

**Transportation Revenue
Forecast Council
February 2020
Transportation Economic and
Revenue Forecasts
Volume III: Alternate Forecast Tables**

Transportation Revenue Forecast Council

Alternative Forecasts

February 2020

- Alternative Ferry Forecast.....III-3
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**REVENUE AND RIDERSHIP PROJECTIONS
FEBRUARY 2020 FORECAST
FISCAL YEARS 2020-2029**

Prepared for
Washington State Ferries
for Presentation to the
**Transportation Revenue
Forecast Council**

Prepared by
WSP USA

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Washington State Ferries

February 2019 Revenue and Ridership Forecasts — Fiscal Years 2020-2029

FEBRUARY 2019 FORECAST NOTES

The fare revenue and ridership forecasts for Washington State Ferries (WSF) are completed in four stages. First, monthly ridership projections by seven fare categories are prepared for each route using time series analysis methods, with a forecast horizon from the present through fiscal year (FY) 2029.

The seven fare categories include: (1) passenger full fares, (2) passenger commuter discount fares, (3) passenger other discount fares, (4) auto/driver full fares, (5) auto commuter discount fares, (6) other discount vehicles, and (7) oversize vehicle fares.

Stage two of the process generates system-wide ridership projections. Econometric models combine ferry fare scenarios with demographic and economic projections to produce system-wide unconstrained ridership forecasts by seven fare categories through FY 2029. Within each fare category, the individual route forecasts are then calibrated to match the system-wide forecast totals from the econometric models.

The third stage of the process consists of adjusting the calibrated passenger and vehicle ridership by route to reflect seasonal vehicle capacity constraints, changes in service hours, and/or the net impacts from adding or eliminating service.

Last, the appropriate fares and average fare realizations are applied to the calibrated, capacity-constrained ridership forecasts for each route by fare category. This yields monthly and annual revenue forecasts by route for seven fare categories.

In August of 2019, the Washington State Transportation Commission adopted new fares for FY 2020 that include 2.0% increases for passengers and 2.5% increases for vehicles on October 1, 2019 and again on May 1, 2020. In addition, at the direction of the Legislature, a \$0.25 increase to the current capital surcharge was adopted, effective May 1, 2020, for a total of surcharge of \$0.50 per fare sold. The additional \$0.25 is to be used to finance a new hybrid-electric vessel. These changes are reflected in both the Baseline and Alternative 1 Forecasts.

- **Baseline Forecast** – Assumes no further fare increases beyond those scheduled for May 1, 2020, which results in declining real fares over the forecast horizon.
- **Alternative 1 Forecast** – Assumes 2.5% annual increases plus nickel rounding each October, from 2021 (FY 2022) through 2028 (FY 2029), resulting in slightly increasing real fares over the forecast based on current inflation projections.

The FY 2020 projections include actual ridership through January 2020, actual revenue through December 2019, and a four-week temporary suspension of service on the Anacortes-Sidney, B.C. route during November 2019.

Ridership Impacts

- The February 2020 Forecast for ridership incorporates the latest demographic and economic variable projections, which result in small near term increases in ridership and no material changes longer term.
- The forecast for real personal income was revised upward throughout the forecast horizon, placing upward pressure on ridership demand.
- Real gasoline prices have been revised lower through FY 2025, then higher thereafter. This tends to increase vehicle/driver ridership demand in the near term and dampen it in the long term, absent other factors.
- All three forecasts for employment have been revised slightly higher through FY 2024 pushing ridership higher in the near term, with mixed forecast changes, and thus, ridership impacts thereafter.
- Slightly lower inflation projections result in marginally higher real fares over time, thereby slightly lowering ridership demand.
- 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.
- Colman Dock construction and competing Kitsap Transit service likely contribute to cumulative FY 2020 ridership through January lagging FY 2019 by 3.4%.
- Actual ridership lags the prior year's values, and in some months, the previous forecasts, which has some impact partially offsetting other upward trends.

Revenue Impacts

- For the 2019/21 biennium, fare revenues for both the Baseline and Alternative 1 Forecasts total \$416.2 M, or \$1.6 M (0.4%) higher than projected in November due to the more robust economic projections. This total comprises \$403.1 M in base fare revenue and \$13.1 M in surcharges.
- Baseline Forecast revenue for the 2021/23 biennium is forecasted at \$435.7 M, which is nearly \$2.2 M (0.5%) higher than projected in November, with \$418.9 M in base fare revenue and \$16.8 M in surcharge revenue.
- Alternative 1 Forecast revenue for the 2021/23 biennium is forecasted to be \$445.7 M which is \$2.3 M (0.5%) higher than projected in November, with \$429.0 M in base fare revenue and \$16.7 M in surcharge revenue.
- For the rest of the forecast horizon, both forecast scenarios range from 0.2% to 0.5% higher than in November, with revenue increases outpacing ridership due to minor shifts toward higher fare categories.

Washington State Ferries

REVENUE PROJECTIONS | FEBRUARY 2020 BASELINE FORECAST

Fare Increases on 10/1/2019 & 5/1/2020 | \$0.25 Surcharge Increase on 5/1/2020¹ | No Further Fare Increases

Fiscal Years 2020-2029

Fiscal Year	February 2020 Capacity-Constrained Revenue Forecast	Fiscal Year Annual Growth Rate	February Biennium Total	February vs. November Forecast			November 2019 Baseline	
				% Change by Fiscal Year	\$ Change and % Change by Biennium		Capacity-Constrained Revenue Forecast	Biennium Total
2010	\$147,009,545	1.7%						
2011	\$143,547,850	(2.4%)	\$290,557,395					
2012	\$155,085,373	8.0%						
2013	\$162,047,033	4.5%	\$317,132,406					
2014	\$167,441,867	3.3%						
2015	\$175,965,750	5.1%	\$343,407,617					
2016	\$181,444,863	3.1%						
2017	\$186,973,746	3.0%	\$368,418,609					
2018	\$192,827,951	3.1%						
2019	\$195,268,522	1.3%	\$388,096,473					
2020 ²	\$201,915,000	3.4%		0.0%			\$201,857,000	
2021	\$214,308,000	6.1%	\$416,223,000	0.7%	\$1,591,000	0.4%	\$212,775,000	\$414,632,000
2022	\$216,739,000	1.1%		0.5%			\$215,554,000	
2023	\$218,991,000	1.0%	\$435,730,000	0.5%	\$2,190,000	0.5%	\$217,986,000	\$433,540,000
2024	\$221,027,000	0.9%		0.3%			\$220,331,000	
2025	\$222,682,000	0.7%	\$443,709,000	0.3%	\$1,397,000	0.3%	\$221,981,000	\$442,312,000
2026	\$224,547,000	0.8%		0.2%			\$224,057,000	
2027	\$226,612,000	0.9%	\$451,159,000	0.3%	\$1,090,000	0.2%	\$226,012,000	\$450,069,000
2028	\$228,639,000	0.9%		0.4%			\$227,802,000	
2029	\$230,529,000	0.8%	\$459,168,000	0.4%	\$1,831,000	0.4%	\$229,535,000	\$457,337,000

¹ The Baseline Forecast includes two FY 2020 fare increases of 2.0% for passengers and 2.5% for vehicles on October 1, 2019 and again on May 1, 2020. The May 1, 2020 increase also includes doubling the existing \$0.25 surcharge per fare sold and collected for capital uses to a total of \$0.50. The Baseline Forecast excludes any further changes to the current base fares, resulting in declining real fares thereafter. The Baseline Forecast also reflects the current programmed level of service.

² FY 2020 includes actual revenue data through December 2019. Light green shaded values denote historical annual data.

Washington State Ferries

REVENUE PROJECTIONS | FEBRUARY 2020 BASELINE FORECAST

Fare Increases on 10/1/2019 & 5/1/2020 | \$0.25 Surcharge Increase on 5/1/2020¹ | No Further Fare Increases

Fiscal Years 2020-2029

Fiscal Year	February 2020 Capacity-Constrained Revenue Forecast	February Biennium Total	Distribution of Revenue to Operating and Capital Programs					
			25¢ Capital Surcharge Revenue	25¢ Vessel Surcharge Revenue	Total Surcharge Revenue	Biennium Totals for Capital	Base Fare Revenue for Operations	Biennium Totals for Operations
2010	\$147,009,545						\$147,009,545	
2011	\$143,547,850	\$290,557,395					\$143,547,850	\$290,557,395
2012	\$155,085,373		\$2,544,970		\$2,544,970		\$152,540,403	
2013	\$162,047,033	\$317,132,406	\$3,626,191		\$3,626,191	\$6,171,161	\$158,420,842	\$310,961,245
2014	\$167,441,867		\$3,662,690		\$3,662,690		\$163,779,177	
2015	\$175,965,750	\$343,407,617	\$3,894,088		\$3,894,088	\$7,556,778	\$172,071,662	\$335,850,839
2016	\$181,444,863		\$4,007,848		\$4,007,848		\$177,437,015	
2017	\$186,973,746	\$368,418,609	\$4,022,681		\$4,022,681	\$8,030,529	\$182,951,065	\$360,388,080
2018	\$192,827,951		\$4,084,581		\$4,084,581		\$188,743,370	
2019	\$195,268,522	\$388,096,473	\$3,987,656		\$3,987,656	\$8,072,237	\$191,280,866	\$380,024,236
2020 ²	\$201,915,000		\$4,056,000	\$755,000	\$4,811,000		\$197,104,000	
2021	\$214,308,000	\$416,223,000	\$4,139,000	\$4,139,000	\$8,278,000	\$13,089,000	\$206,030,000	\$403,134,000
2022	\$216,739,000		\$4,182,000	\$4,181,000	\$8,363,000		\$208,376,000	
2023	\$218,991,000	\$435,730,000	\$4,229,000	\$4,229,000	\$8,458,000	\$16,821,000	\$210,533,000	\$418,909,000
2024	\$221,027,000		\$4,275,000	\$4,275,000	\$8,550,000		\$212,477,000	
2025	\$222,682,000	\$443,709,000	\$4,313,000	\$4,313,000	\$8,626,000	\$17,176,000	\$214,056,000	\$426,533,000
2026	\$224,547,000		\$4,357,000	\$4,356,000	\$8,713,000		\$215,834,000	
2027	\$226,612,000	\$451,159,000	\$4,402,000	\$4,402,000	\$8,804,000	\$17,517,000	\$217,808,000	\$433,642,000
2028	\$228,639,000		\$4,449,000	\$4,449,000	\$8,898,000		\$219,741,000	
2029	\$230,529,000	\$459,168,000	\$4,496,000	\$4,495,000	\$8,991,000	\$17,889,000	\$221,538,000	\$441,279,000

¹ The Baseline Forecast includes two FY 2020 fare increases of 2.0% for passengers and 2.5% for vehicles on October 1, 2019 and again on May 1, 2020. The May 1, 2020 increase also includes doubling the existing \$0.25 surcharge per fare sold and collected for capital uses to a total of \$0.50. The Baseline Forecast excludes any further changes to the current base fares, resulting in declining real fares thereafter. The Baseline Forecast also reflects the current programmed level of service.

² FY 2020 includes actual revenue data through December 2019. Light green shaded values denote historical annual data.

Washington State Ferries

REVENUE PROJECTIONS | FEBRUARY 2020 ALTERNATIVE 1 FORECAST

Fare Increases on 10/1/2019 & 5/1/2020 | \$0.25 Surcharge Increase on 5/1/2020¹ | 2.5% Fare Increases FYs 2022-29

Fiscal Years 2020-2029

Fiscal Year	February 2020 Capacity-Constrained Revenue Forecast	Fiscal Year Annual Growth Rate	February Biennium Total	February vs. November Forecast			November 2019 Alternative 1	
				% Change by Fiscal Year	\$ Change and % Change by Biennium		Capacity-Constrained Revenue Forecast	Biennium Total
2010	\$147,009,545	1.7%						
2011	\$143,547,850	(2.4%)	\$290,557,395					
2012	\$155,085,373	8.0%						
2013	\$162,047,033	4.5%	\$317,132,406					
2014	\$167,441,867	3.3%						
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2017	\$186,973,746	3.0%	\$368,418,609					
2018	\$192,827,951	3.1%						
2019	\$195,268,522	1.3%	\$388,096,473					
2020 ²	\$201,915,000	3.4%		0.0%			\$201,857,000	
2021	\$214,308,000	6.1%	\$416,223,000	0.7%	\$1,591,000	0.4%	\$212,775,000	\$414,632,000
2022	\$219,719,000	2.5%		0.6%			\$218,499,000	
2023	\$225,995,000	2.9%	\$445,714,000	0.5%	\$2,312,000	0.5%	\$224,903,000	\$443,402,000
2024	\$232,219,000	2.8%		0.3%			\$231,562,000	
2025	\$238,718,000	2.8%	\$470,937,000	0.4%	\$1,521,000	0.3%	\$237,854,000	\$469,416,000
2026	\$245,550,000	2.9%		0.3%			\$244,841,000	
2027	\$252,800,000	3.0%	\$498,350,000	0.3%	\$1,438,000	0.3%	\$252,071,000	\$496,912,000
2028	\$260,403,000	3.0%		0.5%			\$259,233,000	
2029	\$267,915,000	2.9%	\$528,318,000	0.5%	\$2,487,000	0.5%	\$266,598,000	\$525,831,000

¹ The Alternative 1 Forecast includes two FY 2020 fare increases of 2.0% for passengers and 2.5% for vehicles on October 1, 2019 and again on May 1, 2020. The May 1, 2020 increase also includes doubling the existing \$0.25 surcharge per fare sold and collected for capital uses to a total of \$0.50. The Alternative 1 Forecast also includes annual 2.5% fare increases beginning in October 2021 (FY 2022). This yields slightly increasing real fares over the forecast horizon, given current inflation projections of about 2% annually. Alternative 1 reflects the current programmed level of service.

² FY 2020 includes actual revenue data through December 2019. Light green shaded values denote historical annual data.

Washington State Ferries

REVENUE PROJECTIONS | FEBRUARY 2020 ALTERNATIVE 1 FORECAST

Fare Increases on 10/1/2019 & 5/1/2020 | \$0.25 Surcharge Increase on 5/1/2020¹ | 2.5% Fare Increases FYs 2022-29

Fiscal Years 2020-2029

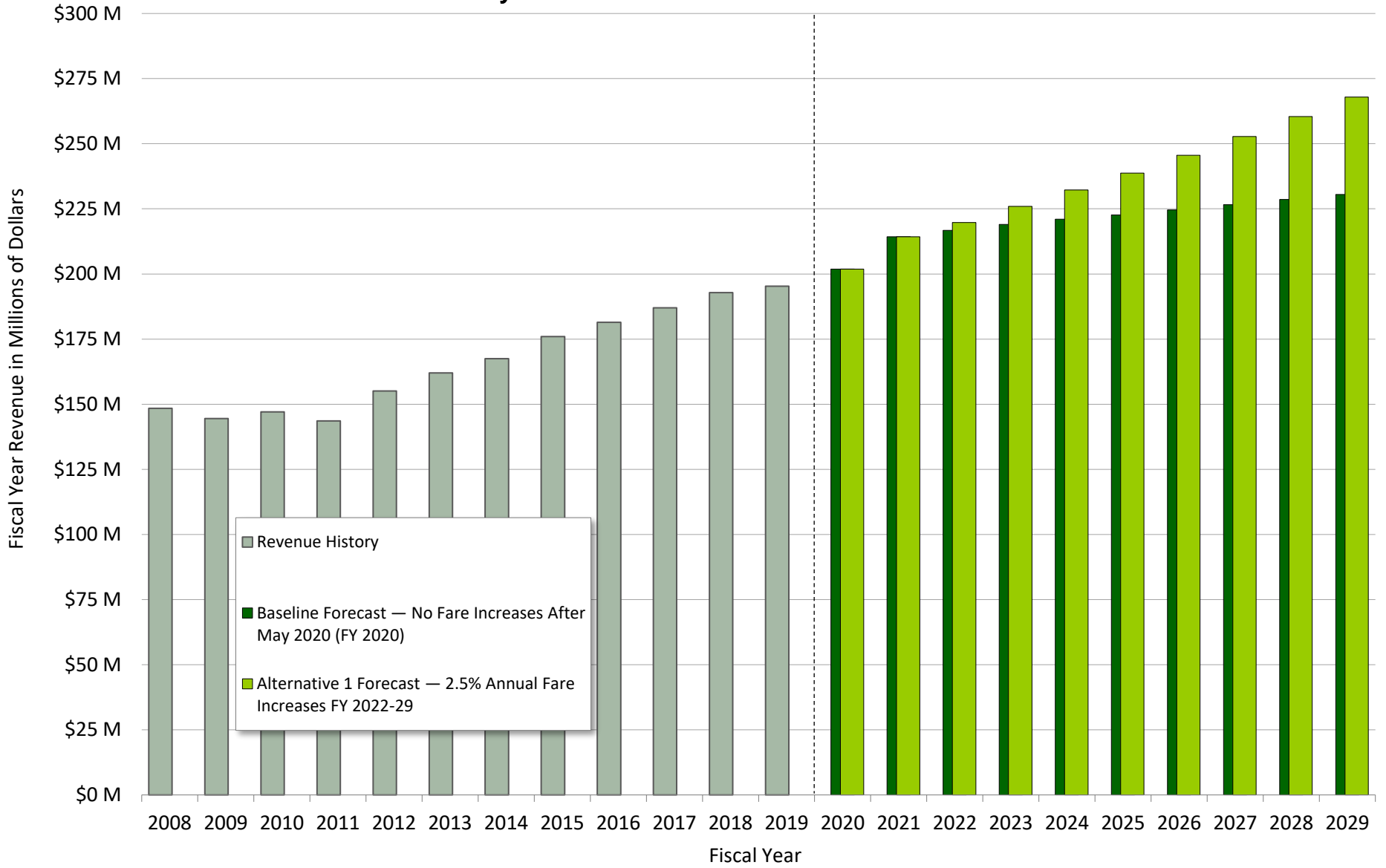
Fiscal Year	February 2020 Capacity-Constrained Revenue Forecast	February Biennium Total	Distribution of Revenue to Operating and Capital Programs					
			25¢ Capital Surcharge Revenue	25¢ Vessel Surcharge Revenue	Total Surcharge Revenue	Biennium Totals for Capital	Base Fare Revenue for Operations	Biennium Totals for Operations
2010	\$147,009,545						\$147,009,545	
2011	\$143,547,850	\$290,557,395					\$143,547,850	\$290,557,395
2012	\$155,085,373		\$2,544,970		\$2,544,970		\$152,540,403	
2013	\$162,047,033	\$317,132,406	\$3,626,191		\$3,626,191	\$6,171,161	\$158,420,842	\$310,961,245
2014	\$167,441,867		\$3,662,690		\$3,662,690		\$163,779,177	
2015	\$175,965,750	\$343,407,617	\$3,894,088		\$3,894,088	\$7,556,778	\$172,071,662	\$335,850,839
2016	\$181,444,863		\$4,007,848		\$4,007,848		\$177,437,015	
2017	\$186,973,746	\$368,418,609	\$4,022,681		\$4,022,681	\$8,030,529	\$182,951,065	\$360,388,080
2018	\$192,827,951		\$4,084,581		\$4,084,581		\$188,743,370	
2019	\$195,268,522	\$388,096,473	\$3,987,656		\$3,987,656	\$8,072,237	\$191,280,866	\$380,024,236
2020 ²	\$201,915,000		\$4,056,000	\$755,000	\$4,811,000		\$197,104,000	
2021	\$214,308,000	\$416,223,000	\$4,139,000	\$4,139,000	\$8,278,000	\$13,089,000	\$206,030,000	\$403,134,000
2022	\$219,719,000		\$4,173,000	\$4,173,000	\$8,346,000		\$211,373,000	
2023	\$225,995,000	\$445,714,000	\$4,199,000	\$4,198,000	\$8,397,000	\$16,743,000	\$217,598,000	\$428,971,000
2024	\$232,219,000		\$4,222,000	\$4,222,000	\$8,444,000		\$223,775,000	
2025	\$238,718,000	\$470,937,000	\$4,242,000	\$4,241,000	\$8,483,000	\$16,927,000	\$230,235,000	\$454,010,000
2026	\$245,550,000		\$4,264,000	\$4,264,000	\$8,528,000		\$237,022,000	
2027	\$252,800,000	\$498,350,000	\$4,290,000	\$4,289,000	\$8,579,000	\$17,107,000	\$244,221,000	\$481,243,000
2028	\$260,403,000		\$4,322,000	\$4,321,000	\$8,643,000		\$251,760,000	
2029	\$267,915,000	\$528,318,000	\$4,352,000	\$4,352,000	\$8,704,000	\$17,347,000	\$259,211,000	\$510,971,000

¹ The Baseline & Alt 1 Forecasts includes two FY 2020 fare increases of 2.0% for passengers and 2.5% for vehicles on October 1, 2019 and again on May 1, 2020. The May 1 increase also includes doubling the existing \$0.25 surcharge per fare sold and collected for capital uses to a total of \$0.50. The Alternative 1 Forecast also includes annual 2.5% fare increases beginning in October 2021 (FY 2022), whereas the Baseline forecast includes no further fare increases. Both the Baseline and Alternative 1 Forecasts reflect the current programmed level of service.

² FY 2020 includes actual revenue data through December 2019. Light green shaded values denote historical annual data.

Washington State Ferries — Revenue History and Forecast Trends

February 2020 Forecast – Fiscal Years 2008-2029



Washington State Ferries

RIDERSHIP PROJECTIONS | FEBRUARY 2020 BASELINE FORECAST

Fare Increases on 10/1/2019 & 5/1/2020 | \$0.25 Surcharge Increase on 5/1/2020¹ | No Further Fare Increases

Fiscal Years 2020-2029

Fiscal Year	February 2020 Unconstrained Demand Forecast*	February 2020 Capacity Constrained Projections				November 2019 Baseline Projections	
		Passenger Ridership	Vehicle/Driver Ridership	Total Ridership	Annual Rate of Growth	Total Ridership	February 2020 vs November
2010		12,463,027	10,169,074	22,632,101	(0.3%)		
2011		12,242,320	9,968,973	22,211,293	(1.9%)		
2012		12,236,081	9,983,059	22,219,140	0.0%		
2013		12,350,126	10,045,043	22,395,169	0.8%		
2014		12,696,936	10,154,905	22,851,841	2.0%		
2015		13,270,874	10,387,368	23,658,242	3.5%		
2016		13,523,385	10,559,240	24,082,625	1.8%		
2017		13,669,834	10,544,735	24,214,569	0.5%		
2018		13,856,444	10,707,373	24,563,817	1.4%		
2019		13,700,239	10,555,543	24,255,782	(1.3%)		
2020 ²	24,414,000	13,634,000	10,696,000	24,330,000	0.3%	24,249,000	0.3%
2021	24,809,000	13,922,000	10,876,000	24,798,000	1.9%	24,633,000	0.7%
2022	25,063,000	14,036,000	10,999,000	25,035,000	1.0%	24,949,000	0.3%
2023	25,379,000	14,216,000	11,110,000	25,326,000	1.2%	25,273,000	0.2%
2024	25,702,000	14,416,000	11,201,000	25,617,000	1.1%	25,652,000	(0.1%)
2025	25,996,000	14,611,000	11,260,000	25,871,000	1.0%	25,872,000	(0.0%)
2026	26,345,000	14,852,000	11,322,000	26,174,000	1.2%	26,179,000	(0.0%)
2027	26,710,000	15,079,000	11,403,000	26,482,000	1.2%	26,509,000	(0.1%)
2028	27,130,000	15,334,000	11,481,000	26,815,000	1.3%	26,811,000	0.0%
2029	27,554,000	15,617,000	11,541,000	27,158,000	1.3%	27,143,000	0.1%

¹ The Baseline Forecast includes two FY 2020 fare increases of 2.0% for passengers and 2.5% for vehicles on October 1, 2019 and again on May 1, 2020. The May 1, 2020 increase also includes doubling the existing \$0.25 surcharge per fare sold and collected for capital uses to a total of \$0.50. The Baseline Forecast excludes any further changes to the current base fares, resulting in declining real fares thereafter. The Baseline Forecast also reflects the current programmed level of service.

² FY 2020 includes actual ridership data through January 2020. Light green shaded values denote historical annual data.

* Excludes adjustments for vessel capacity constraints and fiscal year-to-date actual data.

Washington State Ferries

RIDERSHIP PROJECTIONS | FEBRUARY 2020 ALTERNATIVE 1 FORECAST

Fare Increases on 10/1/2019 & 5/1/2020 | \$0.25 Surcharge Increase on 5/1/2020¹ | 2.5% Fare Increases FYs 2022-29
Fiscal Years 2020-2029

Fiscal Year	February 2020 Unconstrained Demand Forecast*	February 2020 Capacity Constrained Projections				November 2019 Alt 1 Projections	
		Passenger Ridership	Vehicle/Driver Ridership	Total Ridership	Annual Rate of Growth	Total Ridership	February 2020 vs November
2010		12,463,027	10,169,074	22,632,101	(0.3%)		
2011		12,242,320	9,968,973	22,211,293	(1.9%)		
2012		12,236,081	9,983,059	22,219,140	0.0%		
2013		12,350,126	10,045,043	22,395,169	0.8%		
2014		12,696,936	10,154,905	22,851,841	2.0%		
2015		13,270,874	10,387,368	23,658,242	3.5%		
2016		13,523,385	10,559,240	24,082,625	1.8%		
2017		13,669,834	10,544,735	24,214,569	0.5%		
2018		13,856,444	10,707,373	24,563,817	1.4%		
2019		13,700,239	10,555,543	24,255,782	(1.3%)		
2020 ²	24,414,000	13,634,000	10,696,000	24,330,000	0.3%	24,249,000	0.3%
2021	24,809,000	13,922,000	10,876,000	24,798,000	1.9%	24,633,000	0.7%
2022	25,002,000	14,007,000	10,974,000	24,981,000	0.7%	24,893,000	0.4%
2023	25,166,000	14,112,000	11,022,000	25,134,000	0.6%	25,076,000	0.2%
2024	25,334,000	14,235,000	11,051,000	25,286,000	0.6%	25,317,000	(0.1%)
2025	25,474,000	14,349,000	11,064,000	25,413,000	0.5%	25,396,000	0.1%
2026	25,654,000	14,494,000	11,080,000	25,574,000	0.6%	25,555,000	0.1%
2027	25,852,000	14,623,000	11,120,000	25,743,000	0.7%	25,740,000	0.0%
2028	26,100,000	14,783,000	11,172,000	25,955,000	0.8%	25,908,000	0.2%
2029	26,353,000	14,969,000	11,207,000	26,176,000	0.9%	26,116,000	0.2%

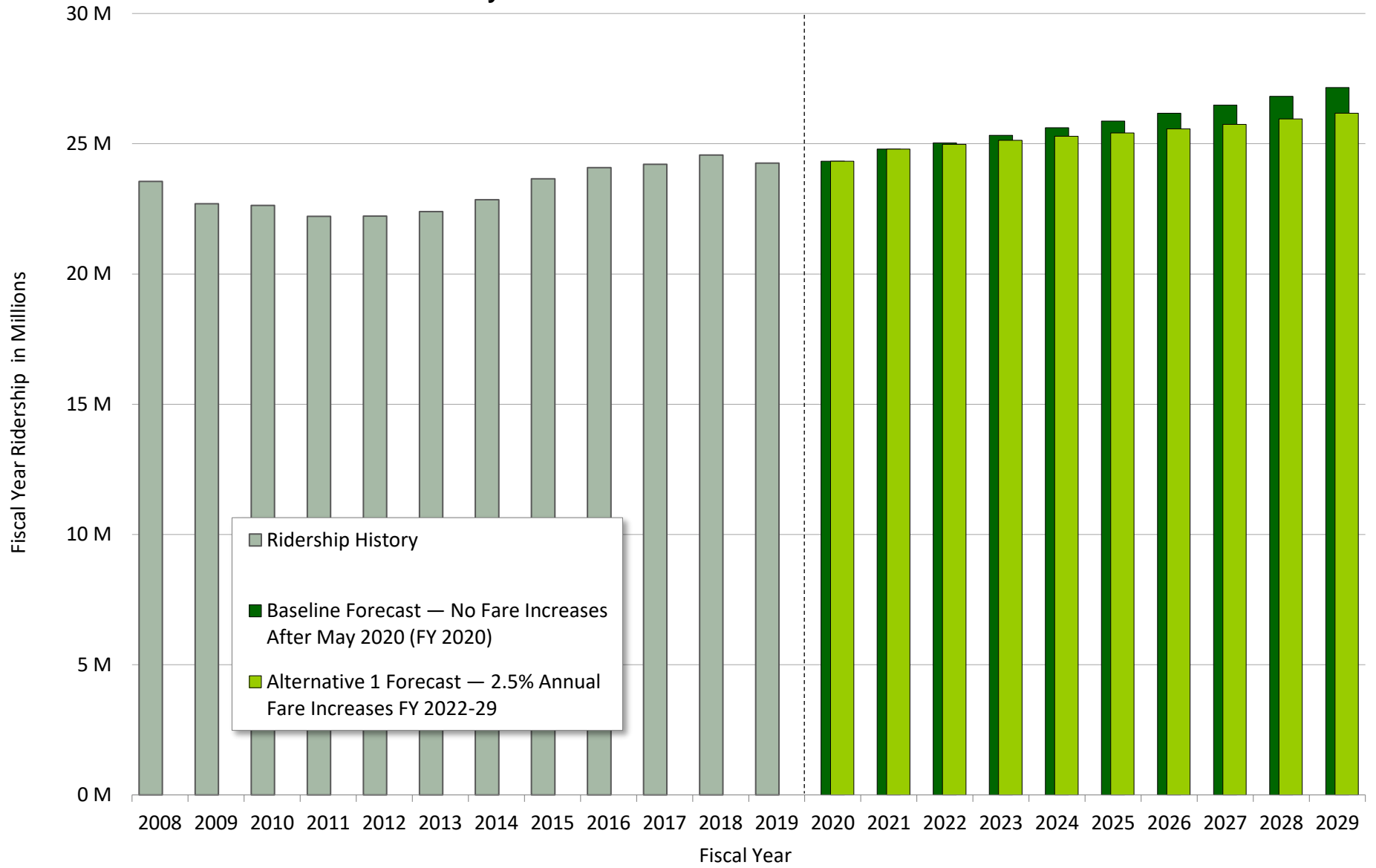
¹ The Alternative 1 Forecast includes two FY 2020 fare increases of 2.0% for passengers and 2.5% for vehicles on October 1, 2019 and again on May 1, 2020. The May 1, 2020 increase also includes doubling the existing \$0.25 surcharge per fare sold and collected for capital uses to a total of \$0.50. The Alternative 1 Forecast also includes annual 2.5% fare increases beginning in October 2021 (FY 2022). This yields slightly increasing real fares over the forecast horizon, given current inflation projections of about 2% annually. Alternative 1 reflects the current programmed level of service.

² FY 2020 includes actual ridership data through January 2020. Light green shaded values denote historical annual data.

* Excludes adjustments for vessel capacity constraints and fiscal year-to-date actual data.

Washington State Ferries — Ridership History and Forecast Trends

February 2020 Forecast – Fiscal Years 2008-2029



Alternative Enhanced Drivers' License Forecast

February 2020

Comparison of Alternative EDL/EID Forecasts to the Baseline Forecast

	FY2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Feb2020 Baseline Forecast (Adjusted DP)	\$ 4,361,952	\$ 5,154,322	\$ 10,278,000	\$ 20,572,000	\$ 19,082,000	\$ 18,540,000	\$ 17,641,000	\$ 17,704,000	\$ 18,772,000	\$ 20,006,000	\$ 19,343,000	\$ 19,283,000
Alternative A: Sep. 2017 DP	\$ 16,896,000	\$ 28,227,000	\$ 20,999,000	\$ 24,148,000	\$ 22,128,000	\$ 20,540,000	\$ 20,473,000	\$ 21,929,000	\$ 21,978,000	\$ 22,668,000	\$ 22,696,000	\$ 22,737,000
\$ Difference from Baseline	\$ 12,534,048	\$ 23,072,678	\$ 10,721,000	\$ 3,576,000	\$ 3,046,000	\$ 2,000,000	\$ 2,832,000	\$ 4,225,000	\$ 3,206,000	\$ 2,662,000	\$ 3,353,000	\$ 3,454,000
	287%	448%	104%	17%	16%	11%	16%	24%	17%	13%	17%	18%
Alternative B: Pre-DP Estimate	\$ 4,361,952	\$ 5,154,322	\$ 10,278,000	\$ 14,005,000	\$ 13,524,000	\$ 13,500,000	\$ 12,887,000	\$ 12,933,000	\$ 13,713,000	\$ 14,615,000	\$ 14,130,000	\$ 14,087,000
Difference from baseline	\$ -	\$ -	\$ -	\$ (6,567,000)	\$ (5,558,000)	\$ (5,040,000)	\$ (4,754,000)	\$ (4,771,000)	\$ (5,059,000)	\$ (5,391,000)	\$ (5,213,000)	\$ (5,196,000)
% Difference	0%	0%	0%	-32%	-29%	-27%	-27%	-27%	-27%	-27%	-27%	-27%

Feb. 2020 Baseline Estimates: This is essentially the funded DP estimates, with adjustments to FY2020 to reflect year to date actual.

Alternative A: Sept. 2017 DP Estimates reflects DOL's 2017 Decision Package request to build capacity for much higher anticipated EDL demand. Two major assumptions are behind the estimates. 1) The July 1 2018 marking of "not valide for Federal purposes" would have a big impact for EDL demand; 2) DOL's public campaign would start immediately **and** would be a call for action to encourage customers to get EDL. FY19 is corrected by removing \$5 million none EDL revenue out of the total.

Alternative B: Pre-DP Estimates is based primarily on actual observations to date with known policy changes incorporated in a relatively conservative manner, outside the funding request (DP) process.

Initiative I-976

Alternative February 2020 Transportation Revenue Forecast Revenues Without the Impact from I-976 FISCAL YEARS 2020 – 2029

Prepared for
**Transportation Revenue
Forecast Council (TRFC)**

February 19, 2020 Pre-adoption Meeting

I-976 FISCAL IMPACT SUMMARY

Initiative I-976 was passed by voters on November 5th, 2019. The impact to transportation revenue has both state and local impacts. This summary is focused primarily on the state impacts. This summarizes the state impacts by revenue source and impacted transportation accounts. The **Baseline** February 2020 TRFC forecast includes the following I-976 state revenue reduction impacts. This February 2020 **Alternative** revenue forecast provides the state revenues if the measure had not adopted by voters. The following documents provide the state transportation revenues projected in February, excluding the impact of I-976, and the difference from the **Baseline** February 2020 TRFC forecast.

I-976 State Impacts

Revenue Sources Impacted

- Reduces vehicle taxes and fees by lowering motor vehicle and light duty truck weight fees to \$30;
- Eliminates the passenger weight fee;
- Eliminates the 0.3 percent sales tax on vehicle purchases;
- Reduces commercial trailer fees to \$30;
- Snowmobile fees are reduced to \$30;
- Lowers electric vehicle fees to \$30;

The effective date of the initiative is December 5, 2019

State Transportation Accounts Impacted

State Highway Funding	Local Highway Funding
<ul style="list-style-type: none"> ○ Motor Vehicle Account ○ Transportation Partnership Account ○ Nickel Account 	<ul style="list-style-type: none"> ○ Rural Arterial Trust Account ○ Transportation Improvement Account
Ferry Operating funding	Washington State Patrol
<ul style="list-style-type: none"> ○ Puget Sound Ferry Operations 	<ul style="list-style-type: none"> ○ WSP Highway Account
Multimodal Funding	Snowmobile Funding
<ul style="list-style-type: none"> ○ Multimodal Account 	<ul style="list-style-type: none"> ○ Snowmobile Account

State Impact of Removing I-976 Reductions

February 2020 Alt. Forecast Revenue (Without I-976 Impacts)
\$ in millions

Partial Yr

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Commercial Trailers paying \$34 Registration Fee to \$30	\$ 3.40	\$ 3.44	\$ 3.46	\$ 3.47	\$ 3.49	\$ 3.51	\$ 3.53	\$ 3.56	\$ 3.60	\$ 3.64
Regular Snowmobile Registration Fees from \$50 to \$30	\$ 1.18	\$ 1.15	\$ 1.16	\$ 1.16	\$ 1.16	\$ 1.17	\$ 1.17	\$ 1.17	\$ 1.17	\$ 1.17
Trucks 10,000 lbs & under: Weight-based Registration Fee	\$ 110.85	\$ 111.82	\$ 112.40	\$ 112.63	\$ 112.97	\$ 113.42	\$ 113.99	\$ 114.77	\$ 115.69	\$ 116.57
Electric/Plug-in Vehicle Renewal Fee (\$100)	\$ 3.78	\$ 5.05	\$ 6.46	\$ 8.02	\$ 9.65	\$ 11.35	\$ 13.13	\$ 14.86	\$ 16.48	\$ 18.03
Additional Electric/Plug-in Renewal Fee (\$50)	\$ 1.89	\$ 2.52	\$ 3.23	\$ 4.01	\$ 4.82	\$ 5.67	\$ 6.56	\$ 7.43	\$ 8.24	\$ 9.01
Passenger Vehicle Weight Fees to \$0	\$ 164.94	\$ 167.36	\$ 169.94	\$ 230.84	\$ 234.79	\$ 238.42	\$ 242.04	\$ 245.53	\$ 248.91	\$ 252.19
Motor Home Weight Fee from \$75 to \$0	\$ 5.03	\$ 5.04	\$ 5.07	\$ 5.08	\$ 5.08	\$ 5.10	\$ 5.11	\$ 5.12	\$ 5.13	\$ 5.15
Motor Vehicle Sales Tax (Elimination 0.3%)	\$ 53.04	\$ 54.44	\$ 55.78	\$ 57.07	\$ 58.36	\$ 59.58	\$ 60.77	\$ 61.94	\$ 63.11	\$ 64.26
Total	\$ 344.09	\$ 350.83	\$ 357.51	\$ 422.29	\$ 430.32	\$ 438.22	\$ 446.29	\$ 454.38	\$ 462.35	\$ 470.01

Change in Revenue From Baseline February 2020 Revenue
(I-976 Impacts) \$ in millions

Partial Yr

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Commercial Trailers paying \$34 Registration Fee to \$30	\$ (0.20)	\$ (0.40)	\$ (0.41)	\$ (0.41)	\$ (0.41)	\$ (0.41)	\$ (0.42)	\$ (0.42)	\$ (0.42)	\$ (0.43)
Regular Snowmobile Registration Fees from \$50 to \$30	\$ (0.24)	\$ (0.46)	\$ (0.46)	\$ (0.46)	\$ (0.47)	\$ (0.47)	\$ (0.47)	\$ (0.47)	\$ (0.47)	\$ (0.47)
Trucks 10,000 lbs & under: Weight-based Registration Fee	\$ (34.75)	\$ (70.11)	\$ (70.48)	\$ (70.62)	\$ (70.83)	\$ (71.11)	\$ (71.47)	\$ (71.96)	\$ (72.54)	\$ (73.09)
Electric/Plug-in Vehicle Renewal Fee (\$100)	\$ (1.72)	\$ (3.51)	\$ (4.50)	\$ (5.59)	\$ (6.72)	\$ (7.90)	\$ (9.14)	\$ (10.35)	\$ (11.48)	\$ (12.55)
Additional Electric/Plug-in Renewal Fee (\$50)	\$ (1.12)	\$ (2.52)	\$ (3.23)	\$ (4.01)	\$ (4.82)	\$ (5.67)	\$ (6.56)	\$ (7.43)	\$ (8.24)	\$ (9.01)
Passenger Vehicle Weight Fees to \$0	\$ (82.68)	\$ (167.36)	\$ (169.94)	\$ (230.84)	\$ (234.79)	\$ (238.42)	\$ (242.04)	\$ (245.53)	\$ (248.91)	\$ (252.19)
Motor Home Weight Fee from \$75 to \$0	\$ (2.46)	\$ (5.04)	\$ (5.07)	\$ (5.08)	\$ (5.08)	\$ (5.10)	\$ (5.11)	\$ (5.12)	\$ (5.13)	\$ (5.15)
Motor Vehicle Sales Tax (Elimination 0.3%)	\$ (25.98)	\$ (54.44)	\$ (55.78)	\$ (57.07)	\$ (58.36)	\$ (59.58)	\$ (60.77)	\$ (61.94)	\$ (63.11)	\$ (64.26)
Total	\$ (149.15)	\$ (303.86)	\$ (309.87)	\$ (374.08)	\$ (381.48)	\$ (388.67)	\$ (395.97)	\$ (403.22)	\$ (410.31)	\$ (417.15)

State Impact of Removing I-976 Reductions

Change in Revenue (I-976 Impacts) From February 2020 Baseline Revenue By Account By Fiscal Year \$ in millions

Partial Yr

Impacted Accounts	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Snowmobile Account (01M)	\$ (0.23)	\$ (0.45)	\$ (0.45)	\$ (0.45)	\$ (0.45)	\$ (0.45)	\$ (0.45)	\$ (0.45)	\$ (0.45)	\$ (0.45)
WSP Highway Account (081)	\$ (7.81)	\$ (15.77)	\$ (15.85)	\$ (15.88)	\$ (15.93)	\$ (15.99)	\$ (16.07)	\$ (16.18)	\$ (16.31)	\$ (16.44)
Transportation Partnership Account (09H)	\$ (4.03)	\$ (8.13)	\$ (8.18)	\$ (8.19)	\$ (8.22)	\$ (8.25)	\$ (8.29)	\$ (8.35)	\$ (8.41)	\$ (8.48)
Rural Arterial Trust Account (102)	\$ (0.26)	\$ (0.53)	\$ (0.83)	\$ (0.99)	\$ (1.16)	\$ (1.34)	\$ (1.52)	\$ (1.70)	\$ (1.87)	\$ (2.03)
Motor Vehicle Account (108)	\$ (23.13)	\$ (46.95)	\$ (48.27)	\$ (49.89)	\$ (51.63)	\$ (53.47)	\$ (55.44)	\$ (57.45)	\$ (59.40)	\$ (61.25)
Puget Sound Ferry Operations (109)	\$ (0.48)	\$ (0.97)	\$ (0.97)	\$ (0.98)	\$ (0.98)	\$ (0.98)	\$ (0.99)	\$ (1.00)	\$ (1.00)	\$ (1.01)
Transportation Improvement Account (144)	\$ (0.26)	\$ (0.53)	\$ (0.83)	\$ (0.99)	\$ (1.16)	\$ (1.34)	\$ (1.52)	\$ (1.70)	\$ (1.87)	\$ (2.03)
Multimodal Account (218)	\$ (111.12)	\$ (226.85)	\$ (230.79)	\$ (292.99)	\$ (298.23)	\$ (303.10)	\$ (307.92)	\$ (312.59)	\$ (317.16)	\$ (321.60)
Nickel Account (550)	\$ (1.83)	\$ (3.69)	\$ (3.71)	\$ (3.72)	\$ (3.73)	\$ (3.75)	\$ (3.76)	\$ (3.79)	\$ (3.82)	\$ (3.85)
Total	\$ (149.15)	\$ (303.86)	\$ (309.87)	\$ (374.08)	\$ (381.48)	\$ (388.67)	\$ (395.97)	\$ (403.22)	\$ (410.31)	\$ (417.15)
Capron (San Juan and Island counties)	\$ (1.15)	\$ (2.37)	\$ (2.40)	\$ (2.51)	\$ (2.53)	\$ (2.55)	\$ (2.58)	\$ (2.60)	\$ (2.63)	\$ (2.65)

Change in Revenue (I-976 Impacts) From February 2020 Baseline Revenue By Account By Biennium \$ in millions

Impacted Accounts	2019-21	2021-23	2023-25	2025-27	2027-29	10-Year Total
Snowmobile Account (01M)	\$ (0.68)	\$ (0.90)	\$ (0.90)	\$ (0.91)	\$ (0.91)	\$ (4.29)
WSP Highway Account (081)	\$ (23.58)	\$ (31.73)	\$ (31.92)	\$ (32.26)	\$ (32.75)	\$ (152.25)
Transportation Partnership Account (09H)	\$ (12.16)	\$ (16.37)	\$ (16.47)	\$ (16.64)	\$ (16.89)	\$ (78.53)
Rural Arterial Trust Account (102)	\$ (0.79)	\$ (1.81)	\$ (2.49)	\$ (3.22)	\$ (3.90)	\$ (12.22)
Motor Vehicle Account (108)	\$ (70.08)	\$ (98.16)	\$ (105.10)	\$ (112.89)	\$ (120.65)	\$ (506.88)
Puget Sound Ferry Operations (109)	\$ (1.45)	\$ (1.95)	\$ (1.96)	\$ (1.98)	\$ (2.01)	\$ (9.36)
Transportation Improvement Account (144)	\$ (0.79)	\$ (1.81)	\$ (2.49)	\$ (3.22)	\$ (3.90)	\$ (12.22)
Multimodal Account (218)	\$ (337.96)	\$ (523.78)	\$ (601.33)	\$ (620.51)	\$ (638.76)	\$ (2,722.35)
Nickel Account (550)	\$ (5.52)	\$ (7.43)	\$ (7.48)	\$ (7.55)	\$ (7.67)	\$ (35.66)
Total	\$ (453.01)	\$ (683.95)	\$ (770.15)	\$ (799.19)	\$ (827.46)	\$ (3,533.75)
Capron (San Juan and Island counties)	\$ (3.53)	\$ (4.90)	\$ (5.08)	\$ (5.18)	\$ (5.28)	\$ (23.97)

Comparison of February 2020 Impact of I-976 With Prior Forecasts

Impacts in Millions of \$

	2019-21		2021-23		2023-25		2025-27		2027-29		10-Year Total	
State Revenue Source	Feb 20 fct	Nov 19 fct	Feb 20 fct	Nov 19 fct	Feb 20 fct	Nov 19 fct	Feb 20 fct	Nov 19 fct	Feb 20 fct	Nov 19 fct	Feb 20 fct	Nov 19 fct
Passenger & Other Vehicle Weight Fees	\$ (250.0)	(250.1)	\$ (400.8)	(402.2)	\$ (473.2)	(473.2)	\$ (487.6)	(486.1)	\$ (501.1)	(498.7)	\$ (2,112.7)	(2,110.2)
Combined License Fees for Light Duty Trucks	(104.9)	(104.7)	(141.1)	(140.4)	(141.9)	(141.0)	(143.4)	(142.3)	(145.6)	(144.1)	(677.0)	(672.5)
Sales and Use Tax on New Vehicles	(80.4)	(80.5)	(112.9)	(112.8)	(117.9)	(117.8)	(122.7)	(122.5)	(127.4)	(127.0)	(561.3)	(560.6)
Electric Vehicle Fees	(8.9)	(8.8)	(17.3)	(17.2)	(25.1)	(25.0)	(33.5)	(33.4)	(41.3)	(41.2)	(126.1)	(125.7)
Motor Home Vehicle Weight Fee	(7.5)	(7.6)	(10.2)	(10.2)	(10.2)	(10.2)	(10.2)	(10.3)	(10.3)	(10.3)	(48.3)	(48.7)
Snowmobile Registration Fee	(0.7)	(0.7)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(4.4)	(4.4)
Commercial Trailers Registration Fee	(0.6)	(0.7)	(0.8)	(0.9)	(0.8)	(0.9)	(0.8)	(0.9)	(0.9)	(0.9)	(3.9)	(4.3)
Total State Revenue Impacts	\$ (453.0)	\$ (453.6)	\$ (684.0)	\$ (684.6)	\$ (770.2)	\$ (769.1)	\$ (799.2)	\$ (796.4)	\$ (827.5)	\$ (823.3)	\$ (3,533.8)	\$ (3,526.9)
Impacts in Millions of \$												
	2019-21		2021-23		2023-25		2025-27		2027-29		10-Year Total	
State Revenue Source	Feb 20 fct	June 19 fct	Feb 20 fct	June 19 fct	Feb 20 fct	June 19 fct	Feb 20 fct	June 19 fct	Feb 20 fct	June 19 fct	Feb 20 fct	June 19 fct
Passenger & Other Vehicle Weight Fees	\$ (250.0)	(267.1)	\$ (400.8)	(403.2)	\$ (473.2)	(474.1)	\$ (487.6)	(487.0)	\$ (501.1)	(499.7)	\$ (2,112.7)	(2,131.1)
Combined License Fees for Light Duty Trucks	(104.9)	(113.7)	(141.1)	(139.7)	(141.9)	(140.4)	(143.4)	(142.1)	(145.6)	(144.7)	(677.0)	(680.6)
Sales and Use Tax on New Vehicles	(80.4)	(80.5)	(112.9)	(112.4)	(117.9)	(117.4)	(122.7)	(122.0)	(127.4)	(126.4)	(561.3)	(558.7)
Electric Vehicle Fees	(8.9)	(6.8)	(17.3)	(13.1)	(25.1)	(19.9)	(33.5)	(27.5)	(41.3)	(34.4)	(126.1)	(101.7)
Motor Home Vehicle Weight Fee	(7.5)	(8.2)	(10.2)	(10.4)	(10.2)	(10.5)	(10.2)	(10.5)	(10.3)	(10.6)	(48.3)	(50.2)
Snowmobile Registration Fee	(0.7)	(0.7)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(4.4)	(4.3)
Commercial Trailers Registration Fee	(0.6)	(0.6)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.9)	(0.8)	(3.9)	(3.8)
Total State Revenue Impacts	\$ (453.0)	\$ (477.6)	\$ (684.0)	\$ (680.5)	\$ (770.2)	\$ (764.0)	\$ (799.2)	\$ (790.8)	\$ (827.5)	\$ (817.5)	\$ (3,533.8)	\$ (3,530.4)
Change In Impacts From Prior Months												
Impacts in Millions of \$												
	2019-21		2021-23		2023-25		2025-27		2027-29		10-Year Total	
State Revenue Source	Chg from Nov	Chg from June	Chg from Nov	Chg from June	Chg from Nov	Chg from June	Chg from Nov	Chg from June	Chg from Nov	Chg from June	Chg from Nov	Chg from June
Passenger & Other Vehicle Weight Fees	\$ 0.1	17.1	\$ 1.4	2.4	\$ (0.0)	0.9	\$ (1.5)	(0.6)	\$ (2.4)	(1.4)	\$ (2.5)	18.4
Combined License Fees for Light Duty Trucks	\$ (0.2)	8.8	\$ (0.7)	(1.4)	\$ (0.9)	(1.5)	\$ (1.2)	(1.3)	\$ (1.5)	(0.9)	\$ (4.5)	3.6
Sales and Use Tax on New Vehicles	\$ 0.1	0.1	\$ (0.1)	(0.5)	\$ (0.2)	(0.5)	\$ (0.2)	(0.7)	\$ (0.3)	(1.0)	\$ (0.7)	(2.6)
Electric Vehicle Fees	\$ (0.1)	(2.1)	\$ (0.1)	(4.2)	\$ (0.1)	(5.2)	\$ (0.1)	(6.0)	\$ (0.1)	(6.9)	\$ (0.4)	(24.4)
Motor Home Vehicle Weight Fee	\$ 0.1	0.7	\$ 0.0	0.2	\$ 0.1	0.3	\$ 0.1	0.3	\$ 0.1	0.3	\$ 0.3	1.9
Snowmobile Registration Fee	\$ 0.0	0.0	\$ (0.0)	(0.0)	\$ 0.0	(0.0)	\$ 0.0	(0.0)	\$ 0.0	(0.0)	\$ 0.0	(0.1)
Commercial Trailers Registration Fee	\$ 0.1	(0.0)	\$ 0.1	(0.0)	\$ 0.1	(0.0)	\$ 0.1	(0.0)	\$ 0.1	(0.1)	\$ 0.4	(0.1)
Total State Revenue Impacts	\$ 0.6	24.6	\$ 0.6	(3.5)	\$ (1.1)	(6.2)	\$ (2.8)	(8.4)	\$ (4.2)	(10.0)	\$ (6.9)	(3.4)

I-976 Local Impacts

This initiative has local impacts as well as state revenue impacts. The following summarizes the primary elements of the local transportation revenue impacts. At this time, the local impacts are more difficult to quantify due to the language in the initiative.

Revenue Sources Impacted

- Eliminates local authority to impose a passenger – only ferry tax;
- Reduce the motor vehicle excise tax (MVET) that funds the Central Puget Sound Regional Transit Authority (RTA) commonly known as Sound Transit by decreasing the MVET rates from 0.8% to 0.2%;
 - This tax rate would be repealed when the RTA is able to refund, refinance or defease, or terminate, outstanding bonds that have been issued against this tax.
 - It is unknown if this is possible.
- Specifies that the Sound Transit MVET be calculated based on Kelley Blue Book vehicle value instead of the manufacturer's suggested retail price;
- Eliminates Transportation Benefit districts (TBDs) authority to impose vehicle license fees
 - Fiscal year 2019 revenue impact TBD Fee equaled \$63.1 million