

# Transportation Revenue Forecast Council

## September 2020 Transportation Economic and Revenue Forecasts

Volume III: Alternative Detailed Forecast Tables

Transportation Revenue  
Forecast Council  
Alternative Forecasts  
September 2020

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**\* Please see Sept. 2020 Alternative TRFC Publication Vol. III.xls for supplementary excel data tables**

## **Initiative I-976**

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

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

September 23, 2020 Adoption Meeting

## I-976 FISCAL IMPACT SUMMARY

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

### I-976 State Impacts

#### *Revenue Sources Impacted*

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

The effective date of the initiative is December 5, 2019

#### *State Transportation Accounts Impacted*

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

# State Impact of Removing I-976 Reductions

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

*Partial Yr*

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Commercial Trailers paying \$34 Registration Fee to \$30	\$ 3.23	\$ 3.25	\$ 3.32	\$ 3.39	\$ 3.46	\$ 3.51	\$ 3.58	\$ 3.62	\$ 3.66	\$ 3.69
Regular Snowmobile Registration Fees from \$50 to \$30	\$ 1.12	\$ 1.14	\$ 1.14	\$ 1.14	\$ 1.15	\$ 1.15	\$ 1.15	\$ 1.15	\$ 1.15	\$ 1.15
Trucks 10,000 lbs & under: Weight-based Registration Fee	\$ 109.62	\$ 111.15	\$ 112.27	\$ 113.05	\$ 114.18	\$ 115.44	\$ 116.66	\$ 117.59	\$ 118.53	\$ 119.43
Electric/Plug-in Vehicle Renewal Fee (\$100)	\$ 3.68	\$ 4.27	\$ 5.07	\$ 6.30	\$ 8.17	\$ 10.11	\$ 12.12	\$ 14.16	\$ 16.07	\$ 17.88
Additional Electric/Plug-in Renewal Fee (\$50)	\$ 1.84	\$ 2.15	\$ 2.55	\$ 3.17	\$ 4.11	\$ 5.08	\$ 6.09	\$ 7.12	\$ 8.08	\$ 8.99
Passenger Vehicle Weight Fees to \$0	\$ 145.27	\$ 160.86	\$ 162.81	\$ 221.78	\$ 225.11	\$ 228.63	\$ 232.58	\$ 235.93	\$ 239.18	\$ 242.33
Motor Home Weight Fee from \$75 to \$0	\$ 4.73	\$ 4.82	\$ 4.85	\$ 4.86	\$ 4.86	\$ 4.88	\$ 4.89	\$ 4.90	\$ 4.91	\$ 4.93
Motor Vehicle Sales Tax (Elimination 0.3%)	\$ 49.36	\$ 51.77	\$ 53.49	\$ 55.18	\$ 56.83	\$ 58.22	\$ 59.61	\$ 60.86	\$ 62.12	\$ 63.36
<b>Total</b>	<b>\$ 318.84</b>	<b>\$ 339.41</b>	<b>\$ 345.49</b>	<b>\$ 408.87</b>	<b>\$ 417.86</b>	<b>\$ 427.03</b>	<b>\$ 436.68</b>	<b>\$ 445.33</b>	<b>\$ 453.70</b>	<b>\$ 461.76</b>

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

*Partial Yr*

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Commercial Trailers paying \$34 Registration Fee to \$30	\$ (0.19)	\$ (0.38)	\$ (0.39)	\$ (0.40)	\$ (0.41)	\$ (0.41)	\$ (0.42)	\$ (0.43)	\$ (0.43)	\$ (0.43)
Regular Snowmobile Registration Fees from \$50 to \$30	\$ (0.22)	\$ (0.45)	\$ (0.45)	\$ (0.46)	\$ (0.46)	\$ (0.46)	\$ (0.46)	\$ (0.46)	\$ (0.46)	\$ (0.46)
Trucks 10,000 lbs & under: Weight-based Registration Fee	\$ (34.41)	\$ (69.78)	\$ (70.48)	\$ (70.97)	\$ (71.68)	\$ (72.47)	\$ (73.24)	\$ (73.82)	\$ (74.41)	\$ (74.98)
Electric/Plug-in Vehicle Renewal Fee (\$100)	\$ (1.52)	\$ (2.71)	\$ (3.54)	\$ (4.40)	\$ (5.70)	\$ (7.06)	\$ (8.47)	\$ (9.89)	\$ (11.22)	\$ (12.49)
Additional Electric/Plug-in Renewal Fee (\$50)	\$ (1.07)	\$ (2.15)	\$ (2.55)	\$ (3.17)	\$ (4.11)	\$ (5.08)	\$ (6.09)	\$ (7.12)	\$ (8.08)	\$ (8.99)
Passenger Vehicle Weight Fees to \$0	\$ (66.93)	\$ (160.86)	\$ (162.81)	\$ (221.78)	\$ (225.11)	\$ (228.63)	\$ (232.58)	\$ (235.93)	\$ (239.18)	\$ (242.33)
Motor Home Weight Fee from \$75 to \$0	\$ (2.16)	\$ (4.82)	\$ (4.85)	\$ (4.86)	\$ (4.86)	\$ (4.88)	\$ (4.89)	\$ (4.90)	\$ (4.91)	\$ (4.93)
Motor Vehicle Sales Tax (Elimination 0.3%)	\$ (22.31)	\$ (51.77)	\$ (53.49)	\$ (55.18)	\$ (56.83)	\$ (58.22)	\$ (59.61)	\$ (60.86)	\$ (62.12)	\$ (63.36)
<b>Total</b>	<b>\$ (128.82)</b>	<b>\$ (292.92)</b>	<b>\$ (298.56)</b>	<b>\$ (361.22)</b>	<b>\$ (369.16)</b>	<b>\$ (377.22)</b>	<b>\$ (385.75)</b>	<b>\$ (393.41)</b>	<b>\$ (400.82)</b>	<b>\$ (407.96)</b>

## State Impact of Removing I-976 Reductions

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

*Partial Yr*

Impacted Accounts	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Snowmobile Account (01M)	\$ (0.22)	\$ (0.44)	\$ (0.44)	\$ (0.44)	\$ (0.44)	\$ (0.45)	\$ (0.45)	\$ (0.45)	\$ (0.45)	\$ (0.45)
WSP Highway Account (081)	\$ (7.74)	\$ (15.69)	\$ (15.85)	\$ (15.96)	\$ (16.12)	\$ (16.30)	\$ (16.47)	\$ (16.60)	\$ (16.73)	\$ (16.86)
Transportation Partnership Account (09H)	\$ (3.99)	\$ (8.09)	\$ (8.17)	\$ (8.23)	\$ (8.31)	\$ (8.41)	\$ (8.49)	\$ (8.56)	\$ (8.63)	\$ (8.70)
Rural Arterial Trust Account (102)	\$ (0.23)	\$ (0.41)	\$ (0.53)	\$ (0.66)	\$ (0.86)	\$ (1.06)	\$ (1.27)	\$ (1.48)	\$ (1.68)	\$ (1.87)
Motor Vehicle Account (108)	\$ (22.73)	\$ (45.80)	\$ (47.20)	\$ (48.72)	\$ (51.00)	\$ (53.40)	\$ (55.86)	\$ (58.23)	\$ (60.48)	\$ (62.61)
Puget Sound Ferry Operations (109)	\$ (0.48)	\$ (0.96)	\$ (0.97)	\$ (0.98)	\$ (0.99)	\$ (1.00)	\$ (1.01)	\$ (1.02)	\$ (1.03)	\$ (1.04)
Transportation Improvement Account (144)	\$ (0.23)	\$ (0.41)	\$ (0.53)	\$ (0.66)	\$ (0.86)	\$ (1.06)	\$ (1.27)	\$ (1.48)	\$ (1.68)	\$ (1.87)
Multimodal Account (218)	\$ (91.40)	\$ (217.45)	\$ (221.15)	\$ (281.82)	\$ (286.80)	\$ (291.74)	\$ (297.08)	\$ (301.69)	\$ (306.21)	\$ (310.61)
Nickel Account (550)	\$ (1.81)	\$ (3.67)	\$ (3.71)	\$ (3.74)	\$ (3.78)	\$ (3.82)	\$ (3.86)	\$ (3.89)	\$ (3.92)	\$ (3.95)
<b>Total</b>	\$ (128.82)	\$ (292.92)	\$ (298.56)	\$ (361.22)	\$ (369.16)	\$ (377.22)	\$ (385.75)	\$ (393.41)	\$ (400.82)	\$ (407.96)
Capron (San Juan and Island counties)	\$ (1.15)	\$ (2.37)	\$ (2.40)	\$ (2.51)	\$ (2.53)	\$ (2.55)	\$ (2.58)	\$ (2.60)	\$ (2.63)	\$ (2.65)

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

Impacted Accounts	2019-21	2021-23	2023-25	2025-27	2027-29	10-Year Total
Snowmobile Account (01M)	\$ (0.66)	\$ (0.88)	\$ (0.89)	\$ (0.89)	\$ (0.89)	\$ (4.22)
WSP Highway Account (081)	\$ (23.42)	\$ (31.81)	\$ (32.42)	\$ (33.07)	\$ (33.60)	\$ (154.31)
Transportation Partnership Account (09H)	\$ (12.08)	\$ (16.40)	\$ (16.72)	\$ (17.06)	\$ (17.33)	\$ (79.59)
Rural Arterial Trust Account (102)	\$ (0.64)	\$ (1.19)	\$ (1.91)	\$ (2.75)	\$ (3.56)	\$ (10.05)
Motor Vehicle Account (108)	\$ (68.53)	\$ (95.93)	\$ (104.40)	\$ (114.08)	\$ (123.09)	\$ (506.02)
Puget Sound Ferry Operations (109)	\$ (1.44)	\$ (1.96)	\$ (1.99)	\$ (2.03)	\$ (2.07)	\$ (9.49)
Transportation Improvement Account (144)	\$ (0.64)	\$ (1.19)	\$ (1.91)	\$ (2.75)	\$ (3.56)	\$ (10.05)
Multimodal Account (218)	\$ (308.85)	\$ (502.98)	\$ (578.54)	\$ (598.77)	\$ (616.83)	\$ (2,605.96)
Nickel Account (550)	\$ (5.49)	\$ (7.45)	\$ (7.59)	\$ (7.75)	\$ (7.87)	\$ (36.14)
<b>Total</b>	\$ (421.74)	\$ (659.78)	\$ (746.38)	\$ (779.16)	\$ (808.78)	\$ (3,415.84)
Capron (San Juan and Island counties)	\$ (3.53)	\$ (4.90)	\$ (5.08)	\$ (5.18)	\$ (5.28)	\$ (23.97)

# Comparison of September 2020 Impact of I-976 With Prior Forecasts

Impacts in Millions of \$

Impacts in Millions of \$												
	2019-21		2021-23		2023-25		2025-27		2027-29		10-Year Total	
State Revenue Source	Sept 20 fct	June 20 fct	Sept 20 fct	June 20 fct	Sept 20 fct	June 20 fct	Sept 20 fct	June 20 fct	Sept 20 fct	June 20 fct	Sept 20 fct	June 20 fct
Passenger & Other Vehicle Weight Fees	\$ (227.8)	(246.9)	\$ (384.6)	(390.7)	\$ (453.7)	(460.9)	\$ (468.5)	(474.7)	\$ (481.5)	(487.9)	\$ (2,016.1)	(2,061.1)
Combined License Fees for Light Duty Trucks	(104.2)	(103.9)	(141.5)	(141.1)	(144.2)	(143.8)	(147.1)	(146.7)	(149.4)	(149.0)	(686.2)	(684.5)
Sales and Use Tax on New Vehicles	(74.1)	(65.3)	(108.7)	(103.7)	(115.1)	(111.2)	(120.5)	(116.3)	(125.5)	(121.0)	(543.7)	(517.4)
Electric Vehicle Fees	(7.5)	(7.4)	(13.7)	(14.2)	(21.9)	(22.8)	(31.6)	(32.5)	(40.8)	(40.9)	(115.4)	(117.8)
Motor Home Vehicle Weight Fee	(7.0)	(7.0)	(9.7)	(9.7)	(9.7)	(9.7)	(9.8)	(9.8)	(9.8)	(9.8)	(46.1)	(46.1)
Snowmobile Registration Fee	(0.7)	(0.7)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(4.3)	(4.3)
Commercial Trailers Registration Fee	(0.6)	(0.6)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.9)	(0.9)	(3.9)	(3.9)
<b>Total State Revenue Impacts</b>	<b>\$ (421.7)</b>	<b>\$ (431.8)</b>	<b>\$ (659.8)</b>	<b>\$ (661.1)</b>	<b>\$ (746.4)</b>	<b>\$ (750.2)</b>	<b>\$ (779.2)</b>	<b>\$ (781.7)</b>	<b>\$ (808.8)</b>	<b>\$ (810.4)</b>	<b>\$ (3,415.8)</b>	<b>(3,435.2)</b>

Impacts in Millions of \$												
	2019-21		2021-23		2023-25		2025-27		2027-29		10-Year Total	
State Revenue Source	Sept 20 fct	Feb 20 fct	Sept 20 fct	Feb 20 fct	Sept 20 fct	Feb 20 fct	Sept 20 fct	Feb 20 fct	Sept 20 fct	Feb 20 fct	Sept 20 fct	Feb 20 fct
Passenger & Other Vehicle Weight Fees	\$ (227.8)	\$ (250.0)	\$ (384.6)	(400.8)	\$ (453.7)	(473.2)	\$ (468.5)	(487.6)	\$ (481.5)	(501.1)	\$ (2,016.1)	(2,112.7)
Combined License Fees for Light Duty Trucks	(104.2)	(104.9)	(141.5)	(141.1)	(144.2)	(141.9)	(147.1)	(143.4)	(149.4)	(145.6)	(686.2)	(677.0)
Sales and Use Tax on New Vehicles	(74.1)	(80.4)	(108.7)	(112.9)	(115.1)	(117.9)	(120.5)	(122.7)	(125.5)	(127.4)	(543.7)	(561.3)
Electric Vehicle Fees	(7.5)	(8.9)	(13.7)	(17.3)	(21.9)	(25.1)	(31.6)	(33.5)	(40.8)	(41.3)	(115.4)	(126.1)
Motor Home Vehicle Weight Fee	(7.0)	(7.5)	(9.7)	(10.2)	(9.7)	(10.2)	(9.8)	(10.2)	(9.8)	(10.3)	(46.1)	(48.3)
Snowmobile Registration Fee	(0.7)	(0.7)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(4.3)	(4.4)
Commercial Trailers Registration Fee	(0.6)	(0.6)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.9)	(0.9)	(3.9)	(3.9)
<b>Total State Revenue Impacts</b>	<b>\$ (421.7)</b>	<b>\$ (453.0)</b>	<b>\$ (659.8)</b>	<b>\$ (684.0)</b>	<b>\$ (746.4)</b>	<b>\$ (770.2)</b>	<b>\$ (779.2)</b>	<b>\$ (799.2)</b>	<b>\$ (808.8)</b>	<b>\$ (827.5)</b>	<b>\$ (3,415.8)</b>	<b>(3,533.8)</b>

Change In Impacts From Prior Forecasts												
	2019-21		2021-23		2023-25		2025-27		2027-29		10-Year Total	
State Revenue Source	Chg from June	Chg from Feb	Chg from June	Chg from Feb	Chg from June	Chg from Feb	Chg from June	Chg from Feb	Chg from June	Chg from Feb	Chg from June	Chg from Feb
Passenger & Other Vehicle Weight Fees	\$ 19.1	22.3	\$ 6.1	16.2	\$ 7.1	19.5	\$ 6.2	19.1	\$ 6.4	19.6	\$ 45.0	96.6
Combined License Fees for Light Duty Trucks	\$ (0.3)	0.7	\$ (0.3)	(0.4)	\$ (0.4)	(2.2)	\$ (0.4)	(3.6)	\$ (0.4)	(3.8)	\$ (1.7)	(9.3)
Sales and Use Tax on New Vehicles	\$ (8.8)	6.3	\$ (5.0)	4.2	\$ (3.8)	2.9	\$ (4.2)	2.2	\$ (4.5)	1.9	\$ (26.3)	17.6
Electric Vehicle Fees	\$ (0.0)	1.4	\$ 0.6	3.7	\$ 0.9	3.2	\$ 0.9	1.9	\$ 0.1	0.5	\$ 2.4	10.7
Motor Home Vehicle Weight Fee	\$ 0.1	0.5	\$ (0.0)	0.4	\$ (0.0)	0.4	\$ (0.0)	0.4	\$ (0.0)	0.4	\$ (0.0)	2.3
Snowmobile Registration Fee	\$ 0.0	0.0	\$ 0.0	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ 0.0	0.1
Commercial Trailers Registration Fee	\$ 0.0	0.0	\$ 0.0	0.0	\$ (0.0)	0.0	\$ (0.0)	(0.0)	\$ (0.0)	(0.0)	\$ (0.0)	0.0
<b>Total State Revenue Impacts</b>	<b>\$ 10.1</b>	<b>31.3</b>	<b>\$ 1.3</b>	<b>24.2</b>	<b>\$ 3.8</b>	<b>23.8</b>	<b>\$ 2.5</b>	<b>20.0</b>	<b>\$ 1.6</b>	<b>18.7</b>	<b>\$ 19.3</b>	<b>117.9</b>

## **I-976 Local Impacts**

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

### *Revenue Sources Impacted*

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



# **REVENUE AND RIDERSHIP PROJECTIONS**

## **SEPTEMBER 2020 FORECAST**

### **FISCAL YEARS 2021-2029**

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

Prepared by  
WSP USA

September 22, 2020

Note: The COVID-19 pandemic has materially disrupted normal ferry ridership patterns, and the duration and magnitude of the pandemic's temporary near-term effects or its more permanent impacts on the economy and ferry ridership remain unknown. As such, the September 2020 Forecast projections, as well as the assumptions upon which they are based at the time of preparation, are subject to an unprecedented level of risk and uncertainty, which may cause actual results to vary considerably from projections.

# Washington State Ferries

## September 2019 Revenue and Ridership Forecasts — Fiscal Years 2021-2029

### SEPTEMBER 2020 FORECAST NOTES

The fare revenue and ridership projections for Washington State Ferries (WSF) are prepared using a combination of systemwide econometric, time series, and spreadsheet models to forecast monthly ridership and revenue across 10 routes and seven fare categories 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.

In August 2019, the Washington State Transportation Commission adopted fares for FY 2020 that included 2.0% increases for passengers and 2.5% increases for vehicles on both October 1, 2019 and May 1, 2020. At the direction of the Legislature, a \$0.25 increase to the current capital surcharge was also adopted, effective May 1, 2020, for a total surcharge of \$0.50 per fare sold.

Beginning in early March, the effects of the COVID-19 pandemic have been severely impacting ferry travel, with April 2020 ridership 73% lower than 2019. While ridership has been generally recovering since then, August 2020 levels were still 46% lower than 2019. For the September Forecast, the pandemic is assumed to continue dampening ridership through 2021, transitioning to a “new normal” by January 2022.

Since 2000, passenger and vehicle/driver frequent user discounted fare ridership has been declining in both absolute volumes and in their shares of total passengers and vehicles, respectively. Contributing factors include an aging population in ferry-served communities, telecommuting, and changes in the frequent user multi-ride fare media, reducing their severability for sharing. As with June, the September Forecast layers on 15% and 10% reductions in longer-term passenger and vehicle commuter ridership, respectively, to account for increased telecommuting going forward.

In addition, the entire system is assumed to continue running on the winter baseline season schedule (reduced service hours) through late March 2021, with the Anacortes-Sidney, B.C. route assumed to remain out of service until Spring 2021. The Fauntleroy-Vashon-Southworth and Seattle-Bremerton routes are expected to operate with one fewer vessel than normal through the end of September. A one vessel service reduction on the Seattle-Bainbridge route was restored in August 2020.

These forecast assumptions are reflected in the Baseline and Alternative 1 Forecasts.

- **Baseline Forecast** – Assumes no further fare increases beyond that which occurred 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).

The FY 2021 projections include actual ridership and revenue through August 2020.

### Ridership Impacts

- The September 2020 Forecast incorporates the latest demographic and economic variable projections plus a COVID-19 indicator variable.
- The real personal income forecast was revised notably upward for FY 2021, a bit higher for FY 2022-23, and down slightly thereafter. This contributes to higher near-term ridership demand, reversing to slightly lower demand after FY 2023.
- The various employment forecasts have been revised materially higher in FYs 2021-22, resulting in higher near-term ridership demand. Longer term employment projections are lower, except for in the transportation, trade and utilities sector, which remains higher, continuing upward demand for a portion of vehicle ridership.
- Upwardly revised inflation projections result in progressively lower real fares over time, also contributing to higher ridership demand over the forecast horizon.
- Real gasoline prices have been revised higher for the rest of this calendar year and are mostly lower thereafter. This dampens vehicle/driver ridership demand in FY 2021 and encourages more vehicular travel thereafter.
- A COVID-19 pandemic indicator variable applied in the econometric models during 2020 captures ridership decreases not attributed to the above variables.
- Total reported ridership levels for the months of June, July and August were 12%, 8% and 15% lower, respectively, than predicted in June. By fare type, passenger fares were 26%, 25% and 29% below forecasts, while vehicle/driver fares were 2%, 15% and 7% above forecasts for June, July and August, respectively.

### Fare and Surcharge Revenue Impacts

- Actual revenue for June, July and August 2020 was 1.1%, 6.4% and 0.0% higher, respectively, than forecasted in June. This results from under-forecasting higher fare vehicle ridership even with overall ridership falling below forecast.
- For the 2019-21 biennium, projected fare revenues for both the Baseline and Alternative 1 Forecasts total \$321.6 M, or \$1.8 M (0.6%) lower than projected in June due to the pandemic’s effects. This total comprises \$312.1 M in base fare revenue and \$9.4 M in surcharges.
- The Baseline Forecast revenue projection for the 2021-23 biennium is \$410.9 M, which is \$0.6 M (0.1%) lower than projected in June, with \$395.1 M in base fare revenue and \$15.8 M in surcharges.
- The Alternative 1 Forecast revenue projection for the 2021-23 is \$420.2 M, which is \$0.5 M (0.1%) lower than projected in June, with \$404.5 M in base fare revenue and \$15.7 M in surcharge revenue.
- For the rest of the forecast horizon, both forecast scenarios range from 0.1% higher to 0.4% lower than in June.

# Washington State Ferries

## REVENUE PROJECTIONS | SEPTEMBER 2020 BASELINE FORECAST

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

Fiscal Years 2021-2029

Fiscal Year	September 2020 Capacity-Constrained Revenue Forecast	Fiscal Year Annual Rate of Change	September Biennium Total	September vs. June Forecast			June 2020 Baseline	
				% Change by Fiscal Year	\$ Change and % Change by Biennium		Capacity-Constrained Revenue Forecast	Biennium Total
2010	\$147,009,545	1.7%						
2011	\$143,547,850	(2.4%)	\$290,557,395					
2012	\$155,085,373	8.0%						
2013	\$162,047,033	4.5%	\$317,132,406					
2014	\$167,441,867	3.3%						
2015	\$175,965,750	5.1%	\$343,407,617					
2016	\$181,444,863	3.1%						
2017	\$186,973,746	3.0%	\$368,418,609					
2018	\$192,827,951	3.1%						
2019	\$195,268,522	1.3%	\$388,096,473					
2020	\$166,825,103	(14.6%)		0.1%			\$166,689,000	
2021 <sup>2</sup>	\$154,806,000	(7.2%)	\$321,631,103	(1.3%)	(\$1,842,897)	(0.6%)	\$156,785,000	\$323,474,000
2022	\$200,374,000	29.4%		(1.2%)			\$202,822,000	
2023	\$210,545,000	5.1%	\$410,919,000	0.9%	(\$617,000)	(0.1%)	\$208,714,000	\$411,536,000
2024	\$211,905,000	0.6%		(0.1%)			\$212,072,000	
2025	\$214,253,000	1.1%	\$426,158,000	(0.1%)	(\$427,000)	(0.1%)	\$214,513,000	\$426,585,000
2026	\$216,162,000	0.9%		(0.1%)			\$216,337,000	
2027	\$217,877,000	0.8%	\$434,039,000	(0.2%)	(\$698,000)	(0.2%)	\$218,400,000	\$434,737,000
2028	\$219,656,000	0.8%		(0.3%)			\$220,385,000	
2029	\$221,551,000	0.9%	\$441,207,000	(0.4%)	(\$1,657,000)	(0.4%)	\$222,479,000	\$442,864,000

<sup>1</sup> 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, including service reductions associated with the COVID-19 pandemic.

<sup>2</sup> FY 2021 includes actual revenue data through August 2020. Light green shaded values denote historical annual data.

# Washington State Ferries

## REVENUE PROJECTIONS | SEPTEMBER 2020 BASELINE FORECAST

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

Fiscal Years 2021-2029

Fiscal Year	September 2020		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	\$195,268,522	\$388,096,473	\$3,987,656		\$3,987,656	\$8,072,237	\$191,280,866	\$380,024,236
2020	\$166,825,103		\$3,304,000	\$378,000	\$3,682,000		\$163,143,103	
2021 <sup>2</sup>	\$154,806,000	\$321,631,103	\$2,878,000	\$2,878,000	\$5,756,000	\$9,438,000	\$149,050,000	\$312,193,103
2022	\$200,374,000		\$3,849,000	\$3,849,000	\$7,698,000		\$192,676,000	
2023	\$210,545,000	\$410,919,000	\$4,059,000	\$4,058,000	\$8,117,000	\$15,815,000	\$202,428,000	\$395,104,000
2024	\$211,905,000		\$4,077,000	\$4,076,000	\$8,153,000		\$203,752,000	
2025	\$214,253,000	\$426,158,000	\$4,124,000	\$4,124,000	\$8,248,000	\$16,401,000	\$206,005,000	\$409,757,000
2026	\$216,162,000		\$4,165,000	\$4,164,000	\$8,329,000		\$207,833,000	
2027	\$217,877,000	\$434,039,000	\$4,206,000	\$4,206,000	\$8,412,000	\$16,741,000	\$209,465,000	\$417,298,000
2028	\$219,656,000		\$4,251,000	\$4,251,000	\$8,502,000		\$211,154,000	
2029	\$221,551,000	\$441,207,000	\$4,297,000	\$4,297,000	\$8,594,000	\$17,096,000	\$212,957,000	\$424,111,000

<sup>1</sup> 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, including service reductions associated with the COVID-19 pandemic.

<sup>2</sup> FY 2021 includes actual revenue data through August 2020. Light green shaded values denote historical annual data.

# Washington State Ferries

## REVENUE PROJECTIONS | SEPTEMBER 2020 ALTERNATIVE 1 FORECAST

Fare Increases on 10/1/2019 & 5/1/2020 | \$0.25 Surcharge Increase on 5/1/2020<sup>1</sup> | 2.5% Fare Increases FYs 2022-29  
Fiscal Years 2021-2029

Fiscal Year	September 2020 Capacity-Constrained Revenue Forecast	Fiscal Year Annual Rate of Change	September Biennium Total	September vs. June Forecast			June 2020 Alternative 1	
				% Change by Fiscal Year	\$ Change and % Change by Biennium		Capacity-Constrained Revenue Forecast	Biennium Total
2010	\$147,009,545	1.7%						
2011	\$143,547,850	(2.4%)	\$290,557,395					
2012	\$155,085,373	8.0%						
2013	\$162,047,033	4.5%	\$317,132,406					
2014	\$167,441,867	3.3%						
2015	\$175,965,750	5.1%	\$343,407,617					
2016	\$181,444,863	3.1%						
2017	\$186,973,746	3.0%	\$368,418,609					
2018	\$192,827,951	3.1%						
2019	\$195,268,522	1.3%	\$388,096,473					
2020	\$166,825,103	(14.6%)		0.1%			\$166,689,000	
2021 <sup>2</sup>	\$154,806,000	(7.2%)	\$321,631,103	(1.3%)	(\$1,842,897)	(0.6%)	\$156,785,000	\$323,474,000
2022	\$203,066,000	31.2%		(1.2%)			\$205,538,000	
2023	\$217,174,000	6.9%	\$420,240,000	0.9%	(\$534,000)	(0.1%)	\$215,236,000	\$420,774,000
2024	\$222,730,000	2.6%		0.0%			\$222,642,000	
2025	\$229,853,000	3.2%	\$452,583,000	0.1%	\$415,000	0.1%	\$229,526,000	\$452,168,000
2026	\$236,560,000	2.9%		0.2%			\$236,157,000	
2027	\$243,240,000	2.8%	\$479,800,000	0.0%	\$510,000	0.1%	\$243,133,000	\$479,290,000
2028	\$250,075,000	2.8%		(0.0%)			\$250,111,000	
2029	\$257,074,000	2.8%	\$507,149,000	(0.1%)	(\$365,000)	(0.1%)	\$257,403,000	\$507,514,000

<sup>1</sup> 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.

<sup>2</sup> FY 2021 includes actual revenue data through August 2020. Light green shaded values denote historical annual data.

# Washington State Ferries

## REVENUE PROJECTIONS | SEPTEMBER 2020 ALTERNATIVE 1 FORECAST

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

Fiscal Years 2021-2029

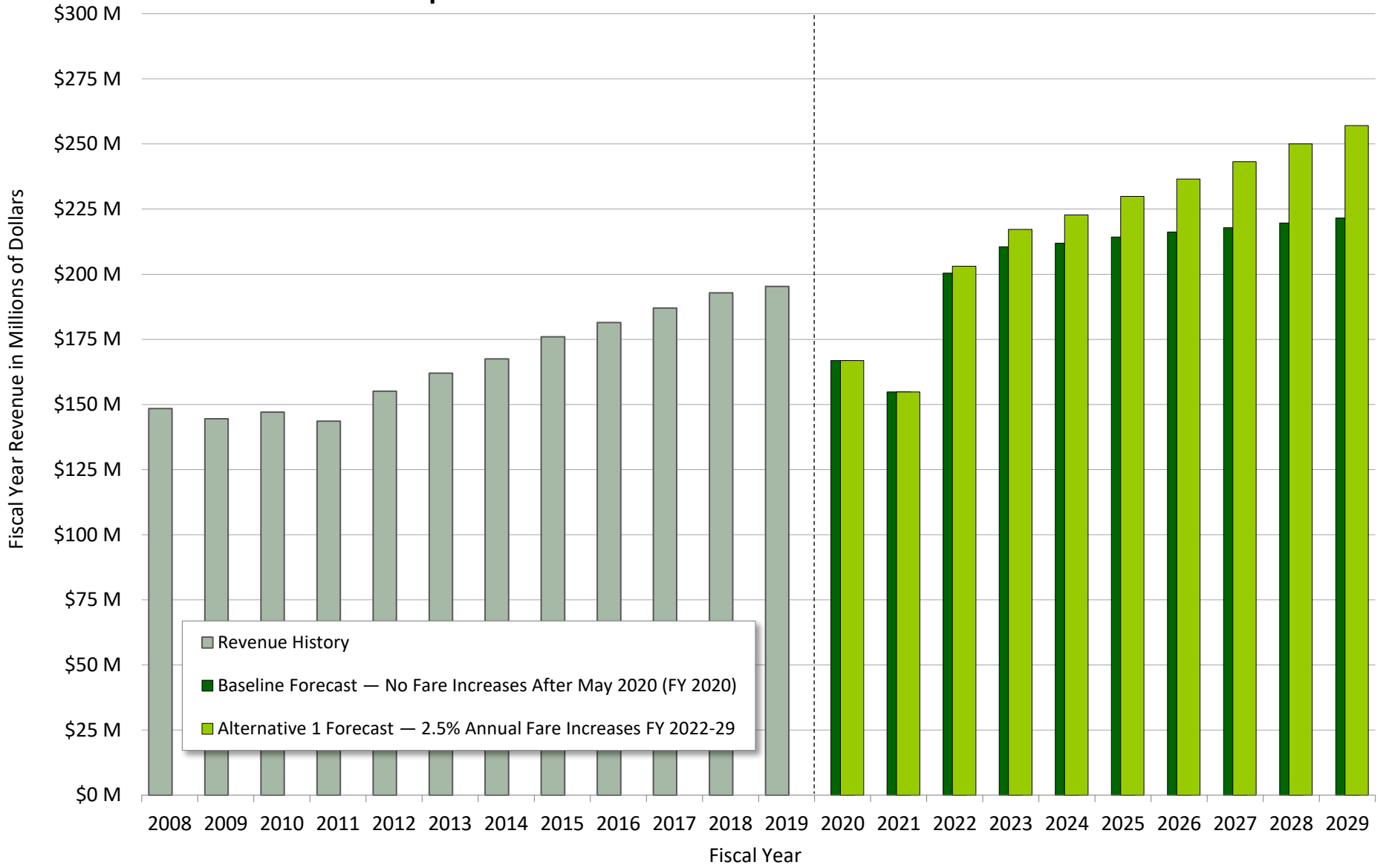
Fiscal Year	September 2020 Capacity-Constrained Revenue Forecast	September Biennium Total	Distribution of Revenue to Operating and Capital Programs					
			25¢ Capital Surcharge Revenue	25¢ Vessel Surcharge Revenue	Total Surcharge Revenue	Biennium Totals for Capital	Base Fare Revenue for Operations	Biennium Totals for Operations
2010	\$147,009,545						\$147,009,545	
2011	\$143,547,850	\$290,557,395					\$143,547,850	\$290,557,395
2012	\$155,085,373		\$2,544,970		\$2,544,970		\$152,540,403	
2013	\$162,047,033	\$317,132,406	\$3,626,191		\$3,626,191	\$6,171,161	\$158,420,842	\$310,961,245
2014	\$167,441,867		\$3,662,690		\$3,662,690		\$163,779,177	
2015	\$175,965,750	\$343,407,617	\$3,894,088		\$3,894,088	\$7,556,778	\$172,071,662	\$335,850,839
2016	\$181,444,863		\$4,007,848		\$4,007,848		\$177,437,015	
2017	\$186,973,746	\$368,418,609	\$4,022,681		\$4,022,681	\$8,030,529	\$182,951,065	\$360,388,080
2018	\$192,827,951		\$4,084,581		\$4,084,581		\$188,743,370	
2019	\$195,268,522	\$388,096,473	\$3,987,656		\$3,987,656	\$8,072,237	\$191,280,866	\$380,024,236
2020	\$166,825,103		\$3,304,000	\$378,000	\$3,682,000		\$163,143,103	
2021 <sup>2</sup>	\$154,806,000	\$321,631,103	\$2,878,000	\$2,878,000	\$5,756,000	\$9,438,000	\$149,050,000	\$312,193,103
2022	\$203,066,000		\$3,838,000	\$3,838,000	\$7,676,000		\$195,390,000	
2023	\$217,174,000	\$420,240,000	\$4,025,000	\$4,024,000	\$8,049,000	\$15,725,000	\$209,125,000	\$404,515,000
2024	\$222,730,000		\$4,024,000	\$4,023,000	\$8,047,000		\$214,683,000	
2025	\$229,853,000	\$452,583,000	\$4,052,000	\$4,052,000	\$8,104,000	\$16,151,000	\$221,749,000	\$436,432,000
2026	\$236,560,000		\$4,072,000	\$4,071,000	\$8,143,000		\$228,417,000	
2027	\$243,240,000	\$479,800,000	\$4,093,000	\$4,092,000	\$8,185,000	\$16,328,000	\$235,055,000	\$463,472,000
2028	\$250,075,000		\$4,116,000	\$4,116,000	\$8,232,000		\$241,843,000	
2029	\$257,074,000	\$507,149,000	\$4,141,000	\$4,141,000	\$8,282,000	\$16,514,000	\$248,792,000	\$490,635,000

<sup>1</sup> 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.

<sup>2</sup> FY 2021 includes actual revenue data through August 2020. Light green shaded values denote historical annual data.

# Washington State Ferries — Revenue History and Forecast Trends

## September 2020 Forecast – Fiscal Years 2008-2029



# Washington State Ferries

## RIDERSHIP PROJECTIONS | SEPTEMBER 2020 BASELINE FORECAST

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

Fiscal Years 2020-2029

Fiscal Year	September 2020 Unconstrained Demand Forecast*	September 2020 Capacity Constrained Projections				June 2020 Baseline Projections	
		Passenger Ridership	Vehicle/Driver Ridership	Total Ridership	Annual Rate of Change	Total Ridership	September 2020 vs June
2010		12,463,027	10,134,311	22,597,338	0.2%		
2011		12,242,320	9,968,973	22,211,293	(1.7%)		
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		13,699,985	10,555,460	24,255,445	(1.3%)		
2020		10,358,348	9,020,899	19,379,247	(20.1%)	19,538,000	(0.8%)
2021 <sup>2</sup>	16,718,000	8,559,000	8,159,000	16,718,000	(13.7%)	17,659,000	(5.3%)
2022	22,904,000	12,824,000	10,079,000	22,903,000	37.0%	23,063,000	(0.7%)
2023	24,216,000	13,614,000	10,562,000	24,176,000	5.6%	23,817,000	1.5%
2024	24,287,000	13,502,000	10,708,000	24,210,000	0.1%	24,117,000	0.4%
2025	24,635,000	13,663,000	10,831,000	24,494,000	1.2%	24,392,000	0.4%
2026	24,963,000	13,829,000	10,927,000	24,756,000	1.1%	24,638,000	0.5%
2027	25,305,000	14,049,000	10,997,000	25,046,000	1.2%	24,965,000	0.3%
2028	25,680,000	14,302,000	11,062,000	25,364,000	1.3%	25,286,000	0.3%
2029	26,068,000	14,559,000	11,131,000	25,690,000	1.3%	25,616,000	0.3%

<sup>1</sup> 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, including service reductions associated with the COVID-19 pandemic.

<sup>2</sup> FY 2021 includes actual ridership data through August 2020. Light green shaded values denote historical annual data.

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



# Washington State Ferries

## RIDERSHIP PROJECTIONS | SEPTEMBER 2020 ALTERNATIVE 1 FORECAST

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

Fiscal Year	September 2020 Unconstrained Demand Forecast*	September 2020 Capacity Constrained Projections				June 2020 Alt 1 Projections	
		Passenger Ridership	Vehicle/Driver Ridership	Total Ridership	Annual Rate of Change	Total Ridership	September 2020 vs June
2010		12,463,027	10,134,311	22,597,338	0.2%		
2011		12,242,320	9,968,973	22,211,293	(1.7%)		
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		13,699,985	10,555,460	24,255,445	(1.3%)		
2020		10,358,000	9,021,000	19,379,000	(20.1%)	19,538,000	(0.8%)
2021 <sup>2</sup>	16,718,000	8,559,000	8,159,000	16,718,000	(13.7%)	17,659,000	(5.3%)
2022	22,831,000	12,773,000	10,056,000	22,829,000	36.6%	23,003,000	(0.8%)
2023	23,989,000	13,467,000	10,488,000	23,955,000	4.9%	23,615,000	1.4%
2024	23,914,000	13,266,000	10,594,000	23,860,000	(0.4%)	23,775,000	0.4%
2025	24,099,000	13,326,000	10,684,000	24,010,000	0.6%	23,904,000	0.4%
2026	24,253,000	13,378,000	10,744,000	24,122,000	0.5%	24,009,000	0.5%
2027	24,419,000	13,483,000	10,779,000	24,262,000	0.6%	24,189,000	0.3%
2028	24,617,000	13,621,000	10,808,000	24,429,000	0.7%	24,363,000	0.3%
2029	24,829,000	13,763,000	10,842,000	24,605,000	0.7%	24,556,000	0.2%

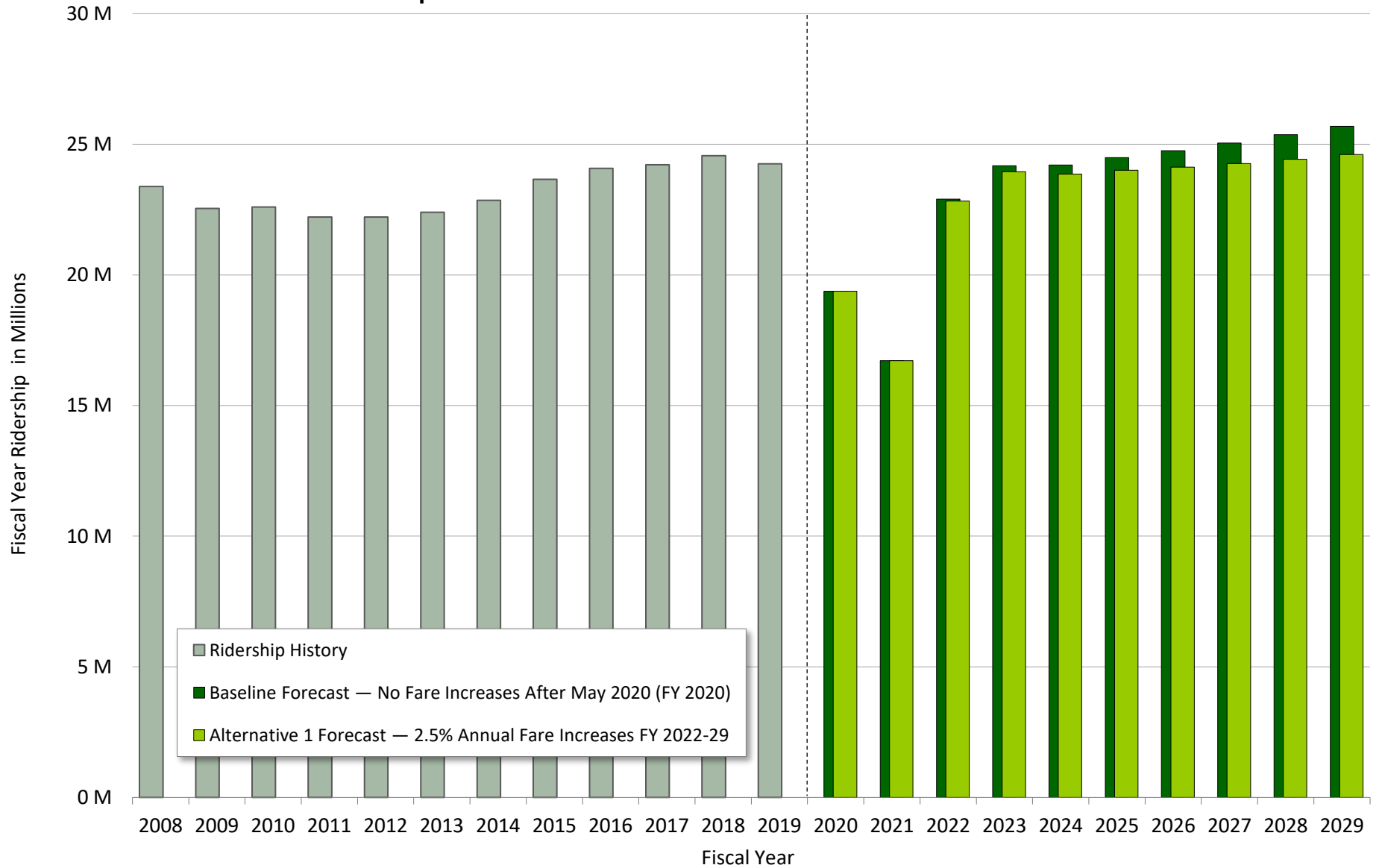
<sup>1</sup> The Alternative 1 Forecast includes two FY 2020 fare increases of 2.0% for passengers and 2.5% for vehicles on October 1, 2019 and again on May 1, 2020. The May 1, 2020 increase also include doubling the existing \$0.25 surcharge per fare sold and collected for capital uses to a total of \$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.

<sup>2</sup> FY 2021 includes actual ridership data through August 2020. Light green shaded values denote historical annual data.

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

# Washington State Ferries — Ridership History and Forecast Trends

## September 2020 Forecast – Fiscal Years 2008-2029



# **Alternative Enhanced Drivers' License Forecast**

## **September 2020**

### Comparison of Alternative EDL/EID Forecasts to the Baseline Forecast

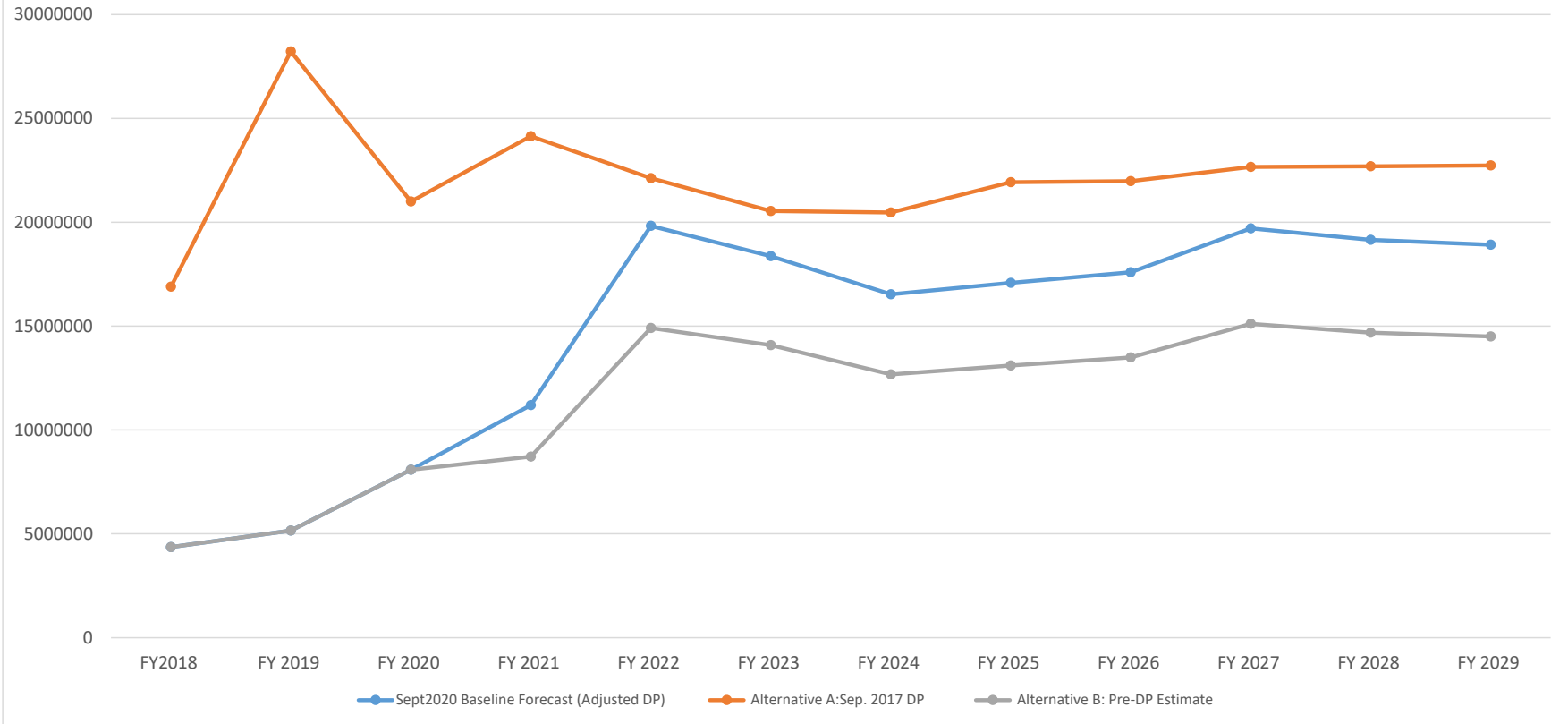
	<u>FY2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>
<b>Sept2020 Baseline Forecast (Adjusted DP)</b>	\$ 4,361,952	\$ 5,154,322	\$ 8,079,454	\$ 11,197,000	\$ 19,823,000	\$ 18,371,000	\$ 16,535,000	\$ 17,088,000	\$ 17,597,000	\$ 19,710,000	\$ 19,157,000	\$ 18,920,000
<b>Alternative A: Sep. 2017 DP</b>	\$ 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
<b>\$ Difference from Baseline</b>	\$ 12,534,048	\$ 23,072,678	\$ 12,919,546	\$ 12,951,000	\$ 2,305,000	\$ 2,169,000	\$ 3,938,000	\$ 4,841,000	\$ 4,381,000	\$ 2,958,000	\$ 3,539,000	\$ 3,817,000
<b>% Change from the Baseline</b>	287%	448%	160%	116%	12%	12%	24%	28%	25%	15%	18%	20%
<b>Alternative B: Pre-DP Estimate</b>	\$ 4,361,952	\$ 5,154,322	\$ 8,079,454	\$ 8,712,000	\$ 14,908,000	\$ 14,084,000	\$ 12,677,000	\$ 13,100,000	\$ 13,491,000	\$ 15,111,000	\$ 14,687,000	\$ 14,505,000
<b>Difference from baseline</b>	\$ -	\$ -	\$ -	\$ (2,485,000)	\$ (4,915,000)	\$ (4,287,000)	\$ (3,858,000)	\$ (3,988,000)	\$ (4,106,000)	\$ (4,599,000)	\$ (4,470,000)	\$ (4,415,000)
<b>% Difference from the Baseline</b>	0%	0%	0%	-22%	-25%	-23%	-23%	-23%	-23%	-23%	-23%	-23%

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

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

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

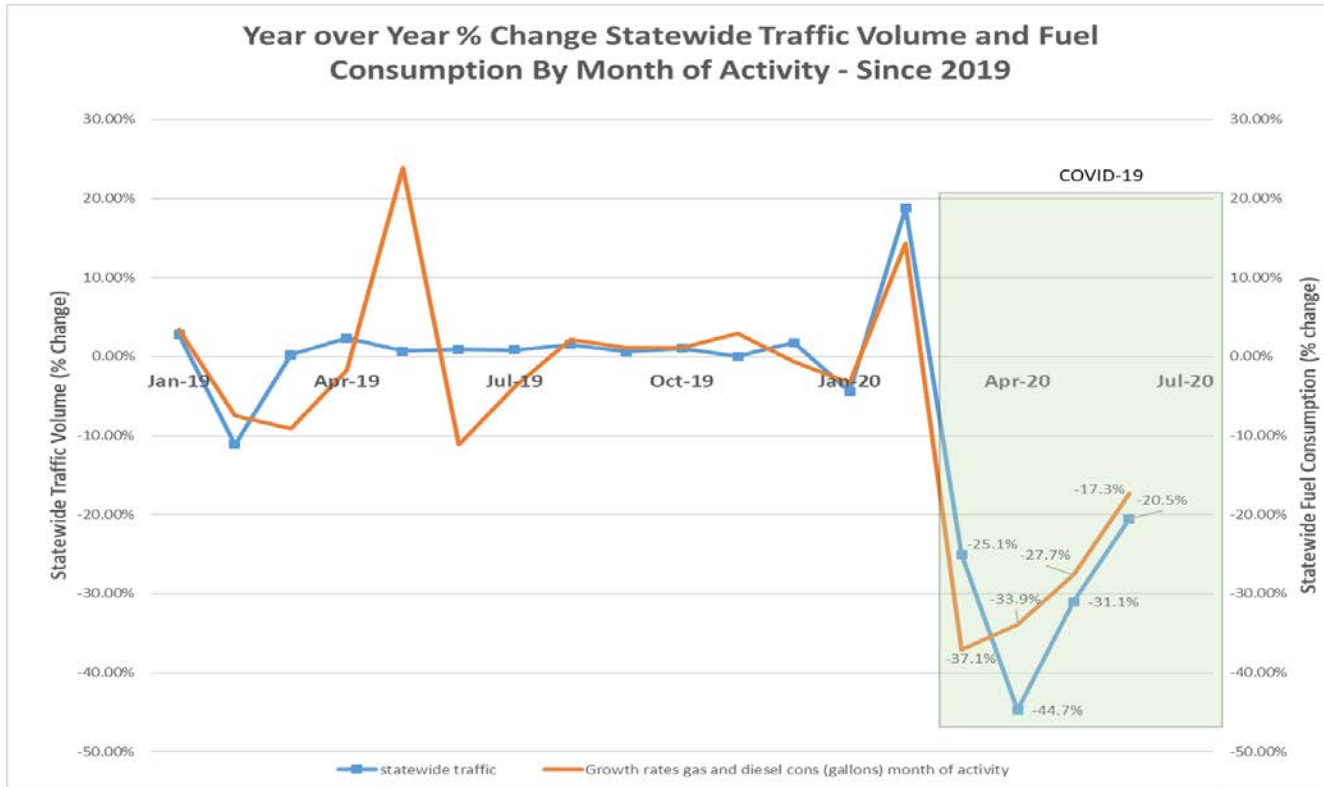
Enhanced Drivers Licenses - Comparison of Baseline and Alternative Revenue Estimates



# **Vehicle Miles Traveled Forecast September 2020**

## WSDOT VEHICLE MILES TRAVELLED (VMT) FORECAST FOR SEPTEMBER 2020

- 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 2019. This year the 2020 VMT forecast also incorporates STCDO monthly statewide estimates of the Vehicle Miles Traveled through August 2020.
- “Actual” Vehicle Miles Travelled for FY 2019 was 62.232 billion, 0.58% higher than 2018 and 0.93% lower than last year’s forecast for FY 2019. For FY 2020, VMT actuals were 56.593 billion, 9.1% decline than in 2019 and 10.6% lower than the last forecast.
- Below is the monthly statewide VMT traffic compared to the fuel consumption based on the month of activity. The impact of the pandemic on traffic began in March 2020 with a reduction of 25% year over year and it fell further to nearly 45% below the April traffic in 2019. Fuel consumption declines were not as pronounced as traffic declines for the same months year over year.



- The current 2020 VMT forecast is lower than the previous forecast for fiscal years 2020 to 2040. This is due primarily to:
  - COVID-19 shutdown impacts from the current pandemic
  - Lower projected employment
  - Lower starting point, with FY 2020 traffic estimate due to incorporating 4 months of lower traffic due to Governor’s “stay home” order coming in well below the previous pre-pandemic 2019 level and the prior forecast
- The September 2020 forecast for VMT has a sharp V-shaped decline in FY 2020 and 2021 and a slow recovery towards the end of FY 2021 and continuing for several years. The statewide traffic level does not get back to the FY 2019 VMT traffic until 2027.
- The sharpest drop in the annual statewide traffic occurs in FY 2021 where the 55.75 billion projection is 12.5% below the last forecast for that year. The decline in VMT projections from the last pre-pandemic forecast slowly declines and by FY 2032, the current projections are 2.1% below the 2019 forecast.
- After FY 2021, the VMT projected annual growth rates start the recovery from the pandemic at 4.1% annual growth in FY 2022 and that annual rate of growth gets gradually smaller over time. By the end of the forecast horizon, the annual growth rate in VMT is 0.3%.

## **STATEWIDE VMT FORECAST METHODOLOGY**

- The annual 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 annual forecast model considers three separate types of impacts on VMT: economic activity, vehicles registered, and gas prices
- Due to the recent pandemic, a new autoregressive moving average (ARIMA) monthly VMT model was developed to estimate some of the short-term declines and recovery period from the continued shut-down impacts within the state economy. The annual VMT model does not accurately capture all the recent traffic reductions due to the COVID-19 shutdowns. The new ARIMA model results helped inform the near-term forecast for VMT by indicating how much reduction we had experienced year over year in traffic and it estimated a gradual recovery.

## **SOURCE OF INDEPENDENT FORECASTED VARIABLES**

- Washington employment – Economic and Revenue Forecast Council September 2020 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 2020 forecast



- Washington gasoline prices –WSDOT forecast for the Transportation Revenue Council September 2020 forecast

**Forecast to Forecast Comparison Chart**

