

Transportation Revenue Forecast Council

February 2020 Transportation Economic and Revenue Forecasts

Volume I: Summary

Washington Transportation

Economic and Revenue Forecast February 2020 Forecast

Summary Report (Volume I)

Forecast Overview	3
Economic Variables Forecast	10
Motor Fuel Price Forecast	11
Motor Vehicle Fuel Tax Forecast	16
Motor Vehicle Revenue (Licenses, Permits and Fees)	16
Driver Related Revenues Forecasts	17
Other Transportation Related Revenue Forecasts	17
Ferry Ridership and Revenue	19
Toll Revenue	21
Highway Federal Funds Revenue	30
Public Transportation Federal Funds Revenue	31
Washington State Ferries Federal Funds Revenue	32
Forecast Contacts	33
Appendix	34
Tracking Table of Revenues/Expenditures in HB 2042	35

Forecast Tables (Volume II)

Motor Vehicle Fuel	3
Motor Vehicle Related Revenue Forecast (Licenses, Permits and Fees)	24
Driver Related Revenue Forecasts	46
Other Transportation Related Revenue Forecasts	56
Vehicle Sales and Use Tax	56
Rental Car Tax	56
Business and Other Revenue	56
Aeronautics Taxes and Fees	56
Washington State Ferries Ridership and Revenue Forecast	65
Toll Operations and Revenue Forecasts	71
Federal Funds Forecast	83

Alternate Forecast Scenarios (Volume III)

Alternative Ferry Forecast	3
Alternate Enhanced Driver License Forecast	20
Alternative LPF and Business Related Revenue Without Initiative I-976 Impacts	22

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.

February 2020 Transportation Forecast Overview

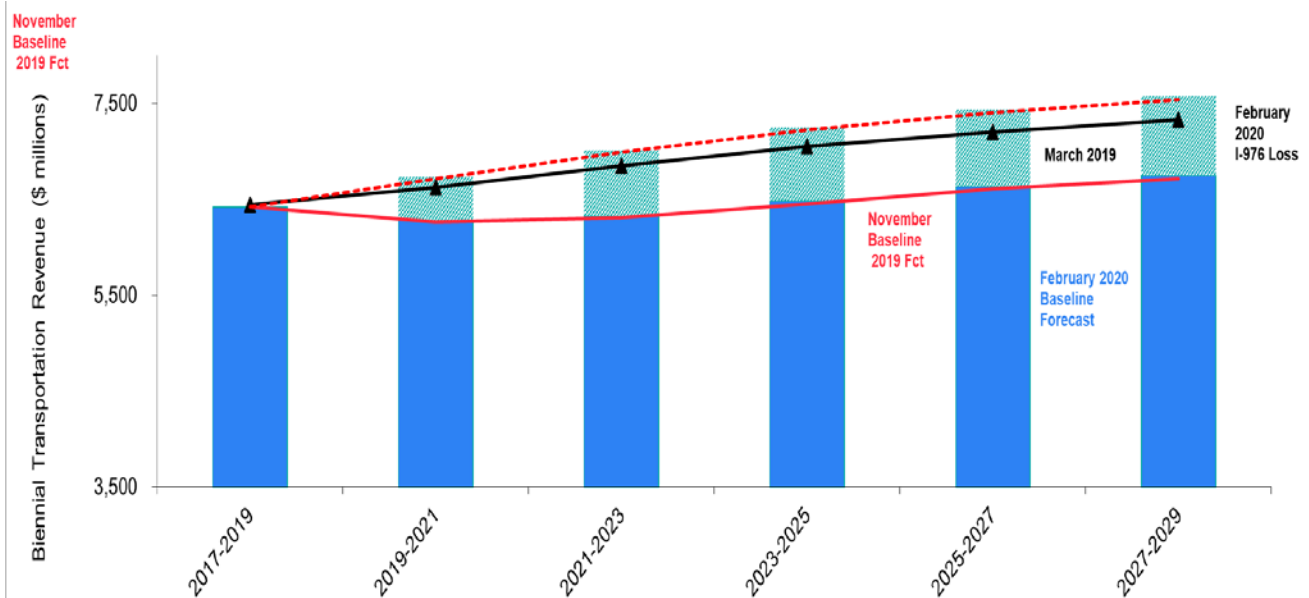
Forecast Overview

Here are key conclusions from the February 2020 transportation revenue forecast.

- In the 2017-19 biennium, transportation revenues came in at \$6.42 billion and 2019-21 biennium is anticipated to be \$6.279 billion, which is \$14.1 million or 2.2% below the prior biennium. This decline biennia to biennia is mainly due to the current biennium incorporating the impacts of I-976.
- February 2020 baseline transportation forecast of revenues: \$6.279 billion for the current biennium, which is up forecast to forecast by \$16.6 million or 0.26%. This was due primarily to higher diesel tax collections than what was projected in November. The baseline February forecast includes the impacts of I-976 and the alternative forecast excludes the impacts of I-976. The alternative forecast for February is projected to have \$6.732 billion, which is \$453 million above the baseline February forecast due to excluding the impacts of I-976. In next biennium, baseline transportation revenues are \$6.33 billion up from the last baseline forecast by \$21.5 million. This is due to higher diesel tax collections. If the impacts of the initiative are excluded from the Feb. forecast, the alternative forecast is \$684 million above the baseline February forecast for next biennium due to the initiative.
- For the 10-year forecast horizon, total baseline revenue is projected to be \$32.47 billion, which is higher than the last forecast by \$126.7 million or (0.4%) from November. The change in revenue is due to higher diesel tax collections and a little more LPF and ferry revenues. Most all revenue sources are up from the last forecast. If the impact of the initiative was removed from the February forecast, total revenues would be \$17 million higher than the last forecast and \$108.7 million above the Mach baseline forecast in the current biennium.
- New projections of real personal income growth rates are minor revisions downward beginning in FY 2021 compared to the November forecast. Employment projections are up in the near-term compared to November and down in the long-term since the November forecast. Retail gas and diesel prices are down from the November projections in the long-term. The current B5 biodiesel price forecast is also down currently compared to the last forecast.
- Fuel tax revenue is up a little by \$14 million or 0.4% from the last forecast in the current biennium due to special fuel tax collections coming in above forecast. Next biennium, fuel taxes are up as well by \$19.7 million over the last forecast. The revision is due to higher diesel taxes as gas tax collections are not changed from the last forecast.
- The baseline Feb. LPF revenue has only minor revisions upward due to higher truck revenue. LPF is up by \$1.7 million or 0.14% from the November forecast in the current biennium. Next biennium, the LPF revenue is down minimally by \$0.53 million over the last forecast. Over the next 10 years, the forecast for vehicle license, permits and fee revenue is up by \$6.6 million or 0.1% from the November forecast projections.

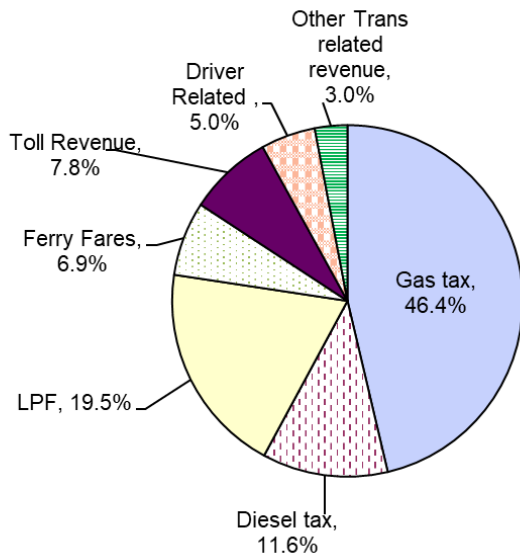
In FY 2019, total transportation revenues came in at \$3.242 billion, which was a 2% increase annually. In the current fiscal year, total transportation revenues are anticipated to be \$3.172 billion. This is an annual revenue loss of 2.2% year over year. This year over year loss in transportation revenues is due to less LPF and sales tax revenue with the passage of I-976. In comparing this current forecast with the last forecast, this February forecast is up very minimally throughout the forecast horizon. Next biennium, total transportation revenue is \$6.33 billion and revenues are up by \$21.5 million from the November baseline forecast. Overall, during the next 10-year forecast horizon, baseline transportation revenues are projected to be \$32.47 billion and up by \$126.7 million or 0.4% from the projections in November with an average annual growth rate of 0.4% beginning in the current fiscal year. Figure 1 compares transportation revenues in February 2020, November 2019 and March 2019. The blue bars denote the lower baseline February forecast with the impact of I-976 represented by the teal blue portion of the bars showing the loss in transportation revenues due to I-976. If the initiative was excluded from the forecast, then the February forecast would have been above the March baseline forecasts. This alternative February forecast is shown on the chart as the sum of the deep blue and teal colored bars.

Figure 1: Total Transportation Revenues Comparing March, November 2019 vs. February 2020 Forecasts
millions of dollars



Washington's transportation revenues come from numerous taxes, fees, permits, tolls, and other revenues. Revenues forecasted each quarter include the sources contained in Figure 2. This pie graph reveals the anticipated share of each state revenue source to the total baseline transportation revenues for the 2019-21 biennium, (\$6.279 billion). Gasoline fuel taxes comprise the largest share at 46.4%. With the addition of diesel fuel taxes, all motor vehicle fuel taxes comprise 58% of all revenues. Licenses, permits, and fee revenues comprise the second largest share at 19.5%. The three largest revenue sources are projected to consist of 77.5% of revenues in the 2019-21 biennium. The remaining 22.5% consists of ferry fares, toll revenue, driver related revenue and other transportation related revenue.

Figure 2: Revenue By Source 2019-21 Biennium (\$6.279 billion)



As Figure 3 indicates the 2019-21 biennium baseline revenues came in at \$6.279 billion and slightly above the November forecast by \$16.6 million. The baseline forecast is lowered due to the inclusion of the impacts of I-976. This change in the February 2020 forecast was mainly due to higher diesel taxes. Next biennium, actual baseline revenue for transportation is anticipated to be \$6.328 billion, which is anticipated to be \$21.8 million above the November forecast. Over the next 10 years, transportation revenues are anticipated to be \$32.47 billion, which is up by \$126.7 million or 0.4% above the last forecast.

Beside the fuel tax forecast being revised upward by \$14 million, licenses, permits and fee revenue is up a little by \$1.7 million from the last forecast. Driver-related revenue is down a little by \$1 million in the current biennium. Ferry revenue is also up minimally by \$1.5 million in the current biennium from the November forecast in the current biennium. Other transportation revenue sources have only minor changes from the November forecast. Over the 10-year forecast horizon, the transportation revenue forecast for February is anticipated to be \$32.47 billion, which is up by \$126.7 million or 0.39% from the last forecast. This minor increase in revenue is mainly due to higher diesel tax projections. If the impacts of the initiative were excluded from this February forecast, total transportation revenues would have been \$6.73 billion or \$452 million above the baseline February forecast. Figure 5 compares the February alternative forecast without the impacts of I-976 to the November alternative forecast. This table reveals that in the current biennium, the February alternative forecast, absent the impacts of the initiative, would have resulted in \$17 million more in revenue than in the alternative forecast in November. Over the next 10-years, the February alternative forecast would have resulted in \$135 million or 0.4% more revenue than the November alternative forecast, which excludes I-976 impacts.

Figure 4 compares the new February baseline forecast, with the impacts of I-976, to the March baseline forecast. In the current biennium, the February baseline forecast is now \$6.279 billion which is \$344 million or 5.2% below the March forecast. Next biennium, the baseline transportation revenues in February are down \$432 million from the March forecast. Over the next 10 years, total transportation revenues are down \$2,583 million or 7.4% below the March forecast. Figure 6 shows the comparison of the February alternative forecast, without the impacts of I-976, to the March baseline forecast. This table reveals that the February alternative forecast would have been up by \$108.7 million or 1.6% in the current biennium versus the March baseline forecast which does not have the passage of I-976. Over the next 10 years, the February alternative forecast would have been \$947.8 million over the March forecast if the initiative had not passed.

Figure 3: Current Baseline Forecast (With Impact I-976) to Prior Baseline Forecast Biennium Comparison of All Transportation Revenues – February 2020 forecast 10-year period

Forecast to Forecast Comparison for Transportation Revenues and Distributions 10-Year Period									
February 2020* millions of dollars									
	2017-2019			Current Biennium			10-Year Period		
	Forecast Feb-20	Chg from Nov-19	Percent Change	Forecast Feb-20	Chg from Nov-19	Percent Change	Forecast Feb-20	Chg from Nov-19	Percent Change
Sources of Transportation Revenue									
Motor Vehicle Fuel Tax Collections	3,584.23	0.00	0.00%	3,635.24	14.05	0.39%	18,717.16	110.74	0.60%
Licenses, Permits and Fees	1,510.78	0.00	0.00%	1,223.89	1.71	0.14%	6,038.10	6.59	0.11%
Ferry Revenue [†]	400.33	0.00	0.00%	429.33	1.49	0.35%	2,279.65	6.60	0.29%
Toll Revenue	426.99	0.00	0.00%	486.90	0.00	0.00%	2,923.61	0.00	0.00%
Aviation Revenues	7.19	0.00	0.03%	7.07	(0.05)	-0.77%	36.50	(0.06)	-0.17%
Rental Car Tax	70.16	0.00	0.00%	73.34	0.35	0.47%	399.38	1.96	0.49%
Vehicle Sales Tax	102.36	0.00	0.00%	27.06	0.00	0.00%	27.06	0.00	0.00%
Driver-Related Fees	286.67	0.00	0.00%	315.81	(1.08)	-0.34%	1,640.41	1.90	0.12%
Business/Other Revenues [‡]	30.21	(0.05)	-0.15%	81.04	0.10	0.13%	412.10	(1.08)	-0.26%
Total Revenues	6,418.92	(0.04)	0.00%	6,279.67	16.57	0.26%	32,473.96	126.65	0.39%
Distribution of Revenue									
Motor Fuel Tax Refunds and Transfers	228.87	0.00	0.00%	235.79	(2.78)	-1.17%	1,243.58	1.06	0.09%
State Uses									
Motor Vehicle Account (108)	1,244.86	(0.05)	0.00%	1,247.11	5.02	0.40%	6,503.98	27.33	0.42%
Transportation 2003 (Nickel) Account (550)	429.01	0.00	0.00%	429.61	2.20	0.51%	2,199.16	12.03	0.55%
Transportation 2005 Partnership Account (09H)	634.13	0.00	0.00%	632.70	2.98	0.47%	3,244.76	20.12	0.62%
Connecting Washington Account (20H)	801.97	0.00	0.00%	814.89	3.89	0.48%	4,184.41	26.10	0.63%
Multimodal Account (218)	520.44	0.00	0.00%	202.42	0.44	0.22%	600.24	2.46	0.41%
Special Category C Account (215)	50.54	0.00	0.00%	51.36	0.25	0.48%	263.73	1.65	0.63%
Puget Sound Capital Construction Account (099)	36.78	0.00	0.00%	37.37	0.18	0.48%	191.88	1.20	0.63%
Puget Sound Ferry Operations Account (109)	466.16	0.00	0.00%	489.93	1.53	0.31%	2,577.50	8.24	0.32%
Capital Vessel Replacement Account (18J)	43.81	0.00	0.00%	64.73	(0.34)	-0.53%	352.62	(2.33)	-0.66%
Tacoma Narrows Bridge Account (511)	170.84	0.00	0.00%	171.60	0.00	0.00%	897.83	0.00	0.00%
High Occupancy Toll Lanes Account (09F) [^]	7.42	0.00	0.00%	11.07	0.00	0.00%	91.61	0.00	0.00%
SR 520 Corridor Account (16J)	176.89	0.00	0.00%	187.62	0.00	0.00%	1,056.09	0.00	0.00%
SR 520 Corridor Civil Penalties Account (17P)	10.94	0.00	0.00%	6.35	0.00	0.00%	35.61	0.00	0.00%
Interstate 405 Express Toll Lanes Operations (595)	60.91	0.00	0.00%	66.36	0.00	0.00%	508.38	0.00	0.00%
Alaskan Way Viaduct Replacement Acct. (535)				43.91	0.00	100.00%	334.10	0.00	100.00%
Aeronautics Account (039)	7.13	0.00	0.03%	6.99	(0.05)	-0.75%	36.03	(0.05)	-0.15%
Washington State Aviation Account (21G)	0.06	(0.00)	0.00%	0.08	(0.00)	-2.17%	0.47	(0.01)	-1.76%
State Patrol Highway Account (081)	456.97	0.00	0.00%	442.62	(0.63)	-0.14%	2,317.26	(2.45)	-0.11%
Highway/Motorcycle Safety Accts. (106 & 082)	258.05	0.00	0.00%	289.67	(0.52)	-0.18%	1,504.38	4.89	0.33%
School Zone Safety Account (780)	0.88	(0.00)	0.00%	0.83	(0.01)	-1.66%	4.36	(0.02)	-0.39%
Other accounts (201, 06T, 097, 09E, 216, 07C)	18.71	0.00	0.00%	21.65	0.04	0.18%	111.24	0.29	0.26%
Electric Vehicle Account (20J)	0.00	0.00	0.00%	19.81	0.33	100.00%	76.75	0.45	100.00%
Ignition Interlock Devices Revolving Acct 14V	7.88	0.00	0.00%	8.66	0.05	0.60%	43.11	0.05	0.12%
Multistate Roadway Safety Account Collections-571	0.26	0.00	0.00%	0.32	0.01	4.55%	1.60	0.06	4.02%
Total for State Use	5,404.61	(0.04)	0.00%	5,247.66	15.37	0.29%	27,137.08	100.00	0.37%
Local Uses									
Cities	193.84	0.00	0.00%	196.97	0.94	0.48%	1,011.41	6.31	0.63%
Counties	314.00	0.00	0.00%	317.56	1.68	0.53%	1,630.86	10.23	0.63%
Transportation Improvement Board (112 & 144)	207.54	0.00	0.00%	210.70	1.01	0.48%	1,084.18	6.76	0.63%
County Road Administration Board (102 & 186)	70.06	0.00	0.00%	71.00	0.35	0.49%	366.86	2.29	0.63%
Total for Local Use	785.44	0.00	0.00%	796.22	3.98	0.50%	4,093.30	25.59	0.63%
Total Distribution of Revenue	6,418.92	(0.04)	0.00%	6,279.67	16.57	0.26%	32,473.96	126.65	0.39%

† Ferry Fares plus non-farebox revenue

‡ Business/Other Revenues net of amounts transferred to General Fund in the forecast.

Figure 4: Current February Baseline Forecast (With Impact I-976) Compared to Baseline March forecast– 10-year period

Forecast to Baseline Comparison for Transportation Revenues and Distributions 10-Year Period								
February 2020• millions of dollars								
	2017-2019			Current Biennium		10-Year Period		
	Forecast Feb-20	Chg from Baseline ¥	Percent Change	2019-2021		(2019-2029)		
				Forecast Feb-20	Chg from Baseline ¥	Forecast Feb-20	Chg from Baseline ¥	Percent Change
Sources of Transportation Revenue								
Motor Vehicle Fuel Tax Collections	3,584.23	(32.44)	-0.90%	3,635.24	(52.60)	18,717.16	(251.59)	-1.33%
Licenses, Permits and Fees	1,510.78	6.66	0.44%	1,223.89	(311.73)	6,038.10	(2,568.84)	-29.85%
Ferry Revenue†	400.33	(2.23)	-0.55%	429.33	9.92	2,279.65	87.86	4.01%
Toll Revenue §	426.99	5.67	1.35%	486.90	50.68	2,923.61	504.84	20.87%
Aviation Revenues †	7.19	(0.05)	-0.68%	7.07	(0.21)	36.50	(1.00)	-2.66%
Rental Car Tax	70.16	(0.27)	-0.38%	73.34	(0.93)	399.38	(1.31)	-0.33%
Vehicle Sales Tax	102.36	(0.59)	-0.57%	27.06	(81.50)	27.06	(564.31)	-95.42%
Driver-Related Fees	286.67	(2.74)	-0.95%	315.81	(7.37)	1,640.41	(41.75)	-2.48%
Business/Other Revenues ±	30.21	4.11	15.74%	81.04	49.83	412.10	252.72	158.57%
Total Revenues	6,418.92	(21.88)	-0.34%	6,279.67	(343.91)	32,473.96	(2,583.36)	-7.37%
Distribution of Revenue								
Motor Fuel Tax Refunds and Transfers	228.87	7.59	3.43%	235.79	15.36	1,243.58	98.43	8.60%
State Uses								
Motor Vehicle Account (108)	1,244.86	(1.77)	-0.14%	1,247.11	(30.27)	6,503.98	(200.57)	-2.99%
Transportation 2003 (Nickel) Account (550)	429.01	(3.53)	-0.82%	429.61	(11.53)	2,199.16	(63.95)	-2.83%
Transportation 2005 Partnership Account (09H)	634.13	(8.32)	-1.29%	632.70	(22.89)	3,244.76	(135.93)	-4.02%
Connecting Washington Account (20H)	801.97	(11.13)	-1.37%	814.89	(16.00)	4,184.41	(87.60)	-2.05%
Multimodal Account (218)	520.44	(0.18)	-0.03%	202.42	(336.69)	600.24	(2,700.37)	-81.81%
Special Category C Account (215)	50.54	(0.70)	-1.37%	51.36	(1.01)	263.73	(5.52)	-2.05%
Puget Sound Capital Construction Account (099)	36.78	(0.51)	-1.37%	37.37	(0.73)	191.88	(4.02)	-2.05%
Puget Sound Ferry Operations Account (109)	466.16	(2.93)	-0.62%	489.93	2.79	2,577.50	35.28	1.39%
Capital Vessel Replacement Account (18J)	43.81	0.70	1.62%	64.73	21.33	352.62	130.68	58.88%
Tacoma Narrows Bridge Account (511)	170.84	1.39	0.82%	171.60	(0.46)	897.83	(3.46)	-0.38%
High Occupancy Toll Lanes Account (09F)	7.42	0.48	0.00%	11.07	11.07	91.61	91.61	100.00%
SR 520 Corridor Account (16J)	176.89	3.03	1.74%	187.62	4.54	1,056.09	17.64	1.70%
SR 520 Corridor Civil Penalties Account (17P)	10.94	1.67	18.02%	6.35	(1.96)	35.61	(11.26)	-24.02%
Interstate 405 Express Toll Lanes Operations (595)	60.91	(0.90)	-1.46%	66.36	(6.41)	508.38	76.22	17.64%
Alaskan Way Viaduct Replacement Acct. (535)				43.91		334.10	334.10	110.00%
Aeronautics Account (039)	7.13	(0.04)	-0.58%	6.99	(0.19)	36.03	(1.02)	-2.75%
Washington State Aviation Account (21G)	0.06	(0.00)	0.00%	0.08	(0.00)	0.47	(0.01)	-1.76%
State Patrol Highway Account (081)	456.97	0.09	0.02%	442.62	(19.59)	2,317.26	(126.14)	-5.16%
Highway/Motorcycle Safety Accts. (106 & 082)	258.05	4.33	1.71%	289.67	2.14	1,504.38	5.50	0.37%
School Zone Safety Account (780)	0.88	0.01	1.53%	0.83	(0.04)	4.36	0.01	0.18%
Other accounts (201, 06T, 09T, 09E, 216, 07C)	18.71	(0.04)	-0.20%	21.65	(0.18)	111.24	(0.77)	-0.69%
Electric Vehicle Account (20J)				19.81		76.75	0.45	0.59%
Ignition Interlock Device Revolving Acct 14V	7.88	(0.29)	-3.60%	8.66	0.60	43.11	10.58	32.54%
Multiuse Roadway Safety Account Collections-571	0.14	0.00	0.00%	0.32	0.07	1.60	0.17	12.10%
Total for State Use	5,404.35	(18.64)	-0.34%	5,247.66	(341.48)	27,137.07	(2,638.99)	-8.87%
Local Uses								
Cities	193.84	(2.69)	-1.37%	196.97	(3.87)	1,011.41	(21.17)	-2.05%
Counties	314.00	(4.61)	-1.45%	317.56	(7.03)	1,630.86	(39.18)	-2.35%
Transportation Improvement Board (112 & 144)	207.54	(2.85)	-1.35%	210.70	(4.82)	1,084.18	(31.97)	-2.86%
County Road Administration Board (102 & 186)	70.06	(0.94)	-1.32%	71.00	(2.08)	366.86	(16.95)	-4.42%
Total for Local Use	785.44	(11.08)	-1.39%	796.22	(17.79)	4,093.30	(109.28)	-2.60%
Total Distribution of Revenue	6,418.66	(22.14)	-0.34%	6,279.67	(343.91)	32,473.96	(2,579.47)	-7.36%

Baseline is the March 2019 forecast.

Ferry Fares, capital surcharge and non-farebox revenue are all in the ferry revenue

Figure 5: Current Alternative Forecast Without I-976 Compared to Prior Alternative Forecast For All Transportation Revenues - 10-year period

Forecast to Forecast Comparison for Transportation Revenues and Distributions 10-Year Period									
February 2020* millions of dollars									
	2017-2019			Current Biennium			10-Year Period		
	Forecast Feb Alt Fct	Chg from Nov Alt Fct	Percent Change	Forecast Feb Alt Fct	Chg from Nov Alt Fct	Percent Change	Forecast Feb Alt Fct	Chg from Nov Alt Fct	Percent Change
Sources of Transportation Revenue									
Motor Vehicle Fuel Tax Collections	3,584.23	0.00	0.00%	3,635.24	14.05	0.39%	18,717.16	110.74	0.60%
Licenses, Permits and Fees	1,510.78	0.00	0.00%	1,595.91	1.38	0.09%	9,006.99	11.47	0.13%
Ferry Revenue [†]	400.33	0.00	0.00%	429.33	1.49	0.35%	2,279.65	6.60	0.29%
Toll Revenue	426.99	0.00	0.00%	486.90	(0.00)	0.00%	2,923.61	1.90	0.06%
Aviation Revenues	7.19	(0.00)	0.00%	7.07	(0.05)	-0.77%	36.50	(0.06)	-0.17%
Rental Car Tax	70.16	(0.00)	0.00%	73.34	0.35	0.47%	399.38	1.96	0.49%
Vehicle Sales Tax	102.36	0.00	0.00%	107.48	(0.10)	-0.09%	588.36	0.67	0.11%
Driver-Related Fees	286.67	0.00	0.00%	315.81	(1.09)	-0.34%	1,640.41	1.83	0.11%
Business/Other Revenues [‡]	30.21	(0.05)	-0.15%	81.24	0.30	0.37%	413.09	(0.09)	-0.02%
Total Revenues	6,418.92	(0.05)	0.00%	6,732.31	17.17	0.26%	36,005.15	135.03	0.38%
Distribution of Revenue									
Motor Fuel Tax Refunds and Transfers	228.87	0.00	0.00%	235.79	(2.78)	-1.17%	1,243.58	1.06	0.09%
State Uses									
Motor Vehicle Account (108)	1,244.86	(0.05)	0.00%	1,316.49	5.18	0.39%	7,006.11	32.43	0.47%
Transportation 2003 (Nickel) Account (550)	429.01	0.00	0.00%	435.14	2.24	0.52%	2,234.86	12.09	0.54%
Transportation 2005 Partnership Account (09H)	634.13	0.00	0.00%	644.88	2.99	0.47%	3,323.38	20.58	0.62%
Connecting Washington Account (20H)	801.97	0.00	0.00%	814.89	3.89	0.48%	4,184.41	26.10	0.63%
Multimodal Account (218)	520.44	(0.00)	0.00%	540.38	(0.16)	-0.03%	3,322.59	(0.97)	-0.03%
Special Category C Account (215)	50.54	0.00	0.00%	51.36	0.25	0.48%	263.73	1.65	0.63%
Puget Sound Capital Construction Account (099)	36.78	0.00	0.00%	37.37	0.18	0.48%	191.88	1.20	0.63%
Puget Sound Ferry Operations Account (109)	466.16	0.00	0.00%	491.38	1.53	0.31%	2,586.87	8.30	0.32%
Capital Vessel Replacement Account (18J)	43.81	0.00	0.00%	64.73	(0.34)	-0.53%	352.62	(2.33)	-0.66%
Tacoma Narrows Bridge Account (511)	170.84	0.00	0.00%	171.60	0.16	0.09%	897.83	0.92	0.10%
High Occupancy Toll Lanes Account (09F)^	7.42	0.00	0.00%	11.07	0.04	0.00%	91.61	0.37	0.41%
SR 520 Corridor Account (16J)	176.89	0.00	0.00%	187.62	0.46	0.25%	1,056.09	0.84	0.08%
SR 520 Corridor Civil Penalties Account (17P)	10.94	0.00	0.00%	6.35	0.00	0.00%	35.61	0.00	0.00%
Interstate 405 Express Toll Lanes Operations (595)	60.91	0.00	0.00%	66.36	0.12	0.18%	508.38	0.34	0.07%
Alaskan Way Viaduct Replacement Acct. (535)				43.91	0.08	100.00%	334.10	0.28	100.00%
Aeronautics Account (039)	7.13	0.00	0.00%	6.99	(0.05)	-0.75%	36.03	(0.05)	-0.15%
Washington State Aviation Account (21G)	0.06	(0.00)	0.00%	0.08	(0.00)	-2.17%	0.47	(0.01)	-1.76%
State Patrol Highway Account (081)	456.97	0.00	0.00%	466.24	(0.61)	-0.13%	2,469.70	(1.55)	-0.06%
Highway/Motorcycle Safety Accts. (106 & 082)	258.05	0.00	0.00%	289.67	(0.53)	-0.18%	1,504.38	4.81	0.32%
School Zone Safety Account (780)	0.88	0.00	0.00%	0.83	(0.01)	-1.66%	4.36	(0.02)	-0.39%
Other accounts (201, 06T, 097, 09E, 216, 07C)	18.71	0.00	0.00%	21.65	0.04	0.19%	111.24	0.29	0.26%
Electric Vehicle Account (20J)	0.00	0.00	0.00%	19.81	0.33	100.00%	76.75	0.45	100.00%
Ignition Interlock Devices Revolving Acct 14V	7.88	0.00	0.00%	8.66	0.05	0.60%	43.11	0.05	0.12%
Multiuse Roadway Safety Account Collections-571	0.26	0.00	0.00%	0.32	0.01	4.55%	1.60	0.06	4.02%
Total for State Use	5,404.61	(0.05)	0.00%	5,697.78	15.83	0.28%	30,637.70	105.84	0.35%
Local Uses									
Cities	193.84	0.00	0.00%	196.97	0.94	0.48%	1,011.41	6.31	0.63%
Counties	314.00	0.00	0.00%	318.50	1.68	0.53%	1,636.98	10.27	0.63%
Transportation Improvement Board (112 & 144)	207.54	0.00	0.00%	211.48	1.08	0.51%	1,096.40	8.44	0.78%
County Road Administration Board (102 & 186)	70.06	0.00	0.00%	71.79	0.41	0.58%	379.08	3.97	1.06%
Total for Local Use	785.44	0.00	0.00%	798.74	4.12	0.52%	4,123.86	28.99	0.71%
Total Distribution of Revenue	6,418.92	(0.05)	0.00%	6,732.31	17.17	0.26%	36,005.15	135.88	0.38%

Figure 6: Current Alternative Forecast Initiative I-976 Compared to Baseline March Forecast For All Transportation Revenues - 10-year period

Forecast to Baseline Comparison for Transportation Revenues and Distributions 10-Year Period									
February 2020• millions of dollars									
	2017-2019			Current Biennium			10-Year Period		
	2019-2021			(2019-2029)					
	Forecast Feb Alt Fct	Chg from Baseline ¥	Percent Change	Forecast Feb Alt Fct	Chg from Baseline ¥	Percent Change	Forecast Feb Alt Fct	Chg from Baseline ¥	Percent Change
Sources of Transportation Revenue									
Motor Vehicle Fuel Tax Collections	3,584.23	(32.44)	-0.90%	3,635.24	(52.60)	-1.43%	18,717.16	(251.59)	-1.33%
Licenses, Permits and Fees	1,510.78	6.66	0.44%	1,595.91	60.29	3.93%	9,006.99	400.05	4.65%
Ferry Revenue†	400.33	(2.23)	-0.55%	429.33	9.92	2.37%	2,279.65	87.86	4.01%
Toll Revenue §	426.99	5.67	1.35%	486.90	50.68	11.62%	2,923.61	504.84	20.87%
Aviation Revenues †	7.19	(0.05)	-0.68%	7.07	(0.21)	-2.93%	36.50	(1.00)	-2.66%
Rental Car Tax	70.16	(0.27)	-0.38%	73.34	(0.93)	-1.25%	399.38	(1.31)	-0.33%
Vehicle Sales Tax	102.36	(0.59)	-0.57%	107.48	(1.08)	-0.99%	588.36	(3.00)	-0.51%
Driver-Related Fees	286.67	(2.74)	-0.95%	315.81	(7.37)	-2.28%	1,640.41	(41.75)	-2.48%
Business/Other Revenues ±	30.21	4.11	15.74%	81.24	50.03	160.29%	413.09	253.72	159.20%
Total Revenues	6,418.92	(21.88)	-0.34%	6,732.31	108.73	1.64%	36,005.15	947.83	2.70%
Distribution of Revenue									
Motor Fuel Tax Refunds and Transfers	228.87	7.59	3.43%	235.79	15.36	6.97%	1,243.58	98.43	8.60%
State Uses									
Motor Vehicle Account (108)	1,244.86	(1.77)	-0.14%	1,316.49	39.11	3.06%	7,006.11	301.57	4.50%
Transportation 2003 (Nickel) Account (550)	429.01	(3.53)	-0.82%	435.14	(6.00)	-1.36%	2,234.86	(28.24)	-1.25%
Transportation 2005 Partnership Account (09H)	634.13	(8.32)	-1.29%	644.88	(10.71)	-1.63%	3,323.38	(57.30)	-1.69%
Connecting Washington Account (20H)	801.97	(11.13)	-1.37%	814.89	(16.00)	-1.93%	4,184.41	(87.60)	-2.05%
Multimodal Account (218)	520.44	(0.18)	-0.03%	540.38	1.27	0.24%	3,322.59	21.98	0.67%
Special Category C Account (215)	50.54	(0.70)	-1.37%	51.36	(1.01)	-1.93%	263.73	(5.52)	-2.05%
Puget Sound Capital Construction Account (099)	36.78	(0.51)	-1.37%	37.37	(0.73)	-1.93%	191.88	(4.02)	-2.05%
Puget Sound Ferry Operations Account (109)	466.16	(2.93)	-0.62%	491.38	4.24	0.87%	2,586.87	44.65	1.76%
Capital Vessel Replacement Account (18J)	43.81	0.70	1.62%	64.73	21.33	49.16%	352.62	130.68	58.88%
Tacoma Narrows Bridge Account (511)	170.84	1.39	0.82%	171.60	(0.46)	-0.27%	897.83	(3.46)	-0.38%
High Occupancy Toll Lanes Account (09F)	7.42	0.48	0.00%	11.07	11.07	0.00%	91.61	91.61	100.00%
SR 520 Corridor Account (16J)	176.89	3.03	1.74%	187.62	4.54	2.48%	1,056.09	17.64	1.70%
SR 520 Corridor Civil Penalties Account (17P)	10.94	1.67	18.02%	6.35	(1.96)	-23.58%	35.61	(11.26)	-24.02%
Interstate 405 Express Toll Lanes Operations (595)	60.91	(0.90)	-1.46%	66.36	(6.41)	-8.81%	508.38	76.22	17.64%
Alaskan Way Viaduct Replacement Acct. (535)				43.91			334.10	334.10	110.00%
Aeronautics Account (039)	7.13	(0.04)	-0.58%	6.99	(0.19)	-2.61%	36.03	(1.02)	-2.75%
Washington State Aviation Account (21G)	0.06	(0.00)	0.00%	0.08	(0.00)	-2.17%	0.47	(0.01)	-1.76%
State Patrol Highway Account (081)	456.97	0.09	0.02%	466.24	4.02	0.87%	2,469.70	26.30	1.08%
Highway/Motorcycle Safety Accts. (106 & 082)	258.05	4.33	1.71%	289.67	2.14	0.74%	1,504.38	5.50	0.37%
School Zone Safety Account (780)	0.88	0.01	1.53%	0.83	(0.04)	-4.18%	4.36	0.01	0.18%
Other accounts (201, 06T, 097, 09E, 216, 07C)	18.71	(0.04)	-0.20%	21.65	(0.18)	-0.85%	111.24	(0.77)	-0.69%
Electric Vehicle Account (20J)				19.81			76.75	0.45	0.59%
Ignition Interlock Device Revolving Acct 14V	7.88	(0.29)	-3.60%	8.66	0.60	7.49%	43.11	10.58	32.54%
Multiuse Roadway Safety Account Collections-571	0.14	0.00	0.00%	0.32	0.07	25.67%	1.60	0.17	12.10%
Total for State Use	5,404.35	(18.64)	-0.34%	5,697.78	108.64	1.94%	30,637.70	861.64	2.90%
Local Uses									
Cities	193.84	(2.69)	-1.37%	196.97	(3.87)	-1.93%	1,011.41	(21.17)	-2.05%
Counties	314.00	(4.61)	-1.45%	318.50	(6.08)	-1.87%	1,636.98	(33.06)	-1.98%
Transportation Improvement Board (112 & 144)	207.54	(2.85)	-1.35%	211.48	(4.03)	-1.87%	1,096.40	(19.75)	-1.77%
County Road Administration Board (102 & 186)	70.06	(0.94)	-1.32%	71.79	(1.29)	-1.77%	379.08	(4.73)	-1.23%
Total for Local Use	785.44	(11.08)	-1.39%	798.74	(15.27)	-1.88%	4,123.86	(78.72)	-1.87%
Total Distribution of Revenue	6,418.66	(22.14)	-0.34%	6,732.31	108.73	1.64%	36,005.15	951.72	2.72%

Baseline is the March 2019 forecast.

Ferry Fares, capital surcharge and non-farebox revenue are all in the ferry revenue

Economic Variables Forecast

Several economic variables are used in forecasting Washington's transportation revenues each quarter. 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.

**Figure 7: Annual Percentage Change (%) in Select Economic Variables
February 2020 Forecast**

Fiscal Year	WA Real Personal Income	Annual Driver Age Population	Driver-In Population	US General Prices (IPDC)	US Oil & Gas Price Index	US Fuel Efficiency (MPG)	Nominal Consumer Sales on New Vehicles	WA Non-ag. employment	WA Trade, Transportation and Utilities Employment	WA Retail Trade Employment
2020	3.7%	1.6%	2.0%	1.6%	-1.7%	1.9%	2.3%	2.0%	1.2%	1.3%
2021	2.4%	1.5%	1.3%	1.7%	-10.5%	1.9%	3.4%	1.3%	1.0%	0.7%
2022	2.5%	2.9%	1.2%	1.9%	3.1%	1.9%	6.8%	1.1%	0.6%	0.3%
2023	2.6%	1.3%	0.9%	1.9%	6.8%	1.9%	5.9%	0.9%	-0.1%	-0.3%
2024	2.8%	0.0%	0.6%	2.0%	6.3%	2.0%	3.9%	0.6%	-1.1%	-0.7%
2025	3.0%	1.3%	0.6%	1.9%	5.0%	2.0%	2.2%	0.6%	-1.1%	-0.6%
2026	2.9%	1.3%	0.6%	2.0%	4.9%	2.1%	2.0%	0.6%	-0.2%	0.0%
2027	2.7%	1.2%	-0.2%	2.1%	4.3%	2.2%	2.0%	0.8%	0.8%	0.6%
2028	2.8%	1.2%	1.9%	2.1%	3.8%	2.1%	2.6%	0.8%	0.9%	0.6%
2029	2.8%	1.1%	0.8%	2.0%	3.6%	2.2%	3.8%	0.8%	0.9%	0.5%

Source: Washington Economic and Revenue Forecast Council, Washington Office of Financial Management 2020 long-range forecast, January 2020 Global Insight forecast adjusted for Blue Chip average GDP growth rates and NYMEX crude oil prices

Figure 8: Difference in Annual Percent Changes in Select Economic Variables from Last Forecast - February 2020 Forecast

Fiscal Year	WA Real Personal Income	Annual Driver Age Population	Driver-In Population	US General Prices (IPDC)	US Oil & Gas Price Index	US Fuel Efficiency (MPG)	Nominal Consumer Sales on New Vehicles	WA Non-ag. employment	WA Trade, Transportation and Utilities Employment	WA Retail Trade Employment
2020	▲	▬	▲	▼	▼	▬	▼	▬	▲	▲
2021	▼	▬	▬	▼	▼	▬	▼	▲	▲	▲
2022	▼	▬	▬	▬	▲	▬	▲	▬	▲	▲
2023	▼	▬	▬	▬	▲	▬	▲	▼	▼	▼
2024	▲	▬	▼	▬	▲	▬	▲	▼	▼	▼
2025	▲	▬	▼	▼	▲	▬	▼	▲	▼	▼
2026	▲	▬	▼	▼	▲	▬	▼	▬	▼	▼
2027	▲	▬	▼	▬	▲	▬	▼	▲	▲	▲
2028	▲	▬	▲	▬	▲	▬	▲	▲	▲	▲
2029	▬	▬	▲	▬	▬	▬	▲	▬	▬	▲

▲	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

Washington’s transportation revenues are affected by fuel prices. In particular, gasoline tax collections are negatively related to the price of gasoline. WSDOT’s budget is heavily impacted by changes in fuel prices. Therefore, projections of fuel prices are made quarterly to assist in the near and long-term budgeting process for WSDOT. The forecast includes the following price projections: U.S. West Texas Intermediate crude oil (WTI) and Washington retail prices of gasoline, diesel, and biodiesel (B5 & B99).

Source of data for the forecast

For the Washington retail price of gasoline, fuel prices are collected from the Energy Information Administration’s (EIA) survey of retail prices for regular gasoline. For the retail price of diesel, the actual prices are collected from AAA’s weekly publication of retail prices for diesel in Washington. The actual ferry B5 biodiesel prices are reported by the Washington State Ferries (WSF). In the short term (through calendar year 2021), the retail gas price forecasts are based on the growth in the national gas price forecast by EIA. The diesel and biodiesel fuel prices are projected based on the growth in national diesel prices from the Energy Information Agency (EIA) monthly projections. Beyond calendar year 2021, the fuel price projections are based on February’s Global Insight national gas price forecast for future Washington gas prices and the producer price index (PPI) projections for refined petroleum products for the diesel price forecasts.

Figure 9: Near-term UNADJUSTED BASELINE Qtrly Fuel Prices: February 2020

Fiscal Year Quarter	Crude Oil Price (\$/barrel)	WA Retail Gasoline Price (\$/gal)	WA Retail Diesel Price (\$/gal)
2019: Q3	56.37	3.11	3.28
2019: Q4	56.96	3.19	3.47
2020: Q1	52.86	2.93	3.23
2020: Q2	52.17	2.92	3.14
FY 2020	54.59	3.04	3.28
2020: Q3	58.17	2.93	3.27
2020: Q4	59.50	2.94	3.34
2021: Q1	60.50	2.97	3.23
2021: Q2	61.50	2.98	3.33
FY 2021	59.92	2.95	3.29
2021: Q3	62.50	2.98	3.35
2021: Q4	63.50	3.00	3.40
2022: Q1	60.66	2.90	3.30
2022: Q2	61.55	3.16	3.34
FY 2022	62.05	3.01	3.35

The forecasts of biodiesel prices include two different biodiesel prices: B5 and B99 without the renewable identification number (RIN). WSF currently purchases biodiesel B5. WSDOT also purchases B99 biodiesel without RIN for vehicle fleet needs. WSDOT receives OPIS fuel prices with the latest prices for B5 in Portland and B99 biodiesel prices without RIN in Tacoma. The B99 prices represent those paid by other state entities' purchases of biodiesel. The B5 price is based on Washington State ferries' latest reported purchase price of biodiesel with the markup, delivery, and other tax costs included and the latest B5 Portland OPIS prices for the current forecast month. The base for the price forecast for the B99 price without RIN for non-WSF purchases is the OPIS base price without markup, delivery, and tax costs.

Figure 10: Forecast of UNADJUSTED Washington Retail Gasoline Prices, Regular March, November 2019 and February 2020

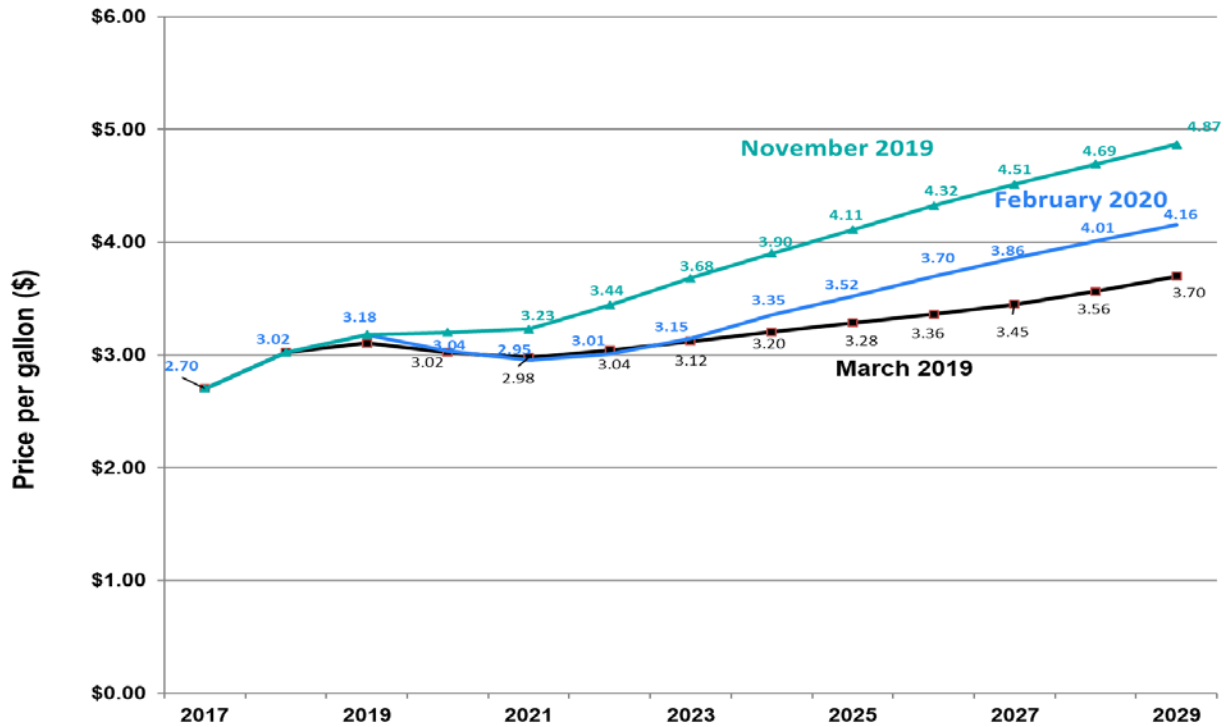
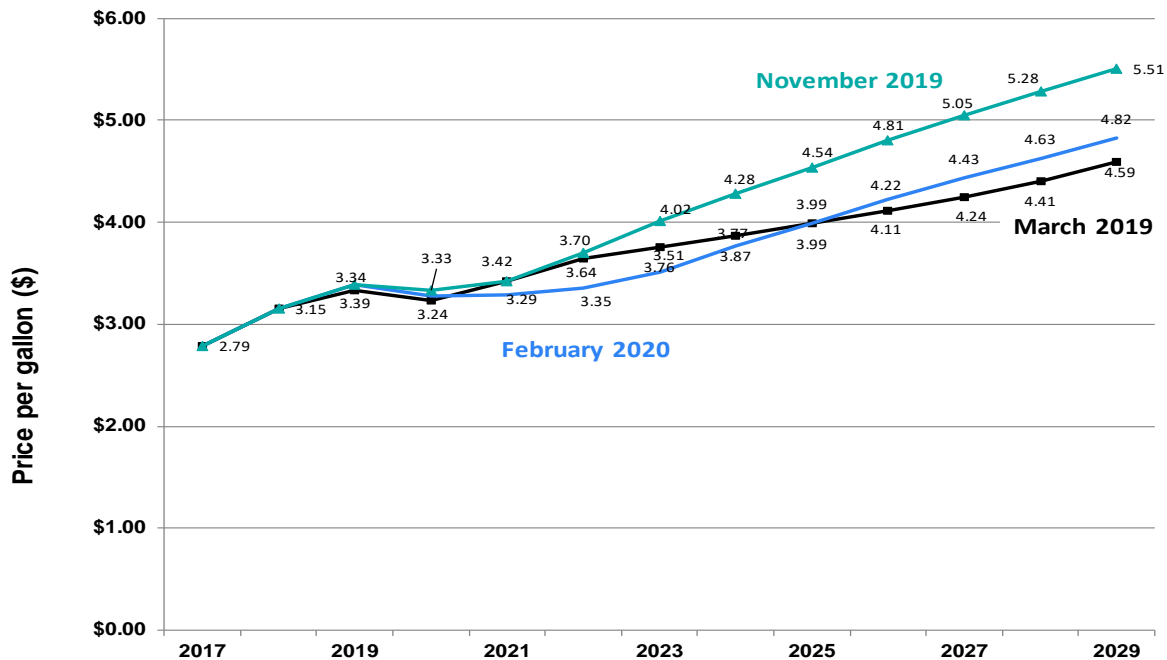


Figure 11: Forecast of UNADJUSTED Washington Retail Diesel Prices March, November 2019 and February 2020



Comparison of several current U.S. crude oil price forecasts

The WTI crude oil prices from five surveyed forecasting entities, EIA, NYMEX, Global Insight, Consensus Economics, and Moody's Economy.com were compared in this forecast. WSDOT's baseline fuel price forecasts use the Energy Information Administration (EIA) forecasts in the near-term through calendar year 2021 and then use the growth rates from Global Insight forecasts for subsequent years. In FY 2020, the crude oil price projections range from \$55 per barrel from NYMEX to \$58.4 per barrel from Economy.com. WSDOT baseline to \$57.8 per barrel with an average of \$57.1 per barrel. In FY 2020, there is a slight upward adjustment needed for the forecast of 3.8%. The forecast for WTI crude oil in FY 2021 ranged from \$51.6 per barrel by NYMEX to \$60.6 per barrel in the Economy.com forecast. The baseline crude oil price forecast in FY 2021 was \$59.92 per barrel which is 5.9% above the 5 entity average of \$56.4. In FY 2022, the crude oil prices range from \$50 per barrel in the NYMEX to \$62.1 per barrel in the WSDOT forecast. The 5-entity average price is \$58.9 per barrel which is 8.3% below the baseline price forecast of \$62 per barrel. Figure 12 reveals the WSDOT baseline WTI price forecast compared to the other entities' crude oil price forecasts and the necessary adjustments each year.

Figure 12: Near-term Annual WTI Crude Oil Price Forecasts – 5 Different Forecast Comparisons: February 2020 Dollars per barrel

Fiscal Year	WSDOT (EIA/GI)	NYMEX	Global Insight	Economy.com	Consensus Economics	5 Entity Avg	% Diff Average
2020	\$54.59	\$55.01	\$57.51	\$58.38	\$57.78	\$56.65	3.78%
2021	\$59.92	\$51.63	\$51.59	\$60.59	\$58.19	\$56.38	-5.90%
2022	\$62.05	\$50.00	\$52.15	\$61.92	\$58.29	\$56.88	-8.33%

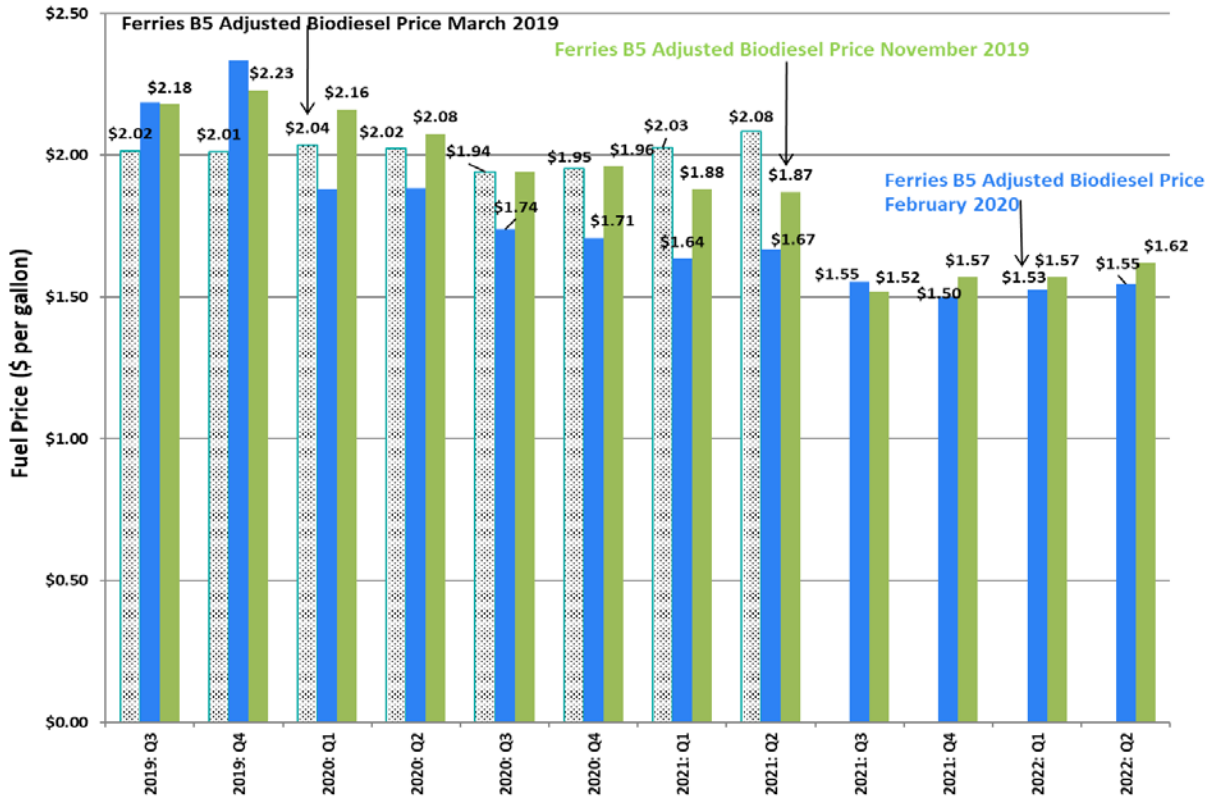
Figure 13: Near-term Average Adjusted Quarterly Fuel Prices and B5 Biodiesel Prices and Unadjusted B99 Biodiesel Prices Used for Budgeting Purposes: February 2020 Dollars per gallon

Fiscal Year Quarter	Adjusted WA Retail Gasoline Price (\$/gal)	Adjusted WA Retail Diesel Price (\$/gal)	Adjusted B5 Biodiesel Price (\$/gal)	Unadjusted B99 Biodiesel price
2019Q3	3.11	3.28	2.18	3.27
2019Q4	3.19	3.47	2.33	3.25
2020Q1	2.93	3.23	1.88	3.18
2020Q2	3.03	3.26	1.88	3.10
FY2020	3.06	3.31	2.07	3.20
2020Q3	2.75	3.08	1.74	3.22
2020Q4	2.77	3.15	1.71	3.30
2021Q1	2.79	3.04	1.64	3.19
2021Q2	2.80	3.13	1.67	3.28
FY2021	2.78	3.10	1.69	3.25
2021Q3	2.74	3.08	1.55	3.31
2021Q4	2.75	3.12	1.50	3.36
2022Q1	2.66	3.03	1.53	3.26
2022Q2	2.89	3.07	1.55	3.30
FY2022	2.76	3.07	1.53	3.30

WSDOT applies the five entity forecast average adjustment to the baseline February 2020 retail gasoline, diesel, and B5 biodiesel prices. The adjusted fuel prices listed in Figure 13 will be used to estimate the future costs to WSDOT agency's 2019-21 biennium budget and next biennium budget for gas, diesel and biodiesel fuel purchases. The latest adjusted forecast requires a 3.8% upward adjustment to the baseline fuel prices in FY 2020 and downward adjustment of 5.9% in FY 2021. In FY 2022, the baseline fuel prices are adjusted downward by 8.3%.

As Figure 14 reveals, that the new B5 fuel price forecast are lower for the first quarter of calendar year 2020. The new forecast is lower than in November for the remaining quarters of the forecast horizon. Compared to the March forecast, the same trends are seen beginning first quarter 2020, the February forecast has prices lower than the baseline March forecast which set WSDOT's budget.

Figure 14: Quarterly Ferries Adjusted B5 Biodiesel Prices Used for Budgeting the 2019-21 Biennia March, November 2019 and February 2020 Forecasts



Motor Vehicle Fuel Tax Forecast

Overview

Motor fuel tax collections for November through January 2020 came in above the November 2019 forecast by \$8.5 million or 2.0 percent. Gasoline tax collections lagged the November projection by \$1.2 million or -0.3 percent. Diesel collections came in above projections by \$9.7 million or 12.6 percent.

The forecast for gross fuel tax revenue for the 2019-2021 biennium is \$3.635 billion, \$14.1 million or 0.4 percent above the November 2019 forecast. In the 2021-2023 biennium, gross fuel tax collections are \$3.697 billion or \$19.7 million (0.5 percent) higher than the estimate in November 2019. Total fuel tax revenue for the 10-year period beginning in the current biennium and ending in the 2027-2029 biennium is \$18.707 billion. This is \$110.7 million higher, or 0.6% more, than the November 2019 revenue forecast. Current fuel tax revenue projections are higher than November's forecast throughout the forecast horizon.

Primary Reasons for Changes in the February Forecast

As noted above, recent fuel tax collections have come in above the last forecast by \$8.5 million; gasoline tax collections have come in close to forecast as diesel taxes have come in very strong above the last forecast. As a result, the special fuel tax forecast was revised upward while gas tax forecast remains the same as in February. As with the November forecast, there is concern over the discrepancy between reported special fuels gallons and calculated gallons based on the distributed cash in FY 2020. For FY 2020, year-to-date special fuels reported gallons by DOL are 3.4 percent less (\$7.1 million) than the gallons implied by the revenue received to date for special fuel.

In the current biennium, the forecast for gasoline tax collections has not changed while diesel tax collections are up \$14.1 million or 2.0 percent from the November forecast. Next biennium, the gasoline tax forecast is again unchanged and special fuel tax collections are up \$19.6 million or 2.7% from the last forecast. This same trend continues throughout the forecast horizon.

The FY estimates for gasoline non-highway and tribal refunds are re-benchmarked by decreasing non-highway gas tax refunds and increasing gas tax tribal refunds. In the current biennium, these adjustments to these refunds results in a decrease in overall gas tax refunds by nearly \$4 million. Special fuels tax refunds are slightly increased by about \$1.2 million over the last forecast in the current biennium. This has resulted in a net reduction in refunds of roughly \$2.8 million over the last forecast for the 2019-2021 biennium.

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 Retail Employment, Washington - U.S. real income share, and U.S. sales of light vehicles.

Washington State anticipates collecting about \$1.22 billion from vehicle licenses, permits, and fees (LPFs) in the 2019-2021 biennium, which is up minimally by \$1.7 million compared to the forecast in November. The LPF forecast slowly grows over time and is anticipated to be \$1.25 billion by 2027-2029 biennium, which is up for about \$2.9 million or 0.23% from the previous forecast. Over the 10-year period, the revenue increase is about \$6.6 million.

Primary reasons for the change in the February 2020 forecast

- For the fiscal year 2020, passenger car registrations have no change compared to the previous forecast. For FY 2021, passenger car registrations will be 0.1% less than the previous forecast. The forecast remains about 0.3% lower in next two years, and then the forecast did not change from 2024 through 2029. The decreased forecast registrations are mainly due to the lower personal income growth rates in recent years forecasted by Office of Financial Management.
- For the fiscal year 2020, truck registrations have not changed from the previous forecast. In FY 2021, truck registrations will increase 0.23% from the previous forecast. The truck forecast sees a forecast-to-forecast increase in registrations in the out years. By the end of the forecast horizon, we see the truck registrations increased by 1.1%. The higher registration forecast is mainly due to the higher employment growth rates in the future years forecasted by ERFC.
- In the 2019-21 biennium, \$30 registrations revenue is down 0.11% or \$0.4 million due to the slightly reduced forecast for motorhomes, travel trailers, and other vehicles. In the next biennium, revenue from \$30 registrations is about \$1.3 million less than the previous forecast. This trend continues in the later periods. We see the revenue projections are about \$0.4 million below the previous forecast by the 2027-29 biennium due to the lower forecast of registrations for the \$30 group vehicles.
- In the 2019-21 biennium, because of the increase in the truck registration forecast, the forecast grew by \$1.7 million or 0.46% over the last forecast. In the following biennium, weight based revenue is higher than the previous forecast by about \$1.3 million. This trend goes throughout the forecast period. By the end of the forecast horizon, we will see a \$3.6 million increase in revenue projections in the 2027-29 biennium.
- In the 2019-21 biennium, the freight project fee is about \$0.55 million more than the previous forecast due to the increased truck forecast. In the 2021-23 biennium, the Freight Project fee is also \$0.5 million more than the November forecast. The revenue increase gradually grows in the out years due to the difference in the truck forecasts as they get higher in the future compared to the last forecast. By the end of this forecast horizon, we project a \$0.05 million increase in freight project fee revenue in the 2027-29 biennium.
- The passenger vehicle weight fees remains the same in the 2019-21 biennium. In the out years, no passenger vehicle weight fees are collected since I-976 eliminates all of the revenue in this category.
- Effective December 5, 2019, the \$100 electric vehicle renewal fee is reduced to \$30, and the \$50 electric vehicle renewal fee is eliminated due to the passage of I-976. The \$75 electrification fee was not impacted by I-976. With somewhat higher actuals to date, the \$30 electric vehicle fee revenue is up by about \$0.55 million (or +1.6%) for the current biennium and up by about 0.5% in outer years. The \$75 electrification fee revenue is up by about \$0.3 million (or 1.7%) for the current biennium and up by about 0.25% for the outer biennia.
- Ferry Service Fee revenue (18J) forecast is down by -\$0.4 million (or -0.79%) for the current biennium and down by -\$0.5 million (or -0.99%) for the next. The reduction is primarily due to lower than previously anticipated 18J paying shares, including Report of Sale transactions.
- Original Issue Plate Revenue forecast is slightly lower for FY 2019-21 by -\$57,100 or -0.2% updating with actuals through January. The forecast is on average slightly lower by -\$53,700 or -0.2% per biennium throughout the forecast horizon with an updated original title forecast.
- License Plate Replacement Revenue forecast is slightly lower FY 2019-21 by -\$122,150 or -0.4 with actuals updated through January. This forecast continues somewhat lower throughout the forecast horizon by an average of -\$414,100 or -1.26% per biennium with an updated other title activity forecast.

Driver Related Revenue Forecasts

Overview

The February 2020 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 \$327.3 million, about \$0.5 million (or +0.2%) higher than the prior forecast. Over the next ten year period (FY20-FY29), driver related revenue is anticipated to total \$1,640.4 million, about \$1.8 million (+0.1%) higher than the prior forecast.

It is important to note that many of the driver related revenue streams follow a five-year renewal cycle until FY2015 when DOL started issuing six year licenses. Six-year renew cycle starts in FY2020. Caution is advised in year over year comparisons.

Primary reasons for the change in the February 2020 forecast

- Driver original license transaction forecast is revised higher by an average of 1.6% with higher driver in and employment forecast. Renewal transaction forecast is up by 1.8% for the current fiscal year and up by an average of 1.2% in out years.
- ADR revenue is revised down by about 2.4% with lower than expected actuals year to date.

Other Transportation Related Revenue Forecast

Overview

This category of transportation related revenue forecasts consist 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

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.

Washington State collected \$210 million from Other Transportation Related revenues in the 2017-2019 biennium and are projected to collect \$189 million in the 2019-21 biennium. This represents a decrease of 10% biennium to biennium due to I-976, which eliminated the 0.3% sales tax on new and used motor vehicle sales beginning December 5, 2019. The baseline February forecast in the current biennium is up from the last baseline forecast by \$0.4 million or .21% from the previous forecast. Both the November and February baseline forecasts include the impact of the passage of Initiative I-976, which called for the elimination of the sales tax on new motor vehicles. The initiative's impact in the February forecast results in a reduction in vehicle sales tax revenue of \$80.4 million in the current biennium baseline forecast. For the next 10-year period, the baseline transportation related revenue forecast is anticipated to be up by \$0.8 million from the previous baseline November forecast estimate. Over the next 10 years, the impact of the initiative I-976 is anticipated to reduce the baseline Other Transportation Related revenue forecast by \$563 million or 64%.

Primary reasons for the change in the February 2020 forecast

- Motor vehicle sales and use tax revenue came in \$268,000 below forecast in the four months since the November forecast (October data was revised). Sales tax collections were \$279,000 lower, or 1.8%. Use tax collections were \$11,000 higher, or 0.4%. The forecast for U.S. new vehicle sales is higher throughout the forecast compared to November. The forecast for U.S. sales of used vehicles compared to November is also higher. The biennial forecast change ranges from -0.1% in 2019-21 to 0.3% in 2027-29. The passage of I-976 potentially eliminates the tax.
- Rental car collections came in \$342,000 (2.2%) above forecast in the three months since the November forecast. The economic variables changed very little since the November forecast. The forecast has been revised upward. The biennial change ranges from 0.5% in 2019-21 to 0.7% in 2027-29.
- WSDOT Business and other miscellaneous revenue for February has been revised up by \$0.4 million or 0.2% from the November forecast in the 2019-21 biennium to reflect actuals.
- WSDOT Business related revenue for February has been revised up by \$0.45 million or 3% from the November forecast in the 2019-21 biennium to reflect actuals.
- WSDOT Real Estate Services Department, property sales are projected to be \$10 million in the current biennium, which is a slight increase (2.04%) over the November forecast.
- The current business related forecast in the outer biennia are impacted by minor changes in inflation (IPDC).
- The school zone fines forecast is down slightly (\$0.01 million or 1.6%) in the current biennium due to actuals coming in lower, to date, in the 2019-21 Biennium.
- The 2019-21 WSP Business Related Revenues for February 2020 have been revised down by \$229,000 or (1.74%). The change reflects updated three or four year averages in all categories now including first 6 months of fiscal year 2020 data. The breathalyzer test fines are coming in lower than expected so that forecast was brought down by 10% in the current and future biennia.
- Aviation revenues have been updated with actuals through FY 2019. With the exception of the motor fuel components, the forecast is unchanged from November.
- Aviation Fuel Tax 039 forecast is lower for FY 2019-21 by -\$52,700 or -1% based on actuals through January. The forecast remains unchanged from the previous forecast throughout the rest of the forecast horizon and will be updated with the OFM long-term manufacturing employment forecast as well as the FAA General Aviation Fuel Consumption forecast in June.
- Aviation Specialty Plate Forecast per HB 1400 (2017) with an effective date of July 22, 2017. This forecast is a little lower FY 2019-21 by -\$1,800 or -2% than the November forecast based on actuals through January. The forecast continues lower on average by -\$1,800 or -1.65% per biennium throughout the forecast horizon.

Ferry Ridership and Revenue

Overview

For the current February Baseline Forecast, as in past forecasts, the fare revenue and ridership projections for Washington State Ferries are completed in four stages for the following seven fare categories:

- Passenger full fares
- Passenger frequent user discounted (commuter) fares
- Passenger other discounted fares (e.g., senior fare, youth fare)
- Auto / driver full fares
- Auto / driver frequent user discounted (commuter) fares

- Other vehicle / driver discounted (senior/disabled auto and all motorcycle) fares
- Oversize vehicle / driver (over 22 feet in length) fares

In August 2019, the Washington State Transportation Commission adopted two fare increases for FY 2020. The first took place on October 1, 2019 and the second will occur on May 1, 2020. Both increases raise passenger fares by 2.0% and vehicle/driver fares by 2.5%, with the second May 1, 2020 increase also including a doubling of the existing fare surcharge for capital, from \$0.25 to \$0.50 at the direction of the legislature. The additional \$0.25 surcharge is dedicated to help repay the bonds being used to fund the construction of a new electric vessel. With no further fare increases assumed in the Baseline Forecast, real fares are expected to slowly decline beyond FY 2020 because of general inflation.

Overall, the February Baseline Forecast for ridership in the current 2019-21 biennium is 0.5% higher than the November Forecast, with passengers up 0.8% and vehicle/drivers down 0.3%. Actual ridership for November and December 2019 were 2.3% and 0.8% higher, respectively, than previously forecasted, though still 2.0% and 1.1% lower than the prior fiscal year amounts for the same period. January 2020 ridership was 8.4% lower than previously forecasted and 7.9% lower than the prior year, which may be part attributable to a few days with winter weather.

Compared to the November Forecast, fare revenues are projected to be 0.4% higher, whereas miscellaneous revenues are expected to be 0.8% lower. The year over year increase in fare revenues from FY 2020 to FY 2021 is in large part due to the aforementioned May 1, 2020 fare and surcharge increases. Miscellaneous revenues in the current biennium are a combination of higher non-fare revenue (terminal) revenues and more than offsetting lower vessel non-fare revenues.

For the rest of the forecast horizon, the February ridership projections range from 0.1% lower to 0.3% higher than forecasted in November. The generally unchanged to slightly higher trends are the result from modestly more robust economic and demographic projections, which are partially dampened by lower than previously expected actual ridership in the first seven months of FY 2020. Specifically, the November Forecast reflects actual ridership data through January 2020 and actual revenue collections through December 2019. Through January, total ridership is both less than previously forecasted and 3.4% lower than the same period in FY 2019. The following additional factors potentially contribute to current fiscal year forecast and, to some degree, subsequent forecast year trends:

- A planned, four-week temporary suspension of service on the Anacortes-Sidney, B.C. route in November 2019 lowers the FY 2020 ridership and revenue forecasts.
- The ongoing decline in commuter passengers and their purchases of discounted multi-ride fare media may be in part attributed to losing these passengers in recent months to Kitsap Transit's Kingston/Seattle and Bremerton/Seattle passenger-only ferries.
- Colman Dock construction is also likely negatively impacting recent ridership, and thus, forecast trends. Through January, the collective walk-on passenger ridership on the Seattle-Bremerton and Seattle-Bainbridge routes serving Colman Dock is well below forecast and 7.6% lower than the same period in FY 2019.

Overall, the effects of lower recent ridership trends are more than offset by the combined positive effects of the economic and demographic forecast variables, with an overall slightly positive net impact on the ridership projections. Fare revenues beyond the current biennium range from 0.2% to 0.5% higher than November. These revenue increases slightly outpace ridership changes due to minor shifting of customers toward higher fare categories.

Miscellaneous revenues are lower across the forecast horizon compared with November, with both other non-fare revenue (terminal) revenues and vessel non-fare revenues lower after the current biennium. Lower parking revenues are the key driver behind the forecast decrease in terminal revenues. For the 2019-21 biennium, collective vessel and terminal non-fare revenues are 0.8% lower, and range from 2.0% to 2.5% lower for the balance of the forecast horizon.

Total fare and miscellaneous revenues forecasted for the 2019-21 biennium amount to \$429.3 million, which is 0.3% higher than the previous forecast for the same period. This is the result of the slightly higher to essentially unchanged ridership projections coupled with minor shifts to higher fare categories, plus slightly lower miscellaneous revenues. Over 10 years (FY 2020-29), ferry fare and miscellaneous revenues total \$2.28 billion, which is \$6.6 million (0.3%) higher than the November Forecast for the same period.

Primary reasons for the change in the February 2020 forecast

- Overall, the February fares forecast is the result modest upward impacts from the economic and demographic projections, partially dampened by lower recent ridership trends.
- Miscellaneous forecasts are lower than November as a result of revised vendor projections, including lower parking revenues at terminals.
- Actual ridership for November and December 2019 were 2.3% and 0.8% higher, respectively, than previously forecasted, though still 2.0% and 1.1% lower than the prior fiscal year amounts. January 2020 ridership was 8.4% lower than previously forecasted and 7.9% lower than the prior year.

Toll Revenue

Overview

Washington State has five tolled facilities. The Traffic and Revenue Forecast for February 2020 is a no-change forecast from November 2019.

Among the five facilities, SR 99 Tunnel started tolling on Nov. 9, 2019. Its first two months of reported toll revenues were above the forecast by 20.7 percent, or \$668 thousand. The toll transactions for the same period were above the forecast by 29.7%, or 540,000 transactions.

For the five facilities the total year-to-date (YTD; July through December 2019) Adjusted Gross Toll Revenues of \$105.5 million were above the November 2019 forecast by \$0.6 million, or 0.6 percent. YTD Toll Transactions were above the November 2019 forecast by 102,000 transactions, or 0.3 percent.

Figure 1 below provides YTD actual Toll Transactions and Adjusted Gross Toll Revenue performance comparing to the forecast.

Figure 15: FY 2020 YTD Actuals (July to December) for vs November 2019 Forecast

Toll Facility	Toll Traffic				Adjusted Gross Toll Revenue			
	Forecast	Actuals	Variance	Variance %	Forecast	Actuals	Variance	Variance %
TNB	7,977,000	8,045,038	68,038	0.9%	\$ 41,459,000	\$ 42,284,377	\$ 825,377	2.0%
SR 520	13,624,000	13,251,982	(372,018)	-2.7%	\$ 43,389,000	\$ 42,167,308	\$ (1,221,692)	-2.8%
I-405 ETLs	5,171,000	5,047,660	(123,340)	-2.4%	\$ 14,396,674	\$ 14,886,459	\$ 489,785	3.4%
SR 167 ETLs	906,900	896,363	(10,537)	-1.2%	\$ 2,414,700	\$ 2,297,823	\$ (116,878)	-4.8%
SR 99 Tunnel	1,818,000	2,358,390	540,390	29.7%	\$ 3,220,000	\$ 3,887,806	\$ 667,806	20.7%
Total	29,496,900	29,599,433	102,533	0.3%	\$104,879,374	\$105,523,773	\$ 644,398	0.6%

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

Tacoma Narrows Bridge (TNB) toll traffic and revenue forecast for February 2020 is a no change forecast from November 2019.

TNB’s primary change in the November 2019 forecast was to reflect FY 2019 actual performance, a revision of the payment mix, and increased numbers of non-revenue transactions from actual transit and vanpools use which are able to utilize the facility toll-free starting FY 2020.

FY 2020 YTD reported toll transactions were 68,000, 0.9 percent above the November 2019 forecast (Figure 2). YTD Adjusted Gross Toll Revenues were \$825,000, or 2.0 percent above the forecast (Figure 3).

Figure 16: FY 2020 TNB Reported Toll Transactions Compared to November 2019 Forecast

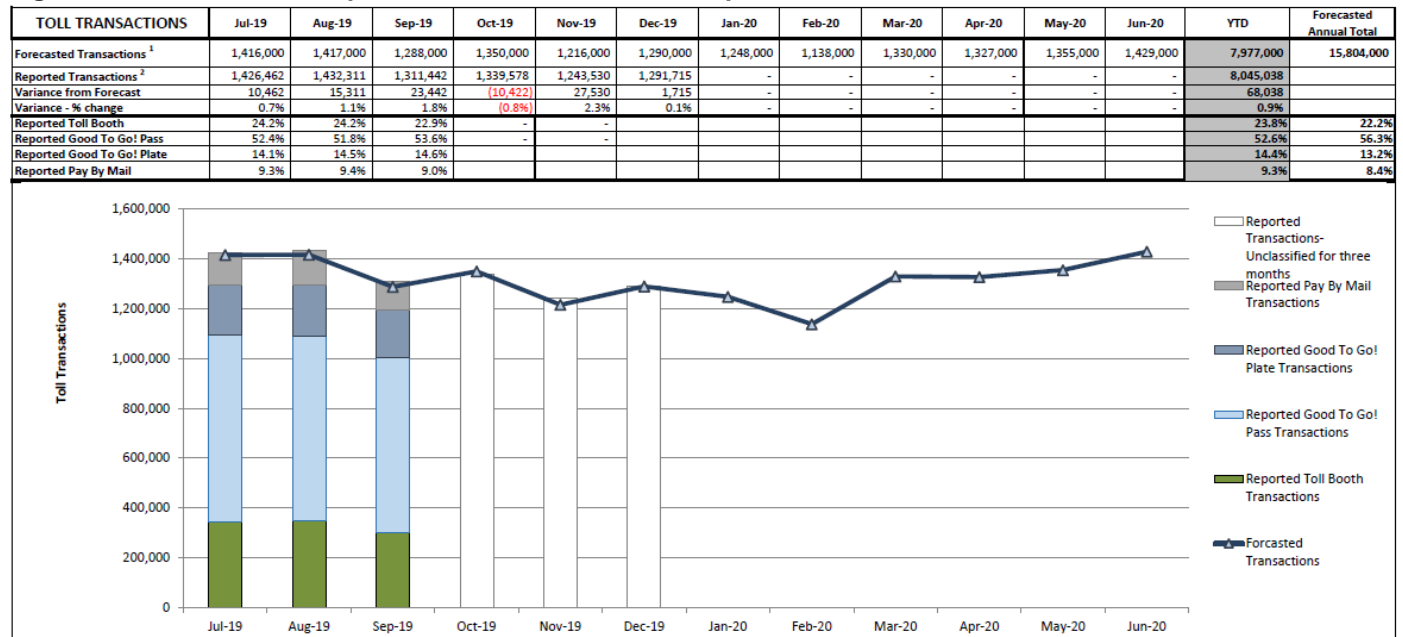
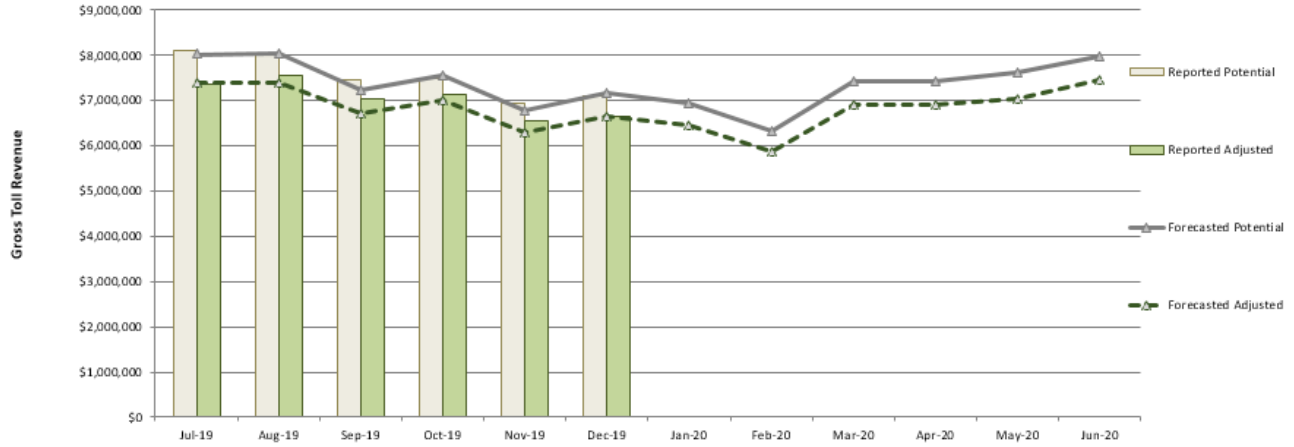


Figure 17: FY 2020 TNB Reported Toll Revenue Compared to November 2019 Forecast

GROSS TOLL REVENUE	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	YTD	Annual Total
Forecasted Potential ¹	\$8,027,000	\$8,055,000	\$7,244,000	\$7,548,000	\$6,778,000	\$7,164,000	\$6,931,000	\$6,337,000	\$7,419,000	\$7,431,000	\$7,631,000	\$7,994,000	\$44,816,000	\$88,559,000
Reported Potential ²	\$8,093,565	\$8,042,413	\$7,470,580	\$7,502,549	\$6,954,173	\$7,107,773							\$45,171,052	
Variance From Forecasted Potential	\$68,565	(\$12,587)	\$226,580	(\$45,451)	\$176,173	(\$56,227)							\$355,052	
Variance - % Change	0.8%	(0.2%)	3.1%	(0.6%)	2.6%	(0.8%)	-	-	-	-	-	-	0.8%	
Forecasted Adjusted ³	\$7,386,000	\$7,395,000	\$6,712,000	\$7,019,000	\$6,295,000	\$6,652,000	\$6,454,000	\$5,889,000	\$6,899,000	\$6,900,000	\$7,046,000	\$7,473,000	\$41,459,000	\$82,120,000
Reported Adjusted	\$7,355,346	\$7,554,554	\$7,041,487	\$7,127,835	\$6,548,402	\$6,656,154							\$42,284,377	
Variance From Forecasted Adjusted	(\$30,054)	\$159,554	\$329,487	\$108,835	\$253,402	\$4,154							\$825,377	
Variance - % Change	(0.4%)	2.2%	4.9%	1.6%	4.0%	0.1%	-	-	-	-	-	-	2.0%	



Updates to SR 520 Toll Bridge traffic and toll revenue

SR 520 Bridge toll traffic and revenue forecast for February 2020 is a no change forecast from November 2019.

The SR 520 November 2019 TRFC forecast incorporated actuals through June FY 2019, the latest closure assumptions for SR 520, revised payment share projections based on an updated methodology for the allocation of leakage due to unreadable license plates, revisions to the transponder revenue calculations so that it is no longer a direct offset to costs but is based on unit sales prices, and the inclusion of miscellaneous revenues from the sale of the Aberdeen Casting Basin.

FY 2020 YTD reported transactions (Figure 4) are 372,000 (2.7 percent) below the November forecast. The negative variance in toll trip is likely the result from underestimating the impact of the HOV and general-purpose lane merge starting mid-October for the Westbound lanes and starting mid-November for the Eastbound lanes, required as part of the construction of the West Approach Bridge South. The construction is expected to last three to four years.

The negative variance in adjusted gross toll revenue of 2.8 percent is aligned with the variance in toll transactions. However, the negative variance in gross toll revenue potential of 3.3 percent reflects lower than anticipated revenue per toll trip. The variance in revenue per toll trip also resulted from underestimating the impact of the HOV and general purpose lane merge, especially during peak hours. The higher than anticipated congestion levels from the merge lowered trips during the peak periods, and associated higher toll rates, with diversion to the lower toll rate periods or other facilities such as I-90. The lower revenue per trip, which led to the higher negative variance in the revenue potential, was offset in the adjusted gross toll revenue through higher than anticipated Pay By Plate fee revenue and lower revenue leakage due to a higher than projected share of Pay By Plate trips compared to Pay By Mail trips.

Figure 18: FY 2020 SR 520 Reported Toll Transactions Compared to November 2019 Forecast

TOLL TRANSACTIONS		Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Fiscal Year To Date	Annual Total ⁵
Weekend Closure Days ¹	Forecasted	0.33	0.33	0.33	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	3.00	7.00
	Reported	-	-	-	1.00	1.00	-	-	-	-	-	-	-	2.00	-
Weeknight Closures ²	Forecasted	-	-	-	-	-	-	0.17	0.17	0.17	0.33	0.33	0.33	-	1.50
	Reported	-	-	-	0.50	0.50	-	-	-	-	-	-	-	1.00	-
Forecasted Transactions ³		2,316,000	2,363,000	2,261,000	2,405,000	2,170,000	2,109,000	2,242,000	2,117,000	2,412,000	2,272,000	2,376,000	2,451,000	13,624,000	27,494,000
Reported Transactions ⁴		2,344,382	2,392,048	2,227,082	2,275,941	1,996,027	2,016,502	-	-	-	-	-	-	13,251,982	-
Variance From Forecast		28,382	29,048	(33,918)	(129,059)	(173,973)	(92,498)	-	-	-	-	-	-	(372,018)	-
Variance - % Change		1.2%	1.2%	(1.5%)	(5.4%)	(8.0%)	(4.4%)	-	-	-	-	-	-	(2.7%)	-
Reported Good To Go! Pass		60.8%	60.1%	61.9%	-	-	-	-	-	-	-	-	-	60.9%	63.9%
Reported Good To Go! Plate		26.7%	26.4%	25.5%	-	-	-	-	-	-	-	-	-	26.2%	23.0%
Reported Pay By Mail		12.6%	13.5%	12.6%	-	-	-	-	-	-	-	-	-	12.9%	13.1%

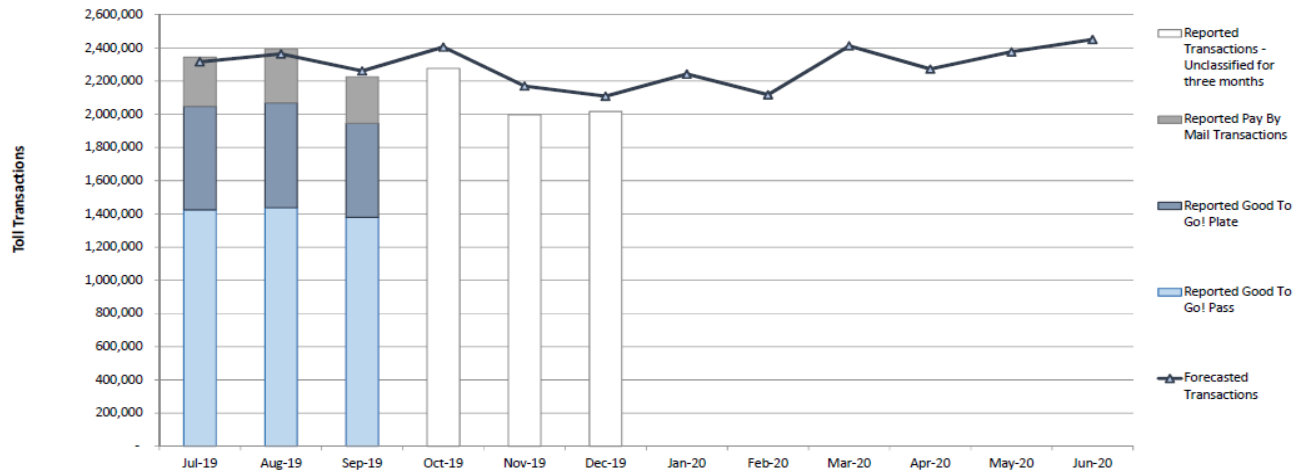
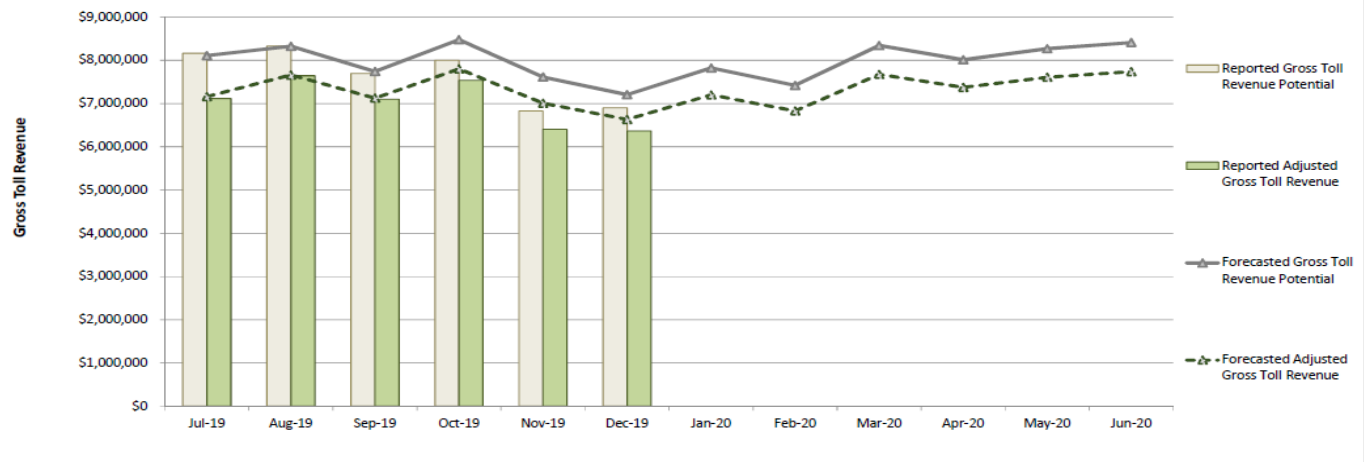


Figure 19: FY 2020 SR 520 Reported Toll Revenue Compared to November 2019 Forecast

GROSS TOLL REVENUE		Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Fiscal Year To Date	Annual Total
Weekend Closure Days ¹	Forecasted	0.33	0.33	0.33	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	3.00	7.00
	Reported	-	-	-	1.00	1.00	-	-	-	-	-	-	-	2.00	-
Weeknight Closures ²	Forecasted	-	-	-	-	-	-	0.17	0.17	0.17	0.33	0.33	0.33	-	1.50
	Reported	-	-	-	0.50	0.50	-	-	-	-	-	-	-	1.00	-
Forecasted Potential ³		\$8,106,000	\$8,324,000	\$7,742,000	\$8,477,000	\$7,614,000	\$7,205,000	\$7,823,000	\$7,419,000	\$8,341,000	\$8,012,000	\$8,269,000	\$8,410,000	\$47,468,000	\$95,742,000
Reported Potential ⁴		\$8,161,720	\$8,330,435	\$7,694,350	\$7,999,553	\$6,827,481	\$6,901,191	-	-	-	-	-	-	\$45,914,730	-
Variance From Forecast		\$55,720	\$6,435	(\$47,650)	(\$477,447)	(\$786,519)	(\$303,809)	-	-	-	-	-	-	(\$1,553,270)	-
Variance - % Change		0.7%	0.1%	(0.6%)	(5.6%)	(10.3%)	(4.2%)	-	-	-	-	-	-	(3.3%)	-
Forecasted Adjusted ⁵		\$7,160,000	\$7,660,000	\$7,125,000	\$7,799,000	\$7,007,000	\$6,632,000	\$7,200,000	\$6,829,000	\$7,675,000	\$7,373,000	\$7,608,000	\$7,739,000	\$43,383,000	\$87,807,000
Reported Adjusted ⁶		\$7,118,313	\$7,644,038	\$7,100,936	\$7,536,388	\$6,402,136	\$6,365,498	-	-	-	-	-	-	\$42,167,308	-
Variance From Forecast		(\$41,687)	(\$15,962)	(\$24,064)	(\$262,612)	(\$604,864)	(\$266,502)	-	-	-	-	-	-	(\$1,215,692)	-
Variance - % Change		(0.6%)	(0.2%)	(0.3%)	(3.4%)	(8.6%)	(4.0%)	-	-	-	-	-	-	(2.8%)	-



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

I-405 ETLs toll traffic and revenue forecast for February 2020 is a no change forecast from November 2019.

The I-405 November 2019 TRFC forecast incorporated actuals through June 2019, revised payment share projections based on an updated methodology for the allocation of leakage due to unreadable license plates, and revisions to the transponder revenue calculations so that it is no longer a direct offset to costs but is based on unit sales prices.

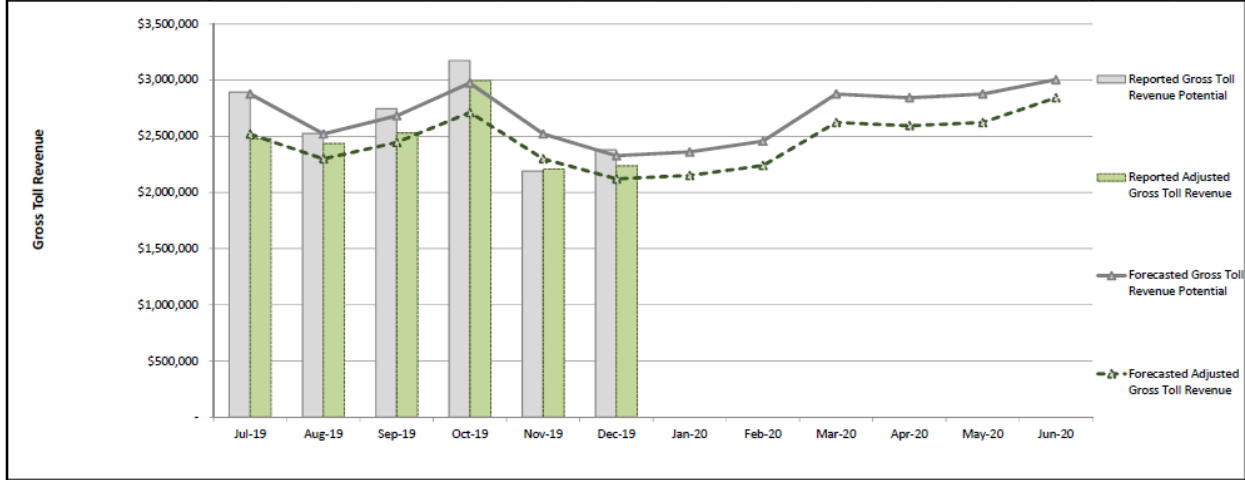
FY 2020 YTD reported toll trips (Figure 6) are 123,000 (2.4 percent) below the November forecast, HOV trips are 32,000 (1.3 percent) below the November forecast, and total trips are 156,000 (2 percent) below the November forecast. The December reported trips also include 65,698 trips that were received by the back office for processing and payment in January. The higher variance in adjusted gross toll revenue in December compared to the lower variance in toll transactions is due to the processing of 151,358 toll transactions that were delayed from November. Adjusted gross toll revenue variance for FY 2020 YTD is 490,000 (3.4 percent) above the November forecast, comparable to revenue potential of \$6,000 (0.0 percent) above the forecast year to date. The positive variance in adjusted gross toll revenue is the result of lower leakage rates from unreadable license plates and unidentifiable addresses, despite the higher percentage of Pay By Mail trips of total trips.

Figure 20: FY 2020 I-405 ETLs Reported Toll and HOV Carpool Trips Compared to November 2019 Forecast



Figure 21: FY 2020 I-405 ETLs Reported Toll Revenue Compared to November 2019 Forecast

GROSS TOLL REVENUE	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Fiscal Year To Date	Annual Total
Forecasted Potential ¹	\$2,877,000	\$2,521,000	\$2,683,000	\$2,974,000	\$2,521,000	\$2,327,000	\$2,360,000	\$2,456,000	\$2,877,000	\$2,844,000	\$2,877,000	\$3,004,000	\$15,903,000	\$32,321,000
Reported Potential ²	\$2,892,914	\$2,525,820	\$2,745,948	\$3,175,205	\$2,188,268	\$2,380,900							\$15,903,054	
Variance From Forecast	\$15,914	\$4,820	\$62,948	\$201,205	(\$332,732)	\$53,900							\$6,054	
Variance - % Change	0.6%	0.2%	2.3%	6.8%	(13.2%)	2.3%							0.0%	
Forecasted Adjusted ³	\$2,519,674	\$2,299,000	\$2,446,000	\$2,712,000	\$2,299,000	\$2,121,000	\$2,152,000	\$2,240,000	\$2,623,000	\$2,594,000	\$2,623,000	\$2,843,326	\$14,396,674	\$29,472,000
Reported Adjusted ⁴	\$2,477,891	\$2,437,003	\$2,530,416	\$2,995,670	\$2,208,630	\$2,236,849							\$14,886,459	
Variance From Forecast	(\$41,784)	\$138,003	\$84,416	\$283,670	(\$90,370)	\$115,849							\$489,785	
Variance - % Change	(1.7%)	6.0%	3.5%	10.5%	(3.9%)	5.5%							3.4%	



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

SR 167 ETLs Lanes toll traffic and revenue forecast for February 2020 is a no change forecast from November 2019.

FY 2020 YTD reported toll trips (Figure 8) are 11,000 (1.2 percent) below the November forecast. Adjusted gross toll revenue (Figure 9) for FY 2020 YTD is \$117,000 (4.8 percent) below the November forecast. The lower negative variance in adjusted gross toll revenue is the result of lower average tolls, especially in the southbound direction.

Figure 22: FY 2020 SR 167 Reported Toll Transactions Compared to November 2019 Forecast

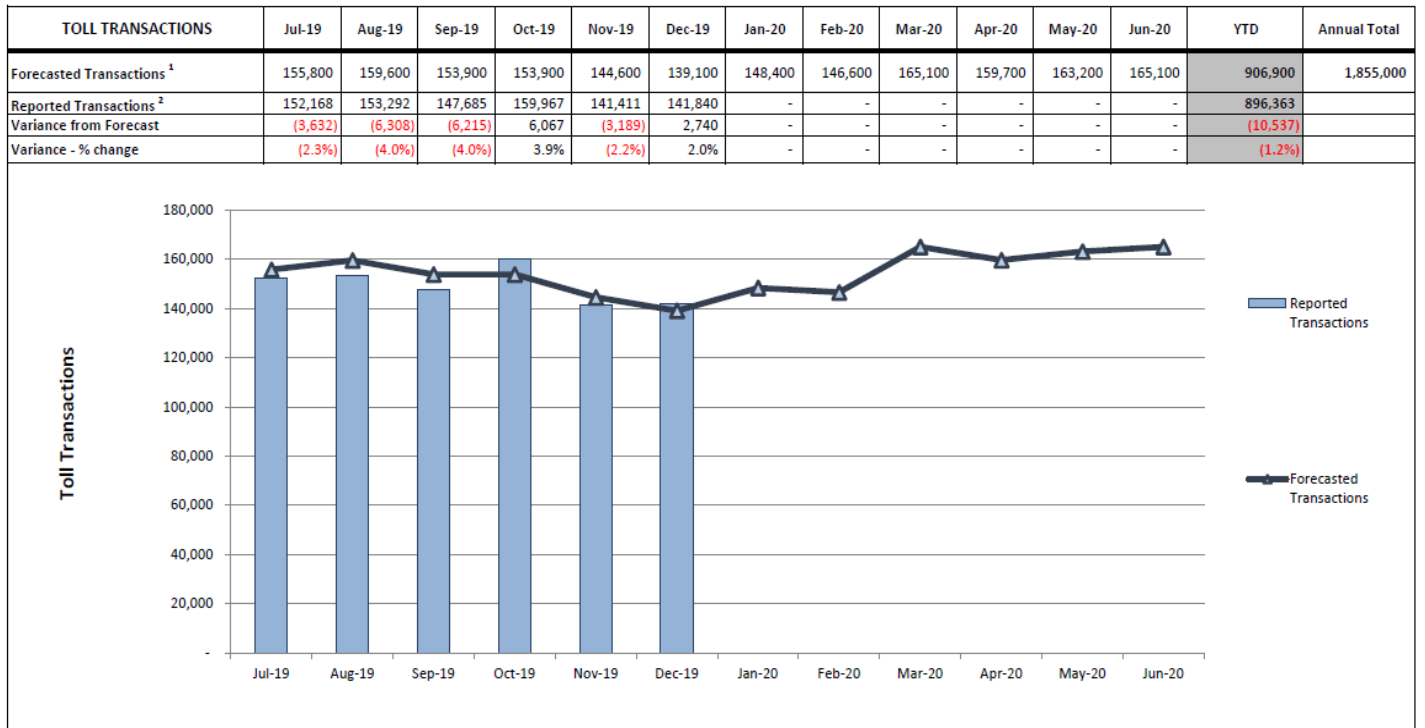
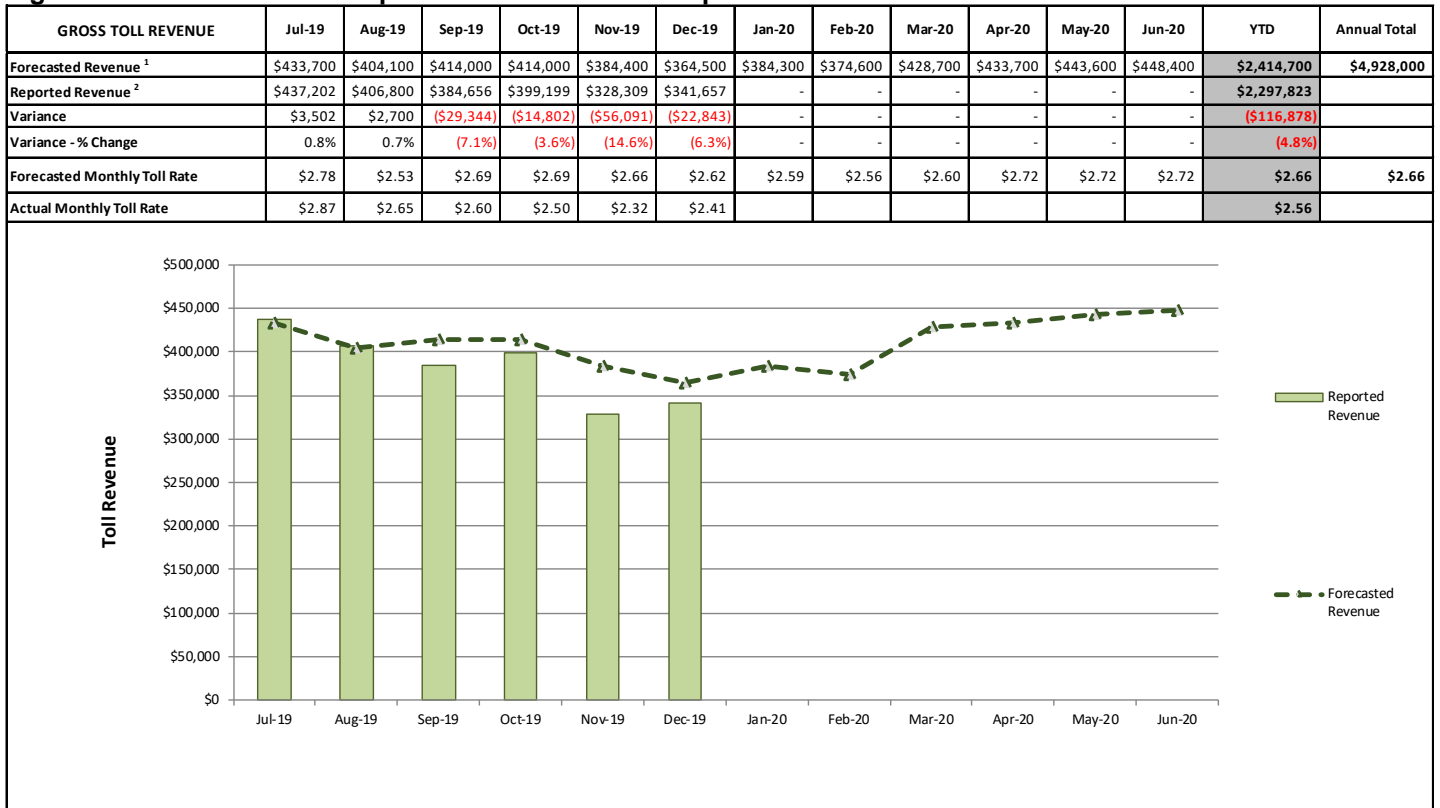


Figure 23: FY 2020 SR 167 Reported Toll Revenue Compared to November 2019 Forecast



Updates to SR 99 Tunnel traffic and toll revenue

The SR 99 November 2019 TRFC forecast is a no change forecast from November 2019.

Tolling on SR 99 started on Nov. 9, 2019 and results for the first two months of operations in FY 2020 (Figure 10) are 540,000 (29.7 percent) above the November 2019 forecast. Adjusted gross toll revenue for FY 2020 YTD is \$668,000 (20.7 percent) above the forecast. It is anticipated the adjusted gross toll revenue in future months will reflect the lag in payments as Pay By Mail transactions from November and December haven't fully settled, toll bills are still being processed and mailed, and the 80 day time period for receiving payment hasn't elapsed. When payments settle, it is anticipated the adjusted gross toll revenue variance may be better aligned with the variance in toll trips. However, truck volumes are lower than projected but may be partially or fully offset by lower than anticipated revenue leakage.

Figure 24: FY 2020 SR 99 Reported Toll Transactions Compared to November 2019 Forecast

TOLL TRANSACTIONS		Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Fiscal Year To Date	Annual Total ⁵
Weekend Closure Days ¹	Forecasted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Reported	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Weeknight Closures ²	Forecasted	-	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	8.00
	Reported	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forecasted Transactions ³						909,000	909,000	957,000	896,000	1,044,000	987,000	1,081,000	1,147,000	1,818,000	7,930,000
Reported Transactions ⁴						990,100	1,368,290							2,358,390	
Variance From Forecast						81,100	459,290							540,390	
Variance - % Change						8.9%	50.5%							29.7%	
Reported Good To Go! Pass		-	-	-	-	-	-	-	-	-	-	-	-	-	60.0%
Reported Good To Go! Plate		-	-	-	-	-	-	-	-	-	-	-	-	-	15.0%
Reported Pay By Mail		-	-	-	-	-	-	-	-	-	-	-	-	-	25.0%

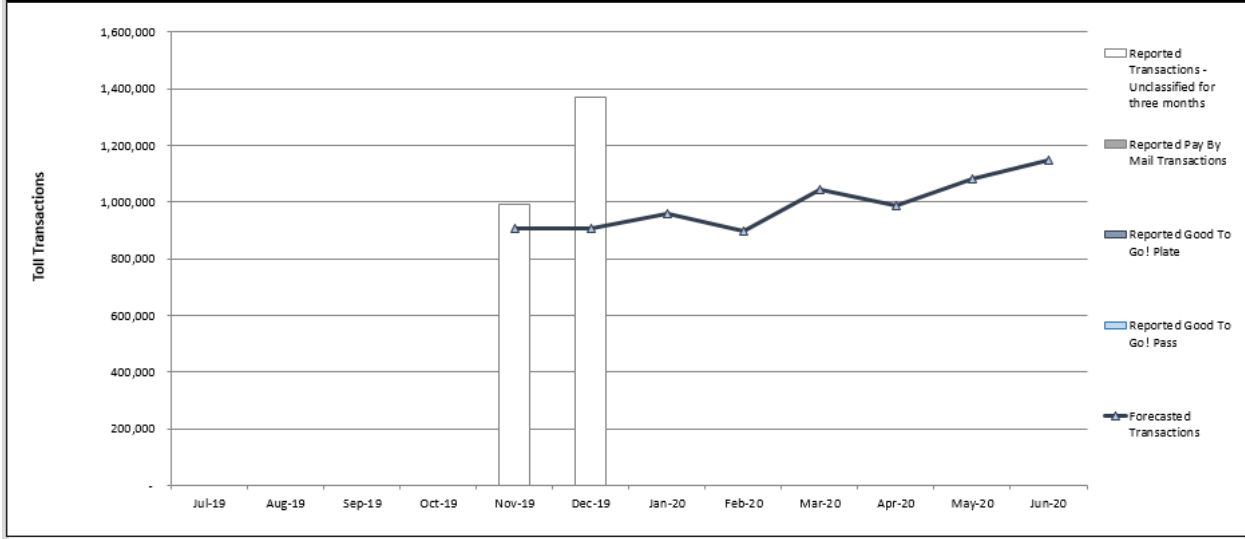
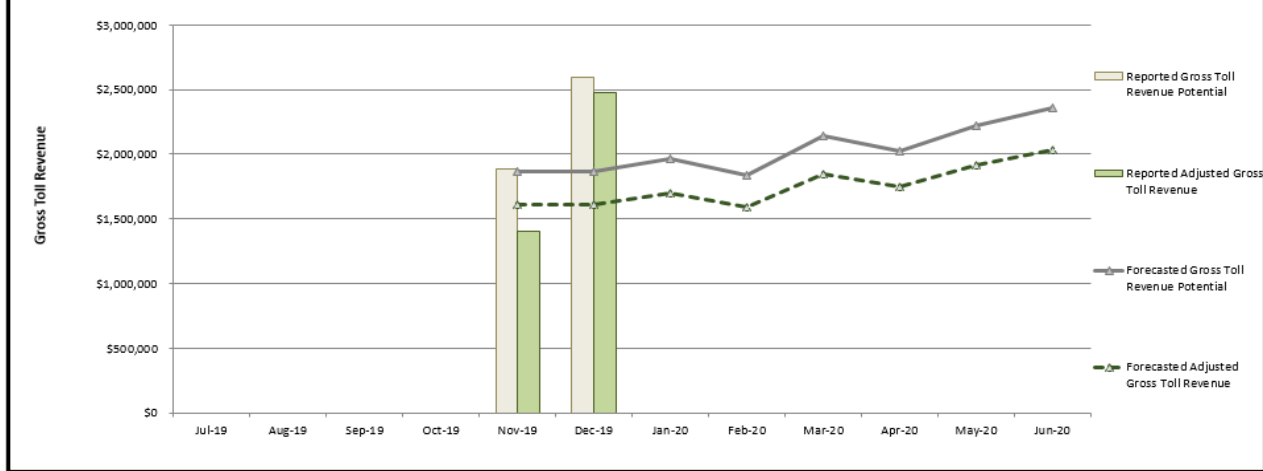


Figure 25: FY 2020 SR 99 Reported Toll Revenue Compared to November 2019 Forecast

GROSS TOLL REVENUE		Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	Mag-20	Jun-20	Fiscal Year To Date	Annual Total
Weekend Closure Days ¹	Forecasted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Reported														
Weeknight Closures ²	Forecasted	-	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	8.00
	Reported														
Forecasted Potential ³						\$1,868,000	\$1,868,000	\$1,968,000	\$1,841,000	\$2,146,000	\$2,028,000	\$2,222,000	\$2,356,000	\$3,736,000	\$16,297,000
Reported Potential ⁴						\$1,883,625	\$2,595,012							\$4,478,636	
Variance From Forecast						\$15,625	\$727,012							\$742,636	
Variance - % Change						0.8%	38.9%							19.9%	
Forecasted Adjusted ⁵						\$1,610,000	\$1,610,000	\$1,696,000	\$1,588,000	\$1,850,000	\$1,749,000	\$1,915,000	\$2,034,000	\$3,220,000	\$14,052,000
Reported Adjusted ⁶						\$1,406,024	\$2,481,782							\$3,887,806	
Variance From Forecast						(\$203,976)	\$871,782							\$667,806	
Variance - % Change						(12.7%)	54.1%							20.7%	



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 December 4, 2015, President Obama signed into law a new transportation reauthorization bill, Fixing America's Surface Transportation (FAST) Act, providing a five-year extension of the federal surface transportation programs. The FAST Act provides over \$305 billion of funding for Federal-aid transportation programs for federal fiscal years (FFY) 2016 through 2020. This new multiyear reauthorization bill came after a string of five (5) short-term extensions of the previous transportation reauthorization, Moving Ahead for Progress in the 21st Century (MAP-21). Beginning September 2016 and subsequent federal forecasts are based on the Fixing America's Surface Transportation (FAST) Act.

FHWA – Highways Forecast

Apportionment Forecast

- The February 2020 total apportionment forecast for FFY 2020 is \$762.651 million. This forecast is based on Notice N4510.837 dated October 1, 2019 – Apportionment of Federal-Aid Highway Program Funds for Fiscal Year 2020.
- The February 2020 apportionment forecast reflects the current Continuing Resolution for FFY 2020, which removed the 2020 rescission of \$55 million that has been previously forecasted.
- The baseline forecast for FFY 2021 through FFY 2029 will assume an annual growth of federal revenues matching the annual Washington State fuel consumption growth rates. In this February forecast, there were only minor revisions upwards annually in the long-term federal highway funds forecast compared to the last forecast due to higher long-term growth rates.

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 February 2020 CORE OA for FFY 2020 is forecasted to be \$747.40 million, which is unchanged from the November 2019 forecast.
- Total OA forecast for FFY 2021 and throughout the forecast horizon will be set at 98% of apportionment, which is consistent with historical Washington State OA distributions.
- The methodology used to split the OA 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 current continuing resolution which extends highway funding eliminated the 2020 rescission of unobligated apportionment which was previously forecasted at \$55 million for Washington State.

Figure 26: FFY 2017 – FFY2020 FHWA Highways Forecast
 (\$ millions)

February 2020 Federal Highway Forecast	FFY 2017	FFY 2018	FFY 2019	FFY 2020
Total WA Apportionment	\$ 773.3	\$ 864.7	\$ 769.1	\$ 762.7
Total WA Obligation Authority	\$ 775.3	\$ 906.6	\$ 755.6	\$ 747.4

FTA - Public Transportation Federal Funds

Overview

The FAST Act authorized \$11.8 billion in FFY 2016 for public transportation programs, an amount rising to \$12.6 billion in FFY 2020 nationwide. Typically, about 80% of federal public transportation program funding comes from the mass transit account of the highway trust fund and 20% comes from the general fund of the U.S. Treasury.

Public Transportation Federal Apportionment Funds Forecast

- The February 2020 Public Transportation federal funds forecast is based on the FAST Act signed into law by President Obama on December 4, 2015 and the 2016 Federal Apportionment Notice of Public Transportation federal funds on the federal registry. The November 2018 apportionment for FFY 2018 was \$23.5 million and has been revised upward to reflect actual distributions.
- The forecast for 2019 through 2020 is based on the FAST Act program funds distribution tables produced by the Federal Transit Administration (FTA). A 3-year average of Washington’s proportionate share of the formula program funds is applied to the national totals on the FTA distribution tables for these years. Total federal public transportation formula program funds for FFY 2019 are anticipated to be \$19.2 million and growing to \$19.7 million by FFY 2020.
- The public transportation formula federal program forecast for FFY 2021 – 2029 is grown annually using the Washington State Fuel Consumption forecasted growth rates which are down slightly in June compared to the last forecast.

Figure 27: FFY 2017 – FFY 2020 FTA – Public Transportation Forecast
 (In thousands)

February 2020 - Public Transportation Federal Forecast	FFY 2017	FFY 2018	FFY 2019	FFY 2020
Statewide Planning Program	\$ 495.0	\$ 505.4	\$ 516.0	\$ 527.0
Enhanced Mobility for Elderly and Persons with Disabilities	\$ 2,773.5	\$ 5,383.8	\$ 2,888.0	\$ 2,949.0
Nonurbanized Area Formula Program	\$ 12,847.5	\$ 13,345.4	\$ 13,465.0	\$ 13,751.0
Rural Transit Assistance Program	\$ 204.7	\$ 209.0	\$ 214.0	\$ 219.0
State Safety Oversight Program	\$ 559.5	\$ 600.5	\$ 544.0	\$ 555.0
Bus and Bus Facilities Program	\$ 170.0	\$ 3,500.0	\$ 1,595.0	\$ 1,629.0

FTA – Washington State Ferries (WSF) Federal Funds

Federal assistance to Washington State Ferries (WSF) is provided primarily through the public transportation program administered by the Department of Transportation’s Federal Transit Administration (FTA). The federal public transportation program was authorized from FY2016 through FY2020 as part of the FAST Act.

WSF Federal Apportionment Funds Forecast

The February 2020 WSF federal funds forecast is based on the FTA - FAST Act fact sheets for both the State of Good Repair Grants (5337) and the Urbanized Area Formula Program Grants (5307) programs. These fact sheets show the annual national total apportionment for these programs for FFY 2016 through FFY 2020. Washington State’s level of apportionment of these programs for FFY 2016 is distributed based on the Puget Sound Regional Council (PSRC) split letter dated June 28, 2016. This letter shows the amount of formula funding received by all eligible recipients including WSF. The FFY 2017 – FFY 2020 WSF formula federal funds forecast is based on maintaining the same proportionate share of the federal total received by Washington State in FFY 2016.

Washington State Ferries (WSF) Federal Apportionment Funds Forecast

- Total federal WSF formula program funds for FFY 2019 are forecasted to be \$13.3 million. This amount is held constant thru 2020. This is unchanged from the previous forecast.
- The long-term WSF formula federal program forecast for FFY 2021 – 2027 will be grown annually using the Washington State Fuel Consumption forecasted growth rates. Total federal public transportation formula program funds are anticipated to grow to \$14.0 million by FFY 2029.

**Figure 28: FFY 2017 – FFY2020 FTA Washington State Ferries Forecast
(In millions)**

February 2020 FTA – Washington State Ferries Federal Forecast	FFY 2017	FFY 2018	FFY 2019	FFY 2020
Urbanized Area Formula Program Grants (5307)	\$ 6.06	\$ 5.50	\$ 6.06	\$ 6.06
State of Good Repair Grants (5307)	\$ 6.85	\$ 8.51	\$ 7.20	\$ 7.20
Discretionary and Allocated Programs	\$ 10.00	\$ -	\$ -	\$ -

Forecast Contacts

Washington State Department of Transportation 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 4

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

Robert A. Plue, Washington State Department of Licensing, 360-902-3643 rplue@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

Lance Carey, Washington State Economic and Revenue Forecast Council, 360-534-1564
lancec@dor.wa.gov

Studded Tire Fee

Kasi Reeves, WSDOT-HQ 360-705-7935 reevesk@wsdot.wa.gov

Business and Other Revenue

Heather Jones, WSDOT-HQ 360-705-7944 jonesh@wsdot.wa.gov

Walter Hamilton, WSP (360) 596-4083 Walter.Hamilton@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

Ray Deardorf, WSDOT – Ferry Division 206-515-3491 deardorf@wsdot.wa.gov

Toll Operations Traffic and Revenue

Yanming Yao, WSDOT-Toll Division, 206-464-1196, YaoY@wsdot.wa.gov

Federal Funds Forecast

Kasi Reeves, WSDOT-HQ 360-705-7935 reevesk@wsdot.wa.gov

Appendix

Tables Related to the February 2020 Forecast

Impact to Select Transportation Accounts

Figure 29: 2019 HB 2042 Revenues and Expenditures – Tracking Sheet

E2SHB 2042 - 2019		Actuals			Estimates						
		2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Alternate Fuel Vehicle Sales Tax Exemptions											
Multimodal Trans	Retail Sales	(1,584,448)	(5,197,456)	(8,184,597)	(2,057,868)	-	0	0			0
Electric Vehicle Account	Retail Sales					(10,824,000)	(13,352,000)	(11,371,000)	(13,376,000)	(13,178,000)	(15,676,000)
Alternate Fuel Commercial Vehicle Tax Credits											
Multimodal Trans	PUT & B&O	-	(460,703)	(485,658)	(650,941)	(407,000)	(559,000)	(490,000)	(594,000)	(583,000)	(695,000)
Total Revenue Distributed Out of Accounts											
Multi Modal		(1,584,448)	(5,658,159)	(8,670,255)	(2,708,809)	(407,000)	(559,000)	(490,000)	(594,000)	(583,000)	(695,000)
Electric Vehicle Account transfers to GF		-	-	-	-	(10,824,000)	(13,352,000)	(11,371,000)	(13,376,000)	(13,178,000)	(15,676,000)
Revenue Going into Electric Vehicle Account *						8,025,800	11,204,200	12,287,800	13,479,200	14,720,600	16,016,600
\$ Amount Remaining in Electric Vehicle Account						(2,798,200)	(2,147,800)	916,800	103,200	1,542,600	340,600