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Transportation Revenue Review

September 27, 2024



WASHINGTON STATE
ECONOMIC AND REVENUE FORECAST COUNCIL

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WASHINGTON STATE

TRANSPORTATION ECONOMIC AND REVENUE FORECAST COUNCIL

AGENDA

TRANSPORTATION REVENUE FORECAST

September 27, 2024
3:30 p.m.

- Call to order
- Transportation Council Introduction
 - Introduce council members
 - Announce meeting frequency
 - Publications and meeting information contained on ERFC website
- Council chair assignment
 - Vote for new chair
- Transportation Forecast
 - Adoption of official state transportation revenue forecast and unofficial optimistic and pessimistic alternative forecasts
- By-Laws
 - Briefing and feedback on draft TERFC By-Laws
- Adjournment

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Transportation Economic & Revenue Forecast Council State of Washington



Transportation Revenue Forecast: September 27, 2024

Executive Summary

United States

- The economic forecast underlying the transportation revenue forecast is the preliminary September 2024 forecast and is based on a modified version of S&P Global Market Intelligence's August 2024 control forecast for the U.S. economy. We have adjusted real gross domestic product (GDP) to be consistent with the Blue Chip "Consensus" GDP forecast for 2024 and 2025. We expect real GDP to increase 2.5% in 2024 and 1.8% in 2025, up from the 2.3% and 1.8% growth rates assumed in the June forecast. Our forecast for real GDP growth in 2026-29 is based on the most recent long-term forecast from Blue Chip which was released in March 2024. We expect growth rates of 2.0%, 2.0%, 1.9%, and 1.9% in 2026 through 2029 unchanged from the June forecast.
- Our oil price forecast reflects the futures markets for the Brent (North Sea) oil price and West Texas Intermediate (WTI) benchmarks. This forecast was based on the Monday, August 19, 2024 closing prices for Brent and WTI futures. Oil prices are slightly lower than in the June forecast. As in June, oil prices are expected to decline throughout the forecast. The latest futures prices indicate that the refiner acquisition price of crude oil will average \$77 per barrel in the third quarter of 2024, unchanged from the June forecast. By the fourth quarter of 2029 the refiner acquisition price of crude is expected to average \$64 per barrel, down from \$65 per barrel in the June forecast.
- National employment in August increased by 142,000 net jobs. Employment levels for June and July were revised down due to additional data and updated seasonal factors by a combined 86,000 jobs. Job growth has slowed in the last few months with the 3-month moving average of monthly job adds now at 116,000. Sectors with the largest job gains in August included healthcare (+31,000), leisure and hospitality (+46,000), construction (+34,000) and government (+24,000). Sectors with declining employment in August included manufacturing (-24,000), retail trade (-11,000) and information (-7,000).
- Two key measures of consumer confidence diverged in August/September. The University of Michigan (UM) consumer sentiment survey increased by 1.5 points to 67.9 in August after decreasing by 1.8 points in July. The Conference Board index of consumer confidence decreased by 6.9 points in September to 98.7. Survey results indicated concerns about current and future business conditions, and future incomes and labor markets.
- Consumer prices increased 0.2% (SA) in August following a 0.2% increase in July. Compared to August 2023, prices are up 2.6% (SA). Core prices, which exclude food and energy, rose by 3.3% (SA) compared to August 2023.

- Initial claims for unemployment insurance decreased by 12,000 to 219,000 (SA) in the week ending September 14th. The four-week moving average of initial claims decreased by 3,500 to 227,500.
- Industrial production increased by 0.8% in August following a 0.9% decrease in July. Industrial production was unchanged compared with its August 2023 level. New orders for core capital goods (i.e., durables excluding aircraft and military), which is a proxy for business investment, decreased by 0.1% (SA) in July following a 0.5% increase in June according to U.S. Census Bureau data. New orders for core capital goods were 0.5% above their July 2023 level.
- Residential construction activity was up in August compared with July, but new and existing home sales were mixed in July and August. August housing starts increased by 9.6% (SA) compared to July and were 3.9% above their August 2023 level. Housing units authorized by building permits in August were 4.9% (SA) above their July level but 6.5% below their year-ago level. New home sales in July increased by 10.6% (SA) compared to June and were 5.6% above their year-ago level. Existing home sales in August decreased by 2.5% (SA) compared to July and were down 4.2% compared to August 2023. The seasonally adjusted Case-Shiller national home price index for July was 0.2% above its June level and 4.9% above its year-ago level.
- The major risks to the U.S. and Washington economies continue to be the impacts of elevated prices, high interest rates and geopolitical conflict.

Washington

- Washington job growth for the preliminary September forecast was stronger than expected in the two months since the June forecast, although historical revisions lowered prior estimates of employment. Total seasonally adjusted nonfarm payroll employment increased 13,900 in June and 1,700 in July. The forecast expected a 2,600 job gain in June and a 1,000 job gain in July. The construction sector increased by 3,800 jobs while manufacturing employment increased by 2,100 in the two-month period. Health services and social assistance had the largest increase in the private service sector, gaining 4,600 jobs since May. The largest decline was in administrative and support services with a loss of 3,900 jobs. Government employment increased by 1,600. The combination of downward revisions to history and stronger than expected job growth have resulted in the level of employment being 6,900 higher than expected in the June forecast.
- After the grounding of the 737 Max and then the pandemic, Washington's aerospace employment declined from 89,900 in February 2020 to a low of 66,700 in August 2021, a loss of 23,200 jobs. Since August 2021, the industry added back 15,800 jobs, bringing the level to 82,500 in July 2024. We expect aerospace employment to continue to expand into 2028, reaching a peak of 90,600 jobs. The forecast then calls for aerospace employment to level off and then slowly decline through the end of the forecast horizon in 2029.
- We expect a 1.4% increase in Washington employment this year, up from the 1.3% growth rate expected in the June forecast. We expect slower growth during the remainder of the forecast as the U.S economy slows. We expect

Washington employment growth to average 0.9% per year in 2025 through 2029, down slightly from 1.0% in the previous forecast.

- Washington's unemployment rate has been trending upward. The unemployment rate increased to 4.9% in July from 4.8% the month before, and up from 3.9% a year ago. Labor force participation declined to 63.6% in July from 63.7% the month before and is down from the recent peak of 64.4% in July 2023.
- The preliminary September forecast has 2023 as the trough in the Washington unemployment rate at 4.1%. We expect the unemployment rate to peak at 5.0% in 2025 through 2027, up from 4.9% in the June forecast. We expect the unemployment rate to trend down and reach 4.7% in 2029, up from 4.5% in the previous forecast.
- In June, after the forecast was complete, the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) released state personal income estimates for the first quarter of 2024. We have incorporated the new BEA estimates as well as additional Washington Quarterly Census of Employment and Wages (QCEW) data. Our current estimate of Washington personal income in the first quarter of 2024 is \$1.18 billion (0.2%) higher than in the June forecast. Wages and salaries are \$1.29 billion (0.4%) higher than expected and nonwage income was \$0.11 billion (0.0%) lower than expected.
- Our forecast for nominal personal income growth this year is 5.4%, up from 5.3% in the June forecast. The preliminary September forecast for nominal personal income growth in 2025 through 2029 averages 5.6% per year, unchanged from the June forecast.
- Seattle-area home prices are increasing. Home prices grew 0.9% in June, the third consecutive increase. This was the strongest growth in home prices since August 2023. In comparison, the composite-20 index has increased in each of the past sixteen months, growing 0.4% in June. Seattle home prices in June were up 6.6% over the year while the composite-20 index was up 6.4% over the year.
- Seattle-area consumer price inflation continues to outpace the national average. From August 2023 to August 2024, the Seattle CPI rose 3.1% compared to the 2.5% increase in the U.S. City average index. Shelter costs in both Washington and the U.S. continue to outpace topline inflation, increasing 6.2% in the Seattle area and 5.2% nationwide. Core inflation (excluding food and energy) remains elevated. Seattle core CPI rose 3.9% in August compared to 3.2% for the U.S. City average.
- Washington exports grew 1.6% from the second quarter of 2023 to the second quarter of 2024. The increase was led by growth in agricultural products (+17.2%) and petroleum and coal products (+71.8%). Transportation equipment exports fell for the second consecutive quarter, declining 4.6% year over year. Exports to China, Washington's largest trade partner, increased 17.5% year over year in the second quarter after declining in each of the previous four quarters.

- Washington car and truck sales increased for the second consecutive month in August. The seasonally adjusted number of new vehicle registrations grew 2.8% in August from the month before to 269,600 (SAAR). Passenger car registrations fell 1.0% while light truck registrations rebounded 37.7%. The number of total registrations were down 5.3% over the year in August.
- Washington housing construction slowed in the second quarter of 2024. The number of housing units authorized by building permits declined to 33,300 (SAAR) in the second quarter from 38,000 in the first quarter. Single-family permits declined 3,000 to 17,500 (SAAR) units and multi-family permits declined 1,700 to 15,700 (SAAR) units.
- The preliminary September forecast calls for housing permits to reach a trough of 35,500 units this year, down from 37,100 units in 2023. We expect housing permits to grow through 2029 reaching 43,600 units. The previous forecast called for total housing permits of 37,000 units this year, reaching 45,100 units in 2029.

Revenue

- For the September 2024 forecast, the 2023-25 biennium total transportation revenue estimate is \$6.88 billion which is a \$137 million decrease in comparison to the last June 2024 forecast. This is driven by a decrease in MV fuel tax revenue of \$127 million, a decrease in license, permit and fee revenue of \$36 million and an \$7 million decrease in ferry revenues offset by an increase in toll revenue of \$30 million and driver-related and other fees of \$3 million.
- For the 2025-27 biennium, revenues are projected at \$7.1 billion which is \$294 million or 4.0% below the June 2024 forecast. For the 2027-29 biennium, revenues are projected at \$7.2 billion which is \$410 million or 5.4% below the June 2024 forecast.
- For the 10-year forecast horizon (2024-2033), total baseline revenue in September 2024 is down from the last forecast (June 2024) by \$1.98 billion or 5.2%, mainly driven by an expected decrease in the motor vehicle fuels tax.
- Fuel prices have been on a downward trajectory since peaking in the second quarter of 2022. The forecast indicates a leveling off between \$4 and \$4.5 per gallon for retail gasoline and diesel in 2024 and 2025.
- The price of biodiesel (B20) was typically lower than the national retail diesel price in 2021 and 2022. However, post the second quarter of 2023, the analysis suggests that the prices will oscillate around this reference price. After an 8.3% year on-year decline between 2022 and 2023, the forecast projects relatively flat prices with less than a 1% increase in 2025.
- The September 2024 motor fuel tax forecast has been updated for the first time since September of 2023 and therefore the changes are more significant than a typical quarterly update. Actuals for fiscal year 2024 indicate that gasoline consumption fell by 0.3% and diesel (special fuels) by 8.7%. The forecast for revenues has been revised down based on lower actuals and

- forecasts that now expect declining gasoline consumption and very slowly increasing diesel consumption. Washington State now anticipates collecting about \$3.23 billion from fuel taxes in the 2023-2025 biennium, which is a decrease of \$127 million or 3.8% compared to the June 2024 forecast. MVFT revenues are anticipated to be \$3.18 billion in the 2025-2027 biennium, which is decreased about \$257 million or 7.5% from the previous forecast. MVFT revenues are anticipated to be \$3.14 billion in the 2027-2029 biennium, which is decreased about \$362 million or 10.3% from the previous forecast.
- Washington State anticipates reduced registrations compared with the June 2024 forecast, collecting about \$1.99 billion from vehicle licenses, permits, and fees (LPFs) in the 2023-2025 biennium, a decrease of \$36.2 million or 1.8% compared to the forecast for June 2024. The LPF forecast is anticipated to be \$2.14 billion by the 2025-2027 biennium, which is down about \$40.0 million or 1.8% from the previous forecast. The LPF forecast is anticipated to be \$2.26 billion by the 2027-2029 biennium, which is down about \$49.4 million or 2.1% from the previous forecast.
 - Washington state ferries expect lower revenues on lower ridership than in June with total fare and miscellaneous revenues forecasted for the 2023-25 biennium amounting to \$378.4 million, 1.9% lower than the previous forecast of \$385.9. For the 2025-27 biennium, total fare and miscellaneous revenues are forecasted to be \$420.5 million, 1.5% lower than the previous forecast of \$427.0. For the 2027-29 biennium, total fare and miscellaneous revenues are forecasted to be \$439.7 million, 1.7% lower than the previous forecast of \$447.3.
 - The forecast for toll revenue was revised to account for an additional four months of actuals, rate increases for express toll lanes and on SR 520 and additional fund increases. The September forecast calls for revenue for the 2023-25 biennium to be \$540.1 million, an increase of \$30 million or 5.9% above the June forecast. For the 2025-27 biennium, total toll revenues are forecasted to be \$550.9 million, 2.3% higher than the previous forecast of \$538.7. For the 2027-29 biennium, total toll revenues are forecasted to be \$586.0 million, 2.4% higher than the previous forecast of \$572.5.
 - In this forecast, we incorporated updated actuals and input variables. Driver-related revenue for FY 2023-25 biennium is forecasted at \$352.3 million, an increase of \$5.6 million (1.6%) from the prior forecast due mostly to higher driver license fees. FY 2025-27 is expected to yield \$395.6 million in revenues, a decrease of \$0.6 million (0.1%) from the prior forecast. For the 2027-29 biennium, total driver-related revenues are forecasted to be \$380.6 million, 0.5% lower than the previous forecast of \$382.4.
 - Total other transportation related revenues in the 2023-25 biennium are currently projected at \$380.6 million. This represents a decrease of \$2.4 million, or 0.6% compared to June 2024 forecast. For the 2025-27 biennium, total other revenues are forecasted to be \$390.7 million, 0.7% lower than the previous forecast of \$393.3. For the 2027-29 biennium, total other revenues are forecasted to be \$405.5 million, 0.7% lower than the previous forecast of \$408.3.

- The total highway apportionment for Washington state for FFY 2023 was \$1,260.5 million. This reflects actual apportionment distributions for FFY 2023. The September 2024 core apportionment forecast is based on FHWA Notices N4510.880, N4510.881, N4510.882 and N4510.883. The total apportionment forecast assumes an annual growth rate of 2% for FFY 2025 and 2026 which is consistent with the US funding levels set forth in the IIJA. The current total annual apportionment estimates for FFYs 2024-2026 are \$1,135.0 million, \$1,157.7 million and \$1,180.8 million respectively, unchanged from the June 2024 forecast. The baseline forecast for FFY 2027 through FFY 2035 assumes annual growth of federal revenues of 0.9% to 1% annually.

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Transportation Revenue Review

Presented to the
Transportation Economic and Revenue
Forecast Council

Dave Reich
ERFC Executive Director

September 27, 2024



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Since the June forecast.... ch-ch-changes!

- ESHB 1838 moved the transportation revenue forecasting to the ERFC starting now (Sept. 2024)
- We have had a very collaborative transition and benefitted from many voices-shout out to our partners!

Challenges

- Steep learning curve for new staff members!
- WSDOT/WWU/ERFC have worked to restore "lost" forecast models (i.e. fuel, MVFT, registrations)
- No change forecasts from 9/23 & forecast changes
- We will strive for continuous improvement and excellence
- Welcome your feedback

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Overview

Economic View

- The U.S. economy continues to grow, inflation is moderating, and interest rates are coming down
- WA economy also growing (job growth 1.1% YTD)
- Transportation revenues driven by population growth/travel and economic activity but impacted by SR/LR pandemic changes (e.g. WFH) and others

Revenue

- The transportation forecast is decreased by \$137 million (2.0%) for 2023-25 period compared with June
- The transportation forecast is decreased by \$704 million (4.9%) for 2025-29 period compared with June

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WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Transportation revenue forecast risks

Upside

- Stronger consumer spending, faster interest rate cuts lead to stronger economy, quicker resolution of world conflicts leads to lower energy prices

Downside

- Elevated interest rates push economy into recession, world conflicts intensify
- Labor issues; Boeing strike

Neutral

- Faster EV adoption lowers fuel revenue but raises EV fees

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WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



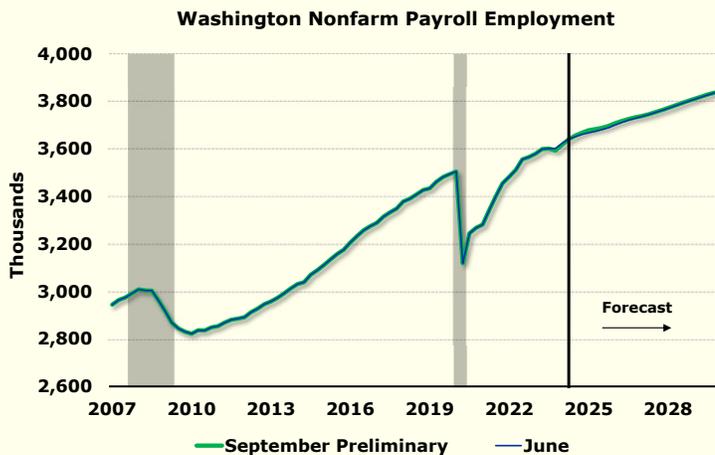
WA employment forecast is slightly stronger over the forecast period

Average
annual
employment
growth, 2024
to 2029:

U.S. = 0.4%

WA = 1.0%.

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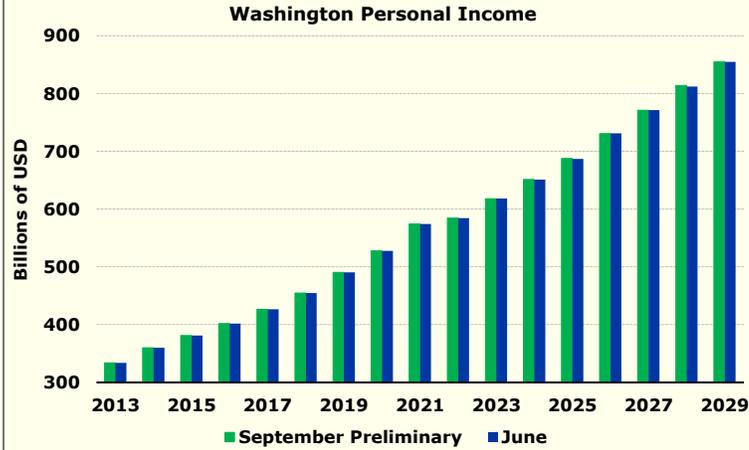
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WA personal income forecast averages 5.6% annual growth from 2024-2029, unchanged from June

In June, BEA released 2024:1Q personal income and WA was up 6.1% (SAAR)

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Source: ERFC September preliminary 2024 forecast; historical data through 2024 1Q

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Oil prices are lower than in the June forecast

Oil prices in the second quarter of 2024 were higher than expected in the June forecast

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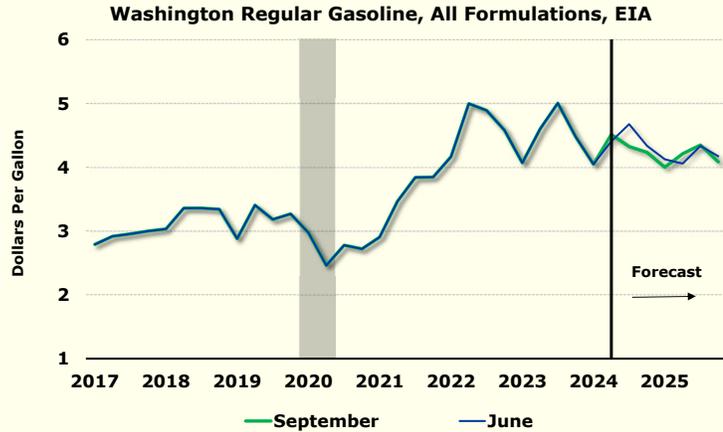
Source: Energy Information Administration, IHS Markit, ERFC; data through 2024 Q2
Note: Vertical black line indicates last actual

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Gas price forecast is lower in the near-term compared with the June forecast

Nationally, about half the price of gas is determined by the price of oil (EIA)



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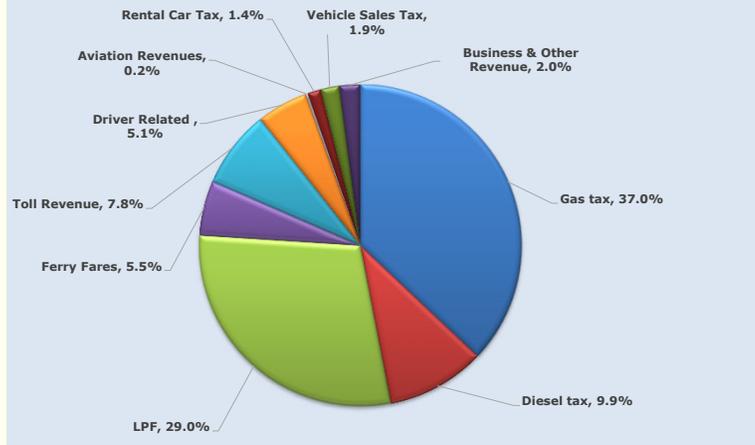
Source: Energy Information Administration, IHS Markit, ERFC September 2024 forecast; data through 2024 Q2
Note: Vertical black line indicates last actual

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Washington transportation revenues

Fuel taxes are 47% of all state transportation revenues



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Source: TERFC Vol. 2, September 2024

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Motor vehicle fuels tax revenue- September forecast

Overview

- Largest single transportation revenue (\$1.6B in FY 2024)
- Gas consumption peaked in 2018 and has been down since Covid
- WSDOT/WWU/ERFC developed revised model(s)

Factors

- Fuel taxes go up with vehicle miles travelled
- Fuel taxes go down with improved fuel efficiency, EVs, WFH

Forecast

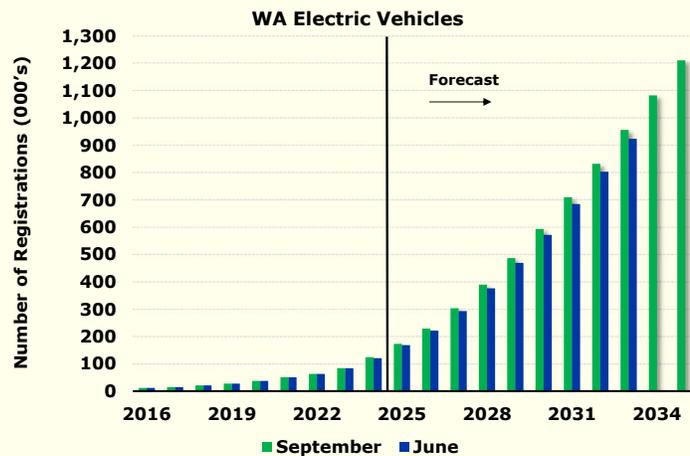
- Modest gas decline driven by recent driving changes and EV adoption in the longer-run
- Special fuel consumption is growing slowly

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Electric vehicle forecast calls for substantial growth that will impact fuel consumption



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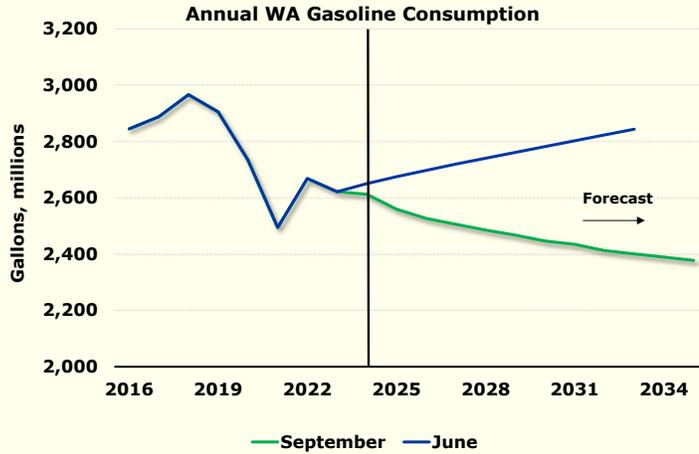
Source: TERFC September 2024 forecast; historical data through FY 2024

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Gas consumption has been falling since 2018 and is expected to continue to fall

Gas tax revenues were about \$1.6B in FY 2024



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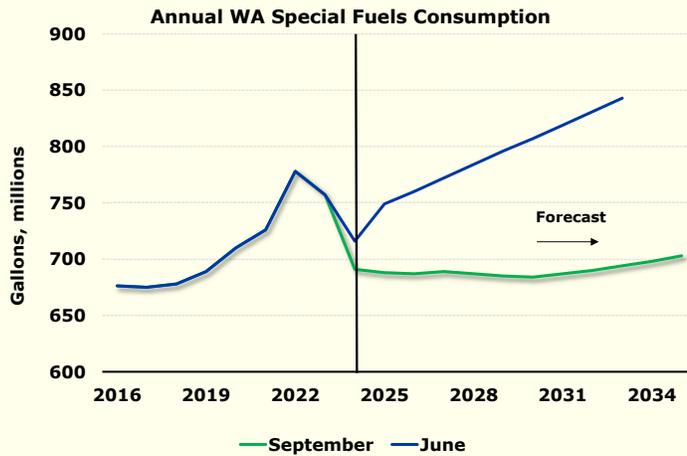
Source: TERFC September 2024 forecast; historical data through FY 2024

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Special fuel consumption was not much affected by Covid and is expected to rise slowly

Special fuel tax revenues were about \$340M in FY 2024



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Source: TERFC September 2024 forecast; historical data through FY 2024

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



MVFT Revenue Summary

2023-2025 Biennium

Item	Forecast (June 2024)	Forecast (Sept. 2024)	Change
Gasoline (Gross)	\$2,624.8M	\$2,548.2M	(\$76.7M)
Special Fuels (Gross)	\$732.6M	\$682.8M	(\$49.8M)
Total (Gross)	\$3,357.5M	\$3,231.0M	(\$126.5M)

2025-2027 Biennium

Item	Forecast (June 2024)	Forecast (Sept. 2024)	Change
Gasoline (Gross)	\$2,678.1M	\$2,499.7M	(\$178.5M)
Special Fuels (Gross)	\$758.2M	\$680.0M	(\$78.3M)
Total (Gross)	\$3,436.4M	\$3,179.6M	(\$256.7M)

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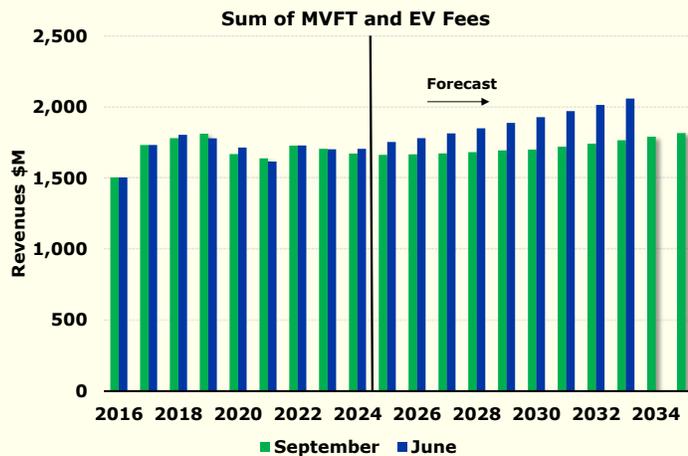
* Detail may not add to total due to rounding

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The combination of MVFT and EV fees are expected to grow in nominal terms

EV fee growth will likely partially offset losses in MVFT over the forecast period



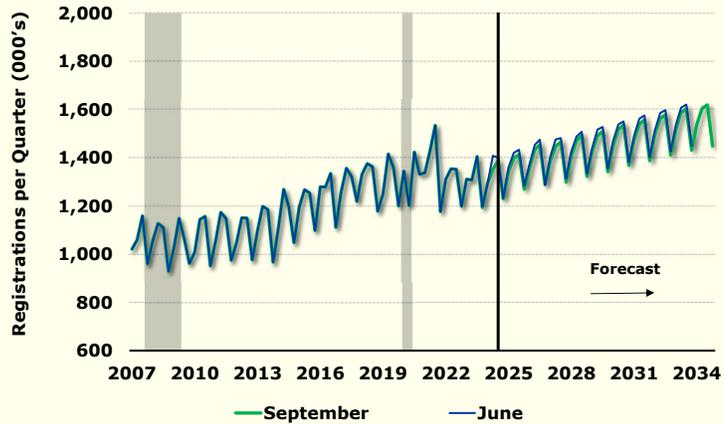
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Source: TERFC September 2024 forecast; historical data through FY 2024

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Car registrations expected to grow



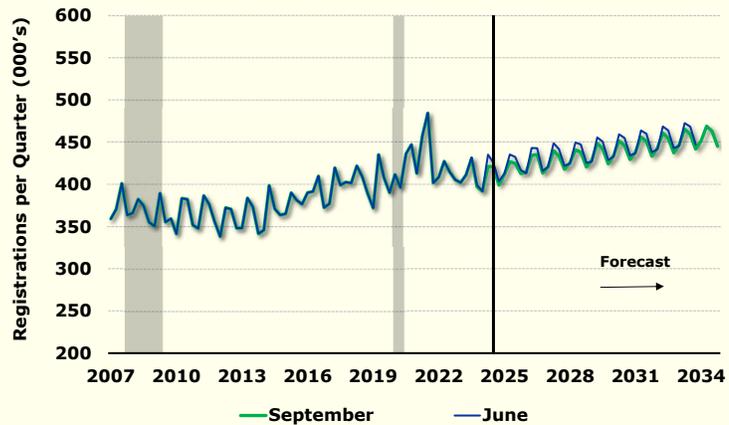
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Source: TERFC September 2024; data through 2024 Q2
Note: Vertical black line indicates last actual

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Truck registrations growing at slower pace



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Source: TERFC September 2024; data through 2024 Q2
Note: Vertical black line indicates last actual

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License, Permit and Fee Revenues- September forecast

Registrations

- Recent actuals are lower
- Both car and truck registration forecasts are revised down

License-plate/Other fees

- Plate fees lowered on lower actuals
- Other fees generally down slightly

Forecast Change

- Overall revenue decrease of 1.8% in both 2023 -'25 and 2025 -'27

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LPF Revenue Summary

2023-2025 Biennium

Item	Forecast (June 2024)	Forecast (Sept 2024)	Change
Basic Fee (\$30)	\$345.6M	\$347.1M	\$1.6M
Weight - Cars	\$448.0M	\$442.4M	(\$5.6M)
Weight - Trucks	\$554.5M	\$545.6M	(\$9.0M)
Plate Fees	\$219.5M	\$216.4M	(\$3.1M)
Other	\$466.9M	\$446.8M	(\$20.1M)
Total	\$2,034.5M	\$1,998.3M	(\$36.2M)

2025-2027 Biennium

Item	Forecast (June 2024)	Forecast (Sept 2024)	Change
Basic Fee (\$30)	\$359.6M	\$359.7M	+0.1M
Weight - Cars	\$467.2M	\$466.3M	(\$0.8M)
Weight - Trucks	\$570.5M	\$560.4M	(\$10.1M)
Plate Fees	\$230.1M	\$226.1M	(\$4.0M)
Other	\$556.7M	\$531.5M	(\$25.1M)
Total	\$2,184.0M	\$2,144.0M	(\$40.0M)

* Detail may not add to total due to rounding

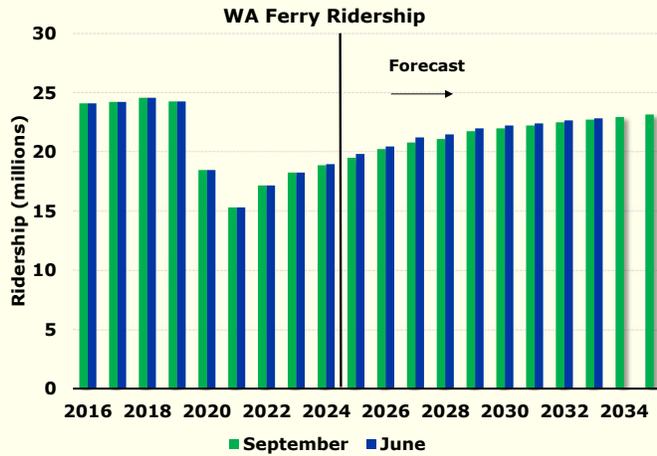
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Ferry Ridership-down a little from June

Ferry service and ridership are both lower since the pandemic



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Source: TERFC September 2024 forecast; historical data through 2023

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Ferry Revenue-September forecast

The WSTC adopted 4.25% fare increases for both FY 2024 and FY 2025

Ridership

- Ridership forecast reduced for all years on lower actuals

Policy Changes

- Fares went up 10/23 and will again 10/24
- Service level changes

Revenue Forecast

- Farebox revenue lower due to lower ridership forecast than June 2024
- Revenue reductions 1-2% per biennium

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WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



WSF Revenue Summary

2023-2025 Biennium

Item	Forecast (June 2024)	Forecast (Sept. 2024)	Change
Farebox	\$375.1M	\$369.2M	\$5.9M
Miscellaneous	\$10.8M	\$9.2M	\$1.6M
Total	\$385.9M	\$378.4M	\$7.5M

2025-2027 Biennium

Item	Forecast (June 2024)	Forecast (Sept. 2024)	Change
Farebox	\$413.7M	\$408.8M	\$5.0M
Miscellaneous	\$13.3M	\$11.7M	\$1.6M
Total (Gross)	\$427.0M	\$420.5M	\$6.6M

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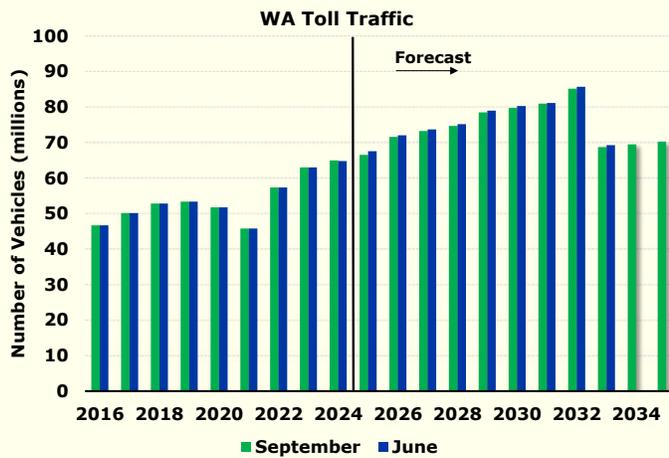
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WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Toll facility traffic forecast-small reductions from June

Tacoma
Narrows
Bridge tolls
end in 2032



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Source: TERFC September 2024 forecast; historical data through 2024, fiscal year

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Toll revenue-September forecast

Toll actuals since June forecast (Apr –Aug 2024)

- Transactions:0.1% below June forecast
- Revenues:2.7% above June forecast

Policy Changes

- Rates and toll times revised (3/1/24)
- Rates raised on SR 520 (8/15/24)

Revenue Forecast

- '23-'25 Biennium updated for actuals
- SR 520 forecast updated to reflect rate change
- SR 99 and I-405 forecast impacted by fund deposits
- No/small change forecasts for others

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Toll Revenue Summary

2023-2025 Biennium

Item	Forecast (June 2024)	Forecast (Sept 2024)	Change
Tacoma Narrows	\$164.7M	\$165.3M	\$0.6M
SR 520	\$174.9M	\$181.1M	\$6.2M
I-405 (ETLs)	\$72.6M	\$77.6M	\$5.0M
SR 167 (ETLs)	\$12.1M	\$12.6M	\$0.5M
SR 99	\$85.8M	\$103.5M	\$17.7M
Total	\$510.1M	\$540.1M	\$30.0M

2025-2027 Biennium

Item	Forecast (June 2024)	Forecast (Sept 2024)	Change
Tacoma Narrows	\$159.0M	\$159.0M	\$0.0M
SR 520	\$181.0M	\$193.2M	\$12.1M
I-405 (ETLs)	\$94.3M	\$94.3M	\$0.0M
SR 167 (ETLs)	\$24.7M	\$24.7M	\$0.0M
SR 99	\$79.6M	\$79.7M	\$0.1M
Total	\$538.7M	\$550.9M	\$12.2M

* Detail may not add to total due to rounding

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Driver related and other revenues- September forecast

Revenues

- Includes driver license fees, 0.3% vehicle sales tax, rental car tax, others

Actuals

- Driver license actuals have been stronger than forecast since June
- Enhanced licenses are up
- Vehicle fees have been slightly below

Revenue Forecast

- Higher actuals lead to higher near-term forecast
- Slightly reduced input variables reduce the forecast in the long-run

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Other Revenues Summary

2023-2025 Biennium

Item	Forecast (June 2024)	Forecast (Sept 2024)	Change
Driver fees	\$346.6M	\$352.3M	\$5.6M
Vehicle sales tax	\$128.8M	\$127.6M	(\$1.2M)
Rental car tax	\$94.1M	\$93.3M	(\$0.9M)
Other	\$160.1M	\$159.8M	(\$0.3M)
Total	\$729.7M	\$732.8M	3.1M

2025-2027 Biennium

Item	Forecast (June 2024)	Forecast (Sept 2024)	Change
Driver fees	\$396.1M	\$395.6M	(\$0.6M)
Vehicle sales tax	\$133.6M	\$132.0M	(\$1.6M)
Rental car tax	\$96.8M	\$96.0M	(\$0.8M)
Other	\$162.9M	\$162.8M	(\$0.1M)
Total	\$789.4M	\$786.3M	(\$3.1M)

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* Detail may not add to total due to rounding

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Forecast changes by revenue source: 2023-25 biennium

The forecast decrease represents 2.0% of biennial revenue

Revenue Summary (\$Million)	June 2024 Forecast	Sep. 2024 Forecast	Total Change*
MV Fuel Tax	\$3,357	\$3,231	(\$127)
Licenses, Permits, Fees	\$2,034	\$1,998	(\$36)
Ferry Revenues	\$386	\$378	(\$7)
Toll Revenues	\$510	\$540	\$30
Other	\$730	\$733	\$3
Total	\$7,018	\$6,880	(\$137)

Alternative Forecasts (\$Million)	2023-2025 Biennium	Difference from Baseline
Baseline (55%)	\$6,880M	
Optimistic (20%)	\$6,963M	\$83M
Pessimistic (25%)	\$6,803M	(\$77M)
Weighted Avg.	\$6,878M	\$3M

All values in millions, # Detail may not add to total due to rounding

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Forecast changes by revenue source: 2025-27 biennium

The forecast decrease represents 4.0% of biennial revenue

Revenue Summary (\$Million)	June 2024 Forecast	Sep. 2024 Forecast	Total Change*
MV Fuel Tax	\$3,436	\$3,180	(\$257)
Licenses, Permits, Fees	\$2,184	\$2,144	(\$40)
Ferry Revenues	\$427	\$420	(\$7)
Toll Revenues	\$539	\$551	\$12
Other	\$789	\$786	(\$3)
Total	\$7,375	\$7,081	(\$294)

Alternative Forecasts (\$Million)	2025-2027 Biennium	Difference from Baseline
Baseline (55%)	\$7,081M	
Optimistic (20%)	\$7,379M	\$298M
Pessimistic (25%)	\$6,721M	(\$361M)
Weighted Avg.	\$7,051M	(\$31M)

All values in millions, # Detail may not add to total due to rounding

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Forecast changes by revenue source: 2027-29 biennium

The forecast decrease represents 5.4% of biennial revenue

Revenue Summary (\$Million)	June 2024 Forecast	Sep. 2024 Forecast	Total Change*
MV Fuel Tax	\$3,501	\$3,139	(\$362)
Licenses, Permits, Fees	\$2,308	\$2,258	(\$49)
Ferry Revenues	\$447	\$440	(\$8)
Toll Revenues	\$573	\$586	\$13
Other	\$791	\$786	(\$4)
Total	\$7,619	\$7,209	(\$410)

Alternative Forecasts (\$Million)	2027-2029 Biennium	Difference from Baseline
Baseline (55%)	\$7,209M	
Optimistic (20%)	\$7,540M	\$331M
Pessimistic (25%)	\$6,659M	(\$550M)
Weighted Avg.	\$7,138M	(\$71M)

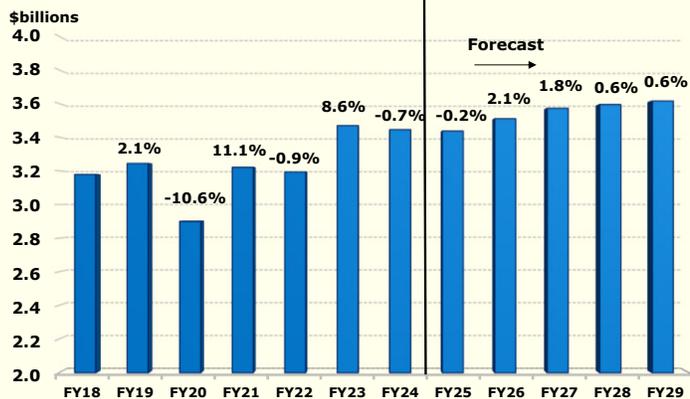
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All values in millions, # Detail may not add to total due to rounding

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Transportation revenues are expected to grow over the 2025-2029 period



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Source: TERFC forecast, September 2024

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Summary

- U.S. and WA economic forecast indicating slowing growth
- MVFT is major driver of revenue change, LPF is lower on lower vehicle registrations/other, ferry forecast is lower, tolls forecast increased
- Impacts of geopolitical conflicts on commodity prices, lower spending or less travel pose risks to the forecast
- Total state transportation revenues are expected to grow 3.3% between the 2021-23 and 2023-25 biennia and 2.9% between the 2023-25 and 2025-27 biennia

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Questions



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Forecast to Forecast Comparison for Transportation Revenues and Distributions 10-Year Period

September 2024 Forecast to June 2024 Forecast millions of dollars

	Current Biennium 2023-2025				Biennium 2025-2027				Biennium 2027-2029			
	Forecast September 2024	Forecast June 2024	Chg from June 2024	Percent Change	Forecast September 2024	Forecast June 2024	Chg from June 2024	Percent Change	Forecast September 2024	Forecast June 2024	Chg from June 2024	Percent Change
Sources of Transportation Revenue												
Motor Vehicle Fuel Tax Collections	3,231.0	3,357.5	(126.51)	-3.77%	3,179.6	3,436.4	(256.73)	-7.47%	3,138.8	3,500.9	(362.14)	-10.34%
Licenses, Permits and Fees	1,998.3	2,034.5	(36.16)	-1.78%	2,144.0	2,184.0	(40.01)	-1.83%	2,258.5	2,307.9	(49.42)	-2.14%
Ferry Revenue†	378.4	385.9	(7.47)	-1.94%	420.5	427.0	(6.56)	-1.54%	439.7	447.3	(7.65)	-1.71%
Toll Revenue	540.1	510.1	30.00	5.88%	550.9	538.7	12.20	2.26%	586.0	572.5	13.45	2.35%
Aviation Revenues	14.9	15.1	(0.14)	-0.93%	14.4	14.4	0.01	0.07%	14.1	14.2	(0.12)	-0.82%
Rental Car Tax	93.3	94.1	(0.89)	-0.94%	96.0	96.8	(0.85)	-0.87%	100.5	101.3	(0.83)	-0.82%
Vehicle Sales Tax	127.6	128.8	(1.22)	-0.95%	132.0	133.6	(1.60)	-1.20%	139.8	141.3	(1.52)	-1.08%
Driver-Related Fees	352.3	346.6	5.61	1.62%	395.6	396.1	(0.55)	-0.14%	380.6	382.4	(1.84)	-0.48%
Business/Other Revenues	144.9	145.1	(0.20)	-0.14%	148.4	148.5	(0.09)	-0.06%	151.2	151.5	(0.26)	-0.17%
Total Revenues	6,880.6	7,017.6	(136.97)	-1.95%	7,081.3	7,375.5	(294.19)	-3.99%	7,209.0	7,619.4	(410.34)	-5.39%
Distribution of Revenue												
Motor Fuel Tax Refunds and Transfers	216.2	253.2	(36.94)	-14.59%	237.1	263.5	(26.31)	-9.98%	235.9	267.4	(31.53)	-11.79%
Motor Fuel Administrative Fee - DOL	18.7	19.0	(0.25)	-1.34%	18.0	19.1	(1.16)	-6.06%	17.7	19.5	(1.77)	-9.09%
State Uses												
Motor Vehicle Account (108)	1,286.7	1,339.9	(53.27)	-3.98%	1,401.7	1,445.4	(43.69)	-3.02%	1,472.6	1,565.5	(92.82)	-5.93%
Transportation 2003 (Nickel) Account (550)	395.5	404.9	(9.44)	-2.33%	392.4	416.5	(24.19)	-5.81%	387.8	422.1	(34.33)	-8.13%
Transportation 2005 Partnership Account (09H)	586.8	600.9	(14.17)	-2.36%	573.5	614.6	(41.14)	-6.69%	568.0	626.5	(58.50)	-9.34%
Connecting Washington Account (20H)	722.9	742.4	(19.50)	-2.63%	701.1	759.0	(57.93)	-7.63%	691.5	773.5	(82.00)	-10.60%
Multimodal Account (218)	690.0	691.8	(1.87)	-0.27%	722.1	716.7	5.41	0.75%	748.5	744.0	4.51	0.61%
Special Category C Account (215)	45.6	46.8	(1.23)	-2.63%	44.2	47.8	(3.65)	-7.63%	43.6	48.8	(5.17)	-10.60%
Puget Sound Capital Construction Account (099)	33.1	34.0	(0.89)	-2.63%	32.1	34.8	(2.66)	-7.63%	31.7	35.5	(3.76)	-10.60%
Puget Sound Ferry Operations Account (109)	433.9	444.4	(10.45)	-2.35%	474.1	486.1	(12.03)	-2.48%	492.5	507.3	(14.81)	-2.92%
Capital Vessel Replacement Account (18J)	56.0	57.6	(1.60)	-2.79%	59.0	60.9	(1.91)	-3.14%	59.9	61.9	(1.94)	-3.14%
Tacoma Narrows Bridge Account (511)	165.3	164.7	0.59	0.36%	159.0	159.0	0.00	0.00%	162.1	162.1	0.00	0.00%
High Occupancy Toll Lanes Account (09F)*	12.6	12.1	0.49	4.00%	24.7	24.7	0.00	0.00%	30.1	30.1	(0.00)	0.00%
SR 520 Corridor Account (16J)	167.5	162.0	5.43	3.35%	185.6	173.3	12.22	7.05%	198.1	184.8	13.26	7.17%
SR 520 Corridor Civil Penalties Account (17P)	13.6	12.8	0.82	6.37%	7.6	7.7	(0.09)	-1.21%	7.6	7.6	(0.01)	-0.12%
Interstate 405 Express Toll Lanes Operations (595)	77.6	72.6	5.01	6.91%	94.3	94.3	(0.02)	-0.02%	106.4	106.4	(0.00)	0.00%
Alaskan Way Viaduct Replacement Acct. (535)	103.5	85.8	17.66	20.58%	79.7	79.6	0.08	0.11%	81.7	81.5	0.20	0.25%
Aeronautics Account (039)	14.8	15.0	(0.14)	-0.96%	14.3	14.3	0.01	0.06%	14.0	14.1	(0.12)	-0.83%
Washington State Aviation Account (21G)	0.1	0.1	0.00	3.61%	0.1	0.1	0.00	1.75%	0.1	0.1	0.00	0.49%
State Patrol Highway Account (081)	469.7	465.6	4.14	0.89%	488.6	482.2	6.42	1.33%	499.8	494.1	5.75	1.16%
Highway/Motorcycle Safety Accts. (106 & 082)	303.9	300.1	3.76	1.25%	350.1	350.8	(0.72)	-0.20%	336.2	338.2	(1.99)	-0.59%
School Zone Safety Account (780)	0.4	0.4	0.00	0.00%	0.4	0.4	0.00	0.00%	0.4	0.4	0.00	0.00%
Other accounts (201, 06T, 097, 09E, 216, 07C, 24-K)	44.1	43.9	0.24	0.54%	45.5	44.9	0.61	1.36%	46.3	45.7	0.63	1.37%
Electric Vehicle Account (20J)	57.4	56.6	0.85	1.50%	0.0	0.0	0.00	0.00%	0.0	0.0	0.00	0.00%
Ignition Interlock Devices Revolving Acct 14V	7.8	7.9	(0.11)	-1.41%	7.9	7.9	(0.01)	-0.18%	8.1	8.1	(0.02)	-0.19%
Multituse Roadway Safety Account Collections-571	0.6	0.6	0.00	0.14%	0.6	0.6	0.01	1.10%	0.7	0.7	0.01	2.01%
Move Ahead WA Accounts - 26P	211.4	220.0	(8.56)	-3.89%	229.2	246.3	(17.11)	-6.95%	229.5	255.8	(26.32)	-10.29%
Move Ahead WA Accounts - 26Q	29.5	28.2	1.37	4.85%	36.3	36.4	(0.05)	-0.12%	34.5	34.6	(0.06)	-0.17%
Total for State Use	5,930.3	6,011.2	(80.87)	-1.35%	6,124.12	6,304.6	(180.43)	-2.86%	6,251.75	6,549.2	(297.48)	-4.54%
Cities	174.7	179.4	(4.71)	-2.63%	169.5	183.5	(14.00)	-7.63%	167.1	187.0	(19.82)	-10.60%
Counties	282.9	290.4	(7.46)	-2.57%	275.4	297.6	(22.18)	-7.45%	272.3	303.7	(31.39)	-10.34%
Transportation Improvement Board (112 & 144)	190.8	195.9	(5.04)	-2.57%	188.7	203.7	(14.99)	-7.36%	191.4	212.6	(21.20)	-9.98%
County Road Administration Board (102 & 253)	66.9	68.6	(1.70)	-2.47%	68.5	73.6	(5.06)	-6.88%	72.8	80.0	(7.15)	-8.94%
Total for Local Use	715.4	734.3	(18.91)	-2.58%	702.1	758.3	(56.23)	-7.42%	703.6	783.2	(79.56)	-10.16%
Total Distribution of Revenue	6,880.6	7,017.6	(136.97)	-1.95%	7,081.3	7,345.4	(264.13)	-3.60%	7,209.0	7,619.4	(410.34)	-5.39%

† Ferry Fares plus non-farebox revenue

Forecast to Forecast Comparison for Transportation Revenues and Distributions 10-Year Period
September 2024 Forecast to June 2024 Forecast millions of dollars

	10-Year Period (2024-2033)			
	Forecast September 2024	Forecast June 2024	Chg from June 2024	Percent Change
Sources of Transportation Revenue				
Motor Vehicle Fuel Tax Collections	15,693.3	17,458.0	(1,764.68)	-10.11%
Licenses, Permits and Fees	11,327.3	11,561.0	(233.71)	-2.02%
Ferry Revenue†	2,162.2	2,196.1	(33.92)	-1.54%
Toll Revenue	2,863.3	2,775.1	88.24	3.18%
Aviation Revenues	72.2	72.7	(0.49)	-0.67%
Rental Car Tax	503.0	507.2	(4.23)	-0.83%
Vehicle Sales Tax	701.5	708.3	(6.80)	-0.96%
Driver-Related Fees	1,867.0	1,862.0	4.98	0.27%
Business/Other Revenues	725.4	726.6	(1.24)	-0.17%
Total Revenues	35,915.2	37,867.0	(1,951.8)	-5.15%
Distribution of Revenue				
Motor Fuel Tax Refunds and Transfers	1,159.8	1,330.9	(171.17)	-12.86%
Motor Fuel Administrative Fee - DOL	89.8	97.4	(7.61)	-7.81%
State Uses				
Motor Vehicle Account (108)	7,351.9	7,829.8	(477.98)	-6.10%
Transportation 2003 (Nickel) Account (550)	1,936.5	2,104.4	(167.84)	-7.98%
Transportation 2005 Partnership Account (09H)	2,851.6	3,129.9	(278.33)	-8.89%
Connecting Washington Account (20H)	3,474.8	3,865.0	(390.22)	-10.10%
Multimodal Account (218)	3,739.4	3,715.0	24.38	0.66%
Special Category C Account (215)	219.0	243.6	(24.59)	-10.10%
Puget Sound Capital Construction Account (099)	159.3	177.2	(17.89)	-10.10%
Puget Sound Ferry Operations Account (109)	2,428.7	2,497.2	(68.44)	-2.74%
Capital Vessel Replacement Account (18J)	296.9	306.1	(9.26)	-3.03%
Tacoma Narrows Bridge Account (511)	735.4	734.9	0.59	0.08%
High Occupancy Toll Lanes Account (09F)^	133.2	132.7	0.48	0.36%
SR 520 Corridor Account (16J)	1,005.1	941.7	63.31	6.72%
SR 520 Corridor Civil Penalties Account (17P)	45.7	44.9	0.76	1.70%
Interstate 405 Express Toll Lanes Operations (595)	509.8	504.8	4.99	0.99%
Alaskan Way Viaduct Replacement Acct. (535)	434.1	416.0	18.10	4.35%
Aeronautics Account (039)	71.8	72.3	(0.49)	-0.68%
Washington State Aviation Account (21G)	0.4	0.4	0.00	0.63%
State Patrol Highway Account (081)	2,493.8	2,463.9	29.86	1.21%
Highway/Motorcycle Safety Accts. (106 & 082)	1,591.6	1,589.3	2.35	0.15%
School Zone Safety Account (780)	2.1	2.1	0.00	0.00%
Other accounts (201, 06T, 097, 09E, 216, 07C, 24-K)	231.0	228.3	2.77	1.21%
Electric Vehicle Account (20J)	57.4	56.6	0.85	1.50%
Ignition Interlock Devices Revolving Acct 14V	40.3	40.4	(0.17)	-0.43%
Multiuse Roadway Safety Account Collections-57I	3.3	3.2	0.06	1.80%
Move Ahead WA Accounts - 26P	1,119.9	1,229.0	(109.10)	-8.88%
Move Ahead WA Accounts - 26Q	186.7	185.4	1.32	0.71%
Total for State Use	31,119.7	32,514.2	(1,394.48)	-4.29%
Cities	839.9	934.2	(94.32)	-10.10%
Counties	1,366.7	1,516.1	(149.38)	-9.85%
Transportation Improvement Board (112 & 144)	967.5	1,068.4	(100.89)	-9.44%
County Road Administration Board (102 & 253)	371.8	405.8	(33.99)	-8.38%
Total for Local Use	3,545.9	3,924.5	(378.58)	-9.65%
Total Distribution of Revenue	35,915.2	37,867.0	(1,951.84)	-5.15%

† Ferry Fares plus non-farebox revenue

September 2024 Baseline Forecast
millions of dollars

Sources of Transportation Revenue	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Motor Vehicle Fuel Tax Collections	1,626.70	1,604.27	1,594.74	1,584.90	1,574.32	1,564.45	1,545.31	1,538.37	1,531.95	1,528.29	1,524.91	1,521.77
Licenses, Permits and Fees	981.91	1,016.41	1,054.20	1,089.80	1,114.33	1,144.14	1,176.57	1,212.78	1,249.81	1,287.36	1,326.06	1,363.07
Ferry Revenue†	182.13	196.29	207.12	213.36	216.41	223.25	225.99	230.06	232.67	234.93	236.96	238.83
Toll Revenue §	291.25	248.81	269.81	281.08	289.98	296.02	304.08	309.56	326.51	246.21	249.89	253.84
Aviation Revenues ‡	7.42	7.50	7.26	7.14	7.05	7.01	7.10	7.14	7.25	7.37	7.44	7.56
Rental Car Tax	46.30	46.96	47.43	48.54	49.68	50.82	51.87	52.87	53.80	54.72	55.70	56.73
Vehicle Sales Tax	63.70	63.86	65.07	66.92	68.89	70.86	72.74	74.63	76.51	78.28	80.28	82.17
Driver-Related Fees	173.32	178.93	190.23	205.34	198.10	182.49	180.53	184.53	183.27	190.25	201.24	210.09
Business/Other Revenues‡	71.82	73.03	73.91	74.47	75.33	75.89	76.76	67.43	68.17	68.58	68.98	69.40
Total Revenues	3,444.54	3,436.07	3,509.76	3,571.55	3,594.08	3,614.93	3,640.95	3,677.37	3,729.94	3,695.99	3,751.46	3,803.45
Distribution of Revenue												
Motor Fuel Tax Refunds and Transfers	96.85	119.39	118.69	118.46	118.08	117.84	117.48	117.61	117.32	118.05	118.07	118.32
Motor Fuel Administrative Fee - DOL	9.59	9.12	9.02	8.96	8.90	8.84	8.82	8.91	8.88	8.79	8.09	8.02
State Uses												
Motor Vehicle Account (108)	646.11	640.57	692.19	709.52	726.53	746.10	760.42	782.67	810.72	837.02	864.21	891.20
Transportation 2003 (Nickel) Account (550)	199.18	196.28	196.41	195.95	194.57	193.25	191.20	190.69	189.70	189.29	189.26	189.11
Transportation 2005 Partnership Account (09H)	297.27	289.50	287.32	286.17	284.62	283.35	281.87	281.42	280.25	279.86	279.76	279.40
Connecting Washington Account (20H)	367.39	355.50	351.67	349.42	346.92	344.61	342.04	340.89	338.71	337.66	337.01	336.08
Multimodal Account (218)	343.30	346.68	357.31	364.77	370.69	377.79	384.43	391.50	398.22	404.70	411.31	417.20
Special Category C Account (215)	23.15	22.41	22.16	22.02	21.86	21.72	21.56	21.49	21.35	21.28	21.24	21.18
Puget Sound Capital Construction Account (099)	16.85	16.30	16.13	16.02	15.91	15.80	15.68	15.63	15.53	15.48	15.45	15.41
Puget Sound Ferry Operations Account (109)	210.38	223.54	234.02	240.09	242.96	249.57	252.18	256.23	258.75	261.00	263.04	264.88
Capital Vessel Replacement Account (18J)	27.63	28.36	29.24	29.72	29.85	30.07	30.22	30.41	30.58	30.78	30.87	30.96
Tacoma Narrows Bridge Account (511)	86.21	79.05	79.18	79.85	80.66	81.46	82.19	83.01	83.85	0.00	0.00	0.00
High Occupancy Toll Lanes Account (09F)^	5.94	6.69	11.43	13.22	15.05	15.05	15.49	16.39	16.78	17.17	17.58	18.00
SR 520 Corridor Account (16J)	80.64	86.83	91.25	94.31	96.93	101.12	103.95	106.67	120.69	122.66	124.59	126.53
SR 520 Corridor Civil Penalties Account (17P)	10.03	3.61	3.77	3.85	3.80	3.84	3.95	4.03	4.29	4.50	4.65	4.70
Interstate 405 Express Toll Lanes Operations (595)	45.34	32.22	44.55	49.77	53.08	53.31	56.85	57.51	58.23	58.93	59.78	60.59
Alaskan Way Viaduct Replacement Acct. (535)	63.08	40.40	39.64	40.08	40.46	41.24	41.65	41.96	42.67	42.95	43.28	44.02
Aeronautics Account (039)	7.37	7.45	7.21	7.09	7.00	6.97	7.05	7.09	7.21	7.33	7.39	7.51
Washington State Aviation Account (21G)	0.04	0.05	0.05	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
State Patrol Highway Account (081)	231.84	237.91	242.28	246.34	248.42	251.41	254.25	257.42	260.49	263.42	266.32	268.72
Highway/Motorcycle Safety Accts. (106 & 082)	145.93	157.95	167.96	182.15	175.38	160.85	154.11	147.96	146.61	152.74	162.45	170.30
School Zone Safety Account (780)	0.23	0.19	0.20	0.20	0.20	0.20	0.21	0.21	0.21	0.21	0.21	0.21
Other accounts (201, 06T, 097, 09E, 216, 07C, 24K)	21.77	22.34	22.62	22.86	23.07	23.28	23.49	23.68	23.87	24.07	24.26	24.46
Electric Vehicle Account (20J)	25.65	31.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ignition Interlock Devices Revolving Acct 14V	3.96	3.86	3.92	3.98	4.02	4.05	4.08	4.11	4.13	4.16	4.18	4.21
Multiuse Roadway Safety Account Collections-571	0.28	0.29	0.31	0.32	0.33	0.34	0.35	0.35	0.35	0.35	0.35	0.35
Move Ahead WA Accounts - 26P	102.67	108.76	112.66	116.57	115.40	114.08	113.25	112.70	112.08	111.75	111.93	112.12
Move Ahead WA Accounts - 26Q	13.27	16.26	17.76	18.55	17.88	16.62	21.23	21.49	21.44	22.17	23.34	24.25
Total for State Use	2,975.53	2,954.77	3,031.24	3,092.87	3,115.64	3,136.11	3,161.75	3,195.53	3,246.74	3,209.52	3,262.53	3,311.43
Counties	143.60	139.33	137.92	137.46	136.56	135.72	134.78	134.39	133.72	133.24	132.99	132.64
Transportation Improvement Board (112 & 144)	96.58	94.24	94.09	94.62	95.26	96.11	97.04	98.48	99.74	101.33	103.04	104.71
County Road Administration Board (102 & 253)	33.60	33.30	33.80	34.72	35.79	37.03	38.40	40.04	41.68	43.44	45.27	47.10
Total for Local Use	362.58	352.79	350.81	351.26	351.46	352.15	352.90	355.31	357.01	359.62	362.76	365.68
Total Distribution of Revenue	3,444.54	3,436.07	3,509.76	3,571.55	3,594.08	3,614.93	3,640.95	3,677.37	3,729.94	3,695.99	3,751.46	3,803.45

† Ferry Fares plus non-farebox revenue

‡ Aviation Revenues and Business/Other Revenues net of amounts transferred to General Fund in the September 2024

September 2024
 Transportation Revenue Forecast Council
 Alternative Revenue Forecasts by Biennium*
 Millions of Dollars

	Revenue	Difference from Baseline (%)	Difference from Baseline (\$)
2023 - 2035 Biennium			
September 2024 Baseline	\$ 6,880.61		
Alternative Forecasts			
Optimistic	\$ 6,963.42	1.2%	82.8
Pessimistic	\$ 6,803.66	-1.1%	-77.0
2025 - 2027 Biennium			
September 2024 Baseline	\$ 7,081.31		
Alternative Forecasts			
Optimistic	\$ 7,379.09	4.2%	297.8
Pessimistic	\$ 6,720.85	-5.1%	-360.5
2027 - 2029 Biennium			
September 2024 Baseline	\$ 7,209.02		
Alternative Forecasts			
Optimistic	\$ 7,539.91	4.6%	330.9
Pessimistic	\$ 6,658.79	-7.6%	-550.2

*Factors based on Washington State Personal Income: Percentage differences based on Optimistic vs. Baseline and Pessimistic vs. Baseline

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Draft TERFC Bylaws

Presentation to the
Transportation Economic and Revenue Forecast Council

Dave Reich

9/27/24

Proposed TERFC Bylaws

- ▶ The core work (transportation revenue forecasts) is listed in RCW
- ▶ Bylaws are to specify process related items
- ▶ Draft set is provided in the packet
- ▶ TERFC staff need your input on certain items
- ▶ Bring back in November for possible approval

Items for TERFC Input

- ▶ Article I-Purpose
- ▶ Article II-Officers and Duties
 - ▶ Who's on the TERFC (in RCW), vacancies filled at any time, Chair vacancy filled by same house and party
 - ▶ How often should the Chair rotate?
 - ERFC rotates every two-years
 - JTC rotates every year (co-chair)
 - Other?
 - ▶ How should the Chair rotate
 - House D&R then Senate D&R
 - JTC rotates among the Transportation Chairs
 - ▶ Do you want other officers (e.g. vice-Chair)
 - Could designate
 - Leave the option

Item for TERFC Input (Continued)

- ▶ Article III-Meetings
 - ▶ Held quarterly, agenda published by ERFC
 - ▶ **What if the Chair is absent?**
 - ▶ **Have another officer**
 - ▶ **Designate one at the meeting**
- ▶ Article IV-Quorum
 - ▶ Five members, remote is ok, must have quorum to vote, five votes to approve forecast
- ▶ Article V-Voting procedures
 - ▶ Votes recorded, Chair has same voting rights, must adopt motion/resolution
 - ▶ **Can alternates vote?**
 - ▶ **No?**
 - ▶ **JTC allows alternates**

Item for TERFC Input (Continued)

- ▶ Article VI-Minutes
 - ▶ All meetings will have written record
- ▶ Article VII-Change in Bylaws
 - ▶ Any TERFC Member may ask for a review



STATE OF WASHINGTON

ECONOMIC AND REVENUE FORECAST COUNCIL

PO Box 40912 □ Olympia, Washington 98504-0912 □ (360) 534-1560

Transportation Economic and Revenue Forecast Council Bylaws DRAFT

Article I – Purpose

The Transportation Economic and Revenue Forecast Council (TERFC) will carry out the transportation related provisions of RCW 82.33 (TERFC enabling legislation) and Chapter 42.30 RCW (Open Public Meetings Act) as now or hereafter amended and will perform the duties and functions as therein prescribed.

Article II – Officers and Duties

- A. Members of the council are appointed in accordance with RCW 82.33. The TERFC consists of the chairs and ranking members of the House and Senate transportation committees, the state treasurer, the director of the office of financial management and the director of the department of licensing.
- B. The appropriate appointing authority may fill vacancies on the council at any time.
- C. The chairperson for the council will be selected from among the four-caucus appointees. The council may select such other officers, as the members deem necessary.
 - a. The chairperson shall serve for a period not to exceed two years.
 - b. The chair should fairly alternate between parties and bodies as follows: House Republican (or successor caucus) member, House Democratic (or successor caucus) member, Senate Republican (or successor caucus) member, Senate Democratic (or successor caucus) member.
 - c. The chair shall do all such things as are appropriate for or delegated to such officer by the TERFC.
 - d. Should the current chair vacate the position during the two-year term, the successor from the same house and party will be named to fill the vacancy until the end of term.

Article III – Meetings

- A. A minimum of one council meeting is held per quarter.
- B. Transportation Revenue Review meetings will be scheduled and held in accordance with RCW 82.33.020(2) on or before November 20th, February 20th in the even-numbered years, March 20th in the odd-numbered years, June 27th, and September 27th.
- C. In the absence of the chair, an acting chair will be designated among the attending council members for the purposes of facilitating the public meeting.

- D. An agenda for each meeting will be published on the ERFC website no later than twenty-four hours before the meeting.

Article IV – Quorum

- A. Five Council members make a quorum.
- B. Any member in continuous communication by telephone, video-conferencing, or similar technology with a council meeting shall also be considered to be present and shall be counted towards the quorum requirement and be eligible to vote.
- C. No votes will be taken on TERFC business unless a quorum is present. The quorum refers to the number of voting members present, not to the number actually voting on a particular question. Should a voting member choose to recuse him or herself, the quorum is not affected. For purposes of establishing a quorum, the chair will be counted as a voting member.
- D. An affirmative vote of five is required for adopting the forecast.

Article V – Voting procedures

- A. Voting during the meetings will be recorded in the minutes.
- B. The chairperson shall have the same voting rights as any other member of the TERFC.
- C. Only duly appointed members of the TERFC (not designees) will be permitted to vote on any issue before the TERFC; no proxies will be permitted to vote.
- D. The TERFC shall act by the adoption of a motion or resolution.

Article VI – Minutes

All meetings of the TERFC and subcommittees will have a written record concerning the actions of the council.

Article VII – Change in Bylaws

The bylaws may be reviewed for changes at the request of any voting member of the Transportation Economic and Revenue Forecast Council.