

Transportation Revenue Forecast Council

September 2022 Transportation Economic and Revenue Forecasts

Volume I: Summary

Washington Transportation Economic and Revenue Forecast September 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.

September 2022 Transportation Forecast Overview

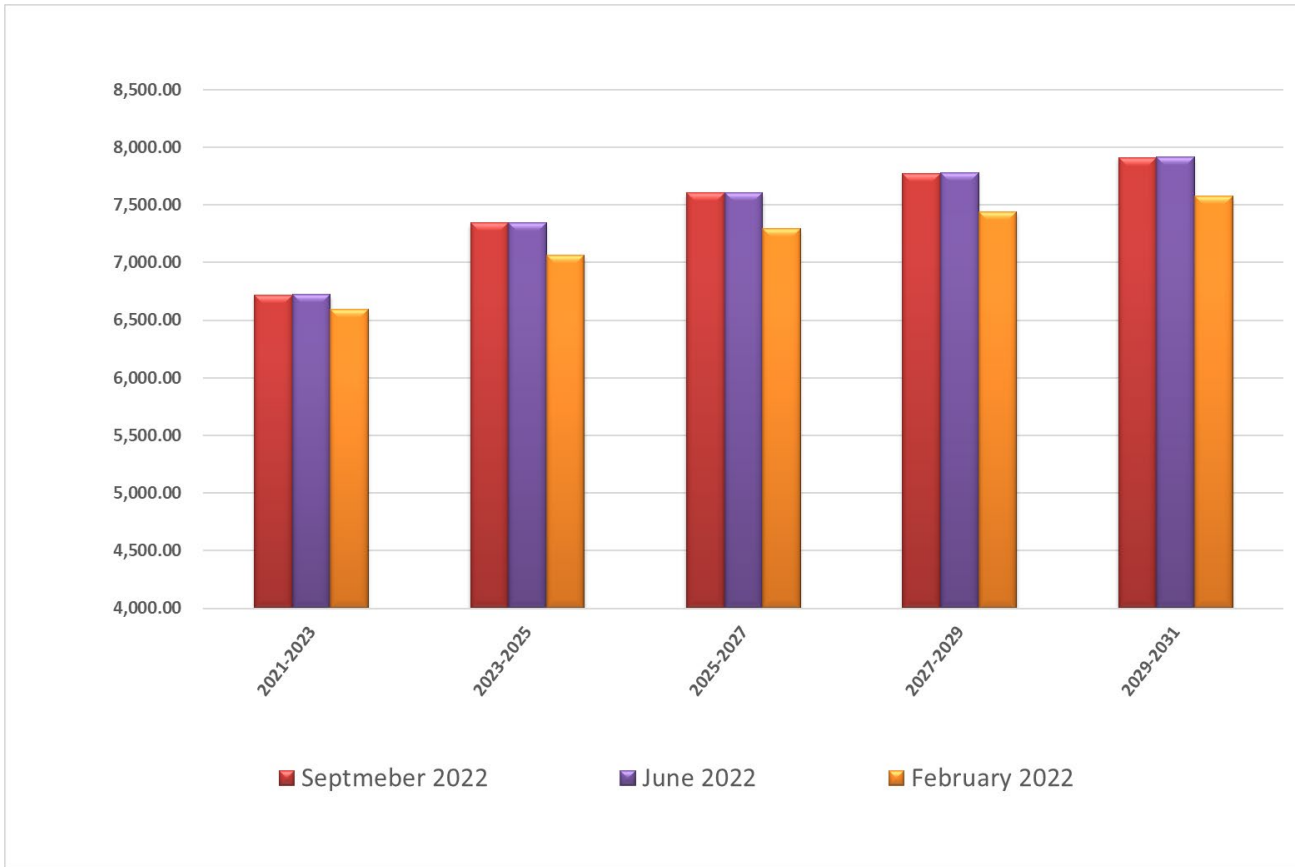
Forecast Overview

Here are key conclusions from the September 2022 forecast. The current biennium, 2021-23, is showing transportation revenues at \$6.68 billion which is a .03% reduction biennia to biennia. In this September 2022 forecast the next biennia, 2023-25, revenues are forecasted at \$7.29 billion which is a 0.71% reduction biennia to biennia.

- The September 2022 baseline transportation forecast with revenues in the current biennium, 2021-23, is anticipated to have \$6.38 billion which is down forecast to forecast from the June 2022 baseline forecast by \$40.6 million or -0.6%. This decrease is primarily due to Licenses Permits and Fees being down forecast to forecast as well as Ferry revenue and Tolling revenue being down.
- The 2023-25 September forecast is projected at \$7.29 billion which is down forecast to forecast from the June 2022 forecast \$52.3 billion or -.07%. This decrease is being driven by the reduction in Licenses, Permits and fees forecast as well as the Ferry revenue forecast, Tolling forecast and Driver related fee forecast.
- For the 10-year forecast horizon, total baseline revenue in September 2022 is projected to be \$37.1 billion, which is down from the last forecast by \$232.9 million or 0.62% from June 2022. With the largest downward projections being in LPF and Ferry revenues.
- The economic variables in September 2022 represent the preliminary economic variables by Economic and Revenue Forecast Council, based on the August 2022 IHS-Markit forecast. The latest economic variables, for the most part, are down from the last quarterly forecast. Washington real personal income has an annual growth rate in FY 2023 of 0.4% which was predicted at 2.6% in June. The US oil price index is up in 2023 to 8.4% annual growth compared to last projections of -6.6%.
- The Motor Vehicle Fuel tax revenue forecast in this September 2022 forecast is \$3.4 billion which is slightly up since the June 2022 forecast by 0.28%. This increase is primarily due to increased actual consumption.
- The September 2022 Licenses, Permits and Fees forecast for 2021-2023 is down \$41.7 million or -2.27% from the June 2022 forecast mainly due to actual registrations coming in lower than anticipated.
- The Washington State Ferries revenue forecast for 2021-2023 is down \$7.5 million or -2.07% when compared to the June 2022 forecast. This decrease is driven by actuals coming in lower than anticipated and continuing service interruptions.

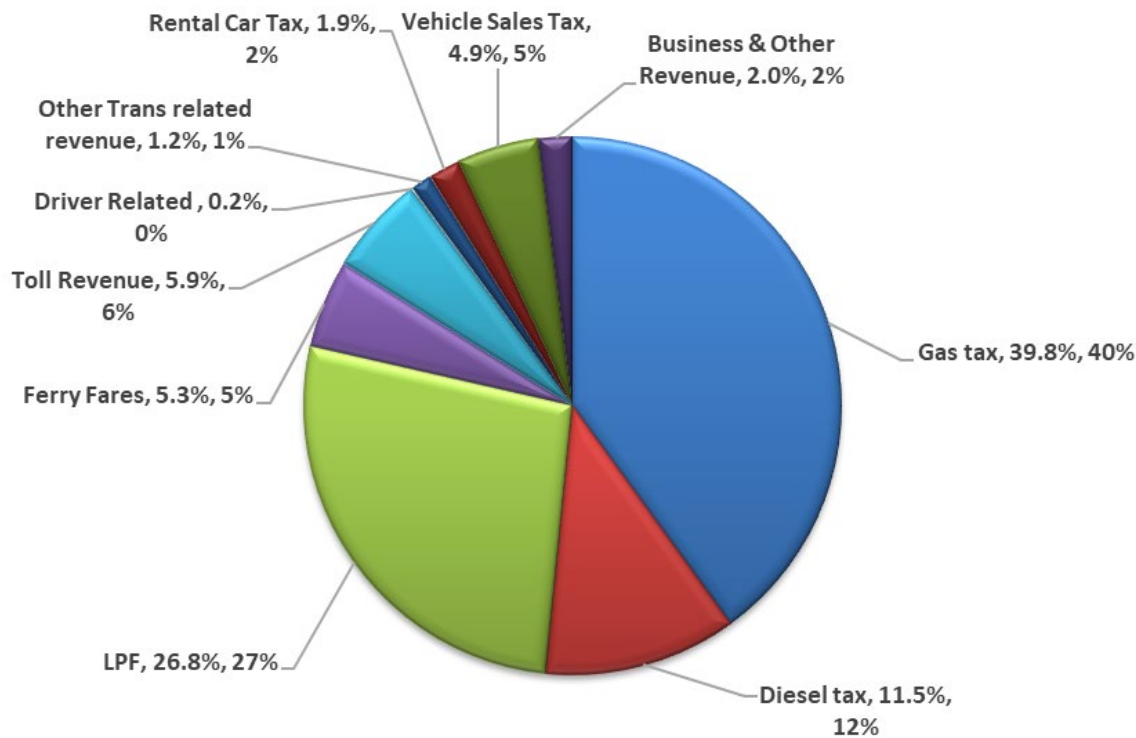
Figure 1 compares transportation revenues in September 2022, June 2022 and February 2022.

Figure 1: Total Transportation Revenues Comparing 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, (\$6.68 billion). Gasoline fuel taxes comprise the largest share at 40%. With the addition of diesel fuel taxes, all motor vehicle fuel taxes comprise 52.3% of all revenues. Licenses, permits, and fee revenues comprise the second largest share at 26.8%. The three largest revenue sources are projected to consist of 79.1% of revenues in the 2021-23 biennium. The remaining 20.9% 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 September 2022 revenues came in at \$6.68 billion and below last quarter's June 2022 forecast by \$232.85 million or -.62%. The biggest increase for this biennium is seen in Motor Vehicle Fuel Tax revenue with a gain of \$9.7 million. In this June 2022 forecast LPF and Driver Related revenues are down \$43.95 million from the previous forecast, Ferry farebox and toll revenues were down \$7.47 and \$4.12 million respectively from last quarter's projections. Aviation revenues are up by \$1.02 million. Next biennium, total revenues are down from the June 2022 forecast by \$52.34 million or -0.71%. Over the next 10 years, transportation revenues are anticipated to be \$37.14 billion, which is down \$232.85 million or -0.62% from the June 2022 baseline forecast.

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

Forecast to Forecast Comparison for Transportation Revenues and Distributions 10-Year Period									
September 2022 Baseline Forecast to June 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
	Sept. 2022	June 2022	Change	Sept. 2022	June 2022	Change	Sept. 2022	June 2022	Change
Sources of Transportation Revenue									
Motor Vehicle Fuel Tax Collections	3,447.40	9.70	0.28%	3,547.24	9.54	0.27%	18,012.44	41.61	0.23%
Licenses, Permits and Fees	1,799.83	(41.74)	-2.27%	2,103.82	(53.27)	-2.47%	10,689.55	(239.96)	-2.20%
Ferry Revenue†	353.23	(7.47)	-2.07%	420.65	(8.94)	-2.08%	2,117.56	(40.60)	-1.88%
Toll Revenue ‡	396.84	(4.12)	-1.03%	510.76	0.10	0.02%	2,655.36	(1.45)	-0.05%
Aviation Revenues	11.07	1.02	10.15%	12.06	1.60	15.31%	58.66	6.11	11.64%
Rental Car Tax	82.21	2.12	2.64%	85.76	1.82	2.17%	448.72	8.87	2.02%
Vehicle Sales Tax	126.33	0.52	0.41%	130.42	1.20	0.92%	681.48	4.47	0.66%
Driver-Related Fees	329.42	(2.21)	-0.67%	355.06	(3.12)	-0.87%	1,823.75	(8.35)	-0.46%
Business/Other Revenues	134.70	1.63	1.22%	127.62	(1.26)	-0.98%	649.31	(3.55)	-0.54%
Total Revenues	6,681.04	(40.56)	-0.60%	7,293.40	(52.34)	-0.71%	37,136.83	(232.85)	-0.62%
Distribution of Revenue									
Motor Fuel Tax Refunds and Transfers	241.14	(2.69)	-1.10%	253.02	(0.59)	-0.23%	1,276.85	(9.60)	-0.75%
Motor Fuel Administrative Fee - DOL	18.20	0.28	1.54%	18.77	(0.12)	-0.63%	95.48	(2.71)	-2.76%
State Uses									
Motor Vehicle Account (108)	1,332.19	3.07	0.23%	1,372.32	(10.69)	-0.77%	7,205.62	(46.67)	-0.64%
Transportation 2003 (Nickel) Account (550)	417.17	(1.30)	-0.31%	432.65	(2.03)	-0.47%	2,187.82	(1.57)	-0.07%
Transportation 2005 Partnership Account (09H)	614.39	1.38	0.22%	636.21	0.55	0.09%	3,235.76	7.74	0.24%
Connecting Washington Account (20H)	765.16	2.75	0.36%	788.29	2.56	0.33%	4,010.98	20.26	0.51%
Multimodal Account (218)	620.78	(5.62)	-0.90%	703.55	(11.52)	-1.61%	3,585.12	(56.83)	-1.56%
Special Category C Account (215)	48.23	0.17	0.36%	49.68	0.16	0.33%	252.80	1.28	0.51%
Puget Sound Capital Construction Account (099)	35.09	0.13	0.36%	36.15	0.12	0.33%	183.93	0.93	0.51%
Puget Sound Ferry Operations Account (109)	412.36	(7.24)	-1.73%	481.01	(8.92)	-1.82%	2,425.25	(40.11)	-1.63%
Capital Vessel Replacement Account (18J)	59.66	(2.35)	-3.79%	62.96	(2.75)	-4.19%	318.70	(12.49)	-3.77%
Tacoma Narrows Bridge Account (511)	169.53	(1.72)	-1.01%	176.59	(0.10)	-0.05%	899.76	(1.90)	-0.21%
High Occupancy Toll Lanes Account (09F)^	8.94	0.06	0.66%	15.29	(0.00)	-0.01%	89.12	0.05	0.06%
SR 520 Corridor Account (16J)	133.88	(0.22)	-0.17%	190.36	0.78	0.41%	953.41	3.20	0.34%
SR 520 Corridor Civil Penalties Account (17P)	(1.33)	(1.72)	-439.37%	5.02	(0.53)	-9.61%	25.56	(2.25)	-8.08%
Interstate 405 Express Toll Lanes Operations (59S)	36.38	(0.06)	-0.17%	62.89	0.07	0.11%	383.47	0.01	0.00%
Alaskan Way Viaduct Replacement Acct. (535)	49.45	(0.44)	-0.88%	60.61	(0.12)	-0.20%	304.03	(0.56)	-0.18%
Aeronautics Account (039)	10.97	1.01	10.20%	11.95	1.59	15.40%	58.10	6.08	11.69%
Washington State Aviation Account (21G)	0.09	0.00	0.00%	0.10	0.01	6.55%	0.51	0.03	6.53%
State Patrol Highway Account (081)	456.95	(11.03)	-2.36%	480.43	(13.64)	-2.76%	2,459.80	(68.72)	-2.72%
Highway/Motorcycle Safety Accts. (106 & 082)	294.08	(0.98)	-0.33%	293.43	(2.05)	-0.69%	1,523.98	(3.04)	-0.20%
School Zone Safety Account (780)	0.45	(0.02)	-4.02%	0.60	0.00	0.00%	2.93	(0.02)	-0.63%
Other accounts (201, 06T, 09T, 09E, 216, 07C, 24-K)	40.60	(0.73)	-1.78%	44.39	(1.72)	-3.73%	223.38	(7.86)	-3.40%
Electric Vehicle Account (20J)	36.14	1.14	3.26%	45.27	2.89	6.82%	81.41	4.03	5.21%
Ignition Interlock Devices Revolving Acct 14V	7.45	(0.62)	-7.70%	8.66	(0.01)	-0.11%	42.82	(0.66)	-1.52%
Multiuse Roadway Safety Account Collections-571	0.46	0.01	1.66%	0.48	0.01	2.03%	2.44	0.05	1.96%
Move Ahead WA Accounts - 26P	109.21	(15.84)	100.00%	251.82	(8.60)	100.00%	1,175.56	(41.80)	100.00%
Move Ahead WA Accounts - 26Q	10.80	(0.11)	100.00%	33.51	(0.14)	100.00%	158.03	(0.43)	100.00%
Total for State Use	5,669.06	(40.29)	-0.71%	6,244.24	(54.09)	-0.86%	31,790.28	(203.06)	-0.63%
Cities	184.95	0.66	0.36%	190.54	0.62	0.33%	969.49	4.90	0.51%
Counties	299.82	0.48	0.16%	308.15	0.62	0.20%	1,570.95	5.63	0.36%
Transportation Improvement Board (112 & 144)	199.52	0.74	0.37%	206.91	0.83	0.40%	1,060.68	6.83	0.65%
County Road Administration Board (102 & 253)	68.35	0.26	0.39%	71.78	0.39	0.54%	373.09	3.36	0.91%
Total for Local Use	752.64	2.15	0.29%	777.37	2.45	0.32%	3,974.21	20.72	0.52%
Total Distribution of Revenue	6,681.04	(40.56)	-0.60%	7,293.40	(52.34)	-0.71%	37,136.83	(232.85)	-0.62%

† 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 September baseline forecast to the baseline February 2022 forecast. The September baseline revenues for the 2019-21 biennium are \$6.68 million which is \$87.12 million or 1.32% higher than the February 2022. The 2023-25 biennium are 7.29 million which is \$226.9 million or 3.21% higher than the February 2022 forecast.

Figure 4: Current September 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									
September 2022 Baseline Forecast to February 2022 Baseline Forecast millions of dollars									
	Current Biennium			2023-2025			10-Year Period		
	Forecast Sept. 2022	Chg from Feb 2022	Percent Change	Forecast Sept. 2022	Chg from Feb 2022	Percent Change	Forecast Sept. 2022	Chg from Feb 2022	Percent Change
Sources of Transportation Revenue									
Motor Vehicle Fuel Tax Collections	3,447.40	26.36	0.77%	3,547.2	18.87	0.53%	18,012.44	117.38	0.66%
Licenses, Permits and Fees	1,799.83	60.96	3.51%	2,103.8	189.86	9.92%	10,689.55	894.38	9.13%
Ferry Revenue†	353.23	(24.36)	-6.45%	420.7	(26.64)	-5.96%	2,117.56	(123.30)	-5.50%
Toll Revenue §	396.84	(20.38)	-4.88%	510.8	1.40	0.27%	2,655.36	26.49	1.01%
Aviation Revenues	11.07	3.55	47.13%	12.1	5.06	72.22%	58.66	23.25	65.65%
Rental Car Tax	82.21	5.37	6.98%	85.8	4.53	5.57%	448.72	24.04	5.66%
Vehicle Sales Tax	126.33	6.93	0.00%	130.4	5.96	4.79%	681.48	29.64	4.55%
Driver-Related Fees	329.42	11.68	3.67%	355.1	29.80	9.16%	1,823.75	158.29	9.50%
Business/Other Revenues	134.70	17.01	14.46%	127.6	(1.98)	-1.53%	649.31	8.86	1.38%
Total Revenues	6,681.04	87.12	1.32%	7,293.4	226.86	3.21%	37,136.83	1,159.02	3.22%
Distribution of Revenue									
Motor Fuel Tax Refunds and Transfers	241.14	0.81	0.34%	253.0	3.09	1.24%	1,276.85	10.30	0.81%
Motor Fuel Administrative Fee - DOL	18.20	0.28	1.54%	18.8	(0.12)	-0.63%	95.48	(2.71)	-2.76%
State Uses									
Motor Vehicle Account (108)	1,332.19	18.13	1.38%	1,372.3	(9.64)	-0.70%	7,205.62	0.46	0.01%
Transportation 2003 (Nickel) Account (550)	417.17	(0.14)	-0.03%	432.7	(0.06)	-0.01%	2,187.82	5.51	0.25%
Transportation 2005 Partnership Account (09H)	614.39	3.15	0.52%	636.2	0.86	0.14%	3,235.76	14.31	0.44%
Connecting Washington Account (20H)	765.16	5.82	0.77%	788.3	3.86	0.49%	4,010.98	33.51	0.84%
Multimodal Account (218)	620.78	(6.75)	-1.08%	703.6	(16.56)	-2.30%	3,585.12	(77.86)	-2.13%
Special Category C Account (215)	48.23	0.37	0.77%	49.7	0.24	0.49%	252.80	2.11	0.84%
Puget Sound Capital Construction Account (099)	35.09	0.27	0.77%	36.1	0.18	0.49%	183.93	1.54	0.84%
Puget Sound Ferry Operations Account (109)	412.36	(23.07)	-5.30%	481.0	(25.53)	-5.04%	2,425.25	(117.31)	-4.61%
Capital Vessel Replacement Account (18J)	59.66	(3.57)	-5.65%	63.0	(4.50)	-6.67%	318.70	(21.36)	-6.28%
Tacoma Narrows Bridge Account (511)	169.53	(4.09)	-2.36%	176.6	0.46	0.26%	899.76	0.02	0.00%
High Occupancy Toll Lanes Account (09F)^	8.94	(0.77)	-7.97%	15.3	(0.03)	-0.22%	89.12	(0.73)	-0.82%
SR 520 Corridor Account (16J)	133.88	(7.55)	-5.34%	190.4	(5.45)	-2.78%	953.41	(18.75)	-1.93%
SR 520 Corridor Civil Penalties Account (17P)	(1.33)	(3.55)	-160.03%	5.0	(0.26)	-4.87%	25.56	(1.23)	-4.59%
Interstate 405 Express Toll Lanes Operations (595)	36.38	(2.00)	-5.21%	62.9	6.76	12.04%	383.47	49.23	14.73%
Alaskan Way Viaduct Replacement Acct. (535)	49.45	(2.41)	-4.65%	60.6	(0.08)	-0.13%	304.03	(2.05)	-0.67%
Aeronautics Account (039)	10.97	3.54	47.69%	11.9	5.05	73.29%	58.10	23.22	66.60%
Washington State Aviation Account (21G)	0.09	0.00	0.00%	0.1	0.00	3.15%	0.51	0.02	0.00%
State Patrol Highway Account (081)	456.95	(19.30)	-4.05%	480.4	(22.49)	-4.47%	2,459.80	(113.06)	-4.39%
Highway/Motorcycle Safety Accts. (106 & 082)	294.08	1.90	0.65%	293.4	(2.74)	-0.92%	1,523.98	4.94	0.33%
School Zone Safety Account (780)	0.45	(0.08)	-14.46%	0.6	0.00	0.00%	2.93	(0.08)	-2.51%
Other accounts (201, 06T, 09T, 09E, 216, 07C, 24-K)	40.60	(1.54)	-3.65%	44.4	(2.71)	-5.76%	223.38	(12.67)	-5.37%
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	7.45	(0.80)	-9.68%	8.7	(0.01)	-0.11%	42.82	(0.84)	-1.92%
Multiuse Roadway Safety Account Collections-571	0.46	0.02	4.36%	0.5	0.02	4.95%	2.44	0.11	4.75%
Move Ahead WA Accounts - 26P	109.21	109.21	100.00%	251.8	251.82	100.00%	1,175.56	1,175.56	100.00%
Move Ahead WA Accounts - 26Q	10.80	10.80	100.00%	33.5	33.51	100.00%	158.03	158.03	100.00%
Total for State Use	5,669.06	80.73	1.44%	6,244.2	219.33	3.64%	31,790.28	1,112.38	3.63%
Local Use									
Cities	184.95	1.41	0.77%	190.5	0.93	0.49%	969.49	8.10	0.84%
Counties	299.82	1.66	0.56%	308.1	1.12	0.36%	1,570.95	10.70	0.69%
Transportation Improvement Board (112 & 144)	199.52	1.62	0.82%	206.9	1.58	0.77%	1,060.68	12.99	1.24%
County Road Administration Board (102 & 253)	68.35	0.62	0.91%	71.8	0.92	1.30%	373.09	7.25	1.98%
Total for Local Use	752.64	5.30	0.71%	777.4	4.55	0.59%	3,974.21	39.04	0.99%
Total Distribution of Revenue	6,681.04	87.12	1.32%	7,293.4	226.86	3.21%	37,136.83	1,159.02	3.22%

Figure 5 represents the June 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													
September 2022 Baseline Forecast to February 2022 Baseline Forecast												millions of dollars	
	Current Biennium				2023-2025				10-Year Period				
	2021-2023				2023-2025				(2022-2031)				
	Forecast	Forecast	Chg from	Percent	Forecast	Forecast	Chg from	Percent	Forecast	Forecast	Chg from	Percent	
	Sept. 2022	Feb 2022	Feb 2022	Change	Sept. 2022	Feb 2022	Feb 2022	Change	Sept. 2022	Feb 2022	Feb 2022	Change	
Total Revenues	6,681.04	6,593.9	87.12	1.32%	7,293.4	7,066.5	226.86	3.21%	37,136.83	35,977.81	1,159.02	3.22%	
Move Ahead Washington Package	121.73	0.0	121.73	100.00%	289.3	0.0	289.27	100.00%	1,350.77	0.00	1,350.77	100.00%	
Total Revenue less Move Ahead Washington	6,559.31	6,593.93	(34.61)	-0.52%	7,004.13	7,066.55	(62.42)	-0.88%	35,786.06	35,977.81	(191.75)	-0.53%	

Figure 6 shows the various Sept. 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: September 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	2031	10
Return to Vehicle Ridership in Feb. Forecast- FY 2021	2031	10
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 Washington's transportation revenues each quarter. Key economic variables include the following: Washington real personal income, driver age population, driver-in population, inflation, employment, oil price index, fuel efficiency, US sales of new light vehicles and various employment sectors.

These economic variables in September 2022 represent the preliminary economic variables by Economic and Revenue Forecast Council, based on the August 2022 IHS-Markit forecast. The latest economic variables, for the most part, are down from the last quarterly forecast. Washington real personal income has an annual growth rate in FY 2023 of 0.4% which was predicted at 2.6% in June. The US oil price index is up in 2023 to 8.4% annual growth compared to last projections of -6.6%.

**Figure 7: Annual Percentage Change (%) in Select Economic Variables
September 2022 Forecast**

Fiscal Year	WA Real Personal Income	Annual Population	Driver-In Population	US General Prices (IPDC)	US Oil & Gas Price Index	US Fuel Efficiency (MPG)	Nominal Consumer Sales on New Vehicles	WA Non-ag. employment	WA Trade, Transportation and Utilities Employment	WA Retail Trade Employment
2021	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%	-32.57%	0.00%	0.00%	0.00%
2022	-0.53%	0.00%	1.91%	1.47%	25.97%	0.00%	8.70%	-0.23%	0.12%	0.13%
2023	-2.17%	0.00%	-0.34%	3.20%	14.95%	0.00%	-4.30%	-0.09%	-1.10%	-1.91%
2024	-0.69%	0.00%	-0.50%	0.23%	-5.43%	0.00%	7.87%	-0.22%	-1.17%	-1.87%
2025	0.29%	0.00%	-0.01%	-0.40%	-5.08%	0.00%	-0.08%	-0.06%	-0.06%	-0.18%
2026	-0.21%	0.00%	-0.01%	-0.20%	0.97%	0.00%	-1.46%	-0.02%	0.22%	0.26%
2027	-0.14%	0.00%	-0.01%	-0.18%	1.61%	0.00%	-3.80%	0.08%	0.50%	0.32%
2028	0.20%	0.00%	0.00%	-0.25%	0.33%	0.00%	-3.87%	0.07%	0.42%	0.22%
2029	0.54%	0.00%	0.00%	-0.27%	-0.24%	0.00%	-5.28%	0.24%	0.44%	0.33%
2030	0.45%	0.00%	0.00%	-0.24%	-0.04%	0.00%	-5.91%	0.29%	0.37%	0.38%
2031	0.39%	0.00%	0.05%	-0.18%	-0.03%	0.00%	-4.76%	0.20%	0.10%	-0.09%

Source: Washington Economic and Revenue Forecast Council, Washington Office of Financial Management 2022 long-range forecast, May 2022 Global Insight forecast adjusted for Blue Chip average GDP growth rates and NYMEX crude oil prices

Figure 8: Annual Rate of Change in Select Economic Variables – Sept. 2022 vs. June 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
2021	▬	▬	▬	▬	▬	▬	↓	▬	▬	▬
2022	↓	▬	↑	↑	↑	▬	↑	↓	↑	↑
2023	↓	▬	↓	↑	↑	▬	↓	▬	↓	↓
2024	↓	▬	↓	↑	↓	▬	↑	↓	↓	↓
2025	↑	▬	▬	↓	↓	▬	▬	▬	▬	↓
2026	↓	▬	▬	↓	↑	▬	↓	▬	↑	↑
2027	↓	▬	▬	↓	↑	▬	↓	▬	↑	↑
2028	↑	▬	▬	↓	↑	▬	↓	▬	↑	↑
2029	↑	▬	▬	↓	↓	▬	↓	↑	↑	↑
2030	↑	▬	▬	↓	▬	▬	↓	↑	↑	↑
2031	↑	▬	▬	↓	▬	▬	↓	↑	▬	▬

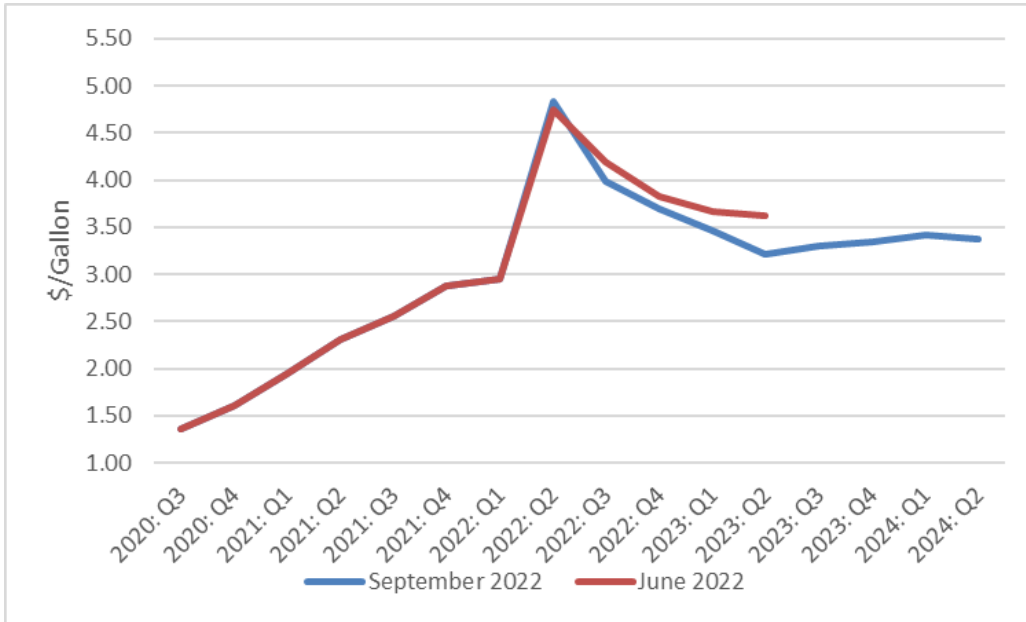
Motor Fuel Price Forecast

The September forecast is shown below:

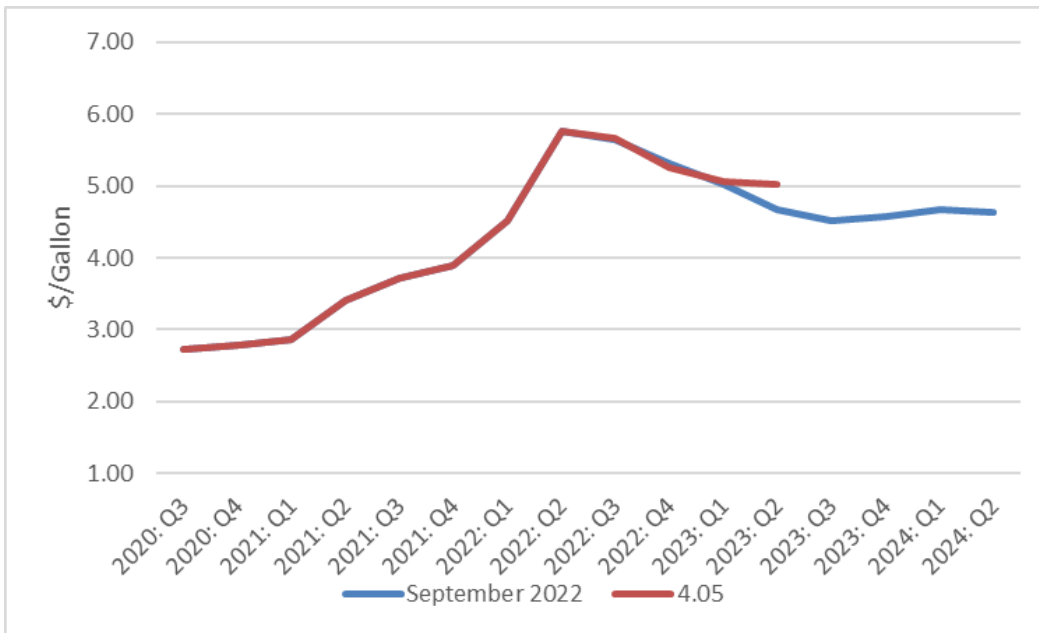
Figure 09: Near-Term Fuel Prices: September 2022

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	4.88	5.77	4.83	4.77
FY2022	4.12	4.47	3.45	3.74
2022Q3	4.72	5.58	4.21	4.67
2022Q4	4.20	5.24	3.90	4.39
2023Q1	4.17	4.96	3.65	4.15
2023Q2	4.30	4.61	3.39	3.86
FY2023	4.35	5.10	3.79	4.27
2023Q3	4.04	4.23	3.12	3.74
2023Q4	3.92	4.28	3.15	3.78
2024Q1	3.75	4.38	3.22	3.87
2024Q2	3.98	4.33	3.18	3.83
FY2024	3.92	4.31	3.17	3.81

**Figure 10: Washington Regular Retail Gasoline Prices
September 2022 vs. June 2022**

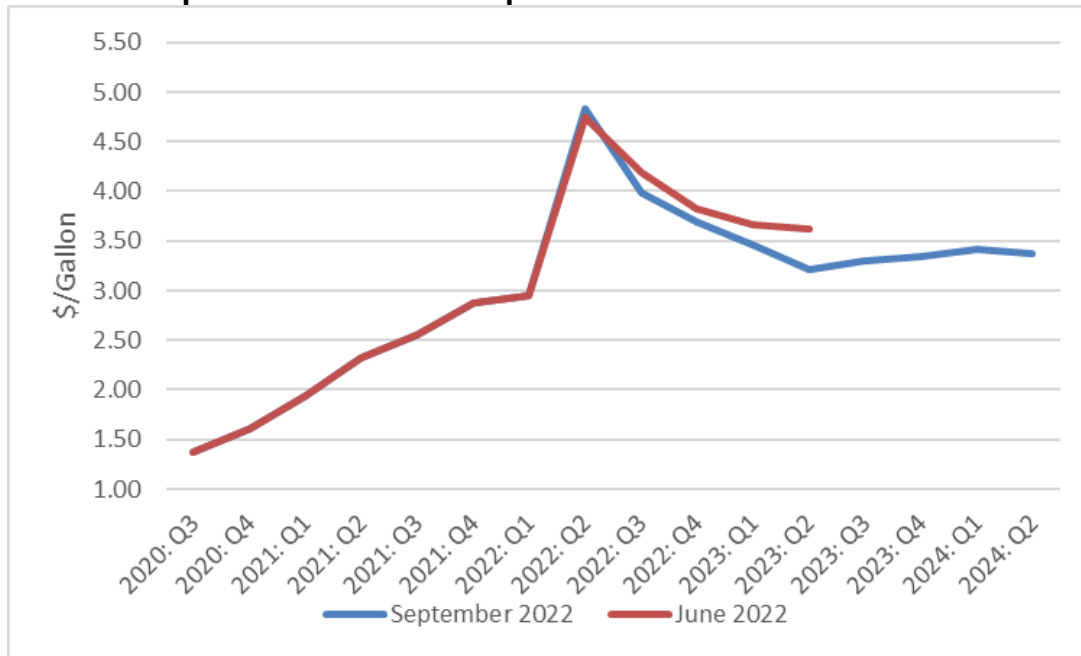


**Figure 11: Washington Retail Diesel Prices
June 2022 vs. February 2022**



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

Figure 12: Quarterly Ferries Adjusted B5 Biodiesel Prices Used for Budgeting the 2021-23 Biennia: September June and September 2022



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: September 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	93.15	81.08	95.78	94.27	95.73	92.00	-0.13	0.03	-1.2%
2024	86.65	73.94	91.19	69.67	84.01	81.09	-0.20	0.05	-6.4%

WSDOT applies the five-entity forecast average adjustment to the baseline September 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 6.4 percent downward adjustment to the baseline fuel prices in FY 2024.

Motor Vehicle Fuel Tax Forecast

Overview

Motor fuel tax collections since the June 2022 estimate came in below the forecast by 1.6 percent. Gasoline tax receipts are closely tracking the estimate while Diesel tax collections came in above projections by \$9.0 percent

For the 2021-2023 biennium, gross fuel collections are estimated at \$3.447 billion. This is \$9.7 million or 0.3% above the February 2022 estimate. Total fuel tax revenue for the 10-year period beginning in the current biennium and ending in the 2029-2031 biennium is \$18.047 billion. This is \$75.9 million more than projected in June 2022.

Experience is not especially helpful with this estimate because the world has not recovered from a pandemic in living memory.

Primary Reasons for Changes in the February 2022 Forecast

In essence this is a small change gasoline estimate although the constituent parts have changed substantially. While taxable gallon growth is negative year-to-date, the forecast is being sustained by the assumption that a worldwide pandemic will not occur again in the winter. Similarly, The FY 23 forecast is bullish because the baseline does not include an additional supply shock from the Ukrainian war. The estimate for off-road refunds has been lowered to reflect 2022 actuals. Current tribal refunds are tracking negative year-to-date. However, growth in the FY23 total is anticipated to be mildly positive by years end.

Like June, the FY 2023 special fuels consumption forecast has been revised up 0.2 percent from the last forecast. Analysts expect growth in diesel tax revenue to slow because of weakening economic conditions and the reversal of pandemic driven shifts from consuming experiences (such as going out to dinner) to purchasing things at home. The estimate for tribal refund has been increased to reflect current experience.

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 \$1.8 billion from vehicle licenses, permits, and fees (LPFs) in the 2021-2023 biennium, which is decreased for \$41.8 million or 2.27% compared to the forecast in June. The LPF forecast is anticipated to be \$2.33 billion by 2029-2031 biennium, which is down for about \$46.5 million or 1.96% from the previous forecast. Over the 10-year period from 2021-2023 biennium to 2029-2031 biennium, the revenue decrease is about \$0.024 billion.

Primary reasons for the change in the September 2022 forecast

- For the fiscal year 2023, passenger car registrations are down 2.45% or 133,200 vehicles comparing the previous forecast. For FY 2024, passenger car registrations will be 2.93% less than the previous forecast. The forecast remains lower in the future years from 2025 through 2033, the decrease percentage is flat in the out years around 3%. The decreased forecast registrations are mainly due to the lower passenger car actuals we received for the last 3 months, and the lower personal income growth rate in future years forecasted by ERFC.
- For the fiscal year 2023, truck registrations are down 4.71% comparing the June forecast. In fiscal year 2024, truck registrations will decrease from the previous forecast for 5.18%. After that, the truck forecast will keep seeing a forecast-to-forecast decrease in registrations for the rest years, however, the decrease will last in the out years. By the end of the forecast horizon, we see a decrease of truck registrations for 5.79%. The decreased forecast registrations in future years are mainly due to the lower truck actuals we received for the last 3 months.
- In the 2021-23 biennium, \$30 registrations revenue is down 1.28% or \$4.4 million. This is because we reduced the passenger car forecast in September. In the next biennium, revenue from \$30 registrations is about \$11.3

million less than the previous forecast. This trend keeps going on in the later periods. We see the revenue runs about \$12.7 million below the previous forecast by the 2029-2031 biennium due to the reduced \$30 vehicles.

- In the 2021-23 biennium, the forecast sees a decreased truck weight revenue for about \$2.7 million or 0.51%. This is because the reduced truck forecast in September. In the next biennium, truck weight revenue is about \$11.9 million or 2.1% 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 2029-2031 biennium, we will see a \$15.8 million reduced revenue in 2029-2031 biennium for truck weight fees.
- In the 2021-23 biennium, the Freight Project fee is about \$0.55 million or 1.29% more than the previous forecast due to the increased prorated vehicle forecast in September. In the 2023-25 biennium, the Freight Project fee is \$1.1 million more than the June forecast. This revenue increase keeps on in the out years. By the end of this forecast horizon, we will see a \$0.95 million freight project revenue increase in 2029-2031 biennium.
- The passenger vehicle weight revenue is reduced for \$7.4 million or 1.9% in the 2021-23 biennium, which is due to the reduced \$30 vehicle forecast. In the 2023-25 biennium, the revenue is down for \$13.2 million. The revenue reduction remains stable in the out years. By the end of 2029-2031 biennium, we will see a \$15 million passenger vehicle weight revenue decrease.
- In this forecast, the motorhome weight revenue is decreased for \$0.35 million in the 2021-23 biennium due to the reduced motorhome vehicle forecast. In the 2023-25 biennium, the revenue is down for \$0.67 million. After that, this level of reduction keeps going on. By the end of 2029-2031 biennium, we will see a \$0.68 million motorhome weight revenue decrease.
- In this forecast, the inspection fee is reduced for \$2.4 million, or 6% in the 2021-23 biennium mainly due to the decreased total vehicle forecast. In the 2023-25 biennium, the revenue is down for \$1.8 million. It keeps going down in the following biennium. By the end of 2029-2031 biennium, we will see a \$3 million inspection fee decrease.
- Title Fee forecast is down by \$2.4 million (-3.2%) for the current biennium, down by \$2.8 million (-3.6%) for FY23-25, and down by \$7.9 million (-2.1%) 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 \$2.01 million (-4.2%), following lower vehicle title and registration forecasts. The 10-year forecast change is -\$10.7 million (-4.3%).
- Battery Electric Vehicles revenue forecast is up by 0.2 million or 1.07% for the current biennium, up by \$1.67 million (+4.8%) for FY23-25, and up by \$16.0 million (+6.1%) in the ten-year horizon.
- The EV Charging Infrastructure fee (\$75) revenue forecast is up by \$1.1 million (+3.2%) for current biennium, up by \$2.9 million (+6.8%) for FY23-25, and up by \$17.8 million (+6.5%) in the ten-year horizon.
- Dealer Temporary Permits. Due to an announced \$25 fee increase starting July 2022, some dealers rushed in to purchase the permit at the lower \$15 price in June. This behavior created a spike in June at the expense of FY23 revenue, with a loss of \$11.5 million (-57%) in Move Ahead WA fund (26P) from prior forecast. It is assumed that the stocked-up permits are going to be used in the first 8-9 months of the FY23 and normal permit sales volume would resume around March-April of 2023. Overall, total revenue for the current biennium is down \$13.5 million (-37.5%), down by \$1.51 million (-2.6%) for FY23-25 and the 10-year change is \$14.7M (-6%).
- Abandoned Vehicle Revenue This forecast has increased \$0.3 million (+4.4%) in the 21-23 biennium; this increase is due to incorporating actuals for this period. The forecast has increased 2.2% each biennium across the forecast period. This fund receives revenue from the sale of abandoned vehicles at auction, this fee has been significantly impacted by increased demand in the secondhand vehicle market over the past year, with the average transaction fee in FY 22 increasing to 300% of the five-year average transaction fee collected.
- Original Plates This forecast has decreased -\$3.5 million (-4.4%) for the 21-23 biennium and -\$5.6 million (3.8%) for the 23-25 biennium following continued below forecast original plate transactions.

Future biennia are decreased by an average of -\$2.6 million (-1.8%) across the forecast. 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 -2.1 million (-3.2%) for the 21-23 biennium and -2.7 million (-2.7%) for the 23-25 biennium. The decrease in the out years is less pronounced.
- Intermittent use trailers After a few years of building up, the Intermittent use trailer registration growth has slowed. FY 22 year over year growth closed at 7%, well below the forecast level. The forecast growth has decreased into future years. The forecast is revised down by -\$130,000 (-8.9%) for the 21-23 biennium and -\$294,000 (-14.8%) for the 23-25 biennium. Decreases are more pronounced in the out years as transactions slow toward sustainable growth.

Driver Related Revenue Forecasts

Overview

The **September 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 \$329.42 million, down \$2.2 million (-0.7%) from the prior forecast. FY23-25 is expected to have \$355.05 million, down \$3.1 million (-0.9%) from the prior forecast. Over the ten-year period (FY24-FY33), driver related revenues total \$1,865.82 million, down \$7.3 million (-0.4%) 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 September 2022 forecast

- ADR revenue estimates are revised down by \$1.7 million (or -2.8%) for FY21-23 biennium and down by \$3.1 million for FY23-25 (or -3.6%) with lower actuals year to date.
- ID card revenue forecast is revised upward by \$0.66 million (3.62%) for FY21-23 biennium and by \$0.14 million (0.86%) for FY23-25. This upward revision is the result of higher actuals to date.
- DOL's SHB1207 (2021) implementation scheme gives all first-time driver licenses variable expiration terms (6-year, 5-year, 5-year, 4-year) to fill the gap years (1/2 FY28, FY29, 1/2 FY30) and assumes most driver would choose the eight-year renewals. The first eight-month actuals show the 8-year choice is lower than expected at about 72.9% for driver renewals as opposed to assumed 80%. ID 8-year renewals are at 41% rather than assumed 60%. While total transactions are somewhat higher in this forecast, the reduced 8-year share resulted in a small revenue reduction during implementation years until FY28 when revenues are slightly higher for the rest of the forecast horizon. The ten-year horizon is up by about \$2.3 million (+0.3%).

- Ignition Interlock revenue is revised down by \$0.62 million (-7.7%) for the current biennium due to lower-than-expected actuals to date.
- Reissues are tracking lower with fewer DUI reissue transactions than anticipated through August. The forecast is lower for FY 2021-23 by -\$0.2 million or -2.6% continuing lower on average by- \$67,900 or -0.8% per biennium throughout the rest of the forecast horizon due to the anticipation of fewer DUI reissue transactions.
- Commercial Driver Licenses (CDL) forecast increased for FY 2021-23 by \$182,200 or 1.3% with actuals updated through August. The forecast is slightly higher on average by \$43,900 or 0.4% per biennium throughout the rest of the forecast horizon.

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 September 2022 Forecast

- In the September 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 September 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 \$1.9 million, or 5.8%, from the June 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 \$18,700, or -4.02%, from the June forecast. The forecast in outer biennia is no change due to no change in the population factors.

- The 2021-23 WSP Business Related Revenues for September 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 \$0.97 million or 11.8% based on actuals through August 2022 and ESSB 5974 (2022) which increases the Aviation Fuel Tax rate from \$0.11 to \$0.18 per gallon effective July 1, 2022. The forecast continues higher for FY 2023-33 by \$1.17 million or 13.7% on average per biennia. The forecast model incorporating the update to OFM's Long-term Manufacturing Employment forecast and FAA General Aviation Fuel Consumption forecast were used for this forecast. Of note, there is assumed delayed consumption/storage capacity from FY 2020-21 catching-up during FY 2022. In addition, the International Arrivals Facility opened at SEATAC in April 2022 and along with it an expansion of flight activity for foreign flagged commercial air carriers. 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 -\$0.39 million (-2.2%) for the 21-23 biennium and -\$1.1 million (-5.9%) for the 23-25 biennium and all biennia throughout the forecast. Lowering the forecast is consistent with reduced vehicle registrations 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 will occur on October 1, 2022. Both increases

raise the passenger and vehicle/driver fares by 2.5% plus nickel rounding. With no further fare increases assumed in the Baseline Forecast, real fares are expected to slowly decline in real terms 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 expected implementation on October 1, 2022.

Beginning in early March 2020, the COVID-19 pandemic negatively impacted ferry travel. April 2020 ridership was hit the hardest, at 73% lower than April 2019. Ridership has been slowly and somewhat erratically rebounding since then. This recovery has been extended due to COVID-19 virus cycles and its effects on travel, combined with reduced service levels due to ongoing staffing challenges. This forecast assumes a phased return to full service levels is completed by July 1, 2023 (FY 2024), with ridership demand expected to have fully responded to full service restoration at “new normal” levels one year later by July 1, 2024 (FY 2025). However, the “new normal” ridership forecasts are not projected to return to pre-pandemic FY 2019 levels until FY 2031.

The September Forecast incorporates actual ridership through August 2022. A year ago, 2021 ridership levels for June through August were collectively 21.8% below 2019’s pre-pandemic levels. This year, passengers and vehicle/driver ridership levels for June, July, and August 2022 were 1.65 million, 1.97 million, and 1.94 million, respectively. Collectively, this is a decline of 10.4% from the 2021 summer ridership levels, putting actual June through August ridership 26.5% below pre-pandemic levels. This reversal in the expected recovery trend is likely the result of ongoing staffing shortages and the resulting uncertainty of day-to-day service levels.

The recovery for overall vehicle/driver fares has been stronger at 82% of pre-pandemic levels compared to an average of 68% for overall passenger fares. Oversize vehicle/driver fares were 2.6% shy of their pre-pandemic levels for June through August 2022. Passenger frequent user (commuter) ridership continues to show only modest and limited recovery, reaching 29% of their 2019 levels on average from June to August 2022, while all other passenger fares have recovered to about 75% of their comparable 2019-20 levels.

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 an increasing trend in telecommuting, changes in the frequent user multi-ride fare media that make them less severable for shared concurrent use by multiple riders, and more recently, the COVID-19 pandemic.

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 70% below pre-pandemic levels as of August 2022. Many employers are expected to continue accommodating telecommuting and flexible work arrangements going forward. Consistent with the June 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 June 2022 Forecast, this forecast takes into consideration WSF’s gradual approach to restoring the pandemic-related service reductions in which additional service is being gradually restored. 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 by July 1, 2023 (FY 2024). The September 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 begin resuming 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 begin resuming service in the Winter of 2023 (FY 2023) with full resumption by Summer 2023 (FY 2024).
- The second vessel on the Seattle-Bainbridge route is currently covering approximately 90% of its sailings; full service resumption is expected by Summer 2023 (FY 2024).
- The second vessel on the Edmonds-Kingston route is currently in partial operations and is expected to cover 90% of its sailings by Fall 2022, with full service resumption by Summer 2023 (FY 2024).
- The second vessel on the Mukilteo-Clinton route is currently in partial operations and is expected to cover 90% of its sailings by Summer 2022, with full service resumption 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 2023 (FY 2024), which will also add limited capacity to summer service in the San Juan Islands as a fifth vessel.

Overall, the September Baseline Forecast for ridership in the current 2021-23 biennium is 3.1% lower than the June Forecast, with passenger fares leading the decline on a percentage basis. The current September 2022 forecast includes actual ridership and revenue collections through August 2022.

Total reported ridership for the most recent three months (June through August 2022) averaged 10.4% lower than previously forecasted, placing it at about 73.5% of pre-pandemic levels for the same period.

Compared to the prior June forecast, 2021-23 biennium fare and surcharge revenues are projected to be 2.1% lower. Miscellaneous revenues are expected to be 1.9% higher than the previous forecast. The current biennium percentage decrease in overall ferry revenues was 2.1% compared to the June forecast.

Total reported fare and surcharge revenues for the most recent three months of collections (June through August 2022) averaged 10.4% lower than the prior forecast, and inclusive of the recently adopted fare increases, comprise 85% of pre-pandemic baseline revenue forecast levels for the same period in 2019.

For the rest of the forecast horizon, the September ridership projections range from 3.1% lower in FY 2024 to 2.0% in FY 2029, relative to the June Baseline Forecast. Fare and surcharge revenue projections are expected to range from 2.8% lower in FY 2024 to 2.2% lower in FY 2029, relative to the June Baseline Forecast. Differences in the ridership and revenue percentage decreases from the June forecast are attributed to the varying changes in ridership by fare category and route and the associated wide range of fares across the system.

The pending elimination of youth fares starting October 1, 2022 is expected to decrease fare 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. However, the Legislature is expected to provide funds to offset these losses.

Miscellaneous revenues in the current biennium have been revised upward by 1.9% compared to the June forecast. Thereafter, miscellaneous revenues are projected to be 20-22% higher, driven by vessel non-fare revenues which more than offset slightly lower other non-fare (terminal) revenues. Specifically, vending revenue projections for FY 2023 have continued to increase due to higher usage through the summer and into fall as well as price increases and the sunset of vending concession fee waivers in place since April 2020. Vending revenue is projected to more than double in FY 2024 and subsequent forecast years compared to the June forecast. While vessel galley operations continue under a temporary concession fee waiver through CY 2022, gross sales have been growing, with higher galley revenue forecasts approaching pre-pandemic levels tied to WSF restoring full service levels. Additionally, parking revenue projections for FY 2023 have decreased slightly since the June forecast based on recent actual peak-season usage at some lots and as

a result of reduced ferry service on the Anacortes-San Juan Islands route. Continued, steady growth at all parking locations is expected moving into FY 2024, with parking revenues commensurate with the “new normal” passenger fare ridership projections which gradually return to pre-pandemic levels by the end of the forecast horizon

Total fare and miscellaneous revenues forecasted for the 2021-23 biennium amount to \$353.2 million, which is 2.1% lower than the previous forecast of \$360.7 million for the same period. Over 12 years (FYs 2022-33), ferry fare and miscellaneous revenues total \$2.56 billion. Over the comparable 10 years from the June forecast through FY 2031, September forecasted revenues are about 2.5% lower.

The COVID-19 pandemic materially disrupted normal ferry ridership patterns and has led to ongoing staffing shortages which result 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 September 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 September 2022 forecast

- Continuing staffing shortages, which result in the uncertainty of day-to-day service levels and disruptions on several routes have contributed to lower Summer 2022 ridership than in 2021 as well as a lower September revenue forecast relative to June.
- Among the economic and demographic factors, downward revisions to projected real personal income plus materially higher projections for real gasoline prices throughout the forecast horizon, combine to more than offset the upward effects of a slightly higher inflation forecast (lower real fares) and slightly higher employment projections, thereby dampening the overall forecast period ridership and revenue projections.
- The pending elimination of youth passenger fares on 10/1/2022 is expected to result in \$2.1 million less base fare revenue and \$0.3 million less surcharge revenue, for a total revenue reduction of \$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 nearly \$1.0 million in surcharges, for a total biennium reduction of \$8.1 million. These revenue reduction amounts are slightly lower than in the June forecast due to the lower overall ridership projections.
- The miscellaneous revenue forecasts are up by more than 20% starting with the next biennium as a result of revised vendor estimates for vessel non-fare revenues, which are driven by the phased return of galley food service on the vessels starting in FY 2023 and completed by FY 2024, as well as higher vending machine revenue projections.

Toll Revenue

Overview

Overview of Differences Compared to June 2022 Forecast

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

The methodology for the September 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 September 2022 forecasts:

- The long-term forecast for transactions and revenue potential is a no-change forecast from the June 2022 forecast for most of the facilities. Specific to SR 520 adjustments were made to account for changes in the construction closure schedule which has been updated since the June 2022 forecast.
- The forecast horizon now includes the addition of FY 2032 and FY 2033.
- The West Seattle Bridge is planned to reopen in September 2022.
- FY 2023: monthly toll traffic and revenue recovery from the COVID-19 downturn, is expected to continue through June 2023. The speed of recovery continues to be different for each toll facility.
- The Tacoma Narrows Bridge (TNB) has an alternative forecast to reflect a potential \$0.75 toll rate reduction with per-axle multiplier for vehicles with multiple axles. New rates would be effective on October 1, 2022. The forecast is based on the Washington State Transportation Commission (WSTC) proposals presented to the public in late August 2022.
- The September 2022 forecast includes the impact of SHB1790 (improved temporary license plate recognition), which is anticipated to start from July 1, 2023 (FY 2024).
- 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.
- Interest Income: SR 520 and TNB interest income is updated based on the revised fund balance assumption.

June through August 2022 Actuals

June 2022 Forecast is based on T&R actuals through July 2022, with preliminary August 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 50 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 August 2022, comparing to pre-COVID traffic.

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

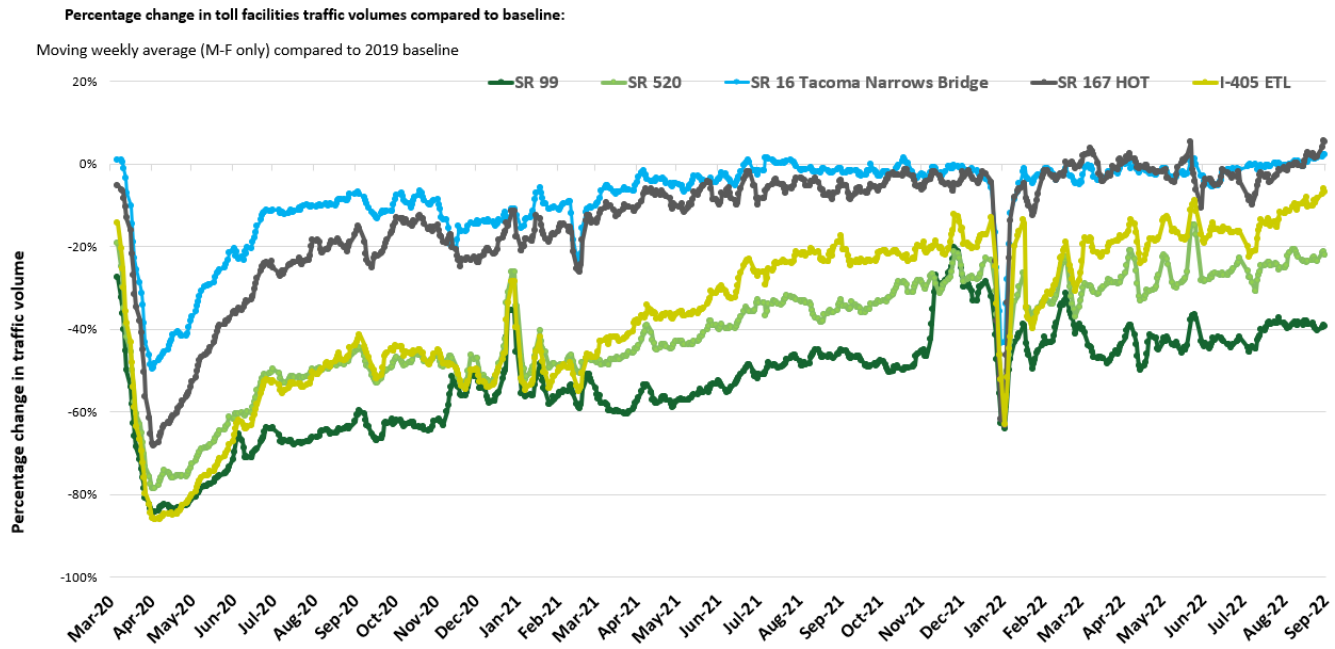


Figure 15 provides recent June to August 2022 T&R performance in comparison to June 2022 Forecast. Combined actual toll transactions (toll transactions are based on preliminary estimate) were 2.8 percent above the June 2022 Forecast, and reported adjusted toll revenues were 8.4 percent, or \$4.4 million above.

Figure 15: Three- month, June to August 2022 Actuals in comparison to June 2022 Forecast (\$ millions)

Toll Facility		Toll Transactions ¹				Adjusted Gross Toll Revenue				
		Jun-22	Jul-22	Aug-22	Jun thru Aug 2022	Jun-22	Jul-22	Aug-22	Jun thru Aug 2022	
SR 520	Forecasted Transactions	1.897	1.673	1.799	5.369	Forecasted Toll Revenue	\$5.801	\$5.284	\$5.718	\$16.803
	Reported Transactions	1.884	1.753	1.834	5.471	Reported Toll Revenue	\$6.765	\$5.540	\$5.854	\$18.159
	Variance From Forecast	0.000	0.080	0.035	0.102	Variance From Forecast	\$0.000	\$0.256	\$0.136	\$1.356
	Variance - % Change	0.0%	4.8%	1.9%	1.9%	Variance - % Change	0.0%	4.8%	2.4%	8.1%
I-405	Forecasted Transactions	0.769	0.739	0.834	2.342	Forecasted Toll Revenue	\$1.553	\$1.539	\$1.753	\$4.845
	Reported Transactions	0.752	0.710	0.818	2.280	Reported Toll Revenue	\$2.075	\$1.556	\$1.711	\$5.342
	Variance From Forecast	0.000	-0.029	-0.016	-0.062	Variance From Forecast	\$0.000	\$0.017	-\$0.042	\$0.497
	Variance - % Change	0.0%	-3.9%	-1.9%	-2.6%	Variance - % Change	0.0%	1.1%	-2.4%	10.3%
SR 167	Forecasted Transactions	0.150	0.140	0.144	0.434	Forecasted Toll Revenue	\$0.387	\$0.329	\$0.321	\$1.037
	Reported Transactions	0.142	0.134	0.169	0.445	Reported Toll Revenue	\$0.362	\$0.337	\$0.405	\$1.103
	Variance From Forecast	0.000	-0.006	0.025	0.011	Variance From Forecast	\$0.018	\$0.008	\$0.084	\$0.066
	Variance - % Change	0.0%	-4.5%	17.3%	2.5%	Variance - % Change	0.9%	2.5%	26.0%	6.4%
SR 99	Forecasted Transactions	1.209	1.254	1.311	3.774	Forecasted Toll Revenue	\$2.146	\$2.266	\$2.369	\$6.781
	Reported Transactions	1.332	1.398	1.433	4.163	Reported Toll Revenue	\$2.778	\$2.623	\$2.710	\$8.111
	Variance From Forecast	0.123	0.144	0.122	0.389	Variance From Forecast	\$0.632	\$0.357	\$0.341	\$1.330
	Variance - % Change	10.2%	11.5%	9.3%	10.3%	Variance - % Change	29.5%	15.8%	14.4%	19.6%
Total	Forecasted Transactions	5.411	5.198	5.493	16.102	Forecasted Toll Revenue	\$17.850	\$16.915	\$17.725	\$52.490
	Reported Transactions	5.458	5.438	5.661	16.557	Reported Toll Revenue	\$20.234	\$18.074	\$18.592	\$56.900
	Variance From Forecast	0.047	0.240	0.168	0.455	Variance From Forecast	\$2.384	\$1.159	\$0.867	\$4.410
	Variance - % Change	0.9%	4.6%	3.1%	2.8%	Variance - % Change	13.4%	6.9%	4.9%	8.4%

Notes:
¹ June through August 2022 Toll Transactions are stated based on preliminary estimate.

Figure 16 shows FY 2022 through FY 2029 annual Traffic and Toll Rates forecast assumptions comparing to Pre-COVID Forecasts.

Figure 16: FY 2022 to FY 2029 Traffic and ETLs Toll Rate Reduction Assumptions – Comparing to Pre-COVID Forecasts

Facility	Forecast Version	Traffic & Toll Rates Assumptions	FY 2022 Actuals	FY 2023 Weighted Average						
				FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	
TNB	Sep'22	Toll Traffic reduction	-5%	-4%	-5%	-5%	-5%	-5%	-5%	-5%
	Jun'22	Toll Traffic reduction	-5%	-5%	-5%	-5%	-5%	-5%	-5%	-5%
SR 520	Sep'22	Toll Traffic reduction	-31%	-24%	-19%	-15%	-18%	-16%	-17%	-15%
	Jun'22	Toll Traffic reduction	-31%	-23%	-19%	-16%	-17%	-18%	-17%	-16%
SR 99	Sep'22	Toll Traffic reduction	-20%	-12%	-12%	-12%	-12%	-12%	-12%	-12%
	Jun'22	Toll Traffic reduction	-20%	-13%	-12%	-12%	-12%	-12%	-12%	-12%
I-405	Sep'22	Toll Traffic reduction	-30%	-16%	-13%	-11%	-26%	-13%	-13%	-12%
	Sep'22	Toll Rate reduction	-39%	-25%	-16%	-14%	-11%	-15%	-12%	-11%
	Jun'22	Toll Traffic reduction	-25%	-16%	-13%	-11%	-26%	-13%	-13%	-12%
	Jun'22	Toll Rate reduction	-39%	-25%	-16%	-14%	-11%	-15%	-12%	-11%
SR 167	Sep'22	Toll Traffic reduction	-22%	-15%	-7%	-7%	-7%	-7%	-7%	-6%
	Sep'22	Toll Rate reduction	-29%	-17%	-9%	-9%	-8%	-8%	-8%	-7%
	Jun'22	Toll Traffic reduction	-21%	-16%	-7%	-7%	-7%	-7%	-7%	-6%
	Jun'22	Toll Rate reduction	-29%	-18%	-9%	-9%	-8%	-8%	-8%	-7%

Notes:

Pre-COVID forecasts refer to November 2019 TRFC T&R Forecasts

Summary of September 2022 Forecast Results

Figure 17 provides the comparison summary between September 2022 and June 2022 forecast results.

Some highlights of September 2022 Forecast include:

- FY 2023 total toll revenue and fees are estimated to be \$211.0 million, below the June 2022 Forecast by \$7.6 million (or 3.5 percent).
- Current Biennium (FY 2022 and FY 2023) toll revenue and fees are \$4.1 million (or 1.0 percent) below the June 2022 Forecast.
- Next Biennium (FY 2024 and FY 2025) toll revenue and fees of \$510.8 million are in line with the June 2022 Forecast.
- Ten-year (2022-2031) toll revenue and fees of 2,655 million are \$1.4 million (or 0.1 percent) reduction to the June 2022 Forecast.

Figure 17: Revenue Comparison – September 2022 vs June 2022 Forecast (\$ millions)

	Toll Facility	FY 2022	FY 2023	2021-23 Biennium	2023-25 Biennium	2025-27 Biennium	2022-31 Ten-Year
September 2022 TRFC	TNB						
	Adjusted Gross Toll Revenue	\$83.331	\$85.073	\$168.404	\$170.608	\$174.503	\$873.173
	Other Revenue	\$0.156	\$0.966	\$1.122	\$5.979	\$6.270	\$26.591
	Total TNB Revenue & Fees	\$83.486	\$86.039	\$169.525	\$176.587	\$180.773	\$899.763
	SR 520						
	Adjusted Gross Toll Revenue	\$60.002	\$69.748	\$129.750	\$183.596	\$191.657	\$919.364
	Other Revenue	\$0.826	\$1.971	\$2.797	\$11.785	\$14.169	\$59.611
	Total SR 520 Revenue & Fees	\$60.828	\$71.719	\$132.547	\$195.381	\$205.826	\$978.975
	I-405 ETLs						
	Adjusted Gross Toll Revenue	\$14.780	\$20.513	\$35.293	\$58.231	\$76.912	\$356.967
	Other Revenue	\$0.630	\$0.456	\$1.086	\$4.658	\$6.186	\$26.499
	Total I-405 ETLs Revenue & Fees	\$15.410	\$20.969	\$36.379	\$62.889	\$83.098	\$383.466
	SR 167 ETLs						
	Adjusted Gross Toll Revenue	\$3.551	\$5.084	\$8.635	\$15.032	\$17.970	\$87.634
	Other Revenue	\$0.187	\$0.120	\$0.307	\$0.261	\$0.285	\$1.490
	Total SR 167 ETLs Revenue & Fees	\$3.738	\$5.204	\$8.942	\$15.293	\$18.255	\$89.124
	SR 99						
	Adjusted Gross Toll Revenue	\$22.656	\$26.377	\$49.033	\$53.585	\$55.622	\$274.068
	Other Revenue	-\$0.289	\$0.707	\$0.418	\$7.029	\$7.325	\$29.966
Total SR 99 Revenue & Fees	\$22.367	\$27.084	\$49.451	\$60.614	\$62.947	\$304.034	
All Toll Facilities							
Adjusted Gross Toll Revenue	\$184.319	\$206.795	\$391.114	\$481.052	\$516.664	\$2511.205	
Other Revenue	\$1.509	\$4.220	\$5.729	\$29.712	\$34.235	\$144.156	
Total Revenue & Fees	\$185.829	\$211.015	\$396.844	\$510.764	\$550.899	\$2655.362	
Changes from June 2022 TRFC	TNB						
	Adjusted Gross Toll Revenue	\$0.291	\$0.869	\$1.160	\$0.000	\$0.000	\$1.160
	Other Revenue	\$0.081	-\$2.964	-\$2.883	-\$0.095	-\$0.026	-\$3.057
	Total TNB Revenue & Fees	\$0.371	-\$2.095	-\$1.724	-\$0.095	-\$0.026	-\$1.898
	Total % Change	0.4%	-2.4%	-1.0%	-0.1%	0.0%	-0.2%
	SR 520						
	Adjusted Gross Toll Revenue	\$0.964	-\$0.938	\$0.026	\$0.561	\$1.233	\$3.139
	Other Revenue	\$0.573	-\$2.545	-\$1.972	-\$0.318	-\$0.012	-\$2.187
	Total SR 520 Revenue & Fees	\$1.537	-\$3.483	-\$1.946	\$0.243	\$1.221	\$0.952
	Total % Change	2.6%	-4.6%	-1.4%	0.1%	0.6%	0.1%
	I-405 ETLs						
	Adjusted Gross Toll Revenue	\$0.522	\$0.020	\$0.542	\$0.009	\$0.000	\$0.551
	Other Revenue	\$0.297	-\$0.902	-\$0.605	\$0.060	\$0.000	-\$0.545
	Total I-405 ETLs Revenue & Fees	\$0.819	-\$0.882	-\$0.063	\$0.069	\$0.000	\$0.006
	Total % Change	5.6%	-4.0%	-0.2%	0.1%	0.0%	0.0%
	SR 167 ETLs						
	Adjusted Gross Toll Revenue	-\$0.007	\$0.000	-\$0.007	\$0.000	\$0.000	-\$0.007
	Other Revenue	\$0.056	\$0.010	\$0.066	-\$0.002	-\$0.002	\$0.062
	Total SR 167 ETLs Revenue & Fees	\$0.049	\$0.010	\$0.059	-\$0.002	-\$0.002	\$0.055
	Total % Change	1.3%	0.2%	0.7%	0.0%	0.0%	0.1%
	SR 99						
Adjusted Gross Toll Revenue	\$0.632	\$0.377	\$1.009	-\$0.007	\$0.000	\$1.002	
Other Revenue	\$0.107	-\$1.557	-\$1.450	-\$0.113	\$0.000	-\$1.563	
Total SR 99 Revenue & Fees	\$0.739	-\$1.180	-\$0.441	-\$0.120	\$0.000	-\$0.561	
Total % Change	3.4%	-4.2%	-0.9%	-0.2%	0.0%	-0.2%	
All Toll Facilities							
Adjusted Gross Toll Revenue	\$2.401	\$0.328	\$2.729	\$0.563	\$1.233	\$5.844	
Adjusted Gross Toll Revenue % Chan	1.3%	0.2%	0.7%	0.1%	0.2%	0.2%	
Other Revenue	\$1.113	-\$7.958	-\$6.845	-\$0.468	-\$0.040	-\$7.291	
Total Revenue & Fees	\$3.515	-\$7.630	-\$4.115	\$0.095	\$1.193	-\$1.446	
Total % Change	1.9%	-3.5%	-1.0%	0.0%	0.2%	-0.1%	

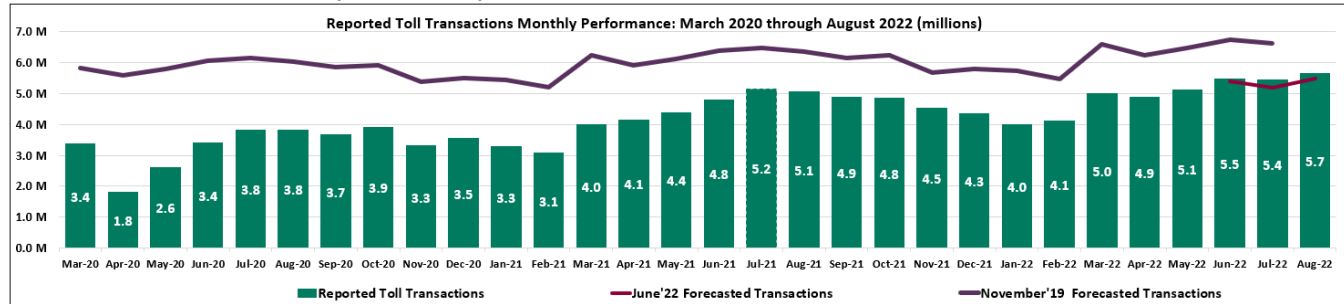
A Review of COVID-19 Pandemic Impact on Toll Traffic and Revenues

COVID T&R performance continues to trend below the Pre COVID forecast. Comparing to November 2019 forecast, thirty-month period, March 2020 through May 2022 five facilities combined toll transactions were 31 percent below the pre-COVID forecast, Toll Revenue was below the forecast by 32 percent, or \$196.2 million.

YTD July through August 2022 Toll Transactions were below the November 2019 forecast by 19 percent, Toll Revenue is 18 percent below.

Figure 13 provides thirty-month, March 2020 through August 2022 Toll Transactions performance in comparison to the previous forecasts.

Figure 18: March 2020 through August 2022 monthly total Toll Traffic and Revenue actuals in comparison to June 2022 and November 2019 (Pre-COVID) Forecasts



Note: June 2022 through August 2022 monthly transactions are stated based on preliminary estimates.

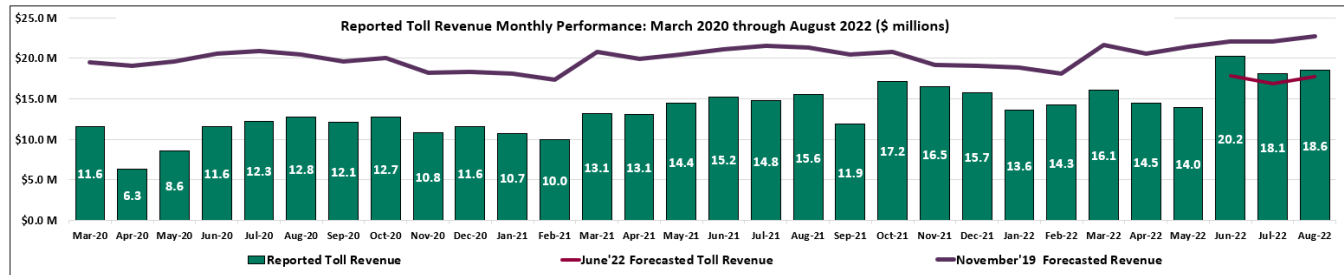


Figure 19 provides the comparison summary between September 2022 and November 2019 (Pre-COVID) Forecast. Comparing to the Pre-COVID November 2019 Forecast, Current 2021-23 Biennium total revenue and fees are 26.3 percent below the November 2019 forecast. Next 2023-25 Biennium total revenue and fees are 13.8 percent below the November 2019 forecast. FY 2020 to FY 2029 ten-year total, total revenue and fees are 17.5 percent (or \$511.9 million) below the November 2019 Forecast.

Figure 19: Revenue Comparison – September 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	-\$0.322	-\$1.370	-\$3.535	-\$3.497	-\$25.784
	Other Revenue	-\$2.799	-\$1.869	-\$4.668	\$0.384	\$0.644	-\$0.485
	Total TNB Revenue & Fees	-\$3.848	-\$2.191	-\$6.039	-\$3.151	-\$2.853	-\$26.269
	Total % Change	-4.4%	-2.5%	-3.4%	-1.8%	-1.6%	-2.9%
	SR 520						
	Adjusted Gross Toll Revenue	-\$32.233	-\$25.934	-\$58.167	-\$18.098	-\$20.671	-\$180.664
	Other Revenue	-\$7.508	-\$6.674	-\$14.182	-\$6.376	-\$4.991	-\$27.802
	Total SR 520 Revenue & Fees	-\$39.741	-\$32.608	-\$72.349	-\$24.474	-\$25.662	-\$208.466
	Total % Change	-39.5%	-31.3%	-35.3%	-11.1%	-11.1%	-19.1%
	I-405 ETLs						
	Adjusted Gross Toll Revenue	-\$18.622	-\$14.505	-\$33.127	-\$36.421	-\$41.039	-\$175.081
	Other Revenue	-\$2.295	-\$2.716	-\$5.011	-\$3.806	-\$5.614	-\$17.568
	Total I-405 ETLs Revenue & Fees	-\$20.917	-\$17.221	-\$38.138	-\$40.227	-\$46.653	-\$192.648
	Total % Change	-57.6%	-45.1%	-51.2%	-39.0%	-36.0%	-37.9%
	SR 167 ETLs						
	Adjusted Gross Toll Revenue	-\$2.858	-\$2.225	-\$5.083	-\$2.810	-\$3.084	-\$18.514
	Other Revenue	-\$0.122	-\$0.226	-\$0.348	-\$0.580	-\$0.780	-\$2.900
	Total SR 167 ETLs Revenue & Fees	-\$2.980	-\$2.451	-\$5.431	-\$3.390	-\$3.864	-\$21.414
	Total % Change	-44.4%	-32.0%	-37.8%	-18.1%	-17.5%	-23.4%
	SR 99						
Adjusted Gross Toll Revenue	-\$6.101	-\$3.599	-\$9.700	-\$7.154	-\$7.613	-\$43.901	
Other Revenue	-\$5.426	-\$4.694	-\$10.120	-\$3.691	-\$3.231	-\$19.152	
Total SR 99 Revenue & Fees	-\$11.527	-\$8.293	-\$19.820	-\$10.845	-\$10.844	-\$63.053	
Total % Change	-34.0%	-23.4%	-28.6%	-15.2%	-14.7%	-18.9%	
All Toll Facilities							
Adjusted Gross Toll Revenue	-\$60.863	-\$46.585	-\$107.448	-\$68.018	-\$75.904	-\$443.944	
Adjusted Gross Toll Revenue % Change	-24.8%	-18.4%	-21.6%	-12.4%	-12.8%	-16.4%	
Other Revenue	-\$18.151	-\$16.179	-\$34.330	-\$14.069	-\$13.972	-\$67.907	
Total Revenue & Fees	-\$79.013	-\$62.764	-\$141.777	-\$82.087	-\$89.876	-\$511.851	
Total % Change	-29.8%	-22.9%	-26.3%	-13.8%	-14.0%	-17.5%	

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

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

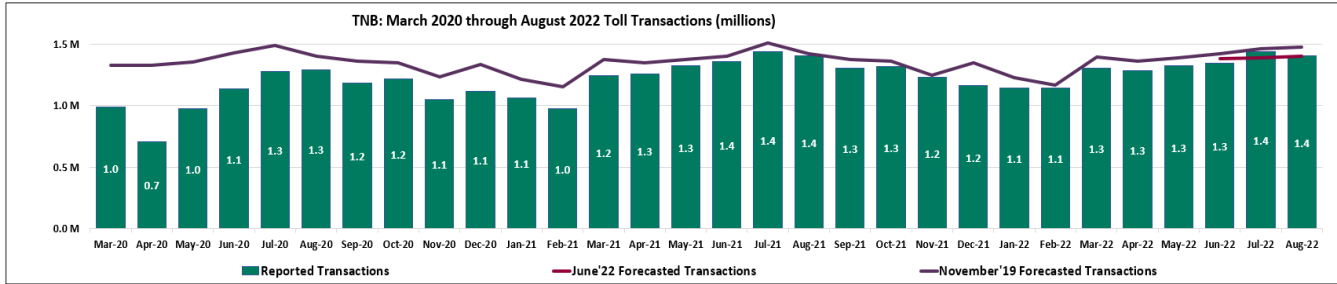
The TNB also has an alternative forecast to reflect a potential \$0.75 toll rate reduction with per-axle multiplier for vehicles with multiple axles. New rates would be effective on October 1, 2022. The alternative forecast is based on the Washington State Transportation Commission (WSTC) proposals presented 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).

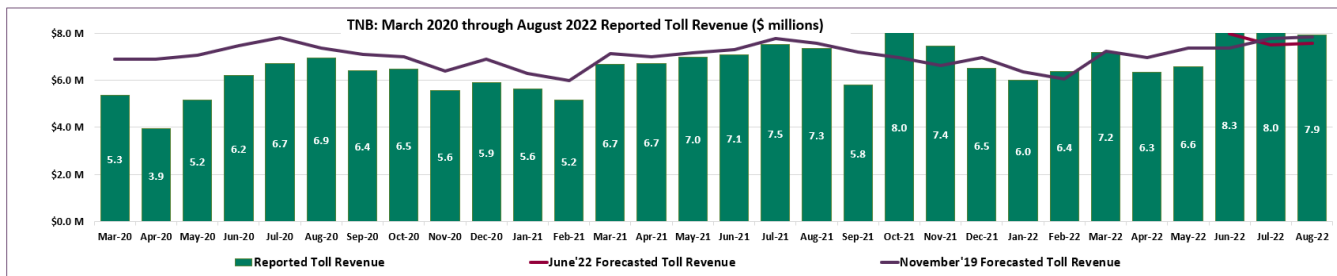
In comparison to June 2022 Forecast, three-month June through August 2022 toll transactions (toll transactions are based on preliminary estimate) is 0.4 percent above the June 2022 Forecast, and reported adjusted toll revenues were 5.0 percent, or \$1.2 million above.

Thirty-month, March 2020 through August 2022, total toll traffic was below pre-COVID forecast by 10 percent, or 4.2 million transactions, toll revenue was below by 7 percent, or \$15.5 million, (Figure 20)

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



Note: June 2022 through August 2022 monthly transactions are stated based on preliminary estimates



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.

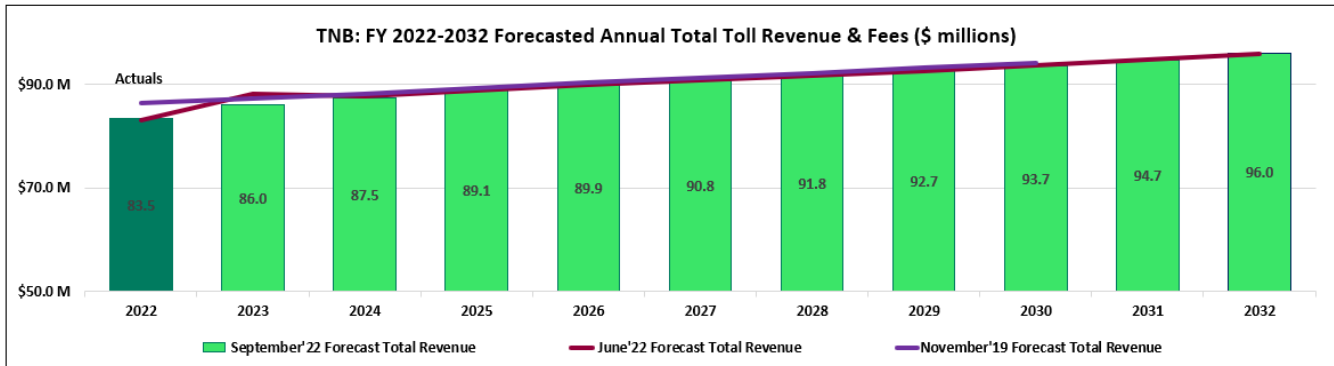
The escalation of unpaid toll bills pending new Backoffice system (BOS) acceptance is planned for late spring 2023. The Notice of Civil Penalty (NOCP) fees and Late payment fees with a lower collection rate for FY 2022 and FY 2023 are assumed to be collected through Biennium 2023-25. In addition, no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

The facility's total revenue and fees in 2021-23 Biennium are estimated to be \$169.5 million, which is \$1.7 million (or 1.0 percent) below the June 2022 Forecast. Ten-year period (FY 2022 to FY 2031) total revenue and fees of \$900.0 million are \$1.9 million (or 0.2 percent) reduction to the June 2022 forecast. Ten-year period (FY 2020 to FY 2029) total revenue and fees are below Pre-COVID November 2019 Forecast by \$26.3 million (or 2.9 percent), Figure 21.

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



Updates to SR 520 Toll Bridge toll traffic and revenues

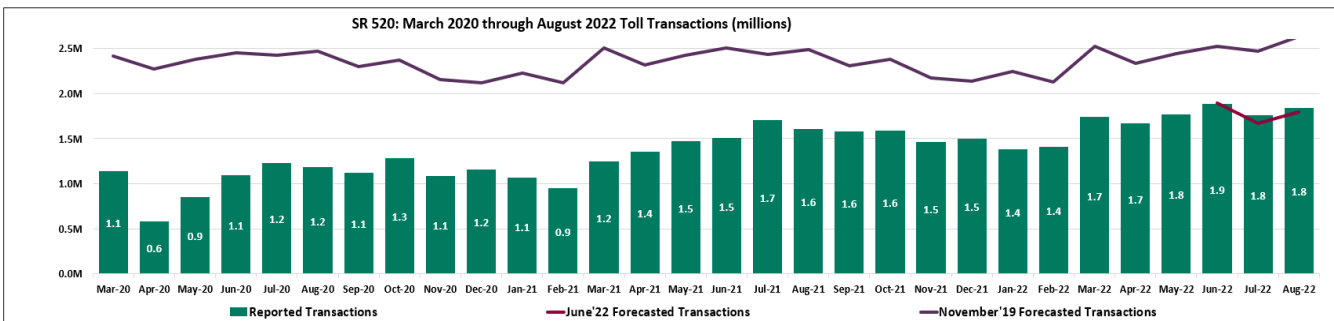
The SR 520 Toll Bridge toll traffic and revenue forecast for September 2022 has used traffic and revenue potential actuals through and including July 2022, with preliminary August 2022 data. The most recent closure schedule updates have been applied. The forecast assumes a tailored increase in toll rates, 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.

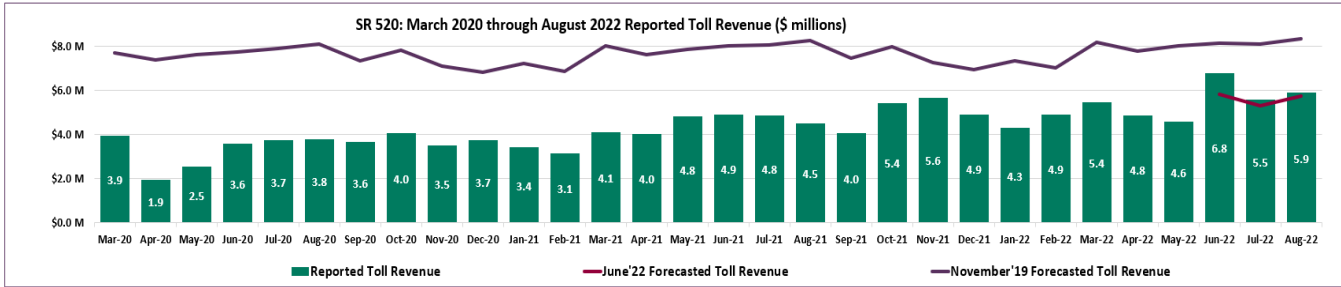
In comparison to June 2022 Forecast, three-month June through August 2022 toll transactions (toll transactions are based on preliminary estimate) were 1.9 percent above the June 2022 Forecast, and reported adjusted toll revenues were 8.1 percent, or \$1.4 million above.

Thirty-month, March 2020 through August 2022, total toll traffic was below pre-COVID forecast by 42 percent, or 29.5 million transactions, toll revenue was below by 43 percent, or \$99.7 million, (Figure 22).

Figure 22: SR 520 March 2020 through August 2022 monthly Toll Traffic and Revenue actuals in comparison to November 2019 (Pre-COVID) and June 2022 forecasts



Note: June 2022 through August 2022 monthly transactions are stated based on preliminary estimates



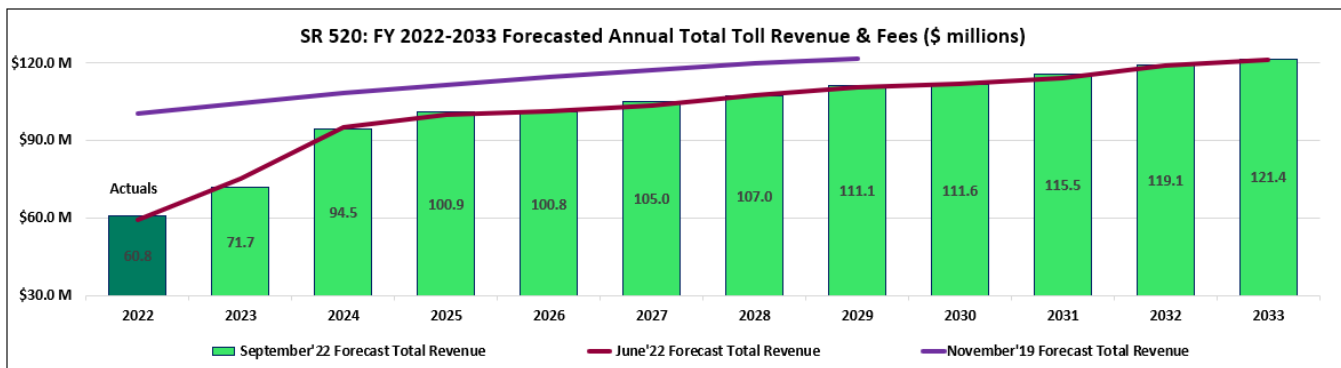
Based on the revised T&R forecast projections to account for construction closures, fees and leakage values were revised to align with the new projections, with similar revenue leakage rates assumed through the forecast horizon. When additional reported data on leakage is available, once escalation of 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 which were re-evaluated based on revisions to the gross toll potential forecast to account for lower assumed number of required closures. With the reduction in closures there was a corresponding increase in gross revenue as well as an increase in net revenue deposits and corresponding interest earnings on those deposits.

Total SR 520 revenue and fees in the current biennium are forecasted to be \$132.5 million, a reduction of \$1.9 million (or 1.4 percent) to the June 2022 Forecast. The ten-year total revenue and fees (FY 2022 to FY 2031) are estimated to be \$979.0 million, 0.1 percent increase to the June 2022 Forecast. Ten-year period (FY 2020 to FY 2029) total revenue and fees are reduction to Pre-COVID November 2019 Forecast by \$208.5 million (or 19.1 percent), (Figure 23).

Figure 23: SR 520 FY 2022-2031 Annual Total Revenues and Fees Forecasts Comparisons



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

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 June 2022 forecasts.

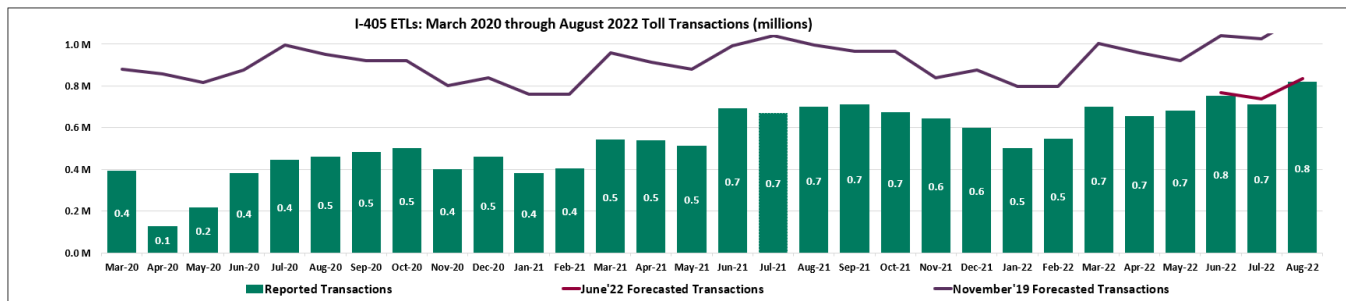
Additionally, the forecasts include post-COVID recovery assumptions, new independent post-COVID socio-economic forecasts (completed in January 2022 for the I-405 / SR 167 project) that were used for travel demand model runs for the facility, payment type data from the new ETAN back office system (BOS) 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).

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

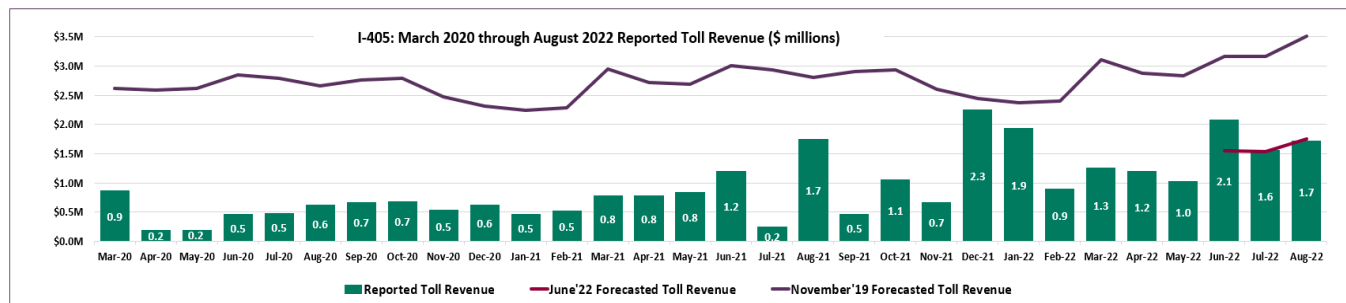
In comparison to June 2022 Forecast, three-month, June through August 2022 toll transactions (toll transactions are based on preliminary estimate) were 2.6 percent below the June 2022 Forecast, and reported adjusted toll revenues were 10.3 percent, or \$0.5 million above due to catching up on revenue possessing backlogged photo toll transactions into June 2022.

Thirty-month, March 2020 through August 2022, total toll traffic was below pre-COVID forecast by 41 percent, or 11.25 million transactions, toll revenue was below by 66 percent, or \$54.6 million. (Figure 24).

Figure 24: I-405 ETLs March 2020 through August 2022 monthly Toll Traffic and Revenue actuals in comparison to November 2019 (Pre-COVID) and June 2022 forecasts



Note: June 2022 through August 2022 monthly transactions are stated based on preliminary estimates

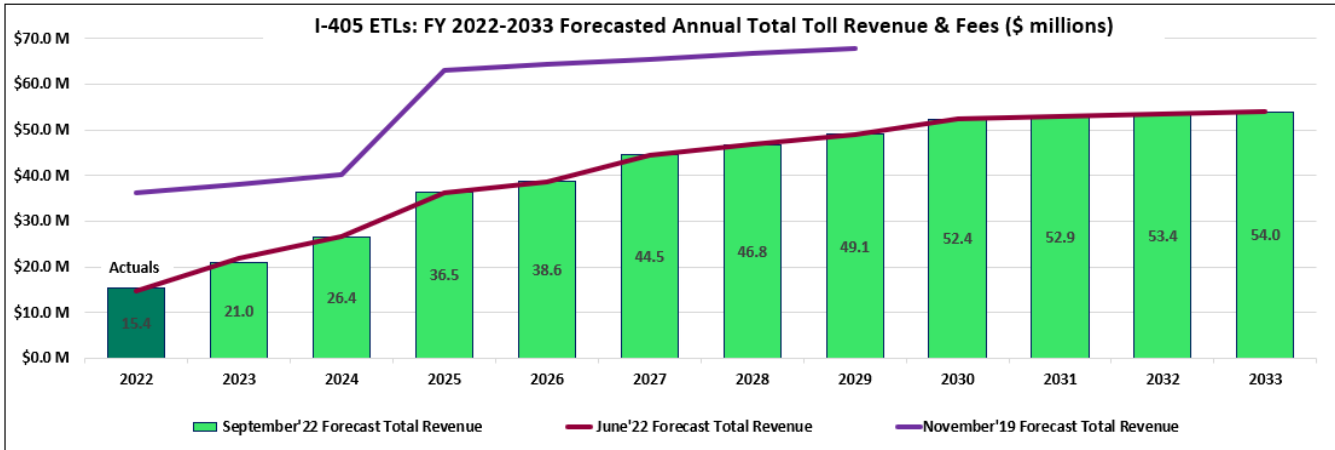


Based on the revised T&R forecast projections, revised payment splits, and new ETAN system and data reporting transparency, fees and leakage values were revised to align with the new projections, with similar revenue leakage rates assumed through the forecast horizon. When additional reported data on 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.

Total I-405 revenue and fees in the current biennium are forecasted to be \$36.4 million, a decrease of 63 thousand (0.2 percent) to the June 2022 forecast. The ten-year (FY 2022 to FY 2031) total revenue and fees are estimated to be \$383.5 million, which is in line with the June 2022 forecast. Ten-year period (FY 2020 to FY 2029) total revenue and fees are reduction to Pre-COVID November 2019 Forecast by \$192.6 million (or 37.9 percent), (Figure 25).

Figure 25: 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 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.

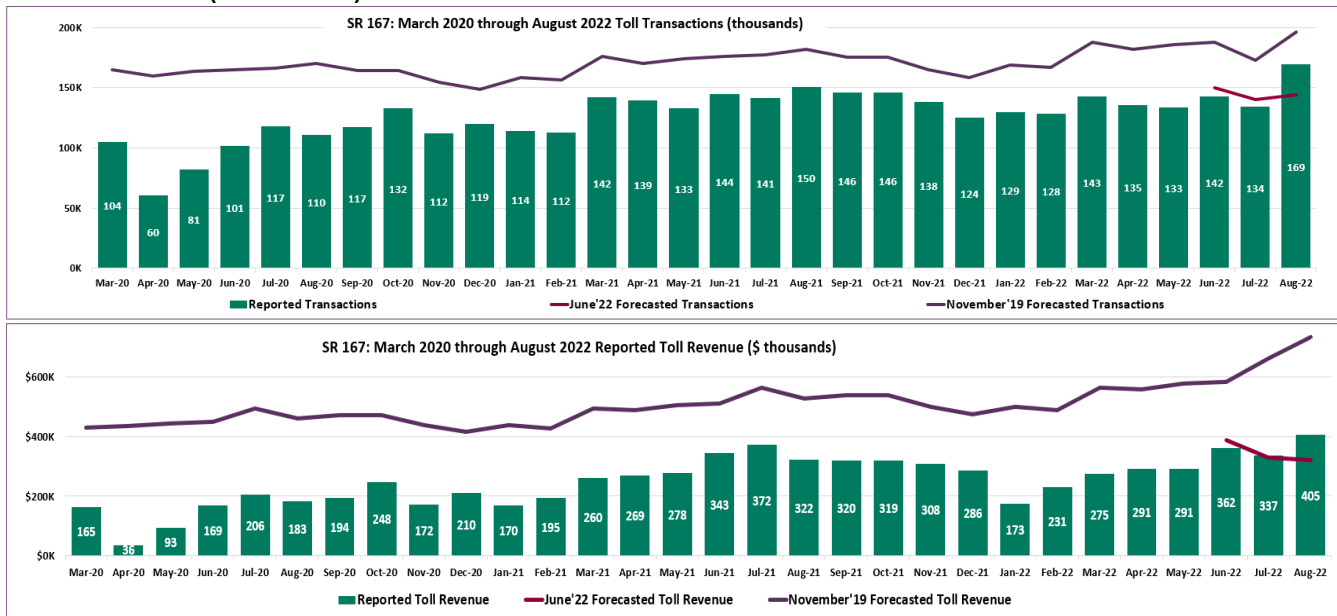
The SR 167 Express Toll Lanes traffic and revenue forecast for September 2022 has used traffic and revenue potential actuals through and including July 2022, with preliminary August 2022 data. The forecast reflects the current assumptions on post-COVID-19 traffic and revenue recovery trends.

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 June 2022 Forecast, three-month June through August 2022 actual toll transactions were 2.5 percent above the June 2022 Forecast, and reported adjusted toll revenues were 6.4 percent, or \$0.1 million above. Starting August all four previously damaged data centers are fully operational, which is a few months earlier than previously assumed.

Thirty-month, March 2020 through August 2022, total toll traffic was below pre-COVID forecast by 26 percent, or 1.3 million transactions, toll revenue was below by 51 percent, or \$7.7 million. (Figure 26).

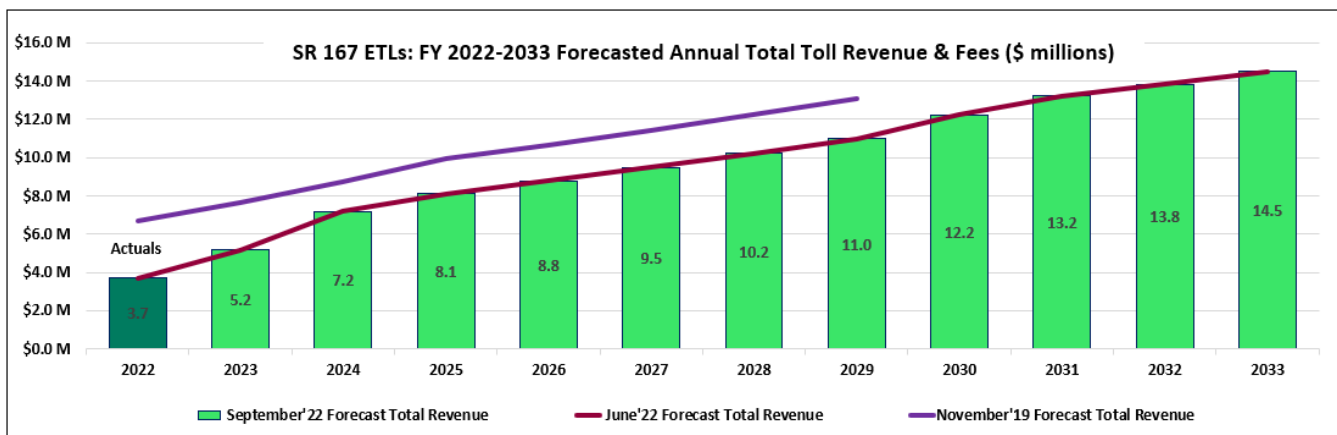
Figure 26: SR 167 March 2020 through August 2022 monthly Toll Traffic and Revenue actuals in comparison to November 2019 (Pre-COVID) and June 2022 forecasts



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

SR 167 ETLs total revenue and fees in current biennium are forecasted to be \$8.9 million, which is \$59 thousand (or 0.7 percent) increase to June 2022 Forecast. The ten-year (FY 2022 to FY 2031) total revenue and fees are estimated to be \$89.1 million, which is by \$55 thousand (or 0.1 percent) above the June 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 27.

Figure 27: 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 traffic and revenue forecast for September 2022 has used traffic and revenue potential actuals through and including July 2022, with preliminary August 2022 data. The forecast is based on the planned 3 percent toll increases on July 1, 2025, 2028 and 2031.

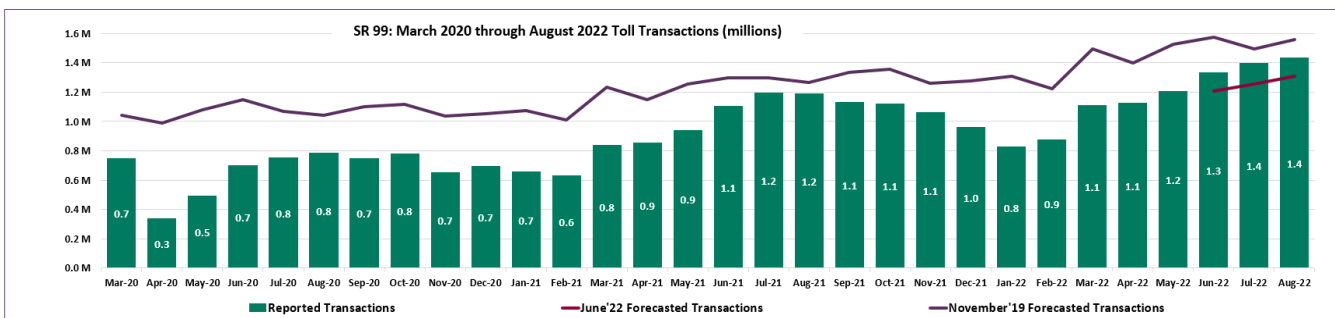
Additionally, the forecasts include post-COVID recovery assumptions, new independent post-COVID socio-economic forecasts (completed in January 2022 for the I-405 / SR 167 project) that were used for travel demand model

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.

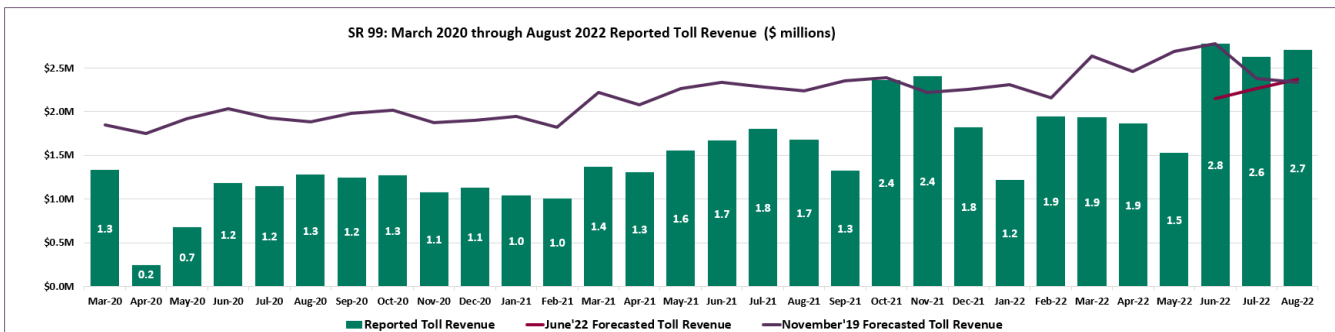
In comparison to June 2022 Forecast, three-month June through August 2022 toll transactions (toll transactions are based on preliminary estimate) were 10.3 percent above the June 2022 Forecast, and reported adjusted toll revenues were 19.6 percent, or \$1.3 million above the forecast due to catching up on revenue possessing backlogged photo toll transactions in June 2022.

Thirty-month, March 2020 through August 2022, total toll traffic was below pre-COVID forecast by 25 percent, or 9.4 million transactions, toll revenue was below by 29 percent, or \$18.7 million. (Figure 28).

Figure 28: SR 99 March 2020 through August 2022 monthly Toll Traffic and Revenue actuals in comparison to November 2019 (Pre-COVID) and June 2022 forecasts



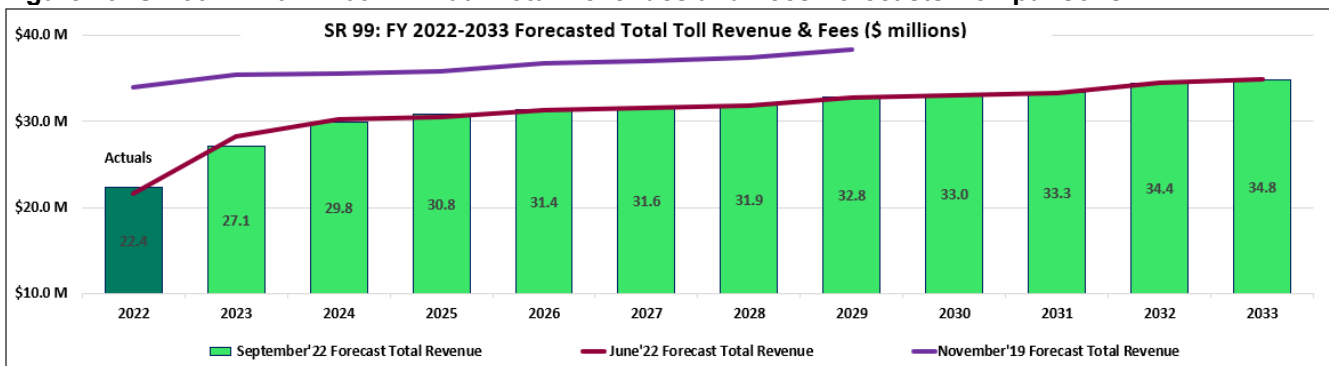
Note: June 2022 through August 2022 monthly transactions are stated based on preliminary estimates



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.

Total SR 99 revenue and fees in the current biennium are forecasted to be \$49.5 million, a decrease of \$0.4 million (0.9 percent) from the June 2022 Forecast. The ten-year (FY 2022 to FY 2031) total revenue and fees are estimated to be \$304.0 million, a reduction of \$0.6 million (0.2 percent) to the June 2022 Forecast. Ten-year period (FY 2020 to FY 2029) total revenue and fees are reduction to Pre-COVID November 2019 Forecast by \$63.1 million (18.9 percent), (Figure 29).

Figure 29: 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, 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 September 2022 baseline core programs formula forecast for FFY 2022 will be based on FHWA Notice N4510.858. FFY 2023 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 2021 was \$1,129.9 million. This reflects actual apportionment distributions for FFY 2021.
- The September 2022 apportionment forecast will be based on FHWA Notice N4510.858. FFY 2023 through 2026 will assume an annual growth rate of 2% which is consistent with the US funding levels set forth in the IIJA. The current total apportionment estimate for FFY 2022 is \$1,454 million.
- The September 2023-2026 apportionment forecast reflects the estimated federal distributions contained in IIJA.
- 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 September forecast, there were only minor revisions upward annually in the long-term federal highway funds forecast compared to the last forecast due to higher starting point in FFY 2024 and slightly higher long-term growth rates in those years.

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 Sept. 2022 CORE OA for FFY 2021 has been reconciled to actual OA distributions and is \$959.7 million which includes distributions for Discretionary items, Other Allocated programs as well as Ferry Boat/Terminals distributions.
- Total OA forecast for FFY 2022 and throughout the forecast horizon will be set at 98% of apportionment, which is consistent with historical Washington State OA distributions.
- The methodology used to split the formula OA distributions between the State Programs and the Local Programs was modified in the June 2018 forecast and has not changed since.

Rescission of FAST ACT Funds

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

Allocations of IJA Funds Forecast:

Federal apportionment is split between state and locals. The Governor's office and the Office of Financial Management plan to convene a steering committee to discuss new state and local splitting of funds for the 2021 IJA in calendar year 2022 after the legislative session is complete. The November 2021 forecast has applied the previously agreed upon state and local splits from the FAST Act for program formula funds until new splits have been agreed to by the Governor's steering committee. The new IJA program funds will not be split out between state and locals at this time. The previous agreed upon FAST Act splits assumes the following:

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

FHWA Penalties:

The February 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, September and June 2021 federal apportionment forecasts include an estimated CRF distribution to Washington State for ferries and public transportation. This CRF estimate does not include fund distributions made directly to King, Pierce, Snohomish, and Spokane counties.

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

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 September 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 was authorized from *FFY2022 through FFY2026 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 September 2022 WSF federal forecast will therefore reflect the current split letter released by PSRC for FFY 2022.* FFY 2023 - 2026 will 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 will assume revenue growth matching the annual Washington State fuel consumption growth rates.

Forecast Contacts

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

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Driver Related Revenue Forecasts

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Other Transportation Related Revenue Forecast

Vehicle Sales, Rental Car Tax and Heavy Equipment Rental Tax

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Studded Tire Fee, HOV penalties and Hazardous Substance Tax

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Aeronautics Revenue

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Washington State Ferries Ridership and Revenue Forecast

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Toll Operations Traffic and Revenue

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Federal Funds Forecast

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