation Revenues and Distributions 10-Year Period Less revenues generated from the Move Ahead Washington Package June 2023 Forecast to June 2022 Forecast millions of dollars												
	2021-2023				2023-2025				10-Year Period (2022-2031)			
	Forecast June 2023	Forecast June 2022	Chg from Jun-22	Percent Change	Forecast June 2023	Forecast June 2022	Chg from Jun-22	Percent Change	Forecast June 2023	Forecast June 2022	Chg from Jun-22	Percent Change
Total Revenues	6,632.85	6,593.93	38.9	0.6%	7,007.82	7,066.55	(58.7)	-0.8%	36,249.38	35,977.81	271.6	0.8%
Move Ahead Washington Package	109.35	137.28	(27.93)	-20.3%	272.95	296.47	(23.52)	-7.9%	1,335.88	1,386.82	(50.94)	-3.7%
Total Revenue less Move Ahead Washington	6,523.50	6,456.65	66.9	1.0%	6,734.87	6,770.07	(35.2)	-0.5%	34,913.50	34,590.99	322.5	0.9%

Economic Variables Forecast

Analysts use economic variables to drive their revenue forecasts. Key economic variables include the following: Washington real personal income, driver age population, driver-in population, inflation, employment, oil price index, fuel efficiency, US sales of new light vehicles and various employment sectors.

The June 2023 variables are in part based on forecasts by the Washington Economic and Revenue Forecast Council and IHS. The near-term change in the latest economic variables is an improvement when compared to the last quarterly forecast. The metrics for Washington statistics are down compared to the last forecast. Inflation is up slightly while growth in new vehicle sales is lower than anticipated March.






**Figure 6: Annual Percentage Change (%) in Select Economic Variables:
June 2023 Forecast**

Fiscal Year	WA Real Personal Income	Annual Driver Age Population	Driver-In Population	US General Prices (IPDC)	US Fuel Efficiency (MPG)	Nominal Consumer Sales on New Vehicles	WA Non-ag. employment	WA Trade, Transportation and Utilities Employment	WA Retail Trade Employment
2023	-0.6%	1.4%	-2.2%	5.1%	1.9%	8.8%	3.5%	0.9%	-1.1%
2024	1.8%	1.3%	1.8%	2.9%	1.6%	-7.3%	0.9%	-0.2%	-1.1%
2025	2.2%	1.1%	1.0%	2.1%	1.6%	-5.2%	0.3%	-2.1%	-4.8%
2026	3.2%	1.2%	0.8%	1.9%	1.7%	4.0%	1.0%	-0.6%	-1.9%
2027	3.0%	1.3%	0.8%	2.0%	1.8%	5.5%	1.0%	-0.2%	-1.1%
2028	3.1%	1.3%	-0.2%	2.1%	2.0%	3.5%	1.0%	-0.1%	-0.4%
2029	3.0%	1.2%	0.7%	2.0%	2.1%	5.9%	0.9%	-0.3%	-0.2%
2030	2.9%	1.2%	0.7%	2.0%	2.3%	7.5%	0.9%	-0.2%	0.0%
2031	3.0%	1.2%	0.7%	2.0%	2.4%	7.3%	0.9%	0.3%	0.7%
2032	3.0%	1.1%	0.6%	2.0%	2.6%	6.2%	0.9%	0.5%	0.8%
2033	2.9%	1.1%	0.6%	2.0%	2.7%	5.9%	0.9%	0.4%	0.9%

Source: Washington Economic and Revenue Forecast Council, Washington Office of Financial Management, Global Insight

Figure 7: Annual Change in Economic Variables: June 2023 vs. March 2023

Fiscal Year	WA Real Personal Income	Annual Driver Age Population	Driver-In Population	US General Prices (IPDC)	US Fuel Efficiency (MPG)	Nominal Consumer Sales on New Vehicles	WA Non-ag. employment	WA Trade, Transportation and Utilities Employment	WA Retail Trade Employment
2023	▼	▬	▼	▲	▬	▲	▬	▼	▼
2024	▲	▬	▲	▲	▬	▼	▲	▲	▲
2025	▼	▬	▲	▲	▬	▼	▼	▼	▼
2026	▬	▬	▬	▬	▬	▲	▲	▲	▲
2027	▼	▬	▬	▬	▬	▲	▬	▼	▼
2028	▼	▬	▬	▬	▬	▲	▬	▼	▼
2029	▬	▬	▬	▬	▬	▼	▬	▬	▬
2030	▬	▬	▬	▬	▬	▼	▬	▬	▬
2031	▬	▬	▬	▬	▬	▼	▬	▬	▬
2032	▬	▬	▬	▬	▬	▼	▬	▬	▬
2033	▬	▬	▬	▬	▲	▼	▬	▬	▬

	Difference in percentage change is greater than 1%
	Difference in percentage change is less than 1% and greater than 0.1%
	Difference in percentage change is less than 0.1% and greater than -0.1%
	Difference in percentage change is greater than -0.1% and less than -1%
	Difference in percentage change is greater than -1%

Motor Fuel Price Forecast

The June forecast is shown below. Note B20 biodiesel has been substituted for B99 to conform to WSDOT's current contract. Changes from the previous forecast are shown on the associated graphs.

Figure 8: Near-Term Fuel Prices: June 2023

Average Fuel Price Adjusted Forecast - June 2023				
Fiscal Year	WA Adj Retail Gasoline Price (\$/gal)	WA Adj Retail Diesel Price (\$/gal)	WA Adj Biodiesel (B5) Price w markup+taxes (\$/gal)	WA Adj Biodiesel (B20) Price w markup+taxes (\$/gal)
2021Q3	3.77	3.71	2.49	3.23
2021Q4	3.77	3.89	2.81	3.22
2022Q1	4.09	4.52	3.48	3.30
2022Q2	4.91	5.81	4.73	3.55
FY2022	4.13	4.48	3.38	3.32
2022Q3	4.81	5.85	4.11	3.83
2022Q4	4.49	5.52	3.91	4.24
2023Q1	3.98	5.01	3.67	4.12
2023Q2	4.37	4.70	3.47	3.97
FY2023	4.41	5.27	3.79	4.04
2023Q3	4.18	4.59	3.39	3.88
2023Q4	3.91	4.84	3.57	4.09
2024Q1	3.90	4.86	3.59	4.11
2024Q2	3.90	4.83	3.57	4.08
FY2024	3.97	4.78	3.53	4.04

Figure 9: Washington Regular Retail Gasoline Prices: June 2023 vs. March 2023

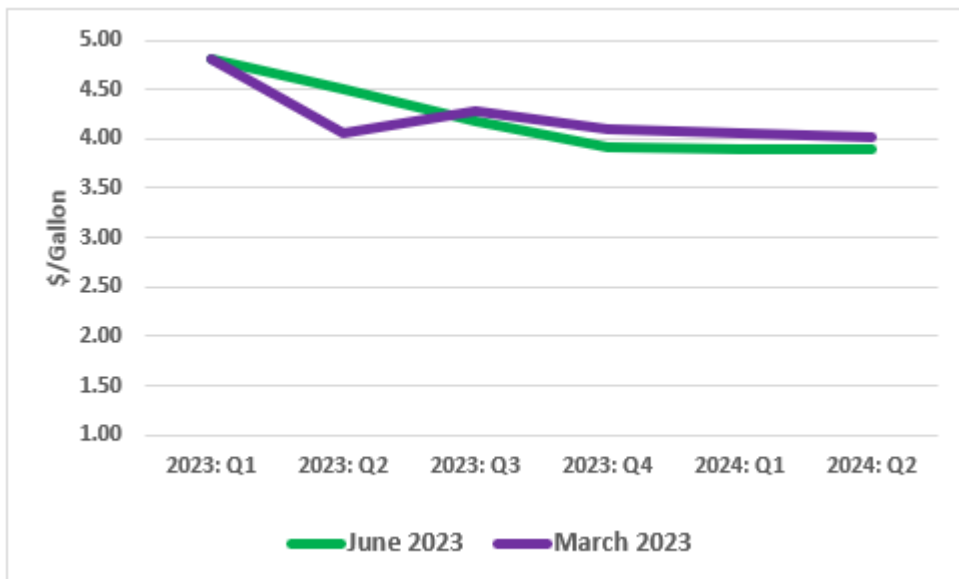


Figure 10: Washington Retail Diesel Prices: June 2023 vs. March 2023

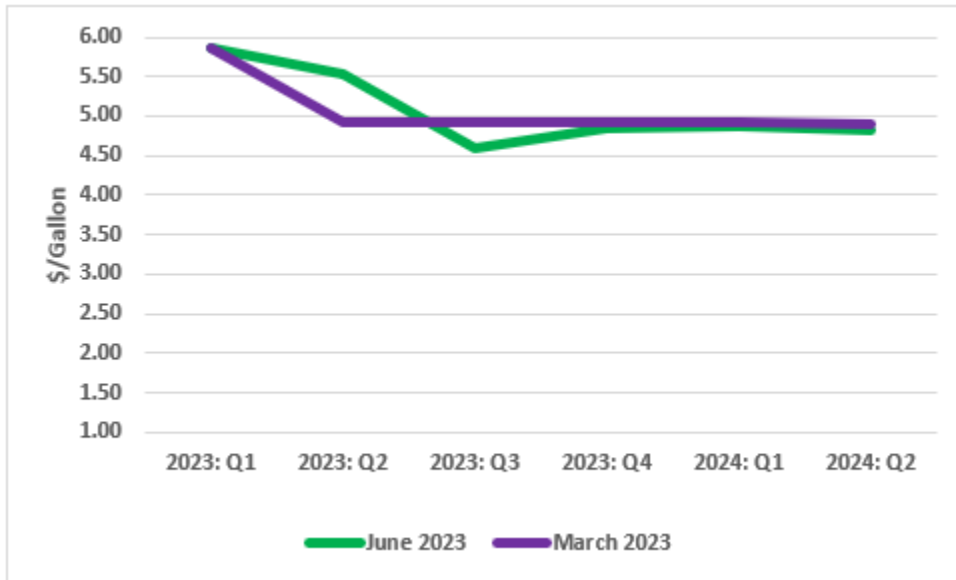
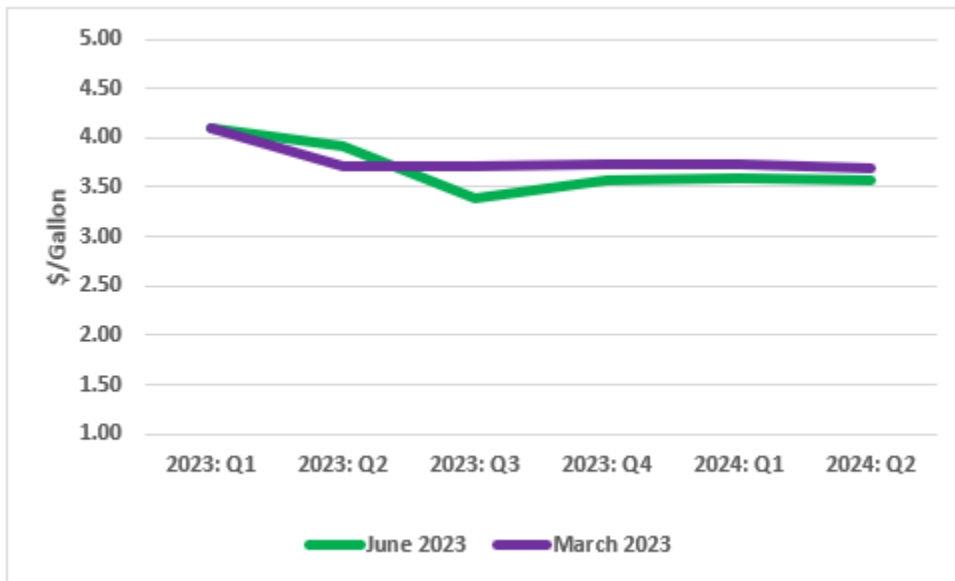


Figure 11: Quarterly Ferries B5 Biodiesel Prices: June 2023 vs. March 2023



Survey of Current U.S. Crude Oil Price Forecasts

The WTI crude oil prices shown below are obtained come from five entities: EIA, NYMEX, Global Insight, Consensus Economics, and Moody's. WSDOT's baseline fuel price forecasts use the Energy Information Administration (EIA) forecasts in the near-term through calendar year 2024 and then use the growth rates from Global Insight forecasts for subsequent years. The forecasts for FY 2024 ranges from \$75.33 per barrel in the WSDOT/EIA forecast to \$85.03.

Figure 12: Near-term Annual WTI Crude Oil Price Forecasts: June 2023

Fiscal Year	WSDOT (EIA/GI)	NYMEX	Global Insight	Economy.com	Consensus Economics	Average	% Diff Lowest	% Diff Highest	% Diff (Average)
2023	81.82	81.82	81.82	81.82	81.82	81.82	0.00	0.00	0.0%
2024	75.08	69.69	79.12	81.30	80.18	77.57	-0.07	0.08	3.3%

WSDOT then applies the average WTI price adjustment to the baseline prices. The adjusted fuel prices listed in Figure 11 are used to adjust the estimates for fuel costs for WSDOT’s budget. The latest FY24 adjusted forecast requires a 3.3 percent upward adjustment to the baseline fuel prices in FY 2024.

Motor Vehicle Fuel Tax Forecast

Motor fuel tax actual collections since the March 2023 estimate came in below the forecast by 1.8 percent. For the current 2021-2023 biennium, gross fuel tax revenue has been reduced by 0.8 percent, or \$25.5 million. The reduction is spread more-or-less proportionally between gasoline and special fuels revenue. The gross fuel tax revenue for the 2023-2025 biennium is an increase of \$0.6, or 0.0 percent. For the 10-year period spanning between FY 2022 to FY 2033, the total reduction is \$24.7 million, or 0.1 percent.

Primary Reasons for Changes in the Current Forecast

Gasoline Tax - The FY 2024 gasoline revenue forecasts hang on expert judgement; analysts assume a summer driving system no worse than last year’s. The rationale for this assumption is twofold. First, out-of-sample forecasts of the third quarter of the year are particularly poor and associated models consistently underestimate summer liability. Secondly, absent a new supply shock, it is hard to postulate a scenario where the driving season gets worse than last year. If this assumption is incorrect and summer activity declines, then it is probably appropriate to reevaluate the long-term prospects of this revenue source.

Special Fuels Tax – As noted in previous forecast summaries, the FY 2023 forecast had been complicated by the behavior of one incorrectly credentialed taxpayer. This taxpayer has been exporting fuel worth around 36 of the total taxable gallons and subsequently seeking refund. Although the net effect on beneficiaries is zero, this profoundly skews the statistics. This taxpayer is now correctly credentialed so that these transactions will no longer be reflected in the relevant accounting. The current year has also suffered from a more normal spilt in consumption, the percentage of consumers budgets spent on goods has been trending down. Lastly, the liquidity provided by the pandemic stimulus is finally dissipating.

After making the appropriate adjustment, current year-to-date gallons are 3.2 percent less than in FY 2022. The adjusted rate of growth in 2024 is 2.6 percent.

Refunds- Refund data is skewed by the special fuel activity discussed above. By convention, analysts adjust tribal refunds in September.

Motor Vehicle Revenue (Licenses, Permits, and Fees)

Overview

Vehicle related forecasts fall into two main categories: motor vehicle registrations and license plate-related fees. This forecast has a variety of small fees, but the majority of the revenue is from registration-based fees. There are five main economic drivers for the vehicle licenses, permits, and fees (LPF) forecast: Washington population and net migration, Washington real personal income, Washington Non-ag Employment, Washington - U.S. real income share, and U.S. sales of light vehicles.

Washington State anticipates collecting about \$1.76 billion from vehicle licenses, permits, and fees (LPFs) in the 2021-2023 biennium, which decreased \$16.5 million or 0.9% compared to the forecast in March 2023. The LPF forecast is anticipated to be \$2.04 billion by 2023-2025 biennium, which is down about \$48 million or -2% from the previous forecast. Over the 10-year period from 2021-2023 biennium to 2029-2031 biennium, the revenue forecast is approximately \$37 million lower than previous forecast.

Primary reasons for the change in the June 2023 forecast

- For the fiscal year 2023, passenger car registrations are 5,165,000 vehicles, reduced 1.6% from the previous forecast. For FY 2024, passenger car registrations will be 1.5% less than the March 2023 forecast. The forecast remains lower in future years from FY2025 through FY2033 for a bit more than 2%. The decreased forecast registrations are mainly due to the lower number of passenger car registrations during the last 3 months, and the lower personal income growth rate in recent years forecasted by ERFC.
- For the fiscal year 2023, truck registrations are down for 2.5% at 1,633,000 vehicles. In fiscal year 2024, truck registrations will decrease from the previous forecast for 2.5%. After that, the truck forecast will keep seeing a forecast-to-forecast decrease for 2.5% in registrations for the rest of years until FY2033. The decreased forecast registrations in future years are mainly due to the lower number of truck registrations during the last 3 months and revised Washington Non-Agricultural Employment Rate.
- In the 2021-23 biennium, \$30 registrations revenue is down 0.66% or \$2.3 million. This is because we reduced the passenger car forecast and other group 1 vehicle forecast in June. In the next biennium, revenue from \$30 registrations is about \$7.9 million less than the previous forecast. This trend keeps going on in the later periods. We see the revenue averages about \$10.6 million below the previous forecast by the 2029-2031 biennium due to the reduced \$30 vehicles.
- In the 2021-23 biennium, the forecast sees a decreased truck weight revenue for about \$2.8 million or 0.55%. This is because the reduced truck forecast in June. In the next biennium, truck weight revenue is about \$11.8 million less than the previous forecast due to the decreased truck forecast. The revenue decrease keeps going on in later forecast periods. By the end of the forecast horizon, we will see a \$13.3 million reduced revenue in 2029-2031 biennium for truck weight fees.
- In the 2021-23 biennium, the Freight Project fee is almost unchanged compared with the March forecast. In the 2023-25 biennium, the Freight Project fee is reduced for \$0.69 million or 1.55% due to the reduced truck forecast. This revenue decrease keeps on in the out years for the same reason. By the end of this forecast horizon, we will see a \$0.78 million freight project revenue decrease in 2031-2033 biennium.
- The passenger vehicle weight revenue is reduced for \$5.1 million or 1.3% in the 2021-23 biennium, which is due to the reduced \$30 vehicle forecast. In the 2023-25 biennium, the revenue is down for \$9.4 million. The revenue reduction remains around \$12 million in the out years. By the end of this forecast horizon, we will see a \$12.7 million passenger vehicle weight revenue decrease in 2029-2031 biennium.
- In this forecast, the motorhome weight revenue is decreased for \$0.35 million in the 2021-23 biennium due to the reduced motorhome vehicle forecast. In the 2023-25 biennium, the revenue is down for \$0.68 million. After that, this level of reduction keeps going on. By the end of this forecast, we will see a \$0.69 million motorhome weight revenue decrease in 2029-2031 biennium.
- **Electric Vehicle renew** (\$150 fee) revenue is slightly lower by \$0.1 million (0.49%) for FY21-23 and down \$90,690 for FY23-25. For the ten-year forecast horizon, revenue is up \$89.8 million (28.8%) when incorporating Washington State’s newly adopted zero emission standards, effective FY2026. Hybrid and Plug-in (\$75 fee) revenue is up \$0.13 million (+0.4%) for the current biennium and up \$0.34 million (0.71%) for FY23-25, and up \$46.9 million (15.7%) for the next ten years, also due to adoption of zero emission standards.
- **Title Fee forecast** is slightly down by \$0.45 million (-0.66%) for the current biennium, down by \$0.68 million (-0.93%) for FY23-25, and \$0.3 million (-0.1%) for the ten-year horizon.
- **Ferry Vessel Service Fees (18J)** Service fee for current biennium is revised down by \$0.5 million (-1.09%), following lower vehicle title and registration forecasts. It is down by \$0.78 million (-1.6%) for FY23-25 biennium. The 10-year forecast is down by \$3.3 million (-1.4%).
- **Original Plates** This forecast has decreased -\$1.4 million (-2.0%) for the 21-23 biennium and down \$5.1 million (-3.8%) for the 23-25 biennium following continued below forecast original plate transactions. The ten-year

estimate is down by \$19.6 million (-3.2%). The downward forecast revision is consistent with lower vehicle registration and lower title forecasts.

- **Plate Replacement** The forecast has decreased across the forecast horizon by \$0.7 million (-1.18%) for the current biennium and down by \$1.5 million (-1.68%) for the 23-25 biennium. The ten-year total decrease is \$1.9 million (-0.4%).
- **DOL services fees** are down by \$0.12 million for FY21-23 (-1.7%) due to actuals to date, but up for FY23-25 by \$0.9 million (12.5%) to reflect ESH1853 (2023 session) which extends the fee to all trucks rather than limiting to only light duty trucks. For the ten-year horizon, revenue is up by \$4.4 million (11.1%). Similar patterns are seen in license plate technology fee revenue.
- **Intermittent use trailers** had high year over year growth since being implemented in FY 2017. The growth curve has been slowly flattening over several forecasts. FY23 actuals are coming well below previous forecast levels and the forecast has been adjusted to represent that. FY21-23 is down by 6.7%, FY23-25 down by 8.9%, and the ten-year horizon is down by 8.5%. There is potentially a further adjustment coming to the growth curve after FY 23 has been closed and actual growth is understood.

Driver Related Revenue Forecasts

Overview

The *June 2023* forecast of driver related revenue projected by the Department of Licensing includes the following revenues: driver license fees (including commercial driver licenses, enhanced driver licenses, and temporary restricted licenses), ID card fees, driver exam application fees, copies of records, motorcycle operator fees, ignition interlock fees, and other miscellaneous fees. The miscellaneous fees include limousine licenses, fines and forfeitures, and driver school instructor license fees. These driver-related fees are deposited into the Highway Safety Fund (HSF), Motorcycle Safety Education Account (MSEA), the State Patrol Highway Account (SPHA), and Ignition Interlock Revolving Account (IIRA).

All driver-related revenue for FY2021-23 biennium is forecasted at \$329.3 million, up \$0.13 million (0.04%) from the prior forecast. FY23-25 is expected to have \$343.6 million, down \$0.14 million (-0.04%) from the prior forecast. Over the ten-year period (FY22-FY31), driver related revenues total \$1,812.3 million, no change from the prior forecast.

It is important to note that with SHB1207 passed in the 2021 legislative session, DOL offers eight-year licenses and ID cards, along with the existing six-year license and IDs. For the first four years of implementation, all first time Driver/ID issuances will have variable renewal terms while Driver and ID renewals will follow either a six- or eight-year renewal cycle depending on customer choice. Caution is advised in year over year comparisons.

Primary reasons for the changes in the June 2023 forecast.

ADR revenue is \$0.66 million higher (1.07%) for the current biennium and \$0.36 million (0.5%) for FY23-25 biennium. For the ten-year horizon, it is up by \$2.02 million (0.5%).

DUI reinstatements, occupational licenses, and ignition interlock licenses as well as devices all see downward adjustments with updated actuals to date.

While regular driver license transactions are tracking well, revenues came in lower as fewer than expected customers choose to switch to longer term (8-year) renewals.

Other Transportation Related Revenue Forecast

Overview

This category of transportation related revenue forecasts consists of four primary components: vehicle sales and use taxes, rental car sales taxes, studded tire fees, business and other revenue and aeronautics revenue. The business and other revenue category includes the following revenue sources:

- Sales of property
- WSP and DOT services and publications and documents
- Filing fees and legal services
- Property management
- Access Permits (Highways)
- Outdoor Advertising
- Other revenues

In March of 2023, the Washington State Legislature unanimously passed ESSB 5272; a bill that authorizes use of automated Speed Safety Camera Systems in active work zones on state highways. The intention of the Speed Safety Camera Systems is to help reduce vehicle speeds in work zones while increasing overall safety for travelers and workers, alike. Governor Inslee signed this bill into law at the WSDOT Worker Memorial Ceremony, April 4, 2023.

The Washington State Department of Transportation (WSDOT) and the Washington State Patrol (WSP) are directed to collaborate and have operational Speed Safety Camera Systems in place by July 1, 2024. These systems will be in place through June 30, 2030. Both agencies have been working diligently to lay the groundwork for successful implementation of the Speed Safety Cameras Systems. We are currently working to better understand how these systems are deployed around the country; are in the early discussions of rulemaking process and are prepping to develop a Request for Proposal (RFP) to solicit bids from qualified Speed Safety Camera Systems Vendors. This work will be completed in the upcoming months ahead. For the ten-year horizon, this is revenue increase of \$68.3 million.

State Patrol Highway Account miscellaneous revenue consists of ACCESS fees (fees charged for usage of our statewide law enforcement telecommunications system), Breathalyzer Test fines, DUI Cost Reimbursement, Commercial Vehicle Penalties and Communication Tower Site Leases and Terminal Safety Inspection fees.

Primary reasons for the change in the June 2023 Forecast

- In the June 2023 forecast, the sales tax on motor vehicle purchases is slightly higher than in the previous forecast. Recent collections were higher than forecasted, although the economic variables related to the forecast are lower.
- Rental car tax collections have been increased due to high collections in recent months.
- HOV penalties in June 2023 are unchanged from the last forecast. In the 2019 - 2021 biennium, HOV penalties were \$950,850, increasing to \$1,000,400 in the current biennium and to \$1,094,402 by the end of the forecast horizon.
- WSDOT Business related revenue for the 2021-23 biennium has been revised up by \$1.7 million, or 4.48 percent, from the March forecast. The increase is due to lease payments being higher than projected. WSDOT business related revenue is unchanged in outer years. The school zone fines forecast for the current biennium is down \$33,180, or -8.96 percent, from the March 2023 forecast. The forecast in outer biennia is no change. The 2021-23 biennium WSP Business Related Revenues for June 2023 have been revised down by \$40,900 or (0.34 percent). The change reflects latest actuals and changes in out years mirror the changes in fiscal year 2023. Future biennia revenues are forecasted to decrease by \$56,000 (0.45 percent) per biennia from the March 2023 forecast.
- **Aviation Fuel Tax** (fund 039) forecast is higher for FY 2021-23 by \$0.89 million or 8.5%. The forecast continues higher for FY 2023-25 by \$1.6 million or 13.1%. The ten-year outlook adds \$6.4 million or 11.8%. The June 2023 forecast reflects increased aviation fuel tax collections resulting from the fuel consumption by foreign flagged

commercial air carriers including another foreign flagged commercial carrier that began operations at SEATAC in October 2022. The adjustments for June 2023 incorporate observed increases taxable gallons as well as an updated model utilizing the FAA international aviation fuel (jet fuel) consumption forecast (2022).

- **Credit Card Transaction Fees (24K)** The credit card fee forecast is tracking close and sees a slight of \$0.08 million (0.5%) for the 21-23 biennium and \$0.22 million (1.3%) for the 23-25 biennium and \$0.85 million (1.0%) in the ten-year horizon.
- **ESSB 5226 (Laws of 2021) Traffic Infractions – Failure to Pay – Suspension of Licenses** creates a new Driver Licensing Technology Support Account (DLTSA) as a subsidiary account within the Highway Safety Fund. The account must be used only to support information technology systems in use by the Department of Licensing (DOL) to communicate with judicial information systems, manage driving records, and implement court orders. The legislative assessment on traffic infractions is increased from \$20 to \$24, with the \$4 increased assessment distributed to the new DLTSA. In addition, a new \$2 assessment is created on traffic infractions which is also directed for distribution to the DLTSA, effective January 2023. The Administrative Office of the Courts (AOC) estimates approximately \$1.6 million new revenue per biennium.

Total Other Transportation Related revenues in the 2021-2023 biennium are currently projected at \$356.5 million. This represents an increase of \$4.3 million, or 1.2 percent. Ten-year (2022-2031) total revenue of 1.9 billion is \$89.4 million (or 4.9 percent) increase to the March 2023 Forecast.

Ferry Ridership and Revenue

Overview

The fare revenue and ridership projections for Washington State Ferries are prepared using (1) systemwide econometric models to estimate overall demand by fare category, (2) autoregressive-integrated-moving average time series models to allocate monthly ridership demand across the 10 routes and seven fare categories, and (3) a set of spreadsheet models to assess vessel capacity constraints on ridership and calculate revenue projections. Ridership and revenues are estimated for the following seven fare categories.

- Passenger full fares
- Passenger frequent user/commuter discounted multi-ride fares
- Passenger other discount fares (e.g., senior fare, youth fare)
- Auto / driver full fares
- Auto / driver frequent user/commuter discounted multi-ride fares
- Other vehicle / driver discounted (senior/disabled auto and all motorcycle) fares
- Oversize vehicle / driver (over 22 feet in length) fares

In August 2021, the Washington State Transportation Commission (WSTC) adopted two fare increases for FY 2022 and FY 2023. The first took place on October 1, 2021 and the second occurred on October 1, 2022. Both increases raised the passenger and vehicle/driver fares by 2.5% plus nickel rounding. With no further fare increases assumed in the Baseline Forecast, real fares are expected to slowly decline in real terms as a result of general price inflation after FY 2023. In May 2022, in accordance with statutory direction from the 2022 State Legislature, WSTC adopted a rule to eliminate youth passenger fares for ages 18 and under, with implementation on October 1, 2022.

Beginning in early March 2020, the COVID-19 pandemic negatively impacted ferry travel, with April 2020 ridership 73% lower than April 2019. Ridership has been slowly and somewhat erratically rebounding since then, with COVID-19 virus cycles and its effects on travel, combined with reduced service levels due to ongoing staffing challenges, extending the recovery. The June 2023 Forecast assumes a more gradual recovery of pandemic staffing-related service reductions for some routes. Routes still in the process of service restoration include the Fauntleroy-Vashon-Southworth triangle route (full restoration targeting Spring 2024), the Seattle-Bremerton route (full restoration targeting Summer 2024), and the Anacortes-Sidney, B.C. route. The latter is assumed to remain out of operation until May 2030, with demand ramping up over three years.

The June Forecast incorporates actual ridership and revenue through May 2023. With 11 months of actual data, FY 2023 ridership is approximately 6.7% higher than FY 2022, which is about 75% of pre-pandemic levels. Continued below-normal service levels on some routes have likely contributed to a slower pace of ridership recovery.

The recovery to pre-pandemic ridership levels remains stronger for vehicle/driver fares than for passenger fares. Fiscal year-to-date vehicle/driver ridership is at 84% of pre-pandemic levels compared to 68% for passenger fares. This is largely the result of the passenger frequent user (commuter) fare category, which continues to show limited recovery, reaching just 29% of their 2019 levels thus far in FY 2023.

Over the past two decades, ridership levels within the passenger and vehicle/driver multi-ride fare categories preferred by commuters and frequent users, have been declining, in both absolute volumes and as percentage shares of total passengers and vehicles, respectively. A key factor contributing to this trend is an aging population base in ferry-served communities with increasingly more riders eligible for senior fares that offer a larger discount. Other longstanding contributing factors include technology improvements that facilitated growth in telecommuting, changes in the frequent user multi-ride fare media that make them less severable/convenient for concurrent shared use by multiple riders, and more recently, the COVID-19 pandemic and its enduring shift to working from home.

Over the 20-year period from FY 2000 through FY 2019, the percentage share of all passengers traveling under a discounted, frequent user fare declined from nearly 46% to less than 19%. Over the same period, the share of drivers of vehicles traveling under a discounted, frequent user fare declined from nearly 47% to 34%. The COVID-19 pandemic has resulted in an extensive increase in telecommuting, accelerating the trends of the past two decades. Evidence of this is exhibited in the passenger frequent user “commuter” fares ridership, which had the steepest pandemic-related percentage decreases of all fare categories, down by over 88% in April 2020, and having only recovered to 71% below pre-pandemic levels fiscal year-to-date. Many employers are expected to continue accommodating telecommuting and flexible work arrangements going forward. In recognition of enduring telecommuting trends and lack of rebound in passenger commuter fare ridership, the forecast models for multi-ride fare categories have been continuously refined to recognize how the pandemic has resulted in sustained changes to travel patterns.

As with the March 2023 Forecast, this forecast takes into consideration WSF’s gradual approach to restoring the pandemic-related service reductions in which additional service is being restored in stages. WSF’s service restoration plan is captured in the forecast process for service capacity by increasing the percentage of vessel-service days in a quarter until reaching full restoration to pre-pandemic service levels for most routes by July 1, 2024 (FY 2025). The June 2023 Forecast includes the following assumptions regarding service resumption:

- The Point Defiance-Tahlequah and Anacortes-San Juan Island routes are already at normal service levels.
- Service on the Seattle-Bainbridge, Mukilteo-Clinton, Edmonds-Kingston routes has been restored to 95% reliability, with full service resumption assumed this Summer (FY 2024).
- The third vessel on the Fauntleroy-Vashon-Southworth triangle route is assumed to resume partial service in the Winter of 2024 (FY 2024) with 95% reliability anticipated by Spring 2024 (FY 2024) and full resumption by Summer 2024 (FY 2025).

- The second vessel on the Seattle-Bremerton route is assumed to begin added sailings in mid-Spring 2024 (FY 2024), with the route overall assumed to reach approximately 90% of sailings by Summer 2024 (FY 2025), and full resumption assumed by Fall 2024 (FY 2025).
- On the Port Townsend-Coupeville route, resumption of the second vessel normally added for the late Spring and Summer seasons is assumed to be postponed until May 2024 (FY 2024).
- Resumption of service on the Anacortes-Sidney, B.C. international route is assumed to be delayed until Summer 2030 (FY 2031), which will also add limited capacity to summer service in the San Juan Islands as a fifth vessel. Anacortes-Sidney, B.C. ridership demand is then expected to ramp up over a three-year period.

Overall, the June Baseline Forecast for ridership in the current 2021-23 biennium is 1.2% lower than the March Forecast, with vehicle/driver fares 1.2% lower and passenger fares 1.1% lower. While passenger fare ridership has not recovered as large of share of its pre-pandemic levels as has vehicle/driver ridership, within the current biennium it has been growing at twice the rate. The current June 2023 forecast includes actual ridership and revenue collections through May 2023.

Total reported ridership for the most recent three months measured (March to May 2023) collectively fell short of the prior March 2023 forecast values by 6.7%. Passenger fares were 7.1% below forecast while vehicle/driver fares were 6.3% below forecast.

For the rest of the forecast horizon (FYs 2024-33), the June fiscal year ridership projections range from 2.1% to 3.8% lower, relative to the March 2023 Baseline Forecast. Fare and surcharge revenue projections are expected to range from 1.0% to 3.3% lower, relative to the March 2023 Baseline Forecast. Differences in the ridership and revenue percentage changes relative to the March 2023 forecast are attributed to the varying changes in ridership by fare category and route and the associated wide range of fares across the system.

Compared to the prior March 2023 forecast, 2021-23 biennium fare and surcharge revenues are projected to be 1.0% lower, with miscellaneous revenues expected to remain unchanged. Overall revenues for the current biennium are expected to be 1.0% lower than the March forecast.

Total reported fare and surcharge revenues for the most recent three months of collections (March through May 2023) averaged 5.5% lower than the prior forecast, and they comprise over 90% of the pre-pandemic fare revenue levels for the same three months in 2019-20. This represents an improvement from the Winter months, when revenues were only 84% of pre-pandemic levels.

For the following five biennia in the forecast horizon (FYs 2024-33), the June fare revenue projections range from 1.1% to 2.3% lower, the miscellaneous revenue projections range from 0.5% to 1.8% higher, and overall ferry revenues range from 1.0% to 2.2% lower.

The elimination of youth fares starting October 1, 2022 is expected to decrease lower fare and surcharge revenue collections by \$2.5 million in the current biennium, and by nearly \$8.1 million in the 2023-25 biennium in the Baseline Forecast.

Total fare and miscellaneous revenues forecasted for the 2021-23 biennium amount to \$346.3 million, which is 1.0% lower than the previous forecast of \$349.7 million for the same period. Over 12 years (FYs 2022-33), ferry fare and miscellaneous revenues total \$2.52 billion, approximately 1.6% lower than the prior March 2023 forecast.

The COVID-19 pandemic materially disrupted normal ferry ridership patterns and has led to ongoing staffing shortages which have resulted in service disruptions on certain routes. The duration and magnitude of these combined effects and how they will continue to impact ferry ridership, while becoming more apparent, remain uncertain. As such, the June 2023 Forecast projections, as well as the assumptions upon which they are based at the time of preparation, remain subject to an above normal level of risk and uncertainty, which may cause actual results to vary considerably from projections.

Primary reasons for the change in the June 2023 forecast:

- The three most recent months of actual ridership have been lower than expected, in part due to continued below-normal service levels, pulling down the FY 2023 projections.
- Among the economic and demographic forecast variables, factors dampening ridership projections include forecast period downward revisions to real personal income and ferry-served working age population indices. Partially offsetting factors strengthening ridership demand include lower real gas prices throughout the forecast horizon (which boosts vehicle/driver ridership demand), lower real fares as a result of higher inflation projections, and upward revisions to retirement age population, the latter boosting vehicle/driver other discounted ridership demand.
- The miscellaneous revenue forecasts have been revised slightly higher over the forecast horizon, with growth factors more than offsetting near-term decreases in galley concession fees and Anacortes terminal parking revenues.

Toll Revenue

Overview

June 2023 Toll Traffic and Revenue (T&R) forecasts for five facilities were updated from the March 2023 TRFC, which was a no-change forecast from November 2022.

The methodology for the June 2023 forecast is similar to the ones applied since the June 2020 and subsequent quarterly forecasts, with usage of recent actual data, as applicable. The forecasts for FY 2023 and FY 2024 continue to be made on a month-by-month basis, to best administer the recovery growth in traffic and, for the ETLs, in average toll rates. Each toll facility is analyzed on its own, with the actual total traffic, average toll rate, and total revenue by month used as the key inputs.

Of note for the June 2023 forecasts:

- There are no new socio-economic data updates for this June 2023 forecast.
- There are no new travel demand model runs for this June 2023 forecast.
- June 2023 forecasts use toll traffic and toll revenue actual values through and including April 2023.
- The methodology is similar to the ones applied since the June 2020 and subsequent forecasts, with usage of recent actual data, as applicable, and assuming a different forecast pattern for each facility based on the observed trends.
- The forecasts for FY 2023 and FY 2024 are made on a month-by-month basis.
- Each toll facility is analyzed on its own, with the actual total traffic, average toll rate, and total revenue by month used as the key inputs.
- The escalation of unpaid toll bills pending new Backoffice system (BOS) acceptance started in March 2023. The March 2023 TRFC forecast assumed a more conservative start date of toll bill escalation in May 2023. As a result of the earlier escalation of toll bills there was a higher number of late payment fees received at the end of FY 2023 in comparison to the March 2023 forecast, with higher revenues anticipated to continue through the first quarter of FY 2024.
- As the backlog of unpaid transactions continues through to notice of civil penalties Accounting and Financial Services (AFS) made adjustments to civil penalty fee earnings in the end of FY 2023 resulting in negative revenues. As civil penalty fee revenue attributed to the backlog in escalated toll bills is paid, the earnings will be reflected in FY 2024.
- Interest Income: assumed interest rates are unchanged from the March 2023 and September 2022 forecasts, total interest earnings are updated to align with current account balances that align with reported interest earnings data through May for FY 2023 values.

Recent Actuals through April 2023 versus March 2023 TRFC Forecast

Figure 13 provides fiscal year to date through April 2023 T&R performance in comparison to the March 2023 Forecast. The March 2023 Forecast was a no change forecast from November 2022. Snow and severe weather conditions within Puget Sound area, construction related speed restrictions, lane closures, and wire theft affecting toll points impacted T&R performance over the past seven months. Combined actual toll transactions (April toll transactions are based on preliminary estimate) were 2.4 percent below the November 2022 Forecast, reported adjusted toll revenues were 1.4 percent, or \$2.4 million.

Figure 13: Fiscal Year to Date (through April 2023) versus November 2022/March 2023 Forecast (millions)

Toll Facility	Toll Transactions ¹				Adjusted Gross Toll Revenue			
		Jul thru Sep 2022	Oct 2022 thru Apr 2023	FY 2023 YTD (thru April 2023)		Jul thru Sep 2022	Oct 2022 thru Apr 2023	FY 2023 YTD (thru April 2023)
TNB	Forecasted Transactions	4.217	8.847	13.064	Forecasted Toll Revenue	\$23.376	\$40.695	\$64.070
	Reported Transactions	4.217	8.722	12.939	Reported Toll Revenue	\$23.376	\$41.072	\$64.448
	Variance From Forecast	0.000	-0.126	-0.125	Variance From Forecast	\$0.000	\$0.377	\$0.377
	Variance - % Change	0.0%	-1.4%	-1.0%	Variance - % Change	0.0%	0.9%	0.6%
SR 520	Forecasted Transactions	5.407	12.802	18.209	Forecasted Toll Revenue	\$17.032	\$39.784	\$56.816
	Reported Transactions	5.407	11.296	16.703	Reported Toll Revenue	\$17.032	\$35.715	\$52.747
	Variance From Forecast	0.000	-1.506	-1.506	Variance From Forecast	\$0.000	-\$4.068	-\$4.068
	Variance - % Change	0.0%	-11.8%	-8.3%	Variance - % Change	0.0%	-10.2%	-7.2%
I-405	Forecasted Transactions	2.320	4.998	7.319	Forecasted Toll Revenue	\$4.945	\$11.635	\$16.580
	Reported Transactions	2.320	4.968	7.288	Reported Toll Revenue	\$4.945	\$11.802	\$16.747
	Variance From Forecast	0.000	-0.031	-0.031	Variance From Forecast	\$0.000	\$0.167	\$0.167
	Variance - % Change	0.0%	-0.6%	-0.4%	Variance - % Change	0.0%	1.4%	1.0%
SR 167	Forecasted Transactions	0.467	1.120	1.587	Forecasted Toll Revenue	\$1.164	\$3.045	\$4.209
	Reported Transactions	0.467	1.037	1.504	Reported Toll Revenue	\$1.164	\$2.514	\$3.678
	Variance From Forecast	0.000	-0.082	-0.082	Variance From Forecast	\$0.000	-\$0.531	-\$0.531
	Variance - % Change	0.0%	-7.4%	-5.2%	Variance - % Change	0.0%	-17.4%	-12.6%
SR 99	Forecasted Transactions	4.198	8.110	12.308	Forecasted Toll Revenue	\$7.826	\$14.461	\$22.287
	Reported Transactions	4.198	8.613	12.811	Reported Toll Revenue	\$7.826	\$16.145	\$23.971
	Variance From Forecast	0.000	0.504	0.504	Variance From Forecast	\$0.000	\$1.684	\$1.684
	Variance - % Change	0.0%	6.2%	4.1%	Variance - % Change	0.0%	11.6%	7.6%
Total	Forecasted Transactions	16.610	35.877	52.486	Forecasted Toll Revenue	\$54.342	\$109.620	\$163.963
	Reported Transactions	16.610	34.636	51.246	Reported Toll Revenue	\$54.342	\$107.249	\$161.591
	Variance From Forecast	0.000	-1.241	-1.241	Variance From Forecast	\$0.000	-\$2.371	-\$2.371
	Variance - % Change	0.0%	-3.5%	-2.4%	Variance - % Change	0.0%	-2.2%	-1.4%

Notes:

¹ April 2023 Toll Transactions are stated based on preliminary estimate.

Summary of June 2023 Forecast Results

Figure 14 provides the comparison summary between June 2023 and March 2023 forecast results.

Some highlights of June 2023 forecasts include:

- Current Biennium (FY 2022 and FY 2023) total toll revenue and fees are estimated to be \$468.0 million, higher than the March 2023 Forecast by \$75.6 million (or 19.3 percent). The primary increase is the result of FY 2023 SR 99 construction settlement received funds in miscellaneous revenue line.
- Next Biennium (FY 2024 and FY 2025) total toll revenue and fees of \$483.3 million are slightly below the March 2023 Forecast by \$6.1 million (or 1.2 percent) primarily due to SR 520 Adjusted Toll Revenue reduction.
- The following biennia total toll revenue and fees are above the March 2023 Forecast by 0.62 percent to 0.98 percent per biennium.

- Ten-year (2022-2031) toll revenue and fees of 2,645 million are \$83.3 million (or 3.3 percent) increase to the March 2023 Forecast.

Figure 14: Revenue Comparison – June 2023 vs March 2023 Forecast (\$ millions)

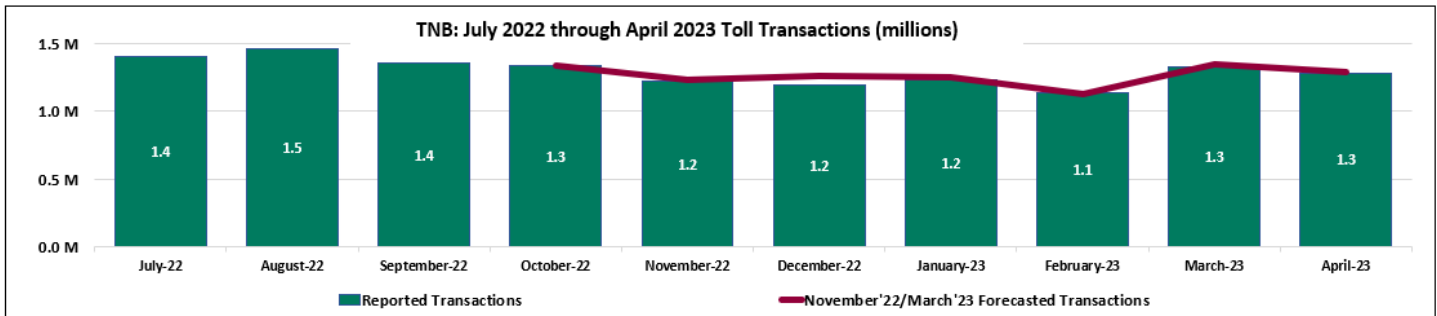
	Toll Facility	FY 2022	FY 2023	2021-23 Biennium	2023-25 Biennium	2025-27 Biennium	2022-31 Ten-Year	2024-33 Ten-Year
June 2023 TRFC	TNB							
	Adjusted Gross Toll Revenue	\$83.331	\$77.497	\$160.828	\$149.604	\$153.003	\$778.807	\$698.814
	Other Revenue	\$0.156	-\$0.740	-\$0.584	\$6.009	\$5.936	\$23.255	\$26.886
	Total TNB Revenue & Fees	\$83.486	\$76.757	\$160.243	\$155.613	\$158.939	\$802.061	\$725.700
	SR 520							
	Adjusted Gross Toll Revenue	\$60.002	\$64.142	\$124.144	\$169.816	\$191.640	\$899.961	\$999.904
	Other Revenue	\$0.826	\$2.956	\$3.782	\$13.690	\$15.210	\$65.378	\$78.886
	Total SR 520 Revenue & Fees	\$60.828	\$67.098	\$127.926	\$183.506	\$206.850	\$965.339	\$1078.790
	I-405 ETLs							
	Adjusted Gross Toll Revenue	\$14.780	\$21.424	\$36.204	\$58.205	\$76.912	\$357.851	\$421.269
	Other Revenue	\$0.630	\$5.308	\$5.938	\$5.551	\$6.428	\$33.059	\$35.102
	Total I-405 ETLs Revenue & Fees	\$15.410	\$26.732	\$42.142	\$63.756	\$83.340	\$390.910	\$456.371
	SR 167 ETLs							
	Adjusted Gross Toll Revenue	\$3.551	\$4.352	\$7.903	\$14.084	\$17.883	\$85.645	\$105.597
	Other Revenue	\$0.187	\$0.140	\$0.327	\$0.310	\$0.366	\$1.807	\$1.916
	Total SR 167 ETLs Revenue & Fees	\$3.738	\$4.492	\$8.230	\$14.394	\$18.249	\$87.452	\$107.513
	SR 99							
Adjusted Gross Toll Revenue	\$22.656	\$29.339	\$51.995	\$56.516	\$58.081	\$285.142	\$294.705	
Other Revenue	-\$0.289	\$77.710	\$77.421	\$9.523	\$8.683	\$114.112	\$46.482	
Total SR 99 Revenue & Fees	\$22.367	\$107.049	\$129.416	\$66.039	\$66.764	\$399.254	\$341.187	
All Toll Facilities								
Adjusted Gross Toll Revenue	\$184.319	\$196.754	\$381.073	\$448.225	\$497.519	\$2407.405	\$2520.289	
Other Revenue	\$1.509	\$85.374	\$86.883	\$35.083	\$36.623	\$237.610	\$189.272	
Total Revenue & Fees	\$185.829	\$282.128	\$467.957	\$483.308	\$534.142	\$2645.016	\$2709.561	
Changes from March 2023/November 2022 TRFC	TNB							
	Adjusted Gross Toll Revenue	\$0.000	\$0.363	\$0.363	\$0.029	\$0.000	\$0.392	\$0.029
	Other Revenue	\$0.000	-\$1.863	-\$1.863	\$0.044	\$0.022	-\$1.782	\$0.069
	Total TNB Revenue & Fees	\$0.000	-\$1.500	-\$1.500	\$0.073	\$0.022	-\$1.390	\$0.098
	Total % Change	0.0%	-1.9%	-0.9%	0.0%	0.0%	-0.2%	0.0%
	SR 520							
	Adjusted Gross Toll Revenue	\$0.000	-\$5.952	-\$5.952	-\$13.646	-\$0.017	-\$19.615	-\$13.663
	Other Revenue	\$0.000	\$0.937	\$0.937	\$1.944	\$1.047	\$5.764	\$5.713
	Total SR 520 Revenue & Fees	\$0.000	-\$5.015	-\$5.015	-\$11.702	\$1.030	-\$13.851	-\$7.950
	Total % Change	0.0%	-7.0%	-3.8%	-6.0%	0.5%	-1.4%	-0.7%
	I-405 ETLs							
	Adjusted Gross Toll Revenue	\$0.000	\$0.323	\$0.323	\$0.002	\$0.000	\$0.324	\$0.001
	Other Revenue	\$0.000	\$3.599	\$3.599	\$0.905	\$0.242	\$5.319	\$1.965
	Total I-405 ETLs Revenue & Fees	\$0.000	\$3.922	\$3.922	\$0.907	\$0.242	\$5.643	\$1.966
	Total % Change	0.0%	17.2%	10.3%	1.4%	0.3%	1.5%	0.4%
	SR 167 ETLs							
	Adjusted Gross Toll Revenue	\$0.000	-\$1.005	-\$1.005	-\$0.874	\$0.000	-\$1.879	-\$0.874
	Other Revenue	\$0.000	\$0.010	\$0.010	\$0.049	\$0.081	\$0.307	\$0.374
	Total SR 167 ETLs Revenue & Fees	\$0.000	-\$0.995	-\$0.995	-\$0.825	\$0.081	-\$1.572	-\$0.500
	Total % Change	0.0%	-18.1%	-10.8%	-5.4%	0.4%	-1.8%	-0.5%
	SR 99							
	Adjusted Gross Toll Revenue	\$0.000	\$2.318	\$2.318	\$2.962	\$2.459	\$10.461	\$8.360
	Other Revenue	\$0.000	\$76.868	\$76.868	\$2.510	\$1.358	\$84.027	\$9.030
Total SR 99 Revenue & Fees	\$0.000	\$79.186	\$79.186	\$5.472	\$3.817	\$94.488	\$17.390	
Total % Change	0.0%	284.2%	157.6%	9.0%	6.1%	31.0%	5.4%	
All Toll Facilities								
Adjusted Gross Toll Revenue	\$0.000	-\$3.953	-\$3.953	-\$11.527	\$2.442	-\$10.317	-\$6.147	
Adjusted Gross Toll Revenue % Change	0.0%	-2.0%	-1.0%	-2.5%	0.5%	-0.4%	-0.2%	
Other Revenue	\$0.000	\$79.551	\$79.551	\$5.452	\$2.750	\$93.635	\$17.151	
Total Revenue & Fees	\$0.000	\$75.598	\$75.598	-\$6.075	\$5.192	\$83.318	\$11.004	
Total % Change	0.0%	36.6%	19.3%	-1.2%	1.0%	3.3%	0.4%	

Updates to Tacoma Narrows Bridge (TNB) toll traffic and revenues

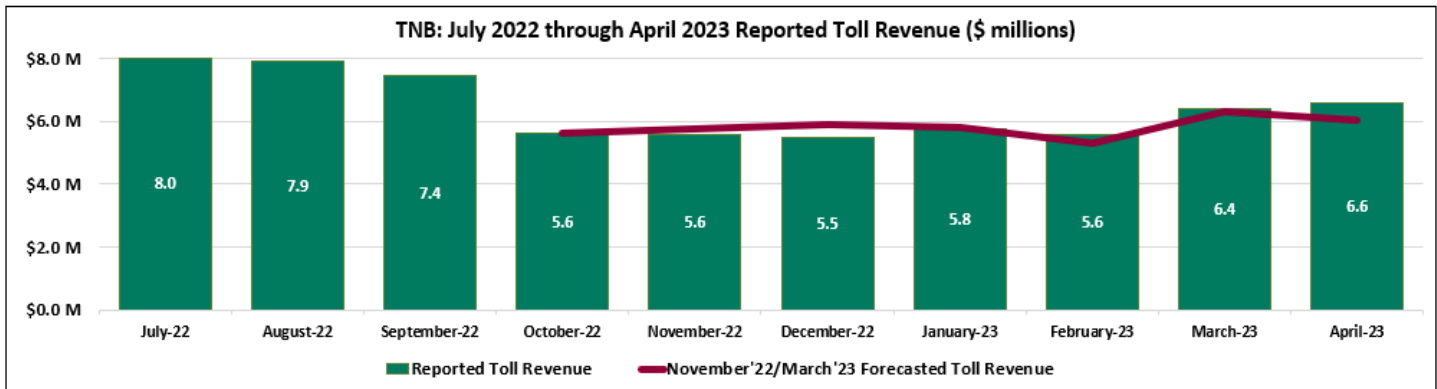
The June 2023 Tacoma Narrows Bridge’s (TNB) toll traffic and revenue forecasts used toll traffic and revenue actual values through and including April 2023 information. The snowfalls, ice and severe winter conditions started by the end of November throughout December 2022 impacted T&R performance over the winter. Seven-month October 2022 through April 2023 toll transactions were 1.4 percent below the November 2022 Forecast, and reported adjusted toll revenues was 0.9 percent, or \$0.4 million above the forecast. FY 2023 through April, toll transactions were 1.0 percent below the forecast, toll revenue of \$64.5 million is 0.6 percent above the forecast.

Figure 15 below provides FY 2023 through April monthly Toll Transactions and Reported Toll Revenue performances in comparison to the March 2023 forecast, which was a no change forecast from November 2022 forecast.

Figure 15: TNB FY 2023 through April monthly Toll Traffic and Revenue actuals in comparison to March 2023 forecasts



Note: April 2023 monthly transactions are stated based on preliminary estimates



The facility’s total revenue and fees in 2021-23 Biennium are estimated to be \$160.2 million are \$1.5 million (or 0.9 percent) lower in comparison to the November 2022 Baseline Forecast. Ten-year period (FY 2024 to FY 2033) total revenue and fees of \$725.7 million is a no-change to the November 2022 Baseline Forecast, (Figure 14).

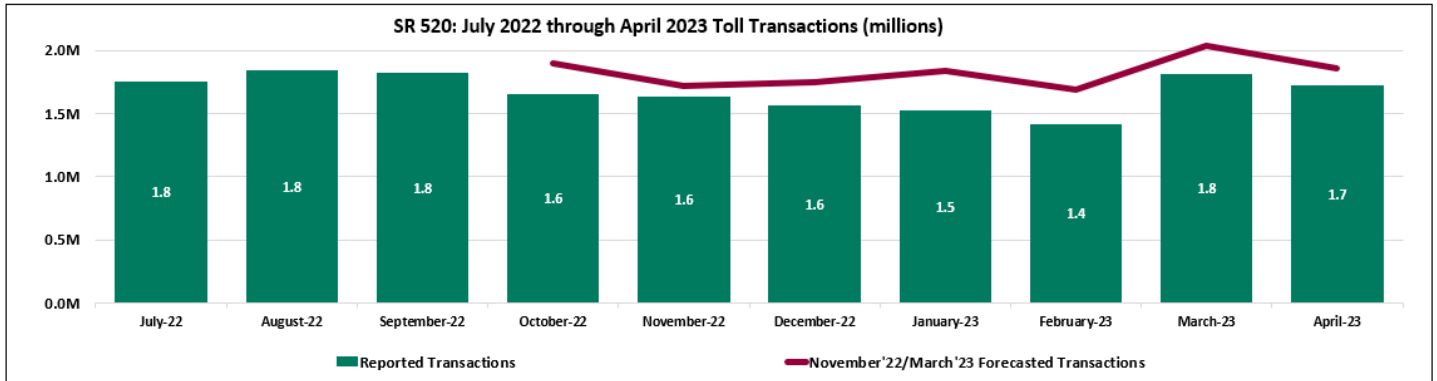
The forecast assumes that the TNB toll collection will cease by the end of FY 2032.

Updates to SR 520 Toll Bridge toll traffic and revenues

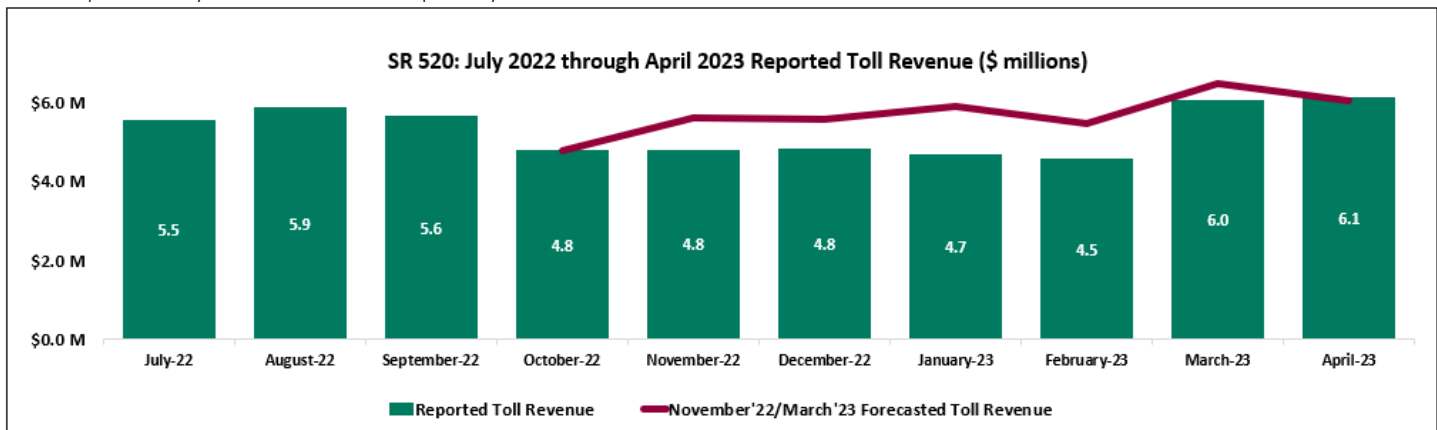
The June 2023 SR 520 Bridge’s toll traffic and revenue forecasts used toll traffic and revenue actual values through and including April 2023 information. In addition to snowfalls and severe weather, Montlake and Portage Bay Bridge on-going construction speed reduction signage, narrowing and closing ramps and lanes impacted T&R performance. Seven-month October 2022 through April 2023 toll transactions (April toll transactions are based on preliminary estimate) were 11.8 percent below the November 2022 Forecast, and reported adjusted toll revenues was 10.2 percent, or \$4.1 million below the forecast. FY 2023 through April, toll transactions were 8.3 percent below the forecast, toll revenue of \$52.7 million is 7.2 percent below.

Figure 16 below provides FY 2023 through April monthly Toll Transactions and Reported Toll Revenue performances in comparison to the March 2023 forecast, which was a no change forecast from November 2022 forecast.

Figure 16: SR 520 FY 2023 through April monthly Toll Traffic and Revenue actuals in comparison to November 2022 forecasts



Note: April 2023 monthly transactions are stated based on preliminary estimates



Total SR 520 revenue and fees in the Current Biennium are forecasted to be \$127.9 million, a decrease of \$5.0 million (or 3.8 percent) to the March 2023 Forecast. The ten-year total revenue and fees (FY 2024 to FY 2033) are estimated to be \$1.08 billion, are in line with the March 2023 Forecast value of \$1.09 billion (Figure 14). Lower toll revenue in the near-term is partially offset by greater assumed miscellaneous revenues, primarily from interest earnings. Interest earnings for FY 2023 reflect reported data through May and estimated earnings for June and month 25 based on current account balances.

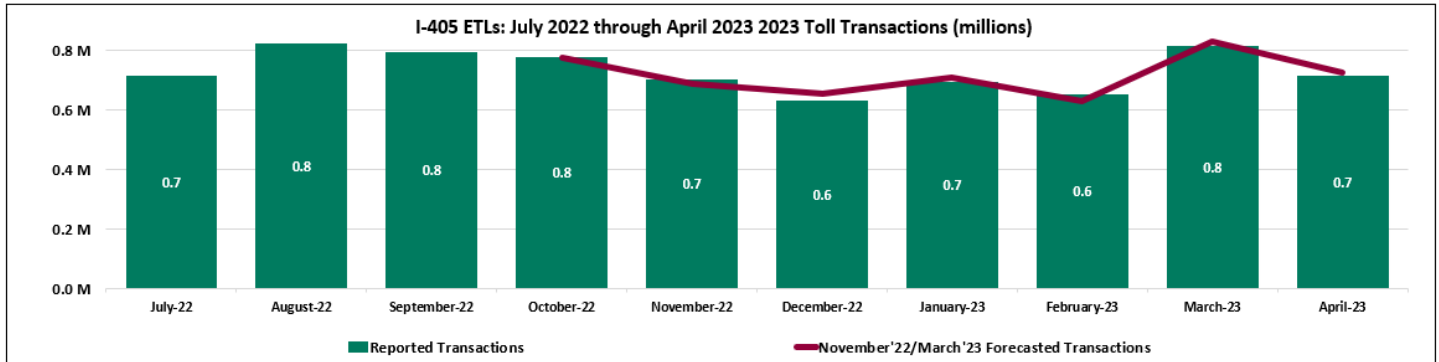
Updates to I-405 Express Toll Lanes (ETLs) toll traffic and revenues

The June 2023 I-405 ETLs' toll traffic and revenue forecasts used toll traffic and revenue actual values through and including April 2023 information.

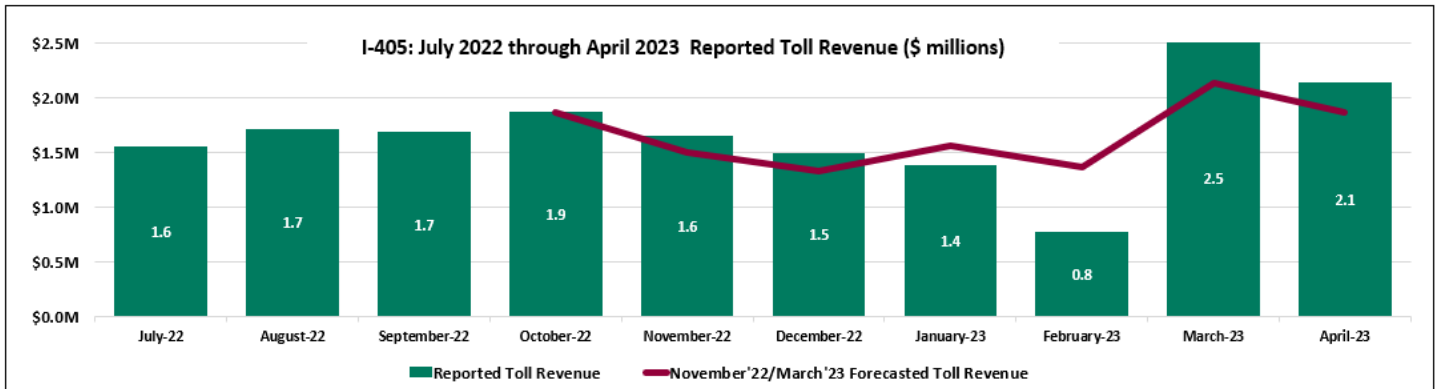
Figure 17 below provides FY 2023 through April monthly Toll Transactions and Reported Toll Revenue performances in comparison to the March 2023 forecast, which was a no change forecast from November 2022 forecast.

Seven-month October 2022 through April 2023 toll transactions were 0.6 percent below the November 2022 Forecast, and reported adjusted toll revenues was 1.4 percent, or \$0.2 million above the forecast. FY 2023 through April, toll transactions were 0.4 percent below the forecast, toll revenue of \$16.7 million was 1.0 percent above the forecast.

Figure 17: I-405 ETLs FY 2023 through April monthly Toll Traffic and Revenue actuals in comparison to November 2022 forecasts



Note: April 2023 monthly transactions are stated based on preliminary estimates



Note: Due to lane system error, in February 2023 large position of toll revenue was processed by Back-Office-system (BOS) with a delay.

The facility's total revenue and fees in 2021-23 Biennium are estimated to be \$42.1 million which are \$3.9 million (or 10.3 percent) higher in comparison to the March 2023 forecast. Ten-year period (FY 2024 to FY 2033) total revenue and fees of \$456.37 million are \$2.0 million (or 0.4 percent) increase to the March 2023 Baseline Forecast, (Figure 14). Interest earnings for FY 2023 reflect reported data through May and estimated earnings for June and month 25 based on current account balances. Miscellaneous revenues are not forecasted beyond the current fiscal year for I-405 due to variability in facility account balances used to estimate future interest earnings.

Updates to SR 167 Express Toll Lanes (ETLs) toll traffic and revenues

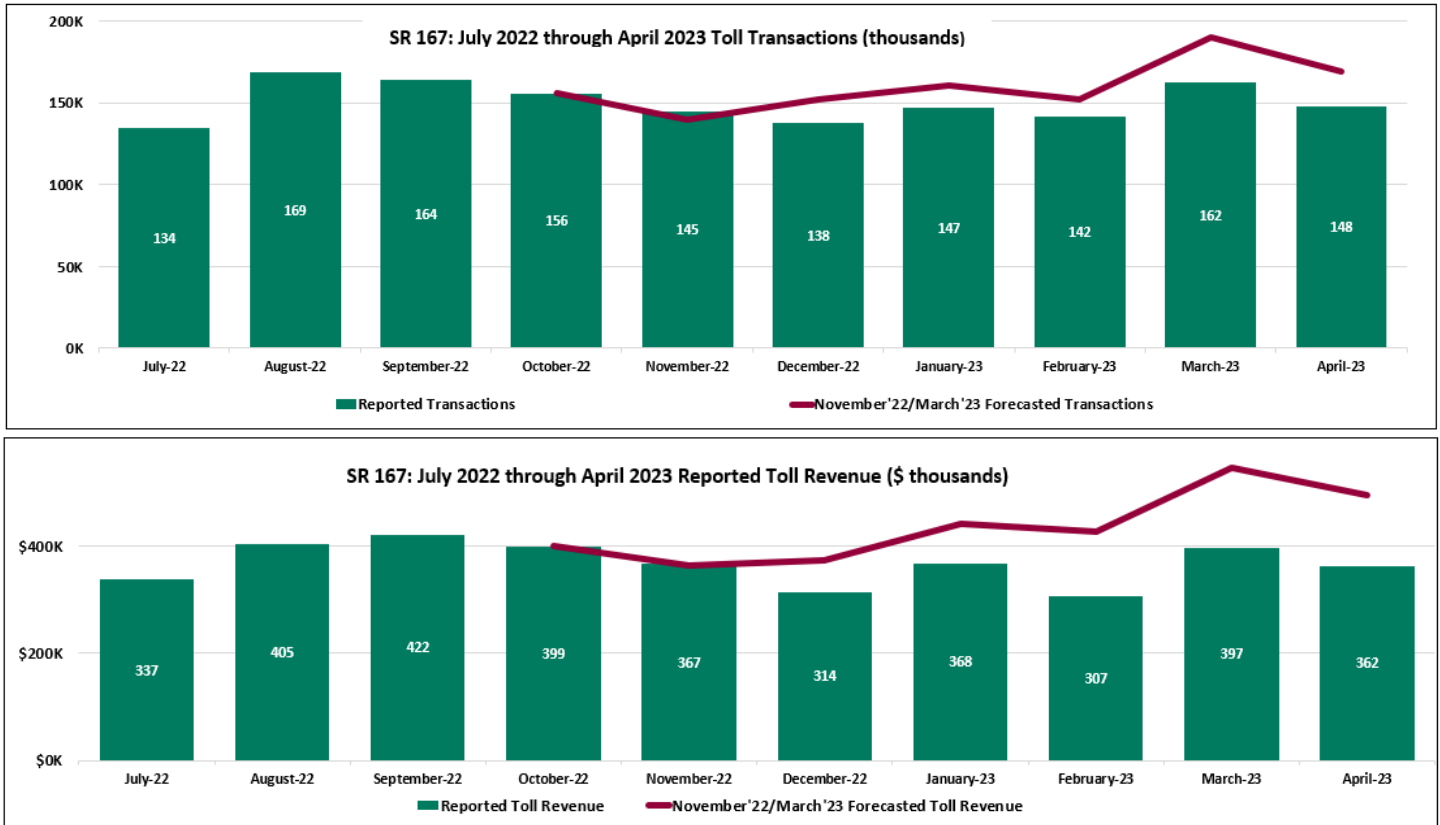
The June 2023 SR 167 ETLs' toll traffic and revenue forecasts used toll traffic and revenue actual values through and including April 2023 information.

The June 2023 TRFC forecast includes the impacts of recent copper wire theft. Multiple data collection locations and toll sites on SR 167 have had issues with electrical service due to these illegal activities, and the lost toll revenues are not recoverable. WSDOT is working to resolve this issue as soon as possible, with a resolution date as yet to be determined. Forecast assumes resuming all data center full functionality by the beginning of October 2023.

In additional snowfalls, ice and severe winter conditions throughout December 2022, wire theft on multiple data centers severely impacted T&R performance. Seven-month October 2022 through April 2023 toll transactions were 7.4 percent, or 82,000 transactions below the November 2022 Forecast, and reported adjusted toll revenues was 17.4 percent, or \$0.5 million below. FY 2023 through April, toll transactions were 5.2 percent below the forecast, toll revenue of \$3.7 million was 12.6 percent below.

Figure 18 below provides FY 2023 through April monthly Toll Transactions and Reported Toll Revenue performances in comparison to the March 2023 forecast, which was a no change forecast from November 2022 forecast.

Figure 18: SR 167 ETLs FY 2023 through April monthly Toll Traffic and Revenue actuals in comparison to November 2022 forecasts



Note: Due to lane system error, in February 2023 min toll rate was changed to customers that resulted in unrecoverable revenue loss. Starting March 2023 due to wire theft, multiples data centers went nonoperational

In the Current Biennium the forecast anticipates total revenue and fees to be \$8.2 million, which is \$1.0 million (or 10.8 percent) reduction to November 2022 Forecast. Next Biennium (FY 2024 and FY 2025) total toll revenue and fees of \$14.4 million are \$0.8 million (or 5.4 percent) reduction. The ten-year (FY 2024 to FY 2033) revenue and fees are estimated to be \$107.5 million, which is \$0.5 million (or 0.5 percent) below the November 2022 Forecast (Figure 14).

Updates to SR 99 Tunnel toll traffic and revenues

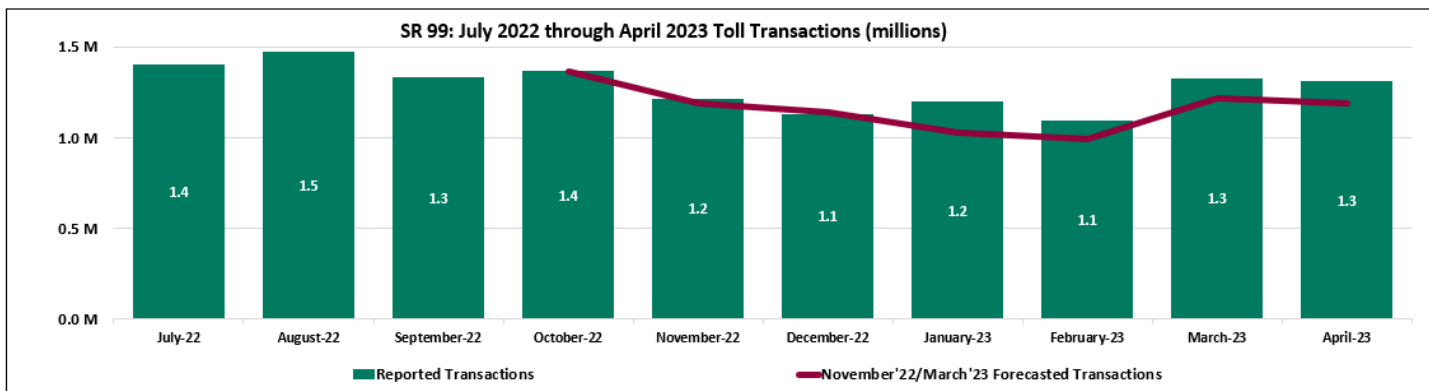
The SR 99 Tunnel opened toll-free to traffic on February 4, 2019; toll operations began on November 9, 2019. All vehicles must pay a toll, except for emergency vehicles, vanpools and transit. Carpools and motorcycles pay tolls just like all other personal vehicles.

The June 2023 SR 99 Tunnel's toll traffic and revenue forecasts used toll traffic and revenue actual values through and including April 2023 information.

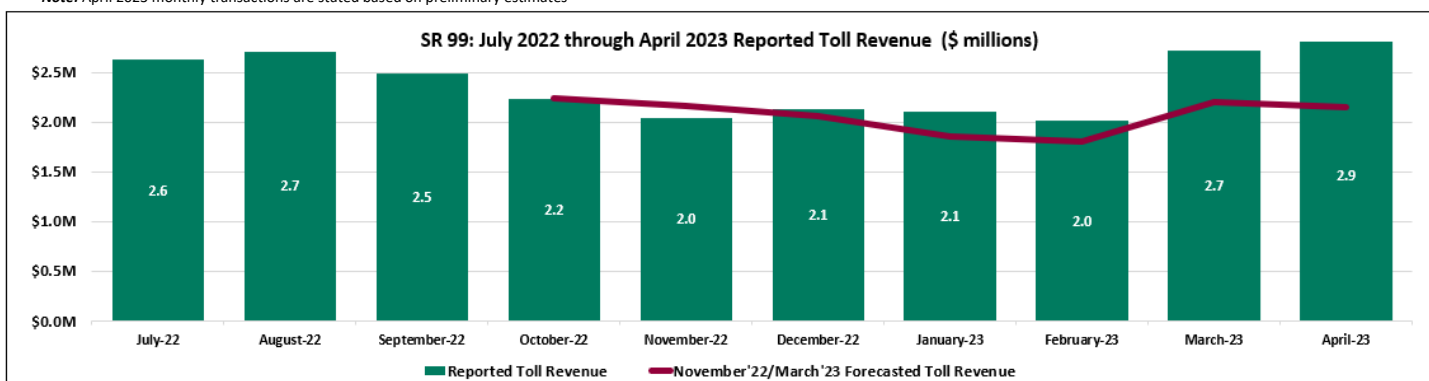
Despite the snowfalls, ice and severe winter conditions started by the end November 2022 throughout December 2022, seven-month October 2022 through April 2023 toll transactions (April toll transactions are based on preliminary estimate) were 6.2 percent above the November 2022 Forecast, and reported adjusted toll revenues was 11.6 percent, or \$1.7 million above the forecast. FY 2023 through April, toll transactions were 4.1 percent above the forecast, toll revenue of \$24.0 million was 7.6 percent above the forecast.

Figure 19 below provides FY 2023 through April monthly Toll Transactions and Reported Toll Revenue performances in comparison to the March 2023 forecast, which was a no change forecast from November 2022 forecast.

Figure 19: SR 99 FY 2023 through April monthly Toll Traffic and Revenue actuals in comparison to November 2022 forecasts



Note: April 2023 monthly transactions are stated based on preliminary estimates



In the Current Biennium the forecast anticipates total revenue and fees to be \$129.4 million, an increase of \$79.2 million (157 percent) from the March 2023 Forecast. The ten-year (FY 2024 to FY 2033) total revenue and fees are estimated to be \$341.2 million, an increase of \$17.4 million (5.4 percent) to the March 2023 Forecast, (Figure 16). The primary increases are the result of miscellaneous revenue from liquidated damages, including payment of construction related settlements, higher interest earning from a larger account balance and higher reported interest rates. Interest earnings for FY 2023 reflect reported data through May and estimated earnings for June and month 25 based on current account balances. The construction settlement related funds are excluded from estimations on future year interest earnings, which is included in the June 2023 forecast for the first time for SR 99 as fund balances have stabilized with the completion of construction.

Federal Funds Revenue

Overview

After state funds, the largest source of transportation revenue is federal funds. The Federal Funds forecast contains the formula funds distributed by the Federal Highway Administration (FHWA) to Washington State Department of Transportation for highway purposes. Federal funds reported in this forecast are based on federal fiscal year (FFY) which begins on October 1.

On November 15, 2021, President Biden signed the Infrastructure Investment and Jobs Act (IIJA), a \$1.2 trillion investment in transportation and other types of infrastructure (including energy, water, and broadband). Nationwide, this represents a \$550 billion increase in federal government spending above baseline funding levels. The foundation of the IIJA is a new five-year authorization of the federal Surface Transportation Program to replace the recently expired Fixing America's Surface Transportation (FAST) Act.

The IIJA authorizes \$567 billion in spending authority for all transportation programs over five years, an increase of \$274 billion (more than 48 percent) above FAST Act baseline spending levels. In addition, the bill broadens eligibility criteria for many existing programs and establishes within the U.S. Department of Transportation (USDOT) alone at least two dozen new formula and discretionary (competitive) grant programs targeting key priorities, including but not limited to, resiliency, sustainability, equity, and safety.

The June 2023 baseline core programs formula forecast for FFY 2022 has been updated to reflect actual apportionment distributions from FHWA. The November 2022 forecast for FFY 2023 is based on FHWA Notices N4510.870, N4510.871, N4510.872 and N4510.873. The forecast for FFY 2024 through 2026 will assume an annual growth rate of 2 percent which is consistent with the US funding levels set forth in the IIJA. FFY 2027 thru FFY 2031 forecast of federal highway apportionment will assume revenues growth will matching the annual Washington State fuel consumption growth rates.

FHWA – Highways Forecast

- The total highway apportionment for Washington state for FFY 2022 was \$1,073.9 million. This reflects actual apportionment distributions for FFY 2022.
- The June 2023 apportionment forecast will be based on FHWA Notices N4510.870, N4510.871, N4510.872 and N4510.873.
- FFY 2024 through 2026 will assume an annual growth rate of 2 percent which is consistent with the US funding levels set forth in the IIJA. The current total apportionment estimate for FFY 2022 is \$1,454 million.
- The baseline forecast for FFY 2027 through FFY 2031 will assume an annual growth of federal revenues matching the annual Washington State fuel consumption growth rates. In this November forecast, there were only minor revisions upward annually in the long-term federal highway funds forecast compared to the last forecast due to higher starting point in FFY 2026 and slightly higher long-term growth rates in those years.

Obligation Authority (OA) Forecast

- Obligation authority (OA) (a.k.a. spending authority or obligation limitation) is the ceiling or total amount of commitments of federal apportionment that can be made within a year. Congress sets this ceiling or limit as part of the federal appropriation bills to control federal expenditures annually.
- The June 2023 CORE OA for FFY 2022 has been reconciled to actual OA distributions and is \$1,005.6 million which includes distributions for Discretionary items, Other Allocated programs as well as Ferry Boat/Terminals distributions.
- Total OA forecast for FFY 2023 and throughout the forecast horizon will be set at 98 percent of apportionment, which is consistent with historical Washington State OA distributions.
- The methodology used to split the formula OA distributions between the State Programs and the Local Programs was modified in the June 2018 forecast and has not changed since.

Rescission of FAST ACT Funds

- The 2020 rescission of unobligated apportionment was eliminated with subsequent continuing resolutions.

Allocations of IIJA Funds Forecast:

When new federal transportation authorization laws are enacted, Washington state has a tradition of convening a work group to make recommendations on future distributions of federal-aid highway formula program funding to state and local governments. This year, the 2023 Supplemental Transportation Budget directed the Joint Transportation Committee to convene this Work Group. The Work Group met three times in June and July 2022.

Summary of funding split decisions for the five-year IIJA authorization

Attached to this memo is a chart summarizing the five-year average split percentages for the five-year authorization of the IIJA (FFY 2022-2026). Those splits are described in more detail below.

National Highway Performance Program -

- Retain similar splits as FAST Act which was also assumed in the Move Ahead Washington allocation— 87 percent state/13 percent, local.
- The local share is to be administered through the NHS Asset Management Program administered through the WSDOT Local Programs Office

Surface Transportation Block Grant program –

- Maintain FFY 2022 and FFY 2023 at the Move Ahead Washington identified split (28 state/72 percent local)
- For FFY 2024 – FFY 2026, the split is revised to 16 percent state/84 percent local to effectively provide the historic split of 21 percent state/79 percent local, over the course of the five years.

Highway Safety Improvement Program –

- No change from FAST Act distribution – continue to allocate funds based on updated crash data to support the Target Zero statewide safety plan – FFY 2022 data reflects split 30 percent state/70 percent local.

Congestion Mitigation & Air Quality (CMAQ) Program –

- No change from FAST Act – continue to allocate funds to the five eligible Metropolitan Planning Organizations to help meet the requirements of the federal Clean Air Act– 100 percent local.

Bridge Replacement Program (NEW)

- Maintain FFY 2022 and FFY 2023 at the Move Ahead Washington identified splits (85 percent state/15 percent local).
- For FFY 2024 – FFY 2026, the split is revised to 46 percent state/54 percent local to effectively provide an average split of 61 percent state/39 percent local, over the course of the five years.
- The local share is to be administered through the Local Bridge grant program administered by the WSDOT Local Programs Office
- The maximum funding cap for local bridges is raised to \$25M.
- Non-federal match for local off-system bridges will not be required by the state.

National Highway Freight Program –

- Retain current splits (50 percent state/50 percent local) as identified in Move Ahead Washington to ensure that Washington’s Freight System Plan can be submitted to the Federal Highway Administration for approval by the federal October 2022 deadline.

Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation Program (PROTECT) –

- For FFY 2022 no change to Move Ahead Washington allocation (100 percent state).
- For FFY 2023-2026, \$25m set aside for tribal resiliency projects.
Remaining \$75m shall be directed to local fish passage projects (over 4 years). o The Brian Abbot Fish Barrier Removal Board shall facilitate the project selection process. The Board shall work with WSDOT Local Programs to ensure that project selection criteria is consistent with federal requirements.
- WSDOT Local Programs shall administer funding for all projects awarded PROTECT funds.

National Electric Vehicle Program –

- New IIJA program – funds are provided 100 percent to the state.

Carbon Reduction Program -

- New IIJA program funds are split 35 percent state/65 percent local.

FHWA Penalties:

The June 2023 federal forecast incorporates two FHWA penalties for prior years, which Washington State was subject to.

- The Section 164 Penalty – FHWA has determined that Washington State is not in compliance with section 164 of title 23, United States Code, the Minimum Penalties for Repeat Offenders for Driving While Intoxicated or Driving Under the Influence. This penalty amounts to 2.5 percent of the National Highway Performance Program and Surface Transportation Block Grant Program apportionments annually. These funds are reserved for release for use on eligible Highway Safety Improvement Program activities or transfer to the States’ 402 Safety Programs pending the outcome of the administrative and “general practice” certification review processes.

COVID 19 Stimulus Funds:

The Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) created a Coronavirus Relief Fund (CRF) which provides \$150 billion to state, local, territorial, and tribal governments. The CRF provides \$150 billion for

expenditures incurred due to the COVID-19 public health emergency. The November, November and June 2021 federal apportionment forecasts include an estimated CRF distribution to Washington State for ferries and public transportation. This CRF estimate does not include fund distributions made directly to King, Pierce, Snohomish, and Spokane counties.

The Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) was signed by President Trump on December 27, 2020, making consolidated appropriations for the fiscal year ending November 30, 2021, providing coronavirus emergency response and relief. This act made modifications to existing COVID-19 relief legislation and provided additional appropriations for the expenditure of federal COVID-19 pandemic relief funds. The November, November and June 2021 Forecasts include funds made available to WSDOT through this CRRSAA Act of \$168 million.

The America Rescue Plan Act of 2021 (ARPA) was signed into law by President Biden on March 11, 2021. The ARPA provides an estimated \$1.9 trillion in stimulus to aid in the COVID-19 pandemic. This February 2022 Federal Highway forecast includes \$400 Million in ARPA funds intended for Fish Barrier projects. The February 2022 federal highway forecast will include \$400 million of ARPA funds that is for Fish Barrier projects.

FTA - Public Transportation Federal Funds

Overview

In addition to the FHWA formula and non-formula programs governed by the Infrastructure Investment and Jobs Act (IIJA), the Federal Transit Administration also provides program allocations to Washington for a variety of transit projects. The IIJA authorize \$91.2 billion for FFY 2022-2026 for public transportation programs nationwide.

WSDOT each quarter forecasts the federal funds for public transportation programs. The June 2023 Public Transportation federal funds forecast reflects actual apportionments for FY 2022 and FY 2023 including CARES, CRRSAA, and ARPA funds. It also reflects increased funding levels provided under the IIJA for those years. An annual growth rate of 2 percent is assumed for FY 2024 through FY 2026. For the 2021-23 Biennium, WSDOT received \$58.6 million in FTA apportionments. For the next 2023-25 Biennium, \$61.0 million is anticipated in new apportionments.

FTA – Washington State Ferries (WSF) Federal Funds

WSF receives significant federal assistance through the public transportation program administered by the Department of Transportation's Federal Transit Administration (FTA). The federal public transportation program is authorized from FFY 2022 through FFY 2026 as part of the IIJA which was signed into law on November 15, 2021.

WSF Federal Apportionment Funds Forecast

Washington State's level of FTA apportionment for FFY 2023 is distributed based on the most recent Puget Sound Regional Council (PSRC) split letter. This letter shows the amount of formula funding received by all eligible recipients, including WSF. The June 2023 WSF federal forecast reflects the current split letter released by PSRC for FFY 2023. It does not yet include a formula allocation of the new PSRC Equity Set-aside which will be incorporated into the September update. FFYs 2024 - 2026 assume an annual growth rate of 2 percent which is consistent with the funding levels set forth in the IIJA. FFY 2027 thru FFY 2033 forecast of FTA apportionments assume revenue growth matching the annual Washington State fuel consumption growth rates.

The IIJA has significantly changed WSF's apportionment of FTA formula funds. The distribution to WSF increased from \$13.2 million in FFY 2021 to \$21.2 million in FFY 2022 - an increase of \$8.0 million. Using the current PSRC split letter's allocation of funds to WSF and assumed growth rates, WSF's annual funding from this source is projected to increase each year reaching \$24.5 million in FFY 2033. The June 2023 forecast reflects the actual split letter for 2023 while the projected annual Washington State fuel consumption growth rates in June 2023 have been updated from November 2022.

APPENDIX

2022 Transportation Packet (ESSB 5974) New/Incremental Revenues by Fee Type June 2023 vs. March 2023 forecast

Move Ahead WA (26P) by Fee	2021-2023			2023-2025			10-Year-Period (22-31)		
	June 2023	March 2023	Change	June 2023	March 2023	Change	June 2023	March 2023	Change
Plate original from \$10 to \$50 *Includes Motorcycle Plates	47.13	48.28	-2.4%	103.43	107.53	-3.8%	466.57	482.31	-3.3%
Plate replacement from \$10 to \$30 *Includes Motorcycle Plates	28.15	28.63	-1.7%	59.42	60.44	-1.7%	275.45	276.74	-0.5%
Dealer Temp from \$15 to \$40	8.08	8.20	-1.5%	39.81	39.99	-0.4%	169.06	168.17	0.5%
DOL service fee for trucks from \$0.00 to \$0.50*	0.09	0.09	0.0%	1.50	0.34	343.6%	6.84	1.49	359.3%
License Plate Tech fee for trucks from \$0.00 to \$0.25*	0.04	0.04	0.0%	0.75	0.17	343.7%	3.42	0.74	359.4%
Stolen Vehicle Fee from \$15 to \$35**	13.44	14.65	-8.3%	30.37	31.08	-2.3%	197.46	203.51	-3.0%
Subtotal Move Ahead WA (26P)	96.92	99.89	-3.0%	235.28	239.54	-1.8%	1,118.79	1,132.95	-1.3%
Move Ahead WA Flexible (26Q) by Fee	2021-2023			2023-2025			10 Year Total		
	June 2023	March 2023	Change	June 2023	March 2023	Change	June 2023	March 2023	Change
EDL/EID from \$4 to \$7 per year	5.30	5.31	-0.2%	15.86	15.87	0.0%	84.23	84.24	0.0%
ADR from \$13 to \$17 and \$19 in FY30	3.13	3.04	2.9%	8.91	8.86	0.5%	49.26	48.97	0.6%
DL/ID replacement from \$10 to \$20	1.45	1.49	-2.6%	4.04	4.07	-0.6%	18.00	18.13	-0.7%
Subtotal Move Ahead WA Flexible (26Q)	9.88	9.84	0.4%	28.81	28.80	0.1%	151.48	151.34	0.1%
Aviation Fuel Tax (Fund 039)	2021-2023			2023-2025			10 Year Total		
	June 2023	March 2023	Change	June 2023	March 2023	Change	June 2023	March 2023	Change
Aviation fuel tax from \$.11 to \$.18 per gallon	2.55	2.20	15.8%	5.21	4.61	13.2%	21.99	19.49	12.9%
Total New Revenue from ESSB 5974	109.35	111.93	-2.3%	269.31	272.95	-1.3%	1,292.27	1,303.78	-0.9%

* Included technical cleanup bill ESHB 1853 (2023) resulted in all trucks being a subject to DOL service fee (\$0.50) and Licence plate technology fee (\$0.25)

**Stolen Vehicle Check Fee from \$15 to \$50 and from \$50 to \$75 in FY2027 (26P fund, forecasted by WSDOT)

Forecast Contacts

Washington State Department of Transportation staff unless otherwise noted

Economic Variables and Fuel Price Forecast

Scott Smith, WSDOT-HQ 360-705-7991 smithsc@wsdot.wa.gov

Motor Fuel Tax Revenue Forecast

Scott Smith, WSDOT-HQ 360-705-7991 smithsc@wsdot.wa.gov

Motor Vehicle Licenses, Permits & Fees Revenue Forecast

David Ding, WSDOT-HQ 360-705-7502, dingdav@wsdot.wa.gov

Alice Vogel, Washington State Department of Licensing, 360-902-3986 avogel@dol.wa.gov

Olga Novikova, Washington State Department of Licensing, 360-902-0121, onovikova@dol.wa.gov

Driver Related Revenue Forecasts

Alice Vogel, Washington State Department of Licensing, 360-902-3986 avogel@dol.wa.gov

Jean Du, Ph.D. Washington State Department of Licensing, 360-902-3641 jdu@dol.wa.gov

Olga Novikova, Washington State Department of Licensing, 360-902-0121, onovikova@dol.wa.gov

Other Transportation Related Revenue Forecast

Vehicle Sales, Rental Car Tax and Heavy Equipment Rental Tax

Clara Harig, Washington State Economic and Revenue Forecast Council, 360-534-1564 clarah@dor.wa.gov

Studded Tire Fee, HOV Penalties and Hazardous Substance Tax

David Ding, WSDOT- HQ 360-705-7502 dingdav@wsdot.wa.gov

Business and Other Revenue

Ruslan Makhlof, WSDOT-HQ 360-705-7944 olsonr@wsdot.wa.gov

Mario Buono, WSP (360) 596-4072 x11072 Mario.Buono@wsp.wa.gov

Aeronautics Revenue

Scott Smith, WSDOT-HQ 360-705-7991 smithsc@wsdot.wa.gov

Alice Vogel, Washington State Department of Licensing, 360-902-3986 avogel@dol.wa.gov

Washington State Ferries Ridership and Revenue Forecast

John Bernhard, WSDOT – Ferry Division 206-515-3762 bernhadj@wsdot.wa.gov

Toll Operations Traffic and Revenue

Jen Khozikov, WSDOT-Toll Division, 206-716-1153, khozikj@wsdot.wa.gov

Joe Patterson, WSDOT-Toll Division, 206-464-1220 patterj@wsdot.wa.gov

Federal Funds Forecast

Nguyen Dang, WSDOT- HQ 360-705-7512 dangn@wsdot.wa.gov