

WASHINGTON STATE TRANSPORTATION COMMISSION

FACT SHEET on Ferries Funding

PERCEPTION:

Fares on average have doubled in less than a decade.

FACT:

- Since 2001 (post MVET), fares have risen 80% (80% takes compounding into account).
- Over the last ten years, the amount of the fare increases have decreased quite dramatically, going from a one-time increase of 20% in 2001 down to 2.5% in 2009.
- While the amount of fare increases have decreased significantly over the last decade, ridership has been declining for the most part, regardless of fare changes.
- The list below details the percentage fare increase each year for the last 10 years, starting with the year after the MVET was repealed – **NOTE: fares were not increased in 2008 and 2010.** Also notated are the annual ridership numbers for the same year.

YEAR	FARES	RIDERSHIP*
2001	20.0%	26.1
2002	12.5%	25.6
2003	5.0%	24.5
2004	5.0%	26.0
2005	6.0%	23.9
2006	6.0%	23.8
2007	2.5%	24.0
2008	0%	23.3
2009	2.5%	22.4
2010**	0%	22.6

**Ridership numbers are in the millions. Fare changes take effect near the end of each fiscal year, ridership impacts from a fare increase are generally reflected in the following year's ridership number.*

***The Commission enacted a 2.5% across the board fare increase in November 2010. However the increase did not take effect until January 1, 2011, thus there is no fare increase indicated for 2010.*

PERCEPTION:

The state has not done much to bail out ferries and provide the funding necessary to sustain it.

FACT:

- Since the MVET was repealed in 1999, ferries has received transfers and other financial support of **over \$800 million** in gas tax revenues and licensing fee revenues.
- Bond debt service for ferry capital costs have also been paid from gas tax revenues as well.

PERCEPTION:

When the MVET went away WSF lost about half of the operational funding.

FACT:

- MVET supported **20% of ferries operating costs** and **75% of its dedicated capital funding**.
- It is estimated that \$1.2 billion has been lost in MVET revenues since the tax was repealed.

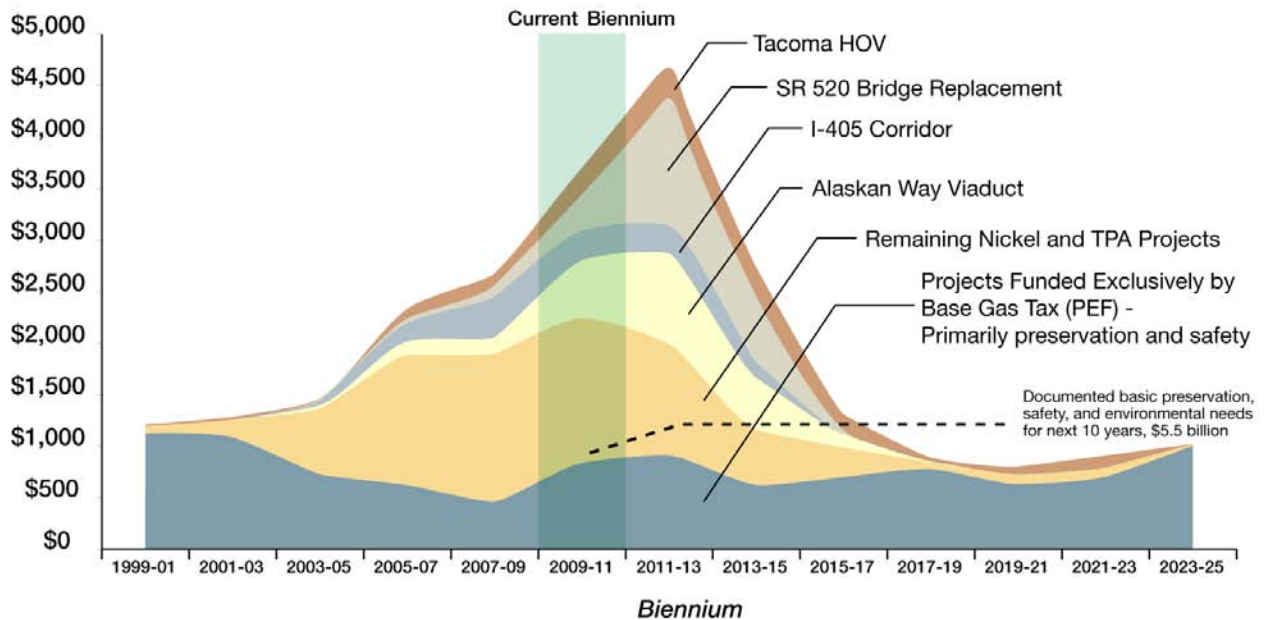
PERCEPTION:

WSF funding has fallen dramatically as a percentage of the DOT budget, while the gas tax has gone up nearly 15 cents in the last two funding packages.

FACT:

- While it is true that gas taxes have gone up 14.5 cents in the last decade and that ferries capital and operating budgets are currently a smaller percent of the overall budget for WSDOT, there is a reason for this: the Nickel and Transportation Partnership Account gas tax increases were (and still are) dedicated to a list of specified road projects as determined by the Legislature, inflating the total budget for DOT.
- Because of this, the size of the percentage for the WSF budget is skewed because of the bond proceeds that have been issued to pay for the highway projects, which in turn reduces the ferries percentage of the total budget.
- As those bond proceeds are spent, the WSDOT budget will be far smaller, and in turn the percentage going to ferries will go back up. The full view of the state’s investment from start to finish is depicted on the next page on the “mountain chart” – we are now on the downhill side of the state’s investment of the last two gas tax increases.

Dollars in Millions



PERCEPTION:

Fares have made up a big chunk of the lost MVET revenue.

FACT:

- A big chunk of the lost MVET revenue has not been covered with just ferry fares – as stated on the prior page, the **Legislature has transferred over \$800 million in state transportation taxes to subsidize the operating costs of ferries.**
- Historically, ferries have experienced a relatively high farebox recovery percentage most often in the 60% - 70% range both before and after the existence of the MVET. The highest recovery rate was achieved in the late 1980's when it reached nearly 80%.
- The farebox recover rate by year, over the last 10 years is listed below:

YEAR	PERCENTAGE
○ 2000	65.8
○ 2001	59.3
○ 2002	69.4
○ 2003	73.2
○ 2004	78.5
○ 2005	75.5
○ 2006	73.6
○ 2007	69.7
○ 2008	64.7
○ 2009	65.4
○ 2010	70.5