

**Transportation Revenue Forecast Council**

**February 2024 Transportation Economic and  
Revenue Forecast**

**Volume I: Summary**

## Washington Transportation

### Economic and Revenue Forecast

#### February 2024 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.

The 2023 Legislature amended RCW 82.33.020 through the passage of ESHB 1838. As a result, WSDOT is to transfer the state's motor fuels, fuels price, vehicle license, plate, and fee revenue forecast activities to Washington's Economic Revenue Forecast Council (ERFC). The transition of forecasting activities from WSDOT to ERFC will be complete by July 2024 and ERFC will produce their first Transportation revenue forecast in September 2024.

## February 2024 Transportation Forecast Overview

### Forecast Overview

- The 2023-2025 biennium total transportation revenue forecast is \$6.99 billion which is down -\$55.6 million, or -0.8%, when compared to the March 2023 “Baseline” forecast, which the Legislature used to inform the 2023-25 biennial Transportation Budget (Figure 1).
- For the 10-year forecast horizon, total transportation revenue is projected to be \$37.7 billion, which is an increase from the March 2023 “Baseline” forecast by \$336 million or 0.90% (Figure 1).
- For February 2024 forecast, the 2023-25 biennium total transportation revenue estimate is \$6.99 billion which is \$0.8 million higher in comparison to the last November 2023 forecast. This is driven by Toll Revenue increase of \$12.2 million which is partially offset by the reduction in Ferry Revenues of -\$11.6 million (Figure 1a).
- For the 2025-27 biennium, revenues are projected at \$7.3 billion which is \$4.3 million lower or -0.1% as compared than previously forecast (November 2023) (Figure 1a).
- For the 10-year forecast horizon, total baseline revenue in February 2024 is up from the last forecast (November 2023) by \$20.9 million or 0.1%, mainly driven by an expected increase in Toll Revenue and Licenses, Permits and Fees (Figure 1a).

**Figure 1: Current February 2024 vs. March 2023 (Baseline) Forecast: All Revenues**

Forecast to Baseline Comparison for Transportation Revenues and Distributions												
10-Year Period												
February 2024 Forecast to March 2023 Baseline Forecast millions of dollars												
	Current Biennium				Biennium				10-Year Period			
	2023-2025				2025-2027				(2024-2033)			
	Forecast	Forecast	Chg from	Percent	Forecast	Forecast	Chg from	Percent	Forecast	Forecast	Chg from	Percent
	February 2024	March 2023	March 2023	Change	February 2024	March 2023	March 2023	Change	February 2024	March 2023	March 2023	Change
<b>Sources of Transportation Revenue</b>												
Motor Vehicle Fuel Tax Collections	3,357.5	3,369.6	(12.15)	-0.36%	3,406.30	3,402.6	3.69	0.11%	17,458.0	17,462.0	(4.0)	-0.02%
Licenses, Permits and Fees	2,027.8	2,073.8	(46.01)	-2.22%	2,166.51	2,180.7	(14.17)	-0.65%	11,455.0	11,267.1	187.8	1.67%
Ferry Revenue†	383.9	416.0	(32.07)	-7.71%	423.05	430.8	(7.71)	-1.79%	2,171.3	2,211.2	(39.9)	-1.80%
Toll Revenue	494.5	489.4	5.07	1.04%	525.98	529.0	(2.98)	-0.56%	2,731.6	2,698.6	33.1	1.23%
Aviation Revenues	15.4	13.7	1.65	12.03%	14.27	13.0	1.28	9.82%	72.4	64.9	7.5	11.57%
Rental Car Tax	97.8	89.9	7.91	8.79%	99.28	94.3	4.93	5.22%	516.5	490.5	26.0	5.31%
Vehicle Sales Tax	129.9	131.5	(1.64)	-1.24%	134.27	136.8	(2.49)	-1.82%	710.6	713.2	(2.6)	-0.36%
Driver-Related Fees	339.3	343.8	(4.48)	-1.30%	393.81	395.2	(1.34)	-0.34%	1,846.7	1,855.3	(8.6)	-0.46%
Business/Other Revenues	144.3	118.2	26.12	22.10%	146.86	120.2	26.66	22.18%	747.4	611.2	136.2	22.28%
<b>Total Revenues</b>	<b>6,990.4</b>	<b>7,046.0</b>	<b>(55.59)</b>	<b>-0.79%</b>	<b>7,310.32</b>	<b>7,302.5</b>	<b>7.86</b>	<b>0.11%</b>	<b>37,709.5</b>	<b>37,373.9</b>	<b>335.6</b>	<b>0.90%</b>
<b>Distribution of Revenue</b>												
Motor Fuel Tax Refunds and Transfers	253.2	246.5	6.70	2.72%	263.45	250.2	13.21	5.28%	1,330.9	1,270.2	60.7	4.78%
Motor Fuel Administrative Fee - DOL	19.0	18.8	0.19	0.99%	19.14	19.1	0.00	0.00%	97.4	97.2	0.2	0.19%
<b>State Uses</b>												
Motor Vehicle Account (108)	1,318.4	1,322.5	(4.10)	-0.31%	1,420.78	1,396.8	23.96	1.72%	7,685.0	7,324.9	360.1	4.92%
Transportation 2003 (Nickel) Account (550)	406.6	412.2	(5.55)	-1.35%	418.04	420.4	(2.32)	-0.55%	2,111.3	2,129.8	(18.5)	-0.87%
Transportation 2005 Partnership Account (09H)	600.9	606.0	(5.08)	-0.84%	614.63	618.2	(3.59)	-0.58%	3,129.9	3,149.9	(20.0)	-0.63%
Connecting Washington Account (20H)	742.4	747.5	(5.09)	-0.68%	759.02	761.9	(2.92)	-0.38%	3,865.0	3,882.2	(17.1)	-0.44%
Multimodal Account (218)	696.9	702.6	(5.66)	-0.81%	719.91	731.4	(11.50)	-1.57%	3,726.6	3,774.5	(47.8)	-1.27%
Special Category C Account (215)	46.8	47.1	(0.32)	-0.68%	47.84	48.0	(0.18)	-0.38%	243.6	244.7	(1.1)	-0.44%
Puget Sound Capital Construction Account (099)	34.0	34.3	(0.23)	-0.68%	34.81	34.9	(0.13)	-0.38%	177.2	178.0	(0.8)	-0.44%
Puget Sound Ferry Operations Account (109)	442.4	473.5	(31.05)	-6.56%	482.18	489.3	(7.08)	-1.45%	2,472.5	2,509.5	(36.9)	-1.47%
Capital Vessel Replacement Account (18J)	57.7	61.3	(3.61)	-5.89%	60.88	63.3	(2.44)	-3.85%	306.0	320.0	(14.0)	-4.38%
Tacoma Narrows Bridge Account (51I)	159.7	155.5	4.13	2.65%	158.80	158.9	(0.12)	-0.08%	729.2	725.6	3.6	0.49%
High Occupancy Toll Lanes Account (09F)^	14.4	15.2	(0.86)	-5.66%	20.26	18.2	2.09	11.49%	117.6	108.0	9.6	8.85%
SR 520 Corridor Account (16I)	165.1	190.2	(25.11)	-13.20%	173.68	198.8	(25.13)	-12.64%	959.6	1,052.2	(92.5)	-8.80%
SR 520 Corridor Civil Penalties Account (17P)	6.3	5.0	1.31	26.13%	7.62	7.0	0.61	8.76%	38.7	34.6	4.1	11.80%
Interstate 405 Express Toll Lanes Operations (595)	73.7	62.8	10.81	17.20%	91.46	83.1	8.37	10.07%	501.4	454.4	47.0	10.35%
Alaskan Way Viaduct Replacement Acct. (535)	75.4	60.6	14.81	24.45%	74.16	62.9	11.21	17.81%	385.2	323.8	61.4	18.96%
Aeronautics Account (039)	15.3	13.6	1.65	12.13%	14.18	12.9	1.29	9.97%	71.9	64.4	7.6	11.77%
Washington State Aviation Account (21G)	0.1	0.1	(0.00)	-1.97%	0.09	0.1	(0.01)	-8.33%	0.4	0.5	(0.1)	0.00%
State Patrol Highway Account (081)	465.7	475.0	(9.27)	-1.95%	482.39	490.7	(8.31)	-1.69%	2,464.6	2,510.0	(45.4)	-1.81%
Highway/Motorcycle Safety Accts. (106 & 082)	305.0	287.0	17.94	6.25%	349.47	330.3	19.12	5.79%	1,618.9	1,524.6	94.3	6.19%
School Zone Safety Account (780)	0.4	0.6	(0.22)	-35.62%	0.40	0.6	(0.22)	-35.60%	2.0	3.1	(1.1)	-35.68%
Other accounts (201, 06T, 097, 09E, 216, 07C, 24-K)	42.4	43.9	(1.49)	-3.39%	43.37	44.9	(1.51)	-3.37%	220.4	227.8	(7.4)	-3.26%
Electric Vehicle Account (20I)	54.8	47.8	7.01	14.66%	0.00	0.00	0.00	#DIV/0!	54.8	47.8	7.0	14.66%
Ignition Interlock Devices Revolving Acct 14V	7.1	8.8	(1.70)	-19.36%	7.69	8.9	(1.21)	-13.60%	38.6	45.2	(6.6)	-14.50%
Multituse Roadway Safety Account Collections-571	0.6	0.5	0.05	9.89%	0.61	0.5	0.08	16.11%	3.1	2.7	0.4	14.80%
Move Ahead WA Accounts - 26P	225.5	239.5	(14.07)	100.00%	251.85	257.1	(5.21)	100.00%	1,255.6	1,302.0	(46.4)	100.00%
Move Ahead WA Accounts - 26Q	26.8	28.8	(2.01)	100.00%	35.91	36.1	(0.16)	100.00%	182.6	184.3	(1.8)	100.00%
<b>Total for State Use</b>	<b>5,984.2</b>	<b>6,042.0</b>	<b>(57.74)</b>	<b>-0.96%</b>	<b>6,270.02</b>	<b>6,275.3</b>	<b>(5.33)</b>	<b>-0.08%</b>	<b>32,361.8</b>	<b>32,124.3</b>	<b>237.5</b>	<b>0.74%</b>
<b>Local Use</b>												
Cities	179.4	180.7	(1.23)	-0.68%	183.46	184.2	(0.71)	-0.38%	934.2	938.4	(4.1)	-0.44%
Counties	290.4	292.7	(2.36)	-0.81%	297.56	298.9	(1.33)	-0.44%	1,516.1	1,524.0	(7.9)	-0.52%
Transportation Improvement Board (112 & 144)	195.7	196.7	(1.01)	-0.51%	203.40	202.6	0.76	0.37%	1,065.8	1,042.7	23.1	2.22%
County Road Administration Board (102 & 253)	68.5	68.6	(0.14)	-0.20%	73.29	72.0	1.26	1.74%	403.2	377.2	26.0	6.90%
<b>Total for Local Use</b>	<b>734.0</b>	<b>738.8</b>	<b>(4.74)</b>	<b>-0.64%</b>	<b>757.71</b>	<b>757.7</b>	<b>(0.02)</b>	<b>0.00%</b>	<b>3,919.3</b>	<b>3,882.2</b>	<b>37.1</b>	<b>0.96%</b>
<b>Total Distribution of Revenue</b>	<b>6,990.4</b>	<b>7,046.0</b>	<b>(55.59)</b>	<b>-0.79%</b>	<b>7,310.32</b>	<b>7,302.5</b>	<b>7.86</b>	<b>0.11%</b>	<b>37,709.5</b>	<b>37,373.9</b>	<b>335.6</b>	<b>0.90%</b>

† Ferry Fares plus non-farebox revenue

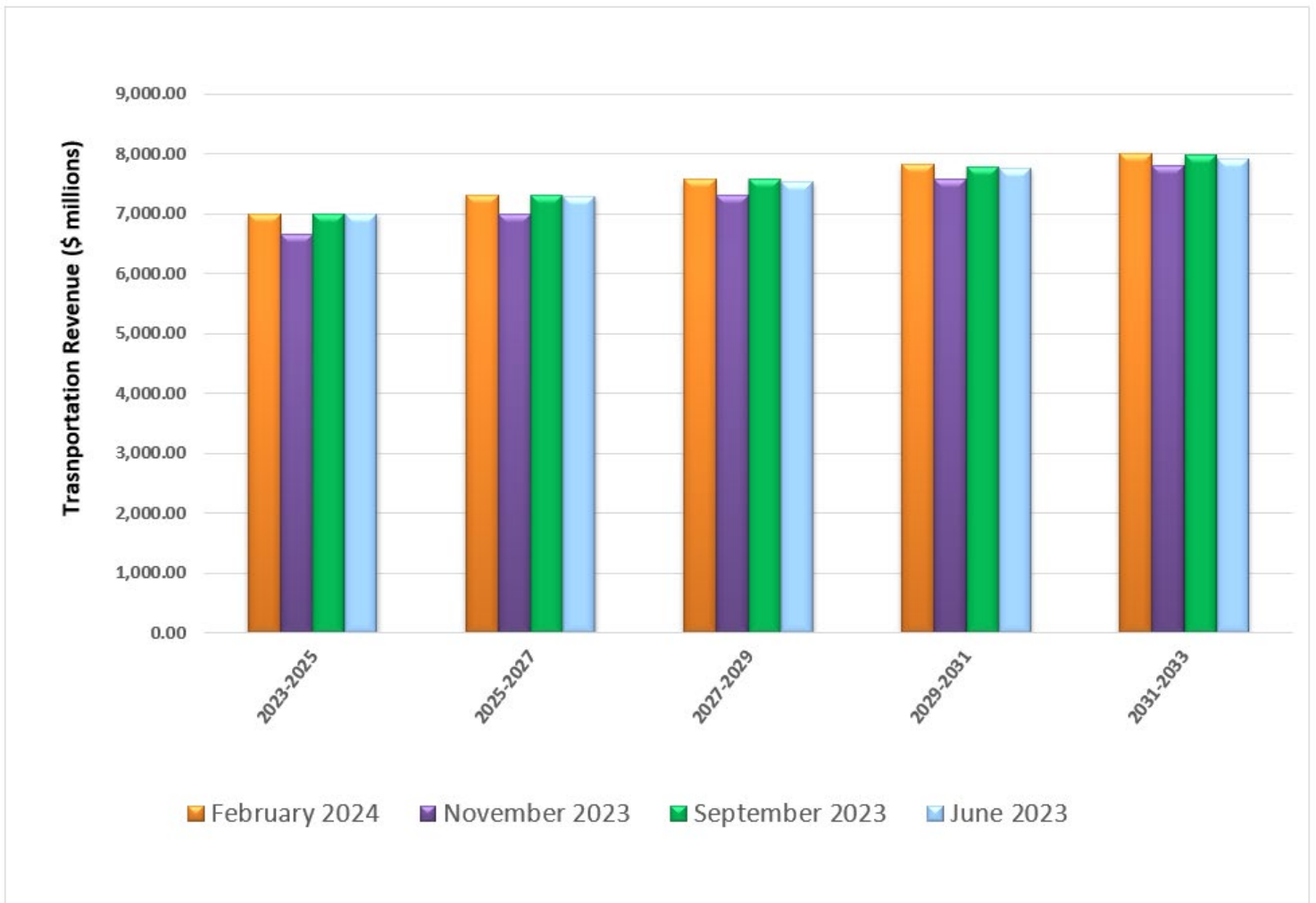
**Figure 1a: Current February 2024 vs. November 2023 Forecast: All Revenues**

Forecast to Forecast Comparison for Transportation Revenues and Distributions 10-Year Period												
February 2024 Forecast to November 2023 Forecast millions of dollars												
	Current Biennium 2023-2025				Biennium 2025-2027				10-Year Period (2024-2033)			
	Forecast February 2024	Forecast November 2023	Chg from November 2023	Percent Change	Forecast February 2024	Forecast November 2023	Chg from November 2023	Percent Change	Forecast February 2024	Forecast November 2023	Chg from November 2023	Percent Change
	<b>Sources of Transportation Revenue</b>											
Motor Vehicle Fuel Tax Collections	3,357.5	3,357.5	0.00	0.00%	3,406.3	3,406.3	0.00	0.00%	17,458.0	17,456.6	1.43	0.01%
Licenses, Permits and Fees	2,027.8	2,028.3	(0.57)	-0.03%	2,166.5	2,162.0	4.50	0.21%	11,455.0	11,430.5	24.46	0.21%
Ferry Revenue†	383.9	395.5	(11.61)	-2.93%	423.1	441.2	(18.13)	-4.11%	2,171.3	2,231.9	(60.55)	-2.71%
Toll Revenue	494.5	482.3	12.20	2.53%	526.0	516.3	9.67	1.87%	2,731.6	2,676.3	55.36	2.07%
Aviation Revenues	15.4	15.4	(0.00)	-0.02%	14.3	14.3	(0.01)	-0.05%	72.4	72.4	(0.04)	-0.06%
Rental Car Tax	97.8	97.2	0.58	0.60%	99.3	98.8	0.50	0.51%	516.5	514.6	1.86	0.36%
Vehicle Sales Tax	129.9	129.9	(0.04)	-0.03%	134.3	134.7	(0.46)	-0.34%	710.6	709.3	1.29	0.18%
Driver-Related Fees	339.3	338.8	0.52	0.15%	393.8	393.6	0.23	0.06%	1,846.7	1,847.0	(0.25)	-0.01%
Business/Other Revenues	144.3	144.6	(0.29)	-0.20%	146.9	147.5	(0.65)	-0.44%	747.4	750.1	(2.71)	-0.36%
<b>Total Revenues</b>	<b>6,990.4</b>	<b>6,989.6</b>	<b>0.80</b>	<b>0.01%</b>	<b>7,310.3</b>	<b>7,314.7</b>	<b>(4.34)</b>	<b>-0.06%</b>	<b>37,709.5</b>	<b>37,688.6</b>	<b>20.9</b>	<b>0.06%</b>
<b>Distribution of Revenue</b>												
Motor Fuel Tax Refunds and Transfers	253.2	253.2	0.00	0.00%	263.5	263.5	0.00	0.00%	1,330.9	1,330.9	(0.00)	0.00%
Motor Fuel Administrative Fee - DOL	19.0	19.0	0.00	0.00%	19.1	19.1	0.00	0.00%	97.4	97.4	0.00	0.00%
<b>State Uses</b>												
Motor Vehicle Account (108)	1,318.4	1,317.7	0.77	0.06%	1,420.8	1,415.9	4.84	0.34%	7,685.0	7,651.7	33.24	0.43%
Transportation 2003 (Nickel) Account (550)	406.6	407.0	(0.36)	-0.09%	418.0	418.5	(0.41)	-0.10%	2,111.3	2,114.9	(3.58)	-0.17%
Transportation 2005 Partnership Account (09H)	600.9	600.9	0.00	0.00%	614.6	614.6	0.00	0.00%	3,129.9	3,129.9	0.00	0.00%
Connecting Washington Account (20H)	742.4	742.4	0.00	0.00%	759.0	759.0	0.00	0.00%	3,865.0	3,865.0	0.00	0.00%
Multimodal Account (218)	696.9	696.5	0.42	0.06%	719.9	720.1	(0.22)	-0.03%	3,726.6	3,724.8	1.86	0.05%
Special Category C Account (215)	46.8	46.8	0.00	0.00%	47.8	47.8	0.00	0.00%	243.6	243.6	0.00	0.00%
Puget Sound Capital Construction Account (099)	34.0	34.0	0.00	0.00%	34.8	34.8	0.00	0.00%	177.2	177.2	0.00	0.00%
Puget Sound Ferry Operations Account (109)	442.4	453.5	(11.13)	-2.45%	482.2	499.8	(17.61)	-3.52%	2,472.5	2,531.3	(58.74)	-2.32%
Capital Vessel Replacement Account (18J)	57.7	58.9	(1.23)	-2.08%	60.9	61.8	(0.91)	-1.48%	306.0	310.6	(4.68)	-1.51%
Tacoma Narrows Bridge Account (511)	158.7	158.0	1.62	1.02%	158.8	158.8	0.00	0.00%	729.2	727.5	1.62	0.22%
High Occupancy Toll Lanes Account (09F)*	14.4	13.7	0.70	5.09%	20.3	18.4	1.84	9.99%	117.6	107.5	10.10	9.39%
SR 520 Corridor Account (16J)	165.1	165.3	(0.18)	-0.11%	173.7	173.7	0.00	0.00%	959.6	959.8	(0.18)	-0.02%
SR 520 Corridor Civil Penalties Account (17P)	6.3	6.4	(0.09)	-1.33%	7.6	7.6	0.00	0.00%	38.7	38.7	(0.09)	-0.22%
Interstate 405 Express Toll Lanes Operations (595)	73.7	65.6	8.08	12.32%	91.5	83.6	7.83	9.36%	501.4	459.6	41.85	9.11%
Alaskan Way Viaduct Replacement Acct. (535)	75.4	73.3	2.07	2.82%	74.2	74.2	0.00	0.00%	385.2	383.1	2.07	0.54%
Aeronautics Account (039)	15.3	15.3	0.00	0.00%	14.2	14.2	0.00	0.00%	71.9	71.9	0.00	0.00%
Washington State Aviation Account (21G)	0.1	0.1	(0.00)	-2.64%	0.1	0.1	(0.01)	-6.17%	0.4	0.4	(0.04)	-8.32%
State Patrol Highway Account (081)	465.7	466.6	(0.91)	-0.20%	482.4	482.6	(0.24)	-0.05%	2,464.6	2,466.7	(2.11)	-0.09%
Highway/Motorcycle Safety Accts. (106 & 082)	305.0	305.0	(0.06)	-0.02%	349.5	349.7	(0.24)	-0.07%	1,618.9	1,621.2	(2.32)	-0.14%
School Zone Safety Account (780)	0.4	0.4	0.00	1.16%	0.4	0.4	0.00	0.00%	2.0	2.0	0.00	0.22%
Other accounts (20-1, 06T, 09T, 09E, 216, 07C, 24-K)	42.4	42.2	0.26	0.61%	43.4	43.1	0.30	0.69%	220.4	218.9	1.50	0.69%
Electric Vehicle Account (20J)	54.8	53.1	1.66	3.13%	0.0	0.0	0.00	0.00%	54.8	53.1	1.66	3.13%
Ignition Interlock Devices Revolving Acct 14V	7.1	7.2	(0.16)	-2.17%	7.7	7.7	0.00	0.00%	38.6	38.8	(0.16)	-0.40%
Multituse Roadway Safety Account Collections-571	0.6	0.6	0.00	0.00%	0.6	0.6	0.00	0.00%	3.1	3.1	0.00	0.00%
Move Ahead WA Accounts - 26P	225.5	226.4	(0.96)	-0.42%	251.9	252.1	(0.21)	-0.08%	1,255.6	1,261.2	(5.67)	-0.45%
Move Ahead WA Accounts - 26Q	26.8	26.6	0.19	0.71%	35.9	35.7	0.18	0.50%	182.6	182.2	0.37	0.20%
<b>Total for State Use</b>	<b>5,984.2</b>	<b>5,983.5</b>	<b>0.69</b>	<b>0.01%</b>	<b>6,270.02</b>	<b>6,274.9</b>	<b>(4.86)</b>	<b>-0.08%</b>	<b>32,361.8</b>	<b>32,345.1</b>	<b>16.73</b>	<b>0.05%</b>
<b>Local Use</b>												
Cities	179.4	179.4	(0.00)	0.00%	183.5	183.5	0.00	0.00%	934.2	934.2	0.00	0.00%
Counties	290.4	290.4	(0.00)	0.00%	297.6	297.6	0.00	0.00%	1,516.1	1,516.1	0.00	0.00%
Transportation Improvement Board (112 & 144)	195.7	195.7	0.06	0.03%	203.4	203.1	0.26	0.13%	1,065.8	1,063.7	2.06	0.19%
County Road Administration Board (102 & 253)	68.5	68.4	0.06	0.08%	73.3	73.0	0.26	0.35%	403.2	401.2	2.06	0.51%
<b>Total for Local Use</b>	<b>734.0</b>	<b>733.9</b>	<b>0.11</b>	<b>0.01%</b>	<b>757.7</b>	<b>757.2</b>	<b>0.52</b>	<b>0.07%</b>	<b>3,919.3</b>	<b>3,915.2</b>	<b>4.13</b>	<b>0.11%</b>
<b>Total Distribution of Revenue</b>	<b>6,990.4</b>	<b>6,989.6</b>	<b>0.80</b>	<b>0.01%</b>	<b>7,310.3</b>	<b>7,314.7</b>	<b>(4.34)</b>	<b>-0.06%</b>	<b>37,709.5</b>	<b>37,688.6</b>	<b>20.85</b>	<b>0.06%</b>

† Ferry Fares plus non-farebox revenue

**Figure 2** compares transportation revenues for the last four cycles: February 2024, November 2023, September 2023, and June 2023. The February 2024 Forecast 10-year total revenue estimates are increase slightly in comparison to November 2023 (0.06%) and are a 0.90% increase as compared to the baseline March 2023 forecast.

**Figure 2: Total Transportation Revenues Estimates: June 2023 – February 2024**



Washington transportation revenue comes from numerous taxes, fees, permits, tolls, and other revenues. Revenue forecasted each quarter include the sources contained in Figure 3. This graph displays the anticipated share of each revenue source for the 2023-25 biennium (\$6.99 billion). Gasoline fuel taxes comprise the largest share at 37.5%. Fuel taxes comprise roughly 48% of all revenues. Licenses, permits and fee revenues comprise the second largest share at 29%. The three largest revenue sources are projected to consist of 77% of revenues in the 2023-25 biennium. The remaining 23% consists of ferry fares, toll revenue, driver related revenue and other transportation related revenue.

Figure 3: Revenue By Source 2023-25 Biennium (\$6.99 billion)

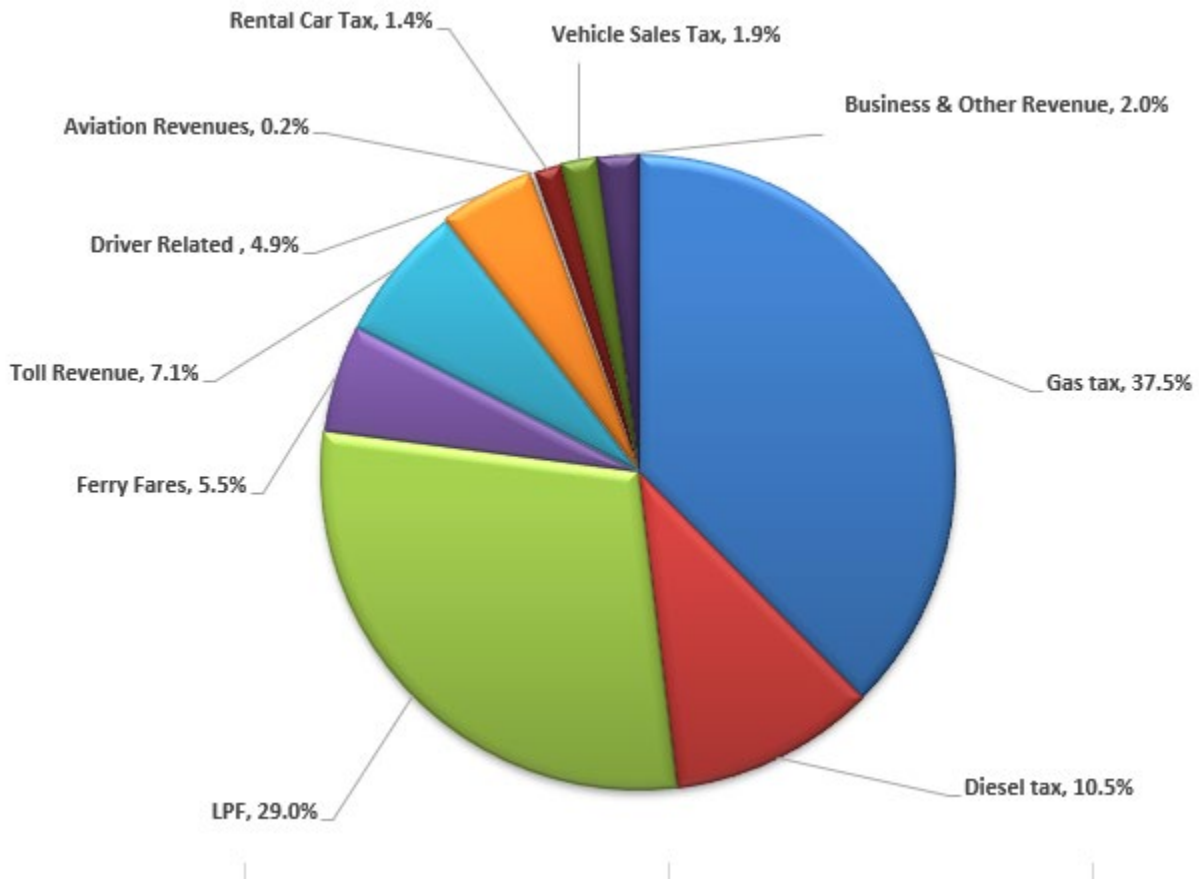




Figure 4 shows the February 2024 forecast LESS the Move Ahead Revenue Package compared to the June 2022 forecast.

**Figure 4: Current Forecast Revenue comparison to the June 2022 forecast less the impact of the Move Ahead Washington Revenue Package (Chapter 182, Laws of 2022)**

Forecast to Forecast Comparison for Transportation Revenues and Distributions 10-Year Period Less revenues generated from the Move Ahead Washington Package February 2024 Forecast to June 2022 Forecast millions of dollars												
	2023-2025				2025-2027				10-Year Period (2022-2031)			
	Forecast February 2024	Forecast June 2022	Chg from June 2022	Percent Change	Forecast February 2024	Forecast June 2022	Chg from June 2022	Percent Change	Forecast February 2024	Forecast June 2022	Chg from June 2022	Percent Change
Total Revenues	6,990.38	7,345.74	(355.36)	-4.8%	7,310.32	7,608.43	(298.11)	-3.9%	36,362.17	37,369.68	(1,007.51)	-2.7%
Move Ahead Washington Package	104.75	137.45	(32.70)	-23.8%	257.51	297.41	(39.91)	-13.4%	1,260.17	1,390.88	(130.72)	-9.4%
Total Revenue less Move Ahead Washington	6,885.63	7,208.30	(322.66)	-4.5%	7,052.81	7,311.01	(258.20)	-3.5%	35,102.00	35,978.79	(876.79)	-2.4%

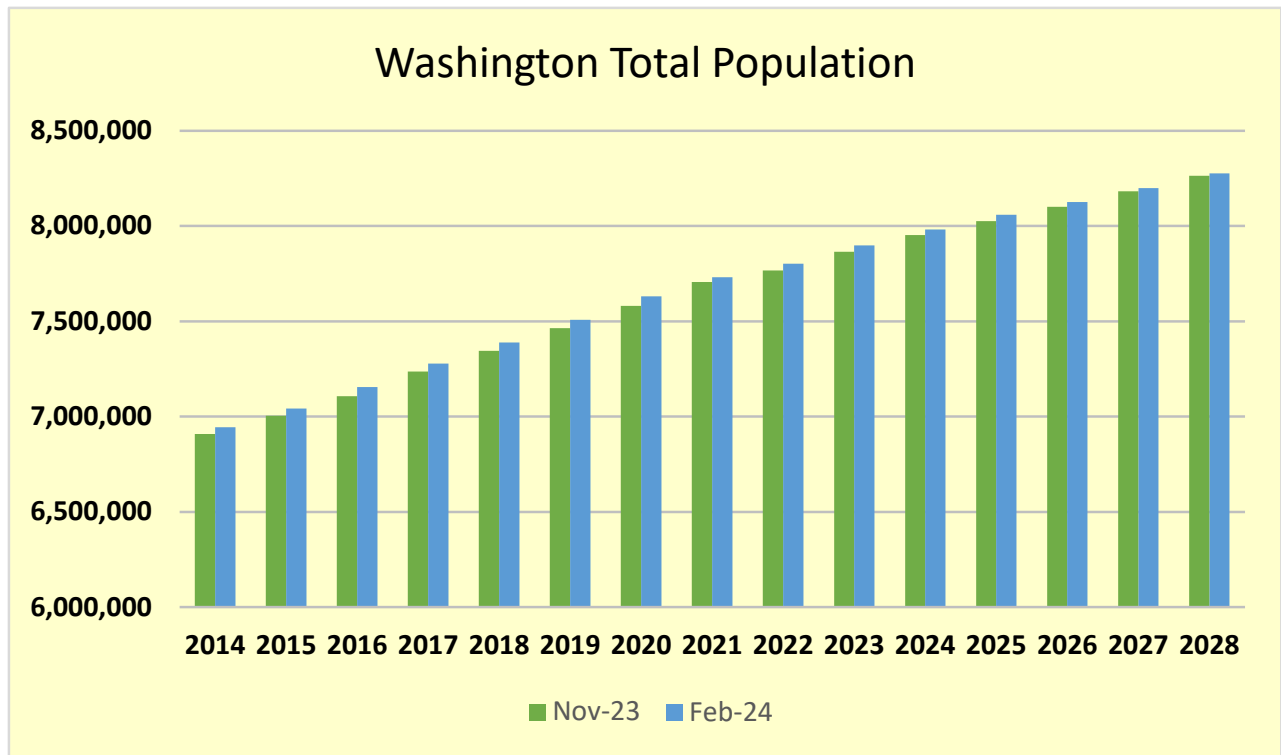
## Economic Variables Forecast

In their revenue forecasts, analysts utilize a variety of economic and demographic variables to monitor trends. The Washington State Department of Transportation (WSDOT) compiles key economic variables, which include real personal income in Washington, inflation, sector-specific employment, a petrol price index, gains in fuel efficiency, housing starts, and sales of new light vehicles in the U.S.

The variables for February 2024 are based on forecasts provided by the Washington Economic and Revenue Forecast Council (ERFC), IHS Markit, and the Office of Financial Management (OFM). When compared to the November 2023 quarterly forecast, the near-term changes in some of the key Washington economic variables have remained steady.

Below, we present an analysis and key insights similar to those provided by the ERFC for the official state economic and revenue forecast:

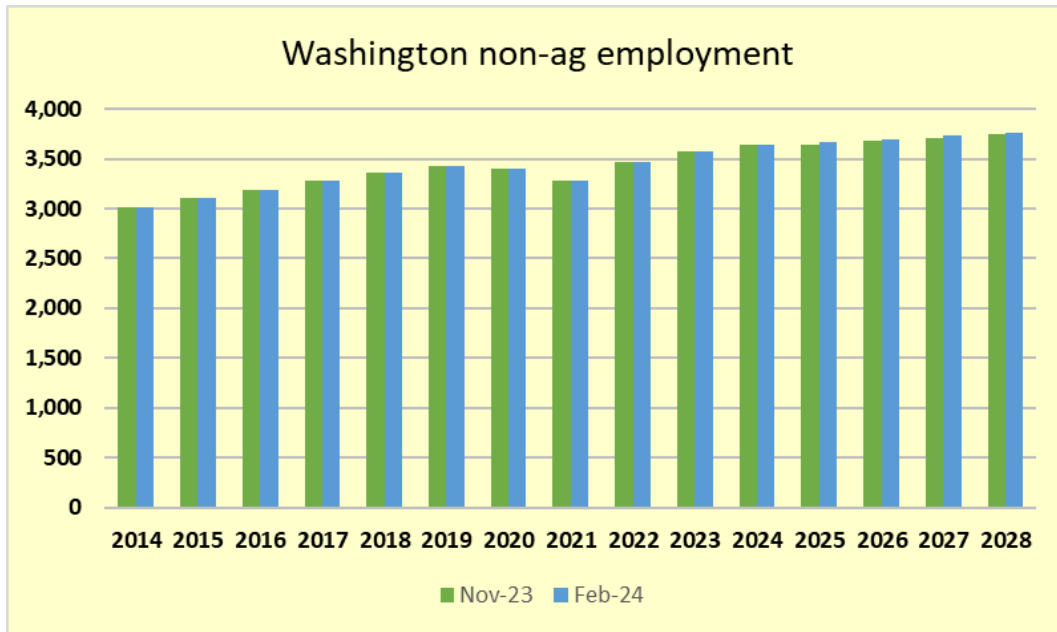
**Figure 5: Annual Change in Washington Population February 2024 vs. November 2023 Forecast**



Source: Washington Office of Financial Management

Washington total population forecast for February 2024 is similar to that of November 2023. The variance in population never exceeds 0.41% as forecasted for fiscal year 2025. This incorporates the last yearly updated data from OFM. The population is projected to grow between 0.85 to 1.06% annually adding close to 300,000 residents in the next 5 years.

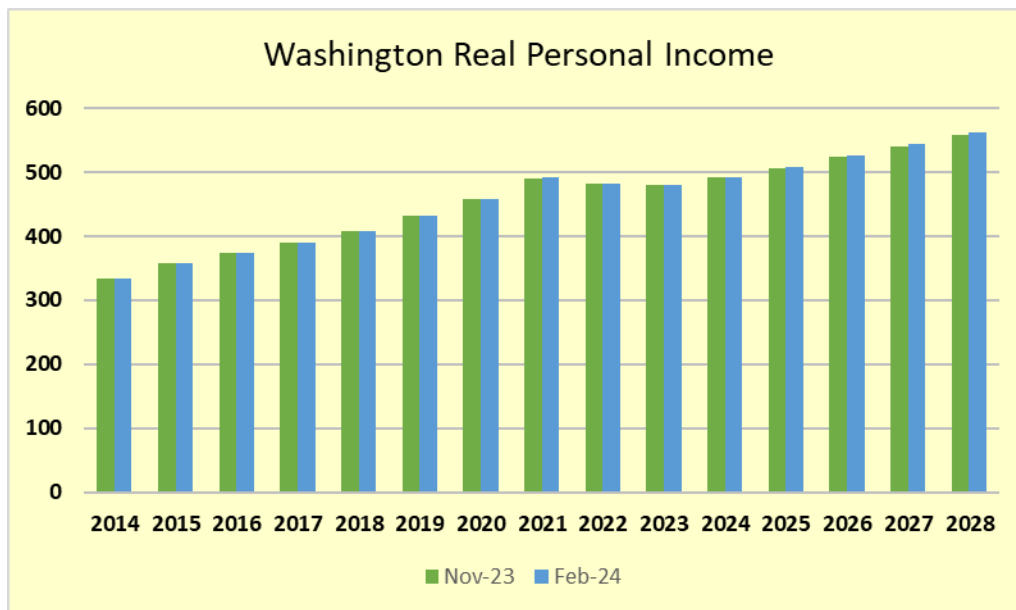
**Figure 6: Annual Change in Washington Employment February 2024 vs. November 2023 Forecast**



Source: Washington Economic and Revenue Forecast Council

After experiencing a robust growth of 5.4% in 2022, the job market appears to be moderating. For this fiscal year, an increase of 1.87% is anticipated in Washington’s employment, which is slightly stronger than the 1.64% projected in the November forecast. As the economy cools, a slower growth rate is expected in the coming years, with projections of approximately 0.8% for 2025 and 2026 with a slight increase to 0.92% in 2027.

**Figure 7: Annual change in Washington real personal income February 2024 vs November 2023 Forecast**

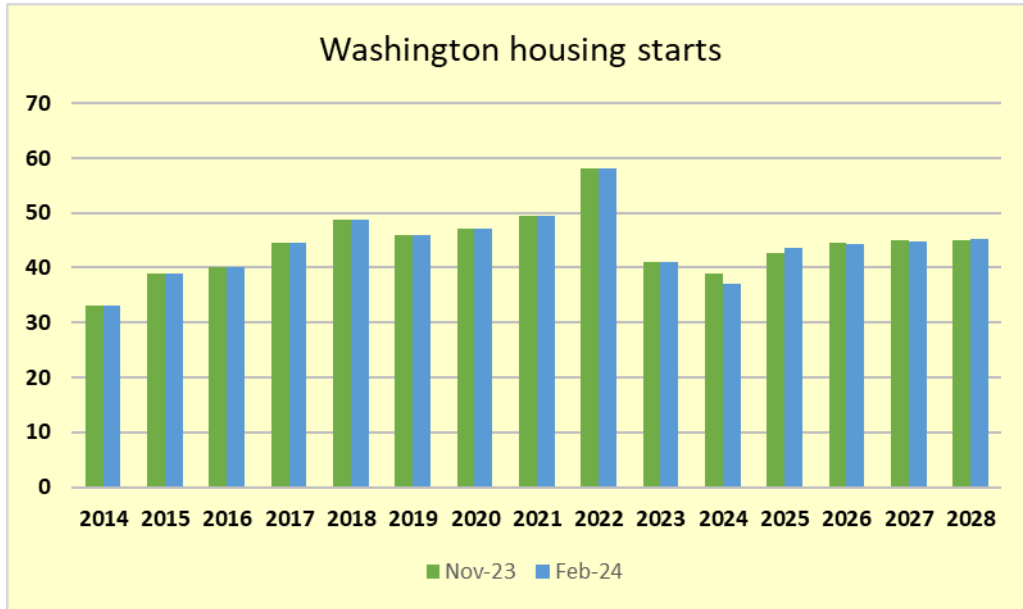


Source: Washington Economic and Revenue Forecast Council

Following two years of decline, with a decrease of 1.65% in 2022 and 0.68% in 2023, we anticipate a resurgence in real

personal income starting in 2024. The projected growth ranges from 2.59% in 2024 to 3.55% in 2027. These figures represent a slight improvement over the November 2023 forecast, which predicted a range of 2.33% to 3.27%.

**Figure 8: Annual Change in Washington Housing Starts February 2024 vs. November 2023 Forecast**



*Source: Washington Economic and Revenue Forecast Council*

In 2023, housing starts experienced a significant decrease of 29.31%, following a peak in 2022 when an increase of 17.11% was observed. The February 2024 forecast indicates a steeper decline in this indicator, at -9.77%, compared to the November forecast which projected a decrease of -4.99%. A more robust recovery is anticipated in 2025 according to the February forecast, with a projected increase of 17.83%, up from the 9.74% increase predicted in the November forecast. Beyond 2025, the economic indicator is expected to stabilize, with growth rates ranging between 0.81% and 1.94%.

## Motor Fuel Price Forecast

The motor fuels price forecast was unchanged from September, and it is shown below. B20 biodiesel has been substituted for B99 to conform to WSDOT’s current contract.

**Figure 9: Near-Term Fuel Prices: September 2023**

Fiscal Year	WA Adj Retail Gasoline Price (\$/gal)	WA Adj Retail Diesel Price (\$/gal)	WA Adj Biodiesel (B5) Price w markup+taxes (\$/gal)	WA Adj Biodiesel (B20) Price w markup+taxes (\$/gal)
2023Q3	4.65	5.25	4.61	4.18
2023Q4	4.15	5.78	5.07	4.60
2024Q1	4.07	5.73	5.03	4.56
2024Q2	4.00	5.64	4.95	4.49
<b>FY 2024</b>	<b>4.22</b>	<b>5.60</b>	<b>4.91</b>	<b>4.46</b>
2024Q3	4.64	5.70	4.95	4.25
2024Q4	4.12	5.18	4.64	4.13
2025Q1	4.66	5.00	4.39	3.98
2025Q2	4.60	5.48	4.79	4.08
<b>FY 2025</b>	<b>4.51</b>	<b>5.34</b>	<b>4.69</b>	<b>4.11</b>

### Survey of Current Price Forecasts

The WTI crude oil prices shown below are obtained from five entities: Energy Information Administration (EIA), NYMEX, Global Insight, Consensus Economics, and Moody’s. WSDOT’s baseline fuel price forecasts used the 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 range from \$76.40 per barrel to \$85.77.

WSDOT then applied the average WTI price adjustment to the baseline prices. The adjusted fuel prices listed in Figure 11 were used to adjust the estimates for fuel costs for WSDOT’s budget. The latest FY24 adjusted forecast requires a negative 1.4% adjustment to the baseline fuel prices in FY 2024.

**Figure 10: Near-term Annual WTI Crude Oil Price Forecasts: September 2024**

Fiscal Year	WSDOT (EIA/GI)	NYMEX	Global Insight	Economy.com	Consensus Economics	Average	% Diff Lowest	% Diff Highest	(Average)	Minimum	Maximum
2024	81.92	85.77	76.40	83.05	78.01	80.81	-0.07	0.05	-1.4%	76.40	85.77
2025	79.23	78.00	75.97	79.44	78.43	77.96	-0.04	0.00	-1.6%	75.97	79.44

## **Motor Vehicle Fuel Tax Forecast**

February 2024 Motor fuel tax actual forecasts are no-change forecast from November 2023 TRFC. The methodology was similar to those applied since November 2018 and subsequent quarterly forecasts. FY 2024 cash flow analysis will be made on a month-by month basis with support from DOL and Treasury.

### *Of note for November forecasts:*

We have reviewed the actuals for the fiscal year 2023 and identified that some of the variances are attributable to the use of rounding formulas in previous reports. These variances have been rectified by incorporating the actual values in this report. In our review process, we meticulously checked for errors in formulas, addition, transcription, and so forth. We discovered that a variance in the net for the Connecting Washington Account 2033 can be explained by this type of error, which had not been captured in previous quarters. We are committed to ensuring the accuracy of our data and will continue to refine our review processes and actuals reconciliation.

Gasoline Tax - This revenue estimate is essentially unchanged since June 2023. Fuel prices will be tracked to measure the risk that continued high prices could cause a significant fall in demand.

Special Fuels Tax – The FY 2025 estimate leaves revenues essentially unchanged.

Tribal and off-road refunds were not adjusted during the September revenue estimating cycle.

## Motor Vehicle Revenue (Licenses, Permits, and Fees)

### Overview

Vehicle-related forecasts fall into two main categories: motor vehicle registrations and license plate-related fees. These forecasts have a variety of small fees, but most of the revenue is from registration-based fees. There are five main economic drivers of 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 \$2.03 billion from vehicle licenses, permits, and fees (LPFs) in the 2023-2025 biennium, which is a decrease of \$46.01 million or -2.22% compared to the forecast for March 2023. The LPF forecast is anticipated to be \$2.16 billion by the 2025-2027 biennium, which is down about \$4,5 million or - 0.21% from the previous forecast.

The February 2024 forecast of LPF revenue projected by the Department of Licensing includes the following revenues:

- Dealer temporary permit, registration, and plate fees.
- DOL services account.
- Electric vehicles and charging infrastructure fees.
- Plates: original, replacement, transfer, and reflectivity; multimodal account and license plate technology.
- Title fees: regular and quick title.
- Vehicle business licenses.
- Service and filing fees.
- Other fees: abandoned RV disposal, IFTA decals, intermittent-use trailers, multiuse roadway fees.

These LPF fees are deposited into 15 different accounts, including Motor Vehicle Account Capital Vessel Replacement Account, and Move Ahead WA.

DOL forecasted LPF revenue for FY2023-25 biennium is forecasted at \$525.8 million, down \$0.6 million (-0.1%) from the prior forecast. Over the ten-year period (FY23-FY33), LPF revenues are projected to total \$3,445.7 million, an increase of \$24.5 million (0.7%) from the prior forecast. Dealer Temporary Plates are projected lower while Hybrid Electric Vehicle Charging Fees is increased and offsetting this impact. Plate Replacement Fees are increased in the short term, but will be lowered in the long-term, following title forecast.

### Primary reasons for the change in the February 2024 forecast

- **Electric Vehicle and charging infrastructure revenue** are revised higher by \$2.2 million (2.3%) for current biennium and higher by \$41.7 million (3.5%) for ten-year outlook due to actuals update and upward HEV revision for the near term.
- **Title** Fee forecast is slightly down by \$0.4million (-0.5%) for the current biennium, and \$4 million lower (-1.1) for the ten-year horizon compared to previous forecast, following S&P Global's lower adjustment of sales of new light vehicles outlook.
- **Ferry Vessel Service Fees (18J)** are down by \$0.7 million for FY23-25 (-1.6%) and the ten-year horizon by \$2.9 (-1.2%) compared to previous forecast. The change is due to actuals update that subagent gets more share of registration and following titles trend.
- **Original Plates** forecast has increased \$0.4 million (0.3%) for the 23-25 biennium and ten-year outlook is relatively unchanged compared to previous forecast.
- **Plate Replacement Fee** forecast is increased \$1.9 million (2.2%) for the 23-25 biennium and ten-year outlook is

lowered by \$1.9 million (-0.4%) compared to previous forecast.

- **Intermittent use trailer** forecast is adjusted downward by \$0.1 million (-7%) for the current biennium and ten-year outlook is revised \$0.5 million lower (-8%) compared to previous forecast. Actual data continued to show declining revenue stream. If future actuals indicate continuing decline, future forecast cycle may revise this forecast to have downward trajectory as envisioned in fiscal note for intermittent use trailer permanent registration RCW.
- **Dealer temporary plates** forecast is revised downward by \$3.7 million (-7.3%) in current biennium and ten-year outlook is revised lower by \$6.5 million (-2.4%) compared to previous forecast. Prior to fee increase due to MAWA implementation, we saw spike in dealer temporary permit purchases, with June 2022 shows roughly ten-times normal monthly transaction count. FY2024 and early part of FY2025 are expected to have lower than normal transaction for dealer temporary permits as bulk buying inventory from June 2022 might not yet be fully expended.



## Driver Related Revenue Forecasts

### Overview

The *February 2024* forecast of driver related revenue projected by the Department of Licensing includes the following revenues:

- Driver license fees: commercial driver licenses, enhanced driver licenses, and temporary restricted licenses
- ID card fees
- Driver exam application fees
- Abstract driving records (ADR)
- Motorcycle operator fees
- Ignition interlock fees,
- Other miscellaneous fees: 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).

In February 2024, we incorporated 1 or 2 additional actual months to align the forecast with expedited deadlines and as actuals track relatively well, forecast changes are minimal. Driver-related revenue for FY2023-25 biennium is forecasted at **\$339.3 million, an increase of \$0.5 million (0.2%)** from the prior forecast. FY25-27 is expected to **have \$393.8 million, a marginal change of \$0.2 million** from the prior forecast. Over the ten-year period (FY23-FY33), driver-related revenues are projected to total **\$1,847 million, no change** 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.

### *Notable changes in the February 2024 forecast:*

- Total Driver Licenses Fees revenue is tracking well and relatively unchanged. Of note is the increase trend to Reissues, commercial driver license (CDL) and enhanced driver licenses (EDL) and enhanced identicards (EID). This is offset by downward revision in Driver Licenses original and renewal fee revenue due to updated actuals and WA non-farm employment and drivers in variables. Reissue fee revenue forecast is increased by \$0.3 million (5.4%) for this biennium and \$1.7 million (6%) for the ten years outlook, mostly due to higher non-DUI reissue.
- Abstract Driver's Record (ADR) forecast is increased by \$0.7 million (1%) this biennium. This elevated trend for current biennium is changing the ten-year outlook by the same amount (0.2%).
- Ignition Interlock Device fee is projected to be \$0.2 million lower (-2.2%) lower in the current biennium, this short-term adjustment is changing the ten-year outlook by the same amount (-0.4%). Billing for IIDs have a linear downward trend since 2021, revenue for IIDs in the short-term is now aligned to billing trend.

## 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

In March of 2023, the Washington State Legislature unanimously passed ESSB 5272 (converted to RCW 46.63.200); a bill that authorizes use of automated Speed Safety Camera Systems in active work zones on state highways. The intention of the Speed Safety Camera Systems is to help reduce vehicle speeds in work zones while increasing overall safety for travelers and workers alike. Governor Inslee signed this bill into law at the WSDOT Worker Memorial Ceremony, April 4, 2023.

The Washington State Department of Transportation (WSDOT) and the Washington State Patrol (WSP) are directed to collaborate and have operational Speed Safety Camera Systems in place by July 1, 2024. These systems will be in place through June 30, 2030. Both agencies have been working diligently to lay the groundwork for successful implementation. We have been Integrating best practices for how these systems are deployed around the country; and are engaged in ongoing discussions about rulemaking refinements. We have recently concluded a Request for Proposal (RFP) and have announced our apparent successful vendor (ASV) to Acusensus, Inc. Contract negotiations will begin shortly. We estimate the ten-year horizon, Speed Safety Cameras revenues of \$97.6 million. February 2023 Forecast is a no change forecast from the previous estimates.

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.

### *Primary reasons for the change in the February 2024 Forecast*

- In the February 2024 forecast, the sales tax on motor vehicle purchases is slightly higher than in the previous forecast in most years but slightly lower in FY 2025-27. Though recent collections were higher than forecasted, the economic variables related to the forecast were lower in those years.
- Rental car tax collections have been increased due to higher-than-forecasted collections in recent months.
- Forecasted heavy equipment tax collections have decreased slightly due to lower forecasted construction employment.
- HOV penalties in February 2024 are unchanged from the last forecast.
- **WSDOT Business related revenue** for the 2023-25 biennium has been revised down by \$162 thousand, or 0.62%, from the November forecast. **The School Zone Fines** forecast for the current biennium is up \$4

thousand, or 1.16%, from the November 2023 forecast. These changes reflect updated actuals coming in.

- The 2023 - 25 biennium **WSP Business Related Revenues** for February 2024 have been revised down by \$106,450 or (.87%). The change reflects latest actuals and changes in future biennia mirror the changes in 2023-25.
- **Credit Card Transaction Fees (24K)** forecast is revised upward by \$0.2 million (1.1%) for the 23-25 biennium and \$1 million (1.1%) in the ten-year horizon, due to higher average transaction amount compared to previous forecast.

Total Other Transportation Related revenues in the 2023-25 biennium are currently projected at \$376.7 million. This represents an increase of \$8.9 million, or 2.4% compared to September 2023 forecast. Ten-year (2022-2031) total revenue of 1.9 billion is \$31.49 million increase to the September 2023 Forecast.

## 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/commuter discounted multi-ride fares
- Passenger other discount fares (e.g., senior fare, youth fare)
- Auto / driver full fares
- Auto / driver frequent user/commuter discounted multi-ride fares
- Other vehicle / driver discounted (senior/disabled auto and all motorcycle) fares
- Oversize vehicle / driver (over 22 feet in length) fares

In August 2023, the Washington State Transportation Commission (WSTC) adopted two fare increases for FY 2024 and FY 2025. The first took place on October 1, 2023 and the second will occur on October 1, 2024. Both increases raise the base passenger and vehicle/driver fares by 4.25% with nickel rounding. At the same time, a temporary 1% additional discount to multi-ride passes will be implemented to dampen the fare increases experienced by frequent users. The temporary additional discount will expire on September 30, 2025. With no further fare increases assumed in the November Forecast, fares are expected to slowly decline in real terms as a result of general price inflation after FY 2025.

Beginning in early March 2020, the COVID-19 pandemic negatively impacted ferry travel, with April 2020 ridership 73% lower than April 2019. Since then, the rebound in ridership has been somewhat inconsistent and extended, reflecting post-pandemic travel patterns, including less frequent use by many customers, combined with reduced and more uncertain service levels. This forecast takes into consideration the WSF Service Contingency Plan released in January 2024, which acknowledges that vessel and crew shortages will make full service restoration difficult until new ferries begin to be delivered in 2028. The February 2024 forecast includes the following assumptions regarding service resumption:

- The Fauntleroy-Vashon-Southworth triangle route is assumed to operate with two vessels until there is sufficient vessel availability to restore three-boat service. That is expected to be no later than mid-2028, but may be sooner as existing fleet availability allows.
- The Seattle-Bremerton route is assumed to maintain one boat service until there is sufficient vessel availability to restore two-boat service. That is expected to be no later than mid-2028, but may be sooner as existing fleet availability allows.
- On the Port Townsend-Coupeville route, resumption of the second vessel normally added for the late Spring and Summer seasons is assumed to be postponed until no later than mid-2028, but may be sooner as existing fleet availability allows.
- The Point Defiance-Tahlequah, Anacortes-San Juan Island, Seattle-Bainbridge, Mukilteo-Clinton, and Edmonds-Kingston routes will continue to operate the majority of the time with the normal number of vessels.

- Resumption of service on the Anacortes-Sidney, B.C. international route is assumed to be delayed until Summer 2030 (FY 2031), which will also add limited capacity to summer service in the San Juan Islands as a fifth vessel. Anacortes-Sidney, B.C. ridership demand is then expected to ramp up over a three-year period.
- The Fauntleroy-Vashon-Southworth, Seattle-Bremerton, and Port Townsend-Coupeville routes, in that order, will be prioritized for adding unscheduled vessel when vessel and crew availability allows. The forecast does not account for this additional unscheduled service.

The February Forecast incorporates actual ridership and revenue through December 2023.

FY 2023 ridership was 6.3% higher than FY 2022, placing it at about 75% of pre-pandemic levels. In November and December of FY 2024, actual ridership averaged 7.5% higher than the same period in FY 2023, with passenger fares 13.5% higher and vehicle/driver fares 1.9% higher. This is 1.7% lower than previously forecast, with passenger fares 2.3% below forecast and vehicle/driver fares 1.0% below forecast.

For the first six months of FY 2024, overall ridership reached just over 78% of pre-pandemic levels, compared with less than 76% for all of FY 2023. The growth in ridership thus far in FY 2024 has come almost entirely from passenger fares (now at nearly 74% of pre-pandemic levels), with vehicle/driver ridership growth essentially flat (holding at just under 84% of pre-pandemic levels) compared to the same period in FY 2023. However, FY 2024-to-date passenger frequent user (commuter) fare ridership remained stagnant at 31% of their 2019 pre-pandemic levels over the same period.

Including six months of actual ridership in FY 2024, ridership for the current 2023-25 biennium is forecast to be 1.1% lower than in the November 2023 forecast. For the rest of the forecast horizon (FYs 2026-33), the February fiscal year ridership projections range from 1.0% to 3.4% lower than the November 2023 Forecast.

Total reported fare and surcharge revenues for October and November 2023 were 2.1% lower than expected in the prior forecast. Revenue for the first six months of FY 2024 comprise approximately 88% of the pre-pandemic fare revenue levels for the same six months in 2019. This share is higher than the corresponding pre-pandemic ridership share due to the overall stronger rebound in higher-fare vehicle traffic, combined with general fare increases since the pandemic.

In the current 2023-25 biennium, fare and surcharge revenues are projected to be 2.8% lower, while miscellaneous revenues are forecast to be 7.8% lower, compared to the November forecast. Total 2023-25 biennium revenues are expected to be 2.9% lower than the November forecast.

Subsequent biennia fare and surcharge revenue projections are expected to range from 2.2% to 4.0 lower relative to the November 2023 forecast. Miscellaneous revenues for the subsequent four biennia are projected to range from 7.4% to 9.2% below the previous forecast, with overall ferry revenues ranging from 1.9% to 4.1% lower.

The elimination of youth fares starting October 1, 2022 is included in the current February forecast and amounts to a reduction in fare and surcharge revenues of \$8.1 million for the current 2023-25 biennium.

Total fare and miscellaneous revenues forecasted for the 2023-25 biennium amount to \$383.9 million, 2.9% lower than the previous forecast of \$395.5 million for the same period. Over 10 years (FYs 2024-33), ferry fare and miscellaneous revenues total \$2.17 billion, approximately 2.7% lower than the prior November 2023 forecast.

Since the COVID-19 pandemic, there have been material changes to the previous normal ferry ridership patterns, with total passenger fares, while making some recent gains, continuing to lag further behind pre-pandemic levels than vehicle/driver fares. Since the pandemic, WSF has been experiencing both planned and unplanned service reductions as staffing shortages, attrition, and vessel availability issues. The duration and magnitude of these combined effects and how they will continue to impact ferry ridership demand, while becoming more apparent with contingency planning, retain some degree of uncertainty. As such, the February 2024 Forecast projections, as well as the assumptions upon which they are based at

the time of preparation, remain subject to change with an above average level of risk and uncertainty, which may cause actual results to vary from projections.

*Primary reasons for the changes in the February 2024 forecast:*

- Actual ridership for FY 2024 has been lower than previously projected, which pulls down the near-term projections.
- Slight downward revisions to projected inflation through the forecast horizon result in slightly higher real fares, dampening ridership demand.
- Revised assumptions regarding vessel shortages through FY 2028 contribute to a lower near-to-mid-term forecast.
- Marginally higher projections for employment and real personal income, combined with lower real gas prices, collectively bolster ridership demand but are insufficient to offset the above factors, resulting in slightly lower fare and surcharge revenue projections over the forecast horizon.
- The miscellaneous revenue forecasts have been revised lower over the forecast horizon, primarily due to ferry system maintenance issues causing higher than expected vessel downtime. Time out of service negatively impacting advertiser media buys. These effects are likely to rebound in the future; however, no rebound is factored into the forecast.

## Toll Revenue

### Overview

The February 2024 TRFC Toll Traffic and Revenue forecasts for three of the five toll facilities, Tacoma Narrows Bridge, SR 99 Tunnel, and the SR 520 Bridge, are a no-change forecast from November 2023.

The Toll Traffic and Revenue forecasts for the I-405 and SR 167 Express Toll Lanes (ETLs) have been updated, based on The Washington State Transportation Commission's (WSTC) approved adjustments to the toll rates and hours of operations at its final hearing on Monday, January 29, 2024. These changes are effective March 1, 2024.

The changes are:

- Increase the minimum toll rate to \$1
- Increase the maximum toll rate to \$15
- Extend evening tolling and peak hour HOV policies by one hour, to 8 p.m.

The I-405/ SR 167 corridor project future opening schedules remain unchanged from previous TRFC forecasts under the Current Law that assumes the completion of the I-405 Renton to Bellevue ETLs Project in early FY 2025.

The traffic and toll revenue potential forecasts for all five toll facilities for February 2024 are provided by independent traffic and revenue consultant, Stantec. The adjusted toll revenue forecasts for the SR 520 Bridge, I-405 Express Toll Lanes (ETLs), and SR 99 Tunnel are prepared by WSP USA Inc., in close coordination with the WSDOT Toll Division and its consultants.

The methodology for the February 2024 forecast update is similar to the ones applied in the previous forecasts:

Of note:

- The overall forecasting methodology is similar to the ones applied since the June 2020 and subsequent forecasts, with usage of recent actual data, as applicable, and assuming a different forecast pattern for each facility based on the observed trends.
- The forecasts for FY 2024 are made on a month-by-month basis.
- 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.
- Tacoma Narrows Bridge, SR 99 Tunnel, and the SR 520 Bridge
  - FY 2024: monthly FY 2024 Toll Traffic and Revenue (T&R) forecasts are based on a review of actual toll traffic and revenue data through and including November 2023, and with preliminary December 2023 information. FY 2024 adjusted revenue values are based on actual revenue data through and including December 2023.
  - FY 2025 through FY 2033 are a no-change forecast from the November 2023 TRFC forecast.
- I-405 ETLs and SR 167 HOT lanes
  - FY 2024 through FY 2033: monthly FY 2024 Toll Traffic and Revenue (T&R) forecasts are based on a review of actual toll traffic and revenue data through and including November 2023, and with preliminary December 2023 information, plus updated as necessary based upon the WSTC adoption of updated toll rates and hours of operations beginning March 1, 2024. The I-405 and SR 167 project opening schedules remain unchanged from previous TRFC forecasts, based on Current Law that assumes the completion of the Renton to Bellevue Widening and ETL Project in early FY 2025.
  - Transponder revenue reflect updated I-405 and SR 167 traffic projections and recent data on transponder sales revenue and sales volumes through December 2023. Transponder revenues are unchanged on other facilities as the change in allocation is considered to be relatively minor (<1%).
- With toll bill escalation starting in March 2023, we continue to track the timing of toll bill and fee recovery between FY 2023 and FY 2024 but maintain similar collection rate assumptions until sufficient reported data is available.
- There are no changes to interest earnings.

## Other General Assumptions

- The forecast assumes that Pay By Mail customers would continue to pay \$2 above the Good To Go! toll rates for 2-axle vehicles. A similar rate differential for trucks based on the number of axles is also assumed.
- Adjustments to potential gross toll revenue forecasts include the \$0.25 per transaction fee revenue for Good To Go! account-based Pay By Plate transactions, leakage allowances for toll revenue not recognized (unbillable), unpaid toll bills, and toll revenue recovered through Civil Penalty adjudication for customers using the Customer Program for Resolution (CPR) at the Good To Go! toll rate.
- An adjustment is made for CPR toll revenue, which is recorded at the Good To Go! toll rate in the reported values. In addition to toll revenue captured through CPR at the Good To Go! toll rate instead of the Pay By Mail toll rate, there is toll revenue collected associated to toll revenue recovered at the Pay By Mail toll rate included in the revenue category for civil penalties and recovered toll revenue.
- Forecasts for second toll bill \$5 rebilling fees and \$40 Notice of Civil Penalty (NOCP) fees are based on anticipated collection rates with the vendor transition, adjusted to reflect delays in toll bill escalation that commenced in March 2023. Collection of rebilling fees commenced in March 2023, and with NOCP fee revenue starting to be collected in FY 2024.
- Transponder revenue is estimated based on a systemwide approach; the adjustments include the updates in the weightings between direct retail and wholesale sales, revenue per transponder sold, and near-term projected transponder sales volumes based on the November 2023 transaction forecasts for SR 520, SR 99 and TNB. For I-405 and SR 167 the transponder forecast is updated to align with the updated traffic and gross toll revenue potential forecast and actual sales volumes and revenue through December 2023.
- Miscellaneous Revenue are unchanged from November 2023 and assume interest rates of 2.25% per year for the current biennium and a lower 0.61% interest rate for the remainder of the forecast horizon for conservatism and to align with recent historical values.

### ***Recent Actuals: October through December 2023 in comparison to November 2023 TRFC Forecast***

Combined three-month period, October through December 2023 toll transactions (December toll transactions are based on preliminary estimate) were 3.2 percent above the November 2023 Forecast. Combined October through December 2023 Toll Revenue Adjusted was 3.5% above the forecast. Noting that December 2023 168, thousand toll transactions of SR 520 (70 thousand), I-405 ETLs (92 thousand), and SR 99 (6 thousand) were processed late, as a result, Toll Revenues attributed to those toll transactions are included in January 2024, (Figure 11).



**Figure 11: October through December 2023 - Toll Transactions and Revenue Performance vs November 2023 Forecast (millions)**

Toll Facility	Toll Transactions					Adjusted Toll Revenue				
		Oct-23	Nov-23	Dec-23	Oct thru Dec 2023		Oct-23	Nov-23	Dec-23	Oct thru Dec 2023*
TNB	Forecasted Transactions	1.35	1.23	1.20	3.78	Forecasted Toll Revenue	\$6.36	\$5.77	\$5.62	\$17.74
	<b>Reported Transactions</b>	<b>1.37</b>	<b>1.28</b>	<b>1.29</b>	<b>3.93</b>	<b>Reported Toll Revenue</b>	<b>\$6.45</b>	<b>\$6.04</b>	<b>\$5.93</b>	<b>\$18.43</b>
	Variance From Forecast	0.02	0.05	0.08	0.16	Variance From Forecast	\$0.09	\$0.28	\$0.32	\$0.69
	Variance - % Change	1.5%	4.0%	7.1%	4.1%	Variance - % Change	1.5%	4.8%	5.6%	3.9%
SR 520	Forecasted Transactions	1.73	1.58	1.49	4.80	Forecasted Toll Revenue	\$6.40	\$5.78	\$5.34	\$17.51
	<b>Reported Transactions</b>	<b>1.66</b>	<b>1.67</b>	<b>1.51</b>	<b>4.84</b>	<b>Reported Toll Revenue</b>	<b>\$6.07</b>	<b>\$6.11</b>	<b>\$5.18</b>	<b>\$17.36</b>
	Variance From Forecast	-0.07	0.09	0.02	0.04	Variance From Forecast	-\$0.33	\$0.34	-\$0.15	-\$0.15
	Variance - % Change	-4.1%	5.9%	1.5%	0.9%	Variance - % Change	-5.2%	5.8%	-2.9%	-0.9%
I-405	Forecasted Transactions	0.89	0.77	0.63	2.30	Forecasted Toll Revenue	\$2.24	\$1.94	\$1.40	\$5.58
	<b>Reported Transactions</b>	<b>0.82</b>	<b>0.76</b>	<b>0.67</b>	<b>2.24</b>	<b>Reported Toll Revenue</b>	<b>\$2.27</b>	<b>\$1.89</b>	<b>\$1.28</b>	<b>\$5.45</b>
	Variance From Forecast	-0.07	-0.02	0.04	-0.05	Variance From Forecast	\$0.04	-\$0.04	-\$0.13	-\$0.13
	Variance - % Change	-8.3%	-2.2%	6.1%	-2.3%	Variance - % Change	1.7%	-2.2%	-9.1%	-2.4%
SR 167	Forecasted Transactions	0.17	0.16	0.15	0.48	Forecasted Toll Revenue	\$0.44	\$0.42	\$0.31	\$1.17
	<b>Reported Transactions</b>	<b>0.16</b>	<b>0.15</b>	<b>0.15</b>	<b>0.45</b>	<b>Reported Toll Revenue</b>	<b>\$0.44</b>	<b>\$0.43</b>	<b>\$0.37</b>	<b>\$1.25</b>
	Variance From Forecast	-0.01	-0.01	0.00	-0.03	Variance From Forecast	\$0.00	\$0.01	\$0.06	\$0.08
	Variance - % Change	-4.8%	-7.5%	-3.3%	-5.3%	Variance - % Change	0.5%	3.3%	19.7%	6.6%
SR 99	Forecasted Transactions	1.44	1.22	1.11	3.77	Forecasted Toll Revenue	\$2.69	\$2.28	\$2.05	\$7.02
	<b>Reported Transactions</b>	<b>1.50</b>	<b>1.35</b>	<b>1.29</b>	<b>4.14</b>	<b>Reported Toll Revenue</b>	<b>\$3.31</b>	<b>\$2.51</b>	<b>\$2.41</b>	<b>\$8.23</b>
	Variance From Forecast	0.05	0.13	0.18	0.37	Variance From Forecast	\$0.62	\$0.24	\$0.36	\$1.21
	Variance - % Change	3.8%	10.8%	16.3%	9.7%	Variance - % Change	22.9%	10.4%	17.6%	17.3%
Total	<b>Forecasted Transactions</b>	<b>5.58</b>	<b>4.96</b>	<b>4.58</b>	<b>15.12</b>	<b>Forecasted Toll Revenue</b>	<b>\$18.13</b>	<b>\$16.17</b>	<b>\$14.72</b>	<b>\$49.02</b>
	<b>Reported Transactions</b>	<b>5.50</b>	<b>5.21</b>	<b>4.90</b>	<b>15.61</b>	<b>Reported Toll Revenue</b>	<b>\$18.54</b>	<b>\$16.99</b>	<b>\$15.18</b>	<b>\$50.71</b>
	<b>Variance From Forecast</b>	<b>-0.08</b>	<b>0.24</b>	<b>0.32</b>	<b>0.49</b>	<b>Variance From Forecast</b>	<b>\$0.42</b>	<b>\$0.82</b>	<b>\$0.46</b>	<b>\$1.70</b>
	<b>Variance - % Change</b>	<b>-1.4%</b>	<b>4.9%</b>	<b>7.0%</b>	<b>3.2%</b>	<b>Variance - % Change</b>	<b>2.3%</b>	<b>5.1%</b>	<b>3.1%</b>	<b>3.5%</b>

Notes:

\*December 2023 Toll Revenue attributed to 168 thousand toll transactions (SR 520 is 70K, I-405 is 92K, SR 99 is 6K) were processed late, and incl. in January 2024.

**Summary of February 2024 Forecast Results**

Figure 12 provides summary comparison between February 2024 and November 2023 forecast results.

Some highlights of February 2024 forecasts include:

- Based on recent actuals FY 2024 Total Toll Revenue and Fees of \$238.8 million was \$8.0 million, or (3.5 percent) above the previous forecast estimate.
- Current Biennium (FY 2024 and FY 2025) total toll revenue and fees are estimated to be \$494.5 million, which is higher than the November 2023 Forecast by \$12.3 million (or 2.5 percent).
- Next Biennium (FY 2026 and FY 2027) total toll revenue and fees of \$526.0 million are above the November 2023 Forecast by \$9.7 million (or 1.9 percent).
- Ten-year (2024-2033) Toll Revenue and Fees of 2,732 million are \$55.4 million (or 2.1 percent) increase to the November 2023 Forecast.

**Figure 12: Revenue Comparison – February 2024 vs. November 2023 Forecast (\$ millions)**

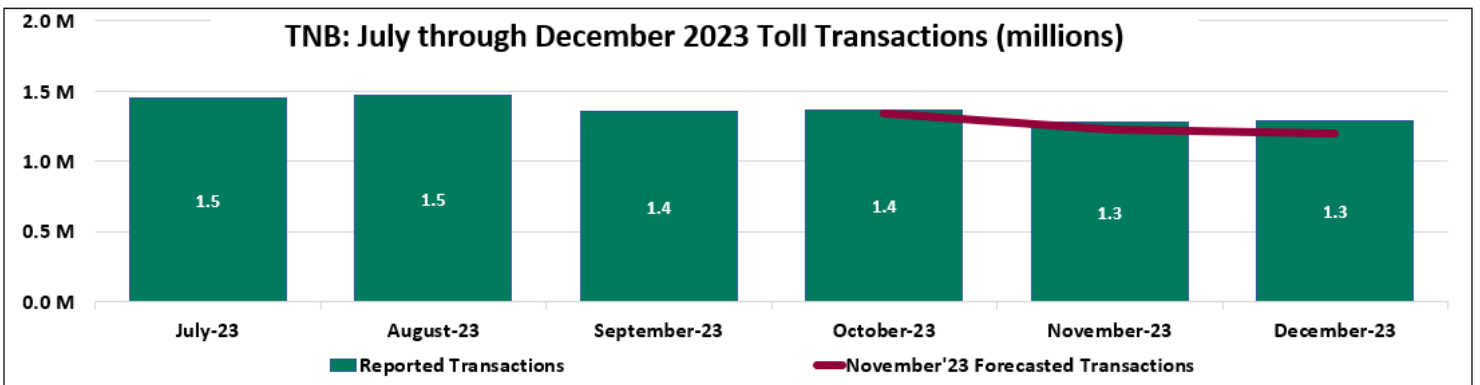
	Toll Facility	FY 2024	2023-25 Biennium	2025-27 Biennium	2027-29 Biennium	2024-33 Ten-Year
February 2024 TRFC	<b>TNB</b>					
	Adjusted Gross Toll Revenue	\$74.96	\$149.98	\$151.73	\$154.59	\$694.02
	Other Revenue	\$6.11	\$9.69	\$7.07	\$7.24	\$35.14
	<b>Total TNB Revenue &amp; Fees</b>	<b>\$81.07</b>	<b>\$159.67</b>	<b>\$158.80</b>	<b>\$161.83</b>	<b>\$729.16</b>
	<b>SR 520</b>					
	Adjusted Gross Toll Revenue	\$71.92	\$151.42	\$166.58	\$178.20	\$915.86
	Other Revenue	\$9.73	\$19.98	\$14.72	\$14.92	\$82.42
	<b>Total SR 520 Revenue &amp; Fees</b>	<b>\$81.65</b>	<b>\$171.40</b>	<b>\$181.30</b>	<b>\$193.12</b>	<b>\$998.27</b>
	<b>I-405 ETLs</b>					
	Adjusted Gross Toll Revenue	\$23.99	\$61.37	\$84.60	\$96.68	\$457.57
	Other Revenue	\$8.92	\$12.29	\$6.86	\$7.86	\$43.85
	<b>Total I-405 ETLs Revenue &amp; Fees</b>	<b>\$32.90</b>	<b>\$73.66</b>	<b>\$91.46</b>	<b>\$104.54</b>	<b>\$501.42</b>
	<b>SR 167 ETLs</b>					
	Adjusted Gross Toll Revenue	\$5.29	\$13.86	\$19.71	\$22.91	\$114.71
	Other Revenue	\$0.23	\$0.49	\$0.55	\$0.57	\$2.87
	<b>Total SR 167 ETLs Revenue &amp; Fees</b>	<b>\$5.52</b>	<b>\$14.36</b>	<b>\$20.26</b>	<b>\$23.48</b>	<b>\$117.57</b>
	<b>SR 99</b>					
Adjusted Gross Toll Revenue	\$30.42	\$61.81	\$63.73	\$65.36	\$327.19	
Other Revenue	\$7.17	\$13.57	\$10.43	\$10.86	\$58.02	
<b>Total SR 99 Revenue &amp; Fees</b>	<b>\$37.59</b>	<b>\$75.37</b>	<b>\$74.16</b>	<b>\$76.22</b>	<b>\$385.20</b>	
<b>All Toll Facilities</b>						
<b>Adjusted Gross Toll Revenue</b>	<b>\$206.57</b>	<b>\$438.44</b>	<b>\$486.34</b>	<b>\$517.73</b>	<b>\$2509.34</b>	
Other Revenue	\$32.16	\$56.01	\$39.63	\$41.45	\$222.29	
<b>Total Revenue &amp; Fees</b>	<b>\$238.73</b>	<b>\$494.45</b>	<b>\$525.98</b>	<b>\$559.18</b>	<b>\$2731.63</b>	
Changes from November 2023 TRFC	<b>TNB</b>					
	Adjusted Gross Toll Revenue	\$.69	\$.69	\$0.00	\$0.00	\$.69
	Other Revenue	\$.93	\$.93	\$0.00	\$0.00	\$.93
	<b>Total TNB Revenue &amp; Fees</b>	<b>\$1.62</b>	<b>\$1.62</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1.62</b>
	Total % Change	2.0%	1.0%	0.0%	0.0%	0.2%
	<b>SR 520</b>					
	Adjusted Gross Toll Revenue	-\$0.15	-\$0.15	\$0.00	\$0.00	-\$0.15
	Other Revenue	-\$0.12	-\$0.12	\$0.00	\$0.00	-\$0.12
	<b>Total SR 520 Revenue &amp; Fees</b>	<b>-\$0.26</b>	<b>-\$0.26</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>-\$0.26</b>
	Total % Change	-0.3%	-0.2%	0.0%	0.0%	0.0%
	<b>I-405 ETLs</b>					
	Adjusted Gross Toll Revenue	\$.54	\$4.08	\$7.69	\$7.89	\$37.22
	Other Revenue	\$3.94	\$4.00	\$.14	\$.15	\$4.63
	<b>Total I-405 ETLs Revenue &amp; Fees</b>	<b>\$4.48</b>	<b>\$8.08</b>	<b>\$7.83</b>	<b>\$8.04</b>	<b>\$41.85</b>
	Total % Change	15.8%	12.3%	9.4%	8.3%	9.1%
	<b>SR 167 ETLs</b>					
	Adjusted Gross Toll Revenue	\$.05	\$.68	\$1.82	\$2.12	\$10.01
	Other Revenue	\$0.00	\$.01	\$.02	\$.02	\$.08
	<b>Total SR 167 ETLs Revenue &amp; Fees</b>	<b>\$0.05</b>	<b>\$.70</b>	<b>\$1.84</b>	<b>\$2.14</b>	<b>\$10.10</b>
	Total % Change	1.0%	5.1%	10.0%	10.0%	9.4%
	<b>SR 99</b>					
	Adjusted Gross Toll Revenue	\$1.21	\$1.21	\$0.00	\$0.00	\$1.21
	Other Revenue	\$.86	\$.86	\$0.00	\$0.00	\$.86
<b>Total SR 99 Revenue &amp; Fees</b>	<b>\$2.07</b>	<b>\$2.07</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2.07</b>	
Total % Change	5.8%	2.8%	0.0%	0.0%	0.5%	
<b>All Toll Facilities</b>						
<b>Adjusted Gross Toll Revenue</b>	<b>\$2.34</b>	<b>\$6.51</b>	<b>\$9.51</b>	<b>\$10.01</b>	<b>\$48.98</b>	
Adjusted Gross Toll Revenue % Change	1.1%	1.5%	2.0%	2.0%	2.0%	
Other Revenue	\$5.62	\$5.68	\$.16	\$.17	\$6.38	
<b>Total Revenue &amp; Fees</b>	<b>\$7.96</b>	<b>\$12.20</b>	<b>\$9.67</b>	<b>\$10.17</b>	<b>\$55.36</b>	
Total % Change	3.4%	2.5%	1.9%	1.9%	2.1%	

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

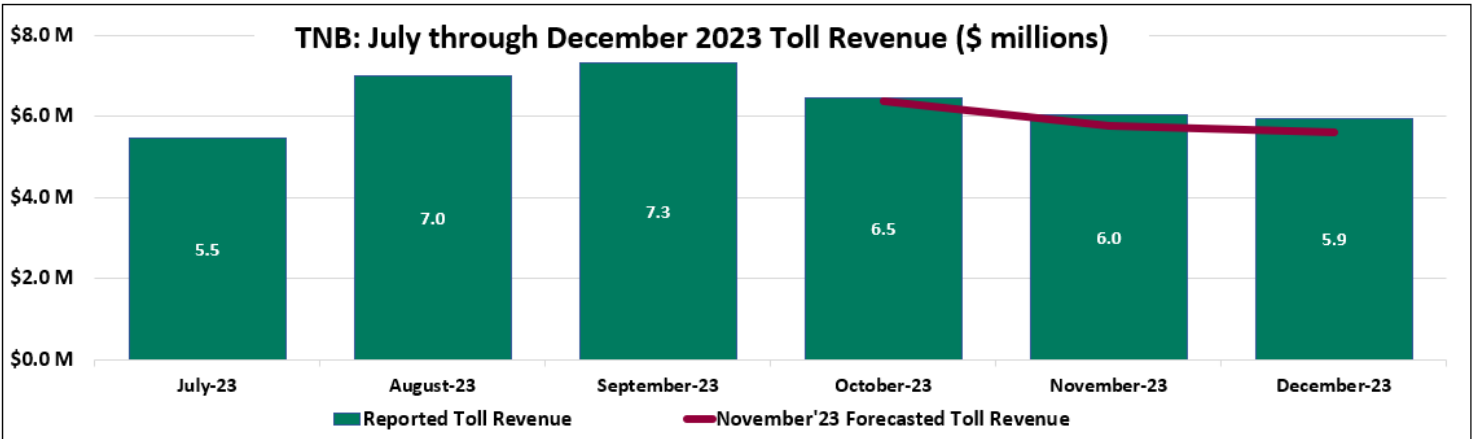
February 2024 TRFC FY 2025 through FY 2033 forecast for the Tacoma Narrows Bridge are a no-change forecast from the November 2023 TRFC forecast. FY 2024 Forecast is updated based on actuals.

TNB three-month period, October through December 2023 toll transactions (December toll transactions are based on preliminary estimate) were 4.1 percent above the November 2023 Forecast. Three-month period toll revenues were 3.9 percent or \$0.7 million above the November 2023 Forecast. Figure 13 below provides October 2023 through December 2023 monthly Toll Transactions and Reported Toll Revenue performance in comparison to the November 2023 forecast. July through September 2023 actuals are included in the November 2023 forecast.

**Figure 13: TNB October through December 2023 monthly Toll Traffic and Revenue actuals in comparison to November 2023 forecasts**



*Note:* December 2023 monthly transactions are stated based on preliminary estimates



*Note:* Reductions in July toll revenue are mainly due to the resumption of issuing fees and penalties, upon the escalation unpaid backlogged toll bills were reprocessed as CP revenue.

Based on recent actuals, FY 2024 TNB Total revenue and fees of \$81.1 million is an increase of \$1.6 million (or 2.0 percent) to the November 2023 Forecast projections for the current fiscal year (Figure 12).

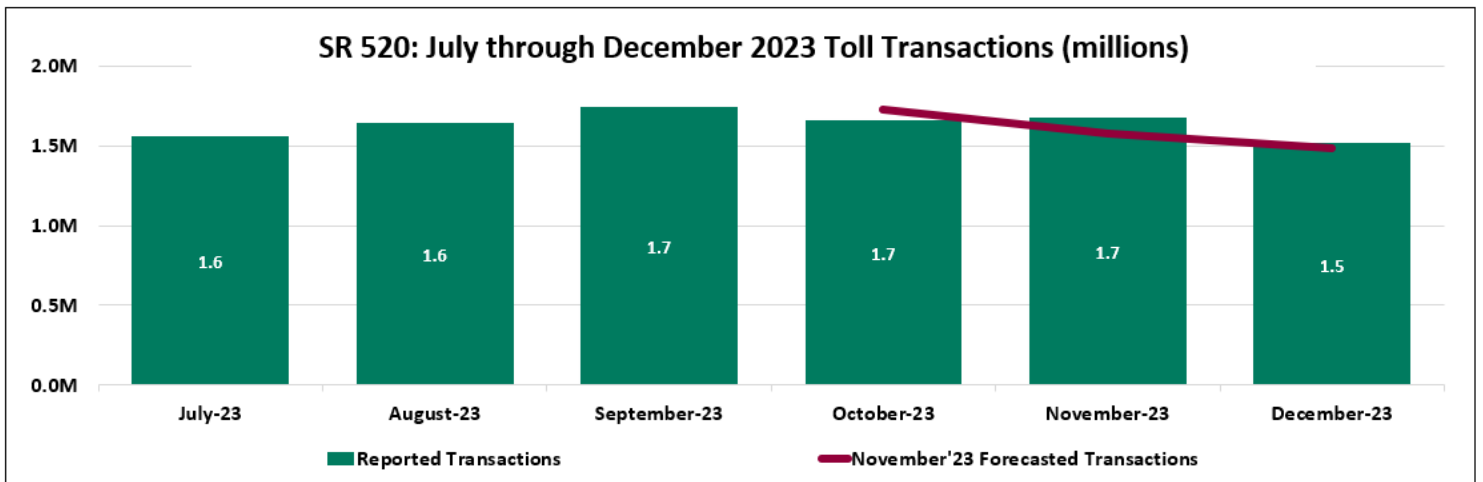
The forecast assumes that the TNB toll collection will cease by the end of FY 2032.

**Updates to SR 520 Toll Bridge toll traffic and revenues**

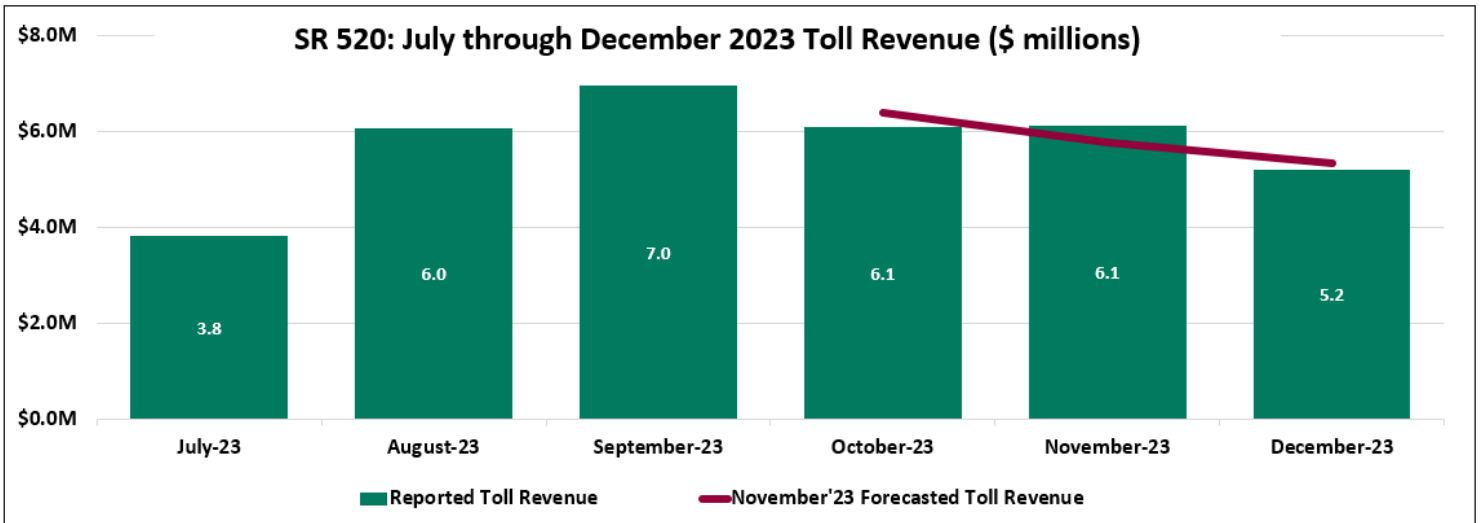
February 2024 TRFC FY 2025 through FY 2033 forecasts for the SR 520 Bridge are a no-change forecast from the November 2023 TRFC forecast. FY 2024 Forecast is updated based on actuals.

SR 520 three-month period, October through December 2023 toll transactions (December toll transactions are based on preliminary estimate) were 0.9 percent above the November 2023 Forecast. Three-month period toll revenues were 0.9 percent or \$149 thousand below the November 2023. As a note, December 2023 Toll Revenue attributed to 70 thousand toll transactions was processed late and included in January 2024 reported toll revenue. Figure 14 below provides October 2023 through December 2023 monthly Toll Transactions and Reported Toll Revenue performances in comparison to the November 2023 Forecast. July through September 2023 actuals are included in the November 2023 forecast.

**Figure 14: SR 520 October through December 2023 monthly Toll Traffic and Revenue actuals in comparison to November 2023 forecasts**



*Note:* December monthly transactions are stated based on preliminary estimates



*Note:* Reductions in July toll revenue are mainly due to the resumption of issuing fees and penalties, upon the escalation unpaid backlogged toll bills were reprocessed as CP revenue. December 2023 Toll Revenue attributed to 70K toll transactions were processed late, and incl. in January 2024.

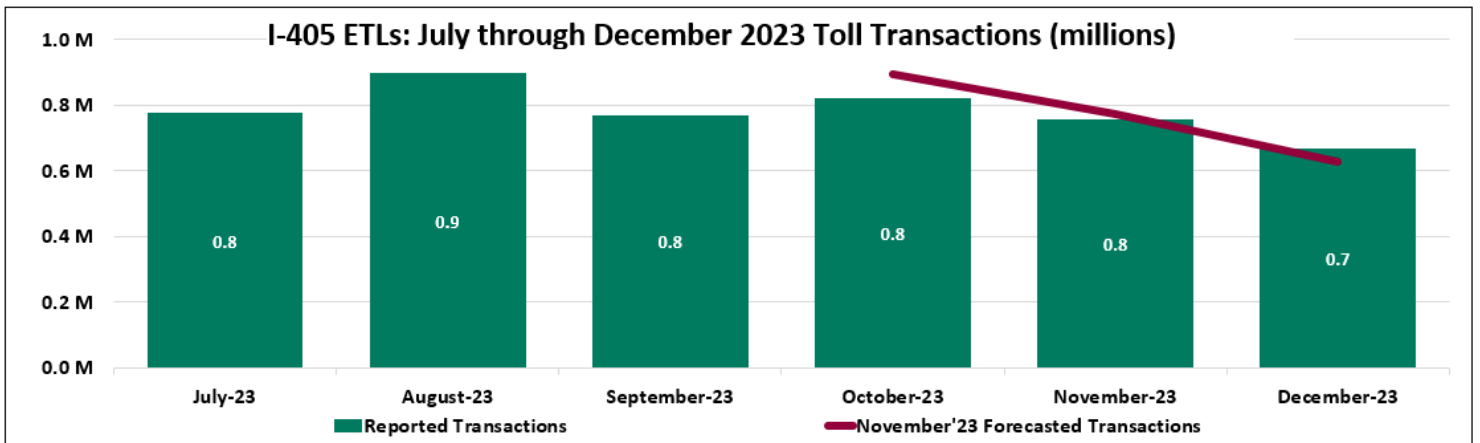
Based on recent actuals FY 2024 SR 520 Total revenue and fees of \$81.7 million is a reduction of \$264K (or 0.3 percent) to the November 2023 Forecast projections for the current fiscal year (Figure 12).

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

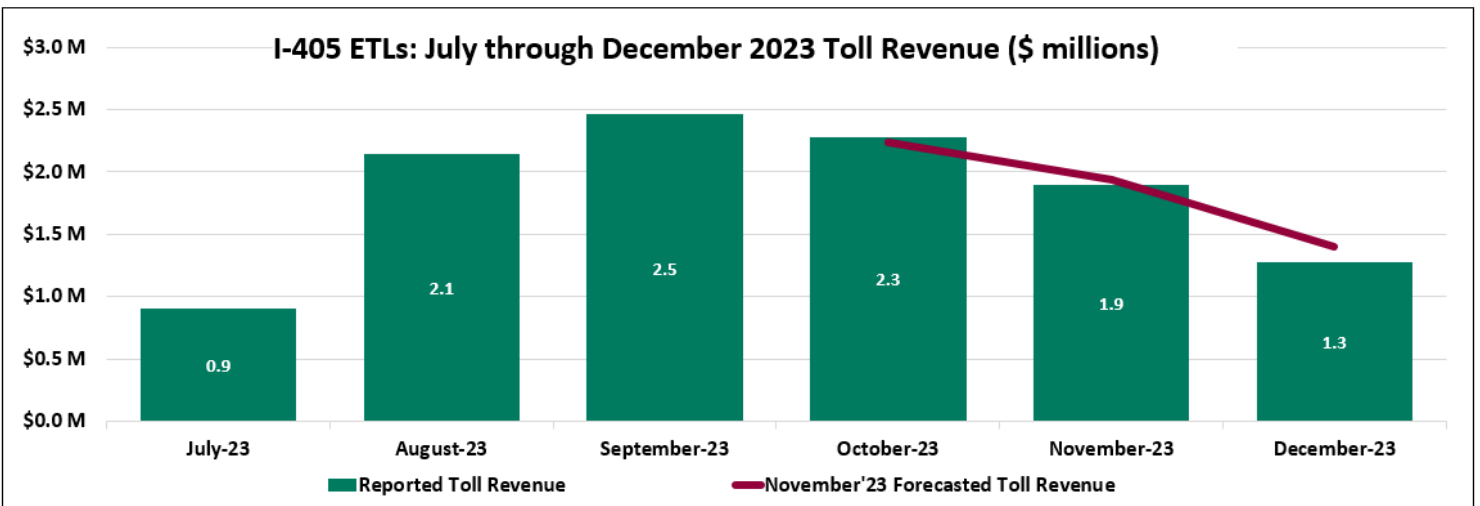
February 2024 TRFC forecasts for the I-405 Express Toll Lanes (ETLs) were updated from the November 2023 TRFC forecast. The forecasts have been updated based on The Washington State Transportation Commission’s (WSTC) approved adjustments to the toll rates and hours of operations at its final hearing on Monday, January 29, 2024. These changes are effective March 1, 2024. The changes are: increase the minimum toll rate to \$1, increase the maximum toll rate to \$15, and extend evening tolling and peak hour HOV policies by one hour, to 8 p.m. The I-405/ SR 167 corridor project future opening schedules remain unchanged from previous TRFC forecasts under the Current Law that assumes the completion of the I-405 Renton to Bellevue ETLs Project in early FY 2025.

Three-month period, October through December 2023 toll transactions (December toll transactions are based on preliminary estimate) were 2.3 percent below the November 2023 Forecast. Three-month period toll revenues were 2.4 percent or \$133 thousand below the November 2023. As a note, December 2023 Toll Revenue attributed to 92 thousand toll transactions, were processed late, and are included to January 2024 reported toll revenue. Figure 15 below provides October 2023 through December 2023 monthly Toll Transactions and Reported Toll Revenue performances in comparison to the November 2023 forecast. July through September 2023 actuals are included in the November 2023 forecast.

**Figure 15: I-405 ETLs October through December 2023 monthly Toll Traffic and Revenue actuals in comparison to November 2023 forecasts**



**Note:** December 2023 monthly transactions are stated based on preliminary estimates



**Note:** Reductions in July toll revenue are mainly due to the resumption of issuing fees and penalties, upon the escalation unpaid backlogged toll bills were reprocessed as CP revenue. December 2023 Toll Revenue attributed to 92K toll transactions were processed late, and would be incl. in January 2024.

Annual FY 2025 through FY 2033 Transponder revenue is higher by 2 percent due to a combination of higher projected transactions in the updated forecast, slightly higher revenue per transponder sold and higher transponder unit sales based on reported data through December 2023. Miscellaneous revenues are not forecasted beyond the current fiscal year for I-405 due to variability in facility account balances used to estimate future interest earnings.

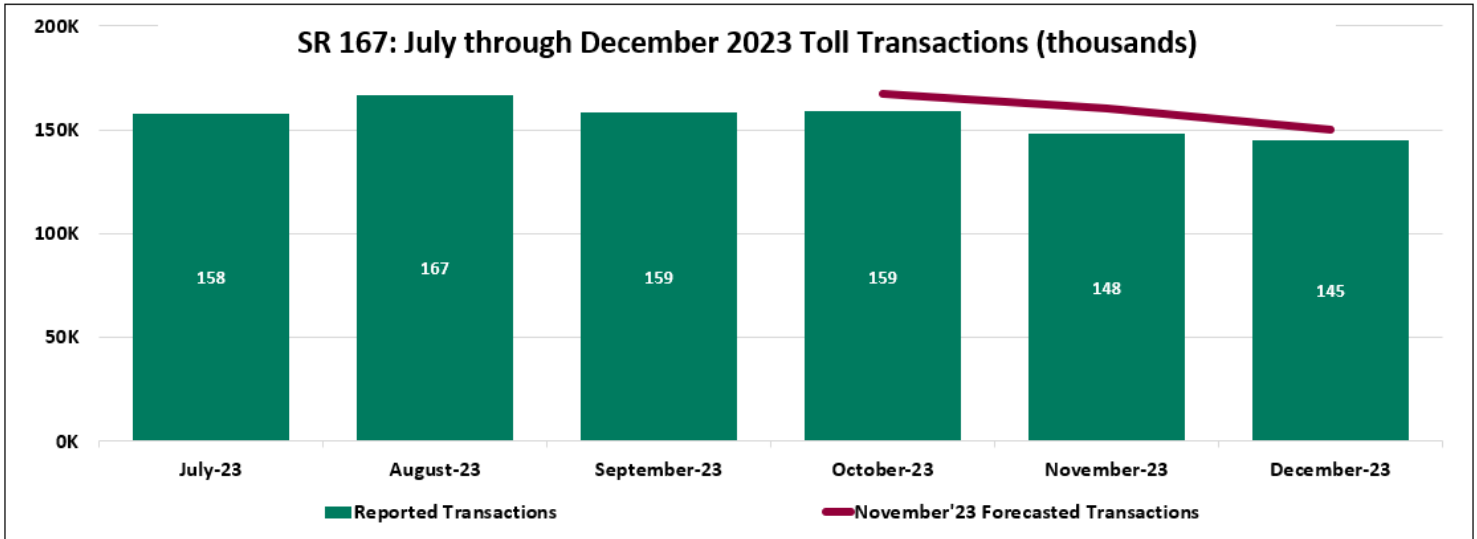
The facility’s total revenue and fees in 2023-25 Biennium are estimated to be \$73.7 million which are \$8.1million (or 12.3 percent) higher in comparison to the November 2023 forecast. In 2025-2027 Biennium total revenue and fees of \$91.5 million is \$7.8 million (or 9.4 percent) increase to November 2023 forecast. Ten-year period (FY 2024 to FY 2033) total revenue and fees of \$501.4 million are \$41.8 million (or 9.1percent) increase to the November 2023 Forecast, (Figure 12).

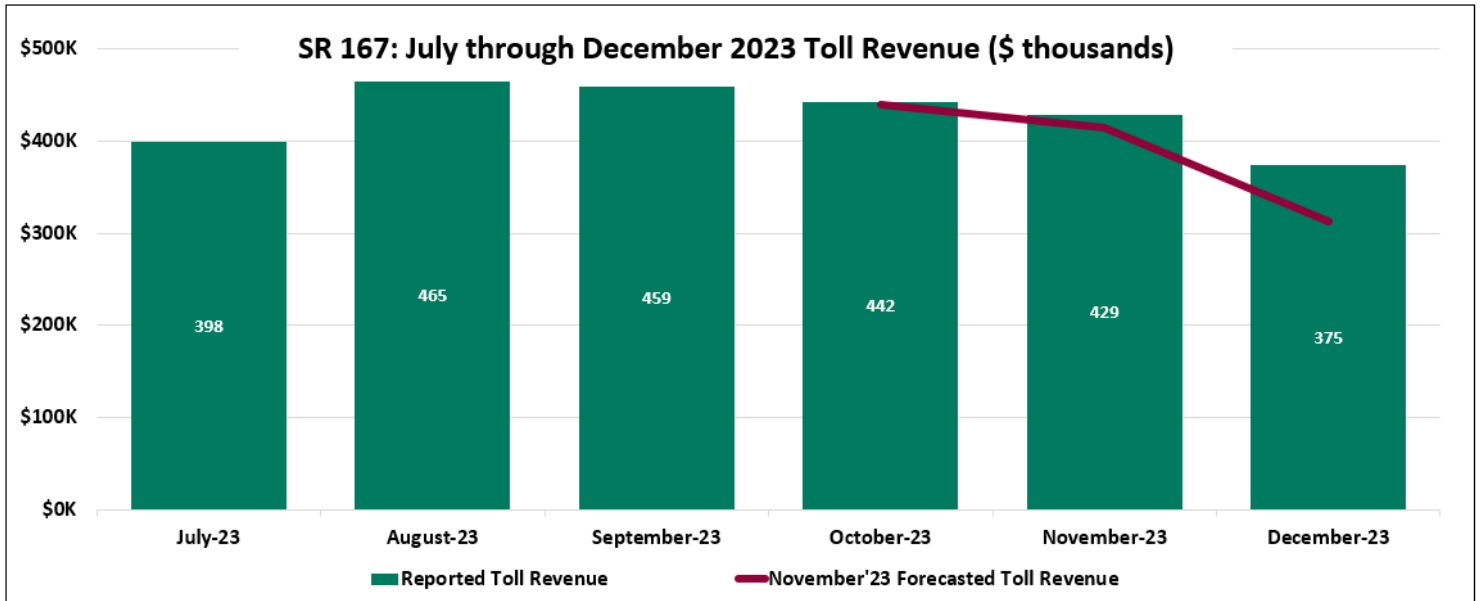
**Updates to SR 167 Express Toll Lanes (ETLs) toll traffic and revenues**

February 2024 TRFC forecasts for the SR 167 Express Toll Lanes (ETLs) were updated from the November 2023 TRFC forecast. The forecasts have been updated based on The WSTC’s approved adjustments to the toll rates and hours of operations at its final hearing on Monday, January 29, 2024. These changes are effective March 1, 2024. The changes are: increase the minimum toll rate to \$1, increase the maximum toll rate to \$15, and extend evening tolling and peak hour HOV policies by one hour, to 8 p.m. The I-405/ SR 167 corridor project future opening schedules remain unchanged from previous TRFC forecasts under the Current Law that assumes the completion of the I-405 Renton to Bellevue ETLs Project in early FY 2025.

July through September 2023 actuals are included in the November 2023 forecast. Three-month period, October through December 2023 toll transactions were 5.3 percent below the November 2023 Forecast. Three-month period toll revenues were 6.6 percent, or \$77 thousand above the November 2023. Figure 16 below provides October 2023 through December 2023 monthly Toll Transactions and Reported Toll Revenue performances in comparison to the November 2023 forecast. July through September 2023 actuals are included in the November 2023 forecast.

**Figure 16: SR 167 ETLs October through December 2023 monthly Toll Traffic and Revenue actuals in comparison to November 2023 forecasts**





Annual FY 2025 through FY 2033 Transponder revenue is higher by 3 percent due to a combination of higher projected transactions in the updated forecast, slightly higher revenue per transponder sold and higher transponder unit sales based on reported data through December 2023.

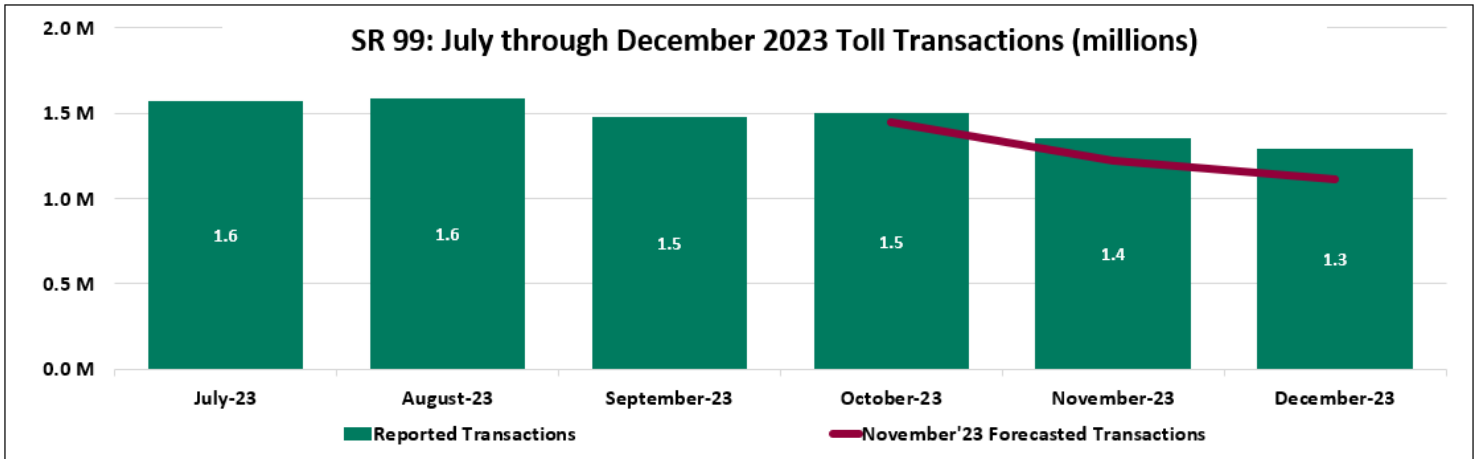
The facility's total revenue and fees in 2023-25 Biennium are estimated to be \$14.4 million which are \$0.7 million (or 5.1 percent) higher in comparison to the November 2023 forecast. In 2025-2027 Biennium total revenue and fees of \$23.4 million is \$1.8 million (or 10.0 percent) increase to November 2023 forecast. Ten-year period (FY 2024 to FY 2033) total revenue and fees of \$117.6 million are \$10.1 million (or 9.1 percent) increase to the November 2023 Forecast, (Figure 12).

**Updates to SR 99 Tunnel toll traffic and revenues**

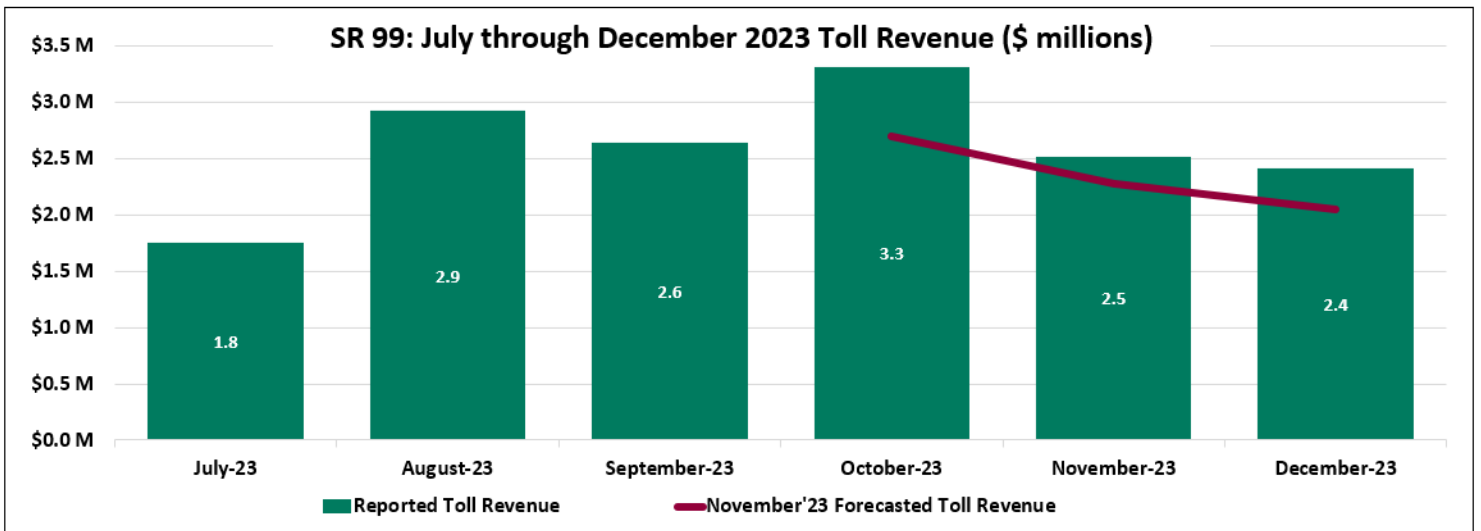
February 2024 TRFC FY 2025 through FY 2033 forecasts for the SR 99 Tunnel are a no-change forecast from the November 2023 TRFC forecast. FY 2024 Forecast is updated based on actuals.

SR 99 three-month period, October through December 2023 toll transactions (December toll transactions are based on preliminary estimate) were 9.7 percent above the November 2023 Forecast. Three-month period toll revenues were 17.3 percent or \$1.2 million above the November 2023. As a note, December 2023 Toll Revenue attributed to 6 thousand toll transactions, were processed late, and are included to January 2024 reported toll revenue. Figure 17 below provides October 2023 through December 2023 monthly Toll Transactions and Reported Toll Revenue performances in comparison to the November 2023 forecast. July through September 2023 actuals are included in the November 2023 forecast.

**Figure 17: SR 99 October through December 2023 monthly Toll Traffic and Revenue actuals in comparison to November 2023 forecasts**



*Note:* December 2023 monthly transactions are stated based on preliminary estimates



*Note:* Reductions in July toll revenue are mainly due to the resumption of issuing fees and penalties, upon the escalation unpaid backlogged toll bills were reprocessed as CP revenue. December 2023 Toll Revenue attributed to 6K toll transactions were processed late, and would be incl. in January 2024.

Based on recent actuals, FY 2024 SR 99 Total revenue and fees of \$37.6 million is an increase of \$2.1 million (or 5.8 percent) to the November 2023 Forecast projections for the current fiscal year (Figure 12).



## 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 the federal fiscal year (FFY) which begins on October 1.

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

### *FHWA – Highways Forecast*

- The total highway apportionment for Washington state for FFY 2023 was \$1,294.3 million. This reflects actual apportionment distributions for FFY 2023.
- The February 2024 apportionment forecast will be based on FHWA Notices N4510.880, N4510.881, N4510.882 and N4510.883.
- FFY 2025 and 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 2024 is \$1,103.1 million.
- The baseline forecast for FFY 2027 through FFY 2031 will assume an annual growth of federal revenues matching the annual Washington State fuel consumption growth rates.

### *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 February 2024 CORE OA for FFY 2023 has been reconciled to actual OA distributions and is \$1,029.4 million which includes distributions for Discretionary items, Other Allocated programs as well as Ferry Boat/Terminals distributions.
- Total OA forecast for FFY 2024 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.

### **Allocations of IIJA Funds Forecast:**

When new federal transportation authorization laws are enacted, Washington state has a tradition of convening a work group to make recommendations on future distributions of federal-aid highway formula program funding to state and local governments. The 2023 Supplemental Transportation Budget directed the Joint Transportation Committee to convene this Work Group. The Work Group met three times in June and July 2022.

### **Summary of funding split decisions for the five-year IIJA authorization**

#### **National Highway Performance Program -**

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

#### **Surface Transportation Block Grant program –**

- Maintain FFY 2022 and FFY 2023 at the Move Ahead Washington identified split (28 state/72% local)
- For FFY 2024 – FFY 2026, the split is revised to 16% state/84% local to effectively provide the historic split of 21% state/79% local, over the course of the five years.

#### **Highway Safety Improvement Program –**

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

#### **Congestion Mitigation & Air Quality (CMAQ) Program –**

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

#### **Bridge Replacement Program (NEW)**

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

### **National Highway Freight Program –**

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

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

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

### **National Electric Vehicle Program –**

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

### **Carbon Reduction Program -**

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

### ***FHWA Penalties:***

The February 2024 federal forecast incorporates four FHWA penalties for current and 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% 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 (HSIP) activities or transfer to the States’ 402 Safety Programs pending the outcome of the administrative and “general practice” certification review processes.
- Safety Performance Penalty – FHWA has determined that Washington State has failed to meet or make significant progress towards meeting the safety performance targets established in Target Zero. This penalty requires the state to obligate an amount equal to a prior year’s apportionment of HSIP funds on HSIP projects.
- Vulnerable Users (VRU) – Applies when the total annual fatalities of a non-motorist as defined in 23 U.S.C.148(a)(15) represents not less than 15% of the annual crash fatalities. The penalty requires that in the following fiscal year, the state obligate not less than 15% of the funds apportioned for the Highway Safety Improvement Program for Highway Safety projects to address the safety of vulnerable users as defined above.

- High Risk Rural Roads (HRRR) – This penalty applies to all states where the fatality rate on rural roads increases over the most recent 2-year period for which data is available. This penalty is a set-aside of a percentage of the FFY 2009 high-risk rural roads set-aside. The HRRR funds must be used on high-risk rural roads, as defined in accordance with the updated State Strategic Highway Safety Plan.

#### **COVID 19 Stimulus Funds:**

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

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

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

## **FTA - Public Transportation Federal Funds**

### *Overview*

In addition to the FHWA formula and non-formula programs governed by the Infrastructure Investment and Jobs Act (IIJA), the Federal Transit Administration also provides program allocations to Washington for a variety of transit projects. The IIJA authorize \$91.2 billion for FFY 2022-2026 for public transportation programs nationwide.

WSDOT each quarter forecasts the federal funds for public transportation programs. The February 2024 Public Transportation federal funds forecast reflects actual apportionments for FY 2022 and FY 2023 including CARES, CRRSAA, and ARPA funds. It also reflects increased funding levels provided under the IIJA for those years. An annual growth rate of 2% is assumed for FY 2024 through FY 2026. For the 2021-23 Biennium, WSDOT received \$58.6 million in FTA apportionments. For the next 2023-25 Biennium, \$61.0 million is anticipated in new apportionments.

### ***FTA – Washington State Ferries (WSF) Federal Funds***

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

### ***WSF Federal Apportionment Funds Forecast***

Washington State's level of FTA apportionment for FFY 2023 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 February 2024 WSF federal forecast reflects the current split letter released by PSRC for FFY 2023. It does not yet include a formula allocation of the new PSRC Equity Set-aside which has not yet received final approval by the PSRC. FFYs 2024 - 2026 assume an annual growth rate of 2% which is consistent with the funding levels set forth in the IIJA. FFY 2027 thru FFY 2033 forecast of FTA apportionments assume revenue growth matching the annual Washington State fuel consumption growth rates.

The IIJA has significantly changed WSF's apportionment of FTA formula funds. The distribution to WSF increased from \$13.2 million in FFY 2021 to \$21.2 million in FFY 2022 - an increase of \$8.0 million. Using the current PSRC split letter's allocation of funds to WSF and assumed growth rates, WSF's annual funding from this source is projected to increase each year reaching \$24.3 million in FFY 2033. The 2024 February forecast is unchanged from the 2023 November forecast. It reflects the actual split letter for 2023 and unchanged projected annual Washington State fuel consumption growth rates from the November 2023 forecast.

## APPENDIX

**2022 Transportation Packet (ESSB 5974)  
New/Incremental Revenues by Fee Type  
February 2024 vs. June 2022 forecast**

**ESSB 5974 Transportation Resources Bill (2022) Revenue Impact Summary**

	2021-2023			2023-2025			10-Year-Period (22-31)		
	February 2024	June 2022	Change	February 2024	June 2022	Change	February 2024	June 2022	Change
<b>Move Ahead WA (26P) by Fee</b>									
Plate original from \$10 to \$50 *Includes Motorcycle Plates	43.87	55.45	-20.9%	100.83	117.56	-14.2%	455.38	515.98	-11.7%
Plate replacement from \$10 to \$30 *Includes Motorcycle Plates	28.05	33.08	-15.2%	58.18	66.32	-12.3%	266.01	295.90	-10.1%
Dealer Temp from \$15 to \$40	7.66	20.30	-62.3%	33.84	41.13	-17.7%	160.62	179.65	-10.6%
DOL service fee for trucks from \$0.00 to \$0.50*	0.09	0.34	-75.0%	1.50	1.88	-20.0%	6.84	8.13	-16.0%
License Plate Tech fee for trucks from \$0.00 to \$0.25*	0.04	0.17	-75.0%	0.75	0.94	-20.0%	3.42	4.07	-15.9%
Stolen Vehicle Fee from \$15 to \$35**	12.67	15.70	-19.3%	30.37	32.59	-6.8%	196.69	213.63	-7.9%
<b>Subtotal Move Ahead WA (26P)</b>	<b>92.38</b>	<b>125.05</b>	<b>-26.1%</b>	<b>225.47</b>	<b>260.42</b>	<b>-13.4%</b>	<b>1,088.96</b>	<b>1,217.36</b>	<b>-10.5%</b>
<b>Move Ahead WA Flexible (26Q) by Fee</b>									
EDL/EID from \$4 to \$7 per year	5.12	6.21	-17.6%	13.86	20.26	-31.6%	81.79	88.94	-8.0%
ADR from \$13 to \$17 and \$19 in FY30	3.14	3.22	-2.7%	8.92	9.40	-5.2%	49.20	51.79	-5.0%
DL/ID replacement from \$10 to \$20	1.45	1.47	-1.5%	4.01	3.98	0.6%	18.02	17.73	1.7%
<b>Subtotal Move Ahead WA Flexible (26Q)</b>	<b>9.70</b>	<b>10.90</b>	<b>-11.0%</b>	<b>26.79</b>	<b>33.65</b>	<b>-20.4%</b>	<b>149.02</b>	<b>158.46</b>	<b>-6.0%</b>
<b>Aviation Fuel Tax (Fund 039)</b>									
Aviation fuel tax from \$.11 to \$.18 per gallon	2.67	1.49	78.5%	5.25	3.34	57.1%	22.19	15.06	47.3%
<b>Total New Revenue from ESSB 5974</b>	<b>104.75</b>	<b>137.45</b>	<b>-23.8%</b>	<b>257.51</b>	<b>297.41</b>	<b>-13.4%</b>	<b>1,260.17</b>	<b>1,390.88</b>	<b>-9.4%</b>

\* Included technical cleanup bill ESHB 1853 (2023) resulted in all trucks being a subject to DOL service fee (\$0.50) and Licence plate technology fee (\$0.25)

\*\*Stolen Vehicle Check Fee from \$15 to \$50 and from \$50 to \$75 in FY2027 (26P fund, forecasted by WADOT)



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