

Transportation Revenue Forecast Council

November 2021 Transportation Economic and Revenue Forecasts

Volume I: Summary

Washington Transportation Economic and Revenue Forecast November 2021 Forecast

Summary Report (Volume I)

Forecast Overview	3
Economic Variables Forecast	13
Motor Fuel Price Forecast	14
Motor Vehicle Fuel Tax Forecast	18
Motor Vehicle Revenue (Licenses, Permits and Fees)	19
Driver Related Revenues Forecasts	20
Other Transportation Related Revenue Forecasts	21
Ferry Ridership and Revenue	22
Toll Revenue	25
Highway Federal Funds Revenue	37
Public Transportation Federal Funds Revenue	40
Washington State Ferries Federal Funds Revenue	41
Forecast Contacts	43
Appendix	44
Tracking Table of Revenues/Expenditures in HB 2042	44

Forecast Tables (Volume II)

Motor Vehicle Fuel	3
Motor Vehicle Related Revenue Forecast (Licenses, Permits and Fees)	24
Driver Related Revenue Forecasts	44
Other Transportation Related Revenue Forecasts	54
Vehicle Sales and Use Tax	54
Rental Car Tax	54
Business and Other Revenue	54
Aeronautics Taxes and Fees	54
Washington State Ferries Ridership and Revenue Forecast	63
Toll Operations and Revenue Forecasts	69
Federal Funds Forecast	85

Alternate Forecast Scenarios (Volume III)

Alternative Ferry Forecast	3
Alternative Transit Agencies and TBD Sales Tax Forecast	13

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.

November 2021 Transportation Forecast Overview

Forecast Overview

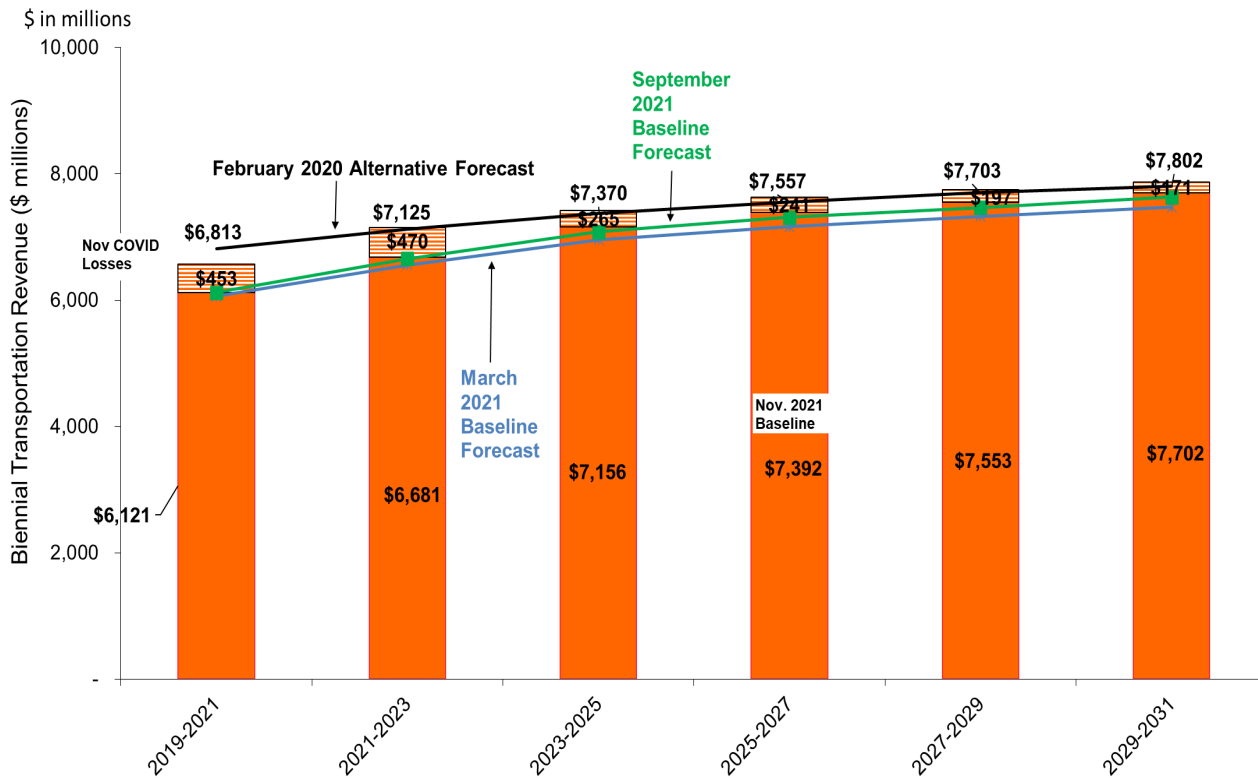
Here are key conclusions from the November 2021 transportation revenue forecast.

- The 2019-21 biennium revenue finished at \$6.12 billion, which was down \$298 million or 4.65% biennia to biennia due to the 2019-21 biennium incorporating actuals coming in lower due to the pandemic first hitting last biennium. The current biennium, 2021-23, is showing a recovery for transportation revenues at \$6.68 billion in total revenues with a 9.1% growth biennia to biennia.
- November 2021 baseline transportation forecast of revenues: the current biennium, 2021-23, is anticipated to have \$6.68 billion which is up forecast to forecast from the September 2021 baseline forecast by \$21.8 million or 0.3%. This was primarily due to some collections coming in higher than anticipated with fuel tax coming in \$34 million above the last projections. Ferry revenue and LPF are down forecast to forecast in the current biennium. Next biennium has total transportation revenues coming in above the last forecast by \$74.3 million or 1%.
- The 2019-21 biennium revenue losses from the pandemic and lower economic variables than the pre-pandemic alternative forecast in February was \$453 million. This biennium, the COVID losses are anticipated to be higher at \$470.1 million which represents an average annual decline of 7%. The largest pandemic losses are seen in this biennium as the recovery is beginning later in FY 2022 and flowing into FY 2023 now.
- For the 10-year forecast horizon, total baseline revenue in November is projected to be \$36.48 billion, which is up from the last forecast by \$328.6 million or (0.9%) from September. With the largest upward adjustments being fuel taxes and LPF in the long-term. The current November forecast is up as well from the baseline March 2021 forecast which set WSDOT's transportation budgets. Over the next 10 years, the current forecast is up from the March forecast by \$1,007 million or 2.8%.
- The current forecast of all transportation revenues is down from the pre-COVID-19 alternative forecast in February 2020 by \$611.6 million or 9% last biennium and down \$331 million or 4.7% in the current biennium. Over the next 10 years, the decline in transportation revenue from the pre-pandemic alternative February 2020 forecast is \$591.5 million or 1.6%. We are still below the pre-pandemic forecast in all revenue streams except LPF, vehicle sales taxes and transportation related revenues.
- New projections of WA economic variables include higher real personal income growth rates in FY 2021 and 2022 but slower growth in FY 2023 than projected in September. Retail trade and trade, transportation and utilities employment projections are slightly down in FY 2021-22 but up in FY 2023-25 from last quarter's projections. Retail gas, diesel and B5 dyed diesel prices are adjusted upward beginning in FY 2022 and continues throughout the forecast horizon. This November forecast is above both the September and March forecasts for B5 biodiesel.

In FY 2021 baseline total transportation revenues came in at \$3.221 billion which was 11% higher than in 2020. In the current fiscal year, baseline total transportation revenues are anticipated to be \$3.227 billion, which is a year over year increase of 0.2% but FY 2023 now has a 7% annual growth after FY 2022. This November forecast is only a minor adjustment upward from the September forecast. Overall, during the next 10-year forecast horizon, November's baseline transportation revenues are projected to be \$36.48 billion which is up \$328.6 million or 0.9% from the September forecast.

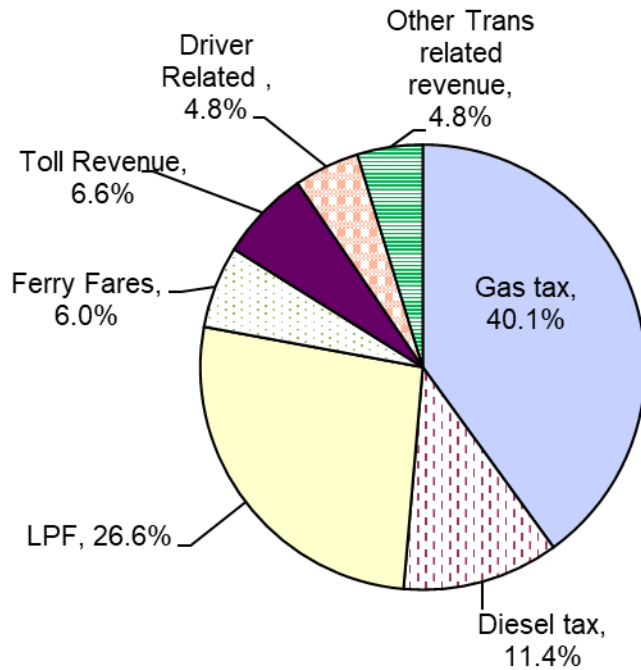
Figure 1 compares transportation revenues in November, September, March 2021 vs alternative February 2020. The black and blue lines show total revenues without I-976 impacts in February 2020 and March 2021 respectively. The solid green line denotes the September 2021 Forecast. The solid orange bars show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

Figure 1: Total Transportation Revenues Comparing November, September 2021 vs. March 2021 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 2021-23 biennium, (\$6.68 billion). Gasoline fuel taxes comprise the largest share at 40.1% but this share has declined 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 51.5% of all revenues. Licenses, permits, and fee revenues comprise the second largest share at 26.6%. The three largest revenue sources are projected to consist of 78.1% of revenues in the 2021-23 biennium. The remaining 21.9% consists of ferry fares, toll revenue, driver related revenue and other transportation related revenue.

Figure 2: Revenue By Source 2021-23 Biennium (\$6.68 billion)



As Figure 3 indicates the 2021-23 biennium November revenues came in at \$6.68 billion and above last quarter's September forecast by \$21.8 million or 0.32%. The November forecast is up due to fuel tax, rental car and other small revisions upwards for vehicle sales tax, business and driver related revenues coming in with stronger than anticipated. Motor vehicle fuel taxes are up the most by \$34 million or 1% in the current biennium due to collections coming in higher than expected. In addition, non-highway gas tax refunds are also down which increases the net revenue of fuel throughout the forecast horizon. Other revenue streams like LPF and ferry revenues are down forecast to forecast in the current biennium. Next biennium, all revenues are up \$74.3 million or 1% over the last forecast. The only exceptions are ferry and business related revenues which are both down from the last forecast. Over the next 10 years, transportation revenues are anticipated to be \$36.48 billion, which is up \$328.6 million or 0.9% from the September baseline forecast. Toll revenue have not been changed from the September forecast.

Figure 3: Current November Forecast Compared to September Forecast For All Transportation Revenues - 10-years

Forecast to Forecast Comparison for Transportation Revenues and Distributions 10-Year Period									
November Baseline Forecast to September 2021 Baseline forecast millions of dollars									
	Current Biennium			2023-2025			10-Year Period (2022-2031)		
	Forecast	Chg from	Percent	Forecast	Chg from	Percent	Forecast	Chg from	Percent
	Nov. 2021	Sept. 2021	Change	Nov. 2021	Sept. 2021	Change	Nov. 2021	Sept. 2021	Change
Sources of Transportation Revenue									
Motor Vehicle Fuel Tax Collections	3,432.48	34.18	1.01%	3,537.62	39.73	1.14%	17,990.76	239.38	1.35%
Licenses, Permits and Fees	1,772.07	(10.40)	-0.58%	1,953.66	16.11	0.83%	9,990.30	59.71	0.60%
Ferry Revenue†	399.59	(10.56)	-2.57%	452.48	(3.08)	-0.68%	2,276.28	(20.34)	-0.89%
Toll Revenue §	440.62	0.00	0.00%	547.57	0.00	0.00%	2,825.50	0.00	0.00%
Aviation Revenues ‡	7.03	0.13	1.90%	6.86	0.01	0.15%	34.46	0.18	0.53%
Rental Car Tax	74.57	6.65	9.79%	78.36	4.36	5.89%	409.40	23.25	6.02%
Vehicle Sales Tax	119.45	0.63	0.53%	124.90	0.17	0.14%	651.30	2.39	0.37%
Driver-Related Fees	318.16	0.50	0.16%	325.16	13.91	4.47%	1,664.99	10.81	0.65%
Business/Other Revenues‡	116.89	0.68	0.59%	129.83	3.09	2.44%	640.67	13.20	2.10%
Total Revenues	6,680.85	21.82	0.33%	7,156.44	74.31	1.05%	36,483.66	328.58	0.91%
Distribution of Revenue									
Motor Fuel Tax Refunds and Transfers	235.50	(20.74)	-8.09%	250.38	(13.76)	-5.21%	1,265.97	(75.21)	-5.61%
Motor Fuel Administrative Fee - DOL	18.20	(0.29)	-1.57%	18.89	0.00	0.00%	98.47	(0.29)	-0.29%
State Uses									
Motor Vehicle Account (108)	1,321.22	23.56	1.82%	1,390.77	36.06	2.66%	7,254.19	183.76	2.60%
Transportation 2003 (Nickel) Account (550)	419.18	3.06	0.74%	433.90	7.80	1.83%	2,193.08	35.92	1.67%
Transportation 2005 Partnership Account (09H)	614.62	6.66	1.10%	637.66	11.45	1.83%	3,240.78	61.42	1.93%
Connecting Washington Account (20H)	763.07	12.88	1.72%	786.54	12.85	1.66%	4,000.21	75.16	1.91%
Multimodal Account (218)	638.79	4.24	0.67%	735.73	(0.06)	-0.01%	3,738.69	5.85	0.16%
Special Category C Account (215)	48.09	0.81	1.72%	49.57	0.81	1.66%	252.12	4.74	1.91%
Puget Sound Capital Construction Account (099)	34.99	0.59	1.72%	36.07	0.59	1.66%	183.44	3.45	1.91%
Puget Sound Ferry Operations Account (109)	458.67	(10.49)	-2.24%	512.24	(2.33)	-0.45%	2,582.17	(16.54)	-0.64%
Capital Vessel Replacement Account (18J)	64.36	(1.01)	-1.55%	68.02	0.20	0.29%	343.37	(0.74)	-0.22%
Tacoma Narrows Bridge Account (511)	175.66	0.00	0.00%	181.49	0.00	0.00%	923.61	0.00	0.00%
High Occupancy Toll Lanes Account (09F) [†]	9.29	0.00	0.00%	15.93	0.00	0.00%	92.64	0.00	0.00%
SR 520 Corridor Account (16J)	149.97	0.00	0.00%	211.14	0.00	0.00%	1,049.17	0.00	0.00%
SR 520 Corridor Civil Penalties Account (17P)	4.77	0.00	0.00%	6.05	0.00	0.00%	31.67	0.00	0.00%
Interstate 405 Express Toll Lanes Operations (595)	41.69	0.00	0.00%	63.75	0.00	0.00%	379.07	0.00	0.00%
Alaskan Way Viaduct Replacement Acct. (535)	59.23	0.00	0.00%	69.22	0.00	0.00%	349.34	0.00	0.00%
Aeronautics Account (039)	6.92	0.13	1.88%	6.75	0.01	0.10%	33.90	0.16	0.48%
Washington State Aviation Account (21G)	0.09	0.00	0.00%	0.10	0.00	2.35%	0.51	0.01	1.95%
State Patrol Highway Account (081)	489.02	(11.77)	-2.35%	514.82	(8.78)	-1.68%	2,634.93	(45.70)	-1.70%
Highway/Motorcycle Safety Accts. (106 & 082)	292.26	1.52	0.52%	296.05	13.77	4.88%	1,518.15	10.22	0.68%
School Zone Safety Account (780)	0.55	(0.03)	-5.65%	0.60	0.00	0.17%	3.03	(0.03)	-0.84%
Other accounts (201, 06T, 097, 09E, 216, 07C, 24-K)	43.10	0.33	0.76%	47.89	3.21	7.18%	240.38	13.35	5.88%
Electric Vehicle Account (20J)	33.01	0.03	0.10%	38.65	0.00	0.01%	71.66	0.04	0.05%
Ignition Interlock Devices Revolving Acct 14V	8.33	(0.03)	-0.38%	8.67	0.05	0.58%	43.74	0.22	0.49%
Multiuse Roadway Safety Account Collections-571	0.44	0.00	0.14%	0.45	0.00	0.16%	2.30	0.00	0.21%
Total for State Use	5,677.32	30.48	0.54%	6,112.05	75.63	1.25%	31,162.14	331.26	1.07%
Local Use									
Cities	184.44	3.11	1.72%	190.11	3.11	1.66%	966.89	18.17	1.91%
Counties	298.46	4.79	1.63%	308.09	4.89	1.61%	1,568.82	28.67	1.86%
Transportation Improvement Board (112 & 144)	198.87	3.33	1.70%	205.87	3.32	1.64%	1,053.56	19.40	1.88%
County Road Administration Board (102 & 253)	68.06	1.12	1.68%	71.04	1.12	1.60%	367.82	6.52	1.80%
Total for Local Use	749.83	12.37	1.68%	775.12	12.43	1.63%	3,957.08	72.76	1.87%
Total Distribution of Revenue	6,680.85	21.81	0.33%	7,156.44	74.31	1.05%	36,483.66	328.56	0.91%

† Ferry Fares plus non-farebox revenue

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

In this November forecast, the transportation revenues are compared to the March 2021 baseline forecast in Figure 4. This March 2021 forecast is the baseline forecast because it set our 2021-23 transportation biennium budget. In the current biennium, all transportation revenues are up \$122 million or 1.9% from the last forecast. In particular, fuel taxes are anticipated to be up \$59.4 million or 1.8% over last forecast. Ferry and toll revenues are also higher as well by \$11.7 million and \$30.3 million respectively due to the new adopted toll rate and ferry fare increases from Washington State Transportation Commission since the March forecast. Next biennium, transportation revenues are anticipated to be up \$200.8 million or 2.9% from the March forecast. Over the next 10 years, the November forecast is up \$1,007 million or 2.8% above the March forecast.

Figure 4: Current November Forecast Compared to March 2021 Baseline Forecast For All Transportation Revenues - 10-years

Forecast to Baseline Comparison for Transportation Revenues and Distributions 10-Year Period									
November 2021 Baseline Forecast to March 2021 Baseline Forecast millions of dollars									
	Current Biennium 2021-2023			2023-2025			10-Year Period (2022-2031)		
	Forecast Nov. 2021	Chg from March 2021	Percent Change	Forecast Nov. 2021	Chg from March 2021	Percent Change	Forecast Nov. 2021	Chg from March 2021	Percent Change
Sources of Transportation Revenue									
Motor Vehicle Fuel Tax Collections	3,432.48	59.36	1.76%	3,537.6	75.77	2.19%	17,990.76	414.25	2.36%
Licenses, Permits and Fees	1,772.07	(26.18)	-1.46%	1,953.7	8.25	0.42%	9,990.30	26.34	0.26%
Ferry Revenue†	399.59	11.72	3.02%	452.5	19.54	4.51%	2,276.28	107.15	4.94%
Toll Revenue §	440.62	30.33	7.39%	547.6	36.08	7.05%	2,825.50	175.95	6.64%
Aviation Revenues ‡	7.03	0.23	3.34%	6.9	(0.18)	-2.59%	34.46	(0.70)	-2.00%
Rental Car Tax	74.57	10.40	16.21%	78.4	5.90	8.14%	409.40	32.35	8.58%
Vehicle Sales Tax	119.45	7.33	0.00%	124.9	6.98	5.92%	651.30	37.26	6.07%
Driver-Related Fees	318.16	8.94	2.89%	325.2	24.44	8.13%	1,664.99	95.20	6.06%
Business/Other Revenues‡	116.89	20.28	20.99%	129.8	24.02	22.71%	640.67	119.24	22.87%
Total Revenues	6,680.85	122.41	1.87%	7,156.4	200.79	2.89%	36,483.66	1,007.03	2.84%
Distribution of Revenue									
Motor Fuel Tax Refunds and Transfers	235.50	(0.17)	-0.07%	250.4	9.00	3.73%	1,265.97	36.95	3.01%
Motor Fuel Administrative Fee - DOL	18.20	0.03	0.18%	18.9	0.00	0.00%	98.47	0.03	0.03%
State Uses									
Motor Vehicle Account (108)	1,321.22	6.70	0.51%	1,390.8	23.70	1.73%	7,254.19	128.40	1.80%
Transportation 2003 (Nickel) Account (550)	419.18	7.02	1.70%	433.9	10.88	2.57%	2,193.08	50.50	2.36%
Transportation 2005 Partnership Account (09H)	614.62	8.19	1.35%	637.7	11.85	1.89%	3,240.78	65.50	2.06%
Connecting Washington Account (20H)	763.07	13.53	1.80%	786.5	16.00	2.08%	4,000.21	89.76	2.30%
Multimodal Account (218)	638.79	10.32	1.64%	735.7	11.79	1.63%	3,738.69	70.32	1.92%
Special Category C Account (215)	48.09	0.85	1.80%	49.6	1.01	2.08%	252.12	5.66	2.30%
Puget Sound Capital Construction Account (099)	34.99	0.62	1.80%	36.1	0.73	2.08%	183.44	4.12	2.30%
Puget Sound Ferry Operations Account (109)	458.67	12.51	2.80%	512.2	20.48	4.16%	2,582.17	112.60	4.56%
Capital Vessel Replacement Account (18J)	64.36	(1.04)	-1.59%	68.0	(0.32)	-0.47%	343.37	(2.64)	-0.76%
Tacoma Narrows Bridge Account (511)	175.66	14.44	8.95%	181.5	7.37	4.23%	923.61	43.78	4.98%
High Occupancy Toll Lanes Account (09F)^	9.29	1.37	17.28%	15.9	0.00	0.03%	92.64	1.37	1.50%
SR 520 Corridor Account (16J)	149.97	6.57	4.58%	211.1	23.51	12.53%	1,049.17	101.08	10.66%
SR 520 Corridor Civil Penalties Account (17P)	4.77	0.24	5.35%	6.0	(0.04)	-0.66%	31.67	(0.12)	-0.36%
Interstate 405 Express Toll Lanes Operations (595)	41.69	1.81	4.54%	63.8	0.68	1.08%	379.07	4.15	1.11%
Alaskan Way Viaduct Replacement Acct. (535)	59.23	5.90	11.07%	69.2	4.55	7.04%	349.34	25.68	7.93%
Aeronautics Account (039)	6.92	0.23	3.42%	6.7	(0.18)	-2.59%	33.90	(0.69)	-1.98%
Washington State Aviation Account (21G)	0.09	(0.00)	0.00%	0.1	(0.00)	-2.39%	0.51	(0.02)	0.00%
State Patrol Highway Account (081)	489.02	(14.25)	-2.83%	514.8	(9.49)	-1.81%	2,634.93	(45.27)	-1.69%
Highway/Motorcycle Safety Accts. (106 & 082)	292.26	10.70	3.80%	296.1	24.85	9.16%	1,518.15	96.72	6.80%
School Zone Safety Account (780)	0.55	(0.03)	-5.38%	0.6	(0.12)	-16.84%	3.03	(0.52)	-14.62%
Other accounts (201, 06T, 097, 09E, 216, 07C, 24-K)	43.10	20.38	89.70%	47.9	24.90	108.29%	240.38	123.73	106.06%
Electric Vehicle Account (20J)	33.01	4.23	14.68%	38.6	4.55	13.35%	71.66	8.78	13.96%
Ignition Interlock Devices Revolving Acct 14V	8.33	(0.38)	-4.32%	8.7	(0.25)	-2.83%	43.74	(0.65)	-1.46%
Multiuse Roadway Safety Account Collections-571	0.44	0.08	23.62%	0.4	0.09	23.61%	2.30	0.44	23.63%
Total for State Use	5,677.32	110.00	1.98%	6,112.0	176.54	2.97%	31,162.14	882.70	2.92%
Total for Local Use									
Cities	184.44	3.27	1.80%	190.1	3.87	2.08%	966.89	21.70	2.30%
Counties	298.46	4.18	1.42%	308.1	5.35	1.77%	1,568.82	32.16	2.09%
Transportation Improvement Board (112 & 144)	198.87	3.71	1.90%	205.9	4.39	2.18%	1,053.56	24.44	2.37%
County Road Administration Board (102 & 253)	68.06	1.39	2.09%	71.0	1.64	2.37%	367.82	9.05	2.52%
Total for Local Use	749.83	12.55	1.70%	775.1	15.25	2.01%	3,957.08	87.34	2.26%
Total Distribution of Revenue	6,680.85	122.41	1.87%	7,156.4	200.79	2.89%	36,483.66	1,007.03	2.84%

+ Baseline forecast is from the March 2021 which set the 2021 legislatively adoption transportation budget

Figure 5 compares the current November baseline forecast to the pre-pandemic baseline February 2020 alternative forecast. In the past 2019-21 biennium, the total transportation revenue actuals come in below the pre-pandemic forecast by \$611.6 million or 9%. In the current 2021-23 biennium, total transportation revenues are anticipated to be \$6.68 billion which is \$331 million or 4.7% lower than the pre-pandemic forecast. Next biennium's November revenues are \$7.156 billion which is \$95 million or 1.3% below the February alternative forecast because of the negative impacts of COVID shutdowns. This same trend holds true but reduces over the rest of the forecast horizon. As discussed before, fuel taxes, toll revenue, rental car taxes, driver-related and ferry revenue declines are the largest sources of the decline. Fuel taxes are down in the current biennium by \$265 million or 7% and toll revenues are down \$98 million or 18%

and ferry revenues are down \$50 million or 11.1% from the pre-pandemic February alt. forecast. There are some forecasts which have recovered from the pandemic faster and have revenues above the February 2020 alternative forecast. The LPF, vehicle sales tax and transportation related revenue have forecasts above the pre-pandemic level by \$52.1 million for LPF, \$6.6 million for vehicle sales taxes and \$34.5 million for new legislation on new fees for DOL administration which are included in the transportation related revenue totals. Over the next 10 years, transportation revenues are down \$591.5 million or 1.6% below the pre-pandemic February alternative forecast without I-976 impacts.

Figure 5: November Forecast Compared to February 2020 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		
November 2021 Forecast to Alt. February 2020 Baseline Forecast (Without I-976)							millions of dollars		
	Current Biennium			2023-2025			10-Year Period		
	Forecast Nov. 2021	Chg from Feb. 2020	Percent Change	Forecast Nov. 2021	Chg from Feb. 2020	Percent Change	Forecast Nov. 2021	Chg from Feb. 2020	Percent Change
Sources of Transportation Revenue									
Motor Vehicle Fuel Tax Collections	3,432.48	(265.00)	-7.17%	3,537.6	(210.59)	-5.62%	17,990.76	(983.81)	-5.18%
Licenses, Permits and Fees	1,772.07	52.13	3.03%	1,953.7	110.31	5.98%	9,990.30	527.50	5.57%
Ferry Revenue†	399.59	(49.93)	-11.11%	452.5	(5.87)	-1.28%	2,276.28	(62.16)	-2.66%
Toll Revenue §	440.62	(98.01)	-18.20%	547.6	(45.28)	-7.64%	2,825.50	(329.62)	-10.45%
Aviation Revenues ‡	7.03	(0.22)	-3.01%	6.9	(0.49)	-6.72%	34.46	(2.49)	-6.73%
Rental Car Tax	74.57	(2.06)	-2.68%	78.4	(1.49)	-1.87%	409.40	(6.64)	-1.59%
Vehicle Sales Tax	119.45	6.59	0.00%	124.9	6.95	5.90%	651.30	37.51	6.11%
Driver-Related Fees	318.16	(9.17)	-2.80%	325.2	4.42	1.38%	1,664.99	(5.76)	-0.34%
Business/Other Revenues‡	116.89	34.54	41.95%	129.8	47.06	56.87%	640.67	224.64	54.00%
Total Revenues	6,680.85	(331.12)	-4.72%	7,156.4	(94.98)	-1.31%	36,483.66	(591.45)	-1.60%
Distribution of Revenue									
Motor Fuel Tax Refunds and Transfers	235.50	(10.28)	-4.18%	250.4	0.47	0.19%	1,265.97	(5.80)	-0.46%
Motor Fuel Administrative Fee - DOL	18.20	0.05	0.30%	18.9	(0.16)	-0.85%	98.47	(1.49)	-1.49%
State Uses									
Motor Vehicle Account (108)	1,321.22	(36.49)	-2.69%	1,390.8	(0.96)	-0.07%	7,254.19	33.15	0.46%
Transportation 2003 (Nickel) Account (550)	419.18	(22.07)	-5.00%	433.9	(13.57)	-3.03%	2,193.08	(70.61)	-3.12%
Transportation 2005 Partnership Account (09H)	614.62	(41.32)	-6.30%	637.7	(28.42)	-4.27%	3,240.78	(129.49)	-3.84%
Connecting Washington Account (20H)	763.07	(63.48)	-7.68%	786.5	(51.03)	-6.09%	4,000.21	(237.60)	-5.61%
Multimodal Account (218)	638.79	20.97	3.39%	735.7	36.81	5.27%	3,738.69	150.05	4.18%
Special Category C Account (215)	48.09	(4.00)	-7.68%	49.6	(3.22)	-6.09%	252.12	(14.98)	-5.61%
Puget Sound Capital Construction Account (099)	34.99	(2.91)	-7.68%	36.1	(2.34)	-6.09%	183.44	(10.90)	-5.61%
Puget Sound Ferry Operations Account (109)	458.67	(50.72)	-9.96%	512.2	(7.06)	-1.36%	2,582.17	(64.03)	-2.42%
Capital Vessel Replacement Account (18J)	64.36	(5.58)	-7.98%	68.0	(3.26)	-4.57%	343.37	(21.10)	-5.79%
Tacoma Narrows Bridge Account (511)	175.66	0.10	0.06%	181.5	1.75	0.98%	923.61	5.94	0.65%
High Occupancy Toll Lanes Account (09F)*	9.29	(5.08)	-35.35%	15.9	(2.76)	-14.76%	92.64	(19.16)	-17.13%
SR 520 Corridor Account (16J)	149.97	(48.18)	-24.31%	211.1	(1.50)	-0.70%	1,049.17	(66.25)	-5.94%
SR 520 Corridor Civil Penalties Account (17P)	4.77	(1.99)	-29.41%	6.0	(1.17)	-16.26%	31.67	(5.75)	-15.36%
Interstate 405 Express Toll Lanes Operations (595)	41.69	(32.83)	-44.05%	63.8	(39.37)	-38.18%	379.07	(224.60)	-37.21%
Alaskan Way Viaduct Replacement Acct. (535)	59.23	(10.04)	-14.49%	69.2	(2.24)	-3.13%	349.34	(29.15)	-7.70%
Aeronautics Account (039)	6.92	(0.23)	-3.24%	6.7	(0.51)	-6.99%	33.90	(2.54)	-6.97%
Washington State Aviation Account (21G)	0.09	0.00	0.00%	0.1	0.00	3.23%	0.51	0.00	0.00%
State Patrol Highway Account (081)	489.02	8.16	1.70%	514.8	19.02	3.84%	2,634.93	97.98	3.86%
Highway/Motorcycle Safety Accts. (106 & 082)	292.26	(8.29)	-2.76%	296.1	2.60	0.89%	1,518.15	(14.11)	-0.92%
School Zone Safety Account (780)	0.55	(0.33)	-37.14%	0.6	(0.28)	-31.46%	3.03	(1.38)	-31.32%
Other accounts (201, 06T, 097, 09E, 216, 07C, 24-K)	43.10	21.18	96.61%	47.9	25.65	115.28%	240.38	127.62	113.18%
Electric Vehicle Account (20J)	33.01	7.01	26.95%	38.6	7.71	24.91%	71.66	14.71	25.84%
Ignition Interlock Devices Revolving Acct 14V	8.33	(0.28)	-3.28%	8.7	0.06	0.68%	43.74	0.70	1.63%
Multiuse Roadway Safety Account Collections-571	0.44	0.12	37.06%	0.4	0.13	40.04%	2.30	0.69	43.37%
Total for State Use	5,677.32	(276.28)	-4.64%	6,112.0	(63.93)	-1.04%	31,162.14	(454.53)	-1.44%
Total for Local Use									
Cities	184.44	(15.34)	-7.68%	190.1	(12.33)	-6.09%	966.89	(57.43)	-5.61%
Counties	298.46	(24.76)	-7.66%	308.1	(19.64)	-5.99%	1,568.82	(89.71)	-5.41%
Transportation Improvement Board (112 & 144)	198.87	(16.77)	-7.78%	205.9	(13.59)	-6.19%	1,053.56	(61.90)	-5.55%
County Road Administration Board (102 & 253)	68.06	(5.89)	-7.97%	71.0	(4.84)	-6.38%	367.82	(21.19)	-5.45%
Total for Local Use	749.83	(62.76)	-7.72%	775.1	(50.40)	-6.11%	3,957.08	(230.22)	-5.50%
Total Distribution of Revenue	6,680.85	(331.12)	-4.72%	7,156.4	(94.98)	-1.31%	36,483.66	(612.19)	-1.65%

† Ferry Fares plus non-farebox revenue

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

Figure 6 isolates the annual impacts of the COVID shutdowns and economic variable changes since the pre-pandemic February alternative forecast. It includes actual revenue losses from the monthly comparison of actuals to Feb. 2020 alternative forecast for FY 2020 and 2021. The November forecast is slightly higher from the last forecast so the COVID losses are slightly down from the last forecast. These impacts are calculated based on the February 2020 alternative forecast for LPF and motor vehicles sales tax which excludes I-976. In FY 2020, the losses from COVID is \$262.66 million from the February forecast. In FY 2021, the COVID losses were \$190.5 million based on the monthly actuals compared to the February forecast without I-976. Note that FY 2021 COVID revenue losses would have been bigger if additional taxes resulting from the overturning of I-976 had not been received that year. In FY 2022, the November forecasted losses are bigger at \$286.6 million and \$183.5 million in FY 2023. The largest COVID revenue reduction is anticipated to be in FY 2022 at 8.7% below the alternative February pre-pandemic projections.

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

Revenue Sources Impacted by COVID-19 Shutdowns	\$ Difference Between Nov. 2021 and Feb. 2020 Forecasts			
	FY 2020	FY 2021	FY 2022	FY 2023
Gross Fuel tax	\$ (147,535,900)	\$ (219,841,280)	\$ (142,376,000)	\$ (122,624,800)
LPF *	\$ (29,700,000)	\$ 222,116,720	\$ (45,743,553)	\$ (15,726,088)
Ferry Fares	\$ (34,933,470)	\$ (57,507,910)	\$ (38,417,000)	\$ (11,516,000)
Toll Revenue	\$ (40,507,400)	\$ (86,664,130)	\$ (62,471,000)	\$ (35,534,000)
Aeronautics Revenues	\$ (338,100)	\$ (366,700)	\$ (23,500)	\$ (194,500)
Rental Car Tax	\$ (5,993,000)	\$ (15,531,840)	\$ (813,800)	\$ (1,241,700)
Motor Vehicle Sales Tax *	\$ (3,650,000)	\$ (32,740,210)	\$ 3,286,800	\$ 3,306,700
Total Major Revenue Sources	\$(262,657,870)	\$(190,535,350)	\$(286,558,054)	\$(183,530,388)
Revenue Sources Impacted by COVID-19 Shutdowns	Percentage Change Between Nov. 2021 and Feb. 2020 Forecasts			
	FY 2020	FY 2021	FY 2022	FY 2023
Gross Fuel tax	-8.2%	-12.0%	-7.7%	-6.6%
LPF	-3.6%	25.8%	-5.2%	-1.6%
Ferry Fares	-16.8%	-26.0%	-17.2%	-5.1%
Toll Revenue	-17.3%	-34.2%	-23.6%	-13.0%
Aeronautics Revenues	-9.7%	-10.3%	-0.7%	-5.3%
Rental Car Tax	-16.5%	-41.9%	-2.1%	-3.2%
Motor Vehicle Sales Tax	-6.9%	-60.1%	5.9%	5.8%
TOTAL Major Revenue Sources	-8.3%	-5.8%	-8.7%	-5.4%

2020 & 2021 have actual losses from monthly forecast

Figure 7 shows the latest actuals in the major transportation revenue sources since the last September forecast. September and October 2021. All transportation revenue sources in total rose from the last forecast by \$7.28 million or 1.5% since September. The largest increase is in fuel taxes with a to month total increase of nearly \$13 million. All revenue sources for transportation are up except for LPF and ferry revenue. There is no new actual data to update the toll revenues.

**Figure 7: Transportation Revenue Actuals Compared to the September 2021 Forecast:
Sept. –Oct. 2021**

\$ in millions	Difference Actual Collections Compared to Sept. Forecast			
	Sep-21	Oct-21	2-months	% Change
Major Revenue Sources				
Gross Fuel Taxes (before refunds/transfers)	\$ 8.38	\$ 4.57	\$ 12.95	4.4%
Aviation Fuel tax	\$ 0.21	\$ 0.22	\$ 0.43	95.5%
Licenses Permits and Fee Revenues	\$ (3.10)	\$ (4.30)	\$ (7.40)	-5.7%
WSF Ferries	\$ (1.50)	\$ (2.08)	\$ (3.58)	-11.3%
Toll Facilities - Adjusted Gross Toll Revenues +	\$ -	\$ -	\$ -	0.0%
Rental car tax	\$ 0.03	\$ 2.84	\$ 2.87	53.0%
Motor Vehicle Sales Tax	\$ 0.60	\$ 1.41	\$ 2.01	2.2%
Total All Revenue Sources	\$ 4.63	\$ 2.65	\$ 7.28	1.5%

* July – Oct. 2021 Toll revenues are incomplete due to a transactions backlog following the back-office transition to a new vendor. These backlogged transactions are planned to be reviewed and processed over the next few months.

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 20 months since September collections, major transportation revenue actuals have come in \$222.9 million or 5% below the February 2020 forecast. Fuel tax actuals have come in below that pre-pandemic forecast the most at -\$410.5 million or 13.4% below projections for this past year and a half. The second largest reduction was in toll revenues coming in -\$127 million or 40% below the February 2020 forecast. Ferries revenue losses have come in \$105.1 million or 29% below the pre-pandemic forecast. LPF revenues have come in the strongest since the pre-pandemic forecast at \$441.2 million or 47.6% above the pre-pandemic forecast. Note this comparison table excludes any new actuals for toll revenue since July 2021 due to a transactions backlog following the back-office transition to a new vendor.

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

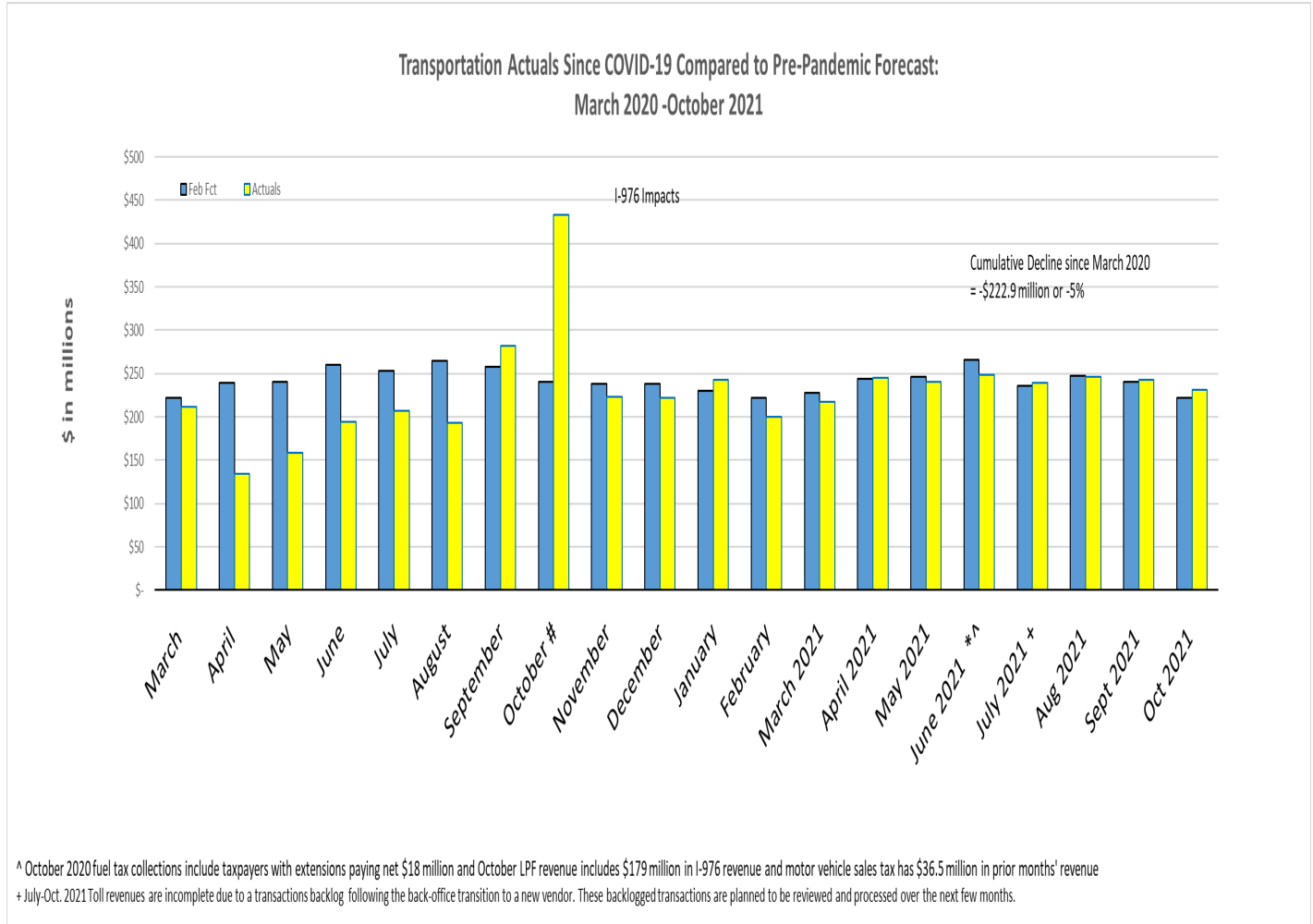


Figure 9 shows the various November orecasts recovery periods after the drops in revenue from COVID-19 shutdowns, The recovery from our recent recession is demonstrated as the period of time it takes to reach the levels projected in the February 2020 forecasts for FY 2021. Some of the revenue sources, 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 2021 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 2030 or in 9 years. Vehicle ferry ridership is anticipated to be back to the 2021 level from the February forecast in 2026 or 5 years from now. Ferry farebox and misc. revenue are not expected to recover until FY 2024. 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 3 years for toll revenue but the individual tolled facilities adjusted toll revenue recovery is longer in some cases.

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

Type of Forecast	Time Period	# of Years
<i>Fuel Consumption and Fuel Tax Revenue</i>		
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+
<i>Vehicle Licenses Permits and Fee Revenue (LPF)</i>		
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
<i>Rental Car Revenue</i>		
Return to Rental Car Revenue Level in Feb. Forecast -FY 2021	2025	4
<i>Aircraft Fuel Tax Revenue</i>		
Return to Aircraft Fuel Tax Level in Feb. Forecast - FY 2021	2022	1
<i>Ferries Ridership and Revenue</i>		
Return to Passenger Ridership in Feb. Forecast - FY 2021	2030	9
Return to Vehicle Ridership in Feb. Forecast - FY 2021	2026	5
Return to Ferry Farebox and Misc. Revenue in Feb. Fct -FY 2021	2024	3
<i>Toll Traffic and Revenue – All Facilities</i>		
Return to Total Toll Traffic in Feb. Forecast -FY 2021	2024	3
Return to Toll Adjusted Revenue in Feb. Forecast -FY 2021	2024	3

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 preliminary economic variables by Economic and Revenue Forecast Council, based on the October IHS-Markit forecast. The November 2021 Forecast includes the federal American Rescue Plan Act of 2021 beginning in first quarter 2021 with COVID stimulus relief. 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 -1.4% which was predicted at -0.5% in September. The economic forecast also includes the new federal authorization Act of 2021 Infrastructure Investment and Jobs Act (IIJA) which boosts economic activities in the future. Washington's non-ag. employment in FY 2021 has increased a little to -3.4% as compared to the September forecast of -3.5% annual growth. Retail and trade, transportation and utilities employment sectors are showing annual growth in FY 2021 at 2.9 and 1.1% respectively but these growth rates are slightly lower than last forecast. In FY 2022, the non-ag. employment growth is anticipated to be 5.0% while retail and trade, trade, transportation, and utilities employment growth is anticipated at 1.4 and 2.7% respectively, also slightly down from last projections. The US oil price index is up in 2022 to 19% annual growth compared to last projections of 13% but down in subsequent years through FY 2025. Inflation is also up to 4.2% in FY 2022 versus 3.6% in September. FY 2023 inflation estimates are also higher at 2.1% versus 1.6% in last quarter's estimate.

**Figure 10: Annual Percentage Change (%) in Select Economic Variables
November 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
2021	5.5%	1.0%	27.6%	2.0%	1.7%	1.9%	29.1%	-3.4%	1.1%	2.9%
2022	-1.1%	1.0%	14.2%	4.2%	19.0%	1.9%	-3.2%	5.0%	2.7%	1.4%
2023	2.6%	1.1%	0.4%	2.1%	-6.6%	1.9%	7.5%	3.4%	0.1%	-3.3%
2024	3.3%	1.1%	0.6%	1.9%	-1.4%	2.0%	-7.1%	1.6%	0.6%	-0.1%
2025	3.2%	1.2%	0.7%	2.0%	-0.2%	2.0%	0.9%	1.0%	-0.5%	-2.6%
2026	3.3%	1.2%	0.7%	2.1%	0.7%	2.1%	2.3%	0.9%	0.2%	-1.0%
2027	3.2%	1.1%	0.7%	2.2%	1.0%	2.2%	4.7%	0.8%	0.0%	-0.5%
2028	2.9%	1.1%	0.6%	2.2%	1.6%	2.1%	4.7%	0.8%	-0.2%	-0.3%
2029	2.7%	1.1%	0.6%	2.3%	1.8%	2.2%	6.1%	0.6%	-0.6%	-0.5%
2030	2.7%	1.1%	0.6%	2.3%	2.0%	2.2%	6.8%	0.6%	-0.3%	-0.1%
2031	2.6%	1.1%	0.6%	2.2%	2.1%	2.1%	5.6%	0.6%	0.4%	1.2%

Source: Washington Economic and Revenue Forecast Council, Washington Office of Financial Management 2021 long-range forecast, October 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 – Nov. vs Sept. 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
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 November’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.

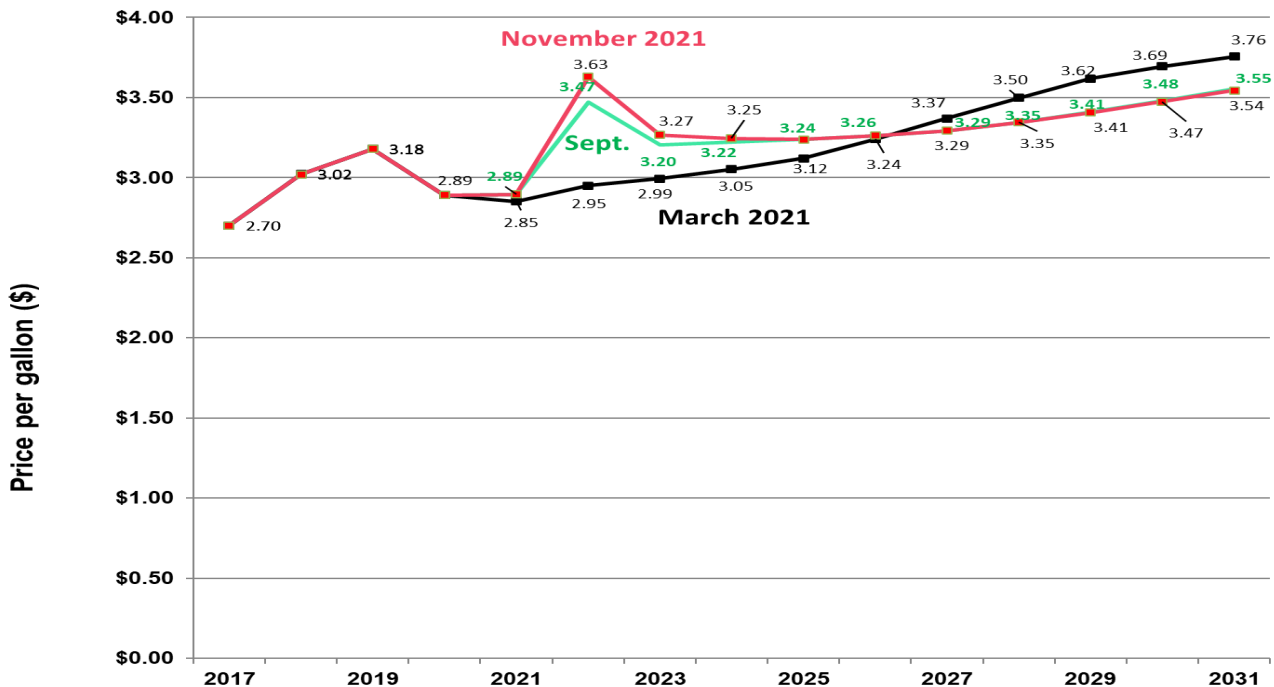
The forecasts of biodiesel prices include two different biodiesel prices: B5 and B99 without the renewable identification number (RIN). WSF currently purchases biodiesel B5. WSDOT also purchases B99 biodiesel without RIN for vehicle fleet needs. WSDOT receives OPIS fuel prices with the latest prices 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 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.

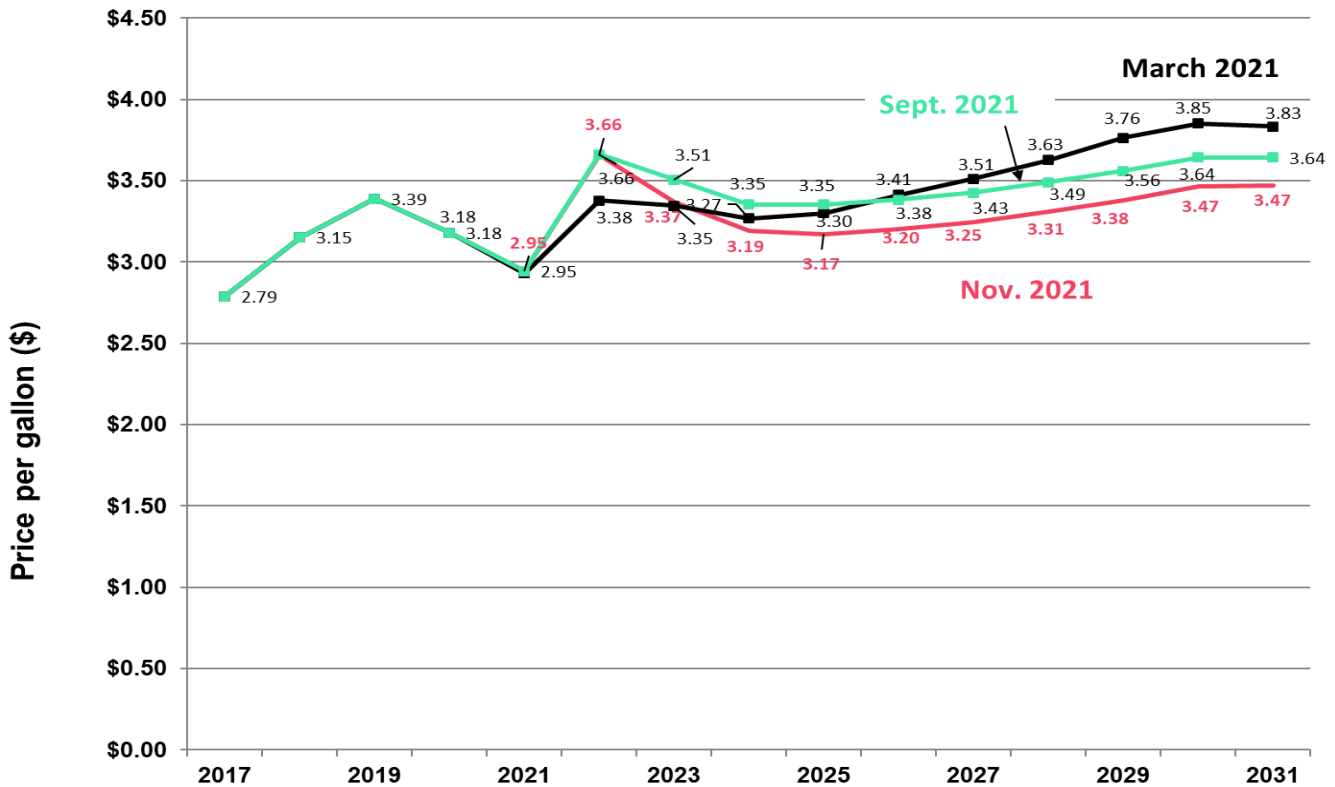
Figure 12: Near-term UNADJUSTED BASELINE Qtrly Fuel Prices: November 2021

Fiscal Year Quarter	Crude Oil Price (\$/barrel)	WA Retail Gasoline Price (\$/gal)	WA Retail Diesel Price (\$/gal)
2020Q3	40.89	2.71	2.72
2020Q4	42.45	2.65	2.79
2021Q1	57.79	2.83	2.87
2021Q2	66.09	3.39	3.40
FY2021	51.81	2.89	2.95
2021Q3	70.62	3.77	3.71
2021Q4	80.49	3.75	3.81
2022Q1	75.00	3.52	3.62
2022Q2	69.50	3.48	3.50
FY2022	73.90	3.63	3.66
2022Q3	66.00	3.38	3.45
2022Q4	63.00	3.22	3.42
2023Q1	62.22	3.07	3.33
2023Q2	62.53	3.40	3.28
FY2023	63.44	3.27	3.37

Figure 13: Forecast of UNADJUSTED Washington Retail Gasoline Prices, Regular Nov. vs. Sept. vs. March 2021



**Figure 14: Forecast of UNADJUSTED Washington Retail Diesel Prices
Nov. vs Sept. vs. March 2021**



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. The forecast for WTI crude oil in FY 2022 ranged from \$69.5 per barrel in the Global Insight forecast to \$76 per barrel by NYMEX. The baseline crude oil price forecast in FY 2022 is \$73.9 per barrel, which is 1.7% above the 5-entity average of \$72.64 per barrel. In FY 2023, the crude oil prices range from \$62 per barrel in Moodys Economy.com to \$72 per barrel in the NYMEX forecast. The 5-entity average price is \$65.5 per barrel, which is 3.3% above the baseline price forecast of \$63.4 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: November 2021 Dollars per barre

Fiscal Year	WSDOT (EIA/GI)	NYMEX	Global Insight	Economy.com	Consensus Economics	5 Entity Avg	% Diff Average
2021	\$51.81	\$51.83	\$51.83	\$51.83	\$51.83	\$51.82	0.03%
2022	\$73.90	\$76.20	\$69.48	\$72.44	\$71.19	\$72.64	-1.71%
2023	\$63.44	\$72.24	\$63.68	\$61.61	\$66.61	\$65.52	3.28%

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

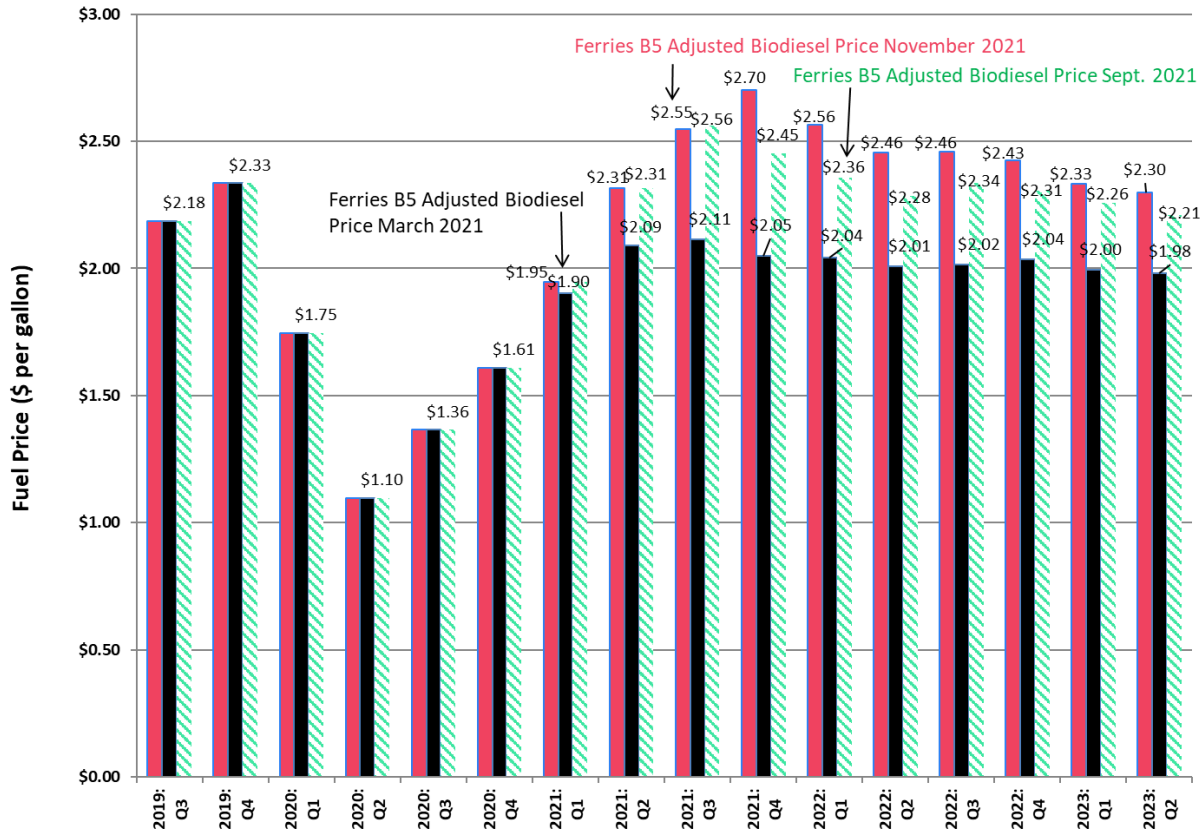
Fiscal Year Quarter	Adjusted WA Retail Gasoline Price (\$/gal)	Adjusted WA Retail Diesel Price (\$/gal)	Adjusted B5 Biodiesel Price (\$/gal)	Unadjusted B99 Biodiesel price
2020Q3	2.71	2.72	1.36	2.95
2020Q4	2.65	2.79	1.61	3.03
2021Q1	2.83	2.87	1.95	3.11
2021Q2	3.39	3.40	2.31	3.69
FY2021	2.89	2.95	1.81	3.19
2021Q3	3.77	3.71	2.55	3.23
2021Q4	3.68	3.74	2.70	3.22
2022Q1	3.46	3.55	2.56	3.06
2022Q2	3.42	3.44	2.46	2.96
FY2022	3.58	3.61	2.57	3.12
2022Q3	3.49	3.57	2.46	2.92
2022Q4	3.32	3.54	2.43	2.89
2023Q1	3.17	3.44	2.33	2.81
2023Q2	3.51	3.39	2.30	2.77
FY2023	3.37	3.48	2.38	2.85

WSDOT applies the five-entity forecast average adjustment to the baseline November 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 2021-23 biennium transportation budgets for gas, diesel, and biodiesel fuel purchases. The latest adjusted forecast requires a -1.7% downward adjustment to the baseline fuel prices in FY 2022 and upward adjustment of 3.28% in FY 2023.

As Figure 17 reveals, the new B5 fuel price forecast beginning the fourth quarter of fiscal year 2021 throughout the forecast horizon is higher than in the September and March forecasts. Since second quarter 2020 and throughout calendar year 2021, third quarter, B5 diesel prices had been rising and the last few forecasts have been revisions upward. In recent months since the September forecast, B5 prices have continued to rise steadily so we have now recovered from the drastic decline in prices after the pandemic in second quarter of 2020. The current November 2021 B5 forecast for fourth quarter 2021 is \$2.70 per gallon which is higher than the last forecast and the third and second quarters 2021 actuals for B5 of \$2.55 and \$2.31 per gallon respectively. This current estimate for fourth quarter 2021 is above the last

forecast of \$2.45 per gallon by 10%. In third quarter 2021, B5 prices increased to \$2.56 per gallon. The November 2021 forecast is also significantly above the March forecast throughout the forecast horizon as well.

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



Motor Vehicle Fuel Tax Forecast

Overview

Motor fuel tax collections for September 2021 came in above the September 2021 forecast by \$8.4 million or 5.6 percent. In addition, October’s collections for fuel taxes also came in \$4.55 million or 3.2% above the last forecast. Gasoline tax collections outpaced the projection by \$5.5 million or 4.7% in September and \$3.35 million or 3.1% in October. Diesel tax collections came in above projections by \$2.9 million or 8.8 percent in September and \$1.21 million or 3.8% in October. For both months combined, all fuel taxes came in \$12.93 million or 4.4% above the last forecast.

For the 2021-2023 biennium, gross fuel collections are estimated at \$3.432 billion. This is \$34.2 million or 1% above the November 2021 estimate. Total fuel tax revenue for the 10-year period beginning in the current biennium and ending in the 2029-2031 biennium is \$17.990 billion. This is \$239.4 million more than projected in the November 2021 forecast.

Primary Reasons for Changes in the November 2021 Forecast

Gasoline annual consumption in FY 2022 is expected to round back by 6.9% year over year which is higher than the last forecast by 0.8%. In FY 2023, gasoline consumption is projected to increase 2.3%, again up 0.8% from the last forecast and well over trend growth. Forecasts from FY 2024 to FY 2031 have been revised up an average of 1.1%.

Earlier this year we noted that we expected a strong rebound in consumption greater than the nation's simply because WA's lockdown was more severe. In September, we saw taxable gallons (our proxy) grow at a greater rate than US consumption. However, a more permanent influence is that telecommuting should continue to be especially pronounced in Washington. The state has a more sophisticated job base than the U.S. as whole and is therefore more amenable to telecommuting.

The FY 2022 special fuels tax forecast has been revised up 1.2% from September. We had expected growth in diesel tax revenue to slow because of the pandemic driven shifts from consuming experiences (such as going out to dinner) to purchasing things at home. This simply has not materialized. Moody's recently commented that "A big theme that people anticipated over 2021 was this big rotation within consumer spending from goods to services, and while that has happened to an extent, goods spending has exceeded expectations," This is a reason why diesel tax collections are still coming in stronger than prior expectations.

Off-road gasoline tax refunds have been revised downward in this forecast because we are simply not seeing the high level of non-highway gas tax refunds like we did in FY 2021. Current refunds are well below their historical averages of 1.8% of gas consumption. Therefore, the November forecast brought the gas tax non-highway refunds back down to historical averages. As a result, non-highway gas tax refunds are down \$19.4 million or 31% from last forecast in the current biennium and down \$15 million or 23% in the subsequent biennia. Lastly, there is a small revision in FY 2022 tribal refunds which stems from switching to a more accurate DOL report for tribal refunds.

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 \$1.77 billion from vehicle licenses, permits, and fees (LPFs) in the 2021-2023 biennium, which is decreased for \$10.4 million or 0.58% compared to the forecast in September. The LPF forecast is anticipated to be \$2.14 billion by 2029-2031 biennium, which is up for about \$18.9 million or 0.89% from the previous forecast. Over the 10-year period from 2021-2023 biennium to 2029-2031 biennium, the revenue increase is about \$59.1 million.

Primary reasons for the change in the November 2021 forecast

- For the fiscal year 2022, passenger car registrations are up 1.07% or 60,000 vehicles comparing the previous forecast. For FY 2023, passenger car registrations will be 1.37% more than the previous forecast. The forecast remains higher in the future years from 2024 through 2031, however, the difference will get larger in the out years. The increased forecast registrations are mainly due to the higher passenger car actuals we received for the last 3 months. Other \$30 vehicles are down compared to the last forecast, especially motorcycle registrations. The downward revision in the other \$30 vehicle registrations is bigger than the upward revision in the passenger car forecast.
- For the fiscal year 2022, truck registrations are unchanged comparing the September forecast. In fiscal year 2023, truck registrations will increase from the previous forecast by 1.65%. 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 of 3.00%. The increased truck forecast registrations in future years are mainly due to the higher actuals and a little higher employment growth rate forecasted by ERFC.
- In the 2021-23 biennium, \$30 registrations revenue is down 1.7% or \$6.4 million. This is because we had lower actuals for the last two months and the other \$30 vehicle registration forecast was lowered in this forecast. The reduced other vehicle registration counts were more than the increased passenger car counts, therefore the total \$30 vehicle registrations are reduced in this forecast, which caused the reduction of \$30 revenue. In the next biennium, revenue from \$30 registrations is about \$4 million less than the previous forecast. This trend keeps

going on in the later periods. We see the revenue runs about \$3 million below the previous forecast by the 2029-2031 biennium due to the reduced \$30 vehicles.

- In the 2021-23 biennium, the forecast sees an increased truck weight revenue for about \$4.5 million or 0.8%. This is because the increased truck forecast in FY2023. In the next biennium, truck weight revenue is about \$18.8 million more than the previous forecast due to the increased truck forecast. The revenue increase keeps going on in later forecast periods. By the end of the forecast horizon, we will see a \$22 million increased revenue in 2029-2031 biennium for truck weight fees.
- In the 2021-23 biennium, the Freight Project fee is about \$0.4 million or 0.98% more than the previous forecast due to the increased truck forecast in FY2023. In the 2023-25 biennium, the Freight Project fee is \$1.2 million more than the September forecast. This revenue increase keeps steady in the out years. By the end of this forecast horizon, we will see a \$1.4 million freight project revenue increase in 2029-2031 biennium.
- The passenger vehicle weight revenue is reduced for \$5.9 million or 1.4% in the 2021-23 biennium, which is due to the reduced \$30 vehicle forecast. In the 2023-25 biennium, the revenue is down for \$5.3 million. The revenue reduction gradually narrows in the out years. By the end of this forecast horizon, we will see a \$3.9 million passenger vehicle weight revenue decrease in 2029-2031 biennium.
- In this forecast, the motorhome weight revenue is increased for \$0.26 million in the 2021-23 biennium due to the increased motorhome vehicle forecast. In the 2023-25 biennium, the revenue is up for \$0.35 million. After that, this level of increase keeps going on. By the end of this forecast, we will see a \$0.36 million motorhome weight revenue increase in 2029-2031 biennium.
- Title Fee GI lowered the forecast for the nearest year to reflect the supply chain disruption in the auto market (microchip shortage). Original Title forecast is lowered accordingly in the FY22 with recovery in the following three years. Total title revenue for the current biennium is -\$1.4 million (-1.9%) while the 10 years change is an increase of \$1.25 million (0.3%).
- Dealer Temporary Permit Reflecting the continued COVID related supply chain issues in the vehicles sales market, the Dealer Temporary Permits forecast is adjusted down \$0.5 million (-3.3%) in the current biennium. The ten years change is -\$0.41 million (-0.5%).
- Original Issue Plate Revenue forecast is lower for FY 2021-23 by -\$609,066 or -2.1%. The forecast is higher by an average of \$238,800 or 0.8% throughout the rest of the forecast horizon.
- Plate Replacement Revenue forecast is higher for FY 2021-23 by \$313,600 or 0.98%. The forecast continues higher by an average of \$504,600 or 1.6% throughout the rest of the forecast horizon.

Driver Related Revenue Forecasts

Overview

The November 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 FY2021-23 biennium is forecasted at \$318.2 million, up by \$0.5 million (0.2%) from the prior forecast. FY23-25 is expected to have \$325.2 million, up \$13.9 (4.4%) from the prior forecast. Over the next ten-year period (FY22-FY31), driver related revenues total \$1,664.9 million, up \$10.8 million (0.7%) from the prior forecast.

It is important to note that with SHB1207 passed in the 2021 legislative session, DOL will offer eight-year license and ID cards, along with the existing six-year license and IDs, depending on customer choice. Driver and ID renewals will follow either a six- or eight-year renewal cycle, with variable extensions through FY28 to smooth the workload and revenue. Caution is advised in year over year comparisons.

Primary reasons for the changes in the November 2021 forecast

- Incorporating DOL's SHB1207 implementation scheme to give first time driver licenses variable expiration terms (6-year, 5-year, 5-year, 4-year) to fill the gap years (1/2 FY28, FY29, 1/2 FY30) when most drivers (80%) are expected to choose the eight-year licenses, beginning January 2022. The previous implementation assumption was to give renewal licenses variable terms to fill the gap years.
- Original License transactions are tracking slightly higher than previously forecast. FY 2021-31 increased by 6,800 or 1.1% on average per biennia. This forecast has been updated with the Nonfarm Employment, Population, and Driver-In variables.
- License Renewal transactions are tracking slightly lower than previously forecast. FY 2021-31 has been lowered by \$36,500 or -2.7% on average per biennia, due primarily to the change in the implementation assumptions.
- Reissues are tracking higher due to more of the non-DUI reissue transactions than anticipated following the recent ruling by Thurston County Court. The forecast is higher on average by \$1.16 million or 29% per biennium throughout the rest of the forecast horizon due to a larger percent of non-DUI reissue transactions continuing. Previously, it was assumed that only 15% of historical non-DUI reissues would continue to be subject to the \$75.00 reissue fee, the updated forecast has non-DUI reissue transactions continuing at about 30% of the historical level. ESSB 5226 would have become effective January 1, 2023 and the recent ruling by Thurston County Court made the license suspension portion effective immediately.

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 \$265.2 million from Other Transportation Related revenues in the 2019-2021 biennium and are projected to collect \$317.5 million in the 2021-23 biennium. This represents an increase of 19.7% biennium to biennium. This change is due primarily to revisions upward in the rental car, business related, aviation and motor vehicle sales tax revenue forecasts. Over the next 10 years, total other transportation related revenues are up \$25.8 million over last forecast. The November forecast is also higher than the March forecast due to adding in two new fees credit card recovery fees and AOC penalty fee. The baseline November forecast this biennium is above the last forecast by \$19.9 million or 20.5% in the 2021-23 biennium and \$20.8 million or 19.7% in 2023-25 biennium. Over the next 10 years, this November forecast of all transportation related revenue is up \$37.84 million over the last baseline forecast.

Primary reasons for the change in the November 2021 Forecast

- In the November forecast, the sales tax on motor vehicle purchases is up slightly over the baseline forecast due to higher recent actuals in sales taxes on new and used vehicle purchases and a higher forecast for U.S. vehicle sales. Motor vehicle sales and use tax revenue came in \$504,000 above forecast in the three months since the September forecast (August data was revised). The forecast for U.S. new vehicle sales is higher starting in the middle of 2023. Revenue is anticipated to be slightly higher throughout the forecast compared to September. The

biennial forecast change for motor vehicle sales and use tax ranges from +0.5% in 2021-23 and 2029-31 to +0.1% in 2023-25. 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 been reduced to the COVID-19 related shutdowns and limitations on travel. Collection came in \$3.6 million above forecast in the three months since the September forecast. The economic variables related to this forecast are mostly unchanged since September. The forecast has been revised up throughout the forecast. The biennial change ranges from 9.8% in 2021-23 to 4.7% in 2029-31.
- HOV penalties in November 2021 are unchanged from the last forecast. In the 2019-2021 biennium HOV penalties were \$950,850 and increasing to \$1,000,400 in the current biennium and to \$1,094,402 by the end of the forecast horizon.
- WSDOT Business related revenue for the 2021-23 biennium has been revised slightly up by \$0.49 million, or 3.3%, from the September forecast to reflect actual collections. In the 2023-25 biennium, WSDOT business related revenue is up \$10,800 or 0.07%, from September due to changes in the inflation and population factors.
- The school zone fines forecast for the current biennium is down \$33,200, or 5.7%, from the September forecast. The forecast in outer biennia is a minor decrease of \$1,000, or 0.17%, in the next biennium and by 0.44% in 2029-31 due to the impact on actual collection from the COVID-19 pandemic.
- The 2021-23 WSP Business Related Revenues for November 2021 have been revised down by \$351,952 or (2.81%). The change reflects updated yearly averages, using May 2021 data, in all categories. Future biennia revenues are forecasted to increase by \$80,300 or 0.65% from the March 2021 forecast.
- Aviation Fuel Tax 039- forecast is higher for FY 2021-23 by \$121,700 or 2.4% based on actuals through October. The rest of the forecast horizon remains unchanged from the prior forecast. The forecast model was updated in September with the FAA General Aviation Fuel Consumption forecast and OFM's Long-term Manufacturing Employment forecast.
- Aviation Plates-The Aviation Plates forecast has increased slightly by \$1,900 (1.88%) for the 21-23 biennium. High original transactions are expected to result in higher than previously expected renewals in future biennia leading to an average increase of \$2,600 (2.3%) to the forecast in each biennium across the forecast horizon.
- Aviation registration, excise tax and registration fee forecasts have not changed from last forecast. The aeronautics transfer is up due to gas consumption being revised upward as well in this November forecast.
- Credit Card Transaction Fees (24K) - Credit card transaction fees have been tracking well. The forecast is essentially unchanged, updating for actuals and changes to registration forecasts have changed the forecast less than 0.5% in any biennium across the forecast horizon.
- ESSB 5226 (Laws of 2021) Traffic Infractions – Failure to Pay – Suspension of Licenses creates a new Driver Licensing Technology Support Account (DLTSA) as a subsidiary account within the Highway Safety Fund. The account must be used only to support information technology systems in use by the Department of Licensing (DOL) to communicate with judicial information systems, manage driving records, and implement court orders. The legislative assessment on traffic infractions is increased from \$20 to \$24, with the \$4 increased assessment distributed to the new DLTSA. In addition, a new \$2 assessment is created on traffic infractions which is also directed for distribution to the DLTSA, effective January 2023. The Administrative Office of the Courts (AOC) estimates approximately \$1.6 million new revenue per biennium. This November forecast is a revision upward of this fee by \$400,000 or 50% in the current biennium and \$3.2 million in the next biennium and this same increase continues throughout the forecast horizon.

Ferry Ridership and Revenue

Overview

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

- Passenger full fares

- Passenger frequent user 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 2021, the Washington State Transportation Commission adopted two fare increases for FY 2022 and FY 2023. The first took place on October 1, 2021 and the second will occur on October 1, 2022. Both increases raise the passenger and vehicle/driver fares by 2.5% plus nickel rounding. With no further fare increases assumed in the Baseline Forecast, real fares are expected to slowly decline in real terms because of general price inflation after FY 2023.

Beginning in early March 2020, the COVID-19 pandemic negatively impacted ferry travel, with April 2020 ridership 73% lower than April 2019. Ridership has been mostly rebounding since then and the November 2021 forecast reflects the recent trends while continuing to dampen ridership through calendar year 2022, transitioning to a “new normal” for 2023. Last year, September and October ridership levels were 38% and 35% below 2019’s pre-pandemic levels, respectively. This year, September 2021 ridership was 1.53 million passengers and vehicle drivers, or 25% below September 2019 levels. October 2021 ridership declined to 1.29 million riders, representing a 31% decrease from October 2019. In fact, October 2021 represented the worst monthly performance in comparison to pre-pandemic levels since March 2021. This reversal of trend is likely the result of rising concerns about the Delta variant of COVID-19, the return of mask advisories/mandates, the announcement of vaccination requirements for certain in-public activities, and a substantial number of staffing-related service disruptions.

For the first four months of FY 2022 (July through October 2021), monthly ridership levels have recovered to an average of 76% of their pre-pandemic levels. The recovery for overall vehicle/driver fares has been stronger at 86% of pre-pandemic levels relative to an average of 69% for overall passenger fares. Oversize vehicle/driver fares exceeded pre-pandemic levels in July and September (continuing the trend from the second half of FY 2021) but were 3.5% lower than pre-pandemic levels in August, and 6.3% lower in October. Passenger frequent user (commuter) ridership continues to show a modest and limited recovery, reaching only 29% of their 2019 levels for the first four months of FY 2022, while all other passenger fares have recovered to about 78% of their 2019 levels.

To account for the effects of COVID-19 in holding ridership levels below what can be attributed to changes in the usual forecast inputs (i.e., employment and real personal income levels), a pandemic indicator variable was introduced within the seven-fare category systemwide econometric forecast models to capture the pandemic-related decreases in ridership. The pandemic indicator on oversize, primarily commercial vehicles was removed after only two quarters, reflecting its relatively quick rebound. With most other fare categories of ridership showing substantial rebounding from their pandemic lows, beginning with the second quarter of 2021, the pandemic indicator variable was deactivated for five of the six remaining fare categories. Only the passenger frequent user (commuter) fare model continues to warrant maintaining the pandemic indicator variable into the near-term forecast. In addition, and consistent with the prior pandemic forecasts, the November 2021 forecast maintains a tapered rebound of ridership projections in all fare categories through 2022, with recovery to the steady state “new normal” projections by the second quarter of 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 key factor contributing to this trend is an aging population base in ferry-served communities with increasingly more riders eligible for senior fares that offer a larger discount — reaffirmed in the downwardly revised working-age and upwardly revised retirement-age population indices updated in the prior June forecast. Other longstanding contributing factors include an increasing trend 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 percentage share of all 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, accelerating the trends of the past two decades. Evidence of this is exhibited in the passenger frequent user “commuter” fares ridership, which had the steepest pandemic-related percentage decreases of all fare categories, down by over 88% in April 2020, with only very modest recovery since then, holding at about 73.5% below pre-pandemic levels as of October 2021. Many employers are expected to continue accommodating

telecommuting and flexible work arrangements going forward. Until the forecast models fully capture this as a permanent effect, the 20% passenger commuter fare reduction factor used to adjust the expected long-term effect on passenger frequent user fares in the prior forecast was maintained for the November 2021 forecast.

For the vehicle/driver commuter fare category, the elimination of the pandemic indicator variable starting with the second quarter of 2021 has allowed the vehicle commuter forecast model to respond to the new normal with a lower long-term projection. Nonetheless, a longer-term reduction factor of about 5% is applied to the vehicle commuter ridership projection to capture anticipated ridership demand effects not yet captured in the forecasting process.

Most of the pandemic-related service reductions have been restored, though staffing issues are resulting in sporadic service reductions that are expected to continue into the Winter 2022 schedule. The November 2021 Forecast includes the following assumptions regarding service resumption scheduled for 2022:

- Peak season two-boat service on the Port Townsend-Coupeville route will resume in summer 2022.
- Resumption of service on the Anacortes-Sidney, B.C. international route is assumed to occur in spring 2022.

Overall, the November Baseline Forecast for ridership in the current 2021-23 biennium is 2.5% lower than the September Forecast, with vehicles/drivers leading the decline in FY 2022 and passenger in FY 2023. The current November 2021 forecast includes actual ridership and revenue collections through October 2021.

Total reported ridership for the most recent two months (September and October 2021) averaged 12.5% lower than previously forecasted, placing it at about 72% of pre-pandemic levels for the same period.

Compared to the prior September forecast, 2021-23 biennium fare and surcharge revenues are projected to be 2.7% lower. Miscellaneous revenues are expected to be 6.3% primarily due to 15% higher vessel non-fare revenues bolstered by galleys coming back online, compared with September. The percentage decrease in overall ferry revenues was from 2.6% compared to the September forecast.

Total reported fare and surcharge revenues for the most recent two months (September and October 2021) averaged 11% lower than the prior forecast, and inclusive of the recently adopted fare increases, comprise 85% of pre-pandemic baseline revenue forecast levels for the same two months in 2019. This represents somewhat of a reversal in trend from the first two months of FY 2022, when fare and surcharge revenues comprised 90% of their pre-pandemic levels.

For the rest of the forecast horizon, the November ridership projections range from 1.5% lower in FY 2024 to 0.9% lower in FYs 2025-27, before dropping to 1.1% lower in FYs 2029-31 relative to the September Baseline Forecast. Fare and surcharge revenue projections are expected to range from 0.9% lower in FY 2024 to 0.6% lower in FY 2031, relative to the September Baseline Forecast. The projected decrease in revenues reflects the corresponding decrease in forecasted ridership, relative to the September forecast.

Miscellaneous revenues have been revised upward from 5.2 to 6.0% for the remainder of the forecast horizon, with growth expected vessel non-fare revenues exceeding that of terminal revenues.

Total fare and miscellaneous revenues forecasted for the 2021-23 biennium amount to \$399.6 million, which is 2.6% lower than the previous forecast of \$410.1 million for the same period. Over 10 years (FY 2022-31), ferry fare and miscellaneous revenues total \$2.28 billion, which is 0.9% lower than the September Baseline Forecast over the same 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, while becoming more apparent, remain uncertain. As such, the November 2021 forecast projections, as well as the assumptions upon which they are based at the time of preparation, remain subject to a relatively high level of risk and uncertainty, which may cause actual results to vary considerably from the projections.

Primary reasons for the change in the November 2021 forecast

- Recent history shows a moderate reversal of the positive trends seen over the summer, with concerns over the Delta variant of COVID-19, the return of mask advisories/mandates, the announcement of vaccination

requirements for certain in-public activities, and staffing-related service disruptions all contributing to dampen near-term ridership demand.

- Among the economic and demographic factors, downward revisions to projected real personal income and higher projections for real gasoline prices through FY 2024 combine to more than offset the effects of higher population projections and lower real fares from higher inflation forecast, slightly dampening overall forecast period ridership demand.
- Miscellaneous revenue forecasts are projected to be higher throughout the forecast horizon, primarily because of higher expected vessel non-fare revenues.

Toll Revenue

Overview

Overview of Differences Compared to September 2021 Forecast

The main differences of the November 2021 toll traffic and revenue (T&R) forecasts compared to the September 2021 forecast are:

The Toll Traffic and Revenue (T&R) forecasts have been updated for the November 2021 TRFC, as applicable. The September 2021 forecast used actual Toll Traffic and Revenue information through and including June 2021. July, August and September 2021 Toll Traffic and Toll Revenue actual information continue to be processed slower than typical, mainly due to the new Back Office System transition in late June. There is expected to be no revenue loss due to any delays in actual data processing.

There are preliminary traffic actuals for TNB and SR 167, and we have evaluated the reliability of those actual data for use in the November forecast. We have used only those TNB traffic actuals for the November 2021 TRFC forecast update. Those TNB traffic actuals were very close to the September 2021 TRFC forecasts; as such, there will be no changes for the TNB forecasts for November 2021.

All the other four toll facilities have had no new reliable traffic or revenue data since the September 2021 TRFC forecasts; as such, due to lack of reliable data, there will be no changes to the other facilities' forecasts for November 2021. The methodology for the November 2021 forecast update is like the ones applied in the previous forecasts. The forecast includes the post COVID-19 recovery assumptions for each facility, and for TNB is based on the observed recent trends.

Main changes on assumptions since September 2021 Forecast

The methodology for the November 2021 Forecast update is like the ones applied since the June 2020 and subsequent quarterly forecasts, with usage of recent actual data, as applicable, and assuming different recovery pattern for each facility based on the observed trends. No new travel demand model (TDM) runs were utilized in this forecast. The forecasts for 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 total traffic, average toll rate, and total revenue by month used as the key inputs.

- The Toll Traffic and Revenue (T&R) forecasts have been updated for the November 2021 TRFC, as applicable. The September 2021 forecast used actual Toll Traffic and Revenue information through and including June 2021. July, August and September 2021 Toll Traffic and Toll Revenue actual information continue to be processed slower than typical, mainly due to the new Back Office System transition in late June.
- There are preliminary traffic actuals for TNB and SR 167, and we have evaluated the reliability of those actual data for use in the November forecast. We have used only those TNB traffic actuals for the November 2021 TRFC forecast update. Those TNB traffic actuals were very close to the September 2021 TRFC forecasts; as such, there will be no changes for the TNB forecasts for November 2021.

- All the other four toll facilities have had no new reliable traffic or revenue data since the September 2021 TRFC forecasts; as such, due to lack of reliable data, there will be no changes to the other facilities' forecasts for November 2021.

Other Revenues and Fees assumptions update since September 2021 Forecast

- With no change in the gross toll revenue potential and transaction projections for the November 2021 forecast there is no change in leakage, late payment fees, or recovered toll revenue assumed. Reported data on leakage is available through June 2021, consistent with the values used to inform the assumptions in the September 2021 forecast.
- Miscellaneous revenues for the November 2021 forecast are aligned with the September 2021 forecast except for an increase in reported FY 2021 miscellaneous revenues on SR 520 to reflect final year end close. The September 2021 forecast values were preliminary at the time.
- Reported transponder sales revenue is available through September 2021, and upon review there was no substantial impact on the November 2021 forecast assumptions or values, less than one percent over the next three fiscal years, therefor transponder revenue is being assumed as a no change forecast.

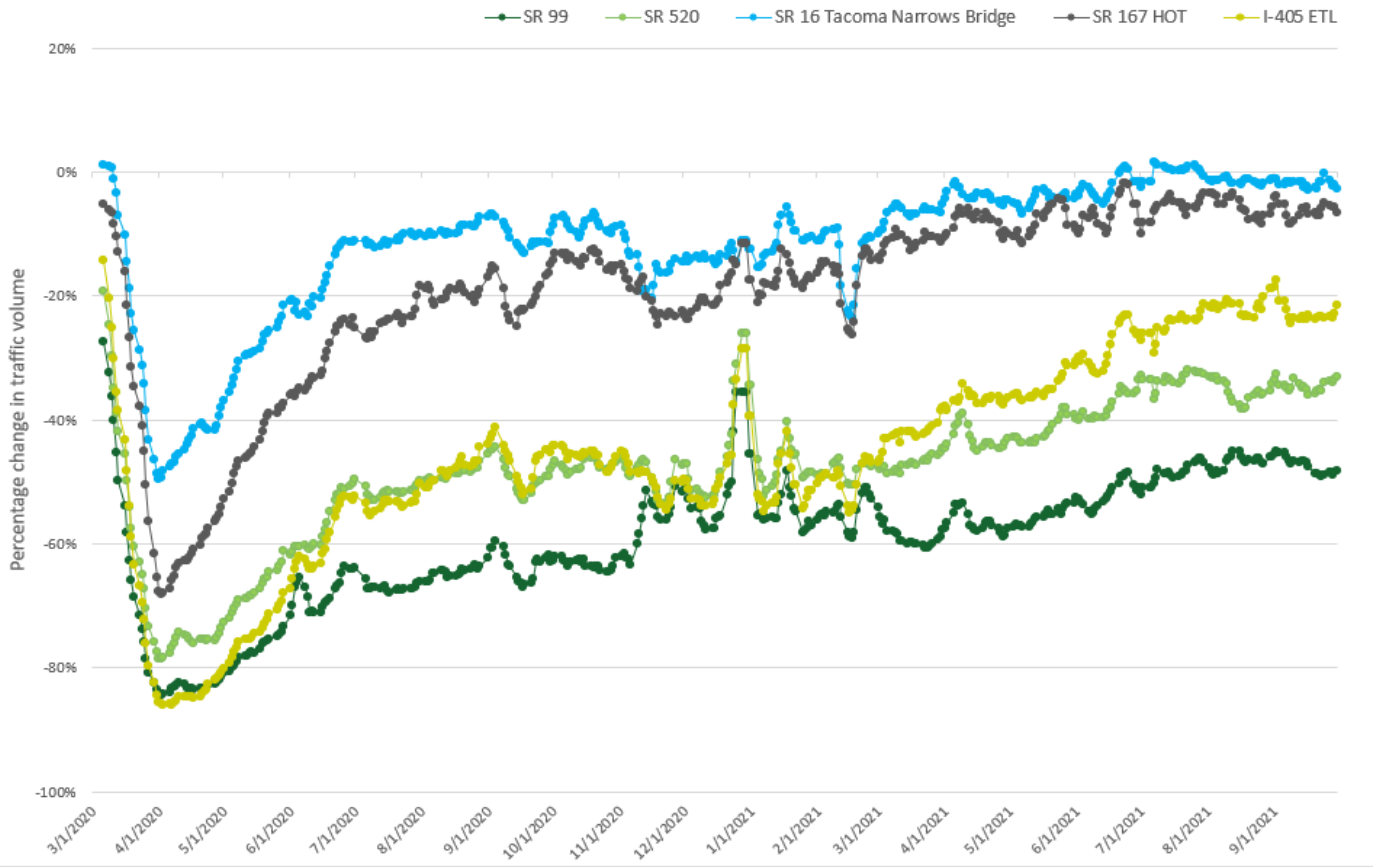
Toll Traffic Recovery through September 2021

Overall, toll traffic recovery continues slowly since the summer of 2020. Figure 18 provides daily traffic volumes for the past nineteen-month period from March 1, 2020, through September 30, 2021, comparing to last year's traffic. To look at general trends in traffic patterns on the five toll facilities, there is a public-facing data source that summarizes actual traffic data and compares it to pre-COVID traffic. The following graphic shows each facility's traffic and compares it to pre-COVID traffic. It should be noted that for TNB, there is full recovery back to pre-COVID traffic. At the other end of the spectrum, the SR 99 Tunnel is at approximately 50 percent of its pre-COVID traffic volumes.

Figure 18: Percentage change in toll traffic volumes in compared to baseline

Percentage change in toll facilities traffic volumes compared to baseline:

Moving weekly average (M-F only) compared to 2019 baseline



FY 2021 through FY 2029 Toll Traffic and Revenue Assumptions comparing to Pre-COVID Forecasts

Figure 19 shows FY 2021 through FY 2029 annual Traffic and Toll Rates forecast assumptions comparing to Pre-COVID Forecasts.

Figure 19: FY 2021 to FY 2029 Traffic and Toll Rate Reduction Assumptions – Comparing to Pre-COVID Forecasts¹

Facility	Forecast Version	Traffic & Toll Rates Assumptions	FY 2021 Annual Average Actuals	FY 2022 Weighted Average	FY 2023 Weighted Average ²	FY 2024 ³	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
TNB	Nov'21	Toll Traffic reduction	-10.5%	-3.9%	-3.5%	-3.5%	-3.5%	-3.5%	-3.5%	-3.5%	-3.5%
SR 520	Nov'21	Toll Traffic reduction	-47.6%	-28.8%	-16.3%	-10.4%	-10.5%	-12.2%	-12.6%	-11.7%	-10.8%
		Toll Rate reduction	1.9%	-1.7%	-1.0%	12.7%	12.0%	11.4%	11.9%	12.0%	12.7%
SR 99	Nov'21	Toll Traffic reduction	-29.9%	-21.6%	-12.7%	-8.2%	-8.2%	-8.2%	-8.2%	-8.2%	-8.2%
		Toll Rate reduction	-5.9%	2.8%	6.0%	6.0%	6.0%	6.0%	6.1%	6.1%	6.1%
I-405	Nov'21	Toll Traffic reduction	-43.6%	-29.1%	-14.0%	-9.0%	-20.7%	-27.9%	-27.8%	-17.7%	-11.2%
		Toll Rate reduction	-52.6%	-36.5%	-16.6%	-9.4%	-11.0%	-11.6%	-11.2%	-9.8%	-11.4%
SR 167	Nov'21	Toll Traffic reduction	-24.8%	-16.1%	-10.3%	-4.0%	-3.7%	-3.4%	-3.1%	-2.8%	-2.5%
		Toll Rate reduction	-35.4%	-31.3%	-17.3%	-7.6%	-9.3%	-8.5%	-7.9%	-7.5%	-7.3%

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 TNB and SR 99 T&R Forecast are based on toll rate increase starting October 1st, 2021 (SR 99 forecast incl. additional 3% toll rate increase every three years starting FY 2022).
³ SR 520 T&R Forecast assumes toll rate increase effective FY 2023.

Summary of November 2021 Forecast Results

Figure 20 provides the comparison summary between November 2021 and September 2021 forecast results.

Highlights of November 2021 Forecast:

- FY 2021 total revenues and fees are \$146,000 above the September 2021 Forecast.
- We have used TNB traffic actuals for the November 2021 TRFC forecast update. Those TNB traffic actuals were very close to the September 2021 TRFC forecasts; as such, there will be no changes for the TNB forecasts for November 2021.
- All the other four toll facilities have had no new reliable traffic or revenue data since the September 2021 TRFC forecasts; as such, due to lack of reliable data, there will be no changes to the other facilities' forecasts for November 2021.

Figure 20: Revenue Comparison – November 2021 vs September 2021 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	2022-31 Ten-Year
November 2021 TRFC	TNB									
	Adjusted Gross Toll Revenue	\$75.466	\$76.215	\$151.681	\$83.856	\$86.267	\$170.123	\$175.936	\$861.044	\$896.524
	Other Revenue	\$3.938	\$4.579	\$8.517	\$2.705	\$2.836	\$5.541	\$5.555	\$30.195	\$27.085
	Total TNB Revenue & Fees	\$79.404	\$80.793	\$160.197	\$86.561	\$89.103	\$175.664	\$181.491	\$891.238	\$923.609
	SR 520									
	Adjusted Gross Toll Revenue	\$66.570	\$46.591	\$113.162	\$64.130	\$79.346	\$143.476	\$203.110	\$888.757	\$1007.746
	Other Revenue	\$12.649	\$5.562	\$18.211	\$5.097	\$6.161	\$11.258	\$14.074	\$74.702	\$73.090
	Total SR 520 Revenue & Fees	\$79.219	\$52.153	\$131.372	\$69.227	\$85.507	\$154.734	\$217.184	\$963.458	\$1080.836
	I-405 ETLs									
	Adjusted Gross Toll Revenue	\$21.347	\$8.158	\$29.506	\$14.645	\$23.932	\$38.577	\$59.308	\$286.044	\$351.254
	Other Revenue	\$5.657	\$2.344	\$8.001	\$1.338	\$1.777	\$3.115	\$4.443	\$28.179	\$27.820
	Total I-405 ETLs Revenue & Fees	\$27.005	\$10.502	\$37.507	\$15.983	\$25.709	\$41.692	\$63.751	\$314.223	\$379.074
	SR 167 ETLs									
	Adjusted Gross Toll Revenue	\$3.497	\$2.730	\$6.227	\$3.693	\$5.417	\$9.110	\$15.702	\$71.477	\$91.376
	Other Revenue	\$0.161	\$0.119	\$0.280	\$0.092	\$0.090	\$0.182	\$0.223	\$1.246	\$1.267
	Total SR 167 ETLs Revenue & Fees	\$3.658	\$2.849	\$6.507	\$3.785	\$5.507	\$9.292	\$15.925	\$72.723	\$92.643
	SR 99									
	Adjusted Gross Toll Revenue	\$11.851	\$15.110	\$26.962	\$23.742	\$28.593	\$52.335	\$60.724	\$267.814	\$307.490
	Other Revenue	\$2.191	\$4.243	\$6.434	\$3.073	\$3.826	\$6.899	\$8.498	\$39.334	\$41.847
Total SR 99 Revenue & Fees	\$14.043	\$19.353	\$33.396	\$26.815	\$32.419	\$59.234	\$69.222	\$307.148	\$349.337	
All Toll Facilities										
Adjusted Gross Toll Revenue	\$178.732	\$148.804	\$327.537	\$190.066	\$223.555	\$413.621	\$514.780	\$2375.135	\$2654.390	
Other Revenue	\$24.597	\$16.846	\$41.443	\$12.305	\$14.690	\$26.995	\$32.793	\$173.656	\$171.109	
Total Revenue & Fees	\$203.329	\$165.650	\$368.979	\$202.371	\$238.245	\$440.616	\$547.573	\$2548.790	\$2825.499	
Changes from September 2021 TRFC	All Toll Facilities									
	Adjusted Gross Toll Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
	Adjusted Gross Toll Revenue % Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Other Revenue	\$0.000	\$0.146	\$0.146	\$0.000	\$0.000	\$0.000	\$0.000	\$0.146	\$0.000
	Total Revenue & Fees	\$0.000	\$0.146	\$0.146	\$0.000	\$0.000	\$0.000	\$0.000	\$0.146	\$0.000
	Total % Change	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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

COVID T&R performance continues to trend below the Pre COVID forecast. Comparing to November 2019 forecast, sixteen-month period March 2020 through June 2021 five facilities combined toll transactions were 39 percent, or 36.5 million transactions below the November 2019 forecast. Toll Revenue of \$187.0 million was 40 percent, or \$127.2 million below.

Figure 21 provides sixteen-month monthly Toll Transactions and Reported Toll Revenue performances in comparison to the November 2019 forecasts.

Figure 21: March 2020 through June 2021 Traffic Actuals in comparisons to November 2019 (Pre-COVID) forecasts

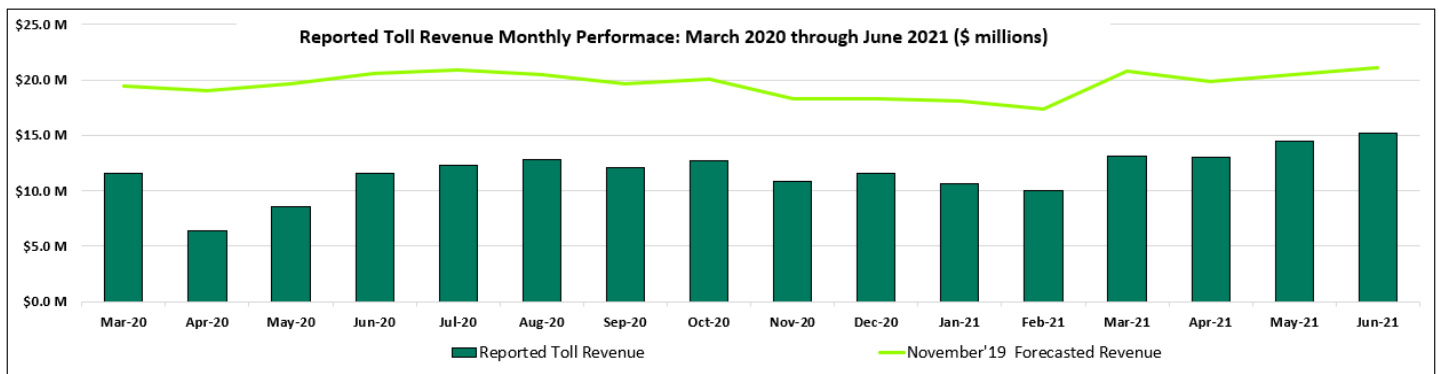
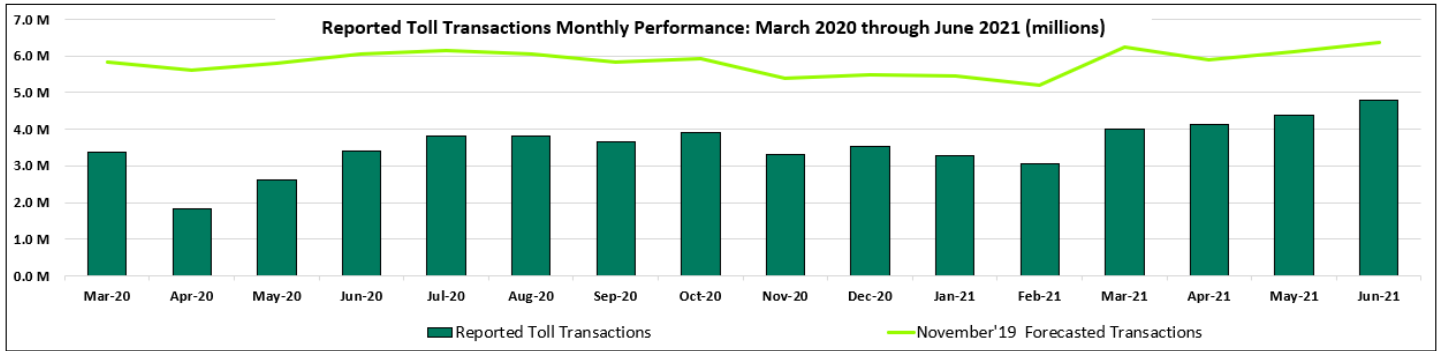


Figure 22 provides the comparison summary between November 2021 and November 2019 (Pre-COVID) Forecast. Comparing to the Pre-COVID November 2019 Forecast, 2021-23 Biennium total revenue and fees are 18 percent below the November 2019 forecast. FY 2020 to FY 2029 ten-year total, total revenue and fees are 13 percent (or \$375 million) below the November 2019 Forecast.

Figure 22: Revenue Comparison – November 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	\$2.877	-\$3.777	-\$0.523	\$0.872	\$0.349	\$1.793	-\$7.966
	Other Revenue	\$0.864	-\$8.490	-\$7.626	-\$0.250	\$0.001	-\$0.249	-\$0.040	\$1.378
	Total TNB Revenue & Fees	-\$5.790	-\$5.613	-\$11.403	-\$0.773	\$0.873	\$0.100	\$1.753	-\$6.589
	Total % Change	-6.8%	-6.5%	-6.6%	-0.9%	1.0%	0.1%	1.0%	-0.7%
	SR 520								
	Adjusted Gross Toll Revenue	-\$21.253	-\$11.218	-\$32.471	-\$28.105	-\$16.336	-\$44.441	\$1.416	-\$113.053
	Other Revenue	\$5.036	-\$35.159	-\$30.123	-\$3.237	-\$2.484	-\$5.721	-\$4.087	-\$15.185
	Total SR 520 Revenue & Fees	-\$16.217	-\$46.377	-\$62.594	-\$31.342	-\$18.820	-\$50.162	-\$2.671	-\$128.239
	Total % Change	-17.0%	-47.1%	-32.3%	-31.2%	-18.0%	-24.5%	-1.2%	-11.7%
	I-405 ETLs								
	Adjusted Gross Toll Revenue	-\$8.124	-\$7.752	-\$15.876	-\$18.757	-\$11.086	-\$29.843	-\$35.344	-\$177.771
	Other Revenue	\$3.120	-\$16.100	-\$12.979	-\$1.587	-\$1.395	-\$2.982	-\$4.021	-\$16.389
	Total I-405 ETLs Revenue & Fees	-\$5.003	-\$23.852	-\$28.855	-\$20.344	-\$12.481	-\$32.825	-\$39.365	-\$194.160
	Total % Change	-15.6%	-69.4%	-43.5%	-56.0%	-32.7%	-44.1%	-38.2%	-38.2%
	SR 167 ETLs								
	Adjusted Gross Toll Revenue	-\$1.431	-\$0.203	-\$1.634	-\$2.716	-\$1.892	-\$4.608	-\$2.140	-\$15.790
	Other Revenue	-\$0.082	-\$2.842	-\$2.924	-\$0.217	-\$0.256	-\$0.473	-\$0.618	-\$3.092
	Total SR 167 ETLs Revenue & Fees	-\$1.513	-\$3.045	-\$4.558	-\$2.933	-\$2.148	-\$5.081	-\$2.758	-\$18.882
	Total % Change	-29.3%	-51.7%	-41.2%	-43.7%	-28.1%	-35.4%	-14.8%	-20.6%
	SR 99								
	Adjusted Gross Toll Revenue	-\$2.201	\$4.365	\$2.164	-\$5.015	-\$1.383	-\$6.398	-\$0.015	-\$18.429
	Other Revenue	\$0.474	-\$13.148	-\$12.674	-\$2.064	-\$1.575	-\$3.639	-\$2.222	-\$8.521
Total SR 99 Revenue & Fees	-\$1.726	-\$8.783	-\$10.509	-\$7.079	-\$2.958	-\$10.037	-\$2.237	-\$26.950	
Total % Change	-10.9%	-31.2%	-23.9%	-20.9%	-8.4%	-14.5%	-3.1%	-8.1%	
All Toll Facilities									
Adjusted Gross Toll Revenue	-\$39.662	-\$11.931	-\$51.593	-\$55.116	-\$29.825	-\$84.941	-\$34.290	-\$333.010	
Adjusted Gross Toll Revenue % Change	-18.2%	-5.1%	-11.4%	-22.5%	-11.8%	-17.0%	-6.2%	-12.3%	
Other Revenue	\$9.413	-\$75.739	-\$66.326	-\$7.355	-\$5.709	-\$13.064	-\$10.988	-\$41.809	
Total Revenue & Fees	-\$30.249	-\$87.670	-\$117.919	-\$62.471	-\$35.534	-\$98.005	-\$45.278	-\$374.820	
Total % Change	-13.0%	-34.6%	-24.2%	-23.6%	-13.0%	-18.2%	-7.6%	-12.8%	

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

Tacoma Narrows Bridge (TNB) toll traffic and revenue forecast for November 2021 has been updated to incorporate the actual traffic through September 2021. The forecast is based on a 25-cent toll rate increase adopted by Washington State Transportation Commission (WSTC) on August 24, 2021, for all base toll rates using the same formula for multi-axle rates, effective October 1, 2021, through FY 2031. It also reflects the current assumptions of the facility's post-COVID traffic and revenue recovery.

There are preliminary July through September 2021 traffic actuals for TNB, and we have evaluated the reliability of those actual data for use in the November forecast; we have used those TNB traffic actuals for the November 2021 TRFC forecast update. Those TNB traffic actuals were very close to the September 2021 TRFC forecasts; as such, there will be no changes for the TNB forecasts for November 2021.

Figure 23 shows TNB July through September 2021 total toll traffic based on preliminary estimate is below the September Forecast by 0.7%.

Figure 23: FY 2022 July through September Toll Transactions vs September 2021 Forecast (\$ millions)

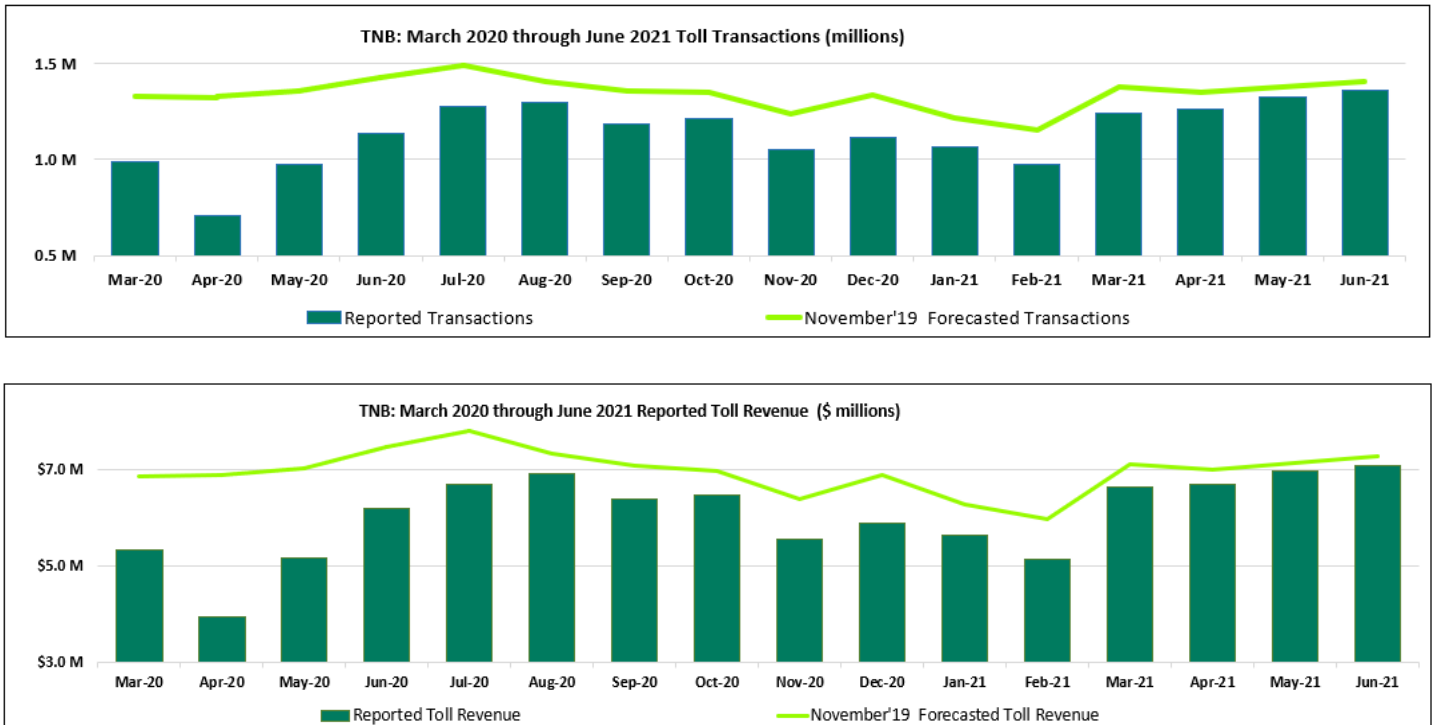
Toll Facility	Toll Transactions				
		Jul* 2021	Aug* 2021	Sep* 2021	YTD (Jul thru Sep 2021)
TNB	Forecasted Transactions	1.445	1.420	1.314	4.179
	Reported Transactions	1.439	1.404	1.306	4.149
	Variance From Forecast	-0.006	-0.016	-0.008	-0.030
	Variance - % Change	-0.4%	-1.1%	-0.6%	-0.7%

Notes:

* July through September 2021 Toll Transactions are stated based on preliminary estimate.

March 2020 through June 2021 toll transactions were below pre-COVID forecast by 15 percent, or 3.3 million transactions, toll revenue of \$96.9 million was below by 13 percent, or \$14.8 million (Figure 24).

Figure 24: TNB Monthly Toll Transactions and Revenues, March 2020 – June 2021



Comparing to September 2021 Forecast, as noted previously, there are no changes to the forecast. The September and November 2021 forecasts incorporate legislative appropriation of \$15.7 million in Federal ARPA funds and a \$30.3 million Transportation Partnership Account loan to TNB in the 2021-23 biennium. As a result of toll rate increase, miscellaneous revenue attributed to interest earnings on the account balance is increase by \$0.1 million in the current biennium, and by \$0.4 million in 2023-25 biennium.

The facility's total revenue and fees in 2021-23 biennium are estimated to be \$175.7 million. Ten-year period (FY 2020 to FY 2029) total revenue and fees of \$891.2 million are below Pre-COVID November 2019 Forecast by \$6.6 million (or 0.7 percent).

Updates to SR 520 Toll Bridge toll traffic and revenues

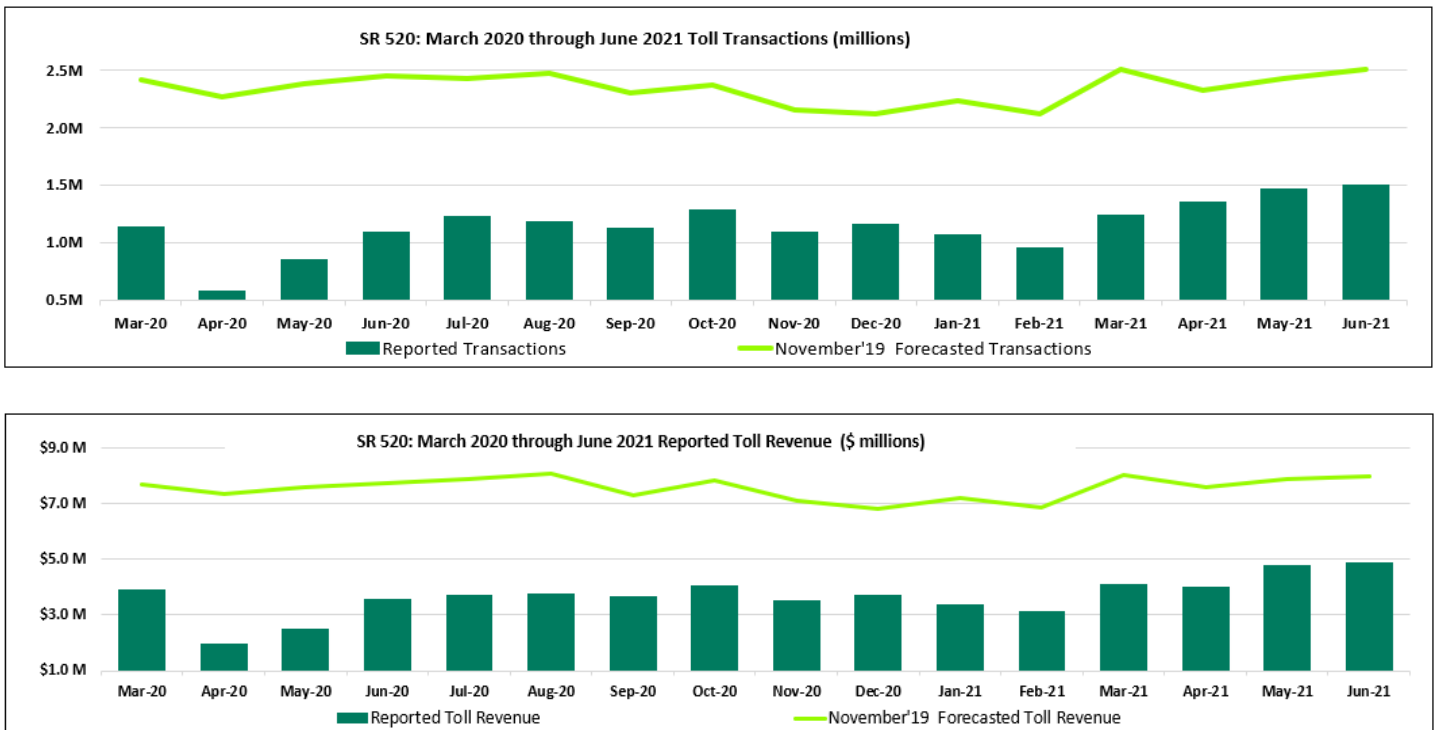
As noted previously, there has been no new reliable traffic or revenue data since the September 2021 TRFC forecasts; as such, due to lack of reliable data, there will be no changes to the forecasts for November 2021.

The November Forecast also includes a new Montlake Bridge closure (which crosses over SR 520 and connects into SR 520 at Montlake Blvd.) for approximately three weekends in October and November 2021. The closures are such that there is expected to be no appreciable decline in monthly traffic or revenues on the SR 520 facility and, as such, no changes to the previous forecast have been made for FY 2022.

The baseline forecast assumes a tailored increase in toll rates, averaging an overall 15 percent increase effective June 1, 2023 (FY 2024) adopted by WSTC on August 24, 2021. This new SR 520 toll rate schedule also expands the morning and afternoon peak periods by one hour, exclude an increase in the overnight minimum toll, and minimize the percentage increase in the peak period tolls. The forecast reflects the current assumptions on post-COVID-19 traffic and revenue recovery trends.

March 2020 through June 2021 toll transactions were below pre-COVID forecast by 51 percent, or 19.2 million transactions, toll revenue was below by 52 percent, or \$62.5 million (Figure 25).

Figure 25: SR 520 Monthly Toll Transactions and Revenues, March 2020 – June 2021



Comparing to September 2021 Forecast, as noted previously, there are no changes to 2022-2031 T&R forecast. Based on the no change T&R forecast there were no transaction or revenue-based adjustments to the leakage and fees used to inform the adjusted gross toll revenue projections. Furthermore, there is limited updated information available since the development of the September 2021 forecast with June 2021 data used as the latest reference point.

Reported transponder sales revenue is available through September 2021, and upon review there was no substantial impact on the November 2021 forecast assumptions or values, less than one percent over the next three fiscal years, therefor transponder revenue is being assumed as a no change forecast.

With no change in the revenue adjustments for leakage, fees and transponders, the November 2021 forecast for miscellaneous pledged revenue is consistent with the September 2021 forecast. With fiscal year end close for FY 2021 the reported miscellaneous pledged revenue increased from \$1.2 million in the September 2021 forecast to \$1.3 million in the November 2021 forecast.

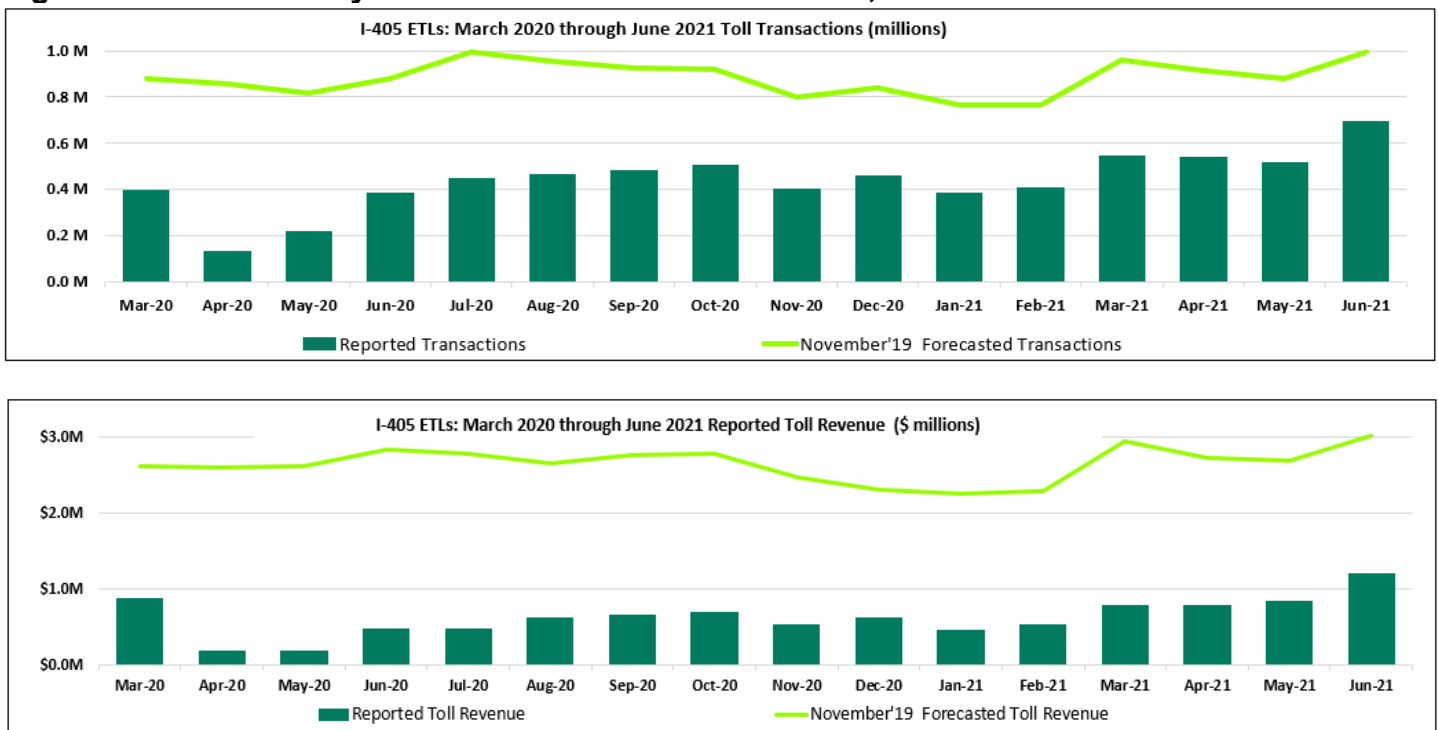
Total SR 520 revenue and fees in the current biennium are forecasted to be \$154.7 million, like the September 2021 Forecast. The ten-year total revenue and fees (FY 2020 to FY 2029) are estimated to be \$963.5 million, with total revenue and fees are below Pre-COVID November 2019 Forecast by \$128.2 million (or 11.7 percent).

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

As noted previously, there has been no new reliable traffic or revenue data since the September 2021 TRFC forecasts; as such, due to lack of reliable data, there will be no changes to the forecasts for November 2021.

March 2020 through June 2021 toll transactions were below pre-COVID forecast by 51 percent, or 7.2 million transactions, toll revenue of \$9.9 million was below the forecast by 77 percent, or \$32.5 million (Figure 26).

Figure 26: I-405 Monthly Toll Transactions and Revenues, March 2020 – June 2021



For I-405 and SR 167, corridor improvement assumptions incorporated the latest project schedules as noted included in the April 2021 Current Law Budget; there is no change in project schedules from the September 2021 forecasts.

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 September 2021 Forecast, as noted previously, there are no changes to the forecast.

Based on the no change T&R forecast there were no transaction or revenue-based adjustments to the leakage and fees used to inform the adjusted gross toll revenue projections. Furthermore, there is limited updated information available since the development of the September 2021 forecast with June 2021 data used as the latest reference point.

Reported transponder sales revenue is available through September 2021, and upon review there was no substantial impact on the November 2021 forecast assumptions or values, less than one percent over the next three fiscal years, therefor transponder revenue is being assumed as a no change forecast.

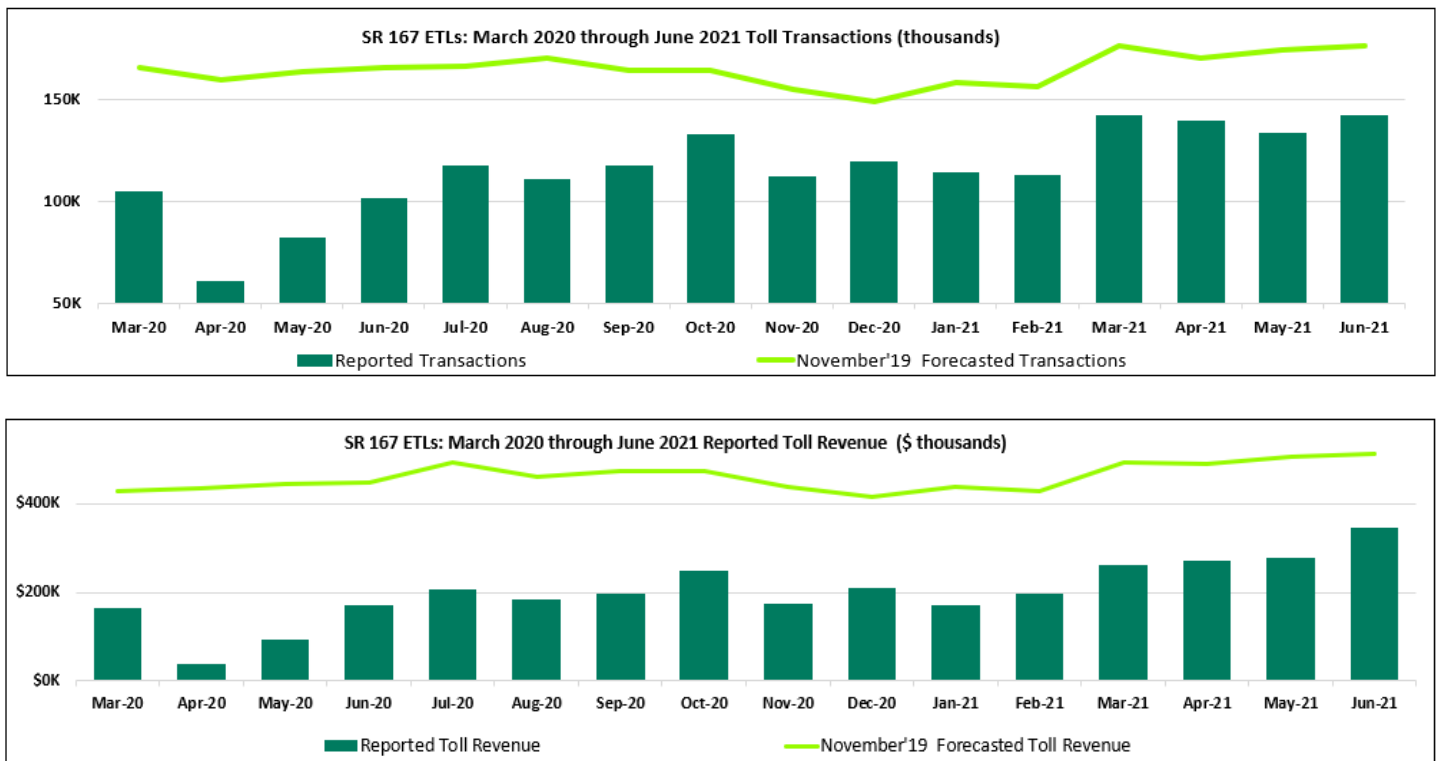
Total I-405 revenue and fees in the current biennium are forecasted to be \$41.7 million, like the September 2021 forecast. The ten-year total revenue and fees (FY 2022 to FY 2031) are estimated to be \$379 million, and total revenue and fees are below Pre-COVID November 2019 Forecast by \$194.2 million (or 38.2 percent).

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

There are preliminary traffic actuals for SR 167; however, these data are unreliable for use in forecasting; as such, due to lack of reliable data, there will be no changes to the forecasts for November 2021. It also reflects the current assumptions of the facility's post-COVID traffic and revenue recovery.

March 2020 through June 2021 toll transactions were below pre-COVID forecast by 30 percent, or 0.8 million transactions, toll revenue of \$3.2 million was below the forecast by 57 percent, or \$4.2 million (Figure 27).

Figure 27: SR 167 Monthly Toll Transactions and Revenues, March 2020 - June 2021



Still impacted by COVID-19, November 2020 through June 2021 toll 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. FY 2021 July 2020 through June 2021 average toll rate was approximately \$1.83, in comparison to July 2019 through February 2020 average toll rate of \$2.56.

Comparing to September 2021 Forecast, as noted previously, there are no changes to the forecast. Like September 2021 Forecast, SR 167 ETLs November 2021 total revenue and fees in current biennium are forecasted to be \$9.3 million. The ten-year period (FY 2020 to FY 2029) total revenue and fees of \$72.7 million are below Pre-COVID November 2019 Forecast by \$18.9 million (or 20.6 percent).

Updates to SR 99 Tunnel toll traffic and revenues

As noted previously, there has been no new reliable traffic or revenue data since the September 2021 TRFC forecasts; as such, due to lack of reliable data, there will be no changes to the forecasts for November 2021.

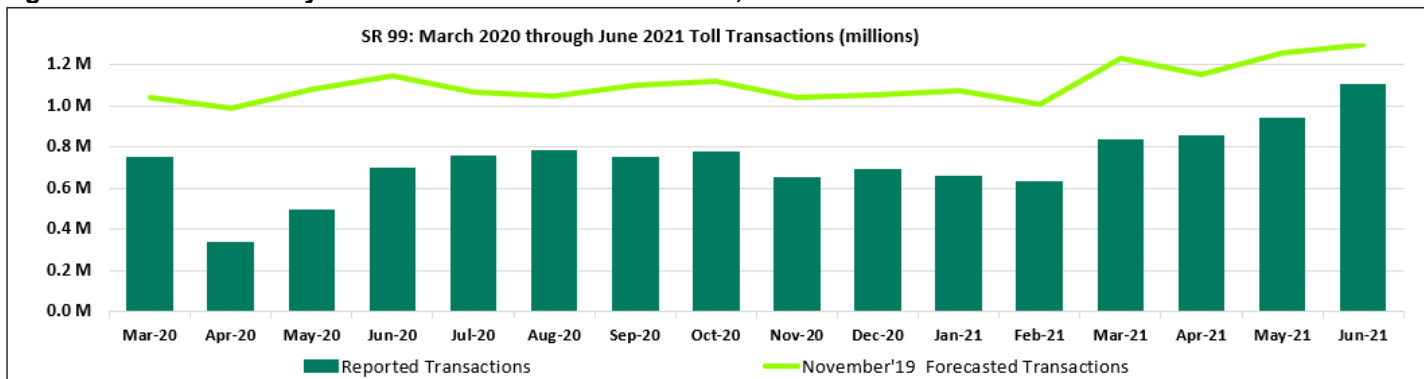
The baseline forecast is based on adopted by WSTC on August 24, 2021, a uniform 15 percent toll increase effective October 1, 2021, through FY 2031 combined with the planned 3 percent toll increases on July 1, 2022, 2025, 2028 and 2031.

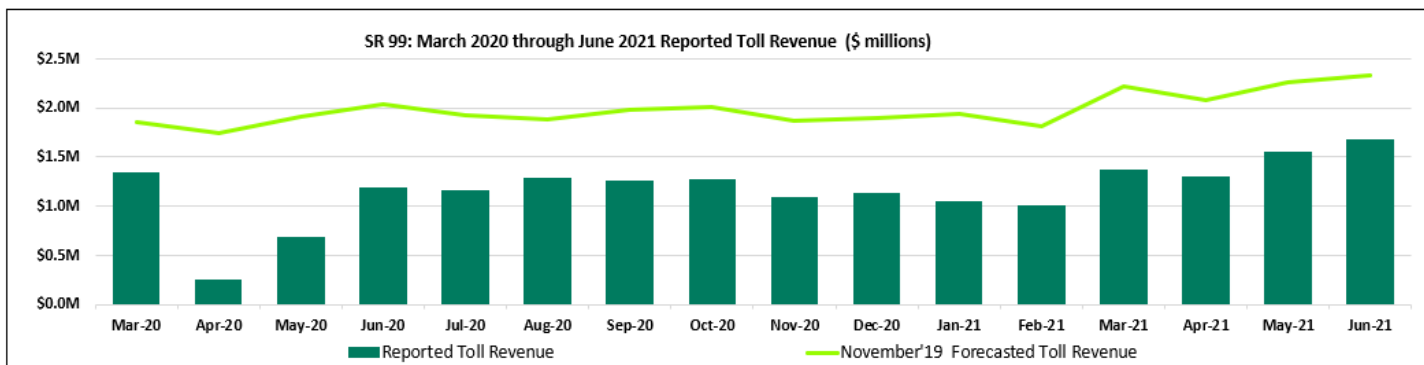
SR 99 Tunnel opened to traffic on February 4, 2019, and tolling began on November 9, 2019. On June 23, 2020, the West Seattle Bridge was closed for emergent repair and the future of the bridge is still unclear at this moment, but extensive closures are anticipated under a rehabilitation or replacement 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 2020 through June 2021 toll transactions were below pre-COVID forecast by 34 percent, or 6.0 million transactions, toll revenue of \$18.5 million was below the forecast by 42 percent, or \$13.2 million (Figure 28).

Figure 28: SR 99 Monthly Toll Transactions and Revenues, March 2020 – June 2021





Comparing to September 2021 Forecast, as noted previously, there are no changes to the forecast. Based on the no change T&R forecast there were no transaction or revenue-based adjustments to the leakage and fees used to inform the adjusted gross toll revenue projections. Furthermore, there is limited updated information available since the development of the September 2021 forecast with June 2021 data used as the latest reference point.

Reported transponder sales revenue is available through September 2021, and upon review there was no substantial impact on the November 2021 forecast assumptions or values, less than one percent over the next three fiscal years, therefor transponder revenue is being assumed as a no change forecast.

Total SR 99 revenue and fees in the current biennium are forecasted to be \$59.2 million, consistent with the September 2021 Forecast. The ten-year total revenue and fees (FY 2020 to FY 2029) are estimated to be \$307.1 million and below Pre-COVID November 2019 Forecast by \$27.0 million (or 8.1 percent).

Federal Funds Revenue

Overview

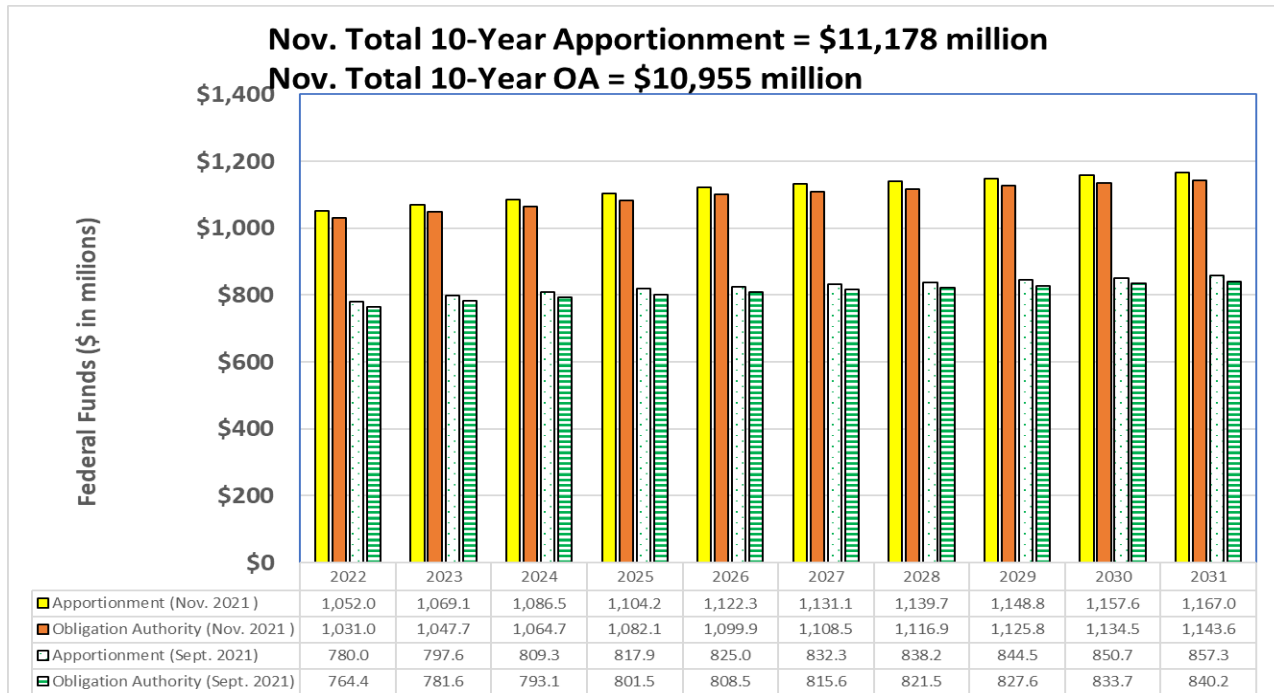
After state funds, the largest source of transportation revenue is federal funds. The Federal Funds forecast contains the formula funds distributed by the Federal Highway Administration (FHWA) to Washington State Department of Transportation for highway purposes. Federal funds reported in this forecast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

On November 15, 2021, President Biden signed into law a new transportation reauthorization bill, Infrastructure Investment and Jobs Act (IIJA) - HR 3684. It provides a five-year extension of the federal surface transportation programs. The IIJA provides over \$319 billion of funding for Federal-aid Highway programs, \$5.3 billion for highway safety programs, \$4.6 billion for motor carrier safety programs and \$60 billion for rail programs for federal fiscal years (FFY) 2022 through 2026.

FHWA – Highways Forecast

- The total highway apportionment for Washington state for FFY 2021 was \$1,129.9 million. This reflects actual apportionment distributions for FFY 2021.
- The November 2021 apportionment forecast reflects the new 2021 Act estimated federal distributions based on federal notices. The current total apportionment estimate for FFY 2022 is \$1,052 million.
- The November 2023-2026 apportionment forecast reflects the estimated federal distributions contained in IIJA.
- The November 2021 apportionment forecast reflects the actual Ferry Boat annual apportionment distribution as well as redistributed Ferry Boat distribution.
- The baseline forecast for FFY 2027 through FFY 2031 will assume an annual growth of federal revenues matching the annual Washington State fuel consumption growth rates. In this November forecast, there were only minor revisions upward annually in the long-term federal highway funds forecast compared to the last forecast due to higher starting point in FFY 2024 and slightly higher long-term growth rates in those years.

Figure 29: November 2021 Federal Forecast with IJA compared to September 2021 Federal Forecast



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 November 2021 CORE OA for FFY 2021 has been reconciled to actual OA distributions and is \$959.7 million which includes distributions for Discretionary items, Other Allocated programs as well as Ferry Boat/Terminals distributions.
- Total OA forecast for FFY 2022 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 formula OA distributions between the State Programs and the Local Programs was modified in the June 2018 forecast and has not changed since.

Rescission of FAST ACT Funds

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

Allocations of FAST Act Funds Forecast:

Federal apportionment is split between state and locals. The Governor’s office and the Office of Financial Management plan to convene a steering committee to discuss new state and local splitting of funds for the 2021 IJA in calendar year 2022 after the legislative session is complete. The November 2021 forecast has applied the previously agreed upon state and local splits from the FAST Act for program formula funds until new splits have been agreed to by the Governor’s steering committee. The new IJA program funds will not be split out between state and locals at this time. The previous agreed upon FAST Act splits 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 2021 federal forecast incorporates two FHWA penalties for prior years, which Washington State was subject to.

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

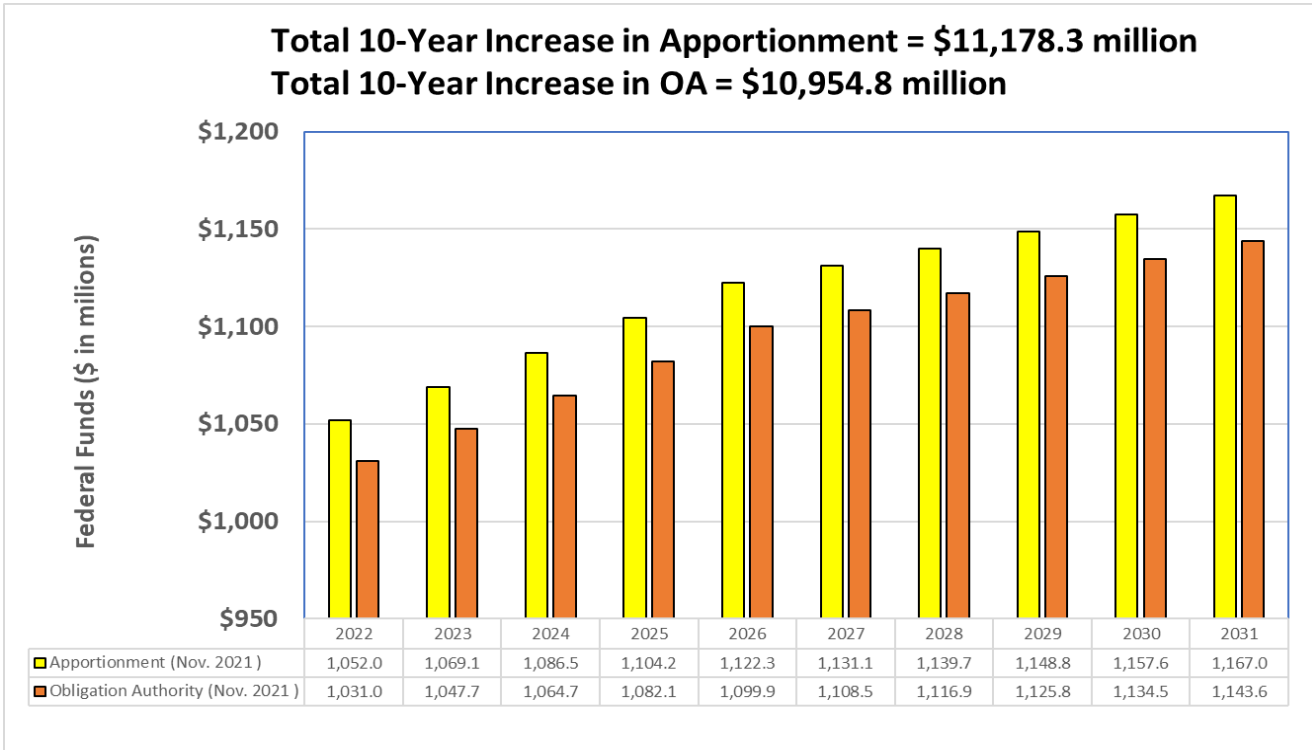
The Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) created a Coronavirus Relief Fund (CRF) which provides \$150 billion to state, local, territorial, and tribal governments. The CRF provides \$150 billion for expenditures incurred due to the COVID-19 public health emergency.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

The Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) was signed by President Trump on December 27, 2020 making consolidated appropriations for the fiscal year ending 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 November, September and June 2021 Forecasts include funds made available to WSDOT through this CRRSAA Act of \$168 million.

Figure 30: FFY 2020 – FFY2025 November FHWA Highway Funding Forecast (\$ millions)

Nov. 2021 Federal Highway Forecast	FFY 2020	FFY 2021	FFY 2022	FFY 2023	FFY 2024	FFY 2025	FFY 2026
Total WA Apportionment	\$ 813.2	\$ 1,129.4	\$ 1,052.0	\$ 1,069.1	\$ 1,086.5	\$ 1,104.2	\$ 1,122.3
Total WA Obligation Authority	\$ 792.3	\$ 959.7	\$ 1,031.0	\$ 1,047.7	\$ 1,064.7	\$ 1,082.1	\$ 1,099.9

Figure 31: FFY 2022 – FFY2031 November FHWA Highway Funding Forecast
 (\$ millions)



FTA - Public Transportation Federal Funds

Overview

The IJJA authorize \$91.2 billion for FFY 2022-2026 for public transportation programs nationwide. \$69.9 billion federal public transportation program funding comes from the mass transit account of the highway trust fund and \$21.3 billion comes from the general fund of the U.S. Treasury.

Public Transportation Federal Apportionment Funds Forecast

- The November 2021 Public Transportation federal funds forecast is a no change forecast for FY2022-2023. The public transportation forecast will be updated to reflect IJJA distributions once federal distribution tables are released.
- The forecast for 2024 through 2031 is growing based on the forecasted November 2021 fuel tax consumption growth rates

Figure 32: FFY 2020 – FFY 2026 FTA – Public Transportation Forecast
(In thousands)

Nov. 2021 - Public Transportation Federal Forecast	FFY 2020	FFY 2021	FFY 2022	FFY 2023	FFY 2024	FFY 2025	FFY 2026
Statewide Planning Program	\$ 527.0	\$ 527.0	\$ 539.0	\$ 552.0	\$ 560.0	\$ 566.0	\$ 572.0
Enhanced Mobility for Elderly and Persons with Disabilities	\$ 3,117.0	\$ 3,117.0	\$ 3,189.0	\$ 3,262.0	\$ 3,313.0	\$ 3,350.0	\$ 3,381.0
Nonurbanized Area Formula Program	\$ 14,733.0	\$ 14,733.0	\$ 15,071.0	\$ 15,418.0	\$ 15,660.0	\$ 15,832.0	\$ 15,982.0
Rural Transit Assistance Program	\$ 231.0	\$ 231.0	\$ 236.0	\$ 241.0	\$ 245.0	\$ 248.0	\$ 250.0
State Safety Oversight Program	\$ 661.0	\$ 661.0	\$ 676.0	\$ 692.0	\$ 703.0	\$ 710.0	\$ 717.0
Bus and Bus Facilities Program	\$ 1,918.0	\$ 1,918.0	\$ 1,962.0	\$ 2,008.0	\$ 2,039.0	\$ 2,062.0	\$ 2,081.0
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 FY2022 through FY2026 as part of the IIJA.

WSF Federal Apportionment Funds Forecast

The November 2021 WSF federal funds forecast is no change forecast for FY2022-2023. The WSF forecast will be updated to reflect IIJA distributions once federal distribution tables are released. The forecast for 2024 through 2031 is growing based on the forecasted November 2021 fuel tax consumption growth rates

Washington State Ferries (WSF) Federal Apportionment Funds Forecast

- Total federal WSF formula program funds for FFY 2022 is \$13.47 million. This is unchanged from the previous forecast.
- The November 2021 Forecasts includes Federal Relief Distributions related to the COVID-19 pandemic of \$39.2 million in 2020, \$219.9 million in 2021 and the CRRSAA Federal Distribution of \$79.6 million in 2022. These Federal Relief Funds do not come from the Federal Transit Administration like the program funds, but they come directly from the US Treasury.
- The long-term WSF formula federal program forecast for FFY 2024 – 2031 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 \$14.8 million by FFY 2031.

**Figure 33: FFY 2020 – FFY2026 FTA Washington State Ferries Forecast
(In millions)**

Nov. 2021 FTA – Washington State Ferries Federal Forecast	FFY 2020	FFY 2021	FFY 2022	FFY 2023	FFY 2024	FFY 2025	FFY 2026
Urbanized Area Formula Program Grants (5307)	\$ 5.6	\$ 5.6	\$ 5.7	\$ 5.9	\$ 6.0	\$ 6.0	\$ 6.1
State of Good Repair Grants (5307)	\$ 7.6	\$ 7.6	\$ 7.7	\$ 7.9	\$ 8.0	\$ 8.1	\$ 8.2
COVID-19 Federal Relief Funds	\$ 39.2	\$ 219.9	\$ 79.6	\$ -	\$ -	\$ -	

Forecast Contacts

Washington State Department of Transportation unless otherwise noted

Economic Variables and Fuel Price Forecast

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

Motor Fuel Tax Revenue Forecast

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

Motor Vehicle Licenses, Permits & Fees Revenue Forecast

David Ding, WSDOT-HQ 360-705-7502, dingdav@wsdot.wa.gov 4

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

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

Driver Related Revenue Forecasts

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

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

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

Other Transportation Related Revenue Forecast

Vehicle Sales, Rental Car Tax and Heavy Equipment Rental Tax

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

Studded Tire Fee, HOV penalties and Hazardous Substance Tax

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

Business and Other Revenue

Ryan Olson, WSDOT-HQ 360-705-7944 olsonr@wsdot.wa.gov

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

Aeronautics Revenue

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

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

Washington State Ferries Ridership and Revenue Forecast

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

Toll Operations Traffic and Revenue

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

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

Federal Funds Forecast

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

Impact to Select Transportation Accounts

Figure 34: Alternative Fuel and Alternate Electric Vehicle Batteries Revenue Transfers – Tracking Sheet

ALTERNATIVE FUEL VEHICLE AND ALTERNATE VEHICLE BATTERIE REVENUE TRANSFERS	Actuals			Forecast				
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
ALTERNATIVE FUEL - ELECTRIC VEHICLE TAX EXEMPTION								
RCW 82.12.809(5), 82.08.809(5) E2SHB2042 2019								
transfer from the Multimodal Account (218)	\$ (8,184,597)	\$ (2,041,267)	\$ (1,528,120)	\$ (354,860)	\$ -	\$ -	\$ -	\$ -
RCW 82.12.9999 (4) AND 82.08.9999 (4) - E2SHB2042 2019								
transfer from Electric Vehicle Account (fund 20J)	\$ -	\$ -	\$ -	\$ (7,100,219)	\$ (12,300,000)	\$ (12,300,000)	\$ (14,600,000)	\$ (14,600,000)
Electric Vehicle Batteries & Fuel Cells Tax Exemption								
RCW 82.12.816 (3), 82.08.816 (3) - E2SHB2042 2019								
Transfer from the Multimodal Account (218)			\$ (103,277)	\$ (1,157,504)	\$ (3,558,500)	\$ (7,035,500)	\$ (10,510,000)	\$ (15,692,500)
Clean Alternative Fuel Commercial Vehicle Tax Credit								
RCW 82.04.4496 (13), 82.16.0496 (14) - E2SHB 2042 2019								
Transfer from the Multimodal Account (218)	\$ (489,829)	\$ (550,954)	\$ (939,744)	\$ (550,911)	\$ (490,000)	\$ (594,000)	\$ (583,000)	\$ (695,000)
Hydrogen / Electric Vehicles Tax Exemption Transfers								
2SSB5000 2021								
transfer from Electric Vehicle Account (fund 20J)				\$ (20,000)	\$ (20,000)	\$ (105,000)	\$ (105,000)	\$ (235,000)
Total Transfers out of the Multimodal Account (218)	\$ (8,674,426)	\$ (2,592,221)	\$ (2,571,141)	\$ (2,063,275)	\$ (4,048,500)	\$ (7,629,500)	\$ (11,093,000)	\$ (16,387,500)
Total Transfers out of the Electric Vehicle Account (20J)	\$ -	\$ -	\$ -	\$ (7,120,219)	\$ (12,320,000)	\$ (12,405,000)	\$ (14,705,000)	\$ (14,835,000)