

**Transportation Revenue
Forecast Council
September 2019
Transportation Economic and
Revenue Forecasts
Volume III: Alternate Forecast Tables**

Transportation Revenue Forecast Council

Alternative Forecasts

September 2019

- Vehicle Miles Travelled ForecastIII-3
- Alternate Ferry Revenue Forecast.....III-10
- Alternate Enhanced Driver’s LicenseIII-20

**Vehicle Miles Traveled
Forecast September 2019**

WSDOT VEHICLE MILES TRAVELLED FORECAST FOR SEPTEMBER 2019

- WSDOT has produced a statewide VMT forecast for more than twenty years.
- All independent variables have been updated from the latest TRFC data and WSDOT Statewide Travel & Collision Data Office (STCDO) provides estimated “actual” Vehicle Miles Travelled data for calendar year 2018.
- “Actual” Vehicle Miles Travelled for FY 2018 was 61.876 billion, 1.23 % higher than 2017 and 0.42% higher than last year’s forecast for FY 2018.
- The current forecast is slightly higher than the previous forecast for 2019 to 2043. This is due primarily to:
 - Lower projected fuel costs
 - Higher start point, with 2018 actuals coming in above previous forecast
- The September 2019 forecast for VMT is slightly higher in the short-term and the difference grows to about 1% in the out years from the September 2018 forecast
- Current forecast calls for higher year-over-year VMT growth for 2019, 2020 and 2021
 - Average annual growth rate is 0.96%
- Current forecast calls for year-over-year long-term increase in VMT for 2022-2043
 - Average annual growth rate is 0.15%
 - The current forecast year over year decrease in the long-term is more pronounced than last year’s projection and the negative growth will last for a few years at the end of the forecast horizon.

STATEWIDE VMT FORECAST METHODOLOGY

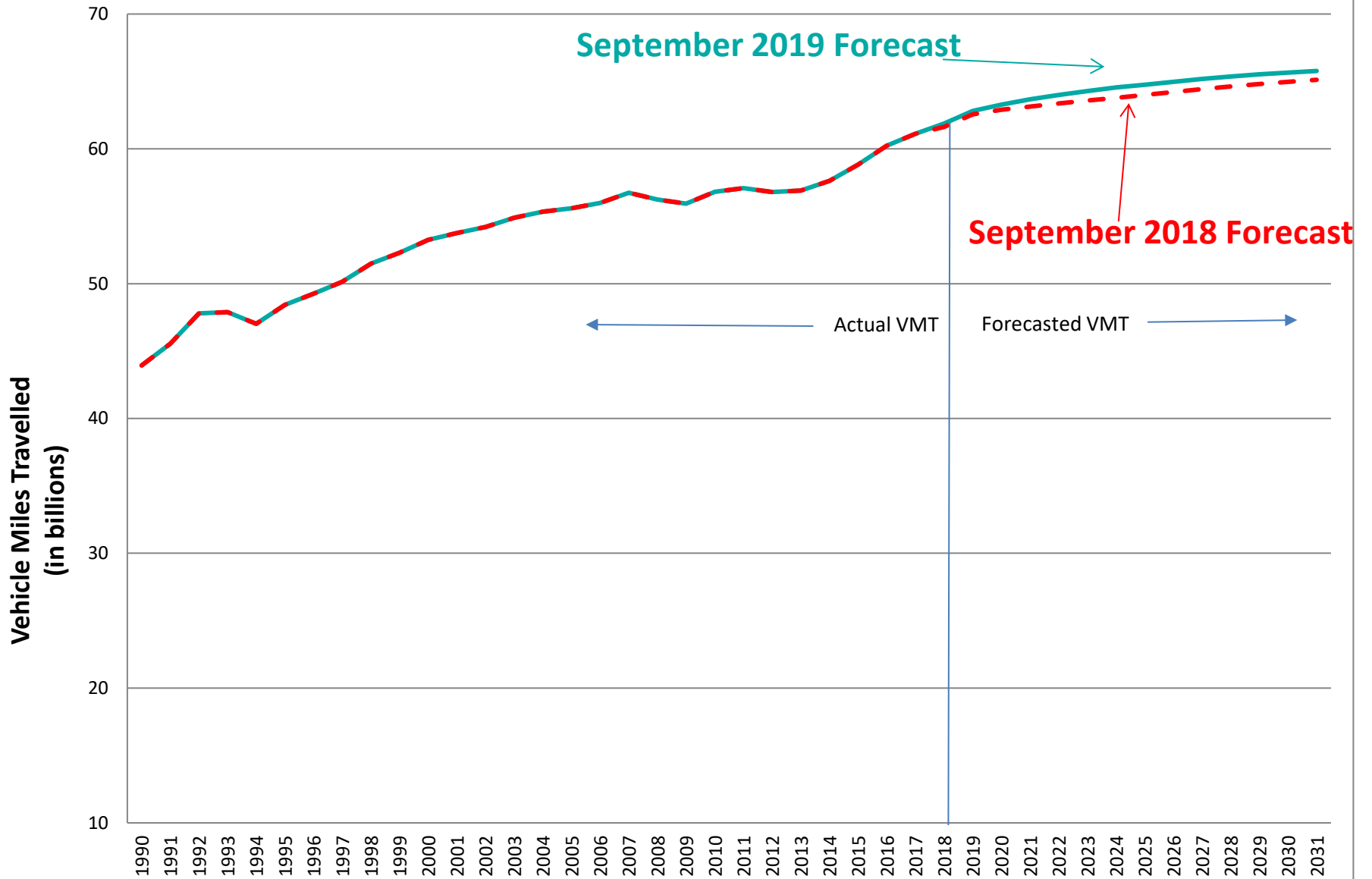
- The Statewide VMT model is first differenced log-log functional form which includes the log of the following independent variables:
 - Washington employment
 - Washington motor vehicle registrations
 - Washington gas prices
- The forecast model considers three separate types of impacts on VMT: economic activity, vehicles registered, and gas prices
- Analysis of VMT history led to decision to truncate history used in formulation
 - VMT growth rates in recent years do not match past aggressive rates in 2016 and continues in current forecast
 - VMT history from 1966 through 1990 shows growth averaging 4.5% per year.
 - VMT history from 1991 through 2001 shows growth averaging 2% per year.
 - VMT history from 2002 to 2018 shows growth averaging 0.84% per year.
 - Using history from 1966 through 1990 produced forecasts that have proven to be too aggressive
 - Forecast now uses history since 1991 and the forecast agrees with current trends in history, national trends, or research

literature showing flattening of VMT

SOURCE OF INDEPENDENT FORECASTED VARIABLES

- Washington employment – Economic and Revenue Forecast Council September 2019 forecast in the near-term and from OFM’s long-term non-farm employment projections for Washington.
- Washington motorized vehicle registrations –WSDOT-Economic Analysis section for the Transportation Revenue Council September 2019 forecast
- Washington gasoline prices –WSDOT forecast for the Transportation Revenue Council September 2019 forecast

Vehicle Miles Travel Forecast Comparison



September 2019 Forecast of Vehicle Miles Travelled (History and Forecast), VMT per capita, and Independent Variables.

YEAR	Total VMT (Billion Miles)	Percent Change	VMT Per Capita	Percent Change	VMT Per Driver Pop	Percent Change	Variables				
							VMT change fro	VMI Percent change from the Sept. 2018 fct	Washington Employment ¹ (in Thousands)	Vehicles Registered ² (in Thousands)	Gas Prices ³
1965	14.803						-		869	1,525	0.19
1966	15.645	5.69%					-		940	1,619	0.19
1967	17.067	9.09%					-		1,021	1,727	0.20
1968	18.347	7.50%					-		1,075	1,834	0.20
1969	19.211	4.71%					-		1,116	1,971	0.21
1970	20.371	6.04%	5,936		9,048		-		1,109	1,971	0.21
1971	20.844	2.32%	6,073	2.30%	9,143	1.05%	-		1,062	1,998	0.22
1972	21.835	4.75%	6,337	4.35%	9,495	3.85%	-		1,079	2,078	0.22
1973	22.977	5.23%	6,564	3.59%	9,845	3.68%	-		1,127	2,200	0.23
1974	22.317	-2.87%	6,267	-4.53%	9,307	-5.46%	-		1,172	2,288	0.36
1975	23.106	3.54%	6,370	1.64%	9,370	0.67%	-		1,217	2,358	0.40
1976	24.685	6.83%	6,657	4.51%	9,723	3.77%	-		1,249	2,483	0.41
1977	26.485	7.29%	6,929	4.07%	10,109	3.96%	-		1,322	2,649	0.43
1978	28.605	8.00%	7,220	4.20%	10,495	3.82%	-		1,427	2,743	0.44
1979	29.511	3.17%	7,181	-0.54%	10,362	-1.26%	-		1,534	2,969	0.69
1980	28.765	-2.53%	6,826	-4.94%	9,673	-6.65%	-		1,607	3,092	1.25
1981	29.446	2.37%	6,897	1.03%	9,607	-0.68%	-		1,615	3,219	1.40
1982	30.744	4.41%	7,142	3.56%	9,854	2.57%	-		1,590	3,214	1.29
1983	31.965	3.97%	7,350	2.90%	10,126	2.76%	-		1,564	3,256	1.23
1984	33.414	4.53%	7,582	3.16%	10,451	3.22%	-		1,623	3,328	1.21
1985	34.260	2.53%	7,686	1.37%	10,561	1.05%	-		1,685	3,422	1.26
1986	35.152	2.60%	7,776	1.17%	10,700	1.32%	-		1,741	3,569	1.17
1987	37.207	5.85%	8,076	3.86%	11,148	4.18%	-		1,805	3,768	0.91
1988	40.045	7.63%	8,492	5.14%	11,750	5.40%	-		1,897	3,876	0.94
1989	42.434	5.97%	8,749	3.03%	12,147	3.38%	-		1,992	4,007	0.95
1990	43.934	3.53%	8,787	0.44%	12,246	0.81%	-		2,106	4,219	1.01
1991	45.536	3.65%	8,882	1.09%	12,344	0.81%	-		2,165	4,293	1.24
1992	47.793	4.96%	9,106	2.52%	12,668	2.63%	-		2,206	4,448	1.12
1993	47.894	0.21%	8,948	-1.73%	12,425	-1.92%	-		2,244	4,480	1.18
1994	47.025	-1.81%	8,618	-3.68%	11,975	-3.62%	-		2,291	4,512	1.14
1995	48.430	2.99%	8,718	1.15%	12,101	1.05%	-		2,346	4,581	1.22
1996	49.259	1.71%	8,717	-0.01%	12,082	-0.16%	-		2,384	4,587	1.27
1997	50.135	1.78%	8,736	0.22%	12,074	-0.07%	-		2,483	4,701	1.31
1998	51.482	2.69%	8,846	1.26%	12,177	0.85%	-		2,583	4,847	1.20
1999	52.303	1.59%	8,884	0.43%	12,157	-0.16%	-		2,650	4,930	1.12
2000	53.248	1.81%	8,932	0.53%	12,180	0.18%	-		2,717	5,195	1.43
2001	53.752	0.95%	8,889	-0.48%	12,097	-0.68%	-		2,754	5,256	1.57
2002	54.201	0.84%	8,857	-0.35%	11,987	-0.91%	-		2,704	5,422	1.36
2003	54.890	1.27%	8,855	-0.03%	11,953	-0.28%	-		2,697	5,473	1.49
2004	55.330	0.80%	8,797	-0.65%	11,855	-0.83%	-		2,715	5,652	1.78
2005	55.584	0.46%	8,680	-1.34%	11,703	-1.28%	-		2,774	5,720	2.08
2006	55.989	0.73%	8,600	-0.92%	11,547	-1.34%	-		2,856	5,832	2.60
2007	56.739	1.34%	8,601	0.02%	11,482	-0.56%	-		2,931	5,912	2.84
2008	56.236	-0.89%	8,439	-1.88%	11,201	-2.45%	-		2,995	6,161	3.30
2009	55.934	-0.54%	8,327	-1.34%	10,998	-1.81%	-		2,937	6,030	2.78
2010	56.811	1.57%	8,400	0.89%	11,059	0.55%	-		2,832	5,950	2.93
2011	57.082	0.48%	8,379	-0.25%	11,004	-0.49%	-		2,852	6,153	3.38
2012	56.793	-0.51%	8,260	-1.42%	10,840	-1.49%	-		2,893	6,104	3.84
2013	56.897	0.18%	8,177	-1.00%	10,738	-0.94%	-		2,951	6,211	3.73
2014	57.619	1.27%	8,173	-0.05%	10,728	-0.09%	-		3,019	6,336	3.61
2015	58.825	2.09%	8,235	0.75%	10,796	0.63%	-		3,102	6,553	3.08
2016	60.228	2.39%	8,324	1.08%	10,894	0.91%	-		3,193	6,806	2.51
2017	61.124	1.49%	8,346	0.27%	10,903	0.07%	-		3,284	6,997	2.70
2018	61.876	1.23%	8,354	0.09%	10,891	-0.10%	0.256	0.41%	3,364	7,158	3.02
2019	62.816	1.52%	8,389	0.42%	10,920	0.26%	0.259	0.41%	3,436	7,174	3.05
2020	63.278	0.74%	8,362	-0.32%	10,873	-0.43%	0.374	0.59%	3,505	7,216	2.96
2021	63.678	0.63%	8,328	-0.41%	10,820	-0.48%	0.538	0.85%	3,555	7,326	2.98
2022	63.991	0.49%	8,283	-0.54%	10,752	-0.62%	0.627	0.99%	3,598	7,422	3.25
2023	64.284	0.46%	8,236	-0.56%	10,681	-0.66%	0.708	1.11%	3,636	7,529	3.27
2024	64.548	0.41%	8,188	-0.59%	10,607	-0.70%	0.770	1.21%	3,667	7,610	3.30
2025	64.760	0.33%	8,134	-0.66%	10,521	-0.80%	0.765	1.19%	3,684	7,696	3.35
2026	64.972	0.33%	8,082	-0.64%	10,437	-0.80%	0.756	1.18%	3,704	7,787	3.39
2027	65.181	0.32%	8,031	-0.63%	10,357	-0.77%	0.756	1.17%	3,728	7,879	3.46
2028	65.367	0.29%	7,979	-0.65%	10,278	-0.77%	0.746	1.15%	3,754	7,973	3.59
2029	65.522	0.24%	7,925	-0.68%	10,197	-0.78%	0.717	1.11%	3,783	8,067	3.78
2030	65.656	0.20%	7,870	-0.69%	10,116	-0.80%	0.681	1.05%	3,814	8,161	3.91
2031	65.777	0.19%	7,816	-0.69%	10,036	-0.79%	0.656	1.01%	3,845	8,255	3.97
2032	65.880	0.16%	7,762	-0.69%	9,957	-0.78%	0.633	0.97%	3,876	8,347	4.06
2033	65.969	0.13%	7,709	-0.69%	9,879	-0.78%	0.605	0.93%	3,908	8,435	4.15
2034	66.038	0.10%	7,654	-0.70%	9,801	-0.78%	0.572	0.87%	3,940	8,527	4.25
2035	66.093	0.08%	7,600	-0.71%	9,724	-0.79%	0.550	0.84%	3,973	8,619	4.34
2036	66.126	0.05%	7,546	-0.72%	9,645	-0.81%	0.522	0.80%	4,005	8,711	4.44
2037	66.138	0.02%	7,490	-0.74%	9,565	-0.82%	0.490	0.75%	4,036	8,803	4.54
2038	66.128	-0.02%	7,433	-0.76%	9,485	-0.84%	0.453	0.69%	4,066	8,895	4.65
2039	66.098	-0.05%	7,232	-2.71%	9,404	-0.85%	0.411	0.63%	4,095	8,987	4.75
2040	66.055	-0.07%	7,161	-0.98%	9,322	-0.87%	0.367	0.56%	4,126	9,079	4.86
2041	65.991	-0.10%	7,089	-1.00%	9,061	-2.80%	-0.123	-0.19%	4,156	9,171	4.97
2042	65.910	-0.12%	7,017	-1.02%	8,961	-1.10%	-0.197	-0.30%	4,186	9,263	5.08
2043	65.873	-0.06%	6,951	-0.94%	8,870	-1.02%	-0.368	-0.55%	4,216	9,355	5.18

¹Forecast 2019-2021 from Economic and Revenue Forecast Council's September 2019 Forecast
Forecast 2021-2041 extended based on OFM forecast growth rate Sept 2019
Forecast 2041-2043 extended using trend

²Forecast 2019-2031 from Transportation Revenue Forecast Council's September 2019 Forecast

³Forecast 2019-2031 from Transportation Revenue Forecast Council's September 2019 Forecast

**REVENUE AND RIDERSHIP PROJECTIONS
SEPTEMBER 2019 FORECAST
FISCAL YEARS 2020-2029**

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

Prepared by
WSP USA

September 20, 2019

Washington State Ferries

September 2019 Revenue and Ridership Forecasts — Fiscal Years 2019-2029

SEPTEMBER 2019 FORECAST NOTES

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

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

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

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

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

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

- **Baseline Forecast** – Assumes no further fare increases beyond those scheduled for May 1, 2020, which results in declining real fares over the forecast horizon.
- **Alternative 1 Forecast** – Assumes 2.5% annual increases plus nickel rounding each October, from 2021 (FY 2022) through 2028 (FY 2029), which results in slightly increasing real fares over the forecast horizon under the current inflation projection. Note that the Alternative 1 Forecast for September is comparable to the June 2019 Forecast for Alternative 2.

The FY 2020 projections include actual ridership and revenue through August 2019.

Ridership Impacts

- The September 2019 Forecast for ridership incorporates the latest updated demographic and economic variable projections. The net effect of these updates, after controlling for the changes in fares, are small decreases in ridership.
- The real personal income forecasts show slight upward revisions early and slight downward revisions later in the forecast period, with similar effects on demand.
- All three of the employment projections have decreased, which leads to decreases in ridership demand.
- Real gasoline prices have been revised lower over the forecast horizon, partially reversing an opposite trend in June. This tends to increase vehicle/driver ridership demand absent other factors.
- Slightly lower inflation projections in the near-term result in higher real fares prior to factoring in the forthcoming fare increases, marginally lowering demand.
- June 2019 ridership came in 3.4% lower than previously forecasted, which follows decreases of 22%, 7.8%, 3.6%, and 4.2% compared to prior forecasts for February, March, April and May, respectively. Note that February ridership was impacted by severe snowstorms that month.
- July and August 2019 ridership counts were 4.9% and 1.4% lower, respectively, compared with the June Forecast.
- The combination of actual ridership for FY 2019 coming in lower than expected with essentially no growth over FY 2018, plus higher fares in the case of the Baseline Forecast, more than offset the effects of the economic variables and put the September Forecast on a somewhat lower trend than the June Forecast.

Revenue Impacts

- Actual revenue for the 2017/19 biennium came in at \$388.1 M, or 0.4 M (0.1%) lower than the June Baseline and Alternative 1 Forecasts, with \$380.0 M in fares for the operating account and \$8.1 M in surcharge revenue for capital uses.
- For the 2019/21 biennium, Baseline Forecast total revenues of \$420.5 M are \$11.6 M (2.8%) higher than projected in June due to the increases in fares and surcharges. This total comprises \$407.3 M in base fare revenue and \$13.2 M in surcharges. For the Alternative 1 Forecast, the same level of total revenues is \$2.2 M (0.5%) higher than the comparable Alternative 2 Forecast from June.
- For the rest of the forecast horizon, the Alternative 1 forecast is about 0.5% higher than the comparable June Alternative 2 Forecast due to a relative shift in ridership toward higher fare categories.

Washington State Ferries

REVENUE PROJECTIONS | SEPTEMBER 2019 BASELINE FORECAST

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

Fiscal Years 2020-2029

Fiscal Year	September 2019 Capacity-Constrained Revenue Forecast	Fiscal Year Annual Growth Rate	September Biennium Total	September vs. June Forecast			June 2019 Baseline	
				% Change by Fiscal Year	\$ Change and % Change by Biennium		Capacity-Constrained Revenue Forecast	Biennium Total
2010	\$147,009,545	1.7%						
2011	\$143,547,850	(2.4%)	\$290,557,395					
2012	\$155,085,373	8.0%						
2013	\$162,047,033	4.5%	\$317,132,406					
2014	\$167,441,867	3.3%						
2015	\$175,965,750	5.1%	\$343,407,617					
2016	\$181,444,863	3.1%						
2017	\$186,973,746	3.0%	\$368,418,609					
2018	\$192,827,951	3.1%						
2019	\$195,269,000	1.3%	\$388,096,951	(0.2%)	(\$449,000)	(0.1%)	\$195,718,000	\$388,545,951
2020 ²	\$205,153,000	5.1%		1.6%			\$201,915,000	
2021	\$215,382,000	5.0%	\$420,535,000	4.1%	\$11,629,000	2.8%	\$206,991,000	\$408,906,000
2022	\$217,807,000	1.1%		4.1%			\$209,146,000	
2023	\$220,401,000	1.2%	\$438,208,000	4.4%	\$17,989,000	4.3%	\$211,073,000	\$420,219,000
2024	\$222,606,000	1.0%		4.5%			\$213,075,000	
2025	\$224,331,000	0.8%	\$446,937,000	4.5%	\$19,103,000	4.5%	\$214,759,000	\$427,834,000
2026	\$226,364,000	0.9%		4.5%			\$216,700,000	
2027	\$228,363,000	0.9%	\$454,727,000	4.5%	\$19,564,000	4.5%	\$218,463,000	\$435,163,000
2028	\$230,101,000	0.8%		4.6%			\$219,905,000	
2029	\$231,825,000	0.7%	\$461,926,000	4.7%	\$20,670,000	4.7%	\$221,351,000	\$441,256,000

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

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

Washington State Ferries

REVENUE PROJECTIONS | SEPTEMBER 2019 BASELINE FORECAST

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

Fiscal Years 2020-2029

Fiscal Year	September 2019		Distribution of Revenue to Operating and Capital Programs					
	Capacity-Constrained Revenue Forecast	September Biennium Total	25¢ Capital Surcharge Revenue	25¢ Vessel Surcharge Revenue	Total Surcharge Revenue	Biennium Totals for Capital	Base Fare Revenue for Operations	Biennium Totals for Operations
2010	\$147,009,545						\$147,009,545	
2011	\$143,547,850	\$290,557,395					\$143,547,850	\$290,557,395
2012	\$155,085,373		\$2,544,970		\$2,544,970		\$152,540,403	
2013	\$162,047,033	\$317,132,406	\$3,626,191		\$3,626,191	\$6,171,161	\$158,420,842	\$310,961,245
2014	\$167,441,867		\$3,662,690		\$3,662,690		\$163,779,177	
2015	\$175,965,750	\$343,407,617	\$3,894,088		\$3,894,088	\$7,556,778	\$172,071,662	\$335,850,839
2016	\$181,444,863		\$4,007,848		\$4,007,848		\$177,437,015	
2017	\$186,973,746	\$368,418,609	\$4,022,681		\$4,022,681	\$8,030,529	\$182,951,065	\$360,388,080
2018	\$192,827,951		\$4,084,581		\$4,084,581		\$188,743,370	
2019	\$195,269,000	\$388,096,951	\$3,988,000		\$3,988,000	\$8,072,581	\$191,281,000	\$380,024,370
2020 ²	\$205,153,000		\$4,125,000	\$753,000	\$4,878,000		\$200,275,000	
2021	\$215,382,000	\$420,535,000	\$4,159,000	\$4,159,000	\$8,318,000	\$13,196,000	\$207,064,000	\$407,339,000
2022	\$217,807,000		\$4,210,000	\$4,209,000	\$8,419,000		\$209,388,000	
2023	\$220,401,000	\$438,208,000	\$4,264,000	\$4,264,000	\$8,528,000	\$16,947,000	\$211,873,000	\$421,261,000
2024	\$222,606,000		\$4,320,000	\$4,319,000	\$8,639,000		\$213,967,000	
2025	\$224,331,000	\$446,937,000	\$4,357,000	\$4,357,000	\$8,714,000	\$17,353,000	\$215,617,000	\$429,584,000
2026	\$226,364,000		\$4,402,000	\$4,401,000	\$8,803,000		\$217,561,000	
2027	\$228,363,000	\$454,727,000	\$4,449,000	\$4,448,000	\$8,897,000	\$17,700,000	\$219,466,000	\$437,027,000
2028	\$230,101,000		\$4,491,000	\$4,490,000	\$8,981,000		\$221,120,000	
2029	\$231,825,000	\$461,926,000	\$4,536,000	\$4,536,000	\$9,072,000	\$18,053,000	\$222,753,000	\$443,873,000

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

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

Washington State Ferries

REVENUE PROJECTIONS | SEPTEMBER 2019 ALTERNATIVE 1 FORECAST

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

Fiscal Year	September 2019 Capacity-Constrained Revenue Forecast	Fiscal Year Annual Growth Rate	September Biennium Total	September vs. June Alt 2 Forecast			June 2019 Alternative 2	
				% Change by Fiscal Year	\$ Change and % Change by Biennium		Capacity-Constrained Revenue Forecast	Biennium Total
2010	\$147,009,545	1.7%						
2011	\$143,547,850	(2.4%)	\$290,557,395					
2012	\$155,085,373	8.0%						
2013	\$162,047,033	4.5%	\$317,132,406					
2014	\$167,441,867	3.3%						
2015	\$175,965,750	5.1%	\$343,407,617					
2016	\$181,444,863	3.1%						
2017	\$186,973,746	3.0%	\$368,418,609					
2018	\$192,827,951	3.1%						
2019	\$195,269,000	1.3%	\$388,096,951	(0.2%)	(\$449,000)	(0.1%)	\$195,718,000	\$388,545,951
2020 ²	\$205,153,000	5.1%		0.2%			\$204,800,000	
2021	\$215,382,000	5.0%	\$420,535,000	0.9%	\$2,209,000	0.5%	\$213,526,000	\$418,326,000
2022	\$220,697,000	2.5%		0.6%			\$219,438,000	
2023	\$227,405,000	3.0%	\$448,102,000	0.7%	\$2,788,000	0.6%	\$225,876,000	\$445,314,000
2024	\$233,960,000	2.9%		0.7%			\$232,357,000	
2025	\$240,340,000	2.7%	\$474,300,000	0.5%	\$2,880,000	0.6%	\$239,063,000	\$471,420,000
2026	\$247,494,000	3.0%		0.5%			\$246,267,000	
2027	\$254,812,000	3.0%	\$502,306,000	0.5%	\$2,444,000	0.5%	\$253,595,000	\$499,862,000
2028	\$262,142,000	2.9%		0.5%			\$260,882,000	
2029	\$269,706,000	2.9%	\$531,848,000	0.6%	\$2,751,000	0.5%	\$268,215,000	\$529,097,000

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

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

Washington State Ferries

REVENUE PROJECTIONS | SEPTEMBER 2019 ALTERNATIVE 1 FORECAST

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

Fiscal Year	September 2019		Distribution of Revenue to Operating and Capital Programs					
	Capacity-Constrained Revenue Forecast	September Biennium Total	25¢ Capital Surcharge Revenue	25¢ Vessel Surcharge Revenue	Total Surcharge Revenue	Biennium Totals for Capital	Base Fare Revenue for Operations	Biennium Totals for Operations
2010	\$147,009,545						\$147,009,545	
2011	\$143,547,850	\$290,557,395					\$143,547,850	\$290,557,395
2012	\$155,085,373		\$2,544,970		\$2,544,970		\$152,540,403	
2013	\$162,047,033	\$317,132,406	\$3,626,191		\$3,626,191	\$6,171,161	\$158,420,842	\$310,961,245
2014	\$167,441,867		\$3,662,690		\$3,662,690		\$163,779,177	
2015	\$175,965,750	\$343,407,617	\$3,894,088		\$3,894,088	\$7,556,778	\$172,071,662	\$335,850,839
2016	\$181,444,863		\$4,007,848		\$4,007,848		\$177,437,015	
2017	\$186,973,746	\$368,418,609	\$4,022,681		\$4,022,681	\$8,030,529	\$182,951,065	\$360,388,080
2018	\$192,827,951		\$4,084,581		\$4,084,581		\$188,743,370	
2019	\$195,269,000	\$388,096,951	\$3,988,000		\$3,988,000	\$8,072,581	\$191,281,000	\$380,024,370
2020 ²	\$205,153,000		\$4,124,000	\$754,000	\$4,878,000		\$200,275,000	
2021	\$215,382,000	\$420,535,000	\$4,159,000	\$4,159,000	\$8,318,000	\$13,196,000	\$207,064,000	\$407,339,000
2022	\$220,697,000		\$4,198,000	\$4,198,000	\$8,396,000		\$212,301,000	
2023	\$227,405,000	\$448,102,000	\$4,230,000	\$4,230,000	\$8,460,000	\$16,856,000	\$218,945,000	\$431,246,000
2024	\$233,960,000		\$4,264,000	\$4,264,000	\$8,528,000		\$225,432,000	
2025	\$240,340,000	\$474,300,000	\$4,278,000	\$4,278,000	\$8,556,000	\$17,084,000	\$231,784,000	\$457,216,000
2026	\$247,494,000		\$4,303,000	\$4,302,000	\$8,605,000		\$238,889,000	
2027	\$254,812,000	\$502,306,000	\$4,330,000	\$4,329,000	\$8,659,000	\$17,264,000	\$246,153,000	\$485,042,000
2028	\$262,142,000		\$4,355,000	\$4,355,000	\$8,710,000		\$253,432,000	
2029	\$269,706,000	\$531,848,000	\$4,386,000	\$4,385,000	\$8,771,000	\$17,481,000	\$260,935,000	\$514,367,000

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

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

Washington State Ferries

REVENUE PROJECTIONS | SEPTEMBER 2019 ALTERNATIVE 1 & BASELINE FORECASTS

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

Fiscal Years 2020-2029

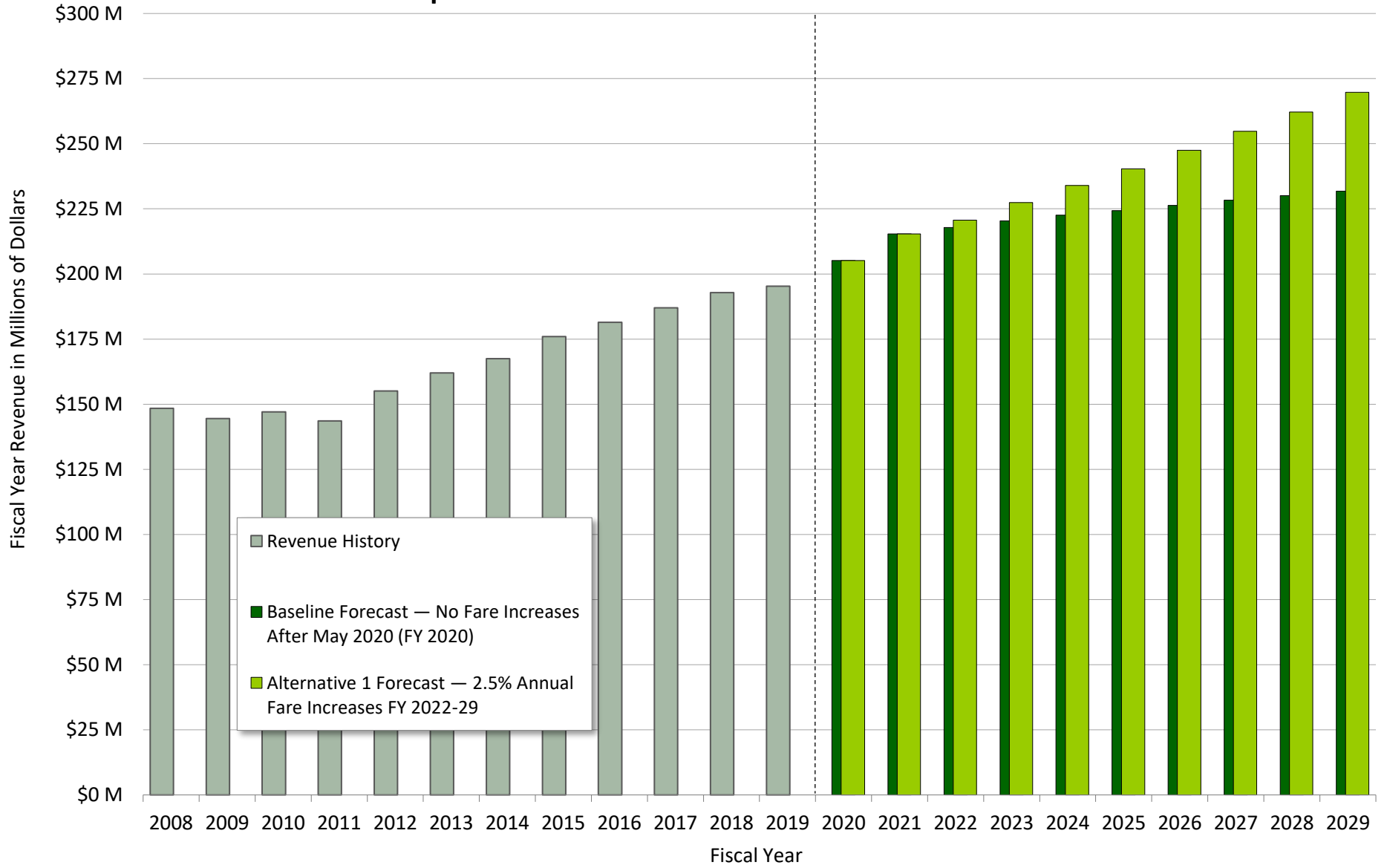
Fiscal Year	September 2019 Capacity-Constrained Alt 1 Revenue Forecast	Fiscal Year Annual Growth Rate	September Biennium Total	September Alternative 1 vs. Baseline			September Baseline Forecast	
				% Change by Fiscal Year	\$ Change and % Change by Biennium		Capacity-Constrained Revenue Forecast	Biennium Total
2010	\$147,009,545	1.7%						
2011	\$143,547,850	(2.4%)	\$290,557,395					
2012	\$155,085,373	8.0%						
2013	\$162,047,033	4.5%	\$317,132,406					
2014	\$167,441,867	3.3%						
2015	\$175,965,750	5.1%	\$343,407,617					
2016	\$181,444,863	3.1%						
2017	\$186,973,746	3.0%	\$368,418,609					
2018	\$192,827,951	3.1%						
2019	\$195,269,000	1.3%	\$388,096,951					
2020 ²	\$205,153,000	5.1%		0.0%			\$205,153,000	
2021	\$215,382,000	5.0%	\$420,535,000	0.0%	\$0	0.0%	\$215,382,000	\$420,535,000
2022	\$220,697,000	2.5%		1.3%			\$217,807,000	
2023	\$227,405,000	3.0%	\$448,102,000	3.2%	\$9,894,000	2.3%	\$220,401,000	\$438,208,000
2024	\$233,960,000	2.9%		5.1%			\$222,606,000	
2025	\$240,340,000	2.7%	\$474,300,000	7.1%	\$27,363,000	6.1%	\$224,331,000	\$446,937,000
2026	\$247,494,000	3.0%		9.3%			\$226,364,000	
2027	\$254,812,000	3.0%	\$502,306,000	11.6%	\$47,579,000	10.5%	\$228,363,000	\$454,727,000
2028	\$262,142,000	2.9%		13.9%			\$230,101,000	
2029	\$269,706,000	2.9%	\$531,848,000	16.3%	\$69,922,000	15.1%	\$231,825,000	\$461,926,000

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

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

Washington State Ferries — Revenue History and Forecast Trends

September 2019 Forecast – Fiscal Years 2008-2029



Washington State Ferries

RIDERSHIP PROJECTIONS | SEPTEMBER 2019 BASELINE FORECAST

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

Fiscal Years 2020-2029

Fiscal Year	September 2019 Unconstrained Demand Forecast*	September 2019 Capacity Constrained Projections				June 2019 Baseline Projections	
		Passenger Ridership	Vehicle/Driver Ridership	Total Ridership	Annual Rate of Growth	Total Ridership	September 2019 vs June
2010		12,463,027	10,169,074	22,632,101	(0.3%)		
2011		12,242,320	9,968,973	22,211,293	(1.9%)		
2012		12,236,081	9,983,059	22,219,140	0.0%		
2013		12,350,126	10,045,043	22,395,169	0.8%		
2014		12,696,936	10,154,905	22,851,841	2.0%		
2015		13,270,874	10,387,368	23,658,242	3.5%		
2016		13,523,385	10,559,240	24,082,625	1.8%		
2017		13,669,834	10,544,735	24,214,569	0.5%		
2018		13,856,444	10,707,373	24,563,817	1.4%		
2019		13,700,239	10,555,543	24,255,782	(1.3%)	24,336,000	(0.3%)
2020 ²	24,749,000	13,786,000	10,884,000	24,670,000	1.7%	25,149,000	(1.9%)
2021	24,941,000	13,983,000	10,935,000	24,918,000	1.0%	25,463,000	(2.1%)
2022	25,276,000	14,194,000	11,040,000	25,234,000	1.3%	25,737,000	(2.0%)
2023	25,646,000	14,414,000	11,158,000	25,572,000	1.3%	26,013,000	(1.7%)
2024	26,082,000	14,705,000	11,250,000	25,955,000	1.5%	26,371,000	(1.6%)
2025	26,372,000	14,868,000	11,330,000	26,198,000	0.9%	26,628,000	(1.6%)
2026	26,764,000	15,120,000	11,399,000	26,519,000	1.2%	26,957,000	(1.6%)
2027	27,196,000	15,411,000	11,459,000	26,870,000	1.3%	27,316,000	(1.6%)
2028	27,615,000	15,680,000	11,509,000	27,189,000	1.2%	27,619,000	(1.6%)
2029	28,079,000	15,988,000	11,553,000	27,541,000	1.3%	27,957,000	(1.5%)

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

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

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

Washington State Ferries

RIDERSHIP PROJECTIONS | SEPTEMBER 2019 ALTERNATIVE 1 FORECAST

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

Fiscal Years 2020-2029

Fiscal Year	September 2019 Unconstrained Demand Forecast*	September 2019 Capacity Constrained Projections				June 2019 Alt 2 Projections	
		Passenger Ridership	Vehicle/Driver Ridership	Total Ridership	Annual Rate of Growth	Total Ridership	September 2019 vs June
2010		12,463,027	10,169,074	22,632,101	(0.3%)		
2011		12,242,320	9,968,973	22,211,293	(1.9%)		
2012		12,236,081	9,983,059	22,219,140	0.0%		
2013		12,350,126	10,045,043	22,395,169	0.8%		
2014		12,696,936	10,154,905	22,851,841	2.0%		
2015		13,270,874	10,387,368	23,658,242	3.5%		
2016		13,523,385	10,559,240	24,082,625	1.8%		
2017		13,669,834	10,544,735	24,214,569	0.5%		
2018		13,856,444	10,707,373	24,563,817	1.4%		
2019		13,700,239	10,555,543	24,255,782	(1.3%)	24,336,000	(0.3%)
2020 ²	24,749,000	13,786,000	10,884,000	24,670,000	1.7%	25,066,000	(1.6%)
2021	24,941,000	13,983,000	10,935,000	24,918,000	1.0%	25,096,000	(0.7%)
2022	25,195,000	14,149,000	11,012,000	25,161,000	1.0%	25,273,000	(0.4%)
2023	25,402,000	14,285,000	11,072,000	25,357,000	0.8%	25,425,000	(0.3%)
2024	25,670,000	14,488,000	11,108,000	25,596,000	0.9%	25,637,000	(0.2%)
2025	25,785,000	14,556,000	11,128,000	25,684,000	0.3%	25,765,000	(0.3%)
2026	25,990,000	14,700,000	11,160,000	25,860,000	0.7%	25,959,000	(0.4%)
2027	26,226,000	14,870,000	11,190,000	26,060,000	0.8%	26,173,000	(0.4%)
2028	26,454,000	15,026,000	11,219,000	26,245,000	0.7%	26,361,000	(0.4%)
2029	26,726,000	15,222,000	11,251,000	26,473,000	0.9%	26,581,000	(0.4%)

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

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

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

Washington State Ferries

RIDERSHIP PROJECTIONS | SEPTEMBER 2019 ALTERNATIVE 1 & BASELINE FORECASTS

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

Fiscal Year	September 2019 Unconstrained Demand Forecast*	September 2019 Alternative 1 Capacity Constrained Projections				September Baseline Forecast	
		Passenger Ridership	Vehicle/Driver Ridership	Total Ridership	Annual Rate of Growth	Total Ridership	September Alt 1 vs. Baseline
2010		12,463,027	10,169,074	22,632,101	(0.3%)		
2011		12,242,320	9,968,973	22,211,293	(1.9%)		
2012		12,236,081	9,983,059	22,219,140	0.0%		
2013		12,350,126	10,045,043	22,395,169	0.8%		
2014		12,696,936	10,154,905	22,851,841	2.0%		
2015		13,270,874	10,387,368	23,658,242	3.5%		
2016		13,523,385	10,559,240	24,082,625	1.8%		
2017		13,669,834	10,544,735	24,214,569	0.5%		
2018		13,856,444	10,707,373	24,563,817	1.4%		
2019		13,700,239	10,555,543	24,255,782	(1.3%)		
2020 ²	24,749,000	13,786,000	10,884,000	24,670,000	1.7%	24,670,000	0.0%
2021	24,941,000	13,983,000	10,935,000	24,918,000	1.0%	24,918,000	0.0%
2022	25,195,000	14,149,000	11,012,000	25,161,000	1.0%	25,234,000	(0.3%)
2023	25,402,000	14,285,000	11,072,000	25,357,000	0.8%	25,572,000	(0.8%)
2024	25,670,000	14,488,000	11,108,000	25,596,000	0.9%	25,955,000	(1.4%)
2025	25,785,000	14,556,000	11,128,000	25,684,000	0.3%	26,198,000	(2.0%)
2026	25,990,000	14,700,000	11,160,000	25,860,000	0.7%	26,519,000	(2.5%)
2027	26,226,000	14,870,000	11,190,000	26,060,000	0.8%	26,870,000	(3.0%)
2028	26,454,000	15,026,000	11,219,000	26,245,000	0.7%	27,189,000	(3.5%)
2029	26,726,000	15,222,000	11,251,000	26,473,000	0.9%	27,541,000	(3.9%)

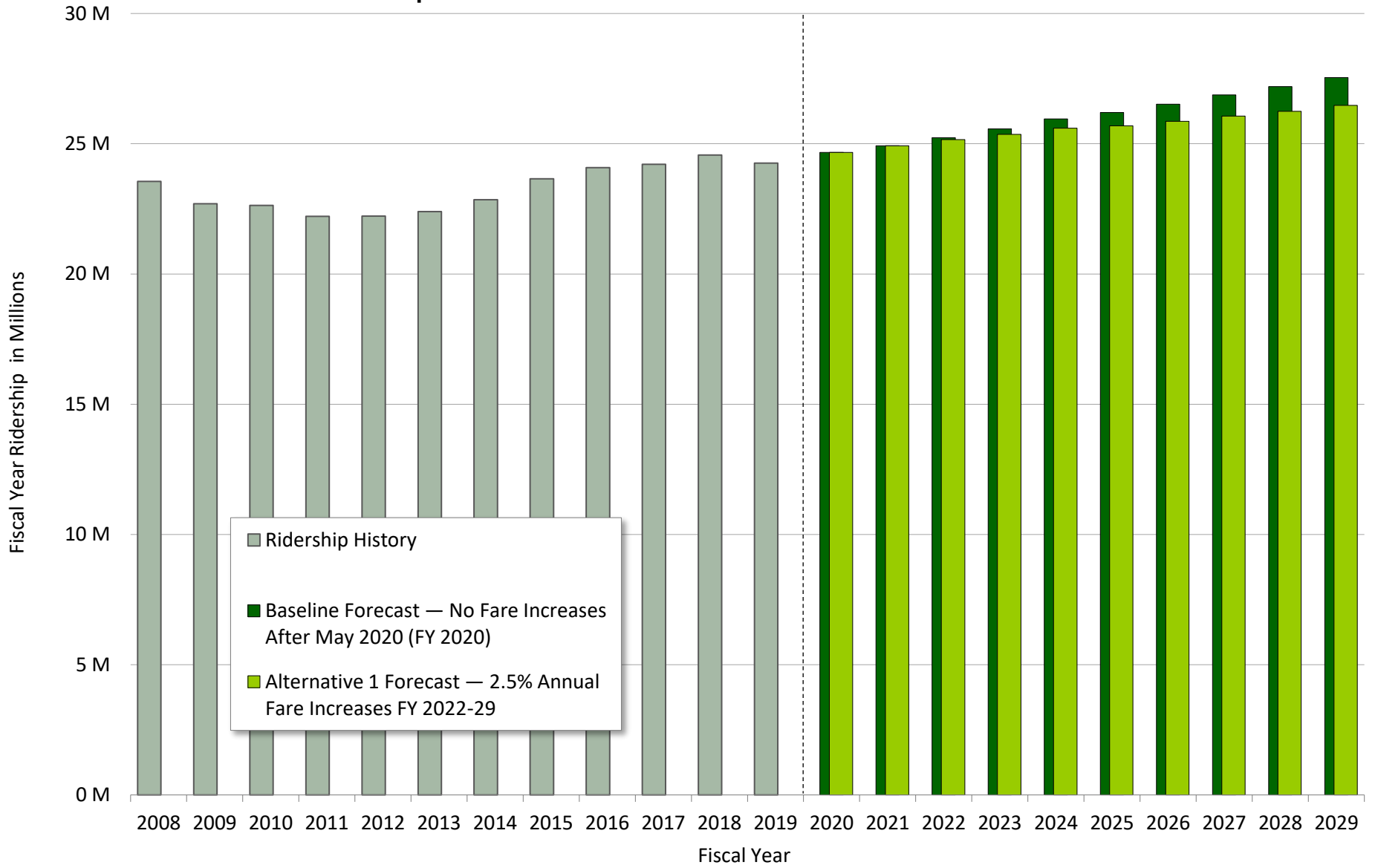
¹ The Baseline & Alt 1 Forecasts includes two FY 2020 fare increases of 2.0% for passengers and 2.5% for vehicles on October 1, 2019 and again on May 1, 2020. The May 1 increase also includes doubling the existing \$0.25 surcharge per fare sold and collected for capital uses to a total of \$0.50. The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

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

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

Washington State Ferries — Ridership History and Forecast Trends

September 2019 Forecast – Fiscal Years 2008-2029



Enhanced Drivers Licenses & Identical Cards Alternative Forecast September 2019

Prepared by

Washington State Department of Licensing

Comparison of Alternative Enhanced Drivers License Revenue September 2019 Forecast to the Baseline November 2018 Forecast

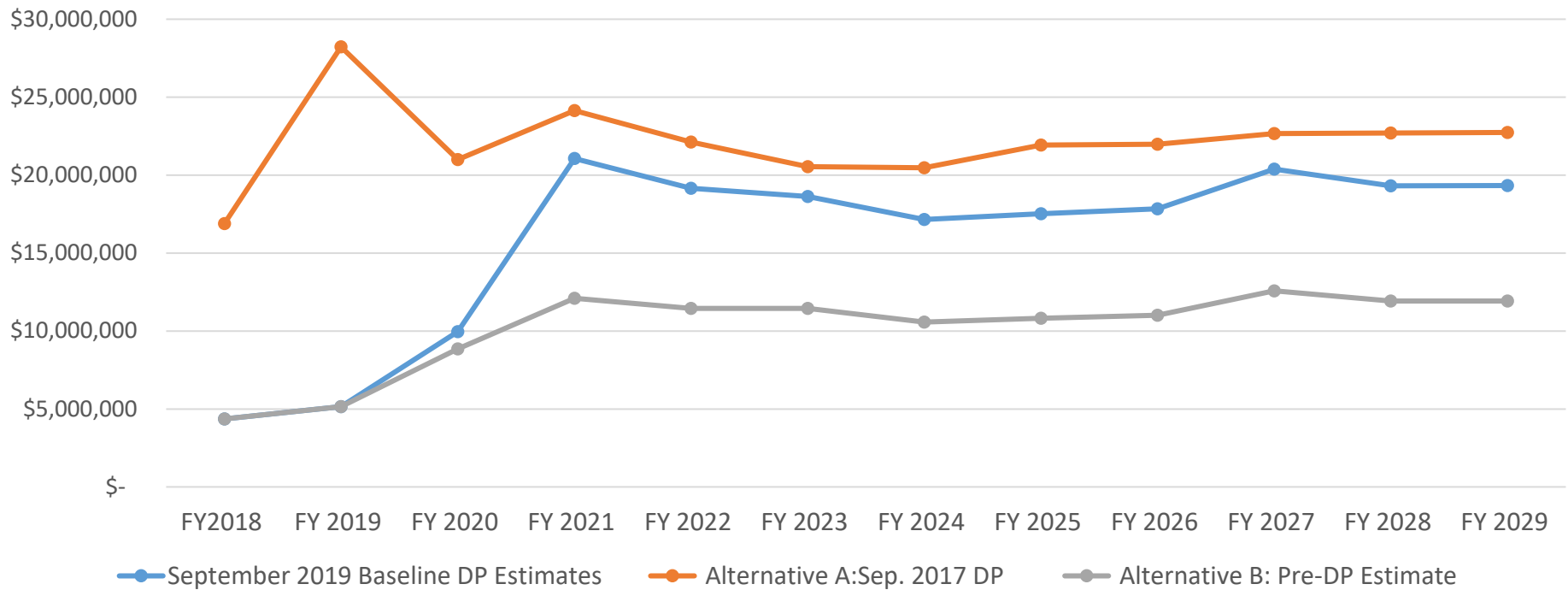
	<u>FY2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>
September 2019 Baseline DP Estimates	\$ 4,361,952	\$ 5,154,322	\$ 9,967,000	\$ 21,062,000	\$ 19,147,000	\$ 18,634,000	\$ 17,152,000	\$ 17,525,000	\$ 17,846,000	\$ 20,391,000	\$ 19,318,000	\$ 19,335,000
Alternative A: Sep. 2017 DP	\$ 16,896,000	\$ 28,227,000	\$ 20,999,000	\$ 24,148,000	\$ 22,128,000	\$ 20,540,000	\$ 20,473,000	\$ 21,929,000	\$ 21,978,000	\$ 22,668,000	\$ 22,696,000	\$ 22,737,000
\$ Difference from Baseline	\$ 12,534,048	\$ 23,072,678	\$ 11,032,000	\$ 3,086,000	\$ 2,981,000	\$ 1,906,000	\$ 3,321,000	\$ 4,404,000	\$ 4,132,000	\$ 2,277,000	\$ 3,378,000	\$ 3,402,000
% Change from the Baseline	287%	448%	111%	15%	16%	10%	19%	25%	23%	11%	17%	18%
Alternative B: Pre-DP Estimate	\$ 4,361,952	\$ 5,154,322	\$ 8,860,000	\$ 12,108,000	\$ 11,459,000	\$ 11,458,000	\$ 10,581,000	\$ 10,811,000	\$ 11,009,000	\$ 12,579,000	\$ 11,917,000	\$ 11,927,000
Difference from baseline	\$ -	\$ -	\$ (1,107,000)	\$ (8,954,000)	\$ (7,688,000)	\$ (7,176,000)	\$ (6,571,000)	\$ (6,714,000)	\$ (6,837,000)	\$ (7,812,000)	\$ (7,401,000)	\$ (7,408,000)
% Difference from the Baseline	0%	0%	-11%	-43%	-40%	-39%	-38%	-38%	-38%	-38%	-38%	-38%

Sept. 2019 Baseline Estimates: This is essentially the funded DP estimates, with adjustments to FY2020 to reflect year to date actual.

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

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

Enhanced Drivers Licenses - Comparison of Baseline and Alternative Revenue Estimates



Sept. 2019 Baseline Estimates: This is essentially the funded DP estimates, with adjustments to FY2020 to reflect year to date actual.

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

Alternative B: Pre-DP Estimates is based primarily on actual observations to date with known policy changes incorporated in a relatively