Transportation Revenue Forecast Council

March 2021 Transportation Economic and Revenue Forecasts

Volume I: Summary

Washington Transportation
Economic and Revenue Forecast
March 2021 Forecast

Summary Report (Volume I)

Forecast Tables (Volume II)

Alternate Forecast Scenarios (Volume III)

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.

March 2021 Transportation Forecast Overview

Forecast Overview

Here are key conclusions from the March 2021 transportation revenue forecast.

- The 2019-21 biennium revenue is anticipated to be $6.063 billion, which is down $356 million or 5.5% biennium to biennium due to the current biennium incorporating the impacts of lower demand due to the pandemic.

- March 2021 baseline transportation forecast of revenues: $6.063 billion for the current biennium, which is down forecast to forecast from the November baseline forecast by $101.5 million or 1.6%. This was primarily due new restrictions on the Governor's Stay Home, Stay Health Executive order after the November forecast was adopted. Most of the decrease in revenue, $126 million, is due to fuel taxes coming in well below November projections in recent months. LPF revenue have been strong in recent months so this revenue is up $44 million from the last forecast. Next biennium, the revenue is anticipated to be $6.56 billion, which is a decrease of $220 million over the last forecast.

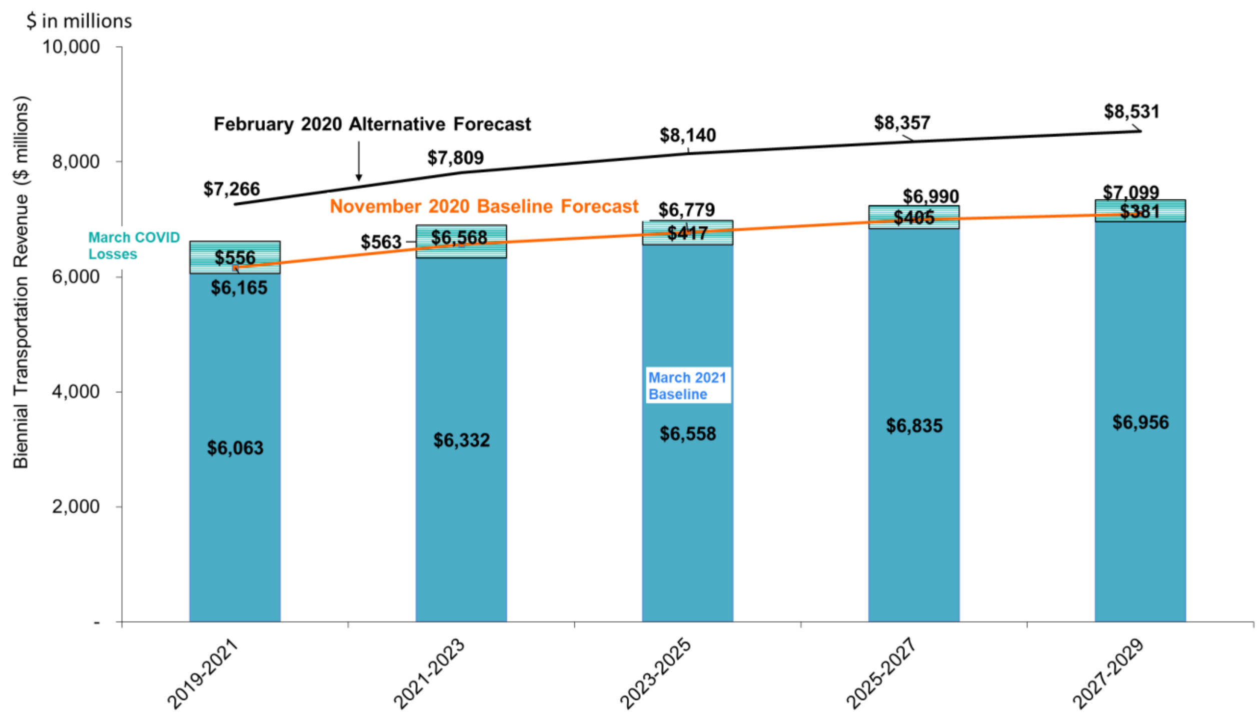
- The current biennium revenue losses from the pre-pandemic baseline forecast in February is $216.5 million or 3.4% decline. In the current biennium, the COVID-19 pandemic and lower economic variables from the shutdown impacts are larger than the impact the revenues from the court over turning I-976 so that is why our current March forecast is below the baseline February forecast. In next biennium, the March baseline transportation revenues are anticipated to be up from the February baseline forecast by $230 million or 3.6%. This is due to the court overturning I-976 and WSDOT receiving prior months' tax collections in FY 2021 and in the future years' revenue projections do not include impacts from the initiative. Having additional revenue from the overturning of I-976 is larger than the negative revenue impacts from the pandemic in outer biennia.
- For the 10-year forecast horizon, total baseline revenue in March is projected to be $34.07 billion, which is down from the last forecast by $764 million or (2.2%) from November. The March 2021 forecast is up from the pre-COVID-19 baseline forecast in February by $1.59 billion or 4.9% over the next 10 years. The change in revenue is due to bringing in the I-976 revenue as well as lower demand from the recent shutdowns and review of the current year's anticipated recovery from the pandemic for major transportation revenue sources.

- New projections of WA economic variables include the impacts of the new American Rescue Plan of 2021. This increases the real personal income growth rates in FY 2021 but lowers the growth in FY 2022 due to the ending of the stimulus funds. Non-ag. employment projections are lower in FY 2021 than last quarter due to lower monthly employment actuals than predicted in recent months. Retail gas and diesel prices have only minor adjustments in FY 2021 but B5 dyed biodiesel prices are up considerably in recent months, so the March projections are well above the last B5 biodiesel price forecast all throughout the forecast horizon.

In FY 2020 baseline total transportation revenues came in at $2.907 billion which was 10.3% below the high point in FY 2019 of $3.242 billion. In the current fiscal year, baseline total transportation revenues are anticipated to be $3.156 billion, which is a year of year over year increase of 8.6% but this is mainly due to the WA Supreme Court overturning I-976 which was brought into the FY 2021 totals in October 2020. This March forecast is only a minor adjustment downward from the November and revenues are down by $101.5 million or 1.6%. Overall, during the next 10-year forecast horizon, March's baseline transportation revenues are projected to be $34.07 billion which is down $764 million or 2.2% from the November forecast.

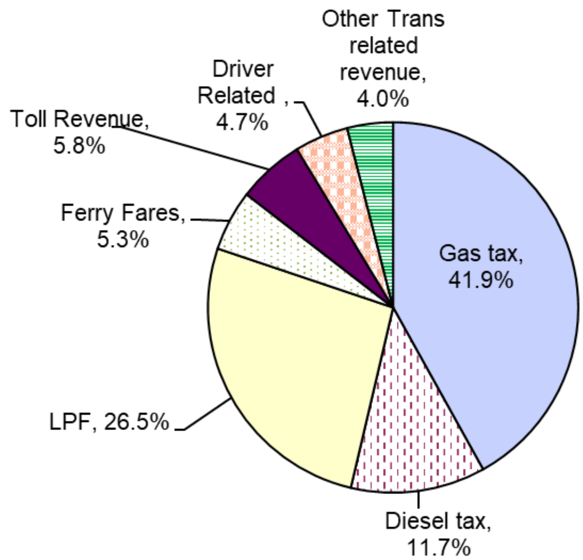
Figure 1 compares transportation revenues in March 2021, November vs February 2020. The black and orange lines show total revenues without I-976 impacts in February and November respectively. The solid blue colored bars denote the March 2021 forecast. The multi-blue colored bars represent the COVID losses due to mandatory shutdowns and economic changes since the pre-pandemic forecast in February 2020. The highest level was the February 2020 pre-pandemic forecast without the impacts of I-976 which is the solid black line. The November forecast is only slightly above the current baseline forecast.

Figure 1: Total Transportation Revenues Comparing March 2021 vs. November 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, ($6.063 billion). Gasoline fuel taxes comprise the largest share at 41.9% but this share has been dropping during this pandemic period as fuel tax revenue have been hit the hardest. With the addition of diesel fuel taxes, all motor vehicle fuel taxes comprise 53.6% of all revenues. Licenses, permits, and fee revenues comprise the second largest share at 26.5%. The three largest revenue sources are projected to consist of 80.1% of revenues in the 2019-21 biennium. The remaining 19.9% consists of ferry fares, toll revenue, driver related revenue and other transportation related revenue.

Figure 2: Revenue By Source 2019-21 Biennium ($6.063 billion)



As Figure 3 indicates the 2019-21 biennium baseline revenues came in at $6.063 billion and below the November baseline forecast by $101.5 million or 1.6%. The baseline forecast is lower due to new Governor shutdowns after the November forecast was adopted and revenue sources were lower than expected in recent months. Motor vehicle fuel taxes were hit the hardest with a decline of $126 million or 3.7% since the last forecast in the current biennium and down $230 million next biennium. Over the next 10 years, transportation revenues are anticipated to be $34.07 billion, which is down $764 million or 2.2% from the November baseline forecast.

The other revenue sources with the largest increase were LPF revenues at $43.7 million in the current biennium and up $94 million next biennium. Over the 10-year period, LPF revenue is anticipated to be up by $462 million or 5.2%. Other revenue sources fell in March compared to the last forecast. Toll revenues are down $6.3 million or 1.75% in the current biennium and down $37.7 million or 8.4% next biennium. Ferry revenue in March is down $10.7 million in the current biennium and a revision downward of $29.4 million next biennium compared to November projections. Rental car taxes are down a little next biennium by $1.9 million. Driver related revenue fell by $2.8 million this biennium and next biennium it is down by $16.6 million, 5%.

Figure 4 compares the current March baseline forecast to the pre-pandemic baseline February baseline forecast. The March baseline forecast is still $216 million or 3.4% below the February baseline forecast. Next biennium's March revenues are $6.56 billion which is $230 million above the February baseline forecast because the positive impacts of I-976 being in the current forecast but not in the February baseline forecast. The positive impacts from I-976 are much larger than the negative impacts of COVID shutdowns that biennium. This same trend holds true for the rest of the biennium. Even though the LPF revenue is higher than the February baseline forecast, a lot of other revenue streams are not above the February baseline projections. Fuel taxes are down from the February baseline by $372 million in the current biennium and down $324 million next biennium. Ferry revenue is down $107.8 million from the February baseline forecast in the current biennium and down $62 million next biennium. Toll revenues too are down $132.9 million in the current biennium and down $128.3 million next biennium. Rental car taxes also have not recovered from the pre-pandemic level being down $21.6 million in the current biennium and down $12.5 million next biennium. Over the next 10 years, major non-I-976 impacted revenue streams are still down from the pre-pandemic forecast in February. The biggest revenue loss is in motor vehicle fuel tax collections down $1,511.5 million or -8% and toll revenue down $528 million or 18% and ferry revenue down $245.7 million or 10.8% from the pre-pandemic forecast in February.

Figure 3: Current March 2021 Baseline Forecast to November Baseline Forecast Biennium Comparison of All Transportation Revenues –10-years

Forecast to Forecast Comparison for Transportation Revenues and Distributions **10-Year Period**

March Baseline Forecast to November 2020 Baseline forecast ***millions of dollars***

	2019-2021			2021-2023			10-Year Period (2019-2029)		
	Forecast March 2021	Chg from Nov. 2020	Percent Change	Forecast March 2021	Chg from Nov. 2020	Percent Change	Forecast March 2021	Chg from Nov. 2020	Percent Change
Sources of Transportation Revenue									
Motor Vehicle Fuel Tax Collections	3,263.60	(125.97)	-3.72%	3,373.12	(229.88)	-6.38%	17,205.70	(1,022.71)	-5.61%
Licenses, Permits and Fees	1,596.29	43.65	2.81%	1,798.25	94.03	5.52%	9,431.35	462.42	5.16%
Ferry Revenue†	321.55	(10.70)	-3.22%	387.87	(29.42)	-7.05%	2,033.92	(38.03)	-1.84%
Toll Revenue §	354.00	(6.32)	-1.75%	410.28	(37.68)	-8.41%	2,395.42	(111.31)	-4.44%
Aviation Revenues ‡	6.32	(0.09)	-1.41%	6.80	(0.19)	-2.72%	34.34	(0.48)	-1.37%
Rental Car Tax	51.75	(1.85)	-3.45%	64.17	(2.01)	-3.03%	345.42	(5.80)	-1.65%
Vehicle Sales Tax	104.20	1.92	1.88%	112.12	1.51	1.37%	585.38	7.27	1.26%
Driver-Related Fees	285.34	(2.82)	-0.98%	309.22	(16.55)	-5.08%	1,539.92	(56.09)	-3.51%
Business/Other Revenues‡	80.09	0.67	0.85%	96.61	(0.02)	-0.02%	494.91	0.70	0.14%
Total Revenues	**6,063.13**	**(101.50)**	**-1.65%**	**6,558.44**	**(220.21)**	**-3.25%**	**34,066.35**	**(764.03)**	**-2.19%**
Distribution of Revenue									
Motor Fuel Tax Refunds and Transfers	**240.42**	**(2.65)**	**-1.09%**	**235.67**	**(8.56)**	**-3.50%**	**1,214.20**	**(35.34)**	**-2.83%**
Motor Fuel Administrative Fee - DOL	**18.56**	**(0.15)**	**-0.81%**	**18.17**	**0.00**	**0.00%**	**95.71**	**(0.15)**	**-0.16%**
State Uses									
Motor Vehicle Account (108)	1,199.26	(4.08)	-0.34%	1,314.52	(8.91)	-0.67%	6,807.71	(37.88)	-0.55%
Transportation 2003 (Nickel) Account (550)	402.49	(8.52)	-2.07%	412.16	(20.51)	-4.74%	2,103.82	(87.44)	-3.99%
Transportation 2005 Partnership Account (09H)	588.45	(18.98)	-3.12%	606.43	(34.82)	-5.43%	3,106.43	(149.52)	-4.59%
Connecting Washington Account (20H)	729.53	(25.57)	-3.39%	749.54	(55.14)	-6.85%	3,831.09	(235.75)	-5.80%
Multimodal Account (218)	507.57	3.66	0.73%	628.47	22.25	3.67%	3,383.21	119.20	3.65%
Special Category C Account (215)	45.98	(1.61)	-3.39%	47.24	(3.47)	-6.85%	241.46	(14.86)	-5.80%
Puget Sound Capital Construction Account (099)	33.45	(1.17)	-3.39%	34.37	(2.53)	-6.85%	175.68	(10.81)	-5.80%
Puget Sound Ferry Operations Account (109)	381.26	(12.70)	-3.22%	446.16	(30.56)	-6.41%	2,331.96	(47.20)	-1.98%
Capital Vessel Replacement Account (18J)	58.25	(0.41)	-0.69%	65.39	(1.16)	-1.74%	332.56	(1.57)	-0.47%
Tacoma Narrows Bridge Account (511)	155.23	(1.83)	-1.17%	161.23	(4.25)	-2.57%	849.95	(6.10)	-0.71%
High Occupancy Toll Lanes Account (09F)^	6.04	(0.10)	-1.69%	7.92	(1.83)	-18.77%	70.88	(2.91)	-3.94%
SR 520 Corridor Account (16J)	121.48	(2.16)	-1.75%	143.40	(15.71)	-9.87%	852.09	(29.52)	-3.35%
SR 520 Corridor Civil Penalties Account (17P)	5.73	0.11	2.03%	4.52	(1.04)	-18.72%	30.23	(1.71)	-5.35%
Interstate 405 Express Toll Lanes Operations (595)	35.08	(1.03)	-2.86%	39.88	(9.75)	-19.64%	308.41	(66.68)	-17.78%
Alaskan Way Viaduct Replacement Acct. (535)	30.44	(1.30)	-4.09%	53.33	(5.10)	-8.72%	283.86	(4.39)	-1.52%
Aeronautics Account (039)	6.23	(0.09)	-1.42%	6.69	(0.19)	-2.76%	33.80	(0.48)	-1.39%
Washington State Aviation Account (21G)	0.08	(0.00)	0.00%	0.09	0.00	0.00%	0.49	(0.00)	-0.06%
State Patrol Highway Account (081)	466.83	0.64	0.14%	503.26	25.58	5.36%	2,585.63	115.26	4.67%
Highway/Motorcycle Safety Accts. (106 & 082)	259.58	(2.05)	-0.78%	281.55	(15.18)	-5.12%	1,396.53	(51.98)	-3.59%
School Zone Safety Account (780)	0.45	(0.05)	-9.32%	0.59	(0.03)	-4.75%	3.25	(0.11)	-3.32%
Other accounts (201, 06T, 097, 09E, 216, 07C)	21.94	0.36	1.65%	22.72	0.74	3.38%	114.65	3.17	2.84%
Electric Vehicle Account (20J)	21.82	0.95	4.54%	28.78	2.66	10.18%	84.70	6.38	8.14%
Ignition Interlock Devices Revolving Acct 14V	8.61	0.16	1.84%	8.70	(0.05)	-0.59%	44.08	0.22	0.49%
Multiuse Roadway Safety Account Collections-571	0.34	0.00	0.44%	0.35	0.00	0.80%	1.81	0.01	0.72%
Total for State Use	**5,086.14**	**(75.78)**	**-1.47%**	**5,567.32**	**(158.99)**	**-2.78%**	**28,974.27**	**(511.07)**	**-1.73%**
Cities	176.33	(6.18)	-3.39%	181.17	(13.33)	-6.85%	926.01	(56.98)	-5.80%
Counties	288.00	(8.05)	-2.72%	294.27	(20.66)	-6.56%	1,506.66	(86.55)	-5.43%
Transportation Improvement Board (112 & 144)	189.37	(6.53)	-3.34%	195.16	(14.06)	-6.72%	1,003.13	(60.36)	-5.68%
County Road Administration Board (102 & 253)	64.31	(2.15)	-3.24%	66.67	(4.61)	-6.47%	346.37	(19.95)	-5.45%
Total for Local Use	**718.02**	**(22.91)**	**-3.09%**	**737.27**	**(52.66)**	**-6.67%**	3,782.17	**(223.84)**	**-5.59%**
Total Distribution of Revenue	**6,063.13**	**(101.50)**	**-1.65%**	**6,558.44**	**(220.21)**	**-3.25%**	**34,066.35**	**(764.03)**	**-2.19%**

† Ferry Fares plus non-farebox revenue

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

Figure 4: Current March 2021 Baseline Forecast Compared to February 2020 (Baseline) Forecast For All Transportation Revenues - 10-years

Forecast to Baseline Comparison for Transportation Revenues and Distributions **10-Year Period**

March 2021 Baseline Forecast to Feburary 2020 Baseline Forecast (With I-976) ***millions of dollars***

	2019-2021			**2021-2023**			**10-Year Period (2019-2029)**		
	Forecast March 2021	Chg from Feb. 2020	Percent Change	Forecast March 2021	Chg from Feb. 2020	Percent Change	Forecast March 2021	Chg from Feb. 2020	Percent Change
Sources of Transportation Revenue									
Motor Vehicle Fuel Tax Collections	3,263.60	(371.64)	-10.22%	3,373.12	(324.36)	-8.77%	17,205.70	(1,511.46)	-8.08%
Licenses, Permits and Fees	1,596.29	372.41	30.43%	1,798.25	648.66	56.43%	9,431.35	3,393.25	56.20%
Ferry Revenue†	321.55	(107.78)	-25.10%	387.87	(61.65)	-13.71%	2,033.92	(245.73)	-10.78%
Toll Revenue §	354.00	(132.90)	-27.29%	410.28	(128.34)	-23.83%	2,395.42	(528.19)	-18.07%
Aviation Revenues ‡	6.32	(0.75)	-10.62%	6.80	(0.45)	-6.15%	34.34	(2.16)	-5.91%
Rental Car Tax	51.75	(21.59)	-29.44%	64.17	(12.46)	-16.26%	345.42	(53.96)	-13.51%
Vehicle Sales Tax	104.20	77.15	285.14%	112.12	112.12	100.00%	585.38	558.32	2063.59%
Driver-Related Fees	285.34	(30.47)	-9.65%	309.22	(18.11)	-5.53%	1,539.92	(100.49)	-6.13%
Business/Other Revenues‡	80.09	(0.95)	-1.18%	96.61	14.47	17.61%	494.91	82.81	20.09%
Total Revenues	**6,063.13**	**(216.54)**	**-3.45%**	**6,558.44**	**229.87**	**3.63%**	**34,066.35**	**1,592.39**	**4.90%**
Distribution of Revenue									
Motor Fuel Tax Refunds and Transfers	**240.42**	**4.63**	**1.96%**	**235.67**	**(10.11)**	**-4.11%**	**1,214.20**	**(29.38)**	**-2.36%**
Motor Fuel Administrative Fee - DOL	**18.56**	**(0.92)**	**-4.71%**	**18.17**	**0.02**	**0.12%**	**95.71**	**(1.59)**	**-1.63%**
State Uses									
Motor Vehicle Account (108)	1,199.26	(28.38)	-2.31%	1,314.52	72.12	5.80%	6,807.71	401.03	6.26%
Transportation 2003 (Nickel) Account (550)	402.49	(27.12)	-6.31%	412.16	(21.65)	-4.99%	2,103.82	(95.34)	-4.34%
Transportation 2005 Partnership Account (09H)	588.45	(44.25)	-6.99%	606.43	(33.13)	-5.18%	3,106.43	(138.33)	-4.26%
Connecting Washington Account (20H)	729.53	(85.36)	-10.48%	749.54	(77.01)	-9.32%	3,831.09	(353.32)	-8.44%
Multimodal Account (218)	507.57	305.15	150.75%	628.47	534.44	568.34%	3,383.21	2,782.96	463.64%
Special Category C Account (215)	45.98	(5.38)	-10.48%	47.24	(4.85)	-9.32%	241.46	(22.27)	-8.44%
Puget Sound Capital Construction Account (099)	33.45	(3.91)	-10.47%	34.37	(3.53)	-9.32%	175.68	(16.20)	-8.44%
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Tacoma Narrows Bridge Account (511)	155.23	(16.37)	-9.54%	161.23	(14.34)	-8.17%	849.95	(47.88)	-5.33%
High Occupancy Toll Lanes Account (09F)^	6.04	(5.02)	-45.41%	7.92	(6.45)	-44.88%	70.88	(20.72)	-22.62%
SR 520 Corridor Account (16J)	121.48	(66.14)	-35.25%	143.40	(54.75)	-27.63%	852.09	(204.00)	-19.32%
SR 520 Corridor Civil Penalties Account (17P)	5.73	(0.62)	-9.74%	4.52	(2.23)	-33.00%	30.23	(5.38)	-15.10%
Interstate 405 Express Toll Lanes Operations (595)	35.08	(31.28)	-47.14%	39.88	(34.64)	-46.48%	308.41	(199.98)	-39.34%
Alaskan Way Viaduct Replacement Acct. (535)	30.44	(13.46)	-30.66%	53.33	(15.94)	-23.01%	283.86	(50.24)	-15.04%
Aeronautics Account (039)	6.23	(0.76)	-10.88%	6.69	(0.46)	-6.44%	33.80	(2.23)	-6.18%
Washington State Aviation Account (21G)	0.08	0.00	0.45%	0.09	0.00	0.00%	0.49	0.02	0.00%
State Patrol Highway Account (081)	466.83	24.21	5.47%	503.26	54.18	12.06%	2,585.63	268.36	11.58%
Highway/Motorcycle Safety Accts. (106 & 082)	259.58	(30.09)	-10.39%	281.55	(19.00)	-6.32%	1,396.53	(107.85)	-7.17%
School Zone Safety Account (780)	0.45	(0.38)	-45.59%	0.59	(0.30)	-33.56%	3.25	(1.10)	-25.34%
Other accounts (201, 06T, 097, 09E, 216, 07C)	21.94	0.30	1.37%	22.72	0.80	3.64%	114.65	3.41	3.07%
Electric Vehicle Account (20J)	21.82	2.00	10.11%	28.78	2.78	10.70%	84.70	7.94	10.35%
Ignition Interlock Devices Revolving Acct 14V	8.61	(0.05)	-0.60%	8.70	0.09	1.08%	44.08	0.97	2.26%
Multiuse Roadway Safety Account Collections-571	0.34	0.02	7.39%	0.35	0.03	10.74%	1.81	0.21	13.18%
Total for State Use	**5,086.14**	**(142.05)**	**-2.72%**	**5,567.32**	**310.37**	**5.90%**	**28,974.27**	**1,934.50**	**7.15%**
Cities	176.33	(20.63)	-10.48%	181.17	(18.61)	-9.32%	926.01	(85.40)	-8.44%
Counties	288.00	(29.56)	-9.31%	294.27	(27.67)	-8.60%	1,506.66	(124.20)	-7.62%
Transportation Improvement Board (112 & 144)	189.37	(21.32)	-10.12%	195.16	(18.66)	-8.73%	1,003.13	(81.05)	-7.48%
County Road Administration Board (102 & 253)	64.31	(6.69)	-9.42%	66.67	(5.46)	-7.57%	346.37	(20.48)	-5.58%
Total for Local Use	**718.02**	**(78.20)**	**-9.82%**	**737.27**	**(70.41)**	**-8.72%**	**3,782.17**	**(311.13)**	**-7.60%**
Total Distribution of Revenue	**6,063.13**	**(216.54)**	**-3.45%**	**6,558.44**	**229.87**	**3.63%**	**34,066.35**	**1,592.39**	**4.90%**

† Ferry Fares plus non-farebox revenue
‡ Business/Other Revenues net of amounts transferred to General Fund in the forecast.

Figure 5 compares the November baseline forecast to the February alternative forecast so both forecasts being compared exclude the impacts of I-976. This result reveals that all transportation revenue sources in March are still $669 million or 10% below the February alternative forecast in the current biennium due to the negative pandemic impacts. As discussed before, fuel taxes, toll revenue and ferry revenue declines are the largest sources of the decline. LPF revenues are slightly above the February alternative forecast by $0.39 million and rental car and sales taxes on motor vehicle purchases are also both below the pre-pandemic forecast and are down $21.6 million and $3.3 million respectively in the current biennium. Next biennium, total revenues are down $453.5 million or 6.5% from the pre-pandemic February forecast without I-976. Next biennium, rental car and sales taxes on motor vehicle purchases are down by $12.5 million and $0.7 million respectively. LPF revenues are up $78.3 million or 4.6% from the February alternative forecast. Over the next 10 years, transportation revenues are $1,939 million or 5.4% below the pre-pandemic February forecast without I-976 impacts.

Figure 5: Current March Baseline Forecast Compared to February Alternative Forecast (Without I-976 Impact) For All Transportation Revenues - 10-years

Forecast to Alternative Feb. 2020 Baseline Comparison for Transportation Revenues and Distributions **10-Year Period**

March 2021 Forecast to Alt. Feburary 2020 Baseline Forecast (Without I-976) ***millions of dollars***

	2019-2021			2021-2023			10-Year Period (2019-2029)		
	Forecast March 2021	Chg from Feb. 2020	Percent Change	Forecast March 2021	Chg from Feb. 2020	Percent Change	Forecast March 2021	Chg from Feb. 2020	Percent Change
Sources of Transportation Revenue									
Motor Vehicle Fuel Tax Collections	3,263.60	(371.64)	-10.22%	3,373.12	(324.36)	-8.77%	17,205.70	(1,511.46)	-8.08%
Licenses, Permits and Fees	1,596.29	0.39	0.02%	1,798.25	78.31	4.55%	9,431.35	424.36	4.71%
Ferry Revenue†	321.55	(107.78)	-25.10%	387.87	(61.65)	-13.71%	2,033.92	(245.73)	-10.78%
Toll Revenue §	354.00	(132.90)	-27.29%	410.28	(128.34)	-23.83%	2,395.42	(528.19)	-18.07%
Aviation Revenues ‡	6.32	(0.75)	-10.62%	6.80	(0.45)	-6.15%	34.34	(2.16)	-5.91%
Rental Car Tax	51.75	(21.59)	-29.44%	64.17	(12.46)	-16.26%	345.42	(53.96)	-13.51%
Vehicle Sales Tax	104.20	(3.27)	-3.05%	112.12	(0.73)	0.00%	585.38	(2.99)	-0.51%
Driver-Related Fees	285.34	(30.47)	-9.65%	309.22	(18.11)	-5.53%	1,539.92	(100.49)	-6.13%
Business/Other Revenues‡	80.09	(1.15)	-1.41%	96.61	14.27	17.32%	494.91	81.82	19.81%
Total Revenues	**6,063.13**	**(669.18)**	**-9.94%**	**6,558.44**	**(453.53)**	**-6.47%**	**34,066.35**	**(1,938.79)**	**-5.38%**
Distribution of Revenue									
Motor Fuel Tax Refunds and Transfers	**240.42**	**24.10**	**11.14%**	**235.67**	**(10.11)**	**-4.11%**	**1,214.20**	**(29.38)**	**-2.36%**
Motor Fuel Administrative Fee - DOL	**18.56**	**(0.92)**	**-4.71%**	**18.17**	**0.02**	**0.12%**	**95.71**	**(1.59)**	**-1.63%**
State Uses									
Motor Vehicle Account (108)	1,199.26	(117.24)	-8.91%	1,314.52	(43.20)	-3.18%	6,807.71	(198.41)	-2.83%
Transportation 2003 (Nickel) Account (550)	402.49	(32.65)	-7.50%	412.16	(29.09)	-6.59%	2,103.82	(131.04)	-5.86%
Transportation 2005 Partnership Account (09H)	588.45	(56.43)	-8.75%	606.43	(49.51)	-7.55%	3,106.43	(216.96)	-6.53%
Connecting Washington Account (20H)	729.53	(85.36)	-10.48%	749.54	(77.01)	-9.32%	3,831.09	(353.32)	-8.44%
Multimodal Account (218)	507.57	(32.81)	-6.07%	628.47	10.65	1.72%	3,383.21	60.61	1.82%
Special Category C Account (215)	45.98	(5.38)	-10.48%	47.24	(4.85)	-9.32%	241.46	(22.27)	-8.44%
Puget Sound Capital Construction Account (099)	33.45	(3.91)	-10.47%	34.37	(3.53)	-9.32%	175.68	(16.20)	-8.44%
Puget Sound Ferry Operations Account (109)	381.26	(110.11)	-22.41%	446.16	(63.23)	-12.41%	2,331.96	(254.92)	-9.85%
Capital Vessel Replacement Account (18J)	58.25	(6.49)	-10.02%	65.39	(4.54)	-6.49%	332.56	(20.06)	-5.69%
Tacoma Narrows Bridge Account (511)	155.23	(16.37)	-9.54%	161.23	(14.34)	-8.17%	849.95	(47.88)	-5.33%
High Occupancy Toll Lanes Account (09F)^	6.04	(5.02)	-45.41%	7.92	(6.45)	-44.88%	70.88	(20.72)	-22.62%
SR 520 Corridor Account (16J)	121.48	(66.14)	-35.25%	143.40	(54.75)	-27.63%	852.09	(204.00)	-19.32%
SR 520 Corridor Civil Penalties Account (17P)	5.73	(0.62)	-9.74%	4.52	(2.23)	-33.00%	30.23	(5.38)	-15.10%
Interstate 405 Express Toll Lanes Operations (595)	35.08	(31.28)	-47.14%	39.88	(34.64)	-46.48%	308.41	(199.98)	-39.34%
Alaskan Way Viaduct Replacement Acct. (535)	30.44	(13.46)	-30.66%	53.33	(15.94)	-23.01%	283.86	(50.24)	-15.04%
Aeronautics Account (039)	6.23	(0.76)	-10.88%	6.69	(0.46)	-6.44%	33.80	(2.23)	-6.18%
Washington State Aviation Account (21G)	0.08	0.00	0.45%	0.09	0.00	0.00%	0.49	0.02	0.00%
State Patrol Highway Account (081)	466.83	0.60	0.13%	503.26	22.41	4.66%	2,585.63	115.93	4.69%
Highway/Motorcycle Safety Accts. (106 & 082)	259.58	(30.09)	-10.39%	281.55	(19.00)	-6.32%	1,396.53	(107.85)	-7.17%
School Zone Safety Account (780)	0.45	(0.38)	-45.59%	0.59	(0.30)	-33.56%	3.25	(1.10)	-25.34%
Other accounts (201, 06T, 097, 09E, 216, 07C)	21.94	0.30	1.37%	22.72	0.80	3.64%	114.65	3.41	3.07%
Electric Vehicle Account (20J)	21.82	2.00	10.11%	28.78	2.78	10.70%	84.70	7.94	10.35%
Ignition Interlock Devices Revolving Acct 14V	8.61	(0.05)	-0.60%	8.70	0.09	1.09%	44.08	0.97	2.26%
Multiuse Roadway Safety Account Collections-571	0.34	0.02	7.39%	0.35	0.03	10.88%	1.81	0.21	13.18%
Total for State Use	**5,086.14**	**(611.64)**	**-10.73%**	**5,567.32**	**(386.28)**	**-6.49%**	**28,974.27**	**(1,663.43)**	**-5.43%**
Cities	176.33	(20.63)	-10.48%	181.17	(18.61)	-9.32%	926.01	(85.40)	-8.44%
Counties	288.00	(30.50)	-9.58%	294.27	(28.95)	-8.96%	1,506.66	(130.32)	-7.96%
Transportation Improvement Board (112 & 144)	189.37	(22.11)	-10.45%	195.16	(20.48)	-9.50%	1,003.13	(93.27)	-8.51%
County Road Administration Board (102 & 253)	64.31	(7.48)	-10.41%	66.67	(7.28)	-9.85%	346.37	(32.71)	-8.63%
Total for Local Use	**718.02**	**(80.72)**	**-10.11%**	**737.27**	**(75.32)**	**-9.27%**	**3,782.17**	**(341.70)**	**-8.29%**
Total Distribution of Revenue	**6,063.13**	**(669.18)**	**-9.94%**	**6,558.44**	**(453.53)**	**-6.47%**	**34,066.35**	**(1,938.80)**	**-5.38%**

Figure 6 isolates the annual impacts of the COVID shutdowns and economic variable changes since the pre-pandemic February alternative forecast. The March forecast is slightly down from the last forecast so the COVID losses are slightly bigger than the last forecast. These impacts are calculated based on the February forecast for LPF and motor vehicles sales tax which excludes I-976. In FY 2020, the losses from COVID is down $262.66 million from the February forecast. In FY 2021, the COVID losses are anticipated to be down $293.1 million from the February forecast without I-976.In FY 2022, the losses are bigger at -$328 million and -$235 million in FY 2023. The largest COVID revenue reduction is anticipated to be in FY 2022 at 9.9% below the alternative February pre-pandemic projections.

Figure 7 shows the latest actuals in the major transportation revenue sources since the last November forecast. November through February 2021 actuals have been received. All transportation revenue sources change from the last forecast in total are down $4.1 million in November, down another $10.3 million in December, up $8.8 million in January 2021 and down $26.25 million in February. Overall, for the four months, all revenues are down $31.9 million, 3.5% from the last forecast.

Figure 6: Transportation Revenue Reductions from February 2020 (Baseline) Alternative Forecast: COVID-19 Induced Recession and Lower Economic Variable Forecasts

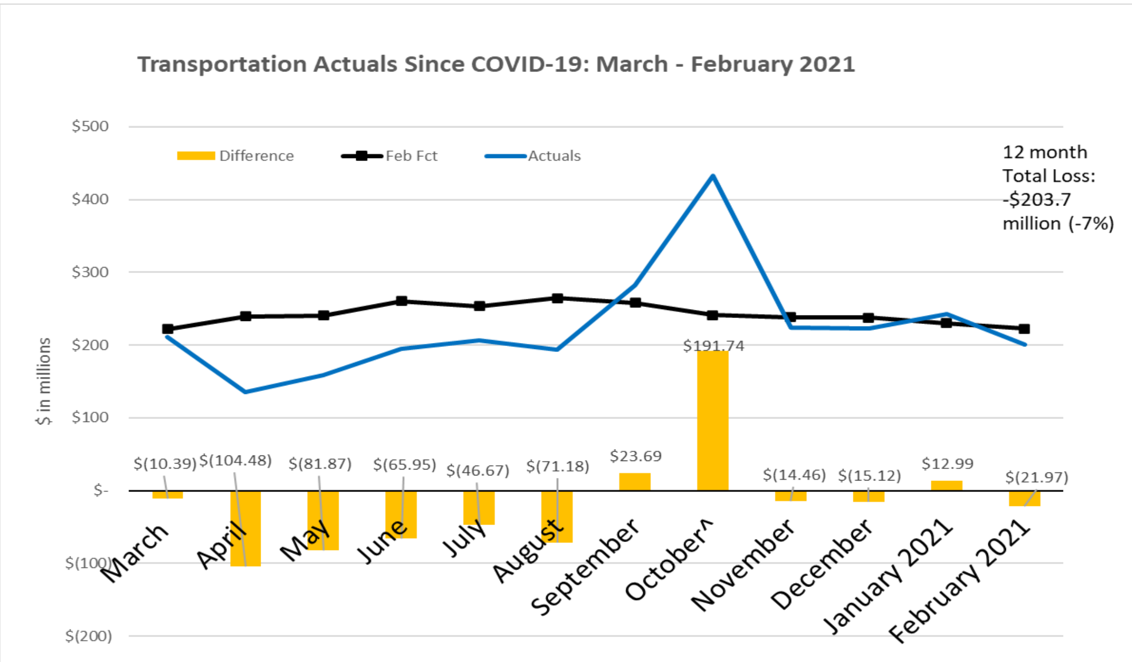
Transportation Revenue Reductions from the Recent COVID-19 Induced Recession and Lower Economic Variable Forecasts				
Revenue Sources Impacted by COVID-19 Shutdowns	**$ Difference Between Nov and Feb. 2020 Forecasts**			
	FY 2020	**FY 2021**	**FY 2022**	**FY 2023**
Gross Fuel tax	$ (147,535,900)	$ (220,264,600)	$ (173,498,200)	$ (150,866,300)
LPF *	$ (29,700,000)	$ 96,045,726	$ (20,794,036)	$ (14,496,880)
Ferry Fares	$ (34,933,470)	$ (71,355,014)	$ (42,765,000)	$ (18,885,000)
Toll Revenue	$ (40,507,400)	$ (102,648,660)	$ (82,818,000)	$ (45,520,000)
Aeronautics Revenues	$ (338,100)	$ (466,223)	$ (244,945)	$ (200,237)
Rental Car Tax	$ (5,993,000)	$ (17,025,000)	$ (7,348,900)	$ (5,110,900)
Motor Vehicle Sales Tax *	$ (3,650,000)	$ 22,603,200	$ (507,200)	$ (226,000)
Total Major Revenue Sources	**$ (262,657,870)**	**$ (293,110,570)**	**$ (327,976,281)**	**$ (235,305,318)**
Revenue Sources Impacted by COVID-19 Shutdowns	**Percentage Change Between November and Feb. 2020 Forecasts**			
	FY 2020	**FY 2021**	**FY 2022**	**FY 2023**
Gross Fuel tax	-8.2%	-12.0%	-9.4%	-8.1%
LPF	-3.6%	11.1%	-2.4%	-1.5%
Ferry Fares	-16.8%	-32.3%	-19.1%	-8.4%
Toll Revenue	-17.3%	-40.5%	-31.3%	-16.6%
Aeronautics Revenues	-9.7%	-13.1%	-6.8%	-5.5%
Rental Car Tax	-16.5%	-45.9%	-19.4%	-13.2%
Motor Vehicle Sales Tax	-6.9%	41.5%	-0.9%	-0.4%
TOTAL Major Revenue Sources	**-8.3%**	**-9.0%**	**-9.9%**	**-6.9%**

Figure 7: Transportation Revenue Actuals Compared to the November 2020 Forecast: November – February 2021

$ in millions	**Difference Actual Collections Compared to Nov Forecast**					
	Nov-20	Dec-20	Jan-21	Feb-21	4 month Change	% Change
Major Revenue Sources						
Gross Fuel Taxes (before refunds/transfers)	$ (8.45)	$ (23.69)	$ (7.69)	$ (19.10)	$ (58.94)	-10%
Aviation Fuel tax	$ (0.00)	$ (0.04)	$ (0.03)	$ (0.02)	$ (0.09)	-13%
Licenses Permits and Fee Revenues	$ 5.30	$ 13.00	$ 18.20	$ (4.40)	$ 32.10	13%
WSF Ferries	$ (0.80)	$ (0.96)	($0.53)	($1.33)	$ (3.62)	-9%
Toll Facilities - Adjusted Gross Toll Revenues	$ (0.47)	$ 0.37	$ (0.61)	$ (0.90)	$ (1.61)	-4%
TNB	$ (0.31)	$ (0.05)	$ (0.13)	$ (0.35)	$ (0.83)	-4%
SR99	$ (0.07)	$ (0.04)	$ (0.10)	$ (0.11)	$ (0.32)	-7%
SR 520	$ 0.01	$ 0.32	$ (0.27)	$ (0.37)	$ (0.31)	-2%
I-405	$ (0.08)	$ 0.11	$ (0.10)	$ (0.09)	$ (0.16)	-7%
I-167	$ (0.01)	$ 0.03	$ (0.01)	$ 0.01	$ 0.02	2%
Rental car tax	$ (0.08)	$ (0.21)	$ (0.35)	$ (0.41)	$ (1.05)	-15%
Motor Vehicle Sales Tax	$ 0.41	$ 1.19	$ (0.16)	$ (0.09)	$ 1.35	8%
Total All Revenue Sources	**$ (4.09)**	**$ (10.34)**	**$ 8.84**	**$ (26.25)**	**$ (31.86)**	**-3.52%**

Figure 8 reveals the cumulative impact of the pandemic on recent actuals compared to the pre-pandemic forecast in February. The results reveal that over the past 12 months since March collections, major transportation revenue actuals have come in $203.7 million or 7% below the February forecast. Fuel tax actuals have come in below that pre-pandemic forecast the most at -$298.8 million or 16% below projections for this past year. The second largest reduction was in toll revenues coming in $100.7 million or 43% below the February forecast. Ferries revenue losses in actuals has been $77.7 million or 37% below the pre-pandemic projections. Due to the elimination of I-976, October LPF revenue collections are up $297 million from the pre-pandemic February baseline projections. LPF is the only revenue source where the March forecast is above the February baseline forecast for the past 12 months but the February baseline forecast did not anticipate the court overturning the initiative.

Figure 8: Transportation Revenue Actuals Compared to the February 2020 (Baseline) Forecast: March – February 2021



^ October fuel tax collections include taxpayers with extensions paying net $18 million and October LPF revenue includes $179 million in I-976 revenue and motor vehicle sales tax has $36.5 million in prior months' revenue

$ in millions	Difference Actual Collections Compared to Feb Forecast													
	March (FY 2020)	April (FY 2020)	May (FY 2020)	June (FY 2020)	July (FY 2021)	Aug. (FY 2021)	Sept. (FY 2021)	Oct. (FY 2021)	Nov. (FY 2021)	Dec. (FY 2021)	Jan 21(FY 2021)	Feb 21(FY 2021)	12 Month total	% Change
Major Revenue Sources														
Gross Fuel Taxes (before refunds/transfers)	$ 5.19	$ (59.86)	$ (50.68)	$ (42.18)	$ (27.17)	$ (57.35)	$ 16.88	$ 0.16	$ (20.96)	$ (27.68)	$ (11.83)	$ (23.27)	$ (298.76)	-16%
Aviation Fuel tax	$ 0.02	$ (0.06)	$ (0.11)	$ (0.19)	$ (0.09)	$ (0.05)	$ (0.09)	$ (0.03)	$ (0.01)	$ (0.04)	$ (0.03)	$ (0.03)	$ (0.70)	-26%
Licenses Permits and Fee Revenues (Fct. with I-976 impacts)	$ (0.20)	$ (16.70)	$ (6.40)	$ (6.40)	$ (0.40)	$ 4.50	$ 23.54	$ 202.90	$ 20.34	$ 24.77	$ 36.35	$ 14.48	$ 296.78	54%
WSF Ferries	$ (6.20)	$ (9.94)	$ (10.25)	$ (8.55)	$ (8.11)	$ (8.00)	$ (5.39)	$ (3.78)	$ (4.97)	$ (4.80)	$ (2.90)	$ (4.78)	$ (77.67)	-37%
Toll Facilities - Adjusted Gross Toll Revenues	$ (7.86)	$ (12.71)	$ (11.02)	$ (8.96)	$ (8.64)	$ (7.67)	$ (7.48)	$ (7.37)	$ (7.45)	$ (6.75)	$ (7.43)	$ (7.35)	$ (100.68)	-43%
Rental Car Tax	$ (1.08)	$ (2.19)	$ (2.04)	$ (0.67)	$ (3.00)	$ (2.93)	$ (2.87)	$ (1.31)	$ (1.13)	$ (1.12)	$ (0.86)	$ (0.93)	$ (20.15)	-54%
Motor Vehicle Sales Tax	$ (0.25)	$ (3.02)	$ (1.37)	$ 1.00	$ 0.75	$ 0.32	$ (0.89)	$ 1.16	$ (0.27)	$ 0.50	$ (0.31)	$ (0.09)	$ (2.48)	-5%
Total All Revenue Sources	**$ (10.39)**	**$(104.48)**	**$ (81.87)**	**$(65.95)**	**$ (46.67)**	**$(71.18)**	**$ 23.69**	**$191.74**	**$(14.45)**	**$(15.13)**	**$ 12.99**	**$ (21.97)**	**$ (203.67)**	**-7%**

Figure 9 shows the various November forecasts recovery periods after the drops in revenue from COVID-19 shutdowns, The recovery from our recent recession is demonstrated as the period of time it takes to reach the levels projected in the February forecasts for FY 2021. Some of the revenue sources, like passenger cars and truck registrations and $30 license fee revenue and truck combined license fees have recovered already by FY 2021. Other revenue sources with a short recovery period from the reduced demand and revenue losses in FY 2020 were diesel consumption by FY 2022. Some revenue sources like gas consumption and net for distribution of fuel taxes are anticipated to have a very slow recovery from the losses seen in FY 2020 in 10+ years. WSF ridership and corresponding revenues are anticipated to be slower to recover from this reduced demand from the pandemic. For ferries ridership (passengers), ridership is not expected to recover from the recent downturn to the FY 2021 level until 2028 or in 7 years. Vehicle ferry ridership is anticipated to be back to the 2021 level from the February forecast in 2027 or 6 years from now. Ferry farebox and misc. revenue are not expected to recover until FY 2026. Toll traffic and revenue recovery varies with each facility. Overall, for all tolled facilities, the recovery in traffic and adjusted toll revenue is projected to be back to 2021 traffic level in 3 years for traffic and 4 years for toll revenue but the individual tolled facilities adjusted toll revenue recovery is longer in some cases.

Figure 9: March 2021 Forecast Recovery Periods for Major Revenue Sources

Type of Forecast	Time Period	# of Years
Fuel Consumption and Fuel Tax Revenue		
Return to Gas Consumption in Feb. Forecast -FY 2021	------	10+
Return to Diesel Consumption in Feb. Forecast -FY 2021	2022	1
Net for Dist. Fuel Taxes: Return to Feb. Forecast -FY 2021 level	------	10+
Vehicle Licenses Permits and Fee Revenue (LPF)		
Return to Passenger Cars Registrations in Feb. Forecast -FY 2021	2021	0
Return to Trucks Registrations in Feb. Forecast - FY 2021	2021	0
Return to $30 License Fee Revenue in Feb. Forecast -FY 2021	2021	0
Return to Truck Combined License Fee Revenue Level in Feb. Forecast - FY 2021	2021	0
Rental Car Revenue		
Return to Rental Car Revenue Level in Feb. Forecast -FY 2021	2026	5
Aircraft Fuel Tax Revenue		
Return to Aircraft Fuel Tax Level in Feb. Forecast - FY 2021	------	10+
Ferries Ridership and Revenue		
Return to Passenger Ridership in Feb. Forecast - FY 2021	2028	7
Return to Vehicle Ridership in Feb. Forecast - FY 2021	2027	6
Return to Ferry Farebox and Misc. Revenue in Feb. Fct -FY 2021	2026	5
Toll Traffic and Revenue – All Facilities		
Return to Total Toll Traffic in Feb. Forecast -FY 2021	2024	3
Return to Toll Adjusted Revenue in Feb. Forecast -FY 2021	2025	4

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.

These economic variables in November represent the final economic variables by Economic and Revenue Forecast Council, based on the October IHS-Markit forecast. The March 2021 forecast includes the federal American Rescue Plan Act of 2021 beginning in first quarter 2021with COVID stimulus relief. It extends the amount of the unemployment benefits will be $300 per week extended until September 4, 2021. The COVID Stimulus Act boosts the economic variables like Washington real personal income and employment in FY 2021 but then when the federal stimulus funds expire again, then FY 2022 and 2023 have lower growth rates than what was forecasted in September. Washington real personal income even has a negative annual growth rate in FY 2022 of -2.6% which is a bigger decline than projected in November at -1.6%. Washington's non-ag. employment has recently slowed so this new forecast for FY 2021 has -3.7% annual growth compared to -2% projected in November. Retail and trade transportation and utilities employment sectors are showing growth in FY 2021 at 4.4 and 1.1% respectively. After FY 2021, the non-ag. employment growth averaged more than 3.5% per year until FY 2024. The new in-driver population forecast is down in 2022 and 2023 from the last quarter projection. The US oil price index is up in 2021 but down from the last projections in FY 2022 and 2023.

Figure 10: Annual Percentage Change (%) in Select Economic Variables March 2021 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	4.8%	1.6%	-29.2%	1.3%	-8.2%	1.9%	-3.2%	-1.0%	-0.5%	-0.6%
2021	3.9%	1.1%	27.1%	1.7%	-6.0%	1.9%	3.4%	-3.7%	1.1%	4.4%
2022	-2.6%	1.0%	17.9%	2.0%	7.9%	1.9%	13.1%	3.5%	3.4%	2.7%
2023	2.5%	1.0%	-2.4%	1.6%	1.8%	1.9%	-3.2%	3.5%	1.0%	-2.0%
2024	3.1%	1.0%	0.2%	1.8%	1.2%	2.0%	0.3%	1.5%	-1.3%	-3.5%
2025	3.0%	1.1%	0.6%	2.0%	2.7%	2.0%	5.4%	1.2%	-0.4%	-2.6%
2026	3.2%	1.1%	0.6%	2.0%	3.9%	2.1%	2.5%	1.2%	0.5%	-0.2%
2027	3.2%	1.1%	0.7%	2.1%	4.1%	2.2%	1.0%	0.8%	0.0%	-0.5%
2028	2.9%	1.1%	0.6%	2.2%	3.9%	2.1%	1.6%	0.8%	-0.2%	-0.3%
2029	2.7%	1.0%	0.5%	2.2%	3.6%	2.2%	2.8%	0.6%	-0.6%	-0.5%
2030	2.7%	1.0%	0.5%	2.2%	2.3%	2.2%	4.4%	0.6%	-0.3%	-0.1%
2031	2.6%	1.0%	0.5%	2.1%	1.7%	2.1%	4.4%	0.6%	0.4%	1.2%

Source: Washington Economic and Revenue Forecast Council, Washington Office of Financial Management 2021 long-range forecast, February 2021 Global Insight forecast adjusted for Blue Chip average GDP growth rates and NYMEX crude oil prices

Figure 11: Annual Rate of Change in Select Economic Variables – March 2021 vs. November 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)	Consumer Sales on New Vehicles	WA Non-ag. employment	Transportation and Utilities Employment	WA Retail Trade Employment
Percentage Change in Levels of Economic Variables (Current FY 2021)										
2021	↑	▬	▬	▬	↑	▬	↑	↓	▼	↓
Annual Rate of Change in Economic Variables - March 2021 vs November										
2020	▼	▬	▬	▬	▬	▬	▬	▼	▼	▼
2021	↑	▬	▬	▬	↑	▬	▬	↓	▬	↑
2022	↓	▬	↓	▬	↓	▬	↑	▲	▲	↑
2023	▼	▬	▼	▲	↓	▬	↓	↑	↑	↑
2024	▲	▬	↑	▲	▲	▬	↓	▲	▬	▼
2025	▲	▬	▬	▲	▲	▬	↓	▬	▲	▼
2026	▲	▬	▬	▬	▼	▬	↓	▲	▬	▬
2027	▲	▬	▬	▬	↓	▬	↓	▬	▼	↓
2028	▲	▬	▬	▬	↓	▬	▲	▬	▼	↓
2029	▬	▬	▬	▬	▬	▬	↑	▼	↓	↓
2030	▬	▬	▬	▬	▼	▬	↑	▼	▼	▼
2031	▼	▬	▬	▬	▼	▬	▼	▼	▬	▲

↑	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. 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 2022), 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 2022, the fuel price projections are based on March'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 12: Near-term UNADJUSTED BASELINE Qtrly Fuel Prices: March 2021

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	45.76	2.88	3.26
2020: Q2	27.81	2.38	2.72
FY 2020	**46.72**	**2.89**	**3.18**
2020: Q3	40.89	2.71	2.72
2020: Q4	42.45	2.65	2.79
2021: Q1	58.18	2.81	2.85
2021: Q2	61.00	3.15	3.19
FY 2021	**50.63**	**2.83**	**2.89**
2021: Q3	55.17	2.97	3.15
2021: Q4	54.50	2.82	3.16
2022: Q1	54.50	2.75	3.12
2022: Q2	54.50	2.94	3.09
FY 2022	**54.67**	**2.87**	**3.13**
2022: Q3	55.00	2.97	3.15
2022: Q4	55.00	2.88	3.18
2023: Q1	54.90	2.85	3.11
2023: Q2	55.33	3.11	3.09
FY 2023	**55.06**	**2.95**	**3.13**

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 13: Forecast of UNADJUSTED Washington Retail Gasoline Prices, Regular March 2021 vs. November and February 2020

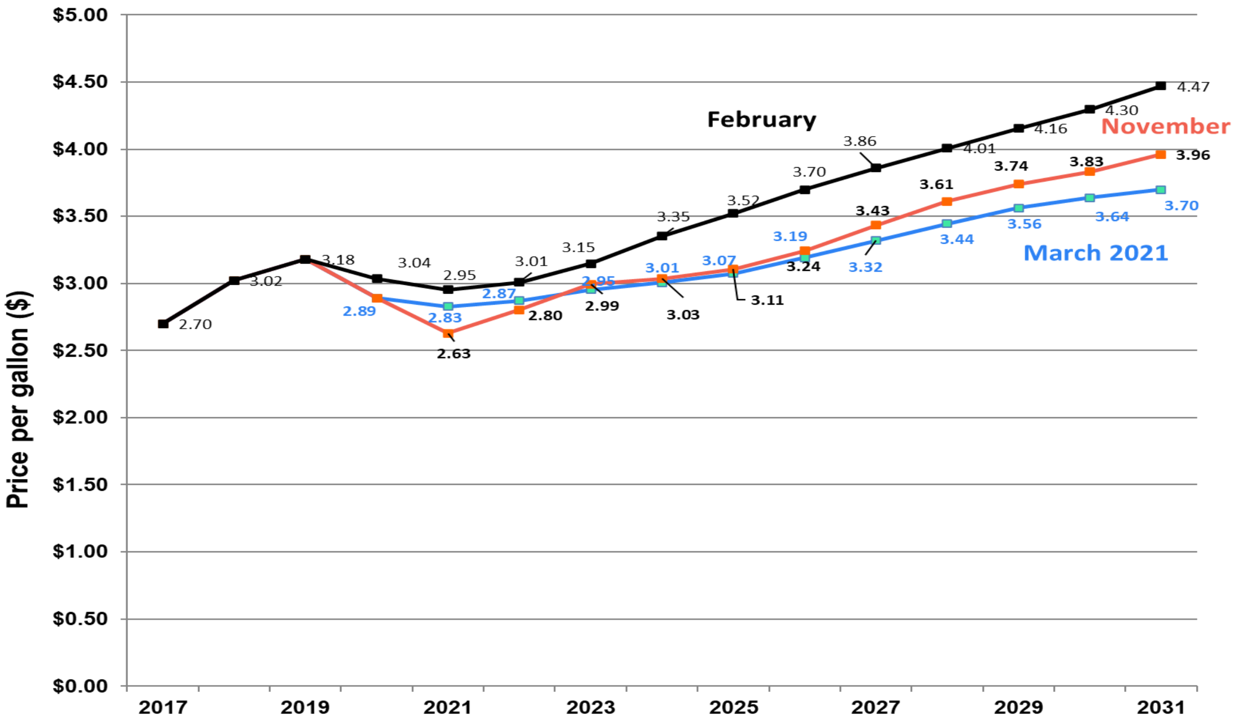
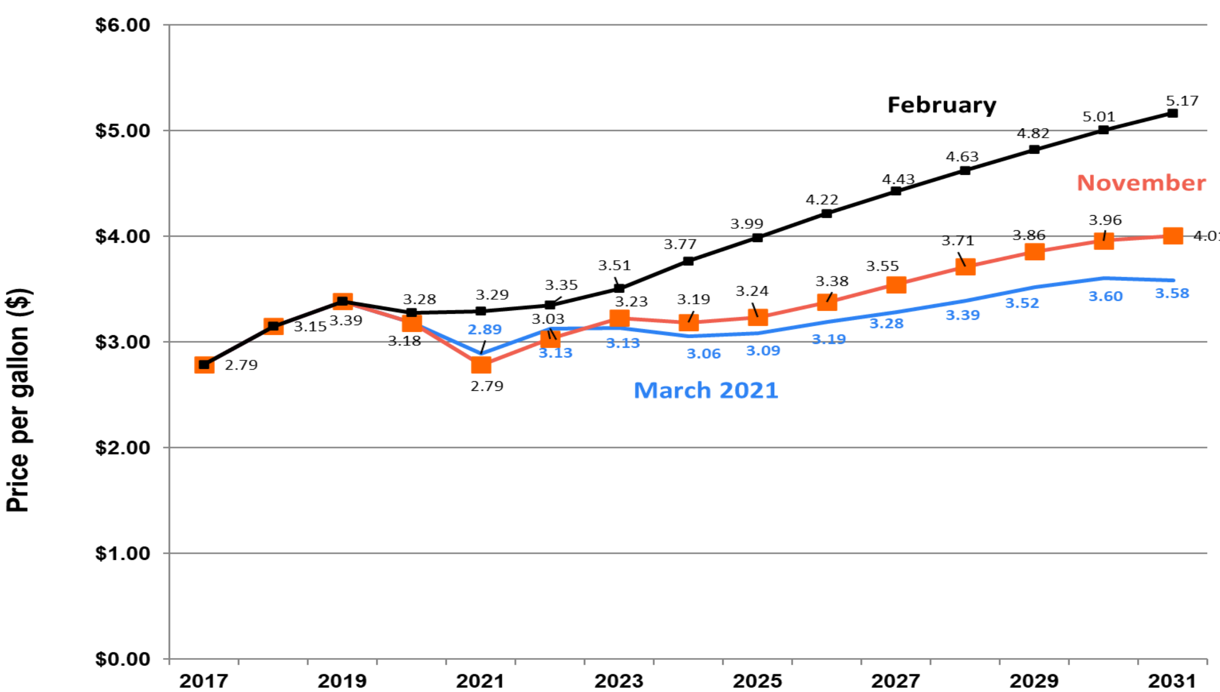


Figure 14: Forecast of UNADJUSTED Washington Retail Diesel Prices March 2021 vs. November and February 2020



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 2022 and then use the growth rates from Global Insight forecasts for subsequent years. In FY 2021, the crude oil price projections range from $47 per barrel from Consensus Economics to $51.5 per barrel from NYMEX. WSDOT baseline of $50.6 per barrel is nearly right on with the average of $50 per barrel. There is a slight downward adjustment of 1.4% to the baseline forecast in FY 2021. The forecast for WTI crude oil in FY 2022 ranged from $54.7 per barrel in the WSDOT (EIA/GI) to $61 per barrel by Economy.com. The baseline crude oil price forecast in FY 2022 is $54.7 per barrel, which is 5.5% below the 5-entity average of $57.7 per barrel. In FY 2023, the crude oil prices range from $55.1 per barrel in baseline EIA and GI forecast to $60.3 per barrel in the Economy.com forecast. The 5-entity average price is $57.3 per barrel, which is 4% above the baseline price forecast of $55 per barrel. Figure 15 reveals the WSDOT baseline WTI price forecast compared to the other entities' crude oil price forecasts and the necessary adjustments each year.

Figure 15: Near-term Annual WTI Crude Oil Price Forecasts – 5 Different Forecast Comparisons: March 2021 *Dollars per barrel*

Fiscal Year	WSDOT (EIA/GI)	NYMEX	Global Insight	Economy.com	Consensus Economics	5 Entity Avg	% Diff Average
2021	$50.63	$51.47	$50.84	$50.43	$46.17	$49.91	-1.43%
2022	$54.67	$59.20	$57.66	$60.97	$55.96	$57.69	5.53%
2023	$55.06	$57.73	$56.87	$60.30	$56.35	$57.26	4.00%

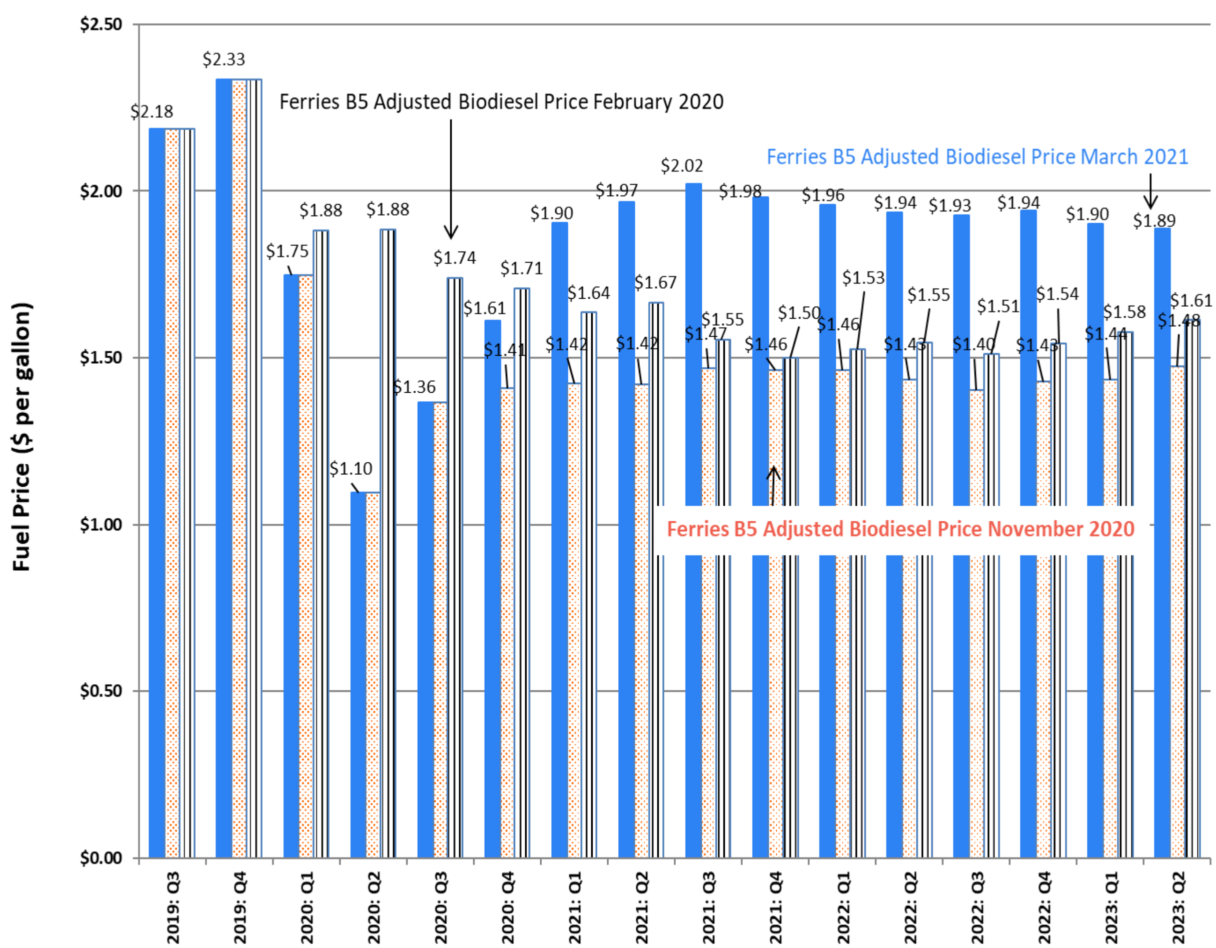
Figure 16: Near-term Average Adjusted Quarterly Fuel Prices and B5 Biodiesel Prices and Unadjusted B99 Biodiesel Prices Used for Budgeting Purposes: March 2021 *Dollars per gallon*

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	2.88	3.26	1.75	3.09
2020Q2	2.38	2.72	1.10	2.95
FY2020	**2.89**	**3.18**	**1.84**	**3.14**
2020Q3	2.71	2.72	1.36	2.95
2020Q4	2.65	2.79	1.61	3.03
2021Q1	2.81	2.85	1.90	3.09
2021Q2	3.10	3.15	1.97	3.46
FY2021	**2.82**	**2.88**	**1.71**	**3.13**
2021Q3	3.14	3.32	2.02	3.41
2021Q4	2.98	3.34	1.98	3.43
2022Q1	2.90	3.30	1.96	3.39
2022Q2	3.10	3.26	1.94	3.35
FY2022	**3.03**	**3.30**	**1.97**	**3.40**
2022Q3	3.09	3.28	1.93	3.56
2022Q4	3.00	3.30	1.94	3.58
2023Q1	2.96	3.24	1.90	3.51
2023Q2	3.24	3.21	1.89	3.48
FY2023	**3.07**	**3.26**	**1.91**	**3.53**

WSDOT applies the five-entity forecast average adjustment to the baseline March 2021 retail gasoline, diesel, and B5 biodiesel prices. The adjusted fuel prices listed in Figure 16 will be used to estimate the future costs to WSDOT agency's 2019-21 and 2021-23 biennium budgets for gas, diesel, and biodiesel fuel purchases. The latest adjusted forecast requires a very minor 1.4% downward adjustment to the baseline fuel prices in FY 2021 and upward adjustment of 5.5% in FY 2022. In FY 2023, the baseline fuel prices are also adjusted upward by 4%.

As Figure 17 reveals, the new B5 fuel price forecast beginning the first quarter of fiscal year 2021 throughout the forecast horizon is higher than in November. Compared to the February 2020 forecast, the COVID-19 shutdowns significantly reduced demand for petroleum products and the biodiesel prices fell dramatically in the second and third quarters of 2020. Up until the first quarter of 2021, B5 diesel prices had been below the February 2020 forecast of B5 diesel prices. In recent months, B5 prices have been rising steadily so we have now recovered most of our decline in prices after the pandemic in this first quarter of 2021. The current March 2021 forecast is higher than the last and February 2020 forecasts as the first quarter 2021 biodiesel price averaged $1.90 per gallon. That is well above the last forecast of $1.64 per gallon for the first quarter 2021. The March 2021 forecast is significantly above the prior forecasts throughout the forecast horizon.

Figure 17: Quarterly Ferries Adjusted B5 Biodiesel Prices Used for Budgeting the 2019-21 and 2021-23 Biennia March 2021, November, and February 2020 Forecasts



Motor Vehicle Fuel Tax Forecast

Overview

Motor fuel tax collections for November 2020 through February 2021 came in below the November 2020 forecast by $59 million or 10.4 percent. Gasoline tax collections lagged the November projection by $55.3 million or 12.4 percent. Diesel collections came in slightly below projections by $3.7 million for the four-month total. The winter pandemic “wave” of shutdowns in the economy has severely affected passenger vehicle travel both in Washington and in the United States. In addition, there were snowstorms in Washington state in February 2021 and we have yet to see that impact yet on our actuals for fuel consumption and revenue to date.

For the 2019-2021 biennium, gross fuel collections are estimated at $3.264 billion. This is $126 million below the November 2020 estimate. Most of this loss in fuel tax revenue is due to lower gasoline tax collections. In the 2021-2023 biennium, gross fuel tax collections are $3.373 billion or $230 million less than the November 2020 estimate. Total fuel tax revenue for the 10-year period beginning in the current biennium and ending in the 2029-2031 biennium is $17.206 billion. This is $1.02 billion less than projected in the November 2020 forecast. Current fuel tax revenue estimates are markedly lower throughout the forecast horizon especially in the current and next biennium.

Primary Reasons for Changes in the March 2021 Forecast

Gasoline annual consumption in FY 2021 is expected to be down nearly 10% year over year which is lower than the last forecast by 9%. In contrast, diesel consumption is expected to have 3% annual growth in FY 2021. Then in FY 2022, gasoline consumption is projected to bounce back with an annual growth of 5.6%, down 8.4% from the last forecast. Then in FY 2023, this March forecast has gas consumption growing by 2.6%, 7% lower than last projections. Then beginning in FY 2024, gas consumption annual growth rate is 1% or less throughout the forecast horizon. The gasoline tax estimate is principally responsible for the downward revision in revenue. In the current biennium, gas tax collections are down $117.2 million based on month of collection. Next biennium, gas tax collections are down $214.1 million or 7.5 %. The current forecast anticipates a little recovery in April activity/ May 2021 collections and double-digit performance for the summer 2022 travel season. Analysts will be watching commuting patterns and teleworking trends closely as Washington state’s economy begins to slowly open. The key issue statewide is how much the Puget Sound area morning commute returns to historic norms. However, after the pandemic recovery, long term gasoline consumption and gas tax revenue growth is expected to be quite low throughout the forecast horizon.

The strength in special fuels revenue continues to surprise. In addition to lowering incomes, the pandemic shifted consumption from experiences (such as travel or going to dinner) to goods that are carried on trucks for online purchases. Consumption in experiential services such as in the leisure and hospitality sector is anticipated to increase markedly by the second quarter of 2021 and therefore suppress discretionary purchases of consumer goods. This explains the modest growth in in FY2022 for special fuel consumption and diesel tax revenue. Diesel tax revenues are anticipated to grow at 1.6% annually beginning FY 2023.

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 most 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 $1.6 billion from vehicle licenses, permits, and fees (LPFs) in the 2019-2021 biennium, which is increased for $43.7 million or 2.8% compared to the forecast in November. The LPF forecast is anticipated to be $2.1 billion by 2029-2031 biennium, which is up for about $118.7 million or 5.9% from the previous forecast. Over the 10-year period from 2019-2021 biennium to 2027-2029 biennium, the revenue increase is about $462 million.

Primary reasons for the change in the March 2021 forecast

- For the fiscal year 2021, passenger car registrations are up 4.42% or 235,000 vehicles comparing the previous forecast. This is an annual growth rate of 8.8% for passenger cars in FY 2021. For FY 2022, passenger car registrations will grow year over year by 1.4% which is 4.42% more than the previous forecast as well. The forecast remains higher in the future years from 2023 through 2031, however, the difference gets slightly larger in the out years. The increased forecast registrations are mainly due to the higher passenger car actuals we received for the last 4 months.
- For the fiscal year 2021, truck registrations are increased by 5.1% or 85,000 vehicles comparing the November forecast. This result has trucks growing year over year by 9% in the current fiscal year. In fiscal year 2022, truck registrations will increase year over year by 2.3% which is 5.4% above the previous forecast. After that, the truck forecast will keep seeing a forecast-to-forecast increase in registrations for the rest years. By the end of the forecast horizon, we see an increase of truck registrations for 4.7%.
- In the 2019-21 biennium, $30 registrations revenue is up 2.93% or $8.9 million due to the increased forecast for passenger cars, motorcycles, and other vehicles. In the next biennium, revenue from $30 registrations is about $21.5 million more than the previous forecast. This trend keeps going on in the later periods. We anticipate the revenue to be up about $26.7 million above the previous forecast by the 2029-2031 biennium due to the higher forecast for the $30 group vehicles.
- In the 2019-21 biennium, the forecast has increased truck weight revenue for $17.4 million or 3.6% due to the increased truck registration forecast. In the next biennium, truck weight revenue is about $34 million more than the previous forecast. The revenue increase keeps going on in later forecast periods. By the end of the forecast horizon, we will see a $35 million increased revenue in 2029-2031 biennium for truck weight revenue.
- In the 2019-21 biennium, the Freight Project fee is about $5.1 million or 12.8% more than the previous forecast due to the increased truck registration forecast and prorate revenue. In the 2021-23 biennium, the Freight Project fee is $4.7 million more than the November forecast. This revenue increase keeps steady in the out years. By the end of this forecast horizon, we will see a $4.9 million freight project revenue growth in 2029-2031 biennium.
- The passenger vehicle weight revenue is increased by $7 million or 2.2% in the 2019-21 biennium, which is due to the increased passenger car and motorcycle forecast. In the 2021-23 biennium, the revenue is up $21.5 million. The revenue increase gradually goes up in the out years. By the end of this forecast horizon, we will see a $31.4 million passenger vehicle weight revenue growth in 2029-2031 biennium.
- In this forecast, the motor home weight revenue is increased by $0.88 million in the 2019-21 biennium due to the increased motor home registration forecast. The revenue increase maintains in the out years. By the end of this forecast, we will see a $0.54 million motor home weight revenue growth in 2029-2031 biennium.
- Electric battery and plug-in battery vehicles transaction forecast is revised using the actuals for the nearest period and the latest EIA annual variable for outer years. Basically, the peak increase for the EV original sales has shifted to the next biennium because of the COVID impact. EV and PHEV fee revenue is up 5.9% in the current biennium and 10.4% for the next. The forecast to forecast change over next 10 years is 5.3%.
- Filing Fees Following the upward revision of LPF forecasts, filing fee forecasts is up 4.23% or $0.3 million in current biennium and up 11.18% or $0.7 million in the next biennium. The 10-year change is about +10.2%.
- DOL Services Account and License Plate Technology Account are higher for FY 2020-23 by $335,300 or 4.5% and $167,700 or 4.5% respectively with actuals updated thru February. These forecasts continue higher on average by $300,100 or 3.9% and $150,000 or 3.9% respectively throughout the rest of the forecast horizon. The forecast revisions are due to the updated vehicle registrations forecast.

- Original Issue Plate Revenue forecast is higher for FY 2019-21 by $238,300 or 0.9% updating with actuals thru February. Overall, the forecast is slightly higher on average by $152,300 or 0.5% per biennium throughout the rest of the forecast horizon with an updated original title forecast for March 2021.
- License Plate Replacement Revenue forecast is slightly lower FY 2019-21 by -$24,100 or -0.1% with actuals updated thru February. This forecast continues lower by -$241,000 or -0.8% on average per biennium throughout the rest of the forecast horizon with an updated other title activity forecast for March 2021.

Driver Related Forecasts

Overview

The March 2021 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).

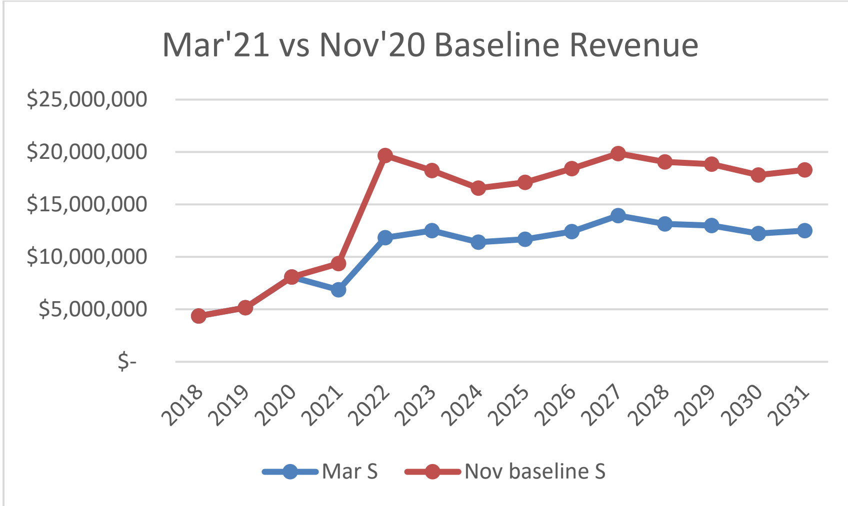
All driver-related revenue for FY2019-2021 is forecasted to be $285.3 million, down by $2.8 million (-1.0%). FY2021-23 biennium is forecasted at $309.2 million, down by $16.5 million (-5.1%) from the prior forecast. Over the next ten-year period (FY20-FY29), driver related revenue is revised down to $1,539.9 million, about -$56.0 million (-3.5%) from 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 changes in the March 2021 forecast

EDL/EID forecasts. Getting away from the baseline forecast to the alternative forecast as the official forecast. The former was a carry-over from the 2018 DOL decision package estimates in preparation for the highest possible demand. The latter was an alternative forecast more closely aligned with actuals to date. With this change, revenue is down by $2.5 million (-14.3%) for the current biennium, down by 13.5 million (-35.8%) for the next biennium, and down 50.3 million (-30.5%) for the next ten years.

Figure 18: Enhanced Drivers Licenses: March 2021 vs. November Baseline Forecast



ADR (Abstract of Driver Record) is updated with actuals through February and is lowered by about $0.60 million (-4.5%) for the current fiscal year and about 0.56 million (-3.9%) for the next year, with outer years unchanged.

Driver Licenses revenue is increased for FY 2019-21 by $1.56 million or 1.3% and decreased slightly for FY 2021-23 by -$155,300 or -0.13%. This revenue forecast is very little changed throughout the rest of the forecast horizon, but overall, slightly lower than the previous forecast.

Other Transportation Related Revenue Forecast

Overview

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

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

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 $242.4 million in the 2019-21 biennium. This represents an increase of 15% biennium to biennium. The March forecast is significantly higher than the November forecast due to the higher property management fees and other smaller fee increases as well as motor vehicle sales tax revenue being up from the last projection. The baseline March forecast next biennium is down from the last baseline forecast by $0.7 million or 0.25%. The largest decrease was in the rental car sales being down $2 million but motor vehicle sales tax revenue is up $1.5 million for the same period. Over the next 10 years, this March forecast is up by $1.6 million over the last baseline forecast.

When comparing the March forecast to the pre-pandemic baseline February forecast, other transportation related revenues are up $53.9 million in the current biennium and up $114 million next biennium. However, this March forecast is also down $160 million from the pre-pandemic February alternative forecast which excluded the impacts of I-976 in the current biennium in the current biennium. In addition, the March forecast is down $128 million next biennium from the February alternative forecast.

Primary reasons for the change in the March 2021 forecast

- In the March forecast, the sales tax on motor vehicle purchases is up over the baseline forecast due to higher recent actuals in sales taxes on new vehicle purchases. Motor vehicle sales and use tax revenue came in $1.35 million above forecast in the four months since the November forecast. The forecast for U.S. new vehicle sales is higher by 3% in the current fiscal year and throughout the forecast compared to November. The biennial forecast change for motor vehicle sales and use tax ranges from +1.9% in 2021-23 to +1.0% in 2025-27 and beyond. The reversal of I-976 results in FY2020 revenue being artificially low and FY2021 being artificially high due to timing of account deposits.
- Rental car tax collections have also reduced to the COVID-19 related shutdowns and limitations on travel. Collection came in $1,990,000 (22.3%) below forecast in the five months since the November r forecast (October data was revised). The economic variables related to this forecast are slightly weaker compared to November. The forecast has been revised downward throughout the forecast horizon after the current biennium. The biennial change ranges from -3.5% in 2019-21 to -0.3% in 2029-31.
- HOV penalties in March 2021 are unchanged from the November 2020 forecast. In the current 2019-2021 biennium HOV penalties are forecasted at $950,850 going up slightly in the 2021-2023 biennium to $1,000,400.
- WSDOT Business related revenue for the 2019-21 biennium has been revised upward by $720,500, or 4.86%, from the November forecast to reflect actual collections. In the 2021-23 biennium, WSDOT business related revenue is down $3,000 or 0.02%, from November due to lower population growth rates.
- The school zone fines forecast for the current biennium is down $46,700, or 9.33%, from the November forecast due to lower actual collections. The forecast in outer biennia has been revised downward by $29,152, or 4.74%, in the next biennium and by 1.59% in 2023-25.
- The 2019-21 WSP Business Related Revenues for March 2021 have been revised down by $614. The change reflects updated yearly averages, using February 2021 data, in all categories. Future biennia revenues are also forecast to increase by $13,572 or 0.11% from the November 2020 forecast.
- Aviation Fuel Tax 039 forecast is lower for FY 2019-21 by -$104,700 or -2.2% based on lower than anticipated revenue collections thru February. The forecast continues lower than the previous forecast by -$130,700 or -2.5% throughout the rest of the forecast horizon. The forecast revisions incorporated the OFM long-term manufacturing employment forecast. The FAA General Aviation Fuel Consumption forecast should be available for the June 2021 forecast update.
- Aviation Specialty Plate Forecast per HB 1400 (2017) with an effective date of July 22, 2017. This forecast is higher FY 2019-21 by $1,200 or 1.4% with the forecast continuing higher on average by $2,250 or 2.0% mainly due to the increase in anticipated plate renewals.
- Aviation registration and excise taxes were updated with current year registrations and revenue for FY 2021. The aircraft registrations and registration fees and excise tax revenue actuals to date were above the last projections. That is why aviation registrations and excise tax revenue were projected to be up 7% and 5% respectively in the current biennium and up by 15% and 10% respectively next biennium from the November projections.

Ferry Ridership and Revenue

Overview

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

- Passenger full fares
- Passenger frequent user discount (commuter) fares
- Passenger other discount 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 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 hybrid-electric vessel. With no further fare increases assumed in the Baseline Forecast, real fares are expected to slowly decline in real terms as a result of general price inflation.

The COVID-19 pandemic, the effects of which began in early March 2020 with “stay at home” and “safer at home” public guidance, continues to materially impact ferry ridership. April 2020 systemwide ridership was 73% lower than April 2019. From May to October 2020, ridership steadily recovered at a modest pace, with October 2020 levels coming in 35% lower than 2019. Since October, the rebound in ridership has stalled out, in part due to additional restrictions on the economy imposed by the governor in November. For the four most recent months, monthly ridership levels have averaged 41% below their most recent pre-pandemic levels. To account for forces holding ridership levels below what can be attributed to changes in the usual forecast inputs (i.e., employment and real personal income levels), an indicator variable was introduced within the models to capture the pandemic-related decreases in ridership. Compared with the prior November forecast, the March 2021 forecast extended the impact of the pandemic indicator variable by one year into FY 2023, with its effects tapering off and recovering to a “new normal” by January 2023.

Over the past two decades, the passenger and vehicle/driver frequent user “commuter” fare ridership categories have been declining, in both absolute volumes and as percentage shares of total passengers and vehicles, respectively. A number of factors have contributed to this trend, including an aging population base in ferry-served communities with more riders eligible for senior fares that offer a larger discount, an increase in telecommuting, and changes in the frequent user multi-ride fare media that make them less severable for shared concurrent use by multiple riders. Between FY 2000 and FY 2019, the share of passengers traveling under a discounted, frequent user fare has declined from nearly 46% to less than 19%. Over the same period, the share of drivers of vehicles traveling under a discounted, frequent user fare has declined from nearly 47% to 34%. The COVID-19 pandemic has resulted in an extensive increase in telecommuting. Evidence of this is exhibited in the passenger frequent user "commuter" fares ridership, which has the steepest pandemic-related percentage decreases of all fare categories, down by over 88% in April 2020, and holding at just under 80% below pre-pandemic levels since then (February 2021 was 79.4% below February 2020). Many employers are expected to be more accommodating of telecommuting after a recovery to conditions representing a "new normal". A 15% passenger commuter fare reduction factor used to capture this expected effect in the prior forecast was increased for the March 2021 forecast to 20% based upon recent data analysis and research, applied over the post-pandemic forecast horizon. A similar but smaller 10% reduction previously applied to the vehicle/driver commuter fare projections has been increased to 12% for the March 2021 forecast.

The March 2021 Forecast includes the following service level assumptions, which on May 9, will restore various service reductions put in place during the pandemic:

- The peak season schedule and service levels will go into effect in the San Juan Islands.
- Three vessel service will be restored on the Fauntleroy-Vashon-Southworth routes.
- Peak season two vessel service will resume on the Port Townsend-Coupeville route.

Two vessel service was restored last fall, and then again earlier this month on the Seattle-Bremerton route following a temporary return to single boat operations. However, the Anacortes-Sidney, B.C. international route is assumed to remain out of service until at least late September 2021 due to uncertainty about when the U.S.-Canadian border will re-open.

Overall, the March Baseline Forecast for ridership in the current 2019-21 biennium is 6.1% lower than the November Forecast, with passengers down 10.2% and vehicles/drivers down 1.7%. The March 2021 forecast includes actual ridership and revenue collections through February 2021. Total reported ridership for November 2020 through February 2021 averaged 20% lower than previously forecasted, and 41% lower for the same period a year earlier. Compared to the prior year's values, February 2021 ridership was 43% lower, worse than January's 34% drop and likely a result of the multi-day snowstorm experienced in the Puget Sound Region.

Fare revenues for November 2020 through February 2021 averaged 8.7% lower than the prior forecast and 26% lower than the prior year's values for the same period. Because the smallest percentage actual-to-forecast ridership variances occurred in the vehicle/driver fare categories which have substantially higher fares, the percentage impacts to revenue are less than the impact on ridership.

Compared to the prior November forecast, fare and surcharge revenues for the current 2019-21 biennium are projected to be 3.2% lower, whereas miscellaneous revenues are expected to be 5.8% lower. Fare and surcharge revenues in FY 2021 are expected to be 11.3% lower than in FY 2020, as the effects of the pandemic and the economy continue to dampen ferry ridership through 8 months of FY 2021. In contrast, FY 2021 miscellaneous revenues are expected to be 69% below their FY 2020 levels.

For the rest of the forecast horizon, the March ridership projections range from 15.3% lower in FY 2022 to 0.7% lower in FY 2026, ending up at 1.1% lower in FY 2031, relative to the November Forecast. Fare and surcharge revenue projections are expected to range from 11.1% lower in FY 2022 to 0.2% lower in FY 2026, ending up at 0.6% lower in FY 2031, relative to the November Forecast.

Miscellaneous revenues have been revised downward by 6.0% for the 2021-23 biennium and then range from between 28% to 32% higher across the forecast horizon compared with November, primarily reflecting revised, more realistic assumptions about post-pandemic food and beverage service revenues from the on-board galleys.

Total fare and miscellaneous revenues forecasted for the 2019-21 biennium amount to $321.5 million, which is 3.2% lower than the previous forecast of $332.2 million for the same period. Over 12 years (FY 2020-31), ferry fare and miscellaneous revenues total $2.49 billion, which is 1.5% less than the November Forecast over this period.

The COVID-19 pandemic has materially disrupted normal ferry ridership patterns, and the duration and magnitude of the pandemic's temporary near-term effects or its more permanent impacts on the economy and ferry ridership remain unknown. As such, the March 2021 forecast projections, as well as the assumptions upon which they are based at the time of preparation, are subject to an unprecedented level of risk and uncertainty, which may cause actual results to vary considerably from the projections.

Primary reasons for the change in the November 2020 forecast

- Overall, the March 2021 fare and surcharge revenue forecasts reflect the substantial drop in ridership resulting from the pandemic and its associated effects on the economy, including the expectation of a slower post-pandemic rebound in ferry ridership and likely lower permanent levels of commuter fare ridership.

- Miscellaneous revenue forecasts are lower through the 2021-23 biennium. They are projected to be higher in subsequent biennia as a result of higher vessel non-fare revenue projections resulting from more realistic on-board food and beverage revenue that more than offset projected decreases in other non-fare revenues generated at the terminals.

Toll Revenue

Overview

Main Changes since November 2020 Forecast

November 2020 through February 2021 Actuals

Washington State has five tolled facilities. The March 2021 toll traffic and revenue (T&R) forecast has been updated from the November 2020 Forecast to incorporate: (1) slower actual traffic and revenue recovery assumptions in the near term on all toll facilities, (2) some project scheduling changes on I-405 / SR 167 in the mid- and long-term that were incorporated into Travel Demand Model (TDM) runs made specifically for I-405 / SR 167, and (3) some mid- and long-term changes to SR 520 as the result of TDM runs made specifically for SR 520.

March forecast is based on T&R actuals through January 2021, with preliminary February 2021 data available at time of forecasting.

November 2020 Forecast incorporated four-month (July 2020 through October 2020) T&R actuals. November 2020 through February 2021 combined actual toll transactions were 4.6 percent below the forecast. Reported adjusted toll revenues for the past four months were $43.1 million, which is $1.6 million (or 3.6 percent) below the November 2020 Forecast.

November 2020 Forecast has not included the potential traffic impact by the second eight-week statewide "Stay home, Stay Healthy" order from November 15th, 2020 to January 11th, 2021. Also, February traffic was impacted by significant periods of heavy snowfall starting Friday, February 12th through Monday, February 15th in the Puget Sound region.

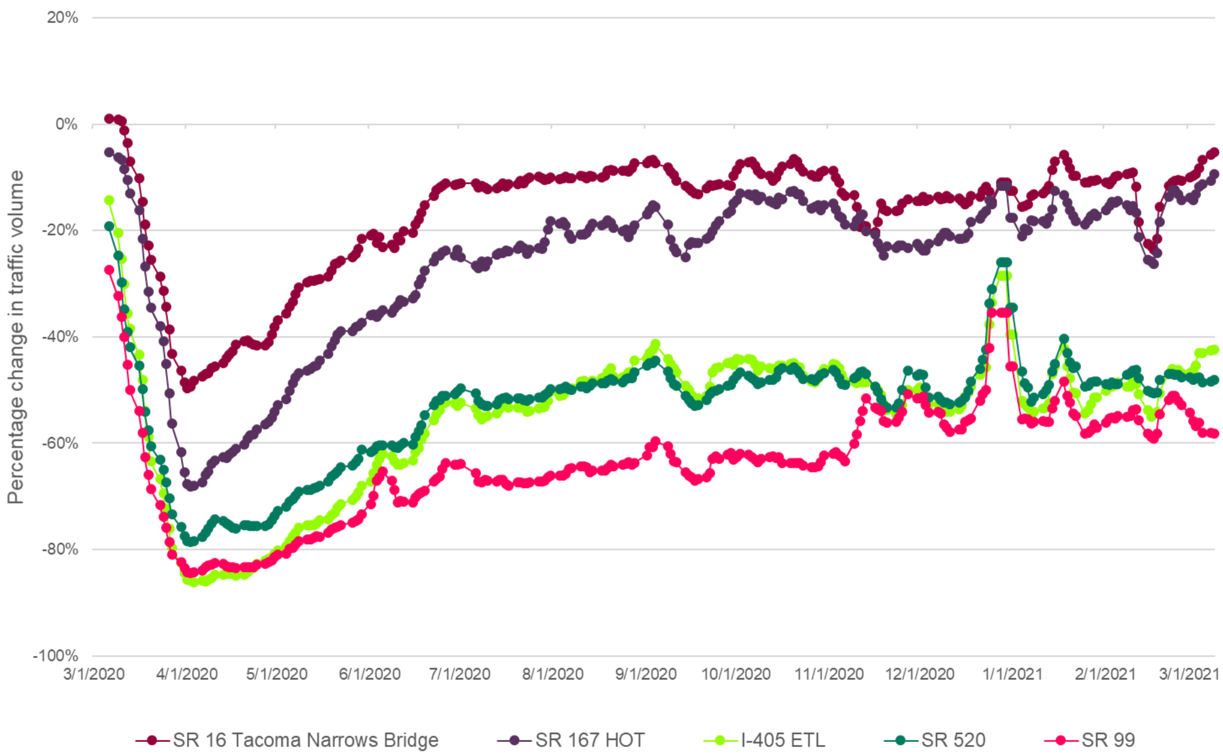
Figure 19: July 2020 to February 2021 Actuals vs November 2020 Forecast ($ millions)

Toll Facility	Toll Transactions							Adjusted Gross Toll Revenue						
		Nov 2020	Dec 2020	Jan 2021	Feb* 2021	Nov thru Feb Total	YTD (Jul 2020 thru Feb 2021)		Nov 2020	Dec 2020	Jan 2021	Feb 2021	Nov thru Feb Total	YTD (Jul 2020 thru Feb 2021)
TNB	Forecasted Transactions	1.132	1.152	1.115	1.064	4.463	9.437	Forecasted Toll Revenue	$5.861	$5.942	$5.765	$5.505	$23.073	$49.600
	Reported Transactions	**1.051**	**1.115**	**1.063**	**0.976**	**4.205**	**9.179**	**Reported Toll Revenue**	**$5.553**	**$5.885**	**$5.638**	**$5.157**	**$22.235**	**$48.762**
	Variance From Forecast	-0.081	-0.037	-0.052	-0.088	-0.258	-0.258	Variance From Forecast	-$0.308	-$0.057	-$0.127	-$0.348	-$0.838	-$0.838
	Variance - % Change	-7.2%	-3.2%	-4.7%	-8.3%	-5.8%	-2.7%	Variance - % Change	-5.2%	-1.0%	-2.2%	-6.3%	-3.6%	-1.7%
SR 520	Forecasted Transactions	1.094	1.094	1.167	1.113	4.468	9.284	Forecasted Toll Revenue	$3.484	$3.390	$3.651	$3.498	$14.023	$29.178
	Reported Transactions	**1.086**	**1.158**	**1.061**	**0.965**	**4.270**	**9.086**	**Reported Toll Revenue**	**$3.490**	**$3.715**	**$3.377**	**$3.132**	**$13.713**	**$28.869**
	Variance From Forecast	-0.008	0.064	-0.106	-0.148	-0.198	-0.198	Variance From Forecast	$0.006	$0.325	-$0.274	-$0.366	-$0.310	-$0.310
	Variance - % Change	-0.7%	5.9%	-9.1%	-13.3%	-4.4%	-2.1%	Variance - % Change	0.2%	9.6%	-7.5%	-10.5%	-2.2%	-1.1%
I-405	Forecasted Transactions	0.440	0.391	0.404	0.426	1.661	3.550	Forecasted Toll Revenue	$0.605	$0.515	$0.556	$0.609	$2.285	$4.722
	Reported Transactions	**0.401**	**0.460**	**0.381**	**0.404**	**1.645**	**3.534**	**Reported Toll Revenue**	**$0.525**	**$0.621**	**$0.458**	**$0.523**	**$2.127**	**$4.564**
	Variance From Forecast	-0.039	0.069	-0.023	-0.022	-0.016	-0.016	Variance From Forecast	-$0.080	$0.106	-$0.098	-$0.086	-$0.158	-$0.158
	Variance - % Change	-8.9%	17.6%	-5.7%	-5.2%	-0.9%	-0.4%	Variance - % Change	-13.2%	20.6%	-17.7%	-14.1%	-6.9%	-3.3%
SR 167	Forecasted Transactions	0.112	0.111	0.110	0.107	0.440	0.917	Forecasted Toll Revenue	$0.187	$0.178	$0.184	$0.182	$0.731	$1.563
	Reported Transactions	**0.112**	**0.119**	**0.114**	**0.112**	**0.457**	**0.934**	**Reported Toll Revenue**	**$0.172**	**$0.210**	**$0.170**	**$0.195**	**$0.748**	**$1.579**
	Variance From Forecast	0.000	0.008	0.004	0.005	0.017	0.017	Variance From Forecast	-$0.015	$0.032	-$0.014	$0.013	$0.017	$0.017
	Variance - % Change	-0.1%	7.4%	3.4%	4.7%	3.8%	1.8%	Variance - % Change	-7.8%	18.0%	-7.5%	7.1%	2.3%	1.1%
SR 99	Forecasted Transactions	0.707	0.716	0.699	0.686	2.808	5.871	Forecasted Toll Revenue	$1.153	$1.167	$1.140	$1.119	$4.579	$9.527
	Reported Transactions	**0.654**	**0.692**	**0.655**	**0.629**	**2.630**	**5.693**	**Reported Toll Revenue**	**$1.080**	**$1.132**	**$1.044**	**$1.008**	**$4.264**	**$9.211**
	Variance From Forecast	-0.053	-0.024	-0.044	-0.057	-0.178	-0.178	Variance From Forecast	-$0.073	-$0.035	-$0.096	-$0.111	-$0.315	-$0.315
	Variance - % Change	-7.5%	-3.4%	-6.2%	-8.3%	-6.3%	-3.0%	Variance - % Change	-6.3%	-3.0%	-8.4%	-10.0%	-6.9%	-3.3%
Total	**Forecasted Transactions**	**3.485**	**3.464**	**3.495**	**3.396**	**13.840**	**29.058**	**Forecasted Toll Revenue**	**$11.290**	**$11.192**	**$11.296**	**$10.913**	**$44.691**	**$94.589**
	Reported Transactions	**3.304**	**3.544**	**3.274**	**3.086**	**13.207**	**28.425**	**Reported Toll Revenue**	**$10.821**	**$11.563**	**$10.687**	**$10.016**	**$43.087**	**$92.985**
	Variance From Forecast	**-0.181**	**0.080**	**-0.221**	**-0.310**	**-0.633**	**-0.633**	**Variance From Forecast**	**-$0.469**	**$0.371**	**-$0.609**	**-$0.897**	**-$1.604**	**-$1.604**
	Variance - % Change	**-5.2%**	**2.3%**	**-6.3%**	**-9.1%**	**-4.6%**	**-2.2%**	**Variance - % Change**	**-4.2%**	**3.3%**	**-5.4%**	**-8.2%**	**-3.6%**	**-1.7%**

Notes:
* February 2021 Toll Transactions are stated based on preliminary estimate.

Overall, toll traffic recovery has slowed or even leveled since summer 2020. Figure 21 provides daily traffic volumes for the past twelve-month period from March 01, 2020 thought February 28, 2021 comparing to last year's traffic. Those actuals verify the general forecast assumptions and provide additional clarities to the toll facilities.

Figure 20: Percentage change in toll traffic volumes in comparison to last year's traffic.



Main change on assumptions since November 2020 Forecast

Most of the methodologies for this March 2021 forecast stay the same as the ones used in the November 2020 forecast. The March 2021 toll traffic and revenue (T&R) forecast has been updated from the November 2020 forecast to incorporate slower actual traffic and revenue recovery assumptions in the near term on all toll facilities, some project scheduling changes on I-405 / SR 167 in the mid-and long-term that were incorporated into Travel Demand Model (TDM) runs made specifically for I-405 / SR 167, and some mid- and long-term changes to SR 520 as the result of TDM runs made specifically for SR 520.

Based on the actuals from November through January, along with preliminary February data, as well as the continued extension of work-from-home timelines, we have lowered the near-term traffic and revenue from FY 2021 through FY 2023 for each facility. For FY 2024 to FY 2031, forecasts for TNB and SR 99 are the same as previous November 2020 forecast. For SR 167, the March forecasts for 2024 are the same as previous; between FY 2025 and FY 2029 are just slightly lower in those years only due to assumed project delays. For SR 520, the March forecasts for FY 2024 to 2031 are slightly lower due to results of our additional TDM modeling efforts (see specific SR 520 project write-up for details). For I-405, the March forecasts are the same as previous in FY 2024; however, they are noticeably lower in years 2025 to 2031 due to assumed delays in numerous project improvements within the corridor (most notably the delay in improvements on the northern section of I-405), as noted from the Governor's Budget (see details within I-405 project write-up). Gross revenues have been revised in the same trend as traffic.

Due to lack of detailed data and dates, this forecast does not factor in the potential distribution of successful coronavirus vaccines in Spring 2021.

The March 2020 forecast incorporates actual T&R performance through January 2021 (with preliminary February data), adding five-month forecasts for the remainder of FY 2021, and assuming different recovery pattern for each facility based on the observed trends.

The forecasts for FY 2021, FY 2022, and FY 2023 continue to be made on a month-by-month basis, to best administer the slow but steady recovery growth in traffic and, for the ETLs, in average toll rates. Each toll facility is analyzed on its own, with the actual traffic, average toll rate, and revenue by month used as the key inputs.

Figure 21 below shows FY 2021 through FY 2031 annual Traffic and Toll Rates November and March forecast assumptions comparing to Pre-COVID Forecasts.

Figure 21: FY 2021 to FY 2029 Traffic and Toll Rate Reduction Assumptions – Comparing to Pre-COVID Forecasts[1]

			FY 2021 ACTUALS				ANNUAL FORECAST FY 2021 to FY 2029								
Facility	Forecast Version	Traffic & Toll Rates Assumptions	Nov-20	Dec-20	Jan-21	Feb-21[3]	FY 2021 Weighted Average	FY 2022 Weighted Average	FY 2023 Weighted Average	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
TNB[2]	Nov'20	Toll Traffic reduction	-8%	-14%	-8%	-8%	-10%	-7%	-4%	-3%	-3%	-3%	-3%	-3%	-3%
	Mar'21	Toll Traffic reduction	-15%	-17%	-13%	-16%	-13%	-10%	-6%	-3%	-3%	-3%	-3%	-3%	-3%
SR 520	Nov'20	Toll Traffic reduction	-49%	-49%	-48%	-48%	-47%	-22%	-12%	-8%	-8%	-8%	-8%	-8%	-8%
		Toll Rate reduction	-2%	-2%	-2%	-2%	-2%	-2%	-1%	-2%	-2%	-2%	-2%	-2%	-2%
	Mar'21	Toll Traffic reduction	-50%	-45%	-52%	-54%	-51%	-34%	-16%	-9%	-9%	-9%	-9%	-9%	-9%
		Toll Rate reduction	-2%	2%	0%	-2%	-1%	-2%	-1%	-2%	-2%	-2%	-2%	-2%	-2%
SR 99[4]	Nov'20	Toll Traffic reduction	-32%	-32%	-35%	-32%	-31%	-15%	-5%	-5%	-5%	-5%	-5%	-5%	-5%
		Toll Rate reduction	-8%	-9%	-9%	-9%	-8%	-6%	-6%	-6%	-6%	-6%	-6%	-6%	-6%
	Mar'21	Toll Traffic reduction	-37%	-34%	-39%	-38%	-36%	-28%	-10%	-5%	-5%	-5%	-5%	-5%	-5%
		Toll Rate reduction	-9%	-7%	-11%	-9%	-8%	-6%	-6%	-6%	-6%	-6%	-6%	-6%	-6%
I-405	Nov'20	Toll Traffic reduction	-47%	-47%	-51%	-42%	-44%	-18%	-11%	-9%	-8%	-7%	-7%	-6%	-5%
		Toll Rate reduction	-56%	-55%	-51%	-41%	-53%	-25%	-11%	-10%	-8%	-6%	-5%	-4%	-3%
	Mar'21	Toll Traffic reduction	-52%	-37%	-53%	-45%	-48%	-32%	-15%	-9%	-21%	-28%	-28%	-18%	-11%
		Toll Rate reduction	-61%	-53%	-62%	-53%	-58%	-39%	-17%	-10%	-11%	-12%	-11%	-10%	-11%
SR 167	Nov'20	Toll Traffic reduction	-28%	-25%	-31%	-31%	-30%	-20%	-8%	-4%	-4%	-3%	-3%	-2%	-2%
		Toll Rate reduction	-41%	-43%	-40%	-38%	-39%	-27%	-14%	-8%	-9%	-7%	-6%	-6%	-5%
	Mar'21	Toll Traffic reduction	-28%	-20%	-28%	-28%	-29%	-25%	-12%	-4%	-4%	-3%	-3%	-3%	-3%
		Toll Rate reduction	-46%	-37%	-46%	-45%	-43%	-42%	-22%	-8%	-9%	-8%	-8%	-8%	-7%

Notes:

[1] Pre-COVID forecasts refer to: (1) November 2019 TRFC for TNB, SR 520, SR 99, and SR 167. (2) I-405/SR 167 ETLs Comprehensive Traffic and Revenue Pro-Forma Estimates, Pre-COVID-19, dated May 2020 for I-405 ETLs.

[2] Assume no toll rate change to TNB.

[3] Feb-21 Toll Rate is based on the preliminary Toll Transactions estimate and Revenue Potential forecast

[4] Assume 3% toll rate increase every three years starting FY 2022 to SR 99.

With the reduction in toll trips since the start of COVID-19, the March 2021 analysis also incorporates a re-baselining of transponder sales revenue based on reported sales through March 2021 for SR 520, I-405 ETLs, and SR 99. Data through February 2021 indicates a 27 percent overall reduction in transponder sales since the start of COVID-19. Meanwhile, the weighted average transponder unit sale price has increased from $7.28 to $7.71 as a result of the following two factors: (1) transponder sales through the Customer Service Center (CSC), which has a higher sale price comparing to the discounted wholesale price through retail channels, have increased from an assumed 50 percent in the prior forecasts to 87 percent based on actual data; (2) there has been a notable shift in the types of transponders sold, with FlexPass (which is more expensive than the stick pass) sales now accounting for 26 percent of total sales compared with 31 percent pre-COVID-19. We anticipate a rebound in FlexPass sales in FY 2022 with assumed phasing out of COVID-19 gathering and occupancy restrictions. Additional refinements were made to account for changes in allocations between facilities, now adjusted to align with the March 2021 T&R forecast.

Summary of March 2021 Forecast Results

Figure 22 provides the comparison summary between March 2021 forecast and November 2020 forecast results.

Some highlights of March 2021 forecast include:

Figure 22: Revenue Comparison – March 2021 vs November 2020 Forecast ($ millions)

	Toll Facility	FY 2020	FY 2021	2019-21 Biennium	FY 2022	FY 2023	2021-23 Biennium	2023-25 Biennium	2020-29 Ten-Year
March 2021 TRFC	**TNB**								
	Adjusted Gross Toll Revenue	$75.466	$73.468	$148.934	$75.586	$80.669	$156.255	$168.923	$822.903
	Other Revenue	$3.938	$2.354	$6.292	$2.445	$2.528	$4.973	$5.200	$27.047
	Total TNB Revenue & Fees	$79.404	$75.822	$155.226	$78.031	$83.197	$161.228	$174.123	$849.950
	SR 520								
	Adjusted Gross Toll Revenue	$66.570	$44.125	$110.695	$58.991	$79.438	$138.429	$181.957	$819.393
	Other Revenue	$12.649	$3.864	$16.513	$4.303	$5.188	$9.491	$11.755	$62.927
	Total SR 520 Revenue & Fees	$79.219	$47.989	$127.208	$63.294	$84.626	$147.920	$193.712	$882.320
	I-405 ETLs								
	Adjusted Gross Toll Revenue	$21.347	$7.053	$28.400	$13.504	$23.245	$36.749	$58.327	$279.703
	Other Revenue	$5.657	$1.024	$6.682	$1.204	$1.929	$3.133	$4.740	$28.704
	Total I-405 ETLs Revenue & Fees	$27.005	$8.077	$35.082	$14.708	$25.174	$39.882	$63.067	$308.407
	SR 167 ETLs								
	Adjusted Gross Toll Revenue	$3.497	$2.295	$5.792	$2.770	$4.983	$7.753	$15.698	$69.681
	Other Revenue	$0.161	$0.087	$0.248	$0.082	$0.088	$0.170	$0.223	$1.202
	Total SR 167 ETLs Revenue & Fees	$3.658	$2.382	$6.040	$2.852	$5.071	$7.923	$15.921	$70.883
	SR 99								
	Adjusted Gross Toll Revenue	$11.851	$13.927	$25.778	$20.078	$26.372	$46.450	$56.343	$247.757
	Other Revenue	$2.191	$2.474	$4.665	$3.061	$3.819	$6.880	$8.326	$36.101
	Total SR 99 Revenue & Fees	$14.043	$16.401	$30.444	$23.139	$30.191	$53.330	$64.669	$283.859
	All Toll Facilities								
	Adjusted Gross Toll Revenue	**$178.732**	**$140.868**	**$319.600**	**$170.929**	**$214.707**	**$385.636**	**$481.248**	**$2239.438**
	Other Revenue	$24.597	$9.803	$34.400	$11.095	$13.552	$24.647	$30.244	$155.981
	Total Revenue & Fees	**$203.329**	**$150.671**	**$354.000**	**$182.024**	**$228.259**	**$410.283**	**$511.492**	**$2395.419**
November 2020 TRFC	**TNB**								
	Adjusted Gross Toll Revenue	$75.466	$75.313	$150.779	$78.380	$81.971	$160.351	$168.923	$828.844
	Other Revenue	$3.938	$2.339	$6.277	$2.539	$2.591	$5.130	$5.213	$27.202
	Total TNB Revenue & Fees	$79.404	$77.652	$157.056	$80.919	$84.562	$165.481	$174.136	$856.046
	SR 520								
	Adjusted Gross Toll Revenue	$66.570	$46.126	$112.696	$70.288	$82.851	$153.139	$184.989	$845.093
	Other Revenue	$12.649	$3.913	$16.562	$5.441	$6.088	$11.529	$13.190	$68.458
	Total SR 520 Revenue & Fees	$79.219	$50.039	$129.258	$75.729	$88.939	$164.668	$198.179	$913.551
	I-405 ETLs								
	Adjusted Gross Toll Revenue	$21.347	$8.237	$29.584	$19.596	$26.074	$45.670	$64.399	$339.121
	Other Revenue	$5.657	$0.875	$6.532	$1.746	$2.215	$3.961	$5.770	$35.970
	Total I-405 ETLs Revenue & Fees	$27.005	$9.112	$36.117	$21.342	$28.289	$49.631	$70.169	$375.092
	SR 167 ETLs								
	Adjusted Gross Toll Revenue	$3.497	$2.405	$5.902	$3.738	$5.844	$9.582	$15.758	$72.592
	Other Revenue	$0.161	$0.081	$0.242	$0.079	$0.093	$0.172	$0.223	$1.200
	Total SR 167 ETLs Revenue & Fees	$3.658	$2.486	$6.144	$3.817	$5.937	$9.754	$15.981	$73.792
	SR 99								
	Adjusted Gross Toll Revenue	$11.851	$15.008	$26.859	$23.271	$27.419	$50.690	$55.601	$250.802
	Other Revenue	$2.191	$2.691	$4.882	$3.537	$4.198	$7.735	$8.472	$37.450
	Total SR 99 Revenue & Fees	$14.043	$17.699	$31.742	$26.808	$31.617	$58.425	$64.073	$288.253
	All Toll Facilities								
	Adjusted Gross Toll Revenue	**$178.732**	**$147.089**	**$325.821**	**$195.273**	**$224.159**	**$419.432**	**$489.670**	**$2336.453**
	Other Revenue	$24.597	$9.899	$34.496	$13.342	$15.185	$28.527	$32.868	$170.281
	Total Revenue & Fees	**$203.329**	**$156.988**	**$360.317**	**$208.615**	**$239.344**	**$447.959**	**$522.538**	**$2506.734**
Changes from November 2020 TRFC	**TNB**								
	Adjusted Gross Toll Revenue	$0.000	-$1.845	-$1.845	-$2.794	-$1.302	-$4.096	$0.000	-$5.941
	Other Revenue	$0.000	$0.015	$0.015	-$0.094	-$0.063	-$0.157	-$0.013	-$0.155
	Total TNB Revenue & Fees	$0.000	-$1.830	-$1.830	-$2.888	-$1.365	-$4.253	-$0.013	-$6.096
	Total % Change	0.0%	-2.4%	-1.2%	-3.6%	-1.6%	-2.6%	0.0%	-0.7%
	SR 520								
	Adjusted Gross Toll Revenue	$0.000	-$2.001	-$2.001	-$11.297	-$3.413	-$14.710	-$3.032	-$25.700
	Other Revenue	$0.000	-$0.049	-$0.049	-$1.138	-$0.900	-$2.038	-$1.435	-$5.531
	Total SR 520 Revenue & Fees	$0.000	-$2.050	-$2.050	-$12.435	-$4.313	-$16.748	-$4.467	-$31.231
	Total % Change	0.0%	-4.1%	-1.6%	-16.4%	-4.8%	-10.2%	-2.3%	-3.4%
	I-405 ETLs								
	Adjusted Gross Toll Revenue	$0.000	-$1.184	-$1.184	-$6.092	-$2.829	-$8.921	-$6.072	-$59.418
	Other Revenue	$0.000	$0.149	$0.149	-$0.542	-$0.286	-$0.828	-$1.030	-$7.267
	Total I-405 ETLs Revenue & Fees	$0.000	-$1.035	-$1.035	-$6.634	-$3.115	-$9.749	-$7.102	-$66.685
	Total % Change	0.0%	-11.4%	-2.9%	-31.1%	-11.0%	-19.6%	-10.1%	-17.8%
	SR 167 ETLs								
	Adjusted Gross Toll Revenue	$0.000	-$0.110	-$0.110	-$0.968	-$0.861	-$1.829	-$0.060	-$2.911
	Other Revenue	$0.000	$0.006	$0.006	$0.003	-$0.005	-$0.002	$0.000	$0.002
	Total SR 167 ETLs Revenue & Fees	$0.000	-$0.104	-$0.104	-$0.965	-$0.866	-$1.831	-$0.060	-$2.909
	Total % Change	0.0%	-4.2%	-1.7%	-25.3%	-14.6%	-18.8%	-0.4%	-3.9%
	SR 99								
	Adjusted Gross Toll Revenue	$0.000	-$1.081	-$1.081	-$3.193	-$1.047	-$4.240	$0.742	-$3.045
	Other Revenue	$0.000	-$0.217	-$0.217	-$0.476	-$0.379	-$0.855	-$0.146	-$1.349
	Total SR 99 Revenue & Fees	$0.000	-$1.298	-$1.298	-$3.669	-$1.426	-$5.095	$0.596	-$4.394
	Total % Change	0.0%	-7.3%	-4.1%	-13.7%	-4.5%	-8.7%	0.9%	-1.5%
	All Toll Facilities								
	Adjusted Gross Toll Revenue	**$0.000**	**-$6.221**	**-$6.221**	**-$24.344**	**-$9.452**	**-$33.796**	**-$8.422**	**-$97.015**
	Adjusted Gross Toll Revenue % Change	0.0%	-4.2%	-1.9%	-12.5%	-4.2%	-8.1%	-1.7%	-4.2%
	Other Revenue	$0.000	-$0.096	-$0.096	-$2.247	-$1.633	-$3.880	-$2.624	-$14.300
	Total Revenue & Fees	**$0.000**	**-$6.317**	**-$6.317**	**-$26.591**	**-$11.085**	**-$37.676**	**-$11.046**	**-$111.315**
	Total % Change	0.0%	-4.0%	-1.8%	-12.7%	-4.6%	-8.4%	-2.1%	-4.4%

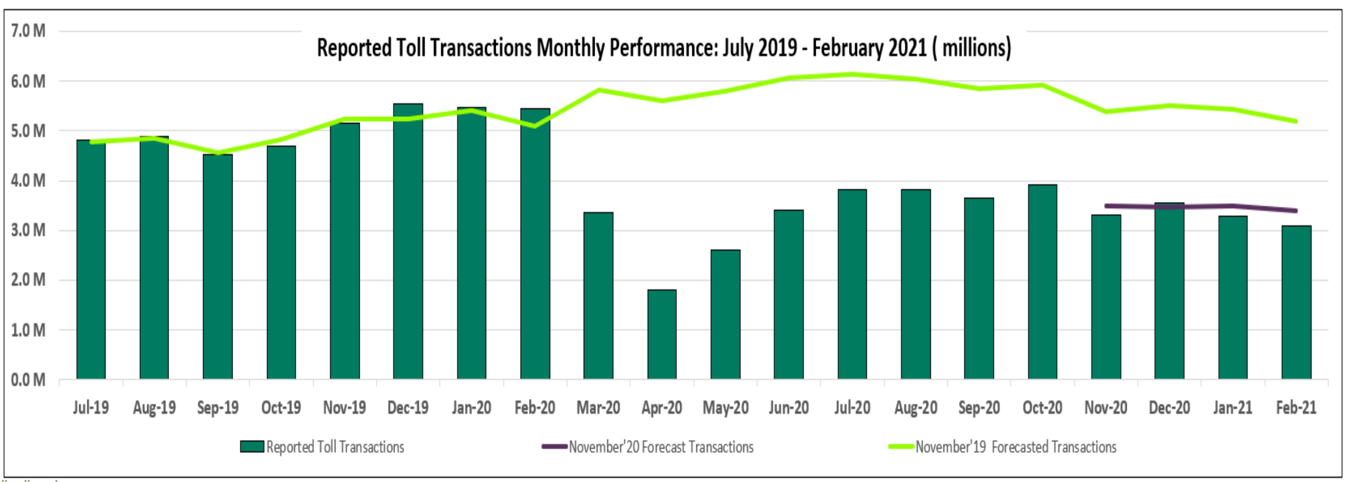
- FY 2021 total revenue and fees are estimated to be $151 million, which is $6.3 million (or 4 percent) below the November 2020 Forecast.
- FY 2022 total revenue and fees are estimated to be $182 million, below the November 2020 Forecast by $26.6 million (or 13 percent).
- Next Biennium (FY 2022 and FY 2023) total revenues were $37.7 million below the November Forecast. This $38 million reduction represents 34% of the ten-year (2020-2029) total revenue reduction (of $111 million).

A Review of COVID-19 Pandemic Impact on Toll Traffic and Revenues

COVID T&R performance continues to trend significantly below the Pre COVID forecast. Comparing to November 2019 forecast, twelve-month period March 2020 through February 2021 five facilities combined toll transactions were 42 percent, or 29.1 million transactions below the November 2019 forecast; the reported adjusted toll revenues were $131.1 million, which is $100.1 million (or 43 percent) below the forecast.

The graphs below provide BTD monthly Toll Transactions and Reported Toll Revenue performances in comparison to the November 2019 and November 2020 forecasts.

Figure 23: BTD monthly T&R Actuals in comparisons to November 2020 and November 2019 forecasts



Note: February 2021 Toll transactions are reported based on preliminary estimate

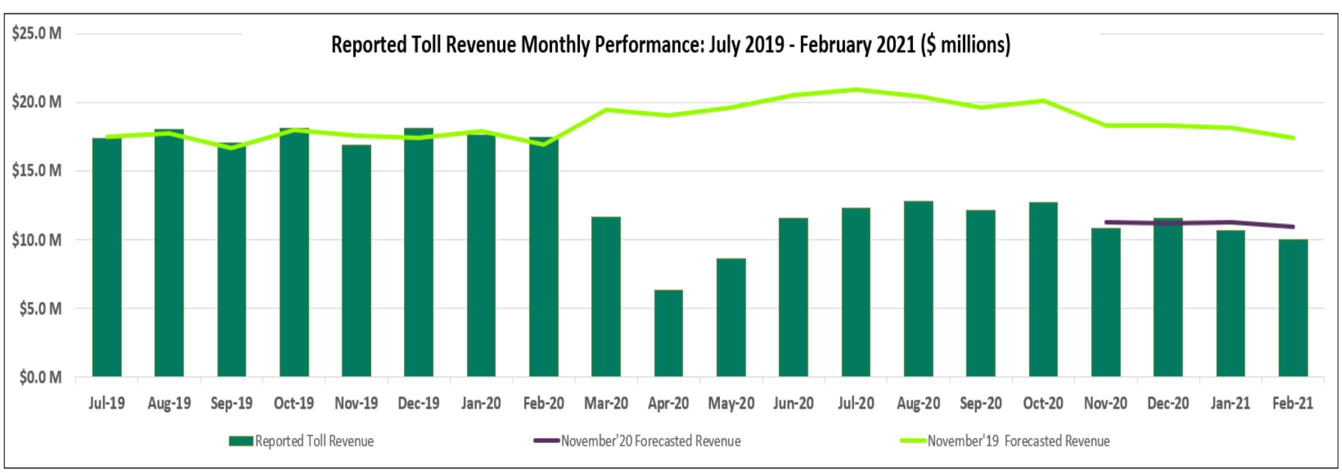


Figure 24 provides the comparison summary between March 2021 and November 2019 (Pre-COVID) Forecast. Comparing to the Pre-COVID November 2019 Forecast, 2019-21 Biennium total revenue and fees are 27 percent below the November 2019 forecast. FY 2020 to FY 2029 ten-year total, total revenue and fees are 18 percent (or $528 million) below the March 2021 Forecast.

Figure 24: Revenue Comparison – March 2021 vs November 2019 Forecast ($ millions)

	Toll Facility	FY 2020	FY 2021	2019-21 Biennium	FY 2022	FY 2023	2021-23 Biennium	2023-25 Biennium	2020-29 Ten-Year
Changes from November 2019 TRFC	**TNB**								
	Adjusted Gross Toll Revenue	-$6.654	-$9.922	-$16.576	-$8.793	-$4.726	-$13.519	-$5.220	-$46.107
	Other Revenue	$0.864	-$0.662	$0.202	-$0.510	-$0.307	-$0.817	-$0.395	-$1.770
	Total TNB Revenue & Fees	-$5.790	-$10.584	-$16.374	-$9.303	-$5.033	-$14.336	-$5.615	-$47.877
	Total % Change	-6.8%	-12.2%	-9.5%	-10.7%	-5.7%	-8.2%	-3.1%	-5.3%
	SR 520								
	Adjusted Gross Toll Revenue	-$21.253	-$46.439	-$67.692	-$33.244	-$16.244	-$49.488	-$19.737	-$182.417
	Other Revenue	$5.036	-$4.102	$0.934	-$4.031	-$3.457	-$7.488	-$6.406	-$26.960
	Total SR 520 Revenue & Fees	-$16.217	-$50.541	-$66.758	-$37.275	-$19.701	-$56.976	-$26.143	-$209.377
	Total % Change	-17.0%	-51.3%	-34.4%	-37.1%	-18.9%	-27.8%	-11.9%	-19.2%
	I-405 ETLs								
	Adjusted Gross Toll Revenue	-$8.124	-$24.631	-$32.755	-$19.898	-$11.773	-$31.671	-$36.325	-$184.112
	Other Revenue	$3.120	-$1.646	$1.475	-$1.721	-$1.243	-$2.964	-$3.724	-$15.864
	Total I-405 ETLs Revenue & Fees	-$5.003	-$26.277	-$31.280	-$21.619	-$13.016	-$34.635	-$40.049	-$199.976
	Total % Change	-15.6%	-76.5%	-47.1%	-59.5%	-34.1%	-46.5%	-38.8%	-39.3%
	SR 167 ETLs								
	Adjusted Gross Toll Revenue	-$1.431	-$3.325	-$4.756	-$3.639	-$2.326	-$5.965	-$2.144	-$17.586
	Other Revenue	-$0.082	-$0.187	-$0.269	-$0.227	-$0.258	-$0.485	-$0.618	-$3.136
	Total SR 167 ETLs Revenue & Fees	-$1.513	-$3.512	-$5.025	-$3.866	-$2.584	-$6.450	-$2.762	-$20.722
	Total % Change	-29.3%	-59.6%	-45.4%	-57.5%	-33.8%	-44.9%	-14.8%	-22.6%
	SR 99								
	Adjusted Gross Toll Revenue	-$2.201	-$10.301	-$12.502	-$8.679	-$3.604	-$12.283	-$4.396	-$38.486
	Other Revenue	$0.474	-$1.434	-$0.960	-$2.076	-$1.582	-$3.658	-$2.394	-$11.754
	Total SR 99 Revenue & Fees	-$1.726	-$11.735	-$13.461	-$10.755	-$5.186	-$15.941	-$6.790	-$50.239
	Total % Change	-10.9%	-41.7%	-30.7%	-31.7%	-14.7%	-23.0%	-9.5%	-15.0%
	All Toll Facilities								
	Adjusted Gross Toll Revenue	**-$39.662**	**-$94.618**	**-$134.280**	**-$74.253**	**-$38.673**	**-$112.926**	**-$67.822**	**-$468.707**
	Adjusted Gross Toll Revenue % Change	-18.2%	-40.2%	-29.6%	-30.3%	-15.3%	-22.7%	-12.4%	-17.3%
	Other Revenue	$9.413	-$8.031	$1.382	-$8.565	-$6.847	-$15.412	-$13.537	-$59.484
	Total Revenue & Fees	**-$30.249**	**-$102.649**	**-$132.898**	**-$82.818**	**-$45.520**	**-$128.338**	**-$81.359**	**-$528.191**
	Total % Change	-13.0%	-40.5%	-27.3%	-31.3%	-16.6%	-23.8%	-13.7%	-18.1%

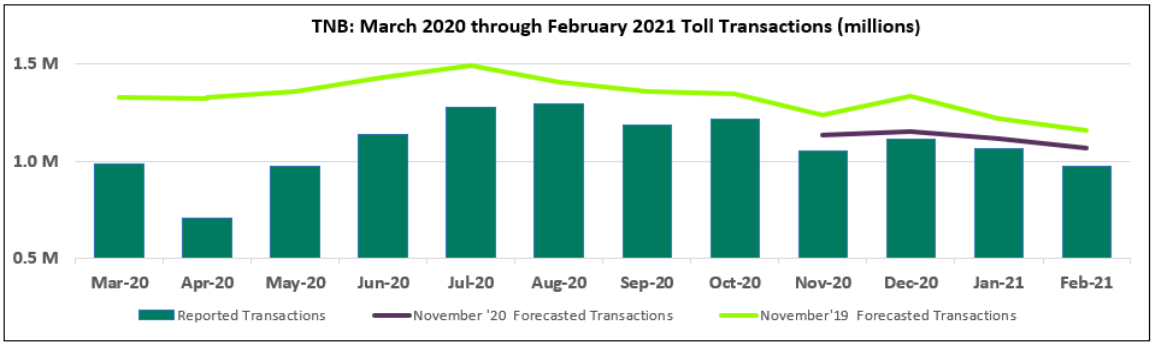
Updates to Tacoma Narrows Bridge (TNB) traffic and toll revenue

Tacoma Narrows Bridge (TNB) toll traffic and revenue forecast for March 2021 has been updated to incorporate the actual traffic and revenues through January 2021, with preliminary February data. It also reflects the current assumptions of the facility's Post-COVID traffic and revenue recovery.

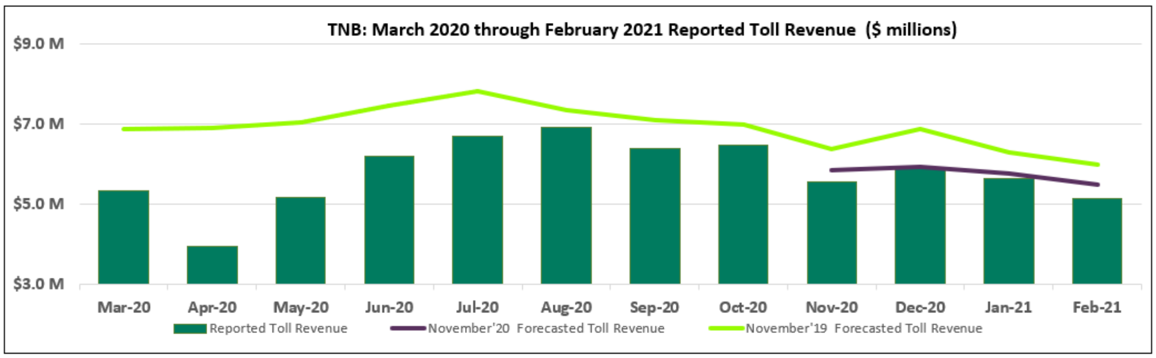
Combined November 2020 through February 2021 four-month period toll transactions were 6 percent below the November 2020 forecast, toll revenues were 4 percent below the forecast.

FY 2021 YTD (July 2020 through February 2021) reported toll transactions were 9.2 million, which is 0.3 million (or 3 percent) below the November 2020 forecast. FY 2021 YTD Adjusted Gross Toll Revenues were $48.8 million, which was $0.8 million (or 2 percent) below the November forecast.

Figure 25: TNB Monthly Toll Transactions and Revenue Between March 2020 – February 2021



Note: February 2021 Toll transactions are reported based on preliminary estimates



Comparing to November 2020 forecast, TNB toll transactions are forecasted to be decreased by 3.1 percent in FY 2021. FY 2022 and FY 2023 transactions are below November forecast by 3.6 and by 1.6 percent respectively. From FY 2024 to 2031 TNB toll transactions are unchanged from the November 2020 forecast.

Assuming no changes to the average toll rates, TNB toll revenue forecast updates reflect the similar trends of its traffic growth. Comparing to the prior forecast, TNB total revenue and fees in November forecast are decreased by 2.4 percent in FY 2021, by 3.6 percent in FY 2022, and by 1.6 percent in FY 2023. Like toll transactions forecast, FY 2024-2029 toll revenues are at the previous forecast projections. Miscellaneous revenue attributed to interest earnings on the account balance is decreased by $67,000 in FY 2021. The facility's total revenue and fees in 2019-21 biennium are estimated to be $155.2 million, which is $1.8 million (or 1.2 percent) below November forecast. In 2021-23 biennium total revenue and fees of $161.2 million are $4.2 million (or 2.6 percent) below the previous forecast. Ten-year period (FY 2020 to FY 2029) total revenue and fees are $6.1 million (or 0.7 percent) below the November 2020 Forecast.

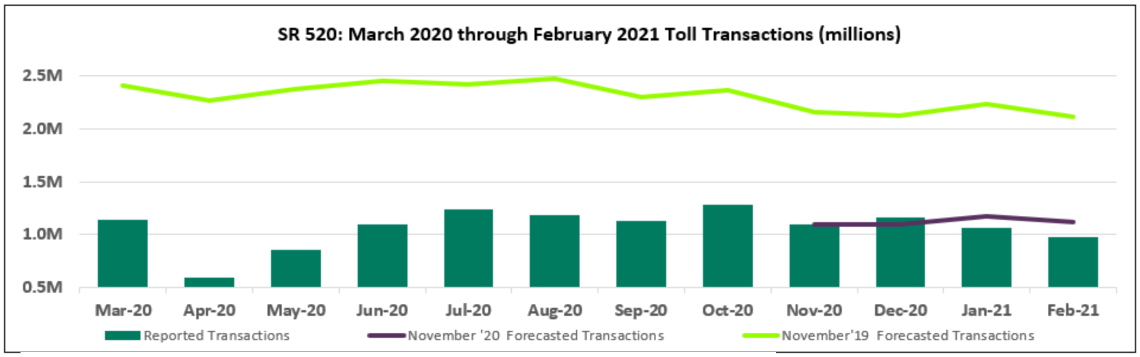
Updates to SR 520 Toll Bridge traffic and toll revenue

SR 520 Bridge toll traffic and revenue forecast for March 2021 has been updated to incorporate actual values through January 2021, with preliminary February data. The forecast also reflects the current assumptions on Post-COVID-19 traffic and revenue recovery trends.

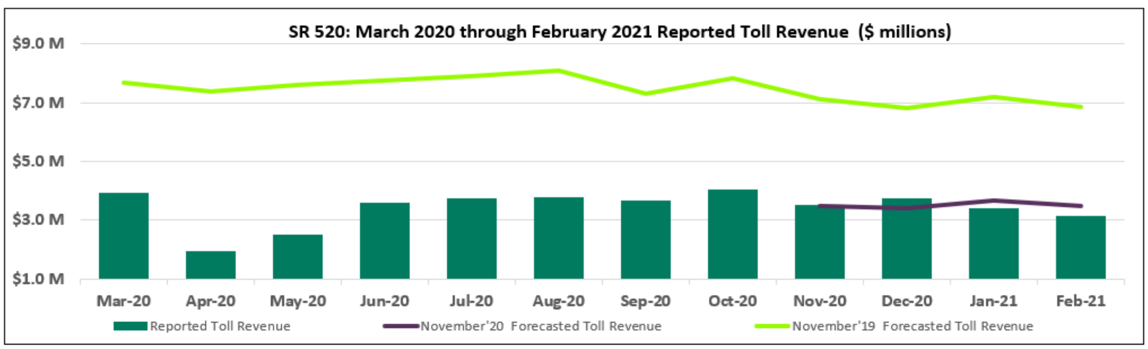
Four-month period November 2020 to February 2021 toll transactions were 4.4 percent below the November 2020 forecast, toll revenues were 2.2 percent below the forecast. FY 2021 YTD (July 2020 through February 2021) reported toll transactions were 9.1 million, which is 0.2 million (or 2.1 percent) below the November 2020 forecast. YTD Adjusted Gross Toll Revenue was $28.9 million, which is $0.3 million (or 1.1 percent) below the prior forecast.

We used updated adjusted travel demand model (TDM) results for SR 520 made recently for other analyses to inform this March 2021 TRFC forecast in the longer term. These travel demand model runs include a new calibrated-for-actual 2020 model, and updated 2025 and 2040 model years that better reflect a potential 'new normal' of travel patterns by trip purpose. While there was no new socio-economic forecast to incorporate into the future travel demand models for that study, there have been modifications to the travel demand by trip purpose as proxy. The results of these model runs show slightly lower (1.6 percent per year) tolled traffic on SR 520 than in the November 2020 forecast.

Figure 26: SR 520 Monthly Toll Transactions and Revenue Between March 2020 – February 2021



Note: February 2021 Toll transactions are reported based on preliminary estimates



Comparing to the November 2020 forecast, SR 520 toll transactions in the March 2021 forecast are forecasted to be reduced by 5.8 percent in FY 2021; the reduction in FY 2022 is 15.2 percent. FY 2023 is 4.3 percent lower than previous, and from FY 2024 to FY 2031, SR 520 toll transactions are forecasted to be some 1.6 percent below the November 2020 forecast, due to the results of our Travel Demand Model runs made specifically for SR 520, discussed previously.

Total SR 520 revenue and fees in the current biennium are forecasted to be $127 million, which is $2.0 million (or 1.6 percent) below the November 2020 forecast. The eleven-year total revenue and fees (FY 2020 to FY 2031) are estimated to be $1,107 million, which is $35.7 million (or 3.1 percent) lower than the November forecast.SR 520 transponder sales revenue reflects the re-baselining of the transponder forecast model to reflect reported values since the start of COVID-19 restrictions, with reductions of 11 to 18 percent depending on the biennium.

SR 520 miscellaneous pledged revenues decreased by 24 percent in the FY 2021-23 biennium and 21 percent during the eleven-year forecast horizon from FY 2021-31. The decrease in miscellaneous pledged revenue is the result of lower interest earnings. Lower interest earnings in future years are due to reductions in projected toll revenue in the March 2020 forecast in the near term which reduces the cumulative balance in future years for which interest earnings are based.

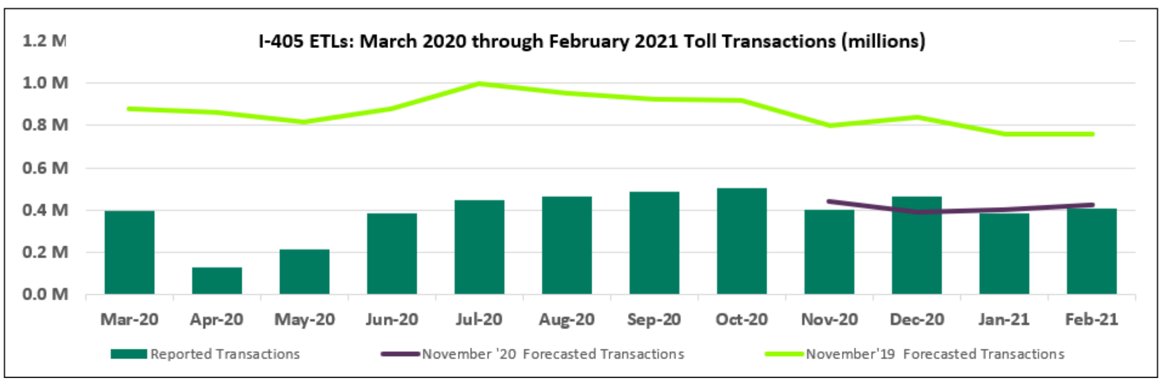
Updates to I-405 Express Toll Lanes (ETLs) traffic and toll revenue

I-405 ETLs toll traffic and revenue forecast for March 2021 has been updated to incorporate the actuals through January 2021, with preliminary February data and the current assumptions of the facility's Post-COVID traffic and revenue recovery.

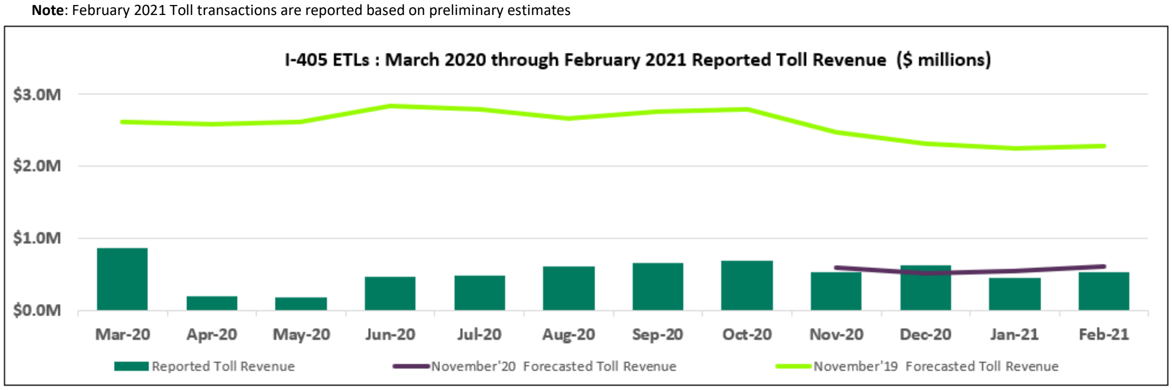
While the analysis methodology for I-405 ETLs is the same as done in the previous November 2020 forecast, it should be noted that several of the corridor projects will be delayed as compared to the previous forecast, according to the Governor's Budget, causing lower revenue forecasts in the FY 2025 through to FY 2031. The main project delay includes I-405/ SR 522 to SR 527 improvements (project completion year moved from FY 2026 to FY 2028).

We used updated adjusted travel demand model (TDM) results for I-405 made recently for other analyses to inform this March 2021 TRFC forecast in the longer term. These travel demand model runs include updated 2030 and 2045 model years that better reflect a potential 'new normal' of travel patterns by trip purpose. While there was no new socio-economic forecast to incorporate into the future travel demand models for that study, there have been modifications to the travel demand by trip purpose as proxy. Most importantly, all the project delays noted in the Governor's Budget both on I-405 and on SR 167 were modelled in the TDM, and those results were used to inform the March forecast. The results of these model runs show noticeably lower traffic in years FY 2025 to FY 2031.

Figure 27: I-405 Monthly Toll Transactions and Revenue Between March 2020 – February 2021



Note: February 2021 Toll transactions are reported based on preliminary estimates



Four-month period November 2020 to February 2021 toll transactions were 0.9 percent below the November 2020 forecast, toll revenues were 6.9 percent below the forecast. FY 2021 YTD (July 2020 through February 2021) reported toll transactions were 3.5 million, or 0.4 percent below the November 2020 forecast. YTD Adjusted Gross Toll Revenue was $4.6 million, which is $0.2 million (or 3.3 percent) below November 2020 forecast.

As travel demand drops, traffic congestion is significantly reduced; thereby reducing the time savings benefits the dynamic priced managed lanes offer over the free general-purpose lanes. Reduced demand for the express tolled lanes also results in lower-than-average tolls, approaching the minimum toll rate, all day, decreasing revenue further.

The I-405 Express Toll Lanes between Lynnwood and Bellevue opened to the public on September 27, 2015. Dynamic algorithms on the I-405 ETLs allow the toll rates to change as conditions change. The price varies depending on traffic with the goal of attracting the maximum amount of traffic in the ETLs to maintain good flow conditions, which corresponds to ETLs operating speeds of 45 mph or higher. As more people enter the ETLs, the toll increases to prevent overcrowding.

The forecast has assumed current law conditions. Those assumptions include tolling occurs from 5 a.m. to 7p.m. on weekdays only and excludes nights, weekends, and major holidays. These same toll rates and structure are assumed throughout the forecast period. The I-405 ETL's minimum toll is 75-cents and the maximum toll is $10

Comparing to the November 2020 forecast, I-405 ETLs toll transactions are forecasted to be reduced by 6.8 percent in FY 2021, 16.5 percent in FY 2022, 4.6 percent in FY 2023. FY 2024 is the same as the previous forecast. Between FY 2025 and 2031, however, there are noticeably lower forecasts, specifically due to the delays in project openings, discussed previously. FY 2025 is 13.6 percent lower than November forecasts; FY 2026 is 22.1 percent lower; FY 2027 is 22.6 percent lower; FY 2028 is 12.6 percent lower; FY 2029 is 6.5 percent lower; FY 2030 is 6.8 percent lower; and FY 2031 is 5.8 percent lower.

Transponder revenues reflect the re-baseline of the transponder forecast and I-405's corresponding share of the system transponder transactions.

I-405 ETLs total revenue and fees in the current biennium are forecasted to be $35.1 million, which is $1.0 million (or 2.9 percent) below November 2020 forecast. Miscellaneous revenue attributed to interest earnings on the account balance was removed in the November 2020 forecast; future revenue is assumed to be not sufficient to generate any significant interest income after accounting for contributions to the overall project capital program. The eleven-year total revenue and fees (FY 2021 to FY 2031) are estimated to be $410 million, which is a decrease of $86.1 million, (or 17.4 percent) from November 2020 forecast.

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

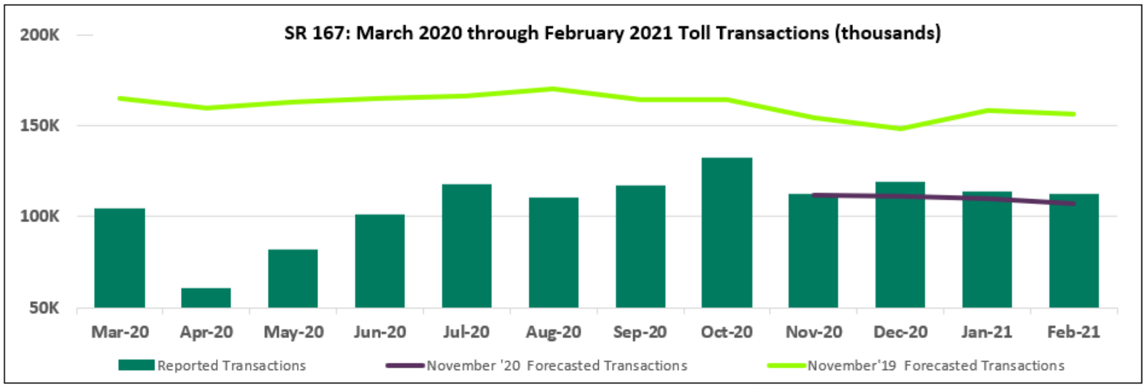
SR 167 ETLs toll traffic and revenue forecast for March 2021 has been updated to incorporate the actuals through January 2021, with preliminary February data. It also reflects the current assumptions of the facility's Post-COVID traffic and revenue recovery.

The analysis methodology for SR 167 is the same as done in the previous November 2020 forecast through FY 2024.

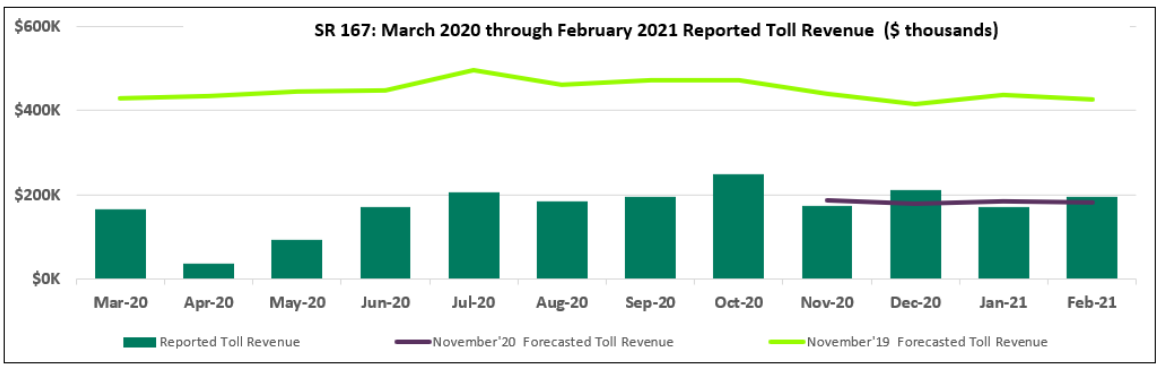
For the forecast period starting FY 2025, similar to I-405 ETLs, we used updated adjusted travel demand model (TDM) results for SR 167 made recently for other analyses to inform this March 2021 TRFC forecast due to these project delays. These travel demand model runs include updated 2030 and 2045 model years that better reflect a potential 'new normal' of travel patterns by trip purpose. Most importantly, all the project delays noted in the Governor's Budget both on I-405 and on SR 167 were modelled in the TDM, and those results were used to inform the March forecast. The results of these model runs show slightly lower traffic in years FY 2025 to FY 2029.

Four-month period November 2020 to February 2021 toll transactions were 3.8 percent above the November 2020 forecast, and toll revenues were 2.3 percent above the forecast. FY 2021 YTD (July 2020 through February 2021) reported toll transactions were 1.8 percent above the November 2020 forecast. YTD Adjusted Gross Toll Revenue was $1.6 million, which is $17,000 (or 1.1 percent) above November 2020 forecast.

Figure 28: SR 167 Monthly Toll Transactions and Revenue Between March 2020 – February 2021



Note: February 2021 Toll transactions are reported based on preliminary estimates



Still impacted by COVID-19, November 2020 through February 2021 toll traffic and revenues significantly underperformed previous years. As mentioned for the I-405 Express Toll Lanes, the percentage decreases in revenue for SR 167 ETLs also exceed their percentage decreases in traffic. As travel demand on SR 167 drops, traffic congestion is significantly reduced; thereby reducing the time savings benefits the dynamic priced managed lanes offer over the free general-purpose lanes. Reduced demand for the tolled lanes also results in lower-than-average tolls, approaching the minimum toll rate, all day, decreasing revenue further. November 2020 through February 2021 average toll rate was $1.6 in comparison to July 2019 through February 2020 average toll rate of $2.56.

Comparing to the November 2020 forecast, SR 167 ETLs toll transactions are forecasted to be slightly increased by 1.1 percent in FY 2021, the percentage reduction in FY 2022 is 6.3 percent and reduced by 5.2 percent in FY 2023. Between FY 2025 and 2029, there are slight reductions of the forecasts, due to the delays in project openings on SR 167, noted previously. Each of the FY 2025 to 2029 forecasted traffic is less than 0.5 percent lower than previous forecast. For FY 2030 though FY 2031, the forecasts remain unchanged from November 2020 Forecast.

SR 167 ETLs total revenue and fees in current biennium are forecasted to be $6.0 million, which is $104,000 (or 1.7 percent) below November 2020 forecast. In the next 2021-2023 biennium total revenue and fees of $7.9 million are $1.8 million (or 18.8 percent) below the previous forecast. The ten-year total revenue and fees (FY 2020 to FY 2029) are estimated to be $70.9 million, which is by $2.9 million (or 3.9 percent) below the November 2020 forecast.

Updates to SR 99 Tunnel traffic and toll revenue

SR 99 Tunnel toll traffic and revenue forecast for March 2021 has been updated to incorporate the actuals through January 2021, with preliminary February data, and the current assumptions of the facility's Post-COVID traffic and revenue recovery.

SR 99 Tunnel opened to traffic on February 4, 2019 and tolling began on November 9, 2019. On March 23, 2020, the West Seattle Bridge was closed for emergent repair and the future of the bridge is still unclear at this moment, but extensive closures are anticipated under a rehabilitation or replacement alternative. Stantec's Pre-COVID-19 preliminary model analysis shows the impact of the bridge closure on SR 99 tunnel traffic is minor (around 2 percent negative impact on toll traffics). Because this closure happened at the same time as the COVID-19 pandemic, it is difficult to clearly understand its actual impacts on SR 99.

After toll commencement, SR 99 Pre COVID-19 actuals outperformed the November 2019 forecast. The COVID-19 Pandemic brought tremendous shift on regional transportation patterns. March through February's toll transactions were about 38 percent below November 2019 forecast.

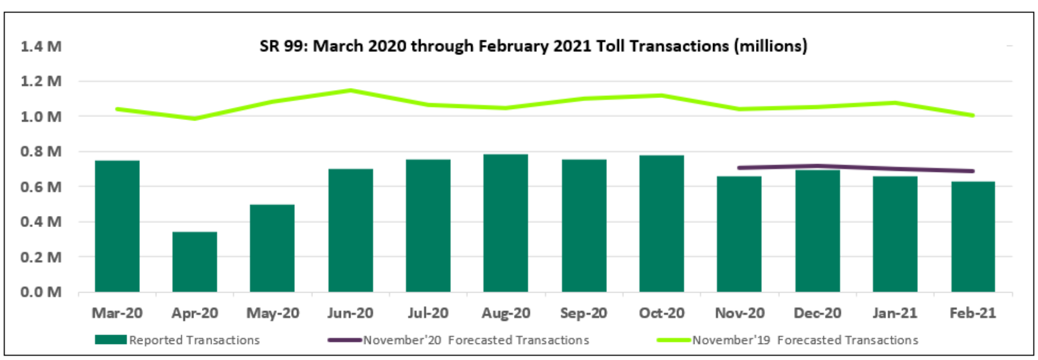
In comparison to November 2020 Forecast, November 2020 through February 2021 toll transactions were 6.3 percent below and toll revenues were 6.9 percent below the forecast.

Comparing to the November 2020 forecast, SR 99 toll transactions are forecasted to decrease by 6.5 percent in FY 2021, the percentage reduction in FY 2022 is 14.9 percent, and the percentage reduction in FY 2023 is 5.1 percent. From FY 2024 to 2031, SR 99 toll transactions are forecasted to be at the November 2020 forecast projections.

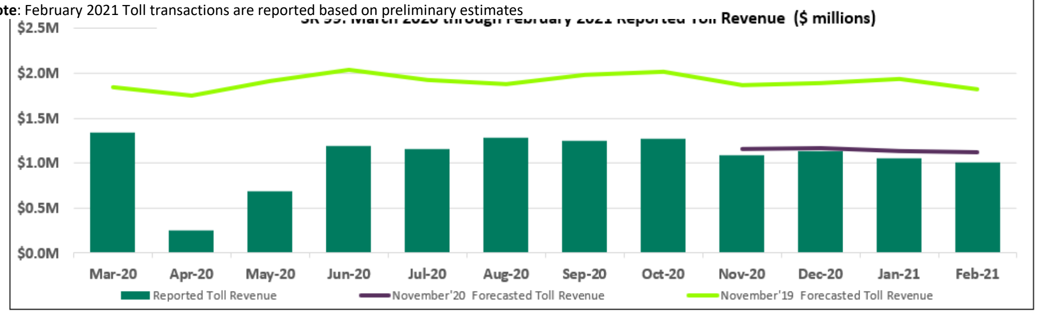
Revenue adjustments generally align with changes in the traffic and gross toll revenue potential except for Pay By Plate fees, and transponder revenue. Pay By Plate fees did not previously align with the revised payment splits in the near term that correspond with projected revenue potential and also did not account for resolution of as many trips as Pay By Plate through the CPR offering. With revisions, Pay By Plate revenue is 39 to 62 percent higher over the forecast horizon. Transponder revenues reflect the re-baseline of the transponder forecast and SR 99's corresponding share of the system transponder transactions,

SR 99 adjusted gross toll revenue and fees in the current biennium are forecasted to be $30.4 million, which is 4.1 percent lower than November 2020 forecast. The eleven-year total toll revenue and fees (FY 2021 to FY 2031) are estimated to be $354.1 million, which is down by $3.7 million (or 1.0 percent) from the prior forecast.

Figure 29: SR 99 Monthly Toll Transactions and Revenue Between March 2020 – February 2021



Note: February 2021 Toll transactions are reported based on preliminary estimates



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

- The March 2021 total apportionment forecast for FFY 2020 is $813.2 million. This reflects actual apportionment distributions for FFY 2020.
- The March 2021 apportionment forecast reflects the CARES Act federal distribution of $2.2 million in FFY 2020.
- The March 2021 apportionment forecast reflects the actual Ferry Boat annual apportionment distribution as well as redistributed Ferry Boat distribution.
- The March 2021 apportionment forecast reflects the current Continuing Resolution for FFY 2021 which extends the FFY 2020 apportionment levels for December 11, 2020 through FFY 2021.
- The current Continuing Resolution will expire on September 30, 2021 and right now there is not a new Surface Transportation Funding Bill passed by Congress to take its place. Because a new funding bill does not exist, we are assuming a Continuing Resolution will continue to be passed to fund infrastructure in the gap period. Assuming a Continuing Resolution for the near term, the baseline forecast for FFY 2021 through FFY 2023 will assume an annual growth rate of 2.3% which is based on the average annual growth rate of the FHWA Core Program apportionment from 2012 through 2020. This 2.3% growth rate spans two Surface Transportation funding bills as well as numerous Continuing Resolutions.
- The baseline forecast for FFY 2024 through FFY 2029 will assume an annual growth of federal revenues matching the annual Washington State fuel consumption growth rates. In this March forecast, there were only minor revisions downward annually in the long-term federal highway funds forecast compared to the last forecast due to higher starting point in FFY 2024 and slightly lower long-term growth rates in those years.

Obligation Authority (OA) Forecast

- Obligation authority (OA) (a.k.a. spending authority or obligation limitation) is the ceiling or total amount of commitments of federal apportionment that can be made within a year. Congress sets this ceiling or limit as part of the federal appropriation bills to control federal expenditures annually.
- The March 2021 CORE OA for FFY 2020 has been reconciled to actual OA distributions and is $700.7 million. The total OA for 2020 is $792.3 million which includes distributions for Discretionary items, Other Allocated programs as well as Ferry Boat/Terminals distributions.
- 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.

Allocations of FAST Act Funds Forecast:

Federal apportionment is split between state and locals. The Governor's office and the Office of Financial Management convened a group to discuss this state and local splitting of funds in 2016. The November 2019 forecast first incorporated the new state and local split agreement reached by this working group. The agreed upon split assumes the following:

- WSDOT's distribution from NHPP and STBGP are held in 2015 computational tables' levels.
- The incremental increase in NHPP funds allowed in the FAST Act will be used by Local Programs to create an asset management-based competitive grant program for projects on the NHS. We have called out the statewide competitive NHS program in the detailed forecast tables.
- A portion of the incremental increase in STBGP (up to $15 million per year, up to $60 million over the remaining 4-years of the Act) can be added to the local bridge program. The remaining annual growth in STBGP is attributed to the Local's portion of the "Any area of the state" distribution.
- Overall state and local federal funds split starts at 64% / 36% in FFY 2017 and decreases over time.

FHWA Penalties:

The November 2020 federal forecast will incorporate two FHWA penalties, which Washington State is subject to.

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

- The Interstate System Pavement Condition Penalty – The FHWA analyzed the 2018 Interstate System pavement data reported by the WSDOT and has determined that the penalty under the provisions of the Interstate System Condition Penalty (23 U.S.C 119 (f)(1)) must be invoked pursuant to 23 CFR 490.317. This is just for FFY 2020 and the amount is estimated at $123.7 million and this money is taken from the state National Highway Performance Program (NHPP). The uses of the federal funds are now more restricted to be spent only on interstates in Washington. This penalty is first being brought in the November 2019 revenue forecast.

COVID 19 Stimulus Funds:

The Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) created a Coronavirus Relief Fund (CRF) which provides $150 billion to state, local, territorial, and tribal governments. The CRF provides $150 billion for expenditures incurred due to the COVID-19 public health emergency. The November and March 2021 federal apportionment forecast will include an estimated CRF distribution to Washington State for ferries and public transportation. This CRF estimate does not include fund distributions made directly to King, Pierce, Snohomish, and Spokane counties.

The Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) was signed by President Trump on December 27, 2020 making consolidated appropriations for the fiscal year ending

September 30, 2021, providing coronavirus emergency response and relief. This act made modifications to existing COVID-19 relief legislation and provided additional appropriations for the expenditure of federal COVID-19 pandemic relief funds. The March 2021 forecast will include funds made available to WSDOT through this CRRSAA Act of $168 million.

Figure 30: FFY 2020 – FFY2025 November FHWA Highway Funding Forecast

($ millions)

March 2021 Federal Highway Forecast	FFY 2020	FFY 2021	FFY 2022	FFY 2023	FFY 2024	FFY 2025
Total WA Apportionment	$ 813.2	$ 927.0	$ 780.0	$ 797.6	$ 806.1	$ 813.5
Total WA Obligation Authority	$ 792.3	$ 747.4	$ 764.8	$ 781.6	$ 790.0	$ 797.2

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 March 2021 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 was 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 were $19.2 million and growing to $19.7 million by FFY 2020.
- The March 2021 apportionment forecast reflects the current Continuing Resolution for FFY 2021 which extends the FFY 2020 apportionment levels for December 11, 2020 through FFY 2021.
- The current Continuing Resolution will expire on September 30, 2021 and at the current time there is not a new Surface Transportation Funding Bill passed by Congress to take its place. Because a new funding bill does not exist, we are assuming a Continuing Resolution will be passed to fund infrastructure in the gap period. Assuming a Continuing Resolution for the near term, the baseline forecast for FFY 2021 through FFY 2023 will assume an annual growth rate of 2.3% which is based on the average annual growth rate of the FHWA Core Program apportionment from 2012 through 2020. This 2.3% growth rate spans two Surface Transportation funding bills as well as numerous Continuing Resolutions.
- The public transportation formula federal program forecast for FFY 2024 – 2029 is grown annually using the Washington State Fuel Consumption forecasted growth rates, which are down slightly in March compared to the last forecast in those years.

Figure 31: FFY 2017 – FFY 2020 FTA – Public Transportation Forecast
(In thousands)

March 2021 - Public Transportation Federal Forecast	FFY 2020	FFY 2021	FFY 2022	FFY 2023	FFY 2024	FFY 2025
Statewide Planning Program	$ 527.0	$ 527.0	$ 539.0	$ 552.0	$ 558.0	$ 563.0
Enhanced Mobility for Elderly and Persons with Disabilities	$ 3,117.0	$ 3,117.0	$ 3,189.0	$ 3,262.0	$ 3,298.0	$ 3,329.0
Nonurbanized Area Formula Program	$ 14,733.0	$ 14,733.0	$ 15,071.0	$ 15,418.0	$ 15,587.0	$ 15,733.0
Rural Transit Assistance Program	$ 231.0	$ 231.0	$ 236.0	$ 241.0	$ 244.0	$ 246.0
State Safety Oversight Program	$ 661.0	$ 661.0	$ 676.0	$ 692.0	$ 699.0	$ 706.0
Bus and Bus Facilities Program	$ 1,918.0	$ 1,918.0	$ 1,962.0	$ 2,008.0	$ 2,030.0	$ 2,049.0
COVID-19 Federal Relief Funds	$ 44,121.6	$ 84,001.4	$ -	$ -	$ -	$ -

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 March 2021 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 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 is $13.3 million. This amount is held constant thru 2020. This is unchanged from the previous forecast.
- The March 2021 forecasts include the CARES Act Federal Distribution of $69.9 million in 2020 and the CRRSAA Federal Distribution of $80 million in 2021.
- The March 2021 apportionment forecast reflects the current Continuing Resolution for FFY 2021 which extends the FFY 2020 apportionment levels for December 11, 2020 through FFY 2021.
- The current Continuing Resolution will expire on September 30, 2021 and at the current time there is not a new Surface Transportation Funding Bill passed by Congress to take its place. Because a new funding bill does not exist, we are assuming a Continuing Resolution will be passed to fund infrastructure in the gap period. Assuming a Continuing Resolution for the near term, the baseline forecast for FFY 2021 through FFY 2023 will assume an annual growth rate of 2.3% which is based on the average annual growth rate of the FHWA Core Program apportionment from 2012 through 2020. This 2.3% growth rate spans two Surface Transportation funding bills as well as numerous Continuing Resolutions.

- The long-term WSF formula federal program forecast for FFY 2024 – 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 32: FFY 2017 – FFY2020 FTA Washington State Ferries Forecast *(In millions)*

March 2021 FTA – Washington State Ferries Federal Forecast	FFY 2020	FFY 2021	FFY 2022	FFY 2023	FFY 2024	FFY 2025
Urbanized Area Formula Program Grants (5307)	$ 5.6	$ 5.6	$ 5.7	$ 5.9	$ 5.9	$ 6.0
State of Good Repair Grants (5307)	$ 7.6	$ 7.6	$ 7.7	$ 7.9	$ 8.0	$ 8.1
Discretionary and Allocated Programs	$ -	$ -	$ -	$ -	$ -	$ -
COVID-19 Federal Relief Funds	$ 60.9	$ 80.0	$ -	$ -	$ -	$ -

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Motor Fuel Tax Revenue Forecast

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Motor Vehicle Licenses, Permits & Fees Revenue Forecast

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Other Transportation Related Revenue Forecast

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Washington State Ferries Ridership and Revenue Forecast

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Federal Funds Forecast

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Appendix

Tables Related to the March 2021 Forecast

Figure 33: Connecting Washington Revenues March 2021 Forecast Without I-976 Compared to September 2015 Forecast

Forecast to Forecast Compairson for Connecting Washington Revenues 10-Year Period

March 2021 Forecast without impacts of I976 to September 2015 Forecast • millions of dollars

	2019-21			2021-23			10-Year Period (2019-2029)		
dollars in millions	Forecast Mar 21	Chg from Sep 15	Percent Change	Forecast Mar 21	Chg from Sep-15	Percent Change	Forecast Mar 21	Chg from Sep 15	Percent Change
Revenues									
Motor Vehicle Fuel Taxes Increase (7 cents 8/1/15 & 4.9 cents 7/1/16); Handling Loss Elimination and Increase in Off-highway Refunds by 11.9 cents	729.5	(73.2)	-9.1%	749.5	(58.1)	-7.2%	**3,831.1**	(213.2)	-5.3%
Vehicles paying Weight-based Registration Fee (All Trucks)	92.7	22.3	31.6%	105.2	5.4	5.4%	**583.7**	109.6	23.1%
Vehicles paying Freight Project Fee (Trucks >10,000 lbs)	42.0	20.9	98.7%	44.5	23.2	109.1%	**227.5**	120.2	112.1%
Passenger Vehicle Weight Fees	196.4	9.6	5.1%	271.2	(34.1)	-11.2%	**1,527.3**	72.6	5.0%
Intermittent-Use Trailers ($187.50)	1.0	(5.8)	-85.1%	1.6	(5.3)	-76.7%	**11.4**	(23.8)	-67.6%
Electric/Plug-in Vehicle Renewal Fee ($100) PHEV ONLY	1.4	1.0	238.7%	1.6	1.1	268.6%	**9.5**	7.1	291.3%
Electric/Plug-in Vehicle Renewal Fee ($50) PHEV & EV	4.2	2.6	163.3%	6.3	4.6	275.1%	**50.9**	40.8	405.1%
Title Service Fee $12 (Vessels)	0.2	0.1	102.9%	0.2	0.9	-129.0%	**1.0**	1.5	-346.4%
Registration Service Fee $5 (Vessels)	0.5	0.2	61.6%	0.6	0.1	27.3%	**2.7**	1.4	103.6%
Commercial Driver's License (CDL) Fees HIGHWAY SAFETY	3.1	0.4	16.4%	3.4	0.7	24.5%	**16.2**	2.7	20.2%
Enhanced Driver's License Fees (EDL/EID) HIGHWAY SAFETY	3.7	-	0.0%	6.1	2.4	63.4%	**28.5**	13.6	90.9%
DOL Report of Sale Fees	5.1	0.4	7.5%	5.3	0.5	10.2%	**26.4**	2.6	10.8%
Studded Tire Fee	0.6	(0.4)	-40.8%	0.6	(0.4)	-42.5%	**3.0**	(2.3)	-42.9%
Total Revenues	**1,080.4**	(22.0)	-2.0%	**1,196.0**	**(59.0)**	**-4.7%**	**6,319.2**	**132.8**	**2.1%**
Distributions									
Motor Vehicle Fund (108)	86.9	25.0	40.4%	98.521	18.979	23.9%	**553.3**	168.8	43.9%
Transportation 2003 Nickel Account (550)	7.1	2.3	47.1%	7.837	1.499	23.6%	**42.5**	12.0	39.5%
Transportation Partnership Account (09H)	15.5	5.0	47.1%	17.259	3.300	23.6%	**93.5**	26.5	39.5%
Connecting Washington Account (NEW)	729.5	(73.1)	-9.1%	749.538	(58.136)	-7.2%	**3,831.1**	(213.1)	-5.3%
Puget Sound Capital Construction Account (099)	-	-	0.0%	-	-	0.0%	**-**	-	0.0%
Puget Sound Ferry Operations Account (109)	1.9	0.5	39.9%	2.077	0.338	19.4%	**11.3**	2.9	34.8%
Capital Vessel Replacement Account (18J)	3.6	0.4	13.6%	3.868	1.394	56.4%	**19.1**	4.4	29.7%
Multimodal Transportation Account (218)	196.4	6.9	3.7%	271.178	(37.024)	-12.0%	**1,527.5**	57.4	3.9%
Special Category C Account (215)	-	-	0.0%	-	-	-	**-**	-	0.0%
License Plate Technology Account (06T)	0.1	0.0	9.5%	0.147	0.147	100.0%	**0.7**	0.2	36.9%
DOL Services Account (201)	0.3	0.0	9.5%	0.294	0.026	9.5%	**1.5**	0.1	9.5%
WSP Highway Account (081)	30.2	9.0	42.5%	33.666	5.848	21.0%	**182.8**	49.0	36.6%
Highway Safety Fund (106)	8.6	1.7	24.5%	11.178	4.207	60.4%	**53.5**	22.5	72.9%
Rural Arterial Trust Account (102)	0.2	0.2	0.0%	0.2	0.169	567.7%	**1.3**	1.0	432.0%
Transportation Improvement Accounty (144)	0.2	0.2	0.0%	0.2	0.169	567.7%	**1.3**	1.0	432.0%
Total Distributions	**1,080.4**	**(21.9)**	**-2.0%**	**1,196.0**	**(59.0)**	**-4.7%**	**6,319.2**	**132.8**	**2.1%**

Figure 33 shows the Connecting Washington (CW) revenues from the March 2021 forecast which excludes the impacts of I-976 compared to the September 2015 forecast, five years ago. The September 2015 forecast originally set that revenue package. In the current biennium, the CW revenue is reduced from its original forecast by $22 million or -2%. Next biennium, CW revenues are down $59 million or -4.7% from the original 2015 forecast. Over the next 10 years, the CW revenues are up $133 million or 2.1% from the 2015 forecast. The large portion of the loss in revenue is fuel taxes due to reduced demand during the pandemic. In the current biennium, fuel taxes are down $73 million or -9.1% from the 2015 estimate. Next biennium, fuel taxes are only down $58 million from the 2015 estimate. Over the next 10 years, fuel taxes are down $213 million from the 2015 estimate. Other LPF revenues like the light truck combined license fees are up from the 2015 forecast by $22 million in the current biennium. Over the next 10 years the three main LPF revenues for vehicles are up $302 million. The biggest increase in revenue is seen in the freight project fee. In the current biennium, the freight project fee is up $21 million from the 2015 estimate and this continues throughout the forecast horizon. Over the next 10 years, the freight project fee is up $120 million or 112.1% from the original 2015 estimate.

Impact to Select Transportation Accounts

Figure 34: 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