

Transportation Revenue Forecast Council

November 2022 Transportation Economic and Revenue Forecasts

Volume I: Summary

Washington Transportation Economic and Revenue Forecast November 2022 Forecast

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Preface

Washington law mandates the preparation, adoption of economic, and revenue forecasts. The organizations primarily responsible for revenue forecasts are the Economic and Revenue Forecast Council and the Office of Financial Management. The Office of Financial Management has the statutory responsibility to prepare and adopt those forecasts not made by the Economic and Revenue Forecast Council (RCW 43.88.020). The Office of Financial Management carries out its forecast responsibilities for transportation revenues through the Transportation Revenue Forecast Council. Each quarter, technical staff of the Department of Licensing, Department of Transportation, Washington State Patrol, and the Office of Forecast Council produce forecasts. The revenue forecasts agreed upon by the Transportation Revenue Forecast Council members become the official estimated revenues under RCW 43.88.020 21.

November 2022 Transportation Forecast Overview

Forecast Overview

Key conclusions from the November 2022 forecast. The current biennium, 2021-23, is showing transportation revenues at \$6.67 billion which is a 8.9% increase when compared to the 2019-2021 biennia. In this November 2022 forecast the next biennia, 2023-25, revenues are forecasted at \$7.20 billion which is a 8% increase over the 2021-2023 biennia.

- The November 2022 baseline transportation forecast with revenues in the current biennium, 2021-23, is anticipated to have \$6.67 billion which is down forecast to forecast from the September 2022 baseline forecast by \$14.3 million or -0.21%. This decrease is primarily due to Motor Vehicle Fuel taxes, Licenses Permits and Fees and Toll revenues being down forecast to forecast.
- The 2023-25 November forecast is projected at \$7.20 billion which is down forecast to forecast from the September 2022 forecast \$90.8 million or -1.25%. This decrease is being driven by the reduction in Motor Vehicle Fuel taxes, Licenses Permits and Fees and Toll revenues.
- For the 10-year forecast horizon, total baseline revenue in November 2022 is projected to be \$36.8 billion, which is down from the last forecast by \$344.6 million or 0.9% from September 2022. With the largest downward projections being in Motor Vehicle Fuel taxes, Licenses Permits and Fees and Toll revenues.
- These economic variables in November 2022 are in part based on the preliminary economic variables by Economic and Revenue Forecast Council and IHS. The latest economic variables, for the most part, are down in the near term from the last quarterly forecast. Washington real personal income has an annual growth rate in FY 2023 of -0.5% which was predicted at 0.4% in October. However, growth in the Implicit Price Deflator, a measure of inflation is unchanged since September
- The Motor Vehicle Fuel tax revenue for 2021-2023 in this November 2022 forecast is \$3.44 billion which is slightly down since the September 2022 forecast by -0.13%. This decrease is primarily due to updated actual consumption economic variable impacts.
- The November 2022 Licenses, Permits and Fees forecast for 2021-2023 is down \$10.3 million or -0.57% from the September 2022 forecast mainly due to actual registrations coming in lower than anticipated.
- The Tolling revenue forecast for 2021-2023 is down \$4.5 million or -1.1% when compared to the September 2022 baseline forecast. This decrease is due to the 75-cent toll rate reduction on the Tacoma Narrows Bridge effective October 1, 2022.

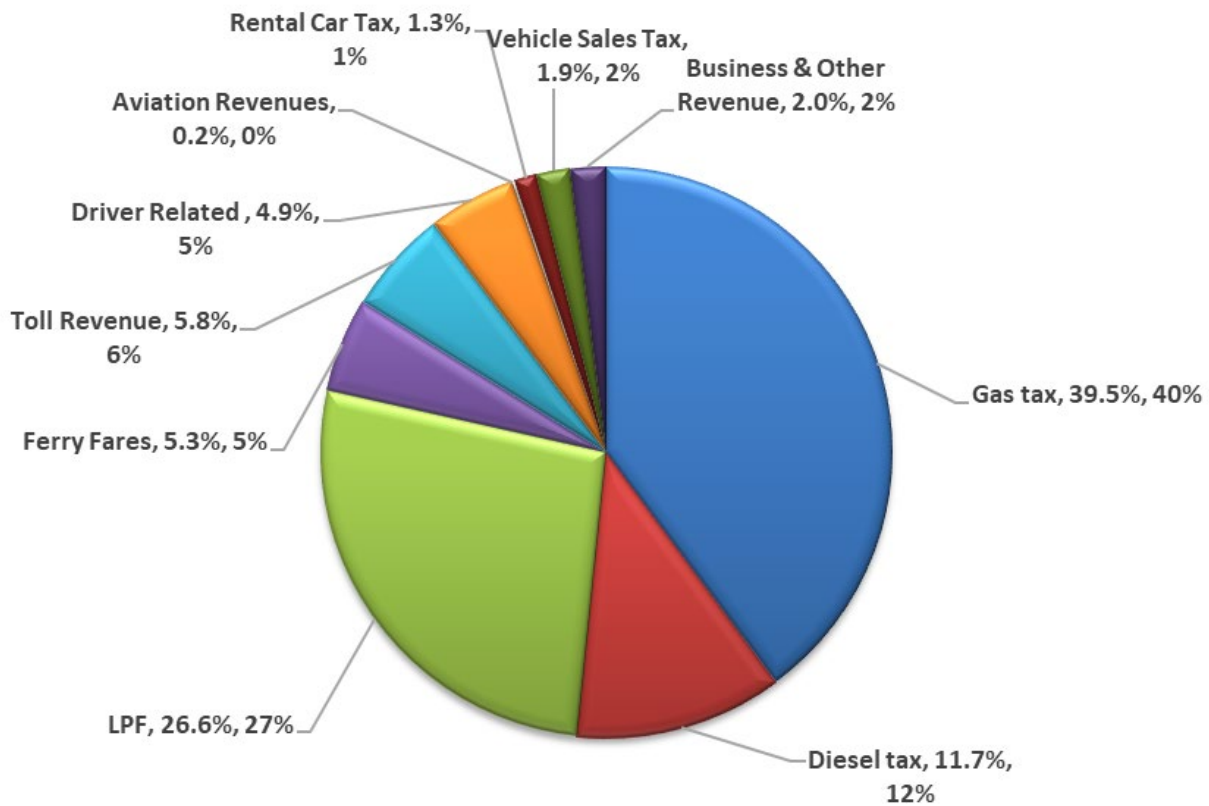
Figure 1 compares transportation revenues in November 2022, September 2022, June 2022 and February 2022.

Figure 1: Total Transportation Revenues Comparing November 2022, September 2022, June 2022 vs. February 2022, (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, (\$6.67 billion). Gasoline fuel taxes comprise the largest share at 40%. With the addition of diesel fuel taxes, all motor vehicle fuel taxes comprise 52% of all revenues. Licenses, permits, and fee revenues comprise the second largest share at 27%. The three largest revenue sources are projected to consist of 79% of revenues in the 2021-23 biennium. The remaining 21% consists of ferry fares, toll revenue, driver related revenue and other transportation related revenue.

Figure 2: Revenue By Source 2021-23 Biennium (\$6.72 billion)



As Figure 3 indicates the 2021-23 biennia November 2022 revenues came in at \$6.68 billion and below last quarter's September 2022 forecast by \$14.3 million or -.21%. The largest decrease for this biennium is seen in License Permit and Fee revenue with a decrease of \$10.3 million. In this November 2022 forecast Motor Vehicle Fuel Tax revenues are down \$4.57 million from the previous forecast, Toll revenues is down \$4.5 million from last quarter's projections. Aviation revenues are up by \$.43 million in 2021-2023 over the last forecast. Next biennium, total revenues are down from the September 2022 forecast by \$90.8 million or -1.25%. Over the next 10 years, transportation revenues are anticipated to be \$36.8 billion, which is down \$334.6 million or -0.9% from the September 2022 baseline forecast.

Figure 3: Current November 2022 Forecast Compared to September 2022 Forecast For All Transportation Revenues - 10-years

Forecast to Forecast Comparison for Transportation Revenues and Distributions 10-Year Period									
November 2022 Baseline Forecast to September 2022 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. 2022	Sept. 2022	Change	Nov. 2022	Sept. 2022	Change	Nov. 2022	Sept. 2022	Change
Sources of Transportation Revenue									
Motor Vehicle Fuel Tax Collections	3,442.83	(4.57)	-0.13%	3,504.73	(42.51)	-1.20%	17,834.59	(177.85)	-0.99%
Licenses, Permits and Fees	1,789.57	(10.26)	-0.57%	2,075.17	(28.66)	-1.36%	10,602.87	(86.67)	-0.81%
Ferry Revenue†	354.18	0.95	0.27%	419.38	(1.27)	-0.30%	2,122.52	4.96	0.23%
Toll Revenue ‡	392.36	(4.49)	-1.13%	489.38	(21.38)	-4.19%	2,561.70	(93.66)	-3.53%
Aviation Revenues	11.50	0.43	3.89%	12.58	0.52	4.28%	60.74	2.08	3.55%
Rental Car Tax	84.44	2.23	2.71%	88.66	2.89	3.37%	463.03	14.31	3.19%
Vehicle Sales Tax	126.51	0.17	0.14%	130.66	0.24	0.18%	681.73	0.25	0.04%
Driver-Related Fees	330.97	1.55	0.47%	354.57	(0.49)	-0.14%	1,826.46	2.71	0.15%
Business/Other Revenues	134.38	(0.32)	-0.24%	127.48	(0.14)	-0.11%	648.60	(0.72)	-0.11%
Total Revenues	6,666.75	(14.30)	-0.21%	7,202.60	(90.80)	-1.25%	36,802.24	(334.59)	-0.90%
Distribution of Revenue									
Motor Fuel Tax Refunds and Transfers	265.46	24.31	10.08%	251.44	(1.58)	-0.62%	1,294.70	17.84	1.40%
Motor Fuel Administrative Fee - DOL	18.25	0.05	0.27%	18.77	0.00	0.00%	95.53	0.05	0.05%
State Uses									
Motor Vehicle Account (108)	1,319.74	(12.45)	-0.93%	1,351.93	(20.40)	-1.49%	7,116.56	(89.05)	-1.24%
Transportation 2003 (Nickel) Account (550)	412.54	(4.63)	-1.11%	424.98	(7.68)	-1.77%	2,155.94	(31.88)	-1.46%
Transportation 2005 Partnership Account (09H)	609.03	(5.36)	-0.87%	627.46	(8.75)	-1.38%	3,194.65	(41.10)	-1.27%
Connecting Washington Account (20H)	758.65	(6.52)	-0.85%	778.43	(9.86)	-1.25%	3,964.25	(46.73)	-1.17%
Multimodal Account (218)	624.18	3.40	0.55%	707.39	3.84	0.55%	3,612.94	27.82	0.78%
Special Category C Account (215)	47.81	(0.41)	-0.85%	49.06	(0.62)	-1.25%	249.85	(2.95)	-1.17%
Puget Sound Capital Construction Account (099)	34.79	(0.30)	-0.85%	35.70	(0.45)	-1.25%	181.79	(2.14)	-1.16%
Puget Sound Ferry Operations Account (109)	412.76	0.39	0.10%	478.80	(2.21)	-0.46%	2,425.76	0.51	0.02%
Capital Vessel Replacement Account (18J)	59.20	(0.46)	-0.77%	62.12	(0.84)	-1.34%	316.89	(1.81)	-0.57%
Tacoma Narrows Bridge Account (511)	161.74	(7.78)	-4.59%	155.54	(21.05)	-11.92%	803.45	(96.31)	-10.70%
High Occupancy Toll Lanes Account (09F)^	9.22	0.28	3.16%	15.22	(0.07)	-0.48%	89.02	(0.10)	-0.11%
SR 520 Corridor Account (16J)	134.25	0.37	0.28%	190.21	(0.15)	-0.08%	953.64	0.22	0.02%
SR 520 Corridor Civil Penalties Account (17P)	(1.31)	0.02	-1.80%	4.99	(0.03)	-0.56%	25.55	(0.01)	-0.04%
Interstate 405 Express Toll Lanes Operations (595)	38.22	1.84	5.06%	62.85	(0.04)	-0.06%	385.27	1.80	0.47%
Alaskan Way Viaduct Replacement Acct. (535)	50.23	0.78	1.58%	60.57	(0.05)	-0.08%	304.77	0.73	0.24%
Aeronautics Account (039)	11.40	0.43	3.93%	12.47	0.52	4.32%	60.18	2.09	3.59%
Washington State Aviation Account (21G)	0.09	(0.00)	0.00%	0.10	(0.00)	-0.16%	0.51	(0.00)	-0.16%
State Patrol Highway Account (081)	458.20	1.25	0.27%	475.17	(5.26)	-1.10%	2,444.61	(15.18)	-0.62%
Highway/Motorcycle Safety Accts. (106 & 082)	295.45	1.37	0.47%	293.22	(0.21)	-0.07%	1,528.06	4.08	0.27%
School Zone Safety Account (780)	0.40	(0.04)	-9.50%	0.60	0.00	0.13%	2.90	(0.03)	-1.09%
Other accounts (201, 06T, 09E, 216, 07C, 24-K)	39.84	(0.76)	-1.86%	44.10	(0.29)	-0.66%	221.70	(1.68)	-0.75%
Electric Vehicle Account (20J)	36.14	0.00	0.00%	45.27	0.00	0.00%	81.41	0.00	0.00%
Ignition Interlock Devices Revolving Acct 14V	7.48	0.03	0.38%	8.76	0.10	1.12%	43.36	0.54	1.26%
Multiuse Roadway Safety Account Collections-571	0.47	0.00	0.39%	0.48	0.00	0.80%	2.46	0.02	0.70%
Move Ahead WA Accounts - 26P	105.34	(3.88)	100.00%	245.79	(6.03)	100.00%	1,159.87	(15.69)	100.00%
Move Ahead WA Accounts - 26Q	10.91	0.11	100.00%	33.45	(0.05)	100.00%	158.02	(0.01)	100.00%
Total for State Use	5,636.77	(32.29)	-0.57%	6,164.65	(79.59)	-1.27%	31,483.42	(291.17)	-0.92%
Cities	183.37	(1.57)	-0.85%	188.15	(2.38)	-1.25%	958.19	(11.29)	-1.17%
Counties	297.28	(2.54)	-0.85%	304.30	(3.85)	-1.25%	1,552.76	(18.20)	-1.16%
Transportation Improvement Board (112 & 144)	197.84	(1.68)	-0.84%	204.36	(2.55)	-1.23%	1,048.61	(12.07)	-1.14%
County Road Administration Board (102 & 253)	67.79	(0.57)	-0.83%	70.92	(0.86)	-1.19%	369.03	(4.06)	-1.09%
Total for Local Use	746.28	(6.36)	-0.85%	767.74	(9.64)	-1.24%	3,928.59	(45.62)	-1.15%
Total Distribution of Revenue	6,666.75	(14.30)	-0.21%	7,202.60	(90.80)	-1.25%	36,802.24	(334.59)	-0.90%

† Ferry Fares plus non-farebox revenue

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

Figure 4 compares the current November baseline forecast to the baseline February 2022 forecast. The November baseline revenues for the 2019-21 biennium are \$6.67 million which is \$72.8 million or 1.1% higher than the February 2022. The 2023-25 biennium are 7.20 million which is \$136.1 million or 1.93% higher than the February 2022 forecast.

Figure 4: Current November Forecast Compared to February 2022 Baseline Forecast For All Transportation Revenues - 10-years

Forecast to Baseline Comparison for Transportation Revenues and Distributions 10-Year Period									
November 2022 Baseline Forecast to February 2022 Baseline Forecast millions of dollars									
	Current Biennium			2023-2025			10-Year Period		
	Forecast	Chg from	Percent	Forecast	Chg from	Percent	Forecast	Chg from	Percent
	Nov. 2022	Feb 2022	Change	Nov. 2022	Feb 2022	Change	Nov. 2022	Feb 2022	Change
Sources of Transportation Revenue									
Motor Vehicle Fuel Tax Collections	3,442.83	21.79	0.64%	3,504.7	(23.64)	-0.67%	17,834.59	(60.47)	-0.34%
Licenses, Permits and Fees	1,789.57	50.71	2.92%	2,075.2	161.21	8.42%	10,602.87	807.71	8.25%
Ferry Revenue†	354.18	(23.41)	-6.20%	419.4	(27.91)	-6.24%	2,122.52	(118.34)	-5.28%
Toll Revenue §	392.36	(24.86)	-5.96%	489.4	(19.98)	-3.92%	2,561.70	(67.18)	-2.56%
Aviation Revenues	11.50	3.98	52.85%	12.6	5.57	79.59%	60.74	25.33	71.54%
Rental Car Tax	84.44	7.60	9.88%	88.7	7.42	9.14%	463.03	38.35	9.03%
Vehicle Sales Tax	126.51	7.10	0.00%	130.7	6.20	4.98%	681.73	29.89	4.59%
Driver-Related Fees	330.97	13.22	4.16%	354.6	29.30	9.01%	1,826.46	160.99	9.67%
Business/Other Revenues	134.38	16.70	14.19%	127.5	(2.12)	-1.64%	648.60	8.14	1.27%
Total Revenues	6,666.75	72.82	1.10%	7,202.6	136.05	1.93%	36,802.24	824.43	2.29%
Distribution of Revenue									
Motor Fuel Tax Refunds and Transfers	265.46	25.13	10.46%	251.4	1.51	0.61%	1,294.70	28.14	2.22%
Motor Fuel Administrative Fee - DOL	18.25	0.32	1.81%	18.8	(0.12)	-0.63%	95.53	(2.66)	-2.71%
State Uses									
Motor Vehicle Account (108)	1,319.74	5.68	0.43%	1,351.9	(30.04)	-2.17%	7,116.56	(88.59)	-1.23%
Transportation 2003 (Nickel) Account (550)	412.54	(4.77)	-1.14%	425.0	(7.74)	-1.79%	2,155.94	(26.37)	-1.21%
Transportation 2005 Partnership Account (09H)	609.03	(2.21)	-0.36%	627.5	(7.89)	-1.24%	3,194.65	(26.79)	-0.83%
Connecting Washington Account (20H)	758.65	(0.69)	-0.09%	778.4	(6.00)	-0.76%	3,964.25	(13.22)	-0.33%
Multimodal Account (218)	624.18	(3.35)	-0.53%	707.4	(12.72)	-1.77%	3,612.94	(50.05)	-1.37%
Special Category C Account (215)	47.81	(0.04)	-0.09%	49.1	(0.38)	-0.76%	249.85	(0.83)	-0.33%
Puget Sound Capital Construction Account (099)	34.79	(0.03)	-0.09%	35.7	(0.28)	-0.76%	181.79	(0.61)	-0.33%
Puget Sound Ferry Operations Account (109)	412.76	(22.67)	-5.21%	478.8	(27.74)	-5.48%	2,425.76	(116.80)	-4.59%
Capital Vessel Replacement Account (18J)	59.20	(4.03)	-6.37%	62.1	(5.34)	-7.92%	316.89	(23.17)	-6.81%
Tacoma Narrows Bridge Account (511)	161.74	(11.88)	-6.84%	155.5	(20.59)	-11.69%	803.45	(96.29)	-10.70%
High Occupancy Toll Lanes Account (09F) ^A	9.22	(0.49)	-5.06%	15.2	(0.11)	-0.70%	89.02	(0.83)	-0.93%
SR 520 Corridor Account (16J)	134.25	(7.18)	-5.08%	190.2	(5.60)	-2.86%	953.64	(18.52)	-1.91%
SR 520 Corridor Civil Penalties Account (17P)	(1.31)	(3.52)	-158.95%	5.0	(0.29)	-5.40%	25.55	(1.24)	-4.63%
Interstate 405 Express Toll Lanes Operations (595)	38.22	(0.16)	-0.42%	62.8	6.72	11.97%	385.27	51.03	15.27%
Alaskan Way Viaduct Replacement Acct. (535)	50.23	(1.63)	-3.14%	60.6	(0.12)	-0.20%	304.77	(1.32)	-0.43%
Aeronautics Account (039)	11.40	3.97	53.50%	12.5	5.57	80.78%	60.18	25.31	72.58%
Washington State Aviation Account (21G)	0.09	0.00	0.00%	0.1	0.00	2.99%	0.51	0.02	0.00%
State Patrol Highway Account (081)	458.20	(18.05)	-3.79%	475.2	(27.75)	-5.52%	2,444.61	(128.24)	-4.98%
Highway/Motorcycle Safety Accts. (106 & 082)	295.45	3.27	1.12%	293.2	(2.95)	-1.00%	1,528.06	9.02	0.59%
School Zone Safety Account (780)	0.40	(0.12)	-22.59%	0.6	0.00	0.13%	2.90	(0.11)	-3.57%
Other accounts (201, 06T, 09T, 09E, 216, 07C, 24-K)	39.84	(2.29)	-5.44%	44.1	(3.01)	-6.38%	221.70	(14.35)	-6.08%
Electric Vehicle Account (20J)	36.14	3.13	9.48%	45.3	6.62	17.13%	81.41	9.75	13.61%
Ignition Interlock Devices Revolving Acct 14V	7.48	(0.77)	-9.33%	8.8	0.09	1.01%	43.36	(0.30)	-0.68%
Multiuse Roadway Safety Account Collections-571	0.47	0.02	4.76%	0.5	0.03	5.78%	2.46	0.13	5.49%
Move Ahead WA Accounts - 26P	105.34	105.34	100.00%	245.8	245.79	100.00%	1,159.87	1,159.87	100.00%
Move Ahead WA Accounts - 26Q	10.91	10.91	100.00%	33.5	33.45	100.00%	158.02	158.02	100.00%
Total for State Use	5,636.77	48.43	0.87%	6,164.7	139.74	2.32%	31,483.42	805.52	2.63%
Cities	183.37	(0.17)	-0.09%	188.2	(1.45)	-0.76%	958.19	(3.20)	-0.33%
Counties	297.28	(0.88)	-0.29%	304.3	(2.74)	-0.89%	1,552.76	(7.50)	-0.48%
Transportation Improvement Board (112 & 144)	197.84	(0.07)	-0.03%	204.4	(0.96)	-0.47%	1,048.61	0.92	0.09%
County Road Administration Board (102 & 253)	67.79	0.05	0.08%	70.9	0.06	0.09%	369.03	3.19	0.87%
Total for Local Use	746.28	(1.06)	-0.14%	767.7	(5.08)	-0.66%	3,928.59	(6.58)	-0.17%
Total Distribution of Revenue	6,666.75	72.82	1.10%	7,202.6	136.05	1.93%	36,802.24	824.43	2.29%

Figure 5 represents the November 2022 forecast LESS the Move Ahead Revenue Package compared to the February 2022 forecast.

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

Forecast to Baseline Comparison for Transportation Revenues and Distributions 10-Year Period												
Less revenues generated from the Move Ahead Washington Package												
November 2022 Baseline Forecast to June 2022 Baseline Forecast millions of dollars												
	Current Biennium								10-Year Period			
	2021-2023				2023-2025				(2022-2031)			
	Forecast Nov. 2022	Forecast June 2022	Chg from June 2022	Percent Change	Forecast Nov. 2022	Forecast June 2022	Chg from June 2022	Percent Change	Forecast Nov. 2022	Forecast June 2022	Chg from June 2022	Percent Change
Total Revenues	6,666.75	6,721.60	-54.85	-0.8%	7,202.60	7,345.74	-143.14	-1.9%	36,802.24	37,369.68	-567.44	-1.5%
Move Aead Washington Package	118.13	137.28	-19.15	-13.9%	283.39	296.47	-13.09	-4.4%	1,335.88	1,386.82	-50.94	-3.7%
Total Revenue less Move Ahead Washington	6,548.62	6,584.32	-35.71	-0.5%	6,919.21	7,049.27	-130.06	-0.02	35,466.36	35,982.86	-516.51	-0.01

Figure 6 shows the various November 2022 forecasts recovery periods after the drops in revenue from COVID-19 shutdowns, The recovery from our recent recession is demonstrated as the period of time it takes to reach the levels projected in the February 2020 forecasts for FY 2021. Some of the revenue sources have recovered already by FY 2021 while revenue sources show a longer time period to recover.

Figure 6: November 2022 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	2025	4
Return to Trucks Registrations in Feb. Forecast - FY 2021	2021	0
Return to Passenger Cars \$30 Fee Revenue Level in Feb. Forecast - FY 2021	2026	5
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	2022	1
<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	2033	10
Return to Vehicle Ridership in Feb. Forecast- FY 2021	2030	9
Return to Ferry Farebox and Misc Revenue Level in Feb. Forecast - FY 2021	2028	7
<i>Toll Traffic and Revenue - All Facilities</i>		
Return to Total Toll Traffic in Feb. Forecast -FY 2021	2025	4
Return to Toll Adjusted Revenue in Feb. Forecast -FY 2021	2025	4

Economic Variables Forecast

Several economic variables are used in forecasting 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 2022 are in part based on the preliminary economic variables by Economic and Revenue Forecast Council and IHS. The latest economic variables, for the most part, are down in the near term from the last quarterly forecast. Washington real personal income has an annual growth rate in FY 2023 of -0.5% which was predicted at 0.4% in October. However, growth in the Implicit Price Deflator, a measure of inflation is unchanged since September

Figure 7: Annual Percentage Change (%) in Select Economic Variables November 2022 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
2023	-0.5%	1.4%	-1.5%	5.3%	2.6%	1.9%	4.0%	3.0%	2.3%	2.1%
2024	2.6%	1.3%	1.3%	2.6%	-14.6%	2.0%	-6.2%	-0.1%	-0.6%	-1.0%
2025	3.3%	1.1%	0.7%	2.0%	-1.9%	2.0%	-2.4%	1.0%	-0.3%	-1.7%
2026	3.5%	1.2%	0.8%	1.9%	1.5%	2.1%	2.3%	1.3%	0.3%	-0.4%
2027	3.2%	1.3%	0.8%	2.0%	2.7%	2.2%	1.2%	1.1%	0.7%	0.6%
2028	3.2%	1.3%	-0.2%	2.0%	2.8%	2.2%	0.2%	1.0%	0.4%	0.4%
2029	3.2%	1.2%	0.7%	2.0%	2.1%	2.1%	4.6%	0.9%	-0.1%	-0.2%
2030	3.1%	1.2%	0.7%	2.0%	2.4%	2.2%	7.6%	0.9%	0.0%	0.2%
2031	3.0%	1.2%	0.7%	1.9%	1.9%	2.1%	7.9%	0.9%	0.5%	1.1%
2032	2.9%	1.1%	0.6%	2.0%	1.8%	1.9%	7.4%	0.8%	0.7%	1.2%
2033	2.9%	1.1%	0.6%	2.0%	1.9%	1.9%	6.7%	0.7%	0.4%	1.0%

Source: Washington Economic and Revenue Forecast Council, Washington Office of Financial Management 2022 long-range forecast, October 2022 Global Insight forecast, NYMEX.

Figure 8: Annual Rate of Change in Select Economic Variables – Nov. 2022 vs. Sept. 2022 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
2022										
2023	▼	▼	▼	▬	▼	▬	▼	▼	▬	▲
2024	▬	▼	▲	▲	▲	▬	▲	▼	▼	▼
2025	▼	▼	▬	▲	▲	▬	▲	▲	▲	▲
2026	▲	▼	▲	▬	▼	▬	▲	▲	▲	▲
2027	▲	▼	▬	▬	▼	▬	▲	▲	▬	▲
2028	▲	▼	▼	▬	▲	▬	▼	▲	▲	▲
2029	▬	▼	▲	▬	▬	▬	▼	▬	▬	▬
2030	▬	▼	▲	▬	▬	▬	▼	▬	▬	▬
2031	▬	▼	▬	▬	▬	▬	▼	▬	▬	▬
2032	▬	▬	▬	▬	▬	▬	▬	▬	▬	▬
2033	▬	▬	▬	▬	▬	▬	▬	▬	▬	▬
▲	Difference in percentage change is greater than 1%									
▲	Difference in percentage change is less than 1% and greater than 0.1%									
▬	Difference in percentage change is less than 0.1% and greater than -0.1%									
▼	Difference in percentage change is greater than -0.1% and less than -1%									
▼	Difference in percentage change is greater than -1%									

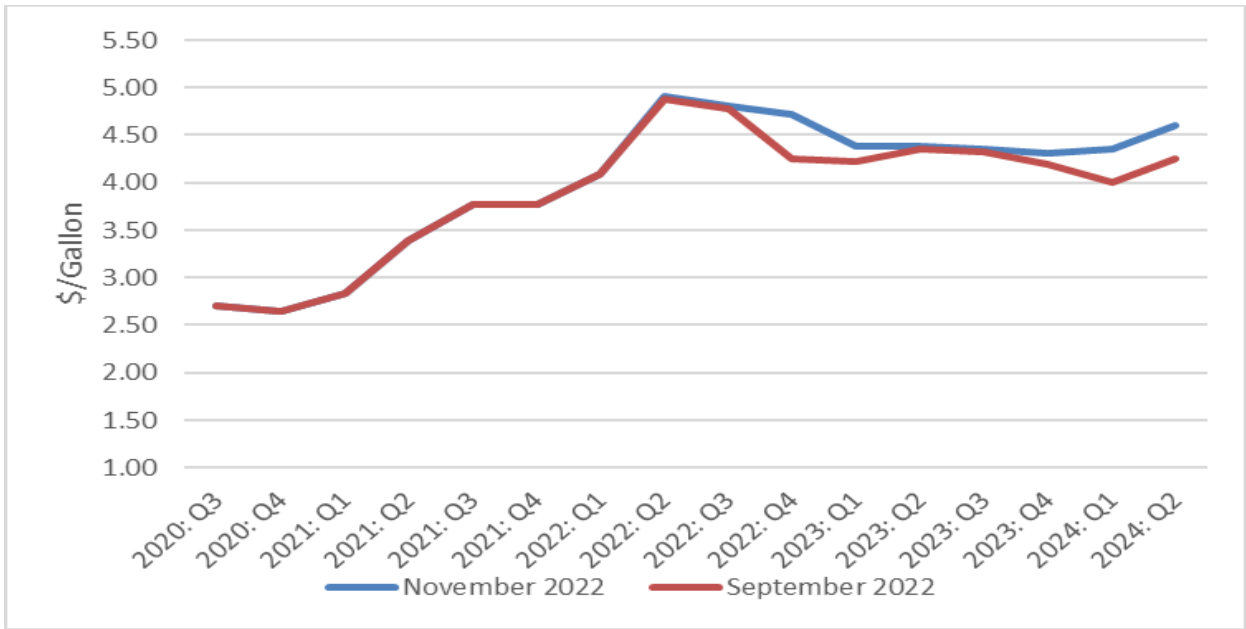
Motor Fuel Price Forecast

The November forecast is shown below; the changes from September are minor.

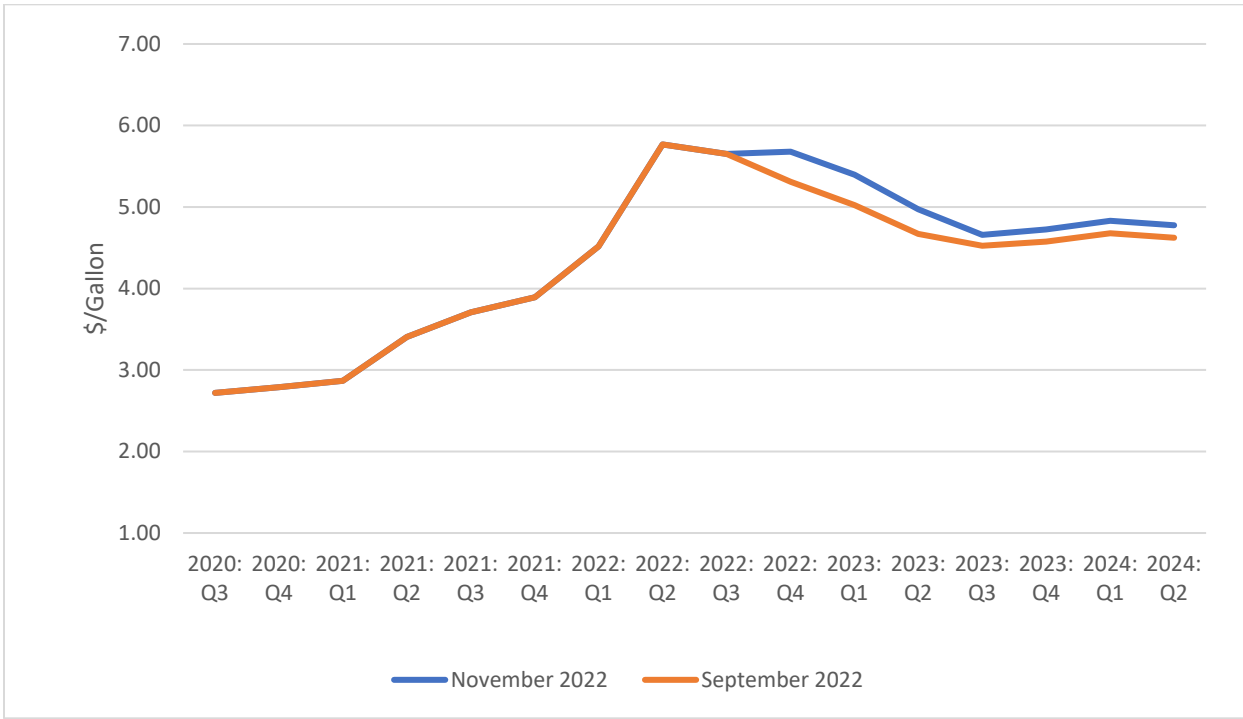
Figure 09: Near-Term Fuel Prices: November 2022

Quarterly Average Fuel Price Adjusted Forecast -November				
Fiscal Year	WA Adj Retail Gasoline Price (\$/gal)	WA Adj Retail Diesel Price (\$/gal)	WA Adj Biodiesel (B5) Price w markup+taxes (\$/gal)	OPIS Biodiesel (B20) Price w/out markup+taxes (\$/gal)
2021Q3	3.77	3.71	2.55	3.23
2021Q4	3.77	3.89	2.87	3.22
2022Q1	4.09	4.52	3.56	3.73
2022Q2	4.91	5.77	4.83	4.77
FY2022	4.13	4.47	3.45	3.74
2022Q3	4.80	5.64	4.25	4.67
2022Q4	4.71	5.67	4.21	4.70
2023Q1	4.37	5.38	3.96	4.46
2023Q2	4.38	4.96	3.65	4.11
FY2023	4.56	5.41	4.02	4.49
2023Q3	3.97	4.24	3.12	3.85
2023Q4	3.93	4.30	3.16	3.91
2024Q1	3.96	4.40	3.23	4.00
2024Q2	4.19	4.34	3.20	3.95
FY2024	4.01	4.32	3.18	3.93

**Figure 10: Washington Regular Retail Gasoline Prices:
November 2022 vs. Sept. 2022**

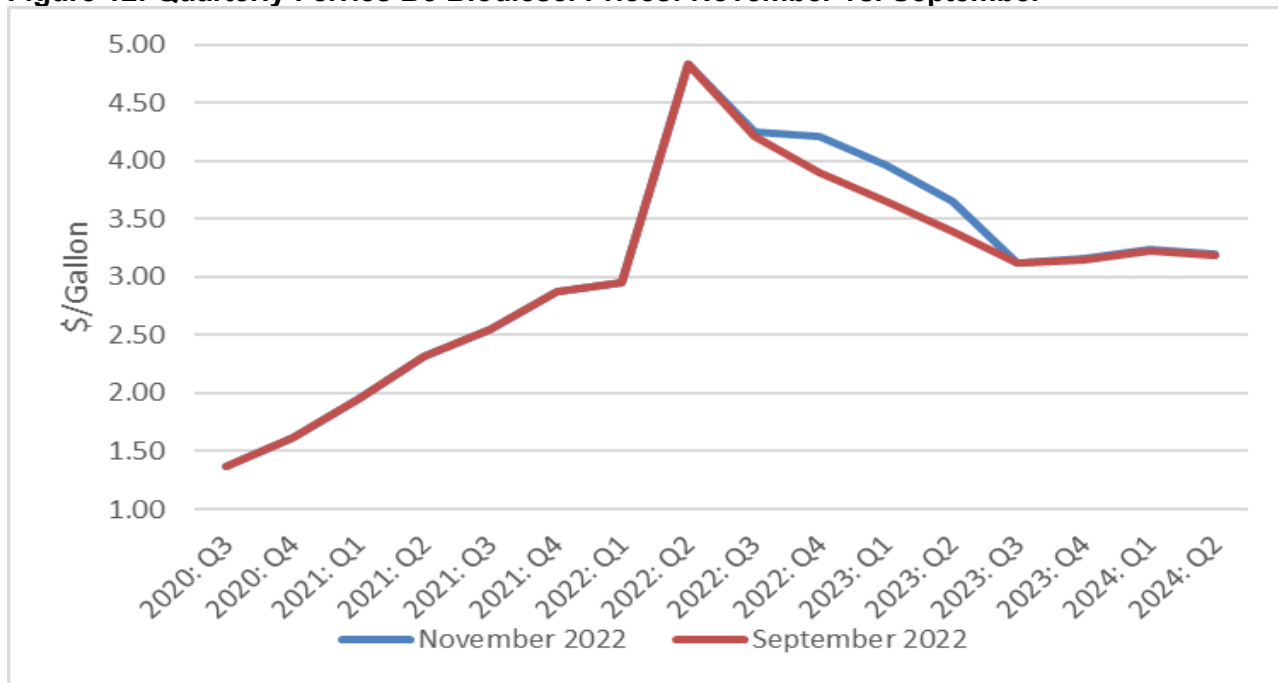


**Figure 11: Washington Retail Diesel Prices:
November vs. September**



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

Figure 12: Quarterly Ferries B5 Biodiesel Prices: November vs. September



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 2024 and then use the growth rates from Global Insight forecasts for subsequent years. The forecasts for FY 2024 ranges from \$73.95 per barrel in the WSDOT/EIA forecast to \$91.19 per barrel by Global Insight.

Figure 13: Near-term Annual WTI Crude Oil Price Forecasts: November 2022

Fiscal Year	WSDOT (EIA/GI)	NYMEX	Global Insight	Economy.com	Consensus Economics	Average	% Diff Lowest	% Diff Highest	% Diff (Average)
2022	87.62	87.62	87.62	87.62	87.62	87.62	0.00	0.00	0.0%
2023	88.86	86.19	86.17	91.56	90.62	88.68	-0.03	0.03	-0.2%
2024	89.60	83.74	82.44	74.99	76.83	81.52	-0.16	0.00	-9.0%

WSDOT applies the five-entity forecast average adjustment to the baseline November 2022 retail gasoline, diesel, and B5 biodiesel prices. The adjusted fuel prices listed in Figure 11 will be used to estimate the future costs to WSDOT 2021-23 biennium transportation budgets for gas, diesel, and biodiesel fuel purchases. The latest adjusted forecast requires a 9 percent downward adjustment to the baseline fuel prices in FY 2024.

Motor Vehicle Fuel Tax Forecast

Overview

Motor fuel tax collections since the September 2022 estimate came in above the forecast by 5.9 percent. As noted below cash flow factors and taxpayer behavior obscure the underlying trend in fuel tax revenue.

For the 2021-2023 biennium, gross fuel collections are estimated at \$3.443 billion. This is \$4.6 million or 0.1% below the September 2022 estimate. Total fuel tax revenue for the 10-year period beginning in the current biennium and ending in the 2029-2031 biennium is \$17.869 billion. This is \$178.1 million less than projected in October 2022.

Primary Reasons for Changes in the September 2022 Forecast

As noted in September, experience is not especially helpful with this estimate because the world has not recovered from a pandemic in living memory.

After for adjusting for cash flow factors taxable gasoline gallons are tracking -3 percent year-to-date. This is essentially a function of the summer driving season failing to materialize. The forecast is being sustained by the assumption that a worldwide pandemic will not occur again in the winter. Offsetting this optimism is the forecast of an imminent recession. With respect to refunds, current year tribal refunds have been adjusted to reflect trends.

The November forecast has been complicated by the behavior of one incorrectly credentialed taxpayer. This taxpayer has been exporting fuel worth around 14 of the total taxable gallons and subsequently seeking refund. Although the net effect on beneficiaries is zero, this profoundly skews the statistics. This taxpayer is now correctly credentialed so that these transactions will no longer be reflected in the relevant accounting. As with gasoline, the forecast of an imminent downturn is influencing underlying trends.

Motor Vehicle Revenue (Licenses, Permits, and Fees)

Overview

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

Washington State anticipates collecting about \$1.79 billion from vehicle licenses, permits, and fees (LPFs) in the 2021-2023 biennium, which is decreased for \$10.3 million or 0.57% compared to the forecast in September. The LPF forecast is anticipated to be \$2.31 billion by 2029-2031 biennium, which is down for about \$10.6 million or 0.45% from the previous forecast. Over the 10-year period from 2021-2023 biennium to 2029-2031 biennium, the revenue decrease is about \$86 million.

Primary reasons for the change in the November 2022 forecast

- For the fiscal year 2023, passenger car registrations are down 0.94% or 50,000 vehicles comparing the previous forecast. For FY 2024, passenger car registrations will be 0.95% less than the previous forecast. The forecast remains lower in future years from 2025 through 2031, then it surpasses the previous forecast in FY2032 and FY2033. The recent years forecast is driven by the lower passenger car actuals we received for the last 2 months, and the lower personal income growth rate forecasted by ERFC. The future years forecast is driven by the revised Washington Population growth rate.
- For the fiscal year 2023, truck registrations are down 1.47% comparing the September forecast. In fiscal year 2024, truck registrations will decrease from the previous forecast for 1.47% as well. After that, the truck forecast will keep seeing a forecast-to-forecast decrease in registrations for the rest years, however, the decrease will be flat in the out years. By the end of the forecast horizon, we see a decrease of truck registrations for 1.37%. The decreased forecast registrations in future years are mainly due to the lower truck actuals we received for the last 2 months and the revised Washington Non-Agricultural Employment Rate.
- In the 2021-23 biennium, \$30 registrations revenue is almost the same as last forecast. This is because we reduced the passenger car forecast, but also increased other types of \$30 vehicle forecast. Meanwhile, the

revised FY2022 revenue actual also brings up this biennium revenue. In the next biennium, revenue from \$30 registrations is about \$1.3 million less than the previous forecast. However, the revenue loss does not last long. By the end of the forecast, we see the revenue runs about \$2.3 million more than the previous forecast by the 2031-2033 biennium.

- In the 2021-23 biennium, the forecast sees a decreased truck weight revenue for about \$5.6 million or 1.06%. This is because the reduced truck forecast in November. In the next biennium, truck weight revenue is about \$12.7 million or 2.2% less than the previous forecast due to the decreased truck forecast. The revenue decrease keeps going on in later forecast periods. By the end of the forecast, we will see a \$13 million reduced revenue in 2031-2033 biennium for truck weight fees.
- In the 2021-23 biennium, the Freight Project fee is about \$0.14 million or 0.32% less than the previous forecast due to the decreased truck forecast in November. In the 2023-25 biennium, the Freight Project fee is \$1.5 million less than the September forecast. This revenue decrease keeps on in the out years. By the end of this forecast horizon, we will see a \$1.6 million freight project revenue decrease in 2031-2033 biennium.
- In this forecast, we applied the FY2022 passenger car weight distribution, which shows more heavier cars comparing the previous distribution. The passenger vehicle weight revenue is increased for \$1.3 million or 0.35% in the 2021-23 biennium, which is due to the reduced \$30 vehicle forecast and the updated weight distribution. In the 2023-25 biennium, the revenue is up for \$1.1 million. The revenue increase keeps on in the out years. By the end of 2031-2033 biennium, we will see a \$6.7 million passenger vehicle weight revenue increase.
- In this forecast, the motorhome weight revenue remains the same in the 2021-23 biennium due to the unchanged motorhome vehicle forecast. In the 2023-25 biennium, the revenue is up for only \$2,998. After that, this level of increase keeps going on. By the end of 2031-2033 biennium, we will see a \$19,855 motorhome weight revenue increase.
- In this forecast, the inspection fee is reduced for \$0.1 million, or 0.37% in the 2021-23 biennium mainly due to the decreased total vehicle forecast. In the 2023-25 biennium, the revenue is down for \$0.29 million. However, It turns positive in the future biennium. By the end of 2031-2033 biennium, we will see a \$0.08 million inspection fee increase.
- Title Fee forecast is down by \$1.88 million (-2.6%) for the current biennium, down by \$3.1 million (-4.1%) for FY23-25, and down by \$9.9 million (-2.7%) in the ten-year horizon. The forecast change is based on lower actuals to date and a lower light vehicle sales forecast by Global Insight.
- Ferry Vessel Service Fees (18J) Service fee for current biennium is revised down by \$0.5 million (-1.09%), following lower vehicle title and registration forecasts. It is down by \$0.85 million (-1.76%) for FY23-25 biennium. The 10-year forecast change is -\$2.1 million (-0.9%).
- Dealer Temporary Permits. Total revenue for the current biennium is up \$3.2 million (+14.1%), adjusting FY23 revenue in State Patrol Account with \$2.5M posted in July for transactions made in June of FY22. The future years are following the slight titles decline. The FY23-25 biennium revenue is down by \$1.1 million (-2.0%) and the 10-year change is \$1.49 million (+0.6%).
- Original Plates This forecast has decreased -\$3.4 million (-4.4%) for the 21-23 biennium and -\$4.2 million (-2.9%) for the 23-25 biennium following continued below forecast original plate transactions. The ten-year estimate is -\$13.8 million (-2.2%). The downward forecast revision is consistent with lower vehicle registration and lower title forecasts.
- Plate Replacement The forecast has decreased across the forecast horizon by -2.3 million (-3.6%) for the 21-23 biennium and -2.4 million (-2.5%) for the 23-25 biennium. The ten-year total decrease is -\$4.4 million (-1.0%).

Driver Related Revenue Forecasts

Overview

- The **November 2022** 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 **\$330.9 million, up \$1.5 million (+0.5%)** from the prior forecast. FY23-25 is expected to have **\$354.5 million, down \$0.49 million (-0.1%)** from the prior forecast. Over the ten-year period (FY24-FY33), driver related revenues total **\$1,867.5 million, up 1.7 million (0.1%)** from the prior forecast.
- It is important to note that with SHB1207 passed in the 2021 legislative session, DOL offers eight-year licenses and ID cards, along with the existing six-year license and IDs. For the first four years of implementation, all first time Driver/ID issuances will have variable renewal terms while Driver and ID renewals will follow either a six- or eight-year renewal cycle depending on customer choice. Caution is advised in year over year comparisons.

Primary reasons for the changes in the **November 2022** forecast

- Driver and ID issuances are slightly higher than prior forecast following a slight increase in the November population estimates.
- **ADR** revenue estimates are revised down by \$0.37 million (or -0.59%) for FY21-23 biennium and down by \$1.39 million for FY23-25 (or -1.89%) with adjustment to lower actuals year to date as well as re-aligning long-term ADR per 1K driving age population with recent trend.
- **ID card** revenue forecast is revised upward by \$1.62 million (8.6%) for FY21-23 biennium and by \$0.2 million (1.2%) for FY23-25. This upward revision is the result of adjusting higher actuals to date.

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 \$349.0 million in the 2021-23 biennium. This represents an increase of 8.58% biennium to biennium. This is due primarily to revisions upward in the rental car and business related forecasts. Other Transportation Related revenues for 2021-2023 are forecasted to be \$352.5 which are higher than the previous forecast by 2.9%. Over the next 10 years, total other transportation related revenues is forecasted to be up \$46.6 million over last forecast.

Primary reasons for the change in the November 2022 Forecast

- In the November forecast, the sales tax on motor vehicle purchases is slightly higher since the previous forecast. Recent collections were higher than forecasted, although the economic variables related to the forecast are lower.
- Rental car tax collections have been increased due to high collections in recent months.
- HOV penalties in November 2022 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 up by \$0.4 million, or 1.2%, from the November forecast. The increase is due to lease payments being higher than projected. WSDOT business related revenue is unchanged in outer years.
- The school zone fines forecast for the current biennium is down \$42,400, or -9.5%, from the November forecast. The forecast in outer biennia is no change.
- The 2021-23 WSP Business Related Revenues for November 2022 have been revised down by \$87,780 or (0.79%). The change reflects latest actuals and changes in out years mirror the changes in fiscal year 2023. Future biennia revenues are forecasted to decrease by \$168,200 per biennia from the June 2022 forecast.
- **Aviation Fuel Tax** (fund 039) forecast is higher for FY 2021-23 by \$0.42 million or 4.67% based on actuals through October. The forecast continues higher for FY 2023-25 by \$0.5 million or 5.1%. The ten-year outlook adds \$2.1 million or 4.1%. The forecast assumes delayed consumption/storage capacity from FY 2020-21 and catching-up during FY 2022. In addition, there are anticipated increases in consumption for FY 2023 and beyond due to the foreign flagged commercial carrier expansion at SEATAC. The November 2022 forecast includes activity for another foreign flagged commercial carrier that began operations in October 2022. U.S. Commercial Air Carriers are exempt from Washington's aviation fuel tax, but foreign flagged commercial air carriers are not exempt.
- **Credit Card Transaction Fees** (24K) The credit card fee forecast has decreased -\$0.12 million (-0.67%) for the 21-23 biennium and -\$0.22 million (-1.29%) for the 23-25 biennium and all biennia throughout the forecast. Lowering the forecast is consistent with reduced vehicle registration forecast and it is also possible that customers are learning to avoid credit card fee by using e-checks at no cost.
- 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.

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

Beginning in early March 2020, the COVID-19 pandemic negatively impacted ferry travel, with April 2020 ridership 73% lower than April 2019. Ridership has been slowly and somewhat erratically rebounding since then, with COVID-19 virus cycles and its effects on travel, combined with reduced service levels due to ongoing staffing challenges, extending the recovery. This forecast assumes a phased return to full service levels is completed by July 1, 2023 (FY 2024) with the exception of the Anacortes/Sidney B.C. route, which will remain shut down for another year. Ridership demand is expected to have fully responded to full service restoration at post-pandemic “new normal” levels one year later by July 1, 2024 (FY 2025). When service is assumed to restart on the Anacortes/Sidney route on July 1, 2024, ridership demand is expected to ramp up over a three-year period.

The November Forecast incorporates actual ridership through October 2022. Fiscal year-to-date ridership is essentially unchanged from a year ago. However, trends for September and October are showing strength. Last year, ridership levels for September and October were collectively 27.8% below 2019’s pre-pandemic levels. This year, passengers and vehicle/ driver ridership levels were 1.65 million in September and 1.49 million in October, collectively 11.3% higher than in 2021, putting them 19.6% below pre-pandemic levels. This represents the highest ridership share of pre-pandemic levels since July 2021, and may reflect continued increases in recreational travel, in-person work, and service restoration combined with exceptionally warm and dry weather. The positive actual to forecast variances for September and October follow a pause in the expected recovery trend earlier in the year that was attributed to ongoing staffing shortages and the resulting uncertainty of day-to-day service levels.

The recovery to pre-pandemic ridership levels remains stronger for vehicle/driver fares than for passenger fares. Fiscal year-to-date vehicle/driver ridership is at 84% of pre-pandemic levels compared to 70% for passenger fares. This largely the result of the passenger frequent user (commuter) fare category, which continues to show limited recovery, reaching barely 29% of their 2019 levels thus far in FY 2023. However, growth in regular and other discounted passenger

fares has thus far been outpacing vehicle/driver fares in FY 2023, with both regular and other discounted fare categories surpassing 88% of pre-pandemic levels in October.

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. Other longstanding contributing factors include technology improvements that facilitated growth in telecommuting, changes in the frequent user multi-ride fare media that make them less severable/convenient for concurrent shared use by multiple riders, and more recently, the COVID-19 pandemic and its enduring shift to working from home .

Between FY 2000 and FY 2019, the percentage share of all passengers traveling under a discounted, frequent user fare declined from nearly 46% to less than 19%. Over the same period, the share of drivers of vehicles traveling under a discounted, frequent user fare declined from nearly 47% to 34%. The COVID-19 pandemic has resulted in an extensive increase in telecommuting, accelerating the trends of the past two decades. Evidence of this is exhibited in the passenger frequent user “commuter” fares ridership, which had the steepest pandemic-related percentage decreases of all fare categories, down by over 88% in April 2020, and having only recovered to 71% below pre-pandemic levels fiscal year-to-date. Many employers are expected to continue accommodating telecommuting and flexible work arrangements going forward. Consistent with the September forecast, a 30% passenger commuter fare reduction factor was applied to adjust the expected long-term effect on passenger frequent user fares until the forecast models adapt to fully capture the factors contributing to permanent changes. A smaller long-term downward adjustment of 5% has also been maintained for the vehicle commuter ridership projections, as that fare category is more likely to recover most of its pre-pandemic levels.

As with the September 2022 Forecast, this forecast takes into consideration WSF’s gradual approach to restoring the pandemic-related service reductions in which additional service is being restored in stages. Specifically, vessels are being added back for a percentage of the service days in a quarter, with the percentage share of full service days generally increasing each successive quarter until reaching full restoration to pre-pandemic service levels across most routes by July 1, 2023 (FY 2024). The November 2022 Forecast includes the following assumptions regarding service resumption:

- The Point Defiance-Tahlequah route is already at normal service levels.
- The third vessel on the Fauntleroy-Vashon-Southworth triangle route will resume partial service in the winter of 2023 (FY 2023) with full resumption by Summer 2023 (FY 2024).
- The second vessel on the Seattle-Bremerton route will resume partial service in the Spring of 2023 (FY 2023) with full resumption by Summer 2023 (FY 2024).
- The second vessel on the Seattle-Bainbridge route is currently covering over 90% of its sailings; full service resumption is expected by Summer 2023 (FY 2024).
- The second vessel on the Edmonds-Kingston route is expected to continue a gradual return to regular operations through the Winter and Spring 2023, with full service resumption by Summer 2023 (FY 2024).
- The second vessel on the Mukilteo-Clinton route is currently covering over 90% of its sailings; full service resumption is expected by Summer 2023 (FY 2024).
- Resumption of the second vessel normally added for the late Spring and Summer seasons on the Port Townsend-Coupeville route is postponed until Summer 2023 (FY 2024).
- Service on the Anacortes-San Juan Islands routes is essentially at normal seasonal service levels except for the small portion of domestic service provided by the still closed international route to Sidney, B.C.
- Resumption of service on the Anacortes-Sidney, B.C. international route is assumed to occur in Summer 2024 (FY 2025), which will also add limited capacity to summer service in the San Juan Islands as a fifth vessel.

Overall, the November Baseline Forecast for ridership in the current 2021-23 biennium is 1.2% higher than the September Forecast, with vehicle/driver fares leading the increase on both volume and percentage bases, though passenger fare ridership has been growing at a faster rate than vehicle/driver ridership in the current biennium. The current November 2022 forecast includes actual ridership and revenue collections through October 2022.

Total reported ridership for the most recent two months measured (September and October 2022) collectively exceeded the prior September forecast values by 7.5%.

Compared to the prior September forecast, 2021-23 biennium fare and surcharge revenues are projected to be 0.3% higher. Miscellaneous revenues are expected to be 1.2% higher than the previous forecast. The current biennium percentage increase in overall ferry revenues was 0.3% compared to the September forecast.

Total reported fare and surcharge revenues for the most recent two month of collections (September and October 2022) averaged 5.5% higher than the prior forecast, and inclusive of the adopted fare increases since 2019 plus the October 1, 2022 elimination of youth fares, they comprise nearly 92% of the pre-pandemic fare revenue levels for the same two months in 2019.

For the rest of the forecast horizon, the November ridership projections range from 0.1% to 0.7% higher, relative to the September Baseline Forecast. Fare and surcharge revenue projections are expected to range from 0.3% lower in FY 2024 to 0.6% higher in the outer forecast years, relative to the September Baseline Forecast. The different levels of current-to-prior forecast increases and decreases between revenue and ridership are attributed to the varying changes in ridership by fare category and route and the associated wide range of fares across routes and fare categories.

The elimination of youth fares starting October 1, 2022 is expected to decrease lower revenue collections by slightly over \$2.4 million over the remainder of the current biennium, and by nearly \$8.1 million in the 2023-25 biennium in the Baseline Forecast.

Miscellaneous revenues in the current biennium have been revised upward by 0.7% compared to the September forecast. Thereafter, miscellaneous revenues range from 0.7% to 1.3% higher, primarily driven by an upward forecast for terminal advertising revenue. One of WSF's ad vendors noted an increased interest in advertising at ferry terminals and onboard vessels as the pandemic has subsided, generating more travel and tourism. The November revisions to revenue and ridership projections account for remaining changes, including those in vessel non-fare revenue.

Total fare and miscellaneous revenues forecasted for the 2021-23 biennium amount to \$354.2 million, which is 0.3% higher than the previous forecast of \$353.2 million for the same period. Over 12 years (FYs 2022-33), ferry fare and miscellaneous revenues total \$2.59 billion, approximately 0.3% higher than the September forecast.

The COVID-19 pandemic materially disrupted normal ferry ridership patterns and has led to ongoing staffing shortages which have resulted in service disruptions on certain routes. The duration and magnitude of these combined effects and how they will continue to impact ferry ridership, while becoming more apparent, remain uncertain. As such, the November 2022 Forecast projections, as well as the assumptions upon which they are based at the time of preparation, remain subject to an above normal level of risk and uncertainty, which may cause actual results to vary considerably from projections

Primary reasons for the change in the November 2022 forecast

- After several months of lower-than-expected ridership, September and October revenue and ridership exceeded prior forecasts and signal a revival in recovery trends, which are expected to continue in the future. .
- Among the economic and demographic variables, factors contributing to higher ridership projections include forecast period upward revisions to the real personal income and inflation forecasts (higher inflation yields lower real fares), near-term decreases in real gas prices and longer term increases in employment. Factor dampening

ridership projections include lower population forecasts, lower near-term employment projections, and higher longer-term real gas prices. Ridership forecast uplifting factors more than offset dampening factors.

- The elimination of youth passenger fares on 10/1/2022 is expected to result in nearly \$2.2 million less base fare revenue and nearly \$0.3 million less surcharge revenue, for a total revenue reduction of just over \$2.4 million in FY 2023. For the 2023-25 biennium, the loss of youth fare revenue will increase to over \$7.1 million in base fare revenue and more than \$0.9 million in surcharges, for a total biennium reduction of \$8.1 million.
- The miscellaneous revenue forecasts are slightly higher over the forecast horizon. The primary factor behind the changes is a revised forecast for terminal advertising revenue.

Toll Revenue

Overview

Overview of Differences Compared to September 2022 Forecast

The Toll Traffic and Revenue (T&R) forecasts have been updated for the November 2022 TRFC. This November 2022 TRFC forecast used toll traffic and revenue actual values through and including September 2022, with preliminary October 2022 data.

The methodology for the November 2022 forecast is similar to the ones applied since the June 2020 and subsequent quarterly forecasts, with usage of recent actual data, as applicable, and assuming a different COVID-recovery pattern for each facility based on the observed trends. The forecasts for FY 2023 and FY 2024 continue to be made on a month-by-month basis, to best administer the recovery growth in traffic and, for the ETLs, in average toll rates. Each toll facility is analyzed on its own, with the actual total traffic, average toll rate, and total revenue by month used as the key inputs

Of note for the November 2022 forecasts:

- The long-term forecast for toll transactions and revenue potential is a no-change forecast from the September 2022 forecast for most of the facilities. Specific to SR 520, minor adjustments were made to account for changes in the construction closure schedule that has been updated since the September 2022 forecast.
- The West Seattle Bridge reopened in September 2022.
- FY 2023: monthly toll traffic and revenue recovery is expected to continue through June 2023. The speed of recovery is different for each toll facility. The general toll recovery assumptions (which had been applied in previous forecasts), continue to be valid for the November 2022 forecast.
- FY 2024 through FY 2033: for SR 99, SR 520, I-405 and SR 167, toll traffic and revenues are no material change forecast from the September 2022 forecast.
- FY 2024 through FY 2032: for TNB, toll traffic and revenues are no material change forecast from the September 2022 *Alternative* forecast.
- The Tacoma Narrows Bridge (TNB) forecast uses its new toll rate schedule that became effective as of October 1, 2022. This forecast was shown as an alternative forecast in the September 2022 TRFC forecast.
- The escalation of unpaid toll bills pending new Backoffice system (BOS) acceptance is anticipated in early calendar year 2023 with the TRFC forecast taking a more conservative assumption of late spring 2023. The Notice of Civil Penalty (NOCP) fees and Late payment fees with a lower collection rate for FY 2022 and FY 2023 are assumed to be collected through Biennium 2023-25. In addition, no Statement Fees and NSF Fees revenues are assumed to be collected in FY 2023.
- Interest Income: Assumed interest rate remains unchanged from the September 2022 forecast. Interest earnings will be re-evaluated with the next TRFC update. TNB interest income is updated based on the revised fund balance assumption. No changes have been made for SR 520 interest income for the November 2022 forecast. SR 99 and I-405 interest income, reflected in reported miscellaneous revenues, is not currently forecasted but will be considered for the June 2023 TRFC forecast.

Post-Covid Actuals through October 2022

November 2022 Forecast is based on T&R actuals through September 2022, with preliminary October 2022 data available at the time of forecasting.

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 and SR 167 there is a full recovery back to pre-COVID traffic with exception to December 2021 and January 2022 traffic reduction due to the Omicron Variant. At the other end of the spectrum, the SR 99 Tunnel is at approximately 40 percent of its pre-COVID traffic volumes. It should be noted that since SR 99 Tunnel began tolling on November 9, 2019, a large portion of 2019 baseline is a non-toll traffic volume.

Overall, toll traffic recovery continues slowly since the summer of 2020. Figure 14 provides daily traffic volumes for the past thirty-month period from March 1, 2020, through end of October 2022, comparing to pre-COVID traffic.

Figure 14: Percentage change in toll traffic volumes in compared to baseline

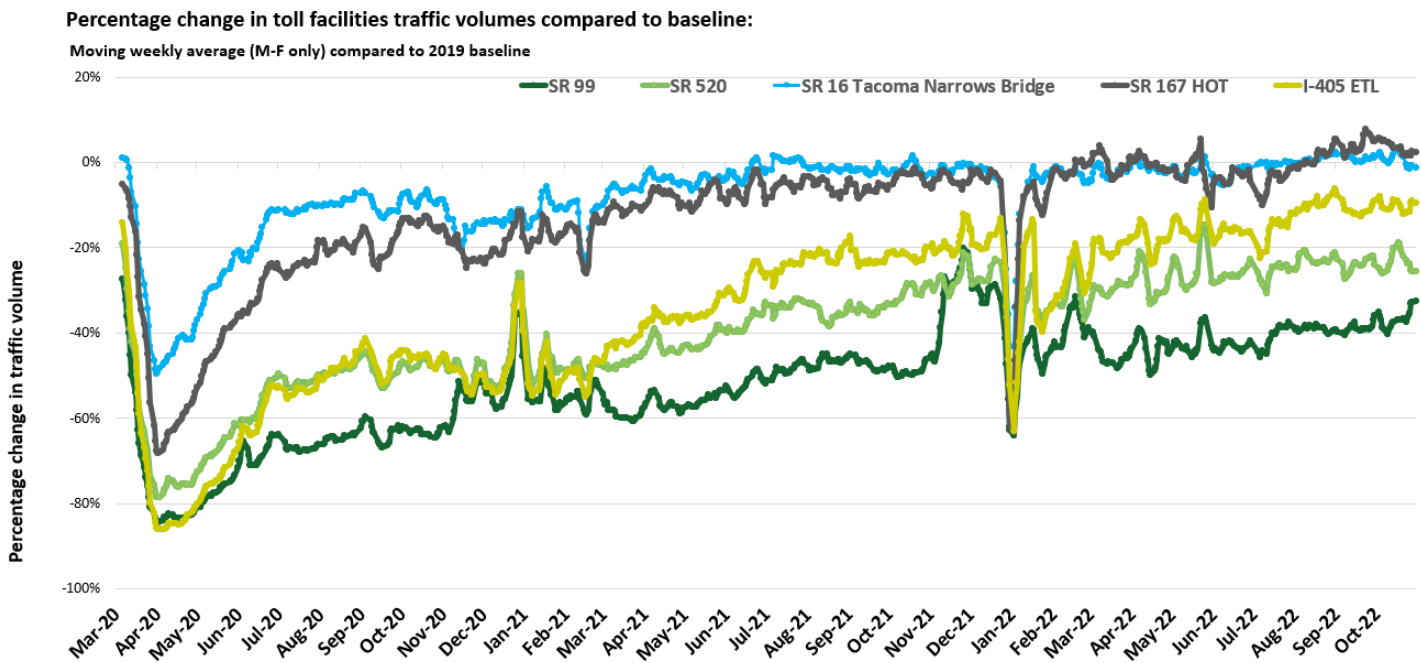


Figure 15 provides recent September and October 2022 T&R performance in comparison to September 2022 Forecast. Combined actual toll transactions (October toll transactions are based on preliminary estimate) were 2.0 percent above the September 2022 Forecast, reported adjusted toll revenues were 0.8 percent, or \$247,000 below.

Figure 15: FY 2023, September through October 2022 Actuals in comparison to September 2022 T&R Forecast (millions)

Toll Facility	Toll Transactions ¹			Adjusted Gross Toll Revenue ²				
		September-22	October-22	September thru October 2022		September-22	October-22	September thru October 2022
TNB ³	Forecasted Transactions	1.306	1.299	2.605	Forecasted Toll Revenue	\$7.033	\$6.065	\$13.098
	Reported Transactions	1.357	1.334	2.691	Reported Toll Revenue	\$7.446	\$5.624	\$13.069
	Variance From Forecast	0.051	0.035	0.086	Variance From Forecast	\$0.413	-\$0.441	-\$0.029
	Variance - % Change	3.9%	2.7%	3.3%	Variance - % Change	5.9%	-7.3%	-0.2%
SR 520	Forecasted Transactions	1.812	1.881	3.693	Forecasted Toll Revenue	\$5.543	\$5.980	\$11.523
	Reported Transactions	1.821	1.650	3.471	Reported Toll Revenue	\$5.638	\$4.762	\$10.400
	Variance From Forecast	0.009	-0.231	-0.222	Variance From Forecast	\$0.095	-\$1.218	-\$1.123
	Variance - % Change	0.5%	-12.3%	-6.0%	Variance - % Change	1.7%	-20.4%	-9.7%
I-405	Forecasted Transactions	0.778	0.711	1.489	Forecasted Toll Revenue	\$1.653	\$1.524	\$3.177
	Reported Transactions	0.791	0.773	1.564	Reported Toll Revenue	\$1.678	\$1.869	\$3.547
	Variance From Forecast	0.013	0.062	0.075	Variance From Forecast	\$0.025	\$0.345	\$0.370
	Variance - % Change	1.6%	8.8%	5.0%	Variance - % Change	1.5%	22.6%	11.6%
SR 167	Forecasted Transactions	0.138	0.136	0.274	Forecasted Toll Revenue	\$0.319	\$0.309	\$0.628
	Reported Transactions	0.164	0.156	0.320	Reported Toll Revenue	\$0.422	\$0.399	\$0.821
	Variance From Forecast	0.026	0.020	0.046	Variance From Forecast	\$0.103	\$0.090	\$0.193
	Variance - % Change	18.7%	14.5%	16.6%	Variance - % Change	32.3%	29.2%	30.8%
SR 99	Forecasted Transactions	1.237	1.226	2.463	Forecasted Toll Revenue	\$2.202	\$2.182	\$4.384
	Reported Transactions	1.330	1.362	2.691	Reported Toll Revenue	\$2.493	\$2.233	\$4.726
	Variance From Forecast	0.093	0.136	0.228	Variance From Forecast	\$0.291	\$0.051	\$0.342
	Variance - % Change	7.5%	11.1%	9.3%	Variance - % Change	13.2%	2.4%	7.8%
Total	Forecasted Transactions	5.271	5.253	10.524	Forecasted Toll Revenue	\$16.750	\$16.060	\$32.810
	Reported Transactions	5.462	5.274	10.736	Reported Toll Revenue	\$17.676	\$14.887	\$32.563
	Variance From Forecast	0.191	0.021	0.212	Variance From Forecast	\$0.926	-\$1.173	-\$0.247
	Variance - % Change	3.6%	0.4%	2.0%	Variance - % Change	5.5%	-7.3%	-0.8%

Notes:

¹ October 2022 Toll Transactions are stated based on preliminary estimate.

² October Toll Revenues are reduced by \$2.5 million toll aged receivables write offs.

³ TNB October 2022 T&R forecasted information is based on September 2022 Alternative Forecast to reflect \$0.75 toll rate reduction.

Summary of September 2022 Forecast Results

Figure 16 provides the comparison summary between November 2022 and September 2022 forecast results. Most of revenue reductions are driven by TNB toll rate reduction by \$0.75 effective October 1, 2022.

Some highlights of November 2022 Forecast include:

- FY 2023 total toll revenue and fees are estimated to be \$206.5 million, below the September 2022 Baseline Forecast by \$4.5 million (or 2.1 percent). FY 2023 TNB toll revenue and fees are below the September 2022 Baseline Forecast by \$7.8 million (or 4.6 percent).
- Next Biennium (FY 2024 and FY 2025) total toll revenue and fees of \$489.3 million are below the September 2022 Baseline Forecast by \$21.4 million (or 4.2 percent). TNB toll revenue and fees are below the September Baseline by \$21.0 million (or 11.9 percent).
- Ten-year (2022-2031) toll revenue and fees of 2,562 million are \$93.7 million (or 3.5 percent) reduction to the September 2022 Baseline Forecast. Ten-year TNB toll revenue and fees are below the September Baseline Forecast by \$96.3 million (or 10.7 percent).

Figure 16: Revenue Comparison – November 2022 vs September 2022 Forecast (\$ millions)

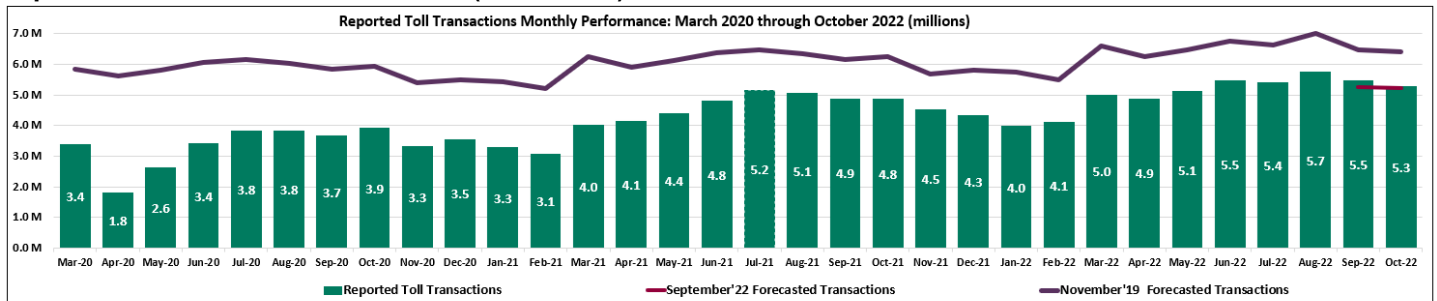
	Toll Facility	FY 2022	FY 2023	2021-23 Biennium	2023-25 Biennium	2025-27 Biennium	2022-31 Ten-Year	2024-33 Ten-Year
November 2022 TRFC	TNB							
	Adjusted Gross Toll Revenue	\$83.331	\$77.134	\$160.465	\$149.575	\$153.003	\$778.415	\$698.785
	Other Revenue	\$0.156	\$1.123	\$1.279	\$5.965	\$5.914	\$25.037	\$26.817
	Total TNB Revenue & Fees	\$83.486	\$78.257	\$161.743	\$155.540	\$158.917	\$803.451	\$725.602
	SR 520							
	Adjusted Gross Toll Revenue	\$60.002	\$70.094	\$130.096	\$183.462	\$191.657	\$919.576	\$1013.567
	Other Revenue	\$0.826	\$2.019	\$2.845	\$11.746	\$14.163	\$59.614	\$73.173
	Total SR 520 Revenue & Fees	\$60.828	\$72.113	\$132.941	\$195.208	\$205.820	\$979.190	\$1086.740
	I-405 ETLs							
	Adjusted Gross Toll Revenue	\$14.780	\$21.101	\$35.881	\$58.203	\$76.912	\$357.527	\$421.268
	Other Revenue	\$0.630	\$1.709	\$2.339	\$4.646	\$6.186	\$27.740	\$33.137
	Total I-405 ETLs Revenue & Fees	\$15.410	\$22.810	\$38.220	\$62.849	\$83.098	\$385.267	\$454.405
	SR 167 ETLs							
	Adjusted Gross Toll Revenue	\$3.551	\$5.357	\$8.908	\$14.958	\$17.883	\$87.524	\$106.471
	Other Revenue	\$0.187	\$0.130	\$0.317	\$0.261	\$0.285	\$1.500	\$1.542
	Total SR 167 ETLs Revenue & Fees	\$3.738	\$5.487	\$9.225	\$15.219	\$18.168	\$89.024	\$108.013
	SR 99							
	Adjusted Gross Toll Revenue	\$22.656	\$27.021	\$49.677	\$53.554	\$55.622	\$274.681	\$286.345
	Other Revenue	-\$0.289	\$0.842	\$0.553	\$7.013	\$7.325	\$30.085	\$37.452
Total SR 99 Revenue & Fees	\$22.367	\$27.863	\$50.230	\$60.567	\$62.947	\$304.766	\$323.797	
All Toll Facilities								
Adjusted Gross Toll Revenue	\$184.319	\$200.707	\$385.026	\$459.752	\$495.077	\$2417.722	\$2526.436	
Other Revenue	\$1.509	\$5.823	\$7.332	\$29.631	\$33.873	\$143.975	\$172.121	
Total Revenue & Fees	\$185.829	\$206.530	\$392.359	\$489.383	\$528.950	\$2561.698	\$2698.557	
Changes from September 2022 TRFC	TNB							
	Adjusted Gross Toll Revenue	\$0.000	-\$7.939	-\$7.939	-\$21.033	-\$21.500	-\$94.758	-\$98.166
	Other Revenue	\$0.000	\$0.157	\$0.157	-\$0.014	-\$0.356	-\$1.554	-\$2.501
	Total TNB Revenue & Fees	\$0.000	-\$7.782	-\$7.782	-\$21.047	-\$21.856	-\$96.312	-\$100.667
	Total % Change	0.0%	-9.0%	-4.6%	-11.9%	-12.1%	-10.7%	-12.2%
	SR 520							
	Adjusted Gross Toll Revenue	\$0.000	\$0.346	\$0.346	-\$0.134	\$0.000	\$0.212	-\$0.134
	Other Revenue	\$0.000	\$0.048	\$0.048	-\$0.039	-\$0.006	\$0.003	-\$0.045
	Total SR 520 Revenue & Fees	\$0.000	\$0.394	\$0.394	-\$0.173	-\$0.006	\$0.215	-\$0.179
	Total % Change	0.0%	0.5%	0.3%	-0.1%	0.0%	0.0%	0.0%
	I-405 ETLs							
	Adjusted Gross Toll Revenue	\$0.000	\$0.588	\$0.588	-\$0.028	\$0.000	\$0.560	-\$0.028
	Other Revenue	\$0.000	\$1.253	\$1.253	-\$0.012	\$0.000	\$1.241	-\$0.012
	Total I-405 ETLs Revenue & Fees	\$0.000	\$1.841	\$1.841	-\$0.040	\$0.000	\$1.801	-\$0.040
	Total % Change	0.0%	8.8%	5.1%	-0.1%	0.0%	0.5%	0.0%
	SR 167 ETLs							
	Adjusted Gross Toll Revenue	\$0.000	\$0.273	\$0.273	-\$0.074	-\$0.087	-\$0.110	-\$0.518
	Other Revenue	\$0.000	\$0.010	\$0.010	\$0.000	\$0.000	\$0.010	\$0.000
	Total SR 167 ETLs Revenue & Fees	\$0.000	\$0.283	\$0.283	-\$0.074	-\$0.087	-\$0.100	-\$0.518
	Total % Change	0.0%	5.4%	3.2%	-0.5%	-0.5%	-0.1%	-0.5%
	SR 99							
	Adjusted Gross Toll Revenue	\$0.000	\$0.644	\$0.644	-\$0.031	\$0.000	\$0.613	-\$0.031
	Other Revenue	\$0.000	\$0.135	\$0.135	-\$0.016	\$0.000	\$0.119	-\$0.016
Total SR 99 Revenue & Fees	\$0.000	\$0.779	\$0.779	-\$0.047	\$0.000	\$0.732	-\$0.047	
Total % Change	0.0%	2.9%	1.6%	-0.1%	0.0%	0.2%	0.0%	
All Toll Facilities								
Adjusted Gross Toll Revenue	\$0.000	-\$6.088	-\$6.088	-\$21.300	-\$21.587	-\$93.483	-\$98.877	
Adjusted Gross Toll Revenue % Change	0.0%	-2.9%	-1.6%	-4.4%	-4.2%	-3.7%	-3.8%	
Other Revenue	\$0.000	\$1.603	\$1.603	-\$0.081	-\$0.362	-\$0.181	-\$2.574	
Total Revenue & Fees	\$0.000	-\$4.485	-\$4.485	-\$21.381	-\$21.949	-\$93.664	-\$101.451	
Total % Change	0.0%	-2.1%	-1.1%	-4.2%	-4.0%	-3.5%	-3.6%	

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

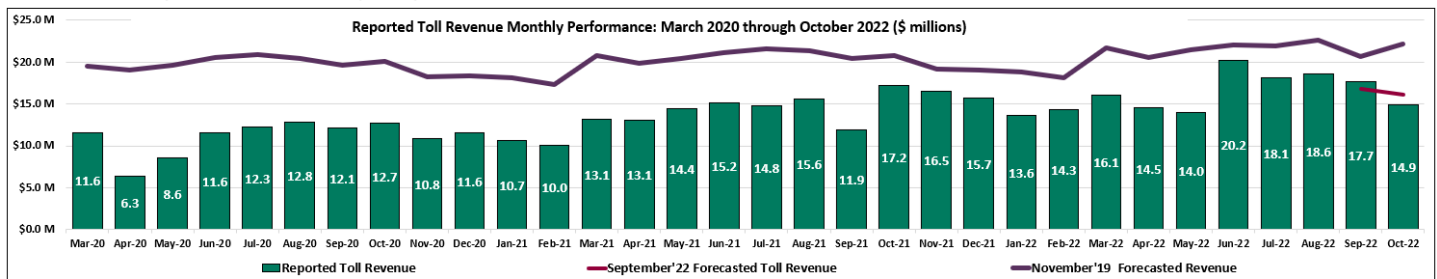
COVID T&R performance continues to trend below the Pre COVID forecast. Comparing to November 2019 forecast, thirty-two-month period, March 2020 through October 2022 five facilities combined toll transactions were 30 percent below the pre-COVID forecast, Toll Revenue was below the forecast by 32 percent, or \$206.2 million.

Figure 17 provides thirty-month, March 2020 through October 2022 Toll Transactions performance in comparison to the previous forecasts. YTD July through October 2022 Toll Transactions were below the November 2019 forecast by 17 percent, Toll Revenue is 21 percent below.

Figure 17: March 2020 through October 2022 monthly total Toll Traffic and Revenue actuals in comparison to September 2022 and November 2019 (Pre-COVID) Forecasts



Note: October 2022 monthly transactions are stated based on preliminary estimates.



Note: July 2021 through June 2022 monthly toll revenue distributions were skewed by backlogged transactions pending processing upon transition to new Back Office System (BOS).
October 2022 Toll Revenue Forecast and Actuals reflect TNB \$0.75 toll rate reduction effective October 1, 2022

Figure 18 shows FY 2022 through FY 2029 annual Traffic and Toll Rates forecast assumptions comparing to Pre-COVID Forecasts.

Figure 18: FY 2022 to FY 2029 Traffic and Toll Rate Reduction Assumptions – Comparing to Pre-COVID Forecasts

Facility	Forecast Version	Traffic & Toll Rates Assumptions	FY 2022 Actuals	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
				Weighted Average						
TNB	Nov'22	Toll Traffic reduction	-5%	-3%	-5%	-5%	-5%	-5%	-5%	-5%
SR 520	Nov'22	Toll Traffic reduction	-31%	-24%	-19%	-15%	-18%	-16%	-17%	-15%
	Nov'22	Toll Rate reduction	-5%	-5%	9%	8%	7%	8%	8%	8%
SR 99	Nov'22	Toll Traffic reduction	-20%	-11%	-12%	-12%	-12%	-12%	-12%	-12%
	Nov'22	Toll Rate reduction	-7%	-4%	-5%	-5%	-4%	-5%	-5%	-4%
I-405	Nov'22	Toll Traffic reduction	-25%	-16%	-13%	-11%	-26%	-13%	-13%	-12%
	Nov'22	Toll Rate reduction	-38%	-24%	-16%	-14%	-11%	-15%	-12%	-11%
SR 167	Nov'22	Toll Traffic reduction	-22%	-14%	-7%	-7%	-7%	-7%	-7%	-6%
	Nov'22	Toll Rate reduction	-29%	-16%	-9%	-9%	-8%	-8%	-8%	-7%

Notes:

* 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.

Figure 19 provides the comparison summary between November 2022 and November 2019 (Pre-COVID) Forecast.

Comparing to the Pre-COVID November 2019 Forecast, Current 2021-23 Biennium total revenue and fees are 27.2 percent below the November 2019 forecast. In the following 2023-25 and 2025-27 Biennia total revenue and fees are 17.5 percent below the November 2019 forecast. FY 2020 to FY 2029 ten-year total, total revenue and fees are 19.9 percent (or \$582.5 million) below the November 2019 Forecast.

Figure 19: Revenue Comparison – November 2022 vs November 2019 Forecast (\$ millions)

	Toll Facility	FY 2022	FY 2023	2021-23 Biennium	2023-25 Biennium	2025-27 Biennium	2020-29 Ten-Year
Changes from November 2019 TRFC	TNB						
	Adjusted Gross Toll Revenue	-\$1.048	-\$8.261	-\$9.309	-\$24.568	-\$24.997	-\$98.176
	Other Revenue	-\$2.799	-\$1.712	-\$4.511	\$0.370	\$0.288	-\$1.268
	Total TNB Revenue & Fees	-\$3.848	-\$9.973	-\$13.821	-\$24.198	-\$24.709	-\$99.444
	Total % Change	-4.4%	-11.3%	-7.9%	-13.5%	-13.5%	-11.1%
	SR 520						
	Adjusted Gross Toll Revenue	-\$32.233	-\$25.588	-\$57.821	-\$18.232	-\$20.671	-\$180.452
	Other Revenue	-\$7.508	-\$6.626	-\$14.134	-\$6.415	-\$4.997	-\$27.799
	Total SR 520 Revenue & Fees	-\$39.741	-\$32.214	-\$71.955	-\$24.647	-\$25.668	-\$208.251
	Total % Change	-39.5%	-30.9%	-35.1%	-11.2%	-11.1%	-19.1%
	I-405 ETLs						
	Adjusted Gross Toll Revenue	-\$18.622	-\$13.917	-\$32.539	-\$36.449	-\$41.039	-\$174.521
	Other Revenue	-\$2.295	-\$1.463	-\$3.758	-\$3.818	-\$5.614	-\$16.327
	Total I-405 ETLs Revenue & Fees	-\$20.917	-\$15.380	-\$36.297	-\$40.267	-\$46.653	-\$190.847
	Total % Change	-57.6%	-40.3%	-48.7%	-39.1%	-36.0%	-37.5%
	SR 167 ETLs						
	Adjusted Gross Toll Revenue	-\$2.858	-\$1.952	-\$4.810	-\$2.884	-\$3.171	-\$18.503
	Other Revenue	-\$0.122	-\$0.216	-\$0.338	-\$0.580	-\$0.780	-\$2.890
	Total SR 167 ETLs Revenue & Fees	-\$2.980	-\$2.168	-\$5.148	-\$3.464	-\$3.951	-\$21.393
	Total % Change	-44.4%	-28.3%	-35.8%	-18.5%	-17.9%	-23.4%
	SR 99						
	Adjusted Gross Toll Revenue	-\$6.101	-\$2.955	-\$9.056	-\$7.185	-\$7.613	-\$43.288
	Other Revenue	-\$5.426	-\$4.559	-\$9.985	-\$3.707	-\$3.231	-\$19.033
	Total SR 99 Revenue & Fees	-\$11.527	-\$7.514	-\$19.041	-\$10.892	-\$10.844	-\$62.321
	Total % Change	-34.0%	-21.2%	-27.5%	-15.2%	-14.7%	-18.7%
All Toll Facilities							
Adjusted Gross Toll Revenue	-\$60.863	-\$52.673	-\$113.536	-\$89.318	-\$97.491	-\$514.940	
Adjusted Gross Toll Revenue % Change	-24.8%	-20.8%	-22.8%	-16.3%	-16.5%	-19.0%	
Other Revenue	-\$18.151	-\$14.576	-\$32.727	-\$14.150	-\$14.334	-\$67.317	
Total Revenue & Fees	-\$79.013	-\$67.249	-\$146.262	-\$103.468	-\$111.825	-\$582.257	
Total % Change	-29.8%	-24.6%	-27.2%	-17.5%	-17.5%	-19.9%	

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

Tacoma Narrows Bridge (TNB) toll traffic and revenue forecast for November 2022 has used traffic and revenue potential actuals through and including September 2022, with preliminary October 2022 data. The forecast assumes that the TNB toll collection would be ceased by end of FY 2032.

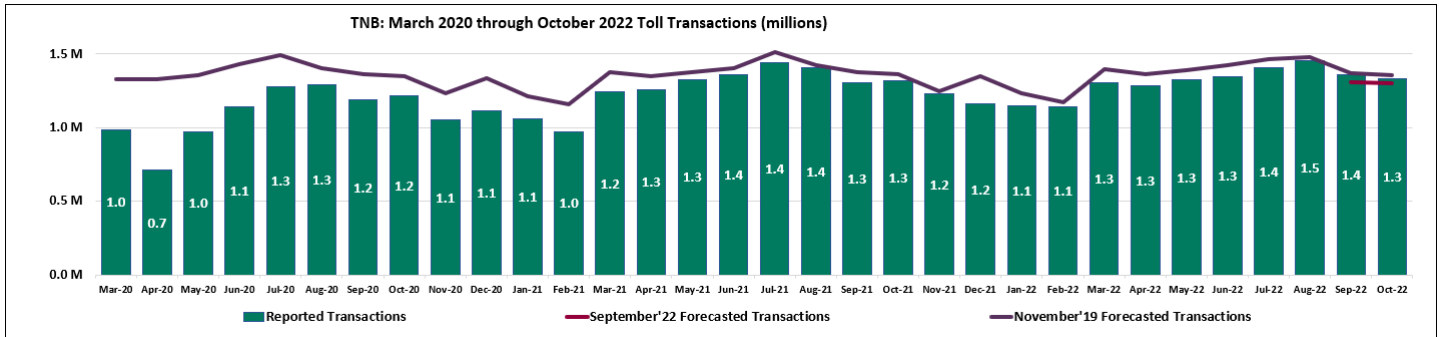
The November 2022 forecast should be compared to the September 2022 *Alternative* forecast. The September 2022 TRFC *Alternative* forecast for TNB reflected the \$0.75 toll rate reduction, with per-axle multiplier for vehicles with multiple axles. New rates were effective on October 1, 2022. The September 2022 *Alternative* forecast was based on the Washington State Transportation Commission (WSTC) proposals presented to the public in late August 2022.

Additionally, the forecasts include post-COVID recovery assumptions, new independent post-COVID socio-economic forecasts (completed in January 2022 for the I-405 / SR 167 project) that were used for travel demand model runs for the facility, payment type data from the new ETAN back office system (BOS) that started in July 2021, and the impact of SHB1790 (improved temporary license plate recognition), which is anticipated to start from July 1, 2023 (FY 2024).

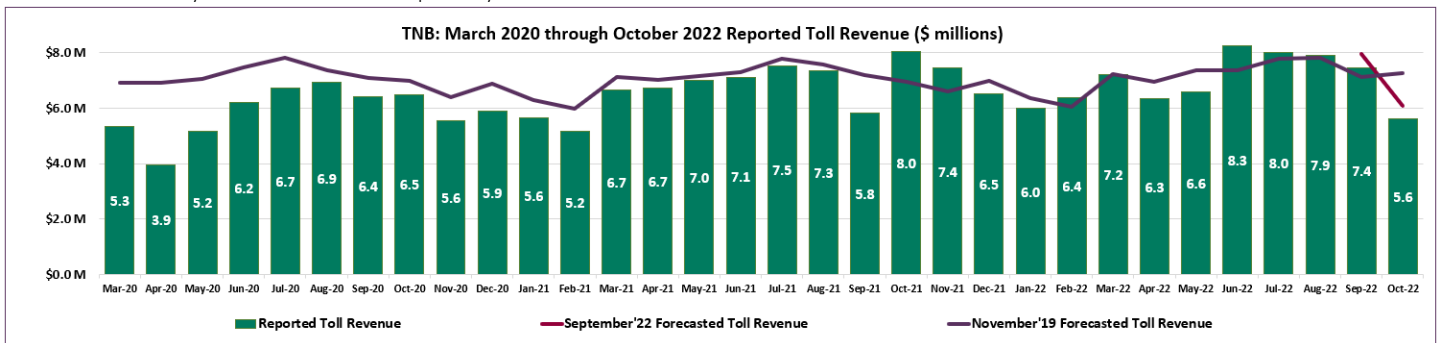
In comparison to September 2022 Forecast, two-month September through October 2022 toll transactions (toll transactions are based on preliminary estimate) is 3.3 percent above the September 2022 Forecast and reported adjusted toll revenues were in line with the forecast, or \$29,000 below.

Thirty-two-month, March 2020 through August 2022, total toll traffic was below pre-COVID forecast by 10 percent, toll revenue was below by 7 percent, or \$16.8 million, (Figure 20).

Figure 20: TNB March 2020 through October 2022 monthly Toll Traffic and Revenue actuals in comparison to November 2019 (Pre-COVID) and September 2022 forecasts



Note: October 2022 monthly transactions are stated based on preliminary estimates



Note: July 2021 through June 2022 monthly toll revenue distributions were skewed by backlogged transactions pending processing upon transition to new Back Office System (BOS); October 2022 Toll Revenue Forecast and Actuals reflect \$0.75 toll rate reduction effective October 1, 2022.

Based on the revised T&R forecast projections, revised payment splits, and new ETAN system and data reporting transparency, fees and leakage values were revised to align with the new projections, with similar revenue leakage rates assumed through the forecast horizon. When additional reported data on leakage is available, once escalation of unpaid toll bills has commenced, leakage rates will be re-evaluated.

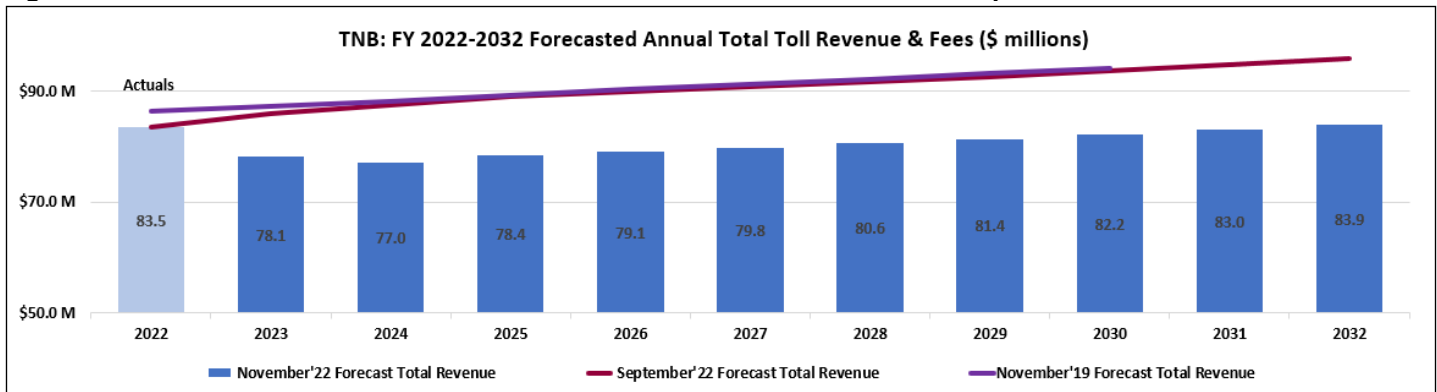
The escalation of unpaid toll bills pending new Backoffice system (BOS) acceptance is planned for late spring 2023. The Notice of Civil Penalty (NOCP) fees and Late payment fees with a lower collection rate for FY 2022 and FY 2023 are assumed to be collected through Biennium 2023-25. In addition, no Statement Fees and NSF Fees revenues are assumed to be collected in FY 2023.

Transponder revenue is estimated based on systemwide approach.

The forecasted Miscellaneous revenues incl. Legislature approved (SSB 5488) state treasure transfer from the general fund to the Tacoma Narrows Toll Bridge Account up to \$130.0 million through and of FY 2031. Interest earnings will be re-evaluated with the next TRFC update.

The facility's total revenue and fees in 2021-23 Biennium are estimated to be \$161.7 million that reflects \$0.75 toll rate reduction, are \$7.8 million (or 4.6 percent) lower in comparison to the September 2022 Baseline Forecast 2022. Ten-year period (FY 2022 to FY 2031) total revenue and fees of \$803.5 million are \$96.3 million (or 10.7 percent) reduction to the September 2022 Baseline Forecast, (Figure 21).

Figure 21: TNB FY 2022-2031 Annual Total Revenues and Fees Forecasts Comparisons



Note: November '22 baseline T&R Forecast is based on \$0.75 toll rate reduction effective October 1, 2022.

In comparison to Alternative September 2022 Forecast FY 2024 through FY 2032 annual toll revenue is a slight increase of 0.4% (or \$0.3 million), (Figure 22).

Figure 22: Toll Traffic and Revenue Comparison – November 2022 vs Alternative September 2022 Forecast (millions)

Forecast		FY 2023	2021-23 Biennium	2023-25 Biennium	2025-27 Biennium	2022-31 Ten-Year
November 2022	Toll Transactions	15.863	31.289	31.941	32.629	163.114
	Toll Revenue	\$77.134	\$161.095	\$149.575	\$153.003	\$779.045
Alternative September 2022	Toll Transactions	15.780	31.206	31.941	32.629	163.031
	Toll Revenue	\$77.163	\$161.124	\$148.914	\$152.328	\$776.341
Changes from Alternative September 2022	Toll Transactions	0.083	0.083	0.000	0.000	0.083
	Transactions Percent Change	0.5%	0.3%	0.0%	0.0%	0.1%
	Toll Revenue	-\$0.029	-\$0.029	\$0.661	\$0.675	\$2.70
	Revenue Percent Change	0.0%	0.0%	0.4%	0.4%	0.3%

Updates to SR 520 Toll Bridge toll traffic and revenues

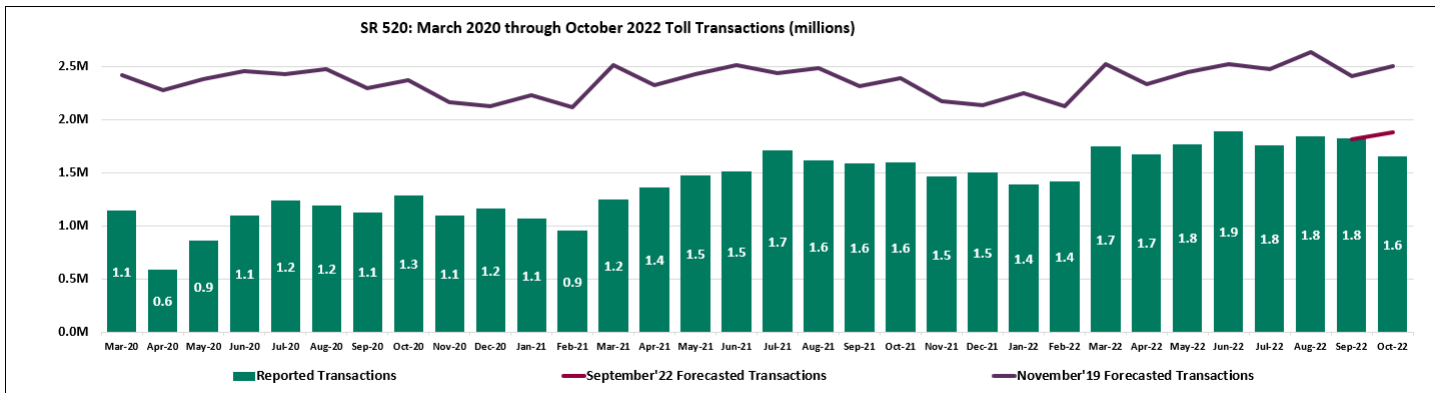
The SR 520 Toll Bridge toll traffic and revenue forecast for November 2022 has used traffic and revenues actuals through and including September 2022. The most recent closure schedule updates have been applied. The forecast assumes a tailored increase in toll rates, averaging an overall 15 percent increase effective June 1, 2023 (FY 2024) adopted by WSTC on August 24, 2021. This 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.

Additionally, the forecasts include post-COVID recovery assumptions, new independent post-COVID socio-economic forecasts (completed in January 2022 for the I-405 / SR 167 project) that were used for travel demand model runs for the facility, payment type data from the new ETAN back office system (BOS) that started in July 2021, the impact of SHB1790 (improved temporary license plate recognition), which is anticipated to start from July 1, 2023 (FY 2024), and updated closure schedules.

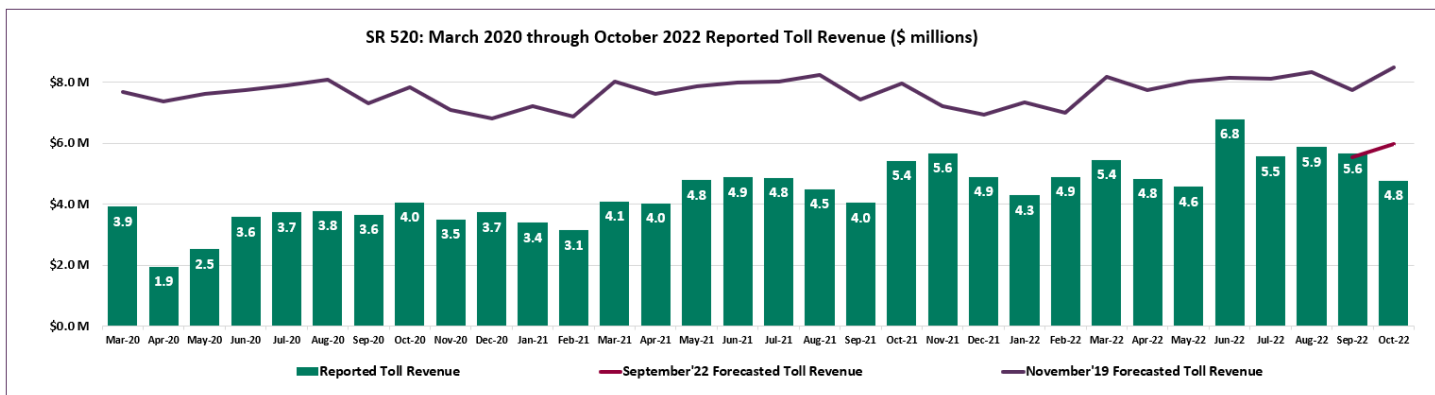
In comparison to September 2022 Forecast, two-month September through October 2022 toll transactions (toll transactions are based on preliminary estimate) were 6.0 percent below the September 2022 Forecast, and reported adjusted toll revenues were 9.7 percent, or \$1.1 million below.

Thirty-two-month, March 2020 through October 2022, total toll traffic was below pre-COVID forecast by 41 percent, or 31.0 million transactions, toll revenue was below by 43 percent, or \$105.5 million, (Figure 23).

Figure 23: SR 520 March 2020 through October 2022 monthly Toll Traffic and Revenue actuals in comparison to November 2019 (Pre-COVID) and September 2022 forecasts



Note: October 2022 monthly transactions are stated based on preliminary estimates



Note: July 2021 through June 2022 monthly toll revenue distributions were skewed by backlogged transactions pending processing upon transition to new Back Office System (BOS).

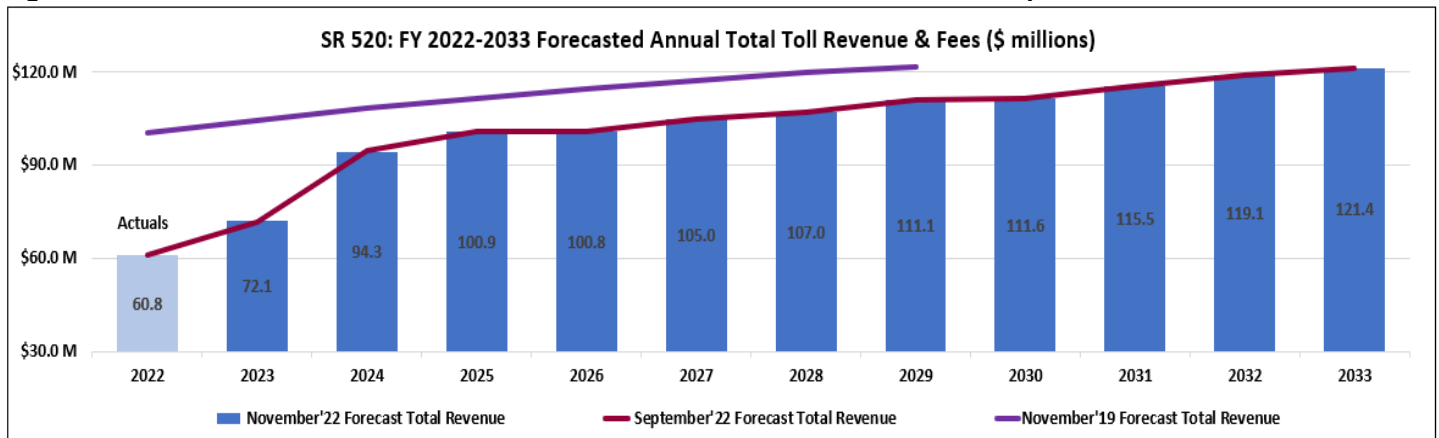
Based on the revised T&R forecast projections to account for construction closures, fees and leakage values were revised to align with the new projections, with similar revenue leakage rates assumed through the forecast horizon. When additional reported data on leakage is available, once escalation of unpaid toll bills has commenced, leakage rates will be re-evaluated.

The escalation of unpaid toll bills pending new Backoffice system (BOS) acceptance is planned for late spring 2023. The Notice of Civil Penalty (NOCP) fees and Late payment fees with a lower collection rate for FY 2022 and FY 2023 are assumed to be collected through Biennium 2023-25. In addition, no Statement Fees and NSF Fees revenues are assumed to be collected in FY 2023.

The forecasts include miscellaneous revenue for interest rate earnings on the facility account balance with September forecast values maintained for the November 2022 forecast. Interest earnings will be re-evaluated with the next TRFC update.

Total SR 520 revenue and fees in the current biennium are forecasted to be \$132.9 million, an increase of \$0.4 million (or 0.3 percent) to the September 2022 Forecast. The ten-year total revenue and fees (FY 2022 to FY 2031) are estimated to be \$979.2 million, are in line with the September 2022 Forecast. Ten-year period (FY 2020 to FY 2029) total revenue and fees are reduction to Pre-COVID November 2019 Forecast by \$208.3 million (or 19.1 percent), (Figure 24).

Figure 24: SR 520 FY 2022-2031 Annual Total Revenues and Fees Forecasts Comparisons



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

I-405 Express Lanes toll traffic and revenue forecast for November 2022 has used traffic and revenue potential actuals through and including September 2022, with preliminary October 2022 data. The forecast reflects the current assumptions on post-COVID-19 traffic and revenue recovery trends.

Dynamic algorithms on 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.

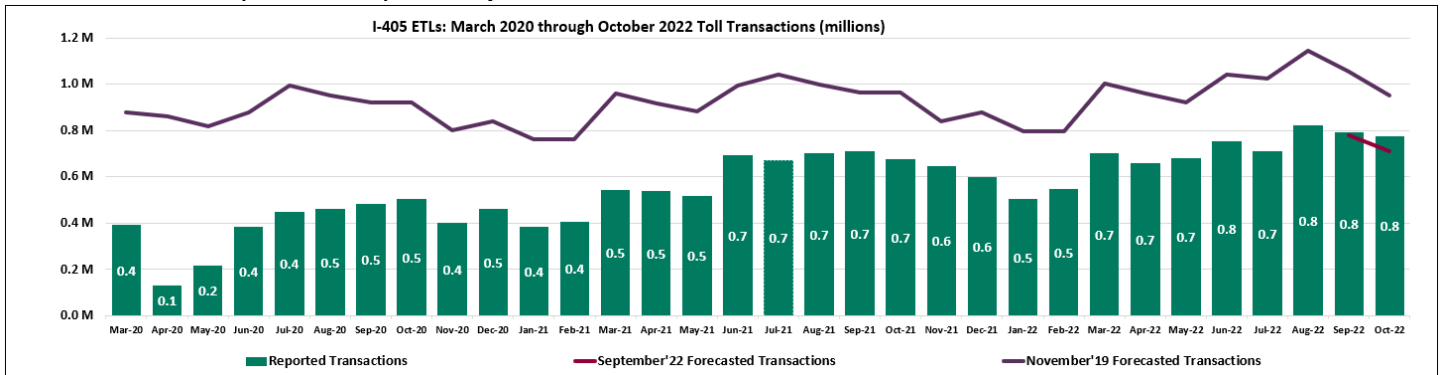
The forecast has assumed current law conditions. Those assumptions include tolling occurs from 5 a.m. to 7p.m. on weekdays only and excludes nights, weekends, and major holidays. These same toll rates and structure are assumed throughout the forecast period. The I-405 ETL's minimum toll is 75-cents, and the maximum toll is \$10. I-405 and SR 167 corridor improvement assumptions incorporated the latest project schedules as noted included in the March 2022 Current Law Budget; there is no change in project schedules from the September 2022 forecasts.

Additionally, the forecasts include post-COVID recovery assumptions, new independent post-COVID socio-economic forecasts (completed in January 2022 for the I-405 / SR 167 project) that were used for travel demand model runs for the facility, payment type data from the new ETAN back office system (BOS) that started in July 2021, the impact of SHB1790 (improved temporary license plate recognition), which is anticipated to start from July 1, 2023 (FY 2024).

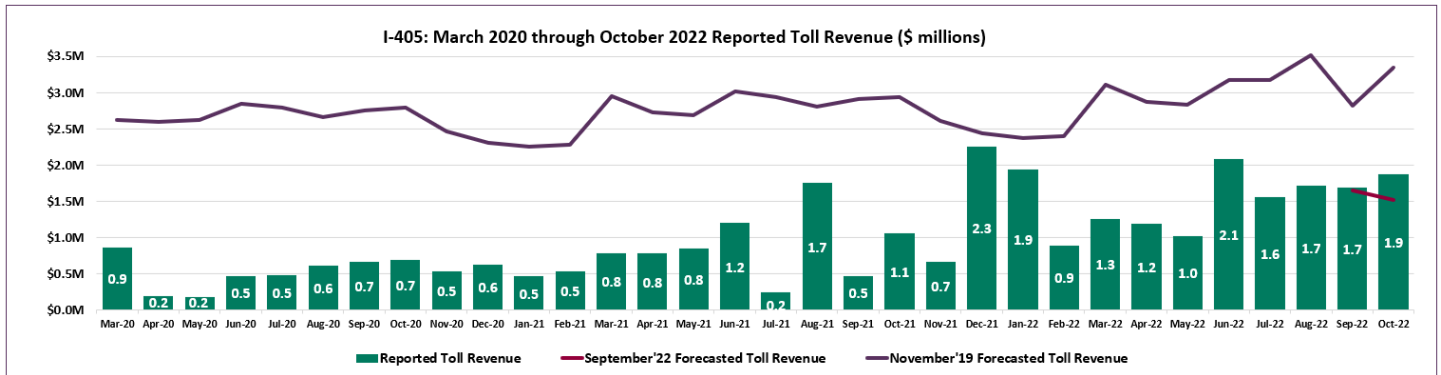
In comparison to September 2022 Forecast, two-month, September through October 2022 toll transactions (toll transactions are based on preliminary estimate) were 5.0 percent above the September 2022 Forecast, and reported adjusted toll revenues were 11.6 percent, or \$0.4 million above the September 2022 Forecast.

Thirty-two-month, March 2020 through October 2022, total toll traffic was below pre-COVID forecast by 40 percent, or 11.7 million transactions, toll revenue was below by 65 percent, or \$57.2 million. (Figure 25).

Figure 25: I-405 ETLs March 2020 through October 2022 monthly Toll Transactions and Revenue actuals in comparison to November 2019 (Pre-COVID) and September 2022 forecasts



Note: October 2022 monthly transactions are stated based on preliminary estimates



Note: July 2021 through June 2022 monthly toll revenue distributions were skewed by backlogged transactions pending processing upon transition to new Back Office System (BOS).

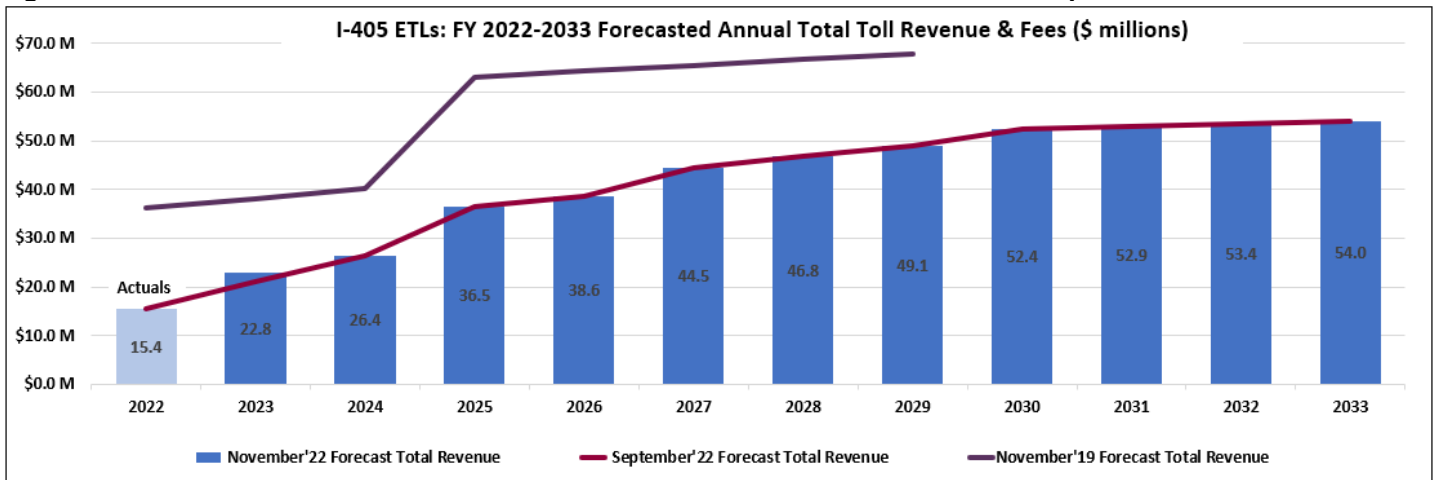
Leakage assumptions have not changed from the September 2022 forecast. When additional reported data on leakage is available, once escalation of unpaid toll bills has commenced, leakage rates will be re-evaluated.

The escalation of unpaid toll bills pending new Backoffice system (BOS) acceptance is planned for late spring 2023. The Notice of Civil Penalty (NOCP) fees and Late payment fees with a lower collection rate for FY 2022 and FY 2023 are assumed to be collected through Biennium 2023-25. In addition, no Statement Fees and NSF Fees revenues are assumed to be collected in FY 2023.

Miscellaneous revenues for FY 2023, including interest earnings on the account balance, have totaled over \$1.2 million through October, compared with no assumed revenue in the forecast. Interest earnings will be re-evaluated with the next TRFC update.

Total I-405 revenue and fees in the current biennium are forecasted to be \$38.2 million, an increase of \$1.8 million (5.1 percent) to the September 2022 forecast. The ten-year (FY 2022 to FY 2031) total revenue and fees are estimated to be \$383.5 million, which is above the September 2022 forecast by \$1.8 million (or 0.5 percent). Ten-year period (FY 2020 to FY 2029) total revenue and fees are reduction to Pre-COVID November 2019 Forecast by \$190.8 million (or 37.5 percent), (Figure 26).

Figure 26: I-405 ETLs FY 2022-2033 Annual Total Revenues and Fees Forecasts Comparisons



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

The SR 167 Express Toll Lanes toll traffic and revenue forecast for November 2022 has used traffic and revenue potential actuals through and including September 2022, with preliminary October 2022 data.

The forecast has assumed current law conditions. Tolling operating hours from 5 a.m. to 7 p.m., seven days a week. The SR 167 ETL’s minimum toll is 50-cents, and the maximum toll is \$9. The same toll rates and structure are assumed throughout the forecast period. The SR 167 Photo Tolling project, scheduled to be completed by the end of fiscal year 2025, has been excluded from the forecast. The toll rates and policy for photo tolling on SR 167 is subject to the WSTCs’ decision.

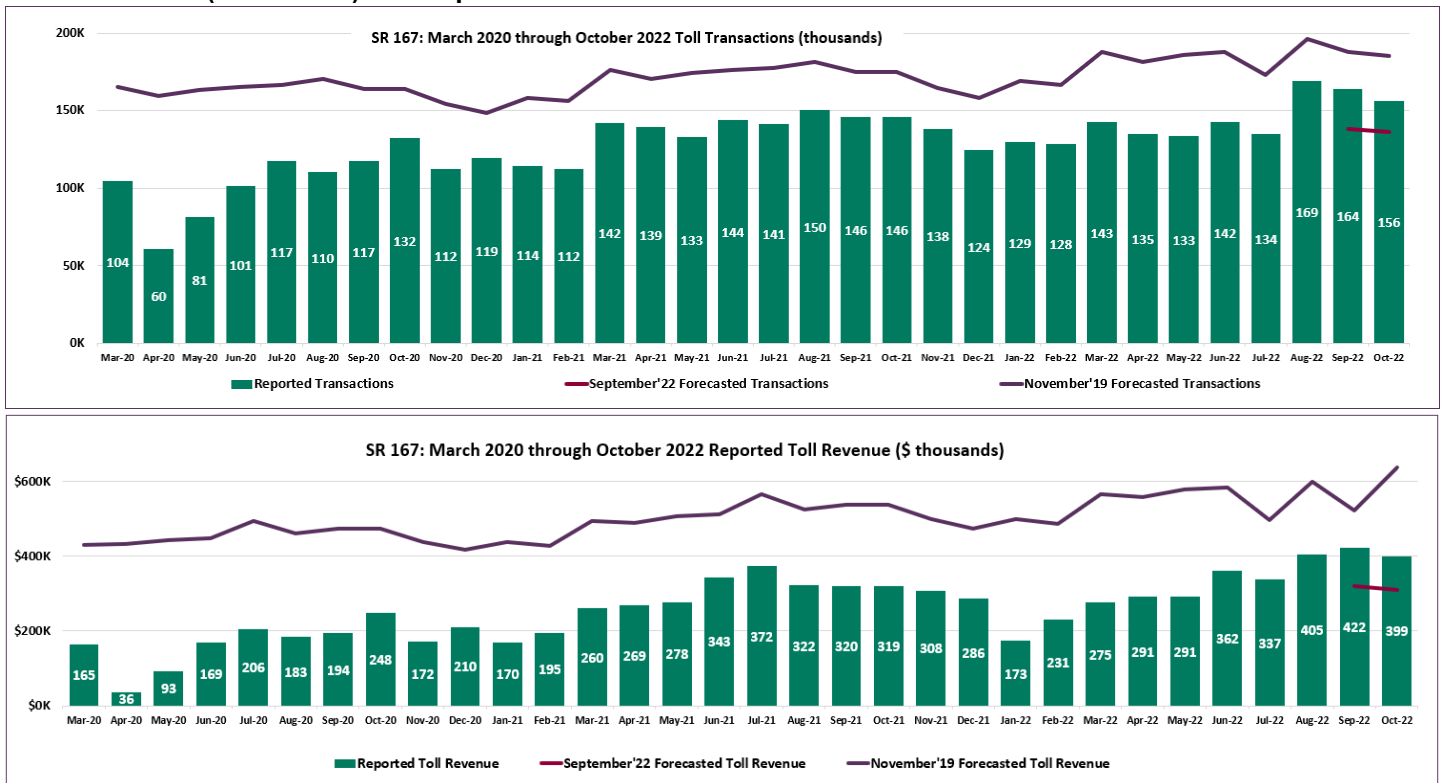
The forecast reflects the current assumptions on post-COVID-19 traffic and revenue recovery trends.

Additionally, the forecasts include post-COVID recovery assumptions, new independent post-COVID socio-economic forecasts (completed in January 2022 for the I-405 / SR 167 project) that were used for travel demand model runs for the facility, payment type data from the new ETAN back-office system (BOS) that started in July 2021, the impact of SHB1790 (improved temporary license plate recognition), which is anticipated to start from July 1, 2023 (FY 2024).

In comparison to September 2022 Forecast, two-month September through October 2022 actual toll transactions were 16.6 percent above the September 2022 Forecast and reported adjusted toll revenues were 30.8 percent, or \$0.2 million above. Starting August all four previously damaged data centers are fully operational, which is a few months earlier than previously assumed.

Thirty-two-month, March 2020 through August 2022, total toll traffic was below pre-COVID forecast by 26 percent, or 1.4 million transactions, toll revenue was below by 48 percent, or \$7.7 million. (Figure 27).

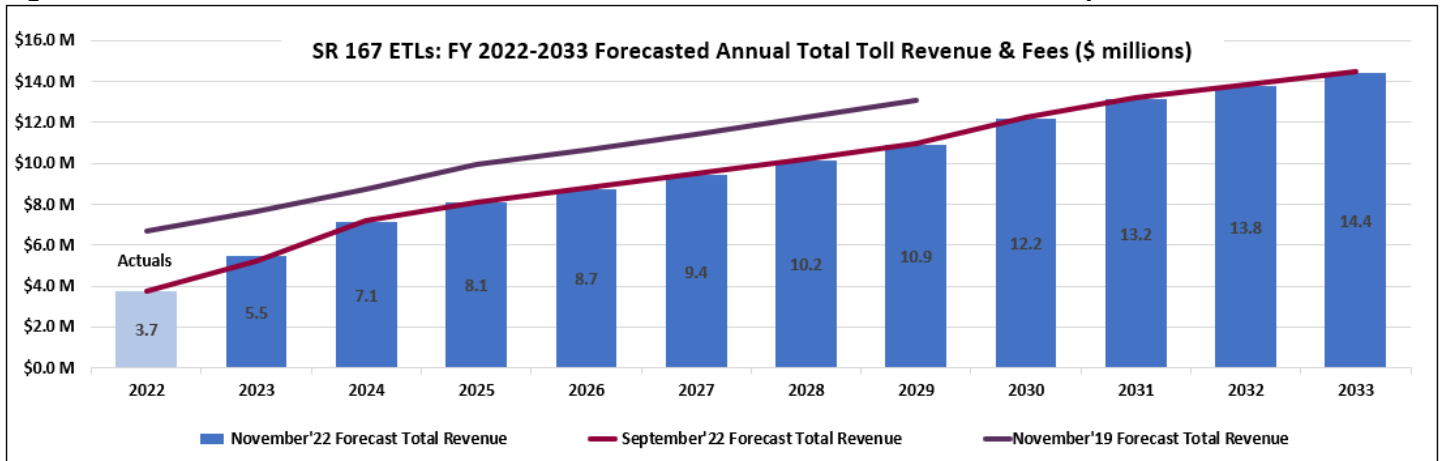
Figure 27: SR 167 March 2020 through October 2022 monthly Toll Traffic and Revenue actuals in comparison to November 2019 (Pre-COVID) and September 2022 forecasts



Transponder revenue is estimated based on systemwide approach. No Statement Fees and NSF Fees revenues are assumed to be collected in FY 2023.

In the Current Biennium SR 167 ETLs revenue and fees are forecasted to be \$9.2 million, which is \$283 thousand (or 3.2 percent) increase to September 2022 Forecast. The ten-year (FY 2022 to FY 2031) revenue and fees are estimated to be \$89.0 million, which is by \$100 thousand (or 0.1 percent) below the September 2022 Forecast. Ten-year period (FY 2020 to FY 2029) total revenue and fees are reduction to Pre-COVID November 2019 Forecast by \$21.4 million (or 23.4 percent), Figure 28.

Figure 28: SR 167 ETL FY 2022-2031 Annual Total Revenues and Fees Forecasts Comparisons



Updates to SR 99 Tunnel toll traffic and revenues

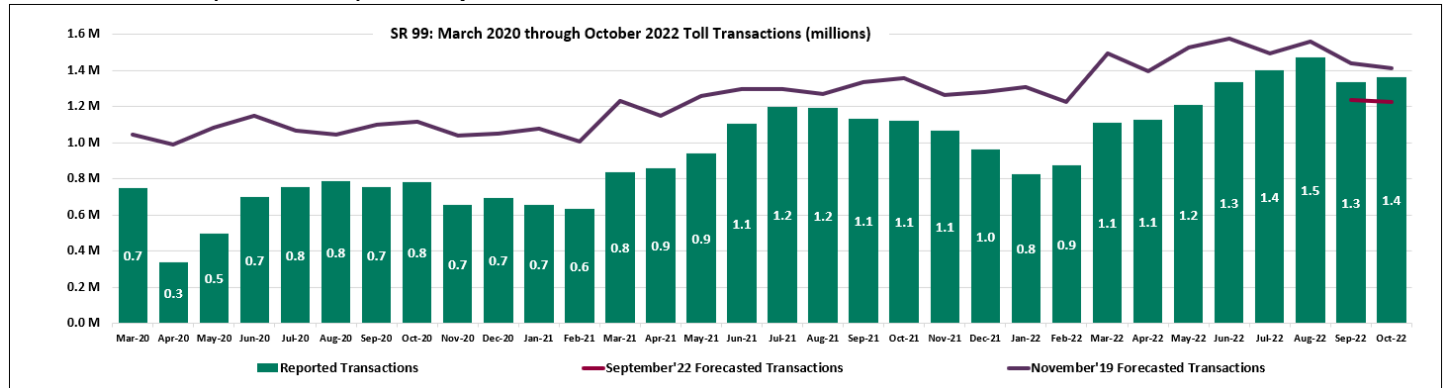
The SR 99 Tunnel toll traffic and revenue forecast for November 2022 has used traffic and revenue potential actuals through and including September 2022, with preliminary October 2022 data. The forecast is based on the planned 3 percent toll increases on July 1, 2025, 2028 and 2031.

Additionally, the forecasts include post-COVID recovery assumptions, new independent post-COVID socio-economic forecasts (completed in January 2022 for the I-405 / SR 167 project) that were used for travel demand model runs for the facility, payment type data from the new ETAN back office system (BOS) that started in July 2021, the impact of SHB1790 (improved temporary license plate recognition), which is anticipated to start from July 1, 2023 (FY 2024), updated closure schedules, and the reopening of the West Seattle Bridge in September 2022.

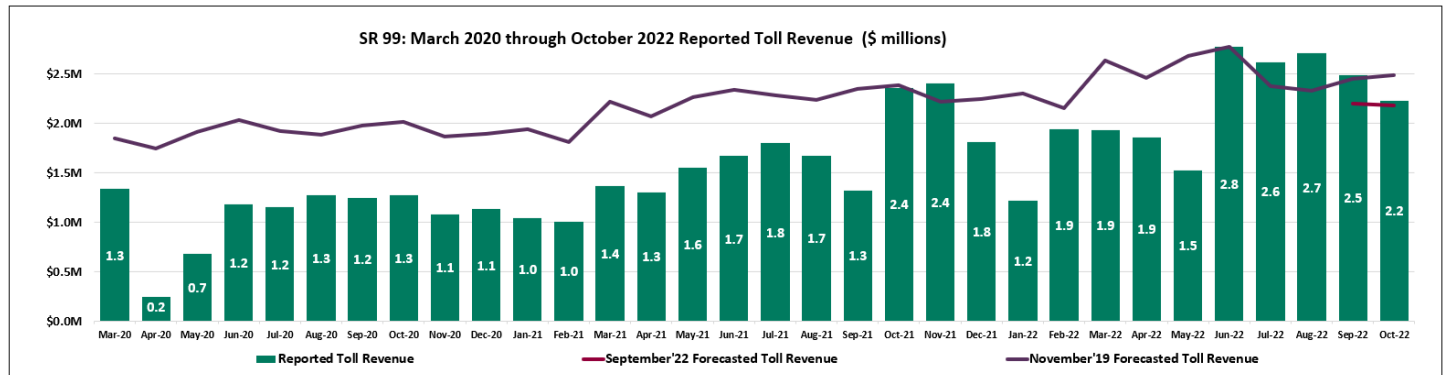
In comparison to September 2022 Forecast, two-month September through October 2022 toll transactions (toll transactions are based on preliminary estimate) were 9.3 percent above the September 2022 Forecast, and reported adjusted toll revenues were 7.8 percent, or \$0.3 million above the September 2022 forecast.

Thirty-two-month, March 2020 through October 2022, total toll traffic was below pre-COVID forecast by 24 percent, or 9.5 million transactions, toll revenue was below by 27 percent, or \$18.9 million. (Figure 29).

Figure 29: SR 99 March 2020 through October 2022 monthly Toll Traffic and Revenue actuals in comparison to November 2019 (Pre-COVID) and September 2022 forecasts



Note: October 2022 monthly transactions are stated based on preliminary estimates



Note: July 2021 through June 2022 monthly toll revenue distributions were skewed by backlogged transactions pending processing upon transition to new Back Office System (BOS).

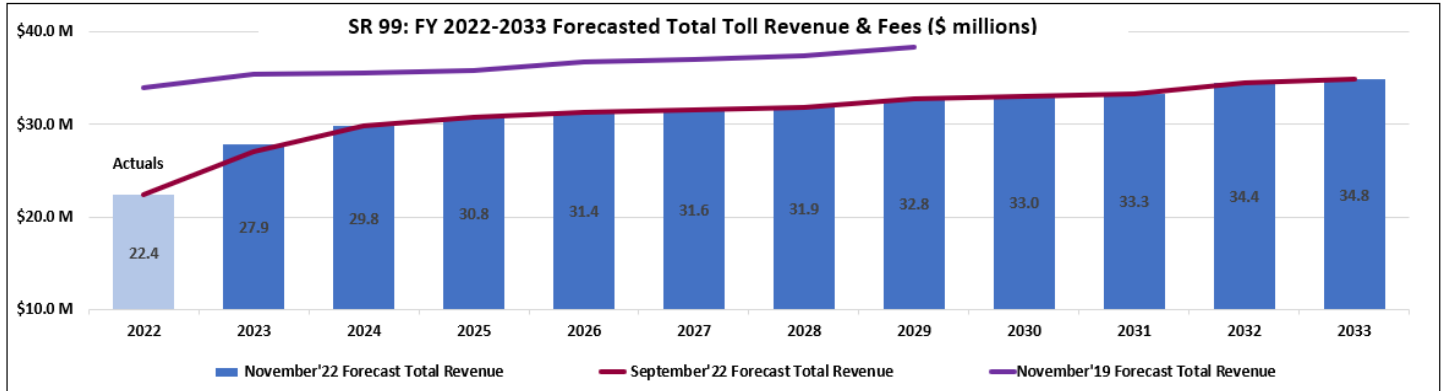
As noted for all facilities, The escalation of unpaid toll bills pending new Backoffice system (BOS) acceptance is planned for late spring 2023. The Notice of Civil Penalty (NOCP) fees and Late payment fees with a lower collection rate for FY 2022 and FY 2023 are assumed to be collected through Biennium 2023-25. In addition, no Statement Fees and NSF Fees revenues are assumed to be collected in FY 2023.

Miscellaneous revenues for FY 2023, including interest earnings on the account balance, have averaged just over \$17,000 per month through October, compared with no assumed revenue in the forecast. A payment of \$77 million is

anticipated in 3QFY2023 as part of a settlement on the construction of the tunnel. Interest earnings attributed to the account balance will be re-evaluated with the next TRFC update.

Total SR 99 revenue and fees in the current biennium are forecasted to be \$50.2 million, an increase of \$0.8 million (1.6 percent) from the September 2022 Forecast. The ten-year (FY 2022 to FY 2031) total revenue and fees are estimated to be \$304.7 million, a, increase of \$0.7 million (0.2 percent) to the September 2022 Forecast. Ten-year period (FY 2020 to FY 2029) total revenue and fees are reduction to Pre-COVID November 2019 Forecast by \$62.3 million (18.7 percent), (Figure 30).

Figure 30: SR 99 FY 2022-2031 Annual Total Revenues and Fees Forecasts Comparisons



Federal Funds Revenue

Overview

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

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

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

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

FHWA – Highways Forecast

- The total highway apportionment for Washington state for FFY 2022 was \$1,073.9 million. This reflects actual apportionment distributions for FFY 2022.

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

Obligation Authority (OA) Forecast

- Obligation authority (OA) (a.k.a. spending authority or obligation limitation) is the ceiling or total amount of commitments of federal apportionment that can be made within a year. Congress sets this ceiling or limit as part of the federal appropriation bills to control federal expenditures annually.
- The November 2022 CORE OA for FFY 2022 has been reconciled to actual OA distributions and is \$1,052.4 million which includes distributions for Discretionary items, Other Allocated programs as well as Ferry Boat/Terminals distributions.
- Total OA forecast for FFY 2023 and throughout the forecast horizon will be set at 98% 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 IJJA Funds Forecast:

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

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

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

National Highway Performance Program -

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

Surface Transportation Block Grant program –

- Maintain FFY 2022 and FFY 2023 at the Move Ahead Washington identified split (28% state/72% local)

For FFY 2024 – FFY 2026, the split is revised to 16% state/84% local to effectively provide the historic split of 21% state/79% local, over the course of the five years.

Highway Safety Improvement Program –

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

Congestion Mitigation & Air Quality (CMAQ) Program –

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

Bridge Replacement Program (NEW) –

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

National Highway Freight Program –

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

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

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

National Electric Vehicle Program –

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

Carbon Reduction Program -

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

FHWA Penalties:

The November 2022 federal forecast incorporates two FHWA penalties for prior years, which Washington State was subject to.

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

COVID 19 Stimulus Funds:

The Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) created a Coronavirus Relief Fund (CRF) which provides \$150 billion to state, local, territorial, and tribal governments. The CRF provides \$150 billion for expenditures incurred due to the COVID-19 public health emergency. The November, November and June 2021 federal apportionment forecasts include an estimated CRF distribution to Washington State for ferries and public

transportation. This CRF estimate does not include fund distributions made directly to King, Pierce, Snohomish, and Spokane counties.

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

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

FTA - Public Transportation Federal Funds

Overview

The IIJA 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 2022 Public Transportation federal funds forecast is a no change forecast for FY2022-2023. The public transportation 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 February 2022 fuel tax consumption growth rates

FTA – Washington State Ferries (WSF) Federal Funds

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

WSF Federal Apportionment Funds Forecast

Washington State's level of FTA apportionment for FFY 2022 is distributed based on the most recent Puget Sound Regional Council (PSRC) split letter. This letter shows the amount of formula funding received by all eligible recipients, including WSF. The November 2022 WSF federal forecast reflects the current split letter released by PSRC for FFY 2022. FFYs 2023 - 2026 assume an annual growth rate of 2% which is consistent with the funding levels set forth in the IIJA. FFY 2027 thru FFY 2033 forecast of FTA apportionments assume revenue growth matching the annual Washington State fuel consumption growth rates.

The IIJA has significantly changed WSF's apportionment of FTA formula funds. The distribution to WSF increased from \$13.2 million in FFY 2021 to \$21.2 million in FFY 2022--an increase of \$8.0 million. Using the current PSRC split letter's allocation of funds to WSF and assumed growth rates, WSF's annual funding from this source is projected to increase each year reaching \$24.5 million in FFY 2033. The November 2022 forecast is unchanged from September 2022 because it is based on the split letter for 2022 and the projected annual Washington State fuel consumption growth rates in November 2022 have not changed from September 2022.

Forecast Contacts

Washington State Department of Transportation unless otherwise noted

Economic Variables and Fuel Price Forecast

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Motor Fuel Tax Revenue Forecast

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Motor Vehicle Licenses, Permits & Fees Revenue Forecast

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Other Transportation Related Revenue Forecast

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Washington State Ferries Ridership and Revenue Forecast

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Federal Funds Forecast

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2022 Transportation Packet (ESSB 5974)

New/Incremental Revenues by Fee Type

November 2022 forecast vs. June 2022 forecast

	2021-2023			2023-2025			10-Year-Period (22-31)		
	November 2022	June 2022	Change	November 2022	June 2022	Change	November 2022	June 2022	Change
Move Ahead WA (26P) by Fee									
Plate original from \$10 to \$50 *Includes Motorcycle Plates	50.18	55.45	-9.5%	109.72	117.56	-6.7%	491.13	515.98	-4.8%
Plate replacement from \$10 to \$30 *Includes Motorcycle Plates	30.26	33.08	-8.5%	62.98	66.32	-5.0%	285.66	295.90	-3.5%
Dealer Temp from \$15 to \$40	9.24	20.30	-54.5%	39.24	41.13	-4.6%	166.52	179.65	-7.3%
DOL service fee for light duty trucks from \$0.00 to \$0.50	0.34	0.34	0.0%	1.72	1.88	-8.2%	7.48	8.13	-8.1%
License Plate Tech fee for light duty trucks from \$0.00 to \$0.25	0.17	0.17	0.0%	0.86	0.94	-8.2%	3.74	4.07	-8.1%
Stolen Vehicle Fee from \$15 to \$35	15.14	15.70	-3.6%	31.26	32.59	-4.1%	205.35	213.63	-3.9%
Subtotal Move Ahead WA (26P)	105.34	125.05	-15.8%	245.79	260.42	-5.6%	1,159.87	1,217.36	-4.7%
Move Ahead WA Flexible (26Q) by Fee									
EDL/EID from \$4 to \$7 per year	6.38	6.21	2.8%	20.54	20.26	1.4%	91.00	88.94	2.3%
ADR from \$13 to \$17 and \$19 in FY30	3.06	3.22	-5.0%	8.86	9.40	-5.7%	48.99	51.79	-5.4%
DL/ID replacement from \$10 to \$20	1.46	1.47	-0.5%	4.05	3.98	1.6%	18.02	17.73	1.7%
Subtotal Move Ahead WA Flexible (26Q)	10.91	10.90	0.1%	33.45	33.65	-0.6%	158.02	158.46	-0.3%
Aviation Fuel Tax (Fund 039)									
Aviation fuel tax from \$.11 to \$.18 per gallon	1.89	1.49	26.2%	4.14	3.34	24.0%	17.99	15.06	19.4%
Total New Revenue from ESSB 5974	118.13	137.45	-14.1%	283.39	297.41	-4.7%	1,335.88	1,390.88	-4.0%