

Transportation Revenue Forecast Council

**November 2023 Transportation Economic
and Revenue Forecast**

Volume I: Summary

Washington Transportation

Economic and Revenue Forecast

November 2023 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.

ESHB 1838, Chapter 390, Laws of 2023, transfers the responsibilities for the transportation revenue forecast as well as forecasting the major revenue sources for the transportation budget to the economic and revenue forecast council (ERFC) effective September 2024.

November 2023 Transportation Forecast Overview

Forecast Overview

The November forecast is based on economic projections produced by the Washington Economic and Revenue Forecast Council and IHS-Markit, a subsidiary of Standard & Poor's.

- The 2023-2025 biennium total transportation revenue forecast is \$6.99 billion which is down -\$56.4 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 \$37.69 billion, which is an increase from the March 2023 "Baseline" forecast by \$315 million or 0.84% (Figure 1).
- For November 2023 forecast, the 2023-25 biennium total transportation revenue estimate is \$6.99 billion which is a reduction of -\$6.9 million, or -0.1% compared to the last September 2023 forecast. This decrease is mainly driven by the reduction in Ferry Revenues and Driver -Related Fees (Figure 1a).
- For the 2025-27 biennium, revenues are projected at \$7.3 billion which is \$14 million lower or -0.2% as compared to previous forecast (September 2023) (Figure 1a).
- For the 10-year forecast horizon, total baseline revenue in November 2023 is projected to be \$37.69 billion, which is up from the last forecast (September 2023) by \$9 million or 0.02%, mainly driven by an expected increase in Rental Car Tax (Figure 1a).

Figure 1: Current November 2023 vs. March 2023 (Baseline) Forecast: All Revenues

Forecast to Baseline Comparison for Transportation Revenues and Distributions 10-Year Period												
November 2023 Forecast to March 2023 Baseline Forecast millions of dollars												
	Current Biennium 2023-2025				Biennium 2025-2027				10-Year Period (2023-2033)			
	Forecast November 2023	Forecast March 2023	Chg from March 2023	Percent Change	Forecast November 2023	Forecast March 2023	Chg from March 2023	Percent Change	Forecast November 2023	Forecast March 2023	Chg from March 2023	Percent Change
Sources of Transportation Revenue												
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%	17,456.55	17,462.03	(5.48)	-0.03%
Licenses, Permits and Fees	2,028.3	2,073.8	(45.44)	-2.19%	2,162.01	2,180.7	(18.67)	-0.86%	11,430.50	11,267.12	163.38	1.45%
Ferry Revenue	395.5	416.0	(20.46)	-4.92%	441.18	430.8	10.42	2.42%	2,231.85	2,211.18	20.68	0.94%
Toll Revenue	482.3	489.4	(7.13)	-1.46%	516.30	529.0	(12.65)	-2.39%	2,676.26	2,698.56	(22.30)	-0.83%
Aviation Revenues	15.4	13.7	1.65	12.05%	14.28	13.0	1.28	9.87%	72.44	64.89	7.55	11.63%
Rental Car Tax	97.2	89.9	7.32	8.14%	98.78	94.3	4.43	4.70%	514.64	490.46	24.18	4.93%
Vehicle Sales Tax	129.9	131.5	(1.60)	-1.22%	134.74	136.8	(2.03)	-1.49%	709.29	713.16	(3.87)	-0.54%
Driver-Related Fees	338.8	343.8	(5.01)	-1.46%	393.58	395.2	(1.57)	-0.40%	1,847.00	1,855.30	(8.30)	-0.45%
Business/Other Revenues	144.6	118.2	26.41	22.34%	147.50	120.2	27.30	22.71%	750.10	611.23	138.87	22.72%
Total Revenues	6,989.6	7,046.0	(56.39)	-0.80%	7,314.66	7,302.5	12.20	0.17%	37,688.63	37,373.93	314.71	0.84%
Distribution of Revenue												
Motor Fuel Tax Refunds and Transfers	253.2	246.5	6.70	2.72%	263.45	250.2	13.21	5.28%	1,330.94	1,270.20	60.74	4.78%
Motor Fuel Administrative Fee - DOL	19.0	18.8	0.19	0.99%	19.14	19.1	0.00	0.00%	97.43	97.25	0.19	0.19%
State Uses												
Motor Vehicle Account (108)	1,317.7	1,322.5	(4.87)	-0.37%	1,415.94	1,396.8	19.12	1.37%	7,651.73	7,324.90	326.83	4.46%
Transportation 2003 (Nickel) Account (550)	407.0	412.2	(5.19)	-1.26%	418.46	420.4	(1.91)	-0.45%	2,114.90	2,129.82	(14.92)	-0.70%
Transportation 2005 Partnership Account (09H)	600.9	606.0	(5.08)	-0.84%	614.63	618.2	(3.59)	-0.58%	3,129.95	3,149.94	(19.99)	-0.63%
Connecting Washington Account (20H)	742.4	747.5	(5.09)	-0.68%	759.02	761.9	(2.92)	-0.38%	3,865.03	3,882.16	(17.13)	-0.44%
Multimodal Account (218)	696.5	702.6	(6.08)	-0.87%	720.13	731.4	(11.28)	-1.54%	3,724.79	3,774.46	(49.67)	-1.32%
Special Category C Account (215)	46.8	47.1	(0.32)	-0.68%	47.84	48.0	(0.18)	-0.38%	243.60	244.68	(1.08)	-0.44%
Puget Sound Capital Construction Account (099)	34.0	34.3	(0.23)	-0.68%	34.81	34.9	(0.13)	-0.38%	177.24	178.02	(0.79)	-0.44%
Puget Sound Ferry Operations Account (109)	453.5	473.5	(19.92)	-4.21%	499.79	489.3	10.53	2.15%	2,531.28	2,509.47	21.81	0.87%
Capital Vessel Replacement Account (18J)	58.9	61.3	(2.39)	-3.89%	61.80	63.3	(1.53)	-2.41%	310.63	319.96	(9.33)	-2.92%
Tacoma Narrows Bridge Account (511)	158.0	155.5	2.51	1.61%	158.80	158.9	(0.12)	-0.08%	727.54	725.60	1.94	0.27%
High Occupancy Toll Lanes Account (09F)^	13.7	15.2	(1.56)	-10.23%	18.42	18.2	0.25	1.36%	107.48	108.01	(0.54)	-0.50%
SR 520 Corridor Account (16I)	165.3	190.2	(24.94)	-13.11%	173.68	198.8	(25.13)	-12.64%	959.80	1,052.17	(92.37)	-8.78%
SR 520 Corridor Civil Penalties Account (17P)	6.4	5.0	1.39	27.83%	7.62	7.0	0.61	8.76%	38.74	34.57	4.17	12.05%
Interstate 405 Express Toll Lanes Operations (595)	65.6	62.8	2.73	4.34%	83.63	83.1	0.54	0.64%	459.58	454.41	5.17	1.14%
Alaskan Way Viaduct Replacement Acct. (535)	73.3	60.6	12.74	21.03%	74.16	62.9	11.21	17.81%	383.13	323.80	59.33	18.32%
Aeronautics Account (039)	15.3	13.6	1.65	12.13%	14.18	12.9	1.29	9.97%	71.95	64.37	7.58	11.77%
Washington State Aviation Account (21G)	0.1	0.1	0.00	0.69%	0.09	0.1	(0.00)	-2.30%	0.45	0.47	(0.03)	0.00%
State Patrol Highway Account (081)	466.6	475.0	(8.36)	-1.76%	482.63	490.7	(8.07)	-1.65%	2,466.72	2,510.01	(43.29)	-1.72%
Highway/Motorcycle Safety Accts. (106 & 082)	305.0	287.0	18.00	6.27%	349.71	330.3	19.36	5.86%	1,621.25	1,524.61	96.64	6.34%
School Zone Safety Account (780)	0.4	0.6	(0.22)	-36.35%	0.40	0.6	(0.22)	-35.60%	2.02	3.14	(1.13)	-35.82%
Other accounts (201, 06T, 09T, 09E, 216, 07C, 24-K)	42.2	43.9	(1.75)	-3.98%	43.08	44.9	(1.81)	-4.04%	218.87	227.80	(8.93)	-3.92%
Electric Vehicle Account (20J)	53.1	47.8	5.34	11.19%	0.00	0.00	#DIV/0!		53.11	47.77	5.34	11.19%
Ignition Interlock Devices Revolving Acct 14V	7.2	8.8	(1.54)	-17.57%	7.69	8.9	(1.21)	-13.60%	38.79	45.19	(6.39)	-14.15%
Multistate Roadway Safety Account Collections-571	0.6	0.5	0.05	9.89%	0.61	0.5	0.08	16.11%	3.08	2.68	0.40	14.80%
Move Ahead WA Accounts - 26P	226.4	239.5	(13.11)	100.00%	252.06	257.1	(5.01)	100.00%	1,261.23	1,301.97	(40.74)	100.00%
Move Ahead WA Accounts - 26Q	26.6	28.8	(2.20)	100.00%	35.73	36.1	(0.34)	100.00%	182.19	184.33	(2.13)	100.00%
Total for State Use	5,983.5	6,042.0	(58.43)	-0.97%	6,274.88	6,275.3	(0.47)	-0.01%	32,345.07	32,124.31	220.76	0.69%
Local Use												
Cities	179.4	180.7	(1.23)	-0.68%	183.46	184.2	(0.71)	-0.38%	934.21	938.35	(4.14)	-0.44%
Counties	290.4	292.7	(2.36)	-0.81%	297.56	298.9	(1.33)	-0.44%	1,516.09	1,523.95	(7.86)	-0.52%
Transportation Improvement Board (112 & 144)	195.7	196.7	(1.07)	-0.54%	203.14	202.6	0.50	0.25%	1,063.73	1,042.69	21.04	2.02%
County Road Administration Board (102 & 253)	68.4	68.6	(0.19)	-0.28%	73.03	72.0	1.00	1.38%	401.16	377.18	23.98	6.36%
Total for Local Use	733.9	738.8	(4.85)	-0.66%	757.19	757.7	(0.54)	-0.07%	3,915.19	3,882.17	33.02	0.85%
Total Distribution of Revenue	6,989.6	7,046.0	(56.39)	-0.80%	7,314.66	7,302.5	12.20	0.17%	37,688.63	37,373.93	314.71	0.84%

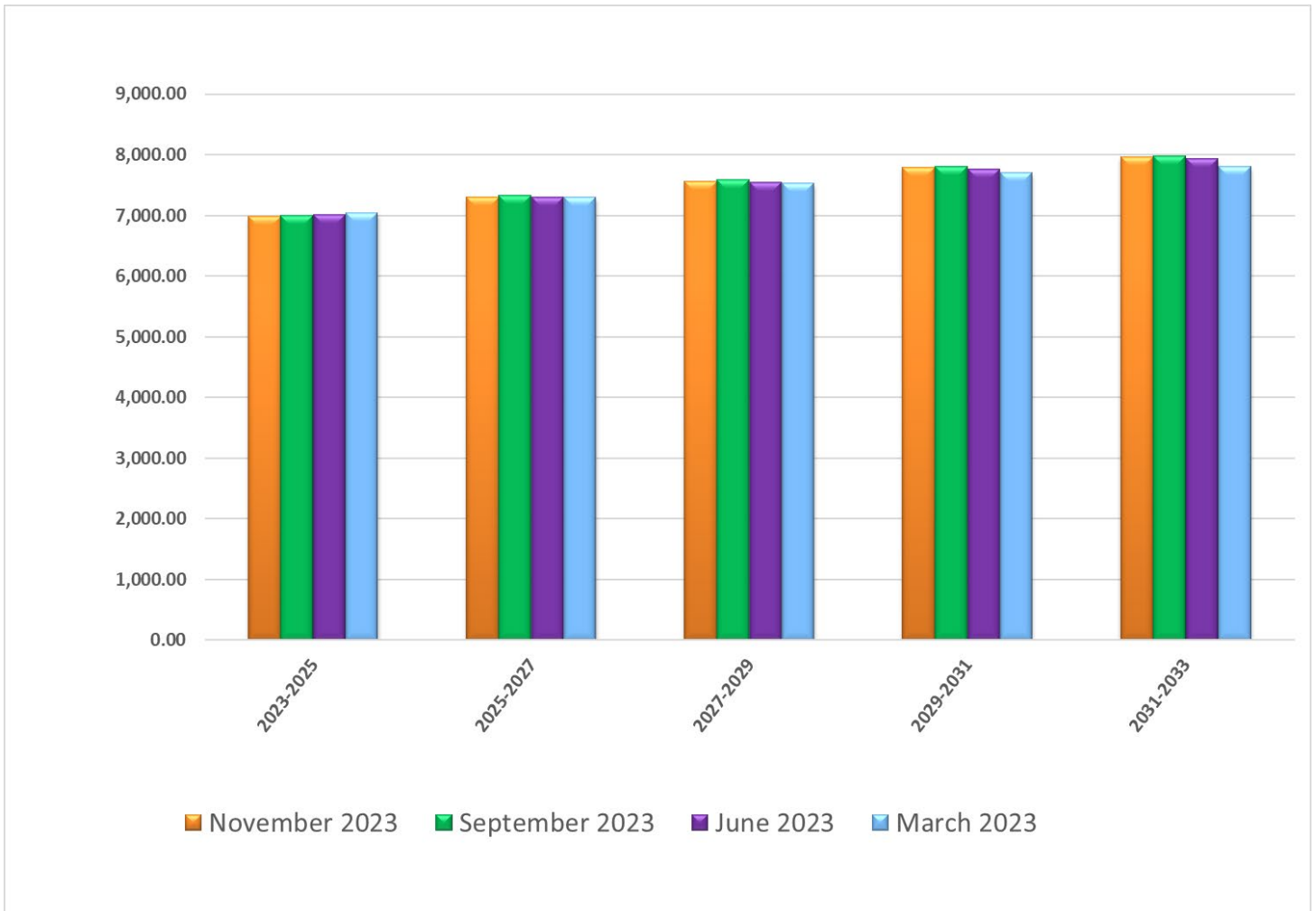
Figure 1a: Current November 2023 vs. September 2023 Forecast: All Revenues

Forecast to Forecast Comparison for Transportation Revenues and Distributions 10-Year Period												
November 2023 Forecast to September 2023 Forecast millions of dollars												
	Current Biennium				Biennium				10-Year Period			
	2023-2025				2025-2027				(2023-2033)			
	Forecast November 2023	Forecast September 2023	Chg from September 2023	Percent Change	Forecast November 2023	Forecast September 2023	Chg from September 2023	Percent Change	Forecast November 2023	Forecast September 2023	Chg from September 2023	Percent Change
Sources of Transportation Revenue												
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%	17,456.6	17,458.0	(1.43)	-0.01%
Licenses, Permits and Fees	2,028.3	2,029.0	(0.63)	-0.03%	2,162.0	2,155.2	6.78	0.31%	11,430.5	11,373.6	56.92	0.50%
Ferry Revenue†	395.5	406.8	(11.21)	-2.76%	441.2	443.8	(2.58)	-0.58%	2,231.9	2,251.9	(20.08)	-0.89%
Toll Revenue	482.3	483.3	(1.05)	-0.22%	516.3	534.1	(17.84)	-3.34%	2,676.3	2,709.6	(33.30)	-1.23%
Aviation Revenues	15.4	15.4	0.00	0.00%	14.3	14.3	0.00	0.02%	72.4	72.4	0.01	0.02%
Rental Car Tax	97.2	93.5	3.73	3.99%	98.7	96.7	2.10	2.17%	514.6	502.3	12.34	2.46%
Vehicle Sales Tax	129.9	131.9	(1.94)	-1.47%	134.7	136.1	(1.38)	-1.02%	709.3	716.8	(7.53)	-1.05%
Driver-Related Fees	338.8	343.2	(4.46)	-1.30%	393.6	393.5	0.05	0.01%	1,847.0	1,850.8	(3.84)	-0.21%
Business/Other Revenues	144.6	135.9	8.70	6.40%	147.5	148.6	(1.09)	-0.73%	750.1	744.1	6.01	0.81%
Total Revenues	6,989.6	6,996.5	(6.87)	-0.10%	7,314.7	7,328.6	(13.97)	-0.19%	37,688.6	37,679.5	9.09	0.02%
Distribution of Revenue												
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%
State Uses												
Motor Vehicle Account (108)	1,317.7	1,318.0	(0.33)	-0.02%	1,415.9	1,408.6	7.30	0.52%	7,651.7	7,600.1	51.66	0.68%
Transportation 2003 (Nickel) Account (550)	407.0	408.1	(1.07)	-0.26%	418.5	418.9	(0.48)	-0.12%	2,114.9	2,117.2	(2.26)	-0.11%
Transportation 2005 Partnership Account (09H)	600.9	600.9	(0.00)	0.00%	614.6	614.6	0.00	0.00%	3,129.9	3,130.0	(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)	696.5	696.5	0.87	0.13%	720.1	720.2	(0.03)	0.00%	3,724.8	3,723.0	1.84	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)	453.5	464.5	(10.98)	-2.36%	499.8	502.3	(2.52)	-0.50%	2,531.3	2,550.9	(19.59)	-0.77%
Capital Vessel Replacement Account (18)	58.9	59.5	(0.58)	-0.97%	61.8	62.0	(0.24)	-0.39%	310.6	311.5	(0.86)	-0.28%
Tacoma Narrows Bridge Account (511)	158.0	155.6	2.44	1.57%	158.8	158.9	(0.14)	-0.09%	725.7	725.7	1.84	0.25%
High Occupancy Toll Lanes Account (09F)*	13.7	14.4	(0.73)	-5.09%	18.4	18.2	0.17	0.91%	107.5	107.5	(0.04)	-0.03%
SR 520 Corridor Account (16)	165.3	177.6	(12.35)	-6.95%	173.7	199.7	(26.03)	-13.03%	959.8	1,043.2	(83.42)	-8.00%
SR 520 Corridor Civil Penalties Account (17P)	6.4	5.9	0.50	8.53%	7.6	7.1	0.48	6.74%	38.7	35.6	3.17	8.91%
Interstate 405 Express Toll Lanes Operations (595)	65.6	63.8	1.82	2.86%	83.6	83.3	0.29	0.35%	459.6	456.4	3.21	0.70%
Alaskan Way Viaduct Replacement Acct. (535)	73.3	66.0	7.27	11.00%	74.2	66.8	7.39	11.07%	383.1	341.2	41.94	12.29%
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	0.66%	0.1	0.1	0.00	2.25%	0.4	0.4	0.01	2.63%
State Patrol Highway Account (081)	466.6	466.8	(0.20)	-0.04%	482.6	482.7	(0.12)	-0.03%	2,466.7	2,467.2	(0.51)	-0.02%
Highway/Motorcycle Safety Accts. (106 & 082)	305.0	297.0	8.04	2.71%	349.7	349.0	0.66	0.19%	1,621.2	1,610.9	10.30	0.64%
School Zone Safety Account (780)	0.4	0.4	(0.01)	-1.66%	0.4	0.4	0.00	0.05%	2.0	2.0	(0.01)	-0.46%
Other accounts (201, 06T, 09T, 09E, 216, 07C, 24-K)	42.2	41.9	0.31	0.74%	43.1	42.8	0.28	0.66%	218.9	217.4	1.46	0.67%
Electric Vehicle Account (20)	53.1	50.6	2.48	4.91%	0.0	0.0	0.00	0.00%	53.1	50.6	2.48	4.91%
Ignition Interlock Devices Revolving Acct 14V	7.2	8.3	(1.05)	-12.69%	7.7	8.4	(0.71)	-8.49%	38.8	42.7	(3.87)	-9.07%
Multituse Roadway Safety Account Collections-571	0.6	0.6	0.00	0.86%	0.6	0.6	0.01	0.99%	3.1	3.2	(0.10)	-3.22%
Move Ahead WA Accounts - 26P	226.4	228.0	(1.61)	-0.70%	252.1	253.2	(1.12)	-0.44%	1,261.2	1,265.3	(4.06)	-0.32%
Move Ahead WA Accounts - 26Q	26.6	28.5	(1.90)	-6.65%	35.7	35.7	0.00	0.01%	182.2	183.3	(1.09)	-0.59%
Total for State Use	5,983.5	5,990.6	(7.05)	-0.12%	6,274.88	6,289.7	(14.81)	-0.24%	32,345.1	32,343.0	2.10	0.01%
Local Use												
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	195.6	0.09	0.05%	203.1	202.7	0.42	0.21%	1,063.7	1,060.2	3.50	0.33%
County Road Administration Board (102 & 253)	68.4	68.3	0.09	0.14%	73.0	72.6	0.42	0.58%	401.2	397.7	3.50	0.88%
Total for Local Use	733.9	733.7	0.19	0.03%	757.2	756.3	0.84	0.11%	3,915.2	3,908.2	7.00	0.18%
Total Distribution of Revenue	6,989.6	6,996.5	(6.87)	-0.10%	7,314.7	7,328.6	(13.97)	-0.19%	37,688.6	37,679.5	9.09	0.02%

† Ferry Fares plus non-farebox revenue

Figure 2 compares transportation revenues for the last four cycles: November 2023, September 2023, June 2023, and March 2023. The November 2023 Forecast 10-year total revenue estimates are slightly increased in comparison to September 2023 (0.02%) and are a 0.84% increase as compared to the baseline March 2023 forecast.

Figure 2: Total Transportation Revenues Estimates: November 2022 – November 2023



Washington transportation revenue comes from numerous taxes, fees, permits, tools, 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 37.6%. 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 (\$6.9 billion)

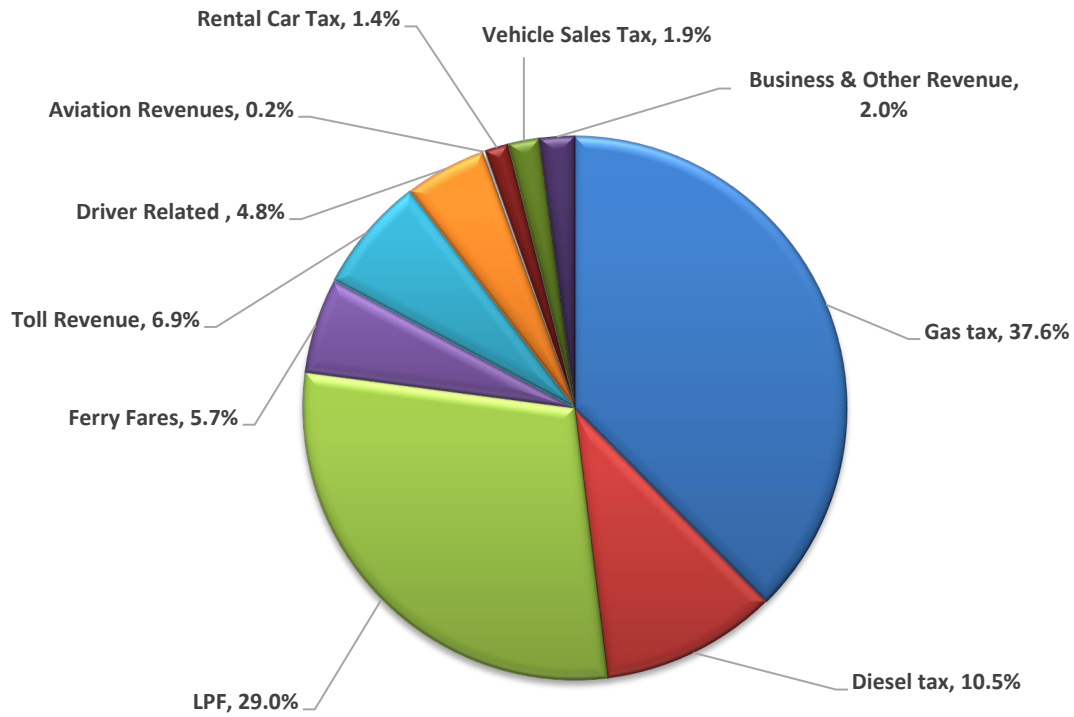


Figure 4 shows the November 2023 forecast LESS the Move Ahead Revenue Package compared to the June 2022 forecast.

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 November 2023 Forecast to June 2022 Forecast millions of dollars												
	2023-2025				2025-2027				10-Year Period (2023-2033) (2022-2031)			
	Forecast November 2023	Forecast June 2022	Chg from June 2022	Percent Change	Forecast November 2023	Forecast June 2022	Chg from June 2022	Percent Change	Forecast November 2023	Forecast June 2022	Chg from June 2022	Percent Change
Total Revenues	6,989.29	7,345.74	(356.45)	-4.9%	7,313.36	7,608.43	(295.07)	-3.9%	37,683.55	37,369.68	313.88	0.8%
Move Ahead Washington Pa	104.75	137.45	(32.70)	-23.8%	258.28	297.41	(39.14)	-13.2%	1,263.71	1,390.88	(127.17)	-9.1%
Total Revenue less Move Ahe	6,884.54	7,208.30	(323.75)	-4.5%	7,055.08	7,311.01	(255.93)	-3.5%	36,419.84	35,978.79	441.05	1.2%

Economic Variables Forecast

Analysts used economic variables in their revenue forecasts. Key economic variables include: Washington real personal income, inflation, employment by sector, petrol price index, fuel efficiency gains, housing starts, and US sales of new light vehicles.

The November 2023 variables are, in part, based on forecasts by the Washington Economic and Revenue Forecast Council and IHS. The near-term change in the latest economic variables, including inflation, held steady when compared to the September 2023 quarterly forecast. Similarly, the metrics for Washington statistics were stable.

Figure 5: Annual Percentage Change (%) in Select Economic Variables November 2023 Forecast v. September 2023 Forecast

	WA Real Personal Income	PPI-refined petrol products	Implicit Price Deflator Personal Consumption	Natn'l housing starts (m) annual rate	WA Housing starts	WA employment in trade, transport. & utilities	WA employment in retail trade	National non-ag employment (m)	WA Non-ag employment	Consumer price index (all-urban)	Consumer spending: new motor vehicles
2023	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2024	0.6%	4.0%	-0.1%	-0.3%	-7.1%	0.5%	0.7%	0.7%	0.7%	0.7%	0.7%
2025	0.9%	2.8%	-0.1%	3.5%	-0.5%	1.1%	2.1%	2.1%	2.1%	2.1%	2.1%
2026	0.9%	0.1%	-0.1%	0.5%	-0.4%	0.7%	1.0%	1.0%	1.0%	1.0%	1.0%
2027	0.9%	-1.7%	-0.1%	-2.0%	-0.5%	0.6%	0.8%	0.8%	0.8%	0.8%	0.8%
2028	1.0%	-1.5%	-0.1%	-1.0%	-0.3%	0.8%	1.5%	1.5%	1.5%	1.5%	1.5%
2029	1.0%	-1.3%	0.0%	-0.9%	-0.3%	0.9%	1.6%	1.6%	1.6%	1.6%	1.6%
2030	1.0%	-1.1%	0.1%	-0.8%	-0.3%	0.9%	1.6%	1.6%	1.6%	1.6%	1.6%
2031	1.0%	-1.1%	0.2%	-0.8%	-0.3%	0.9%	1.6%	1.6%	1.6%	1.6%	1.6%
2032	1.0%	-1.1%	0.2%	-0.8%	-0.3%	0.9%	1.6%	1.6%	1.6%	1.6%	1.6%
2033	1.0%	-1.2%	0.3%	-0.8%	-0.3%	0.9%	1.6%	1.6%	1.6%	1.6%	1.6%
2034	1.0%	-1.2%	0.3%	-0.8%	-0.3%	0.9%	1.6%	1.6%	1.6%	1.6%	1.6%

Source: Washington Economic and Revenue Forecast Council, Washington Office of Financial Management, Global Insight

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 6: 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
FY2024	4.22	5.60	4.91	4.46
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
FY2025	4.51	5.34	4.69	4.11

Survey of Current U.S. Crude Oil 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 use 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 applies the average WTI price adjustment to the baseline prices. The adjusted fuel prices listed in Figure 11 are 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 7: Near-term Annual WTI Crude Oil Price Forecasts: November 2023

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

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

Of note for November forecasts:

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. This forecast has 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 \$0.5 million or 0.03% compared to the forecast for September 2023. The LPF forecast is anticipated to be \$2.14 billion by the 2025-2027 biennium, which is down about \$7 million or -0.32% from the previous forecast.

DOL forecasted LPF revenue for FY2023-25 biennium is forecasted at **\$526.4 million, down \$0.6 million (-0.1%)** from the prior forecast. Over the ten-year period (FY23-FY33), LPF revenues are projected to total **\$3,421.2 million, an increase of \$57.4 million (1.7%)** from the prior forecast. Original plates and title fees are projected lower due to car sales remaining to be a weak market. Meanwhile, electric vehicle fee is projected higher and counteract the impact of lower plate and title fees collection.

Primary reasons for the change in the November 2023 forecast

- **Electric Vehicle and charging infrastructure** revenue are revised higher by \$3.4 million (3.7%) for current biennium and higher by \$67.5 million (6.0%) for ten-year outlook due to actuals update and upward HEV revision for the near term.
- **Title Fee forecast** is slightly down by \$1.2 million (-1.7%) for the current biennium, and \$2.5 million lower (-0.7%) for the ten-year horizon compared to previous forecast due to unstable market situation related to affordability issues and UAW strikes aftereffect.
- **Ferry Vessel Service Fees (18J)** are down by \$0.4 million for FY23-25 (-0.8%) and the ten-year horizon by \$0.4 (-0.2%) compared to previous forecast. The change is due to actuals update and following titles trend, registration part is just actuals update.
- **Original Plates** This forecast has decreased -\$1.2 million (-1%) for the 23-25 biennium and ten-year outlook is revised downward by \$2.70 million (-0.4%) compared to previous forecast. This is primarily due to lower car sales.
- **Intermittent use trailer** forecast is adjusted downward by \$0.1 million (-7%) for the current biennium and ten-year outlook is revised \$1.3 million lower (-17%) compared to previous forecast. Actual data started to show a declining revenue stream, this forecast is projecting flat revenue trend. 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 permit** forecast is revised downward by \$0.9 million (-1.8%) in current biennium and ten-year outlook is revised lower by \$1.9 million (-0.7%) compared to previous forecast. Prior to fee increase due to MAWA implementation, we saw spike in dealer temporary permit purchases, with June 2022 showing 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 *November 2023* 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).

Driver-related revenue for FY2023-25 biennium is forecasted at **\$338.8 million, down \$4.5 million (-1.3%)** from the prior forecast. FY25-27 is expected to have **\$393.6 million**, no change from the prior forecast. Over the ten-year period (FY23-FY33), driver-related revenues are projected to total **\$1,847 million, (-0.2%)** 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 **November 2023** forecast:*

- Driver Licenses revenue is \$-3.4 million lower (-1.3%) for the current biennium, while the ten-year outlook is \$0.9 million lower (-0.1%). Of note is the increase trend to Identocard and commercial driver license (CDL) demands and lower trend in enhanced driver licenses and enhanced identicards. CDL collections are projected to be 3.7% higher than previous forecast in the current biennium and 2.2% higher for the rest of the forecast horizon. The forecasting model for CDL incorporates variable from WA employment in Trade, Transportation, and Utilities.
- Ignition Interlock Device fee is projected to be \$1 million lower (-12.7%) lower in the current biennium and \$3.9 million lower (-9.1%) in the ten-year outlook. 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 released a Request for Proposal (RFP) to solicit bids from qualified Work Zone Speed Cameras Vendors. For the ten-year horizon, this is revenue increase of \$68.3 million.

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 November 2023 Forecast

- In the November 2023 forecast, the sales tax on motor vehicle purchases is slightly higher than in the previous forecast. Recent collections were higher than forecasted, although the economic variables related to the forecast are lower.
- Rental car tax collections have been increased due to high collections in recent months.
- HOV penalties in November 2023 are unchanged from the last forecast. In the 2019 - 2021 biennium, HOV penalties were \$950,850, increasing to \$1,094,402 by the end of the forecast horizon.
- WSDOT Business related revenue for the 2023-25 biennium has been revised down by \$194 thousand, or 0.75%, from the September forecast. The school zone fines forecast for the current biennium is up \$48 thousand, or 14.1%, from the September 2023 forecast. This is due to actuals coming in higher. The 2023-

25 biennium WSP Business Related Revenues for November 2023 have been revised down by \$54,633 or (.45%). 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 \$0.3 million (1.5%) for the 23-25 biennium and \$1.4 million (1.5%) in the ten-year horizon.

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 erratic and extended, reflecting post-pandemic travel patterns, including less frequent use by many customers, combined with reduced and more uncertain service levels. As with recent forecasts, this forecast takes into consideration WSF's gradual, stage-wise restoration of service reductions initially caused by the pandemic and prolonged on some routes due to staff attrition and vessel availability challenges. WSF's service restoration plan is captured in the forecast process for service capacity by increasing the percentage of vessel-service days in a quarter until reaching full restoration to pre-pandemic service levels for most routes by July 1, 2024 (FY 2025). The November 2023 Forecast includes the following assumptions regarding service resumption, unchanged since the June forecast:

- The Point Defiance-Tahlequah, Anacortes-San Juan Island, Seattle-Bainbridge, Mukilteo-Clinton, and Edmonds-Kingston routes have already achieved normal service levels, noting that Edmonds-Kingston is experiencing a temporary reduction to one-vessel service for November and the first half of December to a second vessel being unavailable.
- The third vessel on the Fautleroy-Vashon-Southworth triangle route is assumed to resume partial service in the Winter of 2024 (FY 2024) with 95% reliability anticipated by Spring 2024 (FY 2024) and full resumption by Summer 2024 (FY 2025).
- The second vessel on the Seattle-Bremerton route is assumed to begin added sailings in mid-Spring 2024 (FY 2024), with the route overall assumed to reach approximately 90% of sailings by Summer 2024 (FY 2025), and full resumption assumed by Fall 2024 (FY 2025).

- On the Port Townsend-Coupeville route, resumption of the second vessel normally added for the late Spring and Summer seasons but excluded since 2020, is assumed to be restored in May 2024 (FY 2024).
- 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 November Forecast incorporates actual ridership through October 2023 and actual revenue through September 2023.

FY 2023 ridership was 6.3% higher than FY 2022, placing it at about 75% of pre-pandemic levels. In September and October of FY 2024, actual ridership averaged 1.4% lower than the same period in FY 2023 and 6.3% lower than previous forecast, with passenger fares 3.8% below forecast and vehicle/driver fares 8.9% below forecast. A weeklong closure of the Bainbridge terminal to vehicle travel in September for passenger overhead walkway construction contributed to the larger forecast-to-actual variance for vehicle/driver ridership, compared with passenger ridership.

For the first four months of FY 2024, overall ridership reached just over 79% 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 76% of pre-pandemic levels), with vehicle/driver ridership growth essentially flat (holding at just under 85% 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 four months of actual ridership in FY 2024, ridership for the current 2023-25 biennium is forecast to be 1.8% lower than in the September 2023 forecast. For the rest of the forecast horizon (FYs 2026-33), the November fiscal year ridership projections range from 0.6% to 0.9% lower than the September 2023 Forecast.

Total reported fare and surcharge revenues for September 2023 were 12.8% lower than expected in the prior forecast. Revenue for the first three months of FY 2024 comprise approximately 88% of the pre-pandemic fare revenue levels for the same three 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 2.4% lower, while miscellaneous revenues are forecast to be 14.7% lower, compared to the September forecast. Total 2023-25 biennium revenues are expected to be 2.8% lower than the September forecast.

Subsequent biennia fare and surcharge revenue projections are expected to range from 0.1% to 0.3% lower relative to the September 2023 forecast. Miscellaneous revenues for the subsequent four biennia are projected to be 9.5% below the previous forecast, with overall ferry revenues ranging from 0.4% to 0.6% lower.

The elimination of youth fares starting October 1, 2022, is included in the current November forecast and amounts to a reduction in fare and surcharge revenues of \$8.0 million for the current 2023-25 biennium.

Total fare and miscellaneous revenues forecasted for the 2023-25 biennium amount to \$395.5 million, 2.8% lower than the previous forecast of \$406.8 million for the same period. Over 10 years (FYs 2024-33), ferry fare and miscellaneous revenues total \$2.23 billion, approximately 0.9% lower than the prior September 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 November 2023 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 November 2023 forecast:

- Actual ridership for September and October of FY 2024 has been lower than previously projected, which pulls down the near-term projections.
- Slight downward revisions to projected inflation through FY 2028 result in slightly higher real fares, dampening ridership demand in the near-to-midterm.
- Higher projections for real gas prices in the current biennium decrease vehicle/driver ridership demand, though lower projections thereafter have the opposite effect.
- Marginally higher projections for employment and real personal income, combined with out-year 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 continued reductions in galley revenues from an extension in the concession fee waivers granted by WSF as a result of continuing service challenges associated with vessel and crew availability that directly impact the galley vendor's ability to do business.

Toll Revenue

Overview

November 2023 Toll Traffic and Revenue (T&R) forecasts for five facilities were updated from the September 2023 TRFC, which was a no-change forecast from June 2023.

The methodology for the November 2023 forecast was similar to the ones applied since June 2020 and subsequent quarterly/biannual forecasts, with usage of actual data, as applicable. FY 2024 forecasts continue to be made on a month-by-month basis, to best administer the changes 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.

- November 2023 forecasts include toll traffic and revenues through September 2023.
- Toll Traffic:
 - TNB, I-405 and SR 167: no measurable updates
 - SR 99: modified upward based upon continued overperformance
 - SR 520: modified downward based on:
 - actuals coming in continually lower than forecast
 - competition from I-90
 - on-going and planned construction on the facility itself and off the facility on major / feeder roads
 - changes in maintenance closures
 - new socio-economic data updates made only for SR 520
 - new travel demand model runs made only for SR 520
- Potential Revenue:
 - Updated based upon the new traffic forecasts, the actual observed average toll rates, and the latest trends of toll payment split.
- Adjusted Revenue:
 - Updated based on new traffic forecasts, latest actual data, and slight modifications to fee and leakage assumptions based on actual data.
- The escalation of unpaid toll bills pending new Backoffice system (BOS) acceptance started in March 2023. With escalation revenue is now being reported for \$5 late payment fees and recovered toll revenue after the second invoice.
 - As the backlog of unpaid transactions continues through to Notice of Civil Penalties (NOCP) civil penalty fee earnings in the end of FY 2023 and early FY 2024 increase after two years of no escalation.
 - As civil penalty fee revenue attributed to the backlog in escalated toll bills is paid, the earnings will be reflected in future months.
- Transponder Revenue: revision to systemwide revenue allocation to include non-revenue and HOV exempt trips starting in FY 2024. The revisions result in higher transponder revenue allocation to the ETL facilities, I-405 and SR 167 and reductions in SR 520, SR 99, and TNB where there are no HOV exemptions.
- Miscellaneous Revenue: assumed interest rates increased to 2.25% per year for the current biennium from 0.61% per year in the June 2023 forecast to align with current interest rates more closely. After the current biennium the lower 0.61% interest rate is applied for conservatism and to align with recent historical values.

- Total interest earnings are updated to align with current account balances that align with reported interest earnings data.

Recent Actuals: May through September 2023 versus June 2023 TRFC Forecast

Combined actual five-month period, May through September 2023 toll transactions (September toll transactions are based on preliminary estimate) were 1.5% above the June 2023 Forecast. Combined five-month period, May through September 2023 Revenue Potential was 4.9% above the forecast.

Summer months reductions in Toll Revenue, particularly in July, are mainly due to processing of unpaid backlogged toll transactions after two years of no escalation. Combined five-month period, May through September 2023 Toll Revenue was \$4.1M (or 4.6%) below the June 2023 Forecast. Figure 8 provides May through September 2023 Toll Traffic and Toll Revenue (T&R) performance in comparison to the June 2023 Forecast.

As an unpaid toll bill is certified to Notice of Civil Penalty (NOCP), corresponding previously recorded toll revenue is reduced, and toll plus civil penalty fee is recorded under Civil Penalty (CP) revenue. While during the new Back Office System transition, no Civil Penalty revenue was collected, combined five-month period, May through September 2023 CP Revenue was \$29.6M.

Figure 8: May through September 2023 - Toll Transactions and Revenue Performance vs June 2023 Forecast (millions)

Toll Facility	Toll Transactions							Adjusted Gross Toll Revenue ¹						
		May-23	June-23	July-23	Aug-23	Sept-23	May thru Sept 2023		May-23	June-23	July-23	Aug-23	Sept-23	May thru Sept 2023
TNB	Forecasted Transactions	1.40	1.40	1.41	1.46	1.35	7.01	Forecasted Toll Revenue	\$6.52	\$6.53	\$6.58	\$6.82	\$6.32	\$32.77
	Reported Transactions	1.40	1.41	1.46	1.47	1.36	7.10	Reported Toll Revenue	\$6.75	\$5.76	\$5.45	\$7.01	\$7.32	\$32.28
	Variance From Forecast	0.01	0.01	0.05	0.02	0.01	0.10	Variance From Forecast	\$0.22	-\$0.77	-\$1.12	\$0.19	\$1.00	-\$0.49
	Variance - % Change	0.5%	0.9%	3.6%	1.1%	0.8%	1.4%	Variance - % Change	3.4%	-11.8%	-17.1%	2.7%	15.8%	-1.5%
SR 520	Forecasted Transactions	1.90	1.77	1.75	1.88	1.74	9.05	Forecasted Toll Revenue	\$6.01	\$5.38	\$6.27	\$6.73	\$6.23	\$30.62
	Reported Transactions	1.88	1.89	1.55	1.64	1.74	8.71	Reported Toll Revenue	\$6.01	\$5.20	\$3.82	\$6.04	\$6.96	\$28.03
	Variance From Forecast	-0.02	0.12	-0.20	-0.24	0.00	-0.33	Variance From Forecast	\$0.00	-\$0.18	-\$2.44	-\$0.69	\$0.73	-\$2.59
	Variance - % Change	-1.0%	6.6%	-11.2%	-12.6%	0.1%	-3.7%	Variance - % Change	0.0%	-3.4%	-39.0%	-10.2%	11.7%	-8.5%
I-405	Forecasted Transactions	0.85	0.88	0.75	0.86	0.79	4.12	Forecasted Toll Revenue	\$2.33	\$2.35	\$1.93	\$2.22	\$2.05	\$10.87
	Reported Transactions	0.83	0.88	0.77	0.90	0.77	4.15	Reported Toll Revenue	\$2.33	\$2.18	\$0.90	\$2.14	\$2.46	\$10.00
	Variance From Forecast	-0.01	0.00	0.03	0.04	-0.02	0.03	Variance From Forecast	\$0.00	-\$0.17	-\$1.03	-\$0.08	\$0.41	-\$0.87
	Variance - % Change	-1.4%	-0.4%	3.8%	4.4%	-2.9%	0.7%	Variance - % Change	0.0%	-7.2%	-53.4%	-3.6%	19.9%	-8.0%
SR 167	Forecasted Transactions	0.16	0.16	0.15	0.18	0.17	0.82	Forecasted Toll Revenue	\$0.34	\$0.34	\$0.34	\$0.51	\$0.47	\$2.00
	Reported Transactions	0.16	0.17	0.16	0.17	0.16	0.81	Reported Toll Revenue	\$0.41	\$0.51	\$0.40	\$0.47	\$0.46	\$2.24
	Variance From Forecast	0.00	0.01	0.01	-0.02	-0.02	-0.01	Variance From Forecast	\$0.07	\$0.17	\$0.06	-\$0.05	-\$0.01	\$0.24
	Variance - % Change	-0.1%	7.6%	5.3%	-8.8%	-8.8%	-1.4%	Variance - % Change	21.3%	50.8%	16.2%	-9.3%	-2.1%	12.0%
SR 99	Forecasted Transactions	1.49	1.36	1.41	1.45	1.34	7.05	Forecasted Toll Revenue	\$2.88	\$2.49	\$2.53	\$2.60	\$2.40	\$12.90
	Reported Transactions	1.51	1.55	1.57	1.58	1.48	7.69	Reported Toll Revenue	\$2.88	\$2.34	\$1.75	\$2.92	\$2.64	\$12.53
	Variance From Forecast	0.02	0.19	0.16	0.13	0.14	0.64	Variance From Forecast	\$0.00	-\$0.15	-\$0.78	\$0.32	\$0.24	-\$0.37
	Variance - % Change	1.4%	14.0%	11.0%	9.3%	10.6%	9.1%	Variance - % Change	0.0%	-6.0%	-30.9%	12.2%	10.2%	-2.9%
Total	Forecasted Transactions	5.80	5.57	5.46	5.83	5.39	28.05	Forecasted Toll Revenue	\$18.08	\$17.08	\$17.65	\$18.89	\$17.46	\$89.16
	Reported Transactions	5.79	5.90	5.51	5.76	5.50	28.47	Reported Toll Revenue	\$18.38	\$15.98	\$12.32	\$18.57	\$19.83	\$85.08
	Variance From Forecast	0.00	0.33	0.05	-0.07	0.12	0.42	Variance From Forecast	\$0.30	-\$1.10	-\$5.33	-\$0.31	\$2.37	-\$4.07
	Variance - % Change	-0.1%	5.9%	0.8%	-1.1%	2.1%	1.5%	Variance - % Change	1.6%	-6.4%	-30.2%	-1.7%	13.6%	-4.6%

Notes:

¹ Upon the escalation unpaid backlogged toll bills were reprocessed as CP revenue.

Summary of November 2023 Forecast Results

Figure 9 provides summary comparison between November 2023 and September 2023 (which was a no change forecast from June 2023 TRFC) forecast results.

Some highlights of November 2023 forecasts include:

- FY 2023 Total Toll Revenue and Fees was \$35.2M, or (12.5%) above the previous forecast estimate due to CP and Miscellaneous Revenue categories.
- Current Biennium (FY 2024 and FY 2025) total toll revenue and fees are estimated to be \$482.3 million, lower than the June 2023 Forecast by \$1.1 million (or 0.2%). This impact is based on SR 520 revenue reduction, which is partially offset by SR 99 performance increase.
- Next Biennium (FY 2026 and FY 2027) total toll revenue and fees of \$516.3 million are below the June 2023 Forecast by \$17.8 million (or 3.3%). Like the current biennium, SR 520 downward performance modifications are partially offset by upward SR 99 forecast adjustments.
- Ten-year (2024-2033) Toll Revenue and Fees of 2,676 million are \$33.3 million (or 1.2%) reduction to the June 2023 Forecast.

Figure 9: Revenue Comparison – November 2023 vs. June 2023 Forecast (\$ millions)

	Toll Facility	FY 2023	2021-23 Biennium	2023-25 Biennium	2025-27 Biennium	2027-29 Biennium	2024-33 Ten-Year
November 2023 TRFC	TNB						
	Adjusted Gross Toll Revenue	\$76.95	\$160.28	\$149.29	\$151.73	\$154.59	\$693.34
	Other Revenue	\$5.14	\$5.30	\$8.76	\$7.07	\$7.24	\$34.21
	Total TNB Revenue & Fees	\$82.09	\$165.58	\$158.05	\$158.80	\$161.83	\$727.54
	SR 520						
	Adjusted Gross Toll Revenue	\$63.96	\$123.96	\$151.57	\$166.58	\$178.20	\$916.00
	Other Revenue	\$12.02	\$12.84	\$20.10	\$14.72	\$14.92	\$82.53
	Total SR 520 Revenue & Fees	\$75.98	\$136.80	\$171.66	\$181.30	\$193.12	\$998.54
	I-405 ETLs						
	Adjusted Gross Toll Revenue	\$21.26	\$36.04	\$57.29	\$76.91	\$88.79	\$420.35
	Other Revenue	\$11.39	\$12.02	\$8.29	\$6.72	\$7.71	\$39.22
	Total I-405 ETLs Revenue & Fees	\$32.64	\$48.05	\$65.58	\$83.63	\$96.50	\$459.58
	SR 167 ETLs						
	Adjusted Gross Toll Revenue	\$4.59	\$8.14	\$13.18	\$17.88	\$20.79	\$104.69
	Other Revenue	\$.20	\$.39	\$.48	\$.53	\$.55	\$ 2.78
	Total SR 167 ETLs Revenue & Fees	\$4.80	\$8.53	\$13.66	\$18.42	\$21.34	\$107.48
SR 99							
Adjusted Gross Toll Revenue	\$29.19	\$51.85	\$60.59	\$63.73	\$65.36	\$325.97	
Other Revenue	\$92.61	\$92.32	\$12.71	\$10.43	\$10.86	\$57.16	
Total SR 99 Revenue & Fees	\$121.80	\$144.16	\$73.30	\$74.16	\$76.22	\$383.13	
All Toll Facilities							
Adjusted Gross Toll Revenue	\$195.95	\$380.27	\$431.93	\$476.83	\$507.73	\$2460.36	
Other Revenue	\$121.35	\$122.86	\$50.33	\$39.47	\$41.28	\$215.90	
Total Revenue & Fees	\$317.30	\$503.13	\$482.26	\$516.30	\$549.01	\$2676.26	
Changes from June/September 2022 TRFC	TNB						
	Adjusted Gross Toll Revenue	-\$.55	-\$.55	-\$.31	-\$1.28	-\$1.53	-\$5.48
	Other Revenue	\$5.88	\$5.88	\$2.75	\$1.13	\$1.35	\$7.32
	Total TNB Revenue & Fees	\$5.34	\$5.34	\$2.44	-\$.14	-\$.17	\$1.84
	Total % Change	7.0%	3.3%	1.6%	-0.1%	-0.1%	0.3%
	SR 520						
	Adjusted Gross Toll Revenue	-\$.18	-\$.18	-\$18.25	-\$25.06	-\$24.78	-\$83.90
	Other Revenue	\$9.06	\$9.06	\$6.41	-\$.49	-\$1.13	\$3.65
	Total SR 520 Revenue & Fees	\$8.88	\$8.88	-\$11.84	-\$25.55	-\$25.90	-\$80.25
	Total % Change	13.2%	6.9%	-6.5%	-12.4%	-11.8%	-7.4%
	I-405 ETLs						
	Adjusted Gross Toll Revenue	-\$.17	-\$.17	-\$.92	\$.00	\$.00	-\$.92
	Other Revenue	\$6.08	\$6.08	\$2.74	\$.29	\$.35	\$4.12
	Total I-405 ETLs Revenue & Fees	\$5.91	\$5.91	\$1.82	\$.29	\$.35	\$3.21
	Total % Change	22.1%	14.0%	2.9%	0.4%	0.4%	0.7%
	SR 167 ETLs						
Adjusted Gross Toll Revenue	\$.24	\$.24	-\$.90	\$.00	\$.00	-\$.90	
Other Revenue	\$.06	\$.06	\$.17	\$.17	\$.17	\$.87	
Total SR 167 ETLs Revenue & Fees	\$.30	\$.30	-\$.73	\$.17	\$.17	-\$.04	
Total % Change	6.8%	3.7%	-5.1%	0.9%	0.8%	0.0%	
SR 99							
Adjusted Gross Toll Revenue	\$.15	\$.15	\$4.08	\$5.65	\$6.48	\$31.27	
Other Revenue	\$14.90	\$14.90	\$3.19	\$1.75	\$1.80	\$10.68	
Total SR 99 Revenue & Fees	\$14.75	\$14.75	\$7.27	\$7.39	\$8.29	\$41.94	
Total % Change	13.8%	11.4%	11.0%	11.1%	12.2%	12.3%	
All Toll Facilities							
Adjusted Gross Toll Revenue	-\$.80	-\$.80	-\$16.30	-\$20.69	-\$19.82	-\$59.93	
Adjusted Gross Toll Revenue % Change	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	
Other Revenue	\$35.98	\$35.98	\$15.25	\$2.85	\$2.55	\$26.63	
Total Revenue & Fees	\$35.18	\$35.18	-\$1.05	-\$17.84	-\$17.27	-\$33.30	
Total % Change	12.5%	7.5%	-0.2%	-3.3%	-3.1%	-1.2%	

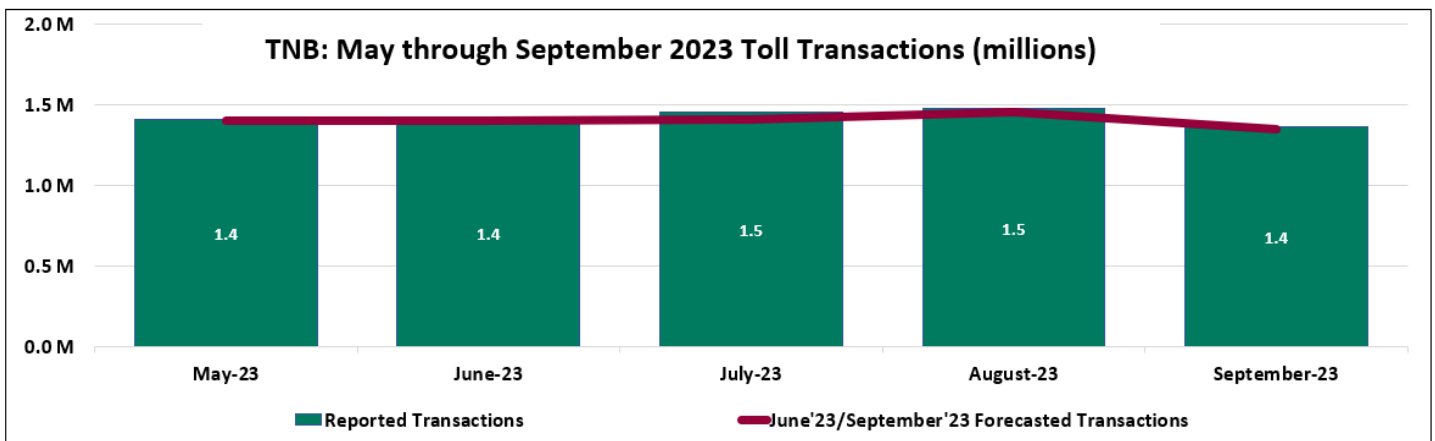
Updates to Tacoma Narrows Bridge (TNB) toll traffic and revenues

Tacoma Narrows Bridge (TNB) toll traffic and revenue forecast for November 2023 was updated from the September 2023 TRFC, which was a no-change forecast from June 2023.

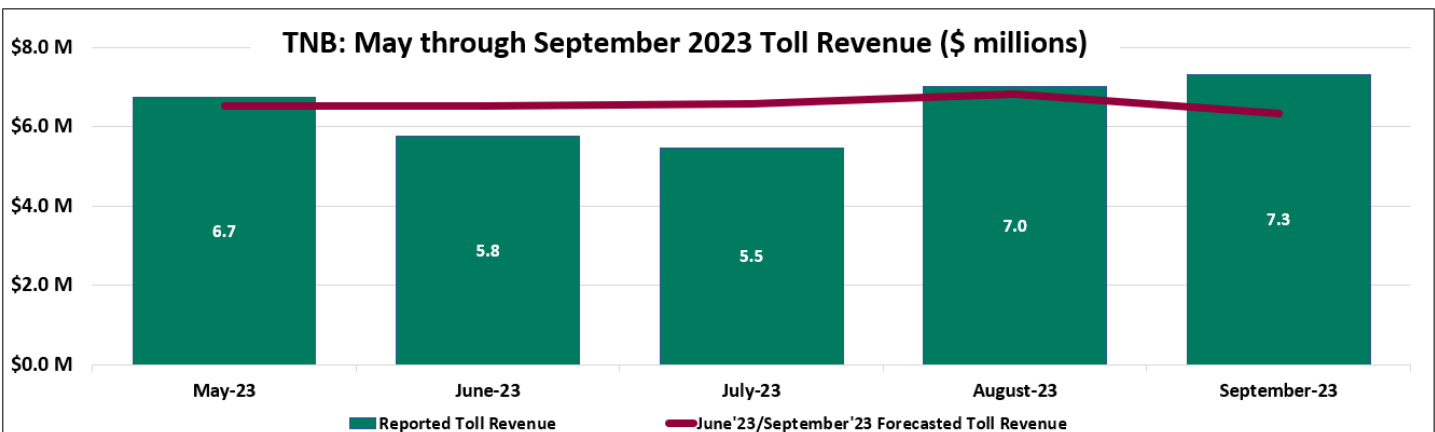
TNB five-month period toll transactions (September toll transactions are based on preliminary estimate) were 1.4% above the June 2023 Forecast. As escalation is progressing, backlogged unpaid transactions were transitioned to NOCP, so June and July toll revenue were impacted by reversed toll revenue that reprocessed as CP revenues. Penalty forgiveness program allows to waive fees and penalties while paying the original tolls. In the following months customers with unpaid civil penalties that requested CP waiver of fees and penalties may pay all outstanding tolls, which is recorded as toll revenues. As a result, five-month period, May through September 2023 toll revenues were 1.5% or \$0.5 million below the June 2023.

Figure 10 below provides May 2023 through September 2023 monthly Toll Transactions and Reported Toll Revenue performances in comparison to the June 2023 forecast.

Figure 10: TNB May through September 2023 monthly Toll Traffic and Revenue actuals in comparison to June 2023 forecasts



Note: September 2023 monthly transactions are stated based on preliminary estimates



Note: Upon the escalation unpaid backlogged toll bills were reprocessed as CP revenue

- Total TNB Revenue and Fees in the Current Biennium are forecasted to be \$157.7 million, an increase of \$2.1 million (or 1.3%) to the September 2023 Forecast. The ten-year total revenue and fees (FY 2024 to FY 2033) are estimated to be \$722 million, are 0.5%, or \$3.8 million reduction to the September 2023 Forecast value of \$725.74 million (Figure 9). Transponder revenue is lower due to a combination of both lower projected transactions and inclusion of non-revenue and HOV trips in the allocation of systemwide transponder revenue, resulting in a higher allocation of revenue to I-405 and SR 167 and reduction to other facilities. Lower toll revenue is partially offset by greater assumed NOCP fee revenues, primarily from higher projected photo toll transactions share over the forecast horizon. Miscellaneous revenue increases based on higher interest earnings from a larger account balance and higher assumed near-term interest rates of 2.25%, compared with the prior assumption of 0.61%.

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

SR 520 Bridge toll traffic and revenue forecast for November 2023 was updated from the September 2023 TRFC, which was a no-change forecast from June 2023.

SR 520 forecasts have been modified downward accordingly based on:

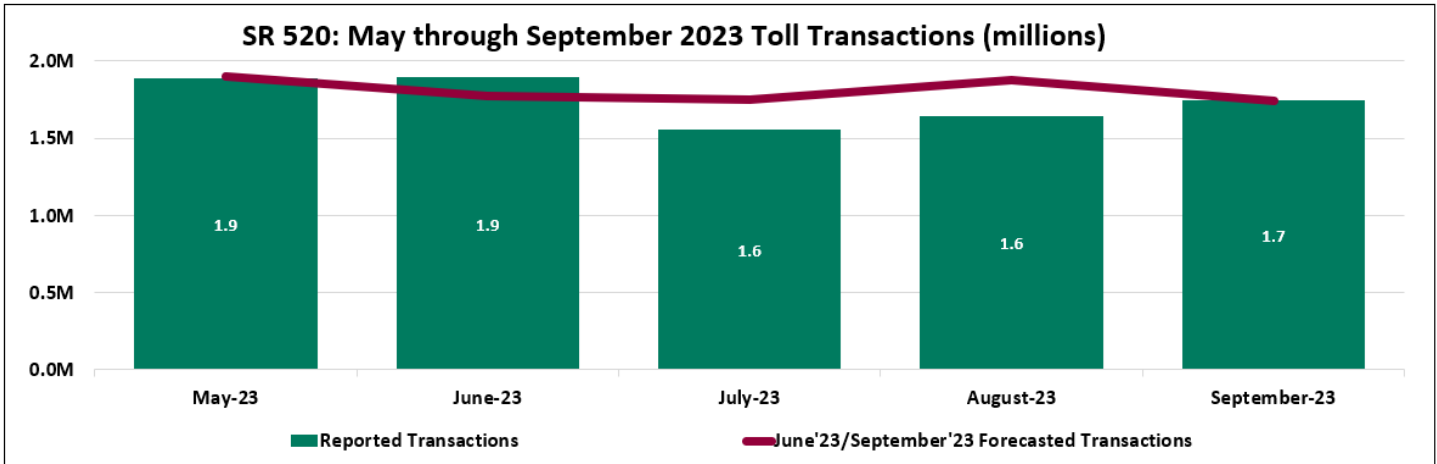
- actuals coming in continually lower than forecast
- competition from I-90
- on-going and planned construction on the facility itself and off the facility on major / feeder roads
- changes in maintenance closures
- new socio-economic data updates made only for SR 520
- new travel demand model runs made only for SR 520

SR 520 five-month period toll transactions (September toll transactions are based on preliminary estimate) were 3.7% below the June 2023 Forecast.

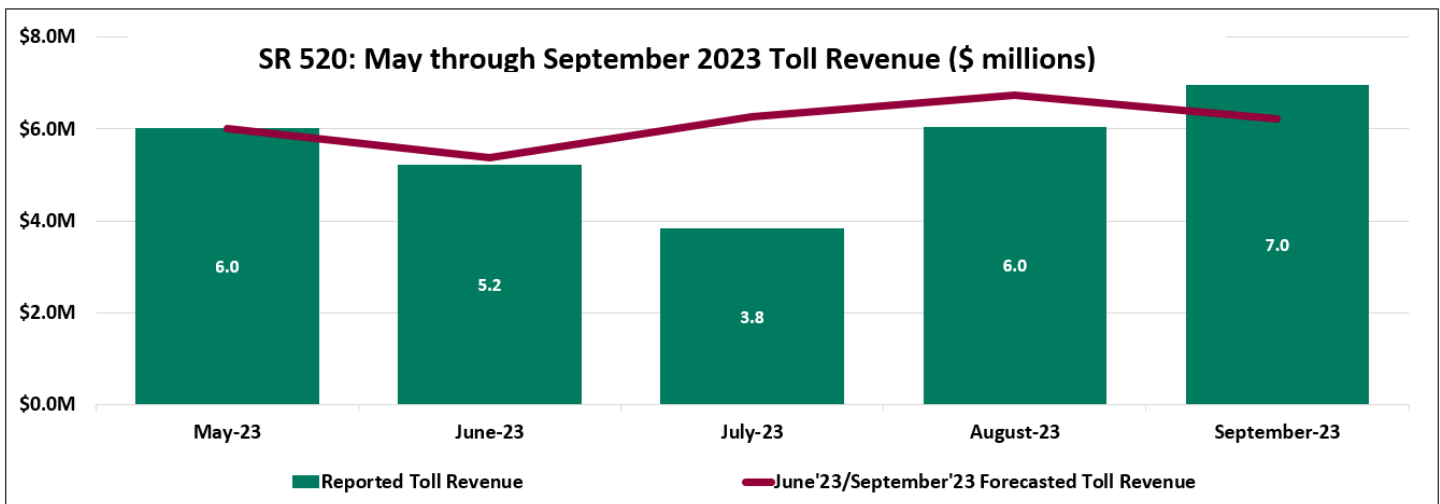
As a result of escalation unpaid backlogged toll bills were reprocessed as CP revenue, five-month period, May through September 2023 toll revenues were 8.5% or \$2.6 million below June 2023.

Figure 11 below provides May 2023 through September 2023 monthly Toll Transactions and Reported Toll Revenue performances in comparison to the June 2023 forecast.

Figure 11: SR 520 May through September 2023 monthly Toll Traffic and Revenue actuals in comparison to June 2023 forecasts



Note: September 2023 monthly transactions are stated based on preliminary estimates



Note: Upon the escalation unpaid backlogged toll bills were reprocessed as CP revenue

Total SR 520 revenue and fees in the Current Biennium are forecasted to be \$183.5 million, a decrease of \$11.8 million (or 6.5%) to the September 2023 Forecast. The ten-year total revenue and fees (FY 2024 to FY 2033) are estimated to be \$999 million, and are 7.4%, or \$80.2 million below the September 2023 Forecast value of \$1.08 billion (Figure 9). Transponder revenue is lower due to a combination of both lower projected transactions and inclusion of non-revenue and HOV trips in the allocation of systemwide transponder revenue, resulting in a higher allocation of revenue to I-405 and SR 167 and reduction to SR 520. Lower toll revenue is partially offset by greater assumed NOCP fee revenues, primarily from higher projected Pay By Mail transactions over the forecast horizon.

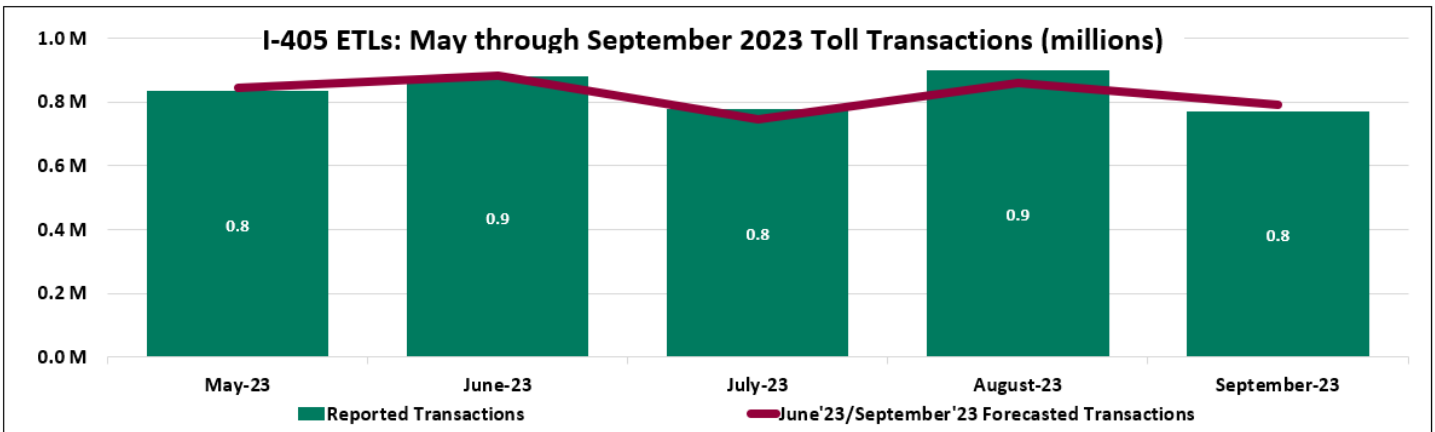
Updates to I-405 Express Toll Lanes (ETLs) toll traffic and revenues

I-405 Express Toll Lanes toll traffic and revenue forecast for November 2023 was updated from the September 2023 TRFC, which was a no-change forecast from June 2023.

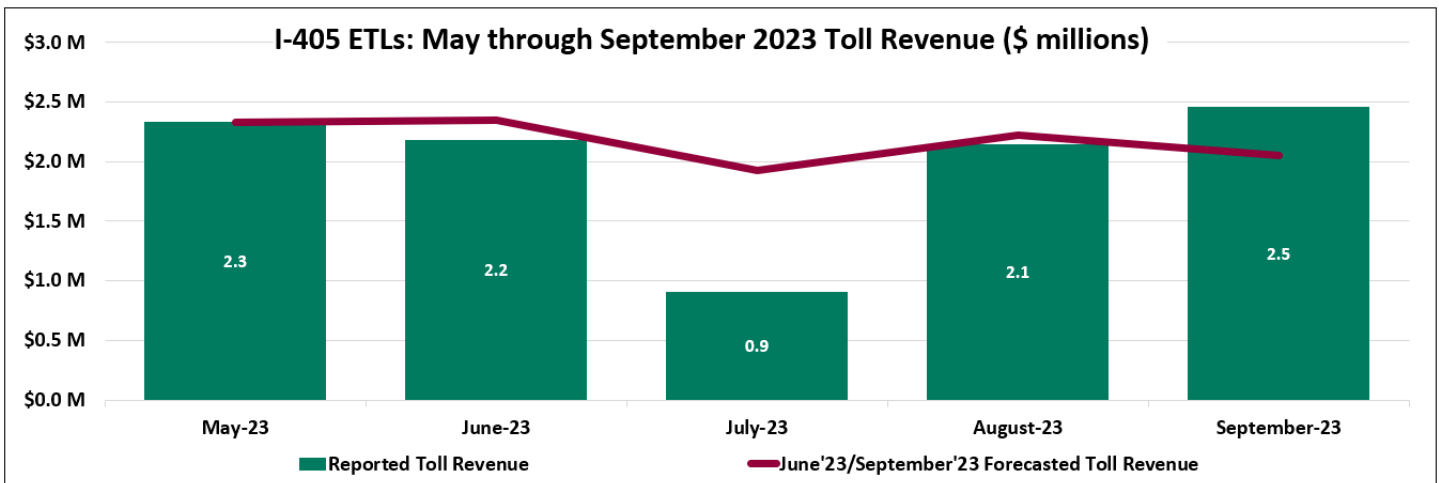
I-405 ETLs five-month period toll transactions (September toll transactions are based on preliminary estimate) were 1.5% above the June 2023 Forecast. As a result of escalation unpaid backlogged toll bills were reprocessed as CP revenue, five-month period, May through September 2023 toll revenues were 8.0% or \$0.9 million below the June 2023.

Figure 12 below provides May 2023 through September 2023 monthly Toll Transactions and Reported Toll Revenue performances in comparison to the June 2023 forecast.

Figure 12: I-405 ETLs May through September 2023 monthly Toll Traffic and Revenue actuals in comparison to June 2023 forecasts



Note: September 2023 monthly transactions are stated based on preliminary estimates



Note: Upon the escalation unpaid backlogged toll bills were reprocessed as CP revenue

The facility's total revenue and fees in 2023-25 Biennium are estimated to be \$65.6 million which are \$1.8 million (or 2.9%) higher in comparison to the September 2023 forecast. Ten-year period (FY 2024 to FY 2033) total revenue and fees of \$459.6 million are \$3.2 million (or 0.7%) increase to the September 2023 Forecast, (Figure 9).

Transponder revenue is significantly higher due to a combination of higher projected transactions in the near term and inclusion of non-revenue and HOV trips in the allocation of systemwide transponder revenue in all forecast years, resulting in a higher allocation of revenue to I-405 and SR 167. 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.

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

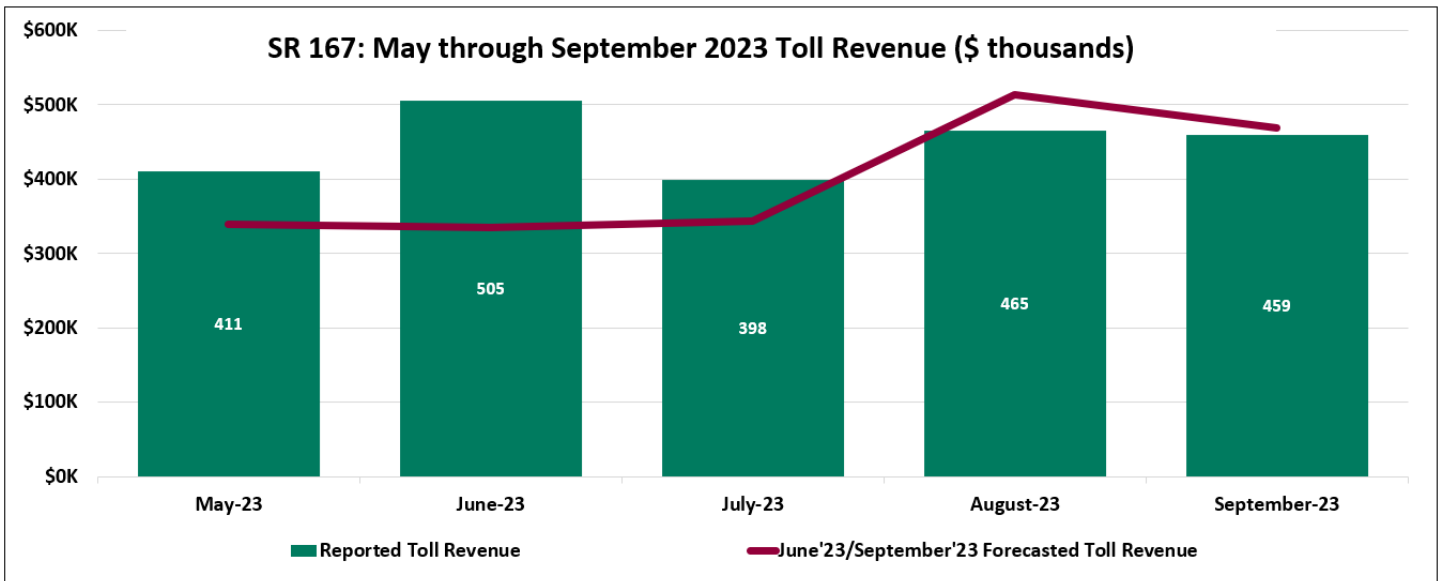
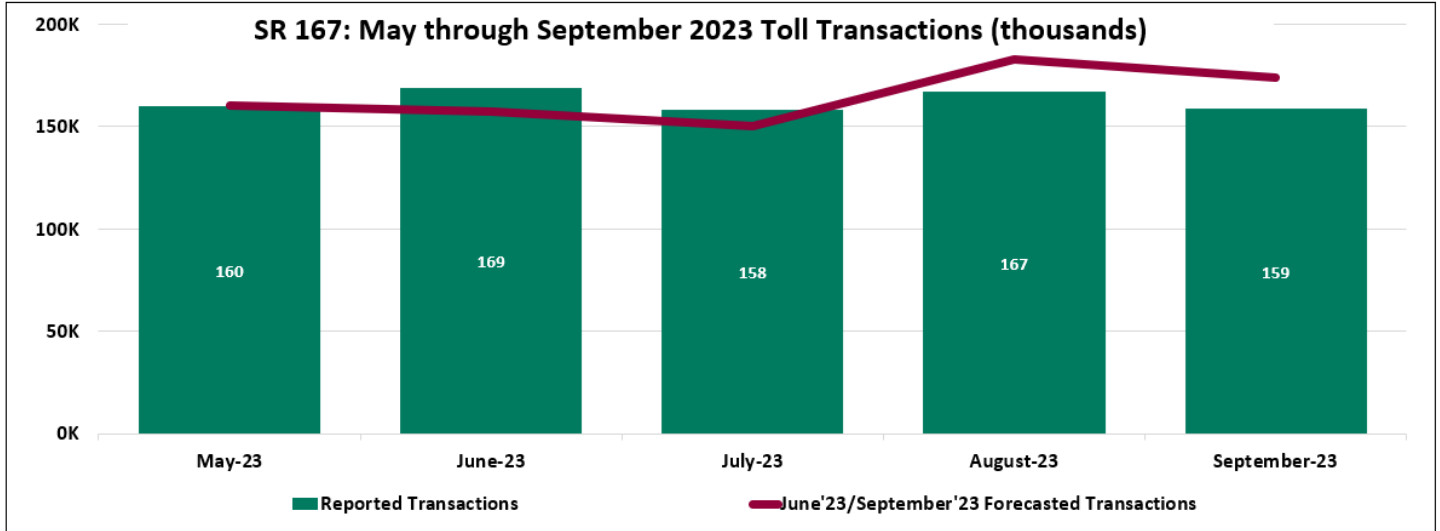
The SR 167 ETLs toll traffic and revenue forecast for November 2023 was updated from the September 2023 TRFC, which was a no-change forecast from June 2023

SR 167 ETLs five-month period toll transactions were 1.4% or 12,000 transactions below the June 2023 Forecast. Actual data indicate an increase in HOV toll-free transactions share.

All data centers resumed full functionality by the end of summer, while the previous forecast had more conservative assumptions. May through September 2023 toll revenue was 12.0% or \$0.2 million above June 2023 forecast.

Figure 13 below provides May 2023 through September 2023 monthly Toll Transactions and Reported Toll Revenue performances in comparison to the June 2023 forecast.

Figure 13: SR 167 ETLs May through September 2023 monthly Toll Traffic and Revenue actuals in comparison to June 2023 forecasts



The facility’s total revenue and fees in 2023-25 Biennium are estimated to be \$79.2 million which are \$0.7 million (or 5.1%) lower in comparison to the September 2023 forecast. Transponder revenue is significantly higher due to a combination of higher projected transactions in the near term and inclusion of non-revenue and HOV trips in the allocation of systemwide transponder revenue in all forecast years, resulting in a higher allocation of revenue to I-405 and SR 167. Next Biennium (FY 2025 and FY 2027) total toll revenue and fees of \$18.4 million are \$0.2 million (or 0.9%) increase. Ten-year period (FY 2024 to FY 2033) total revenue and fees of \$107.5 million are in line with the September 2023 Forecast, (Figure 9).

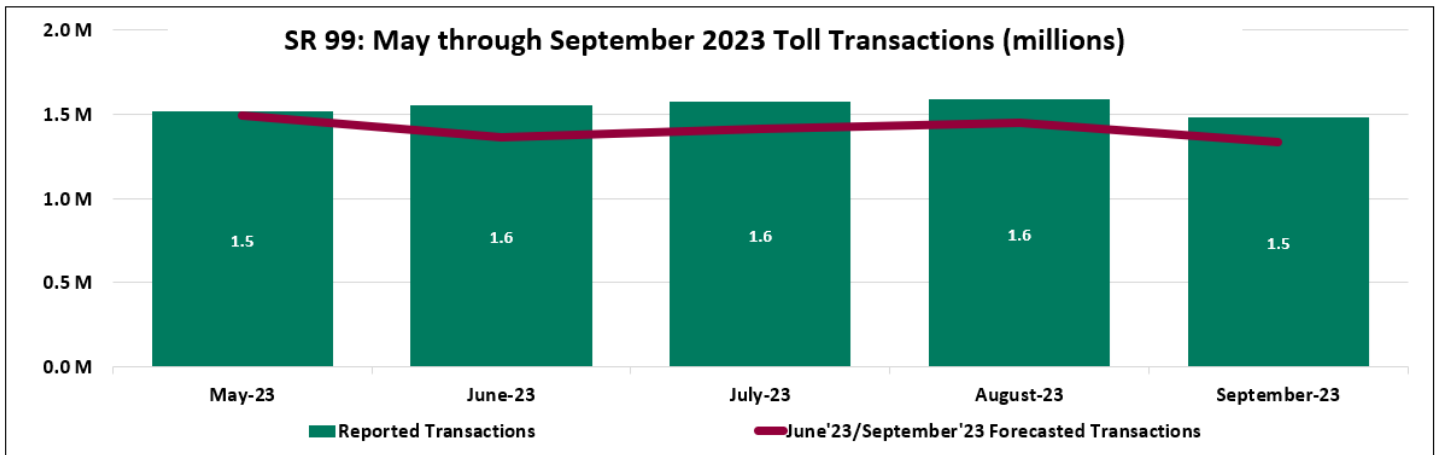
Updates to SR 99 Tunnel toll traffic and revenues

November 2023 TRFC forecasts for SR 99 have been modified upward accordingly based upon their continual overperformance against previous forecasts.

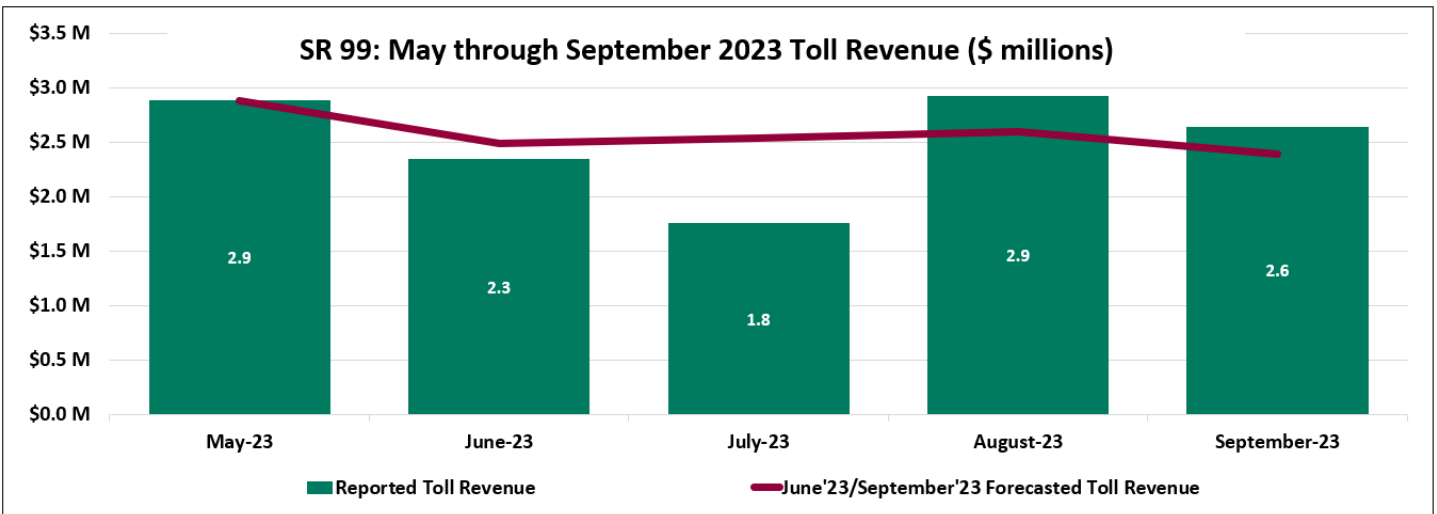
SR 99 five-month period toll transactions (September toll transactions are based on preliminary estimate) were 9.1% above the June 2023 Forecast. As a result of escalation unpaid backlogged toll bills were reprocessed as CP revenue, five-month period, May through September 2023 toll revenues were 2.9% or \$0.4 million below the June 2023.

Figure 14 below provides May 2023 through September 2023 monthly Toll Transactions and Reported Toll Revenue performances in comparison to the June 2023 forecast.

Figure 14: SR 99 May through September 2023 monthly Toll Traffic and Revenue actuals in comparison to June 2023 forecasts



Note: September 2023 monthly transactions are stated based on preliminary estimates



Note: Upon the escalation unpaid backlogged toll bills were reprocessed as CP revenue

In the Current Biennium the forecast anticipates total revenue and fees to be \$73.3 million, an increase of \$7.3 million (11%) from the September 2023 Forecast. The ten-year (FY 2024 to FY 2033) total revenue and fees are estimated to be \$383.1 million, an increase of \$42.0 million (12.3%) to the September 2023 Forecast, (Figure 9). The primary increases are the result of higher projected traffic and revenue projections and miscellaneous revenue increases based on higher interest earnings from a larger account balance and higher assumed near-term interest rates of 2.25%, compared with the prior assumption of 0.61%. Despite higher projected transactions, transponder revenue is lower due to the inclusion of non-revenue and HOV trips in the allocation of systemwide transponder revenue, resulting in a higher allocation of revenue to I-405 and SR 167 and reduction to SR 99. The construction settlement related funds are excluded from estimations on future year interest earnings, which is included starting with the June 2023 forecast.

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 November 2023 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 November 2023 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 November 2023 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 November 2023 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 November 2023 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 2023 November forecast reflects the actual split letter for 2023 while the projected annual Washington State fuel consumption growth rates in November 2023 have been updated from September 2023.

APPENDIX

2022 Transportation Packet (ESSB 5974)

New/Incremental Revenues by Fee Type

November 2023 vs. June 2022 forecast

ESSB 5974 Transportation Resources Bill (2022) Revenue Impact Summary

Move Ahead WA (26P) by Fee	2021-2023			2023-2025			10-Year-Period (22-31)		
	November 2023	June 2022	Change	November 2023	June 2022	Change	November 2023	June 2022	Change
Plate original from \$10 to \$50 *Includes Motorcycle Plates	43.87	55.45	-20.9%	100.50	117.56	-14.5%	455.01	515.98	-11.8%
Plate replacement from \$10 to \$30 *Includes Motorcycle Plate	28.05	33.08	-15.2%	56.78	66.32	-14.4%	266.36	295.90	-10.0%
Dealer Temp from \$15 to \$40	7.66	20.30	-62.3%	36.52	41.13	-11.2%	164.68	179.65	-8.3%
DOL service fee for trucks from \$0.00 to \$0.50*	0.09	0.34	-75.0%	1.51	1.88	-19.7%	6.84	8.13	-15.9%
License Plate Tech fee for trucks from \$0.00 to \$0.25*	0.04	0.17	-75.0%	0.75	0.94	-19.7%	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%
Subtotal Move Ahead WA (26P)	92.38	125.05	-26.1%	226.43	260.42	-13.1%	1,093.00	1,217.36	-10.2%
Move Ahead WA Flexible (26Q) by Fee	2021-2023			2023-2025			10 Year Total		
	November 2023	June 2022	Change	November 2023	June 2022	Change	November 2023	June 2022	Change
EDL/EID from \$4 to \$7 per year	5.12	6.21	-17.6%	13.74	20.26	-32.2%	81.37	88.94	-8.5%
ADR from \$13 to \$17 and \$19 in FY30	3.14	3.22	-2.7%	8.86	9.40	-5.8%	49.14	51.79	-5.1%
DL/ID replacement from \$10 to \$20	1.45	1.47	-1.5%	4.00	3.98	0.3%	18.01	17.73	1.6%
Subtotal Move Ahead WA Flexible (26Q)	9.70	10.90	-11.0%	26.60	33.65	-21.0%	148.52	158.46	-6.3%
Aviation Fuel Tax (Fund 039)	2021-2023			2023-2025			10 Year Total		
	November 2023	June 2022	Change	November 2023	June 2022	Change	November 2023	June 2022	Change
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%
Total New Revenue from ESSB 5974	104.75	137.45	-23.8%	258.28	297.41	-13.2%	1,263.71	1,390.88	-9.1%

Forecast Contacts

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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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

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Washington State Ferries Ridership and Revenue Forecast

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Federal Funds Forecast

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