

Transportation Revenue Forecast Council

November 2016 Transportation Economic and Revenue Forecasts

Volume I: Summary

Washington Transportation Economic and Revenue Forecast November 2016 Forecast

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Preface

Washington law mandates the preparation and 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.

November 2016 Transportation Forecast Overview

Forecast Overview

Here are key conclusions from the November 2016 transportation revenue forecast.

- November 2016 transportation forecast of revenues: \$5.82 billion for the current biennium which represents an increase of 24.1% over the prior 2013-15 biennium of \$4.69 billion.
- Overall transportation revenue has a small downward revision forecast to forecast in the current biennium, down \$7.8 million, with the largest share of the decrease being toll revenue. Next biennium, overall transportation revenues will be \$6.401 billion which is down \$3.6 million or 0.06% from the last forecast.
- For the 10-year forecast horizon, total revenues are projected to be \$32.32 billion, which is up by \$52 million (0.16%) from September due primarily to higher gas tax revenues, toll revenue and ferry revenue. Other tax revenue sources like business related and driver related revenue are down from the last forecast over the next 10 years.
- New projections of real personal income are minor revisions up in FY 2017-2019 from the last forecast in terms of growth rates. Employment projections are down slightly in FY 2017 and 2019 and 2020 from the last forecast. Retail gas and diesel prices are down from the September forecast. The current forecast for average annual retail gas and diesel price forecasts are lower than September's forecast for all years. The current B5 biodiesel price forecast for ferries is the same or down from the last forecast throughout the forecast horizon.
- The change in fuel tax revenue and licenses, permits and fee revenue is minimal in these forecasts. In the long-term, the gas tax forecast is up a little.
- The toll forecasts have changed in November. The TNB forecast is up slightly from the previous forecast in each biennium of the forecast horizon. The SR 167 HOT lanes forecast is also up from the last forecast by nearly \$500,000 for the current biennium. The SR 520 forecast is down \$10.6 million from the last forecast in the current biennium and throughout the forecast horizon. I-405 toll revenue was revised upward significantly in this November forecast over the last forecast in June. In the current biennium, I-405 toll revenue is higher by \$6 million and the increase from the last forecast grows each biennium.

In the current fiscal year, total transportation revenues are anticipated to be \$3.12 billion, which is a 15.8% increase annually. This increase was due to the adoption of the 2015 transportation revenue package which began in FY 2016 and that explains a large portion of the annual increase between FY 2015 and 2016 and 2017. Overall during the 10-year horizon, transportation revenues are projected to be \$32.32 billion and \$51.97 million or 0.16% above the projections in September with an average annual growth rate of 3.4%.

Figure 1: Total Transportation Revenues Comparison November vs. September vs. February 2016 forecasts *millions of dollars*

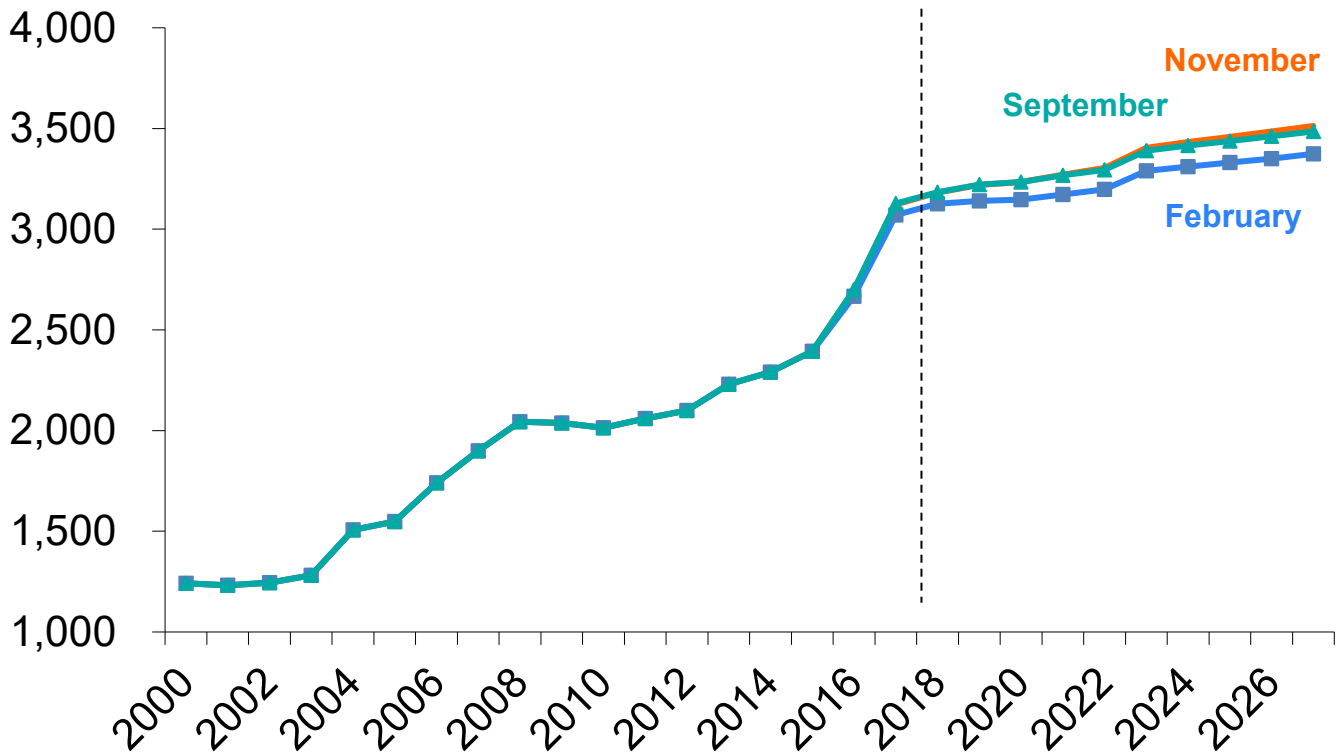
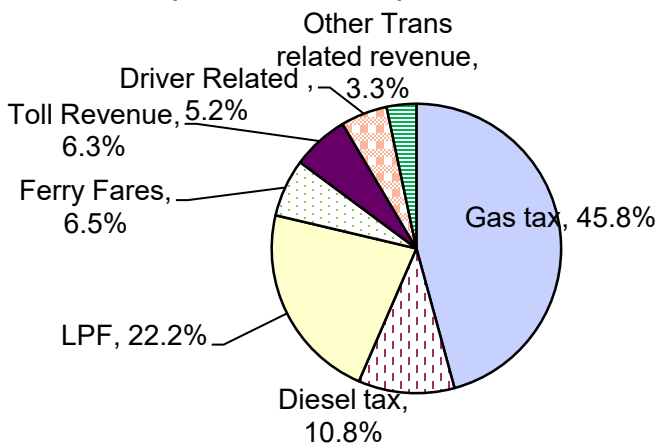


Figure 2: Revenue by Source 2015-17 biennium (\$5.8199 billion)



Washington's transportation revenues come from numerous taxes, fees, permits, tolls, and other revenues. Revenues forecasted each quarter include the sources contained in Figure 2. This pie graph reveals the anticipated share of each state revenue source to the total transportation revenues for the 2015-17 biennium, (\$5.82 billion). Gasoline fuel taxes comprise the largest share at 45.8%. With the addition of diesel fuel taxes, all motor vehicle fuel taxes comprise 56.6% of all revenues. Licenses, permits, and fee revenues comprise the second largest share at 22.2%. The largest three revenue sources are projected to consist of 78.8% of revenues in the 2015-17 biennium. The remaining 21.2% consists of ferry fares, toll revenue, driver related revenue and other transportation related revenue.

Figure 3: Forecast to Forecast Biennium Comparison of All Transportation Revenues November 2016 forecast - 10 year period

Forecast to Forecast Comparison for Transportation Revenues and Distributions 10-Year Period									
November 2016• millions of dollars									
	Current Biennium						10-Year Period		
	2015-2017			2017-2019			(2016-2025)		
	Forecast Nov-16	Chg from Sep-16	Percent Change	Forecast Nov-16	Chg from Sep-16	Percent Change	Forecast Nov-16	Chg from Sep-16	Percent Change
Sources of Transportation Revenue									
Motor Vehicle Fuel Tax Collections	3,288.78	1.34	0.04%	3,634.94	(6.13)	-0.17%	18,109.20	10.39	0.06%
Licenses, Permits and Fees	1,290.81	0.92	0.07%	1,471.20	0.69	0.05%	7,530.50	1.58	0.02%
Ferry Revenue†	376.20	(1.84)	-0.49%	388.57	(0.29)	-0.07%	1,978.92	6.83	0.35%
Toll Revenue §	367.98	(3.54)	-0.95%	402.63	3.21	0.80%	2,133.09	37.92	1.81%
Aviation Revenues	5.40	(0.02)	-0.29%	6.85	0.00	0.05%	33.31	0.01	0.03%
Rental Car Tax	65.22	0.45	0.70%	69.52	0.86	1.25%	359.61	4.38	1.23%
Vehicle Sales Tax	93.35	(0.02)	-0.02%	100.36	0.18	0.18%	520.45	1.13	0.22%
Driver-Related Fees	303.49	(0.29)	-0.10%	294.76	(2.06)	-0.69%	1,507.32	(5.28)	-0.35%
Business/Other Revenues ‡	28.65	(4.67)	-14.02%	32.61	(0.08)	-0.26%	152.07	(4.95)	-3.15%
Total Revenues	5,819.89	(7.66)	-0.13%	6,401.43	(3.63)	-0.06%	32,324.47	52.01	0.16%
Distribution of Revenue									
Motor Fuel Tax Refunds and Transfers	180.12	(0.59)	-0.33%	200.01	(0.17)	-0.08%	998.80	(1.61)	-0.16%
State Uses									
Motor Vehicle Account (108)	1,260.54	(4.19)	-0.33%	1,266.96	(3.75)	-0.30%	6,394.78	7.29	0.11%
Transportation 2003 (Nickel) Account (550)	418.21	0.03	0.01%	433.05	(0.31)	-0.07%	2,183.92	0.81	0.04%
Transportation 2005 Partnership Account (09H)	618.29	0.38	0.06%	643.85	0.21	0.03%	3,248.39	4.49	0.14%
Connecting Washington Account (20H)	543.92	0.47	0.09%	820.69	(0.07)	-0.01%	3,891.02	3.96	0.10%
Multimodal Account (218)	400.76	0.51	0.13%	509.37	(1.04)	-0.20%	2,720.25	(10.01)	-0.37%
Special Category C Account (215)	50.02	0.03	0.06%	51.72	(0.00)	-0.01%	260.97	0.25	0.10%
Puget Sound Capital Construction Account (099)	36.39	0.02	0.06%	37.63	(0.00)	-0.01%	189.88	0.18	0.10%
Puget Sound Ferry Operations Account (109)	437.92	(1.67)	-0.38%	455.64	(0.28)	-0.06%	2,314.02	7.02	0.30%
Capital Vessel Replacement Account (18J)	41.53	0.52	1.26%	36.38	1.06	2.99%	188.55	6.02	3.30%
Tacoma Narrows Bridge Account (511)	163.57	0.38	0.23%	168.85	0.04	0.02%	864.75	0.59	0.07%
High Occupancy Toll Lanes Account (09F)^	3.61	0.44	0.00%	0.00	0.00	0.00%	3.61	0.44	13.70%
SR 520 Corridor Account (16J)	151.99	(2.94)	-1.90%	169.49	(2.52)	-1.46%	904.97	(5.87)	-0.64%
SR 520 Corridor Civil Penalties Account (17P)	7.27	(7.68)	-51.39%	7.68	(8.43)	-52.34%	41.44	(43.83)	-51.40%
Interstate 405 Express Toll Lanes Operations (595)	41.53	6.27	17.78%	56.61	14.12	33.22%	318.31	86.59	37.37%
Aeronautics Account (039)	5.40	(0.02)	-0.29%	6.85	0.00	0.05%	33.31	0.01	0.03%
State Patrol Highway Account (081)	387.91	(0.06)	-0.01%	448.82	(1.02)	-0.23%	2,252.02	(5.63)	-0.25%
Highway/Motorcycle Safety Accts. (106 & 082)	270.20	0.05	0.02%	263.14	(1.23)	-0.47%	1,344.61	(1.79)	-0.13%
School Zone Safety Account (780)	0.83	(0.10)	-10.81%	0.83	(0.10)	-10.81%	4.14	(0.50)	-10.81%
Other accounts (201, 06T, 097, 09E, 216, 07C)	17.21	0.04	0.22%	17.49	(0.04)	-0.20%	89.33	(0.14)	-0.15%
Ignition Interlock Devices Revolving Acct 14V	7.14	0.11	1.50%	6.54	0.04	0.67%	33.29	0.28	0.84%
Multiuse Roadway Safety Account Collections-571	0.12	0.00	0.00%	0.13	0.00	0.00%	0.64	0.00	0.00%
Total for State Use	4,864.25	(7.42)	-0.15%	5,401.59	(3.33)	-0.06%	27,281.55	50.17	0.18%
Local Uses									
Cities	191.83	0.11	0.06%	198.37	(0.02)	-0.01%	1,000.85	0.96	0.10%
Counties	309.74	0.12	0.04%	317.83	(0.04)	-0.01%	1,607.88	1.35	0.08%
Transportation Improvement Board (112 & 144)	205.00	0.10	0.05%	212.16	(0.05)	-0.02%	1,072.61	0.91	0.09%
County Road Administration Board (102 & 186)	68.96	0.02	0.02%	71.47	(0.04)	-0.05%	362.78	0.23	0.06%
Total for Local Use	775.53	0.35	0.04%	799.83	(0.14)	-0.02%	4,044.12	3.46	0.09%
Total Distribution of Revenue	5,819.89	(7.66)	-0.13%	6,401.43	(3.63)	-0.06%	32,324.47	52.01	0.16%

† Ferry Fares plus non-farebox revenue

‡ Business/Other Revenues net of amounts transferred to General Fund in the forecast.

§ 167 HOT lanes is a pilot program that is currently scheduled to sunset June 30, 2017

As Figure 3 indicates, in the current biennium, November's transportation revenues are projected at \$5.82 billion and down \$7.7 million or 0.13% below the last projections. Business related revenue and toll revenue is down the most in the current biennium. Fuel tax collections are nearly the same as last forecast in the current biennium. Next biennium's transportation revenues are anticipated to grow to \$6.401 billion and down from the last forecast by \$3.6 million or 0.06%. Over the 10-year forecast horizon (2016-2025), the revenue forecast for November is up by \$52 million or 0.16% from the last forecast. The change in

transportation revenue for this 10 year forecast being up is due primarily to higher toll revenue, ferry revenue and fuel taxes.

Figure 4: Forecast to Baseline[¥] Biennium Comparison of All Transportation Revenues November 2016 forecast - 10 year period

Forecast to Baseline Comparison for Transportation Revenues and Distributions 10-Year Period									
November 2016• millions of dollars									
	Current Biennium 2015-2017			2017-2019			10-Year Period (2016-2025)		
	Forecast Nov-16	Chg from Baseline ¥	Percent Change	Forecast Nov-16	Chg from Baseline ¥	Percent Change	Forecast Nov-16	Chg from Baseline ¥	Percent Change
Sources of Transportation Revenue									
Motor Vehicle Fuel Tax Collections	3,288.78	32.27	0.99%	3,634.94	72.99	2.05%	18,109.20	468.41	2.66%
Licenses, Permits and Fees	1,290.81	39.91	3.19%	1,471.20	39.59	2.77%	7,530.50	248.09	3.41%
Ferry Revenue [†]	376.20	1.02	0.27%	388.57	3.13	0.81%	1,978.92	25.17	1.29%
Toll Revenue §	367.98	9.55	2.67%	402.63	15.10	3.90%	2,133.09	102.60	5.05%
Aviation Revenues ‡	5.40	(0.41)	-7.12%	6.85	(0.10)	-1.46%	33.31	(0.64)	-1.89%
Rental Car Tax	65.22	3.02	4.85%	69.52	4.59	7.07%	359.61	23.21	6.90%
Vehicle Sales Tax	93.35	2.46	2.71%	100.36	4.01	4.16%	520.45	21.10	4.22%
Driver-Related Fees	303.49	(1.23)	-0.40%	294.76	(5.20)	-1.73%	1,507.32	(16.50)	-1.08%
Business/Other Revenues †	28.65	(3.91)	-11.99%	32.61	1.34	4.28%	152.07	1.44	0.96%
Total Revenues	5,819.89	82.69	1.44%	6,401.43	135.45	2.16%	32,324.47	872.89	2.78%
Distribution of Revenue									
Motor Fuel Tax Refunds and Transfers	180.12	(2.61)	-1.43%	200.01	(5.37)	-2.61%	998.80	(40.36)	-3.88%
State Uses									
Motor Vehicle Account (108)	1,260.54	21.31	1.72%	1,266.96	(6.55)	-0.51%	6,394.78	65.13	1.03%
Transportation 2003 (Nickel) Account (550)	418.21	4.96	1.20%	433.05	9.60	2.27%	2,183.92	60.94	2.87%
Transportation 2005 Partnership Account (09H)	618.29	7.99	1.31%	643.85	15.95	2.54%	3,248.39	99.37	3.16%
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Multimodal Account (218)	400.76	16.02	4.16%	509.37	18.49	3.77%	2,720.25	95.31	3.63%
Special Category C Account (215)	50.02	0.51	1.04%	51.72	1.17	2.32%	260.97	7.44	2.93%
Puget Sound Capital Construction Account (099)	36.39	0.37	1.04%	37.63	0.85	2.32%	189.88	5.41	2.93%
Puget Sound Ferry Operations Account (109)	437.92	7.47	1.74%	455.64	13.71	3.10%	2,314.02	76.18	3.40%
Capital Vessel Replacement Account (18J)	41.53	(0.66)	-1.57%	36.38	(0.04)	-0.11%	188.55	1.55	0.83%
Tacoma Narrows Bridge Account (511)	163.57	(5.44)	-3.22%	168.85	(13.07)	-7.19%	864.75	(59.58)	-6.45%
High Occupancy Toll Lanes Account (09F)	3.61	(0.12)	0.00%	0.00	0.00	0.00%	3.61	(0.12)	-3.27%
SR 520 Corridor Account (16J)	151.99	(4.85)	-3.09%	169.49	1.61	0.96%	904.97	9.70	1.08%
SR 520 Corridor Civil Penalties Account (17P)	7.27	(7.62)	-51.18%	7.68	(7.99)	-50.98%	41.44	(41.70)	-50.16%
Interstate 405 Express Toll Lanes Operations (595)	41.53	27.59	197.90%	56.61	34.56	156.69%	318.31	194.29	156.67%
Aeronautics Account (039)	5.40	(0.41)	-7.12%	6.85	(0.10)	-1.46%	33.31	(0.64)	-1.89%
State Patrol Highway Account (081)	387.91	8.82	2.33%	448.82	46.89	11.67%	2,252.02	208.25	10.19%
Highway/Motorcycle Safety Accts. (106 & 082)	270.20	(0.03)	-0.01%	263.14	(1.68)	-0.64%	1,344.61	(1.22)	-0.09%
School Zone Safety Account (780)	0.83	(0.27)	-24.70%	0.83	(0.27)	-24.70%	4.14	(1.36)	-24.70%
Other accounts (201, 06T, 09T, 09E, 216, 07C)	17.21	0.13	0.79%	17.49	0.10	0.56%	89.33	0.57	0.64%
Ignition Interlock Device Revolving Acct 14V	7.14	0.21	3.10%	6.54	(0.39)	-5.58%	33.29	(1.33)	-3.84%
Multiuse Roadway Safety Account Collections-571	0.04	(0.05)	-54.21%	0.12	0.02	16.05%	0.55	0.02	4.25%
Total for State Use	4,864.25	82.81	1.73%	5,401.59	131.47	2.49%	27,281.55	834.84	3.16%
Local Uses									
Cities	191.83	1.97	1.04%	198.37	4.51	2.32%	1,000.85	28.52	2.93%
Counties	309.74	(2.27)	-0.73%	317.83	(1.69)	-0.53%	1,607.88	4.71	0.29%
Transportation Improvement Board (112 & 144)	205.00	2.10	1.03%	212.16	4.86	2.35%	1,072.61	32.70	3.14%
County Road Administration Board (102 & 186)	68.96	0.70	1.02%	71.47	1.67	2.39%	362.78	12.47	3.56%
Total for Local Use	775.53	2.50	0.32%	799.83	9.35	1.18%	4,044.12	78.41	1.98%
Total Distribution of Revenue	5,819.89	82.69	1.44%	6,401.43	135.45	2.16%	32,324.47	872.89	2.78%

† Ferry Fares plus non-farebox revenue

‡ Business/Other Revenues net of amounts transferred to General Fund in the forecast.

§ 167 HOT lanes is a pilot program that is currently scheduled to sunset June 30, 2017

¥ Baseline is the February 2016 forecast.

Figure 4 compares the latest November forecast to the baseline, February 2016 forecast. Both forecasts included the 2015 transportation revenue package. In the current biennium, the transportation revenues have increased from February by \$83 million or 1.4%. The main reasons for the forecast rise has been modifications upward in both the fuel tax collections and licenses, permits and fee revenues, up \$32 and \$40 million respectively since the baseline forecast. Toll revenue is also up by \$9.6 million due to actual toll collections on I-405 HOT lanes coming in well above the February forecast. Next biennium, total transportation revenue is anticipated to be up \$135 million or 2%. Over the next 10 years, total transportation revenue is projected to be \$873 million or 2.8% higher than the February forecast.

Economic Variables Forecast

Several economic variables are used in forecasting Washington's transportation revenues each quarter. Key economic variables include the following: Washington real personal income, driver age population, driver-in population, inflation, employment, oil price index, fuel efficiency, US sales of new light vehicles and various employment sectors.

**Figure 5: Annual Percentage Change (%) in Select Economic Variables
November 2016 Forecast**

Fiscal Year	WA	Annual	US				Nominal	WA Trade,		WA Retail
	Personal Income	Driver Age Population	Driver-In Population	General Prices (IPDC)	US Oil & Gas Price Index	US Fuel Efficiency (MPG)	Consumer Sales on New Vehicles	WA Non-ag. employment	Transportation and Utilities Employment	Trade Employment
2010	-3.5%	1.0%	-1.0%	1.0%	3.1%	-0.9%	10.8%	-3.5%	-4.0%	-3.3%
2011	2.9%	1.0%	19.9%	1.8%	18.2%	1.4%	11.8%	0.7%	0.6%	0.8%
2012	4.4%	1.0%	-9.8%	2.4%	13.9%	1.1%	13.7%	1.4%	2.0%	1.8%
2013	4.0%	1.1%	2.1%	1.5%	0.4%	1.0%	9.3%	2.0%	2.4%	2.8%
2014	2.3%	1.4%	9.7%	1.4%	-2.8%	1.3%	4.7%	2.4%	3.2%	3.7%
2015	5.4%	1.5%	10.2%	0.9%	-17.7%	1.6%	-0.9%	2.7%	3.6%	3.8%
2016	3.7%	1.7%	10.0%	0.7%	-20.2%	1.8%	-1.4%	2.9%	3.0%	3.4%
2017	3.2%	1.7%	0.0%	1.6%	-1.2%	1.9%	6.0%	2.3%	2.7%	3.1%
2018	2.9%	1.6%	-1.6%	1.8%	6.0%	1.8%	3.9%	1.6%	1.3%	1.3%
2019	3.3%	1.5%	1.3%	1.8%	9.3%	1.8%	3.8%	1.5%	1.0%	0.9%
2020	3.2%	1.3%	1.1%	1.9%	11.2%	1.9%	1.3%	1.3%	0.6%	0.5%
2021	2.9%	1.2%	1.0%	2.0%	6.4%	1.9%	-0.8%	1.1%	0.4%	0.1%
2022	2.3%	1.1%	0.9%	2.0%	6.2%	1.9%	1.9%	1.0%	0.4%	0.2%
2023	2.6%	1.1%	0.8%	2.1%	6.5%	1.9%	2.3%	0.9%	0.4%	0.4%
2024	2.4%	1.1%	0.6%	2.1%	4.7%	2.0%	3.2%	0.9%	0.5%	0.5%
2025	2.5%	1.1%	0.7%	2.1%	3.5%	2.0%	3.1%	0.8%	0.5%	0.6%
2026	2.5%	1.1%	0.7%	2.1%	2.9%	2.1%	3.0%	0.8%	0.6%	0.8%
2027	2.7%	1.1%	0.6%	2.1%	1.8%	2.1%	2.6%	0.8%	0.7%	0.8%

Source: Washington Economic and Revenue Forecast Council, Washington Office of Financial Management 2016 long-range forecast, October 2016 Global Insight forecast adjusted for Blue Chip average GDP growth rates and NYMEX crude oil prices

Figure 6: Difference in Annual Percent Changes in Select Economic Variables from Last Forecast - November 2016 Forecast

Fiscal Year	WA Personal Income	Annual Driver Age Population	Driver-In Population	US General Prices (IPDC)	US Oil & Gas Price Index	US Fuel Efficiency (MPG)	Nominal Consumer Sales on New Vehicles	WA Non-ag. employment	WA Trade, Transportation and Utilities Employment	WA Retail Trade Employment
Percentage Change in Levels of Economic Variables (Current FY)										
2017	↑	▲	▬	▬	▼	▬	↓	▲	▲	▲
Difference in Annual Percentage Change in Economic Variables										
2017	▲	▲	▬	▬	▼	▬	↑	▲	▲	▬
2018	▼	▲	▲	▲	↑	▬	↓	▲	▲	▲
2019	▼	▲	▲	▬	▲	▬	▲	▬	▲	▲
2020	▬	▲	▲	▬	▬	▬	▼	▬	▲	▲
2021	▬	▬	▲	▬	▬	▬	↓	▬	▬	▬
2022	▬	▬	▬	▬	▬	▬	▬	▬	▼	▼
2023	▬	▬	▲	▬	▬	▬	▲	▬	▬	▬
2024	▬	▬	▬	▬	▬	▬	▲	▬	▬	▬
2025	▬	▬	▬	▬	▬	▬	▬	▬	▬	▬
2026	▬	▬	▬	▬	▬	▬	▬	▬	▬	▬
2027	▬	▬	▬	▬	▬	▬	▼	▬	▬	▬

↑	Difference in percentage change is greater than 1%		
▲	Difference in percentage change is less than 1% and greater than 0.1%		
▬	Difference in percentage change is less than 0.1% and greater than -0.1%		
▼	Difference in percentage change is greater than -0.1% and less than -1%		
↓	Difference in percentage change is greater than -1%		

Motor Fuel Price Forecast

Washington's transportation revenues are affected by fuel prices. In particular, gasoline tax collections are negatively related to the price of gasoline. WSDOT's budget is heavily impacted by changes in fuel prices. Therefore, projections of fuel prices are made quarterly to assist in the near and long-term budgeting process for WSDOT. The forecast includes the following price projections: U.S. West Texas Intermediate crude oil (WTI) and Washington retail prices of gasoline, diesel, and biodiesel (B5 & B99).

Source of data for the forecast

For the Washington retail price of gasoline, fuel prices are collected from the Energy Information Administration's (EIA) survey of retail prices for regular gasoline. For the retail price of diesel, the actual prices are collected from AAA's weekly publication of retail prices for diesel in Washington. The actual ferry B5 biodiesel prices are reported by the Washington State Ferries (WSF). In the short term (through calendar year 2017), the retail gas price forecasts are based on the growth in the national gas price forecast by EIA. The diesel and biodiesel diesel prices are projected based on the growth in national diesel prices from the Energy Information Agency (EIA) monthly projections. Beyond calendar year 2017, the fuel price projections are based on November's Global Insight national gas price forecast for future Washington gas prices and the producer price index (PPI) projections for refined petroleum products for the diesel price forecasts.

The forecasts of biodiesel prices include two different biodiesel prices: B5 and B99 without the renewable identification number (RIN). WSF currently purchases biodiesel as B5. WSDOT also purchases B99 biodiesel without RIN for vehicle fleet needs. WSDOT receives OPIS fuel prices with the latest prices for B5 and B99 biodiesel prices without RIN in Tacoma. The B99 prices represent those paid by other state entities' purchases of biodiesel in Tacoma. The B5 price is based on Washington State ferries' reported purchase price of biodiesel with the markup, delivery, and other tax costs included and the latest B5 OPIS prices for the current forecast month. The base for the price forecast for the B99 price without RIN for non-WSF purchases is the OPIS base price without markup, delivery, and tax costs.

Figure 7: Near-term UNADJUSTED BASELINE Qtrly Fuel Prices: November 2016

Fiscal Year Quarter	Crude Oil Price (\$/barrel)	WA Retail Gasoline Price (\$/gal)	WA Retail Diesel Price (\$/gal)
2016: Q3	49.00	2.86	2.71
2016: Q4	52.00	2.81	2.78
2017: Q1	47.00	2.50	2.89
2017: Q2	48.00	2.80	2.92
FY 2017	49.00	2.74	2.82
2017: Q3	51.00	2.86	3.00
2017: Q4	53.67	2.68	3.12
2018: Q1	53.54	2.71	3.12
2018: Q2	57.23	3.12	3.30
FY 2018	53.86	2.84	3.14
2018: Q3	58.83	2.98	3.38
2018: Q4	59.33	2.87	3.42
2019: Q1	61.36	2.95	3.51
2019: Q2	63.25	3.33	3.60
FY 2019	60.69	3.03	3.48

Figure 8: Forecast of UNADJUSTED Washington Retail Gasoline Prices, Regular November, September, and February 2016

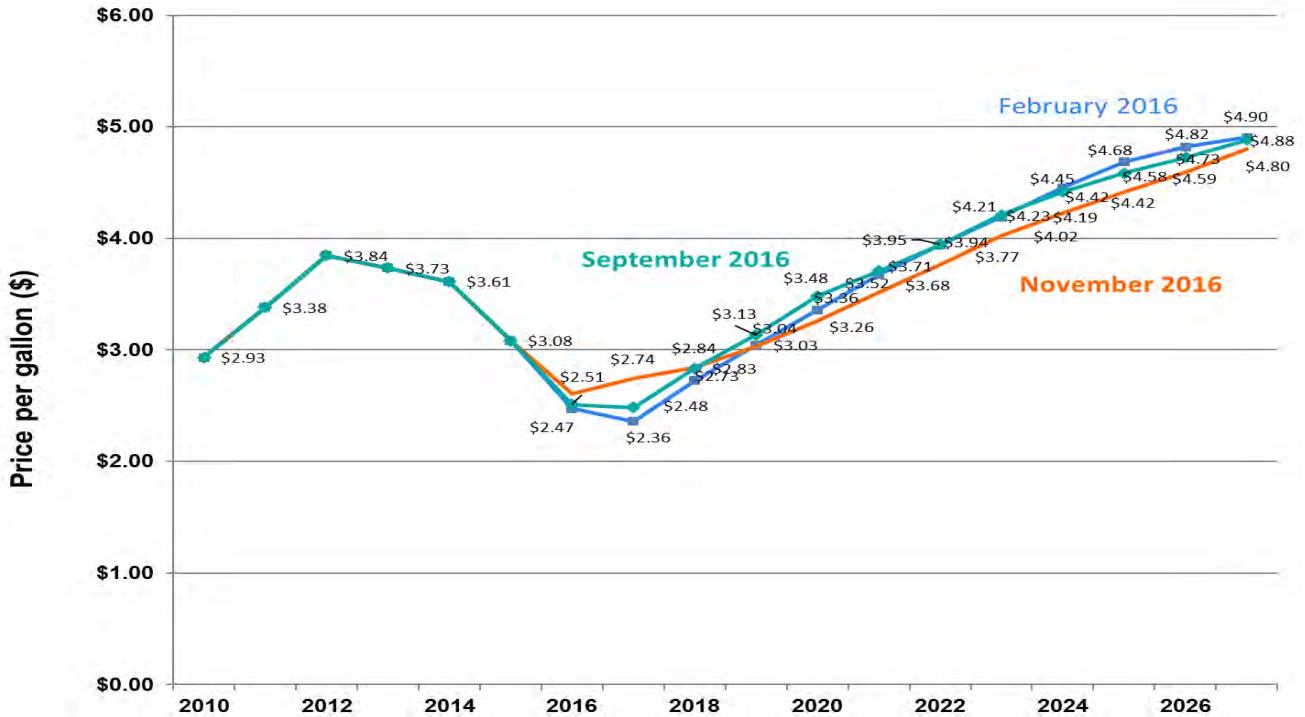
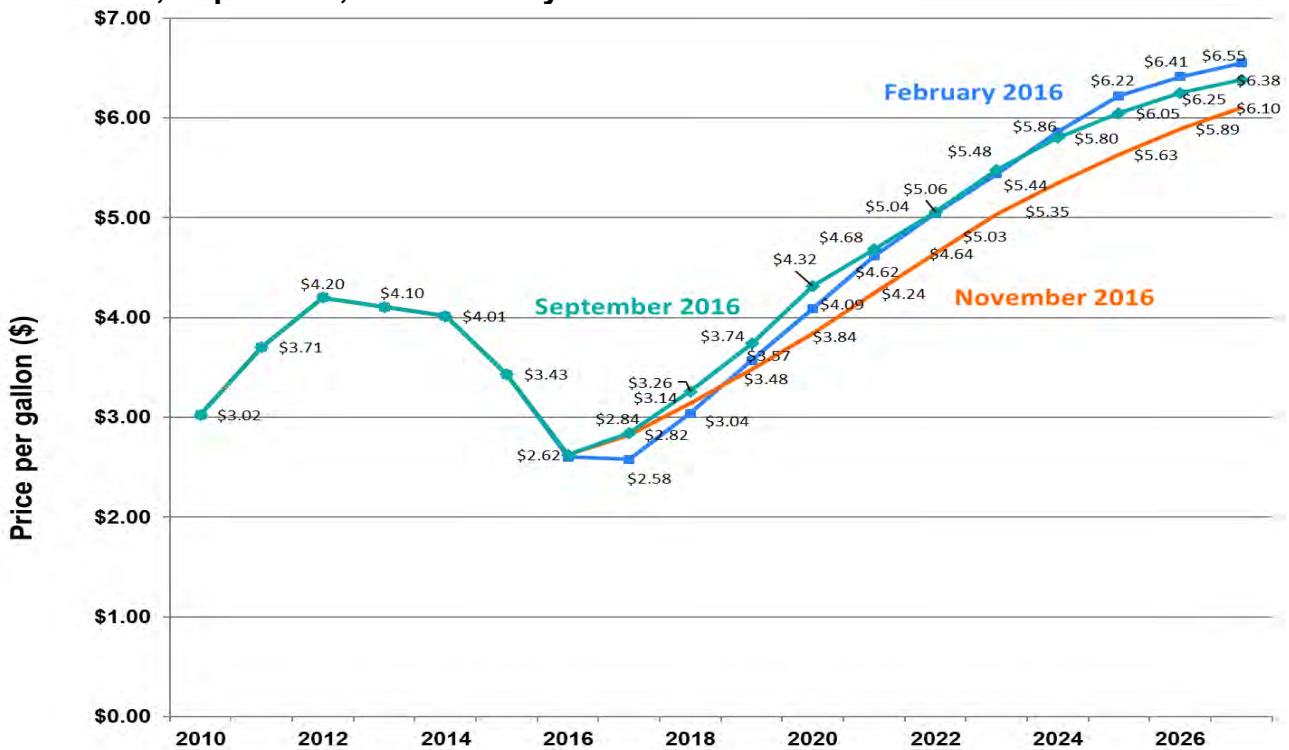


Figure 9: Forecast of UNADJUSTED Washington Retail Diesel Prices November, September, and February 2016



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

The WTI crude oil prices from five surveyed forecasting entities, EIA, NYMEX, Global Insight, Consensus Economics, and Moody's Economy.com were compared in this forecast. WSDOT's baseline fuel price forecasts use the Energy Information Administration (EIA) forecasts in the near-term through calendar year 2017 and then use the growth rates from Global Insight forecasts for subsequent years. The forecast for WTI crude oil in FY 2017 ranged from \$47.1 per barrel from NYMEX to \$49.8 per barrel by Moody's Economy.com with an average of \$48.73 per barrel. The forecast for WTI crude oil in FY 2018 ranged from \$50.11 per barrel by NYMEX to \$59.8 per barrel by Moody's Economy.com with the average being \$54.85 per barrel. The baseline crude oil price forecast in FY 2017 and 2018 was 0.5% above and 1.84% below the 5 entity average. The average forecast for WTI crude oil in FY 2019 ranged from \$51.75 per barrel by NYMEX to \$62.4 per barrel by Moodys Economy.com with the average being \$58.97 per barrel. The baseline crude oil price forecast is anticipated to be 2.84% above the 5 entity average. Figure 10 reveals the WSDOT baseline WTI price forecast compared to the other entity crude oil price forecasts.

Figure 10: Near-term Annual WTI Crude Oil Price Forecasts – 5 Different Forecast Comparisons: November 2016 Dollars per barrel

Fiscal Year	WSDOT (EIA/GI)	NYMEX	Global Insight	Economy.com	Consensus Economics	5 Entity Avg	% Diff Lowest	% Diff Highest	% Diff Average
2017	\$49.00	\$47.10	\$48.22	\$49.84	\$49.50	\$48.73	-3.87%	1.71%	-0.54%
2018	\$53.86	\$50.11	\$52.94	\$59.82	\$57.51	\$54.85	-6.96%	11.08%	1.84%
2019	\$60.69	\$51.75	\$58.82	\$62.39	\$61.19	\$58.97	-14.73%	2.80%	-2.84%

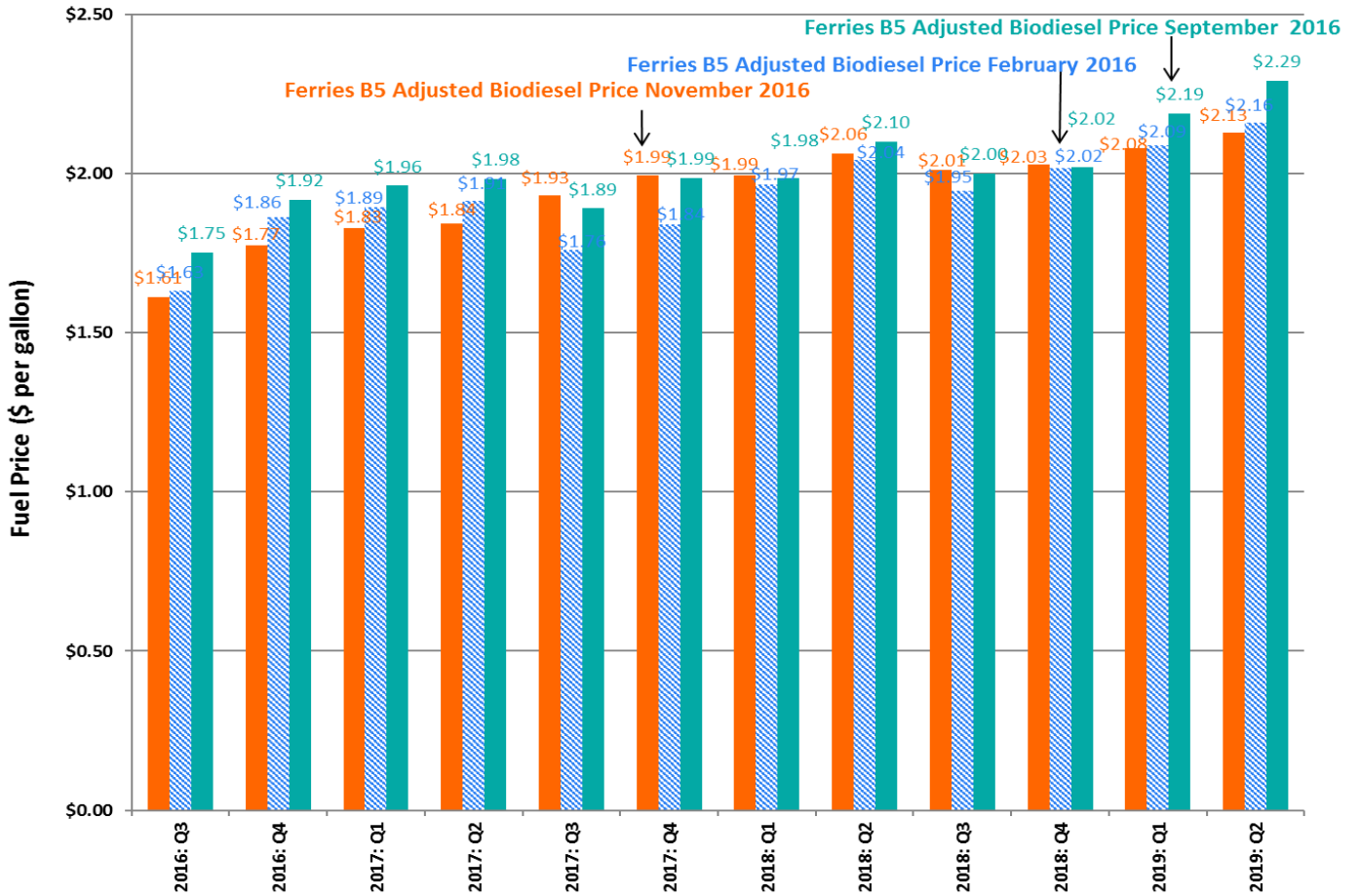
Figure 11: Near-term Average Adjusted Quarterly Fuel Prices and B5 Biodiesel Prices and Unadjusted B99 Biodiesel Prices Used for Budgeting Purposes: November 2016 Dollars per gallon

Fiscal Year Quarter	Adjusted WA Retail Gasoline Price (\$/gal)	Adjusted WA Retail Diesel Price (\$/gal)	Adjusted B5 Biodiesel Price (\$/gal)	Unadjusted B99 Biodiesel price
2016Q3	2.86	2.71	1.61	3.95
2016Q4	2.80	2.76	1.77	4.02
2017Q1	2.49	2.87	1.83	4.18
2017Q2	2.79	2.90	1.84	4.22
FY2017	2.73	2.81	1.76	4.09
2017Q3	2.91	3.06	1.93	4.34
2017Q4	2.73	3.18	1.99	4.51
2018Q1	2.76	3.18	1.99	4.51
2018Q2	3.17	3.36	2.06	4.78
FY2018	2.89	3.20	1.99	4.54
2018Q3	2.89	3.29	2.01	4.89
2018Q4	2.78	3.32	2.03	4.94
2019Q1	2.87	3.41	2.08	5.08
2019Q2	3.23	3.50	2.13	5.21
FY2019	2.94	3.38	2.06	5.03

WSDOT applies the five forecast entity average adjustment to the baseline November 2016 retail gasoline, diesel, and B5 biodiesel prices. The fuel prices listed in Figure 11 will be used to estimate the future costs to WSDOT agency's 2015-17 and 2017-19 biennium budgets for gas, diesel and biodiesel fuel purchases for fiscal years 2017 through 2019. The latest adjusted forecast requires a 0.5% decrease in the baseline fuel prices for retail gas, diesel and B5 biodiesel prices for FY 2017 and 1.84% upward adjustment to FY 2018. In FY 2019 baseline fuel prices are also adjusted downward by 2.84%. The B99 biodiesel prices are not adjusted. As Figure 12 reveals, the new B5 fuel prices forecast is below the September forecast in all quarters of FY 2017. In FY 2018, the new November forecast is slightly higher than the last

forecast for first three quarters of the fiscal year. In FY 2019, the November forecast is nearly the same or below the last forecast.

Figure 12: Quarterly Ferries Adjusted B5 Biodiesel Prices Used for Budgeting the 2015-17 and 2017-19 Biennia November, September vs. February 2016 Forecasts



Motor Vehicle Fuel Tax Forecast

Overview

Tax collections from motor vehicle fuel sales of gasoline and diesel for September and October 2016 fell below the September 2016 forecast by 0.29% or \$12.8 million. Gasoline tax collections for the two months came in above the last forecast by \$34.59 million or 13.86%. Diesel on the other hand came in well below forecast by \$33.65 million or 44.9%. The reason for the offsetting increase in collections for gasoline and the decrease in collections in diesel is due to DOL instituting a new fuel tax reporting system where all tax revenues are initially deposited as gasoline taxes. Only when all tax returns are received and inspected are revenues for gasoline and diesel identified properly. Gross motor vehicle fuel tax revenues for the 2015-2017 biennium are projected to be \$3.29 billion which is \$1.3 million or 0.04% higher than forecasted in September. The overall motor vehicle fuel tax revenue for the 10-year period beginning in the current biennium and ending in the 2023-25 biennium totals \$18.1 billion, which represents \$10.4 million or 0.06% more than the September revenue forecast.

Primary reasons for the change in the November 2016 forecast

- In the current biennium, gross gas tax collections are up by \$6 million due to actuals coming in stronger than anticipated in September. There is a greater amount of uncertainty in these actuals
- due to DOL's new fuel tax reporting system and the lack of reports on the disposition of final tax collections each month. In the next biennium, gas tax collections are down minimally by \$0.57 million from the last forecast but the forecast-to-forecast difference increases over the forecast horizon, totaling \$58.9 million in the ten years from 2016-2025. This increase in gas tax revenues is due to higher growth rates from an improved quarterly forecast model using the same functional form as the annual forecast model.

Diesel tax revenues are projected to be down \$4.7 million in the current biennium compared to the September forecast and down throughout the forecast horizon compared to September. The forecast-to-forecast diesel tax revenue declines a total of \$48.5 million over the next ten years. Overall, all fuel taxes are up \$10 million over the next ten-years.

Motor Vehicle Revenue (Licenses, Permits, and Fees)

Overview

Vehicle related forecasts fall into two main categories: motor vehicle registrations and license plate-related fees. This forecast has a variety of small fees but the majority of the revenue is from registration-based fees. There are five main economic drivers for the vehicle licenses, permits, and fees (LPF) forecast: Washington population and net migration, Washington real personal income, Washington - U.S. real income share, Washington Retail Employment, and U.S. sales of light vehicles.

Washington State anticipates collecting just under \$1.3 billion from vehicle licenses, permits, and fees (LPFs) in the 2015-2017 biennium, an increase of \$900,000 (0.07%) compared to the forecast in September. For the next 10-year period, the LPF forecast is anticipated to be \$7.530 billion which is up \$1.6 million or 0.3% from the previous estimate in September.

Primary reasons for the change in the November 2016 forecast

- Forecasted passenger vehicle registrations for FY 2017 essentially unchanged in the September forecast.
- In the short term passenger car registrations are slightly higher for 2017 than the previous forecast but are slightly lower in the next fiscal year. This reflects the minor changes in the Forecast Council's forecast of personal income.
- In the long-term, the November passenger car revenue forecast is lower than the last forecast by roughly \$200,000 to \$300,000 each biennium.
- The forecast for motorcycles has the major impact on \$30 registration revenue. Motorcycles have not been keeping pace with the previous forecast and were down by 2%. Additionally, we made our annual review of various growth rates and determined that our forecasted growth rate did not align

with history or national trends for motorcycle registrations. Instead of our aggressive year-over-year growth rates, the new forecast is relatively flat, which aligns with history.

- The reduced motorcycle forecast is responsible for the bulk of the negative \$2 million revenue change in the 19-21 biennium. That negative change grows to almost \$3 million by the 2025-2027 biennium.
- The reduced motorcycle forecast also negatively impacts the passenger weight fee collections. The loss to those fees parallel the loss of \$30 registrations until the 2023-2025 when the extra \$10 fee kicks in. By the end of the forecast horizon the difference is \$4 million.
- Forecasted truck registrations are up slightly for FY 2017 from the previous forecast but increase more aggressively in the out years due to higher employment forecasts.
- Truck Revenues are up over the previous forecast from \$2 to \$4 million each biennium due to higher forecasted registrations and makes up the loss in revenue from motorcycles until the 2023-2025 biennium.
- 18J (Capital Vessel Replacement Service Fee) revenue is revised up by about \$0.67 million (+5%) per year throughout the forecast horizon. This upward revision reflects improved estimates for the total fund revenue to include permit transactions in addition to stand vehicle/vessel registrations.
- Plate replacement came in lower than expected. Forecast is revised down by about 0.26 million per year (-1.7%) throughout the forecast horizon.

Driver Related Revenue Forecasts

Overview

The November 2016 forecast of driver related revenue projected by the Department of Licensing includes the following revenues: driver license fees (including commercial driver licenses, enhanced driver licenses, and temporary restricted licenses), ID card fees, driver exam application fees, copies of records, motorcycle operator fees, ignition interlock fees, and other miscellaneous fees. The miscellaneous fees include vehicle filing 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).

All driver-related revenue for FY2015-17 biennium is forecast at \$303.5 million, about \$0.3 million (or -0.1%) lower than the prior forecast. Over the next ten year period (FY16-FY25), driver related revenue is anticipated to total \$1,507.3 million, about -\$5.3 million (-0.3%) lower from the prior forecast.

It is important to note that many of the driver related revenue streams follow a five-year renewal cycle until FY2015 when DOL started issuing six year licenses. Caution is advised in year over year comparisons.

Primary reasons for the change in the November 2016 forecast

- Continued decline in commercial purchases of driver records;
- Decrease in hearings.

Other Transportation Related Revenue Forecast

Overview

This category of transportation related revenue forecasts consist of four primary components: vehicle sales and use taxes, rental car sales taxes, studded tire fees, business and other revenue and aeronautics revenue. The business and other revenue category includes the following revenue sources:

- Sales of property
- WSP and DOT services and publications and documents
- Filing fees and legal services
- Property management
- Access Permits (Highways)
- Outdoor Advertising
- Other revenues

State Patrol Highway Account miscellaneous revenue consists of ACCESS fees (fees charged for usage of our statewide law enforcement telecommunications system), Breathalyzer Test fines, DUI Cost Reimbursement, Commercial Vehicle Penalties and Communication Tower Site Leases and Terminal Safety Inspection fees.

Washington State anticipates collecting over \$192.6 million from Other Transportation Related revenues in the 2015-2017 biennium, a decrease of \$4.25 million compared to the forecast in September. For the next 10-year period, the transportation related revenue forecast is anticipated to be \$1,065.4 million which is up \$0.6 million from the previous estimate in September.

Primary reasons for the change in the November 2016 forecast

- Vehicle sales and use tax revenue is down by \$17,000 or 0.02% in the current biennium since the last forecast due to updated actual collections. Due to a higher long-term national forecast of US spending on light vehicles, new vehicle sales tax revenue forecast is up from the last forecast in future biennia. The upward revision is small and ranges from 0.2% in FY 2018 to 0.5% in FY 2027.
- Rental car tax revenue is up \$451,000, or 0.7%, in the current biennium due to higher collections in recent months. In next biennium, the change in the rental car tax revenue is up 1.2% from September. In all future biennia, the rental car forecast is also up from the September forecast by 1.4% to 1.1% by the end of the forecast horizon due mainly to higher collections to date and a minimally changed economic forecast.
- WSDOT Business and other miscellaneous revenue have been updated to reflect current receipts which caused an overall trend downward from the last forecast. Property sales are coming in lower (-\$4.3 million) than forecasted in September (-37.8%). Overall Business related revenues are down 26%, or \$4.5 million from the last biennium in the current biennium.
- The school zone fines forecast has been adjusted for actuals which came in slightly lower since September's forecast.
- WSP business related revenue for November has not changed materially from the September forecast. The aviation fuel tax forecast was revised downward by -\$99,792 or -2.6% in the current biennium due to lower fuel tax revenue year to date. Subsequent biennia are also lower on average by -\$44,200.
- The aviation fuel tax forecast was revised downward by -\$25,000 or -0.67% in the current biennium due to lower fuel tax revenue year to date. Subsequent biennia are also lower by -\$4,300 and growing slightly to -\$5,900.
- The aircraft excise tax revenue was revised upward due to an increase in the state population forecast forecasted by OFM in November 2016.
- The aeronautics refund transfer has been raised in this November forecast to reflect higher gasoline fuel consumption.

Ferry Ridership and Revenue

Overview

For the current forecast, the ferry fare revenue and ridership forecasts for Washington State Ferries are completed in four stages applying to seven fare categories. The seven fare categories are:

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

Overall, the November Baseline Forecast ridership in the current biennium is 0.3% lower than the September Forecast, as a result of 0.7% forecast reduction for FY 2017. For the rest of the forecast horizon, projected overall ridership ranges from unchanged in FY 2018, 0.4% higher for FY 2019, and up to 1.5% higher by the end of the forecast horizon, compared to the September Forecast.

Total fare and miscellaneous revenues forecasted for the 2015-17 biennium amount to \$376.2 million, lower from the last forecast by 0.5%. Over the next 10 years, ferry total revenue will be \$2.4 billion which is higher than the last forecast by 0.7%.

Primary reasons for the change in the November 2016 forecast

- Higher projections for adult population, employment, and real personal income forecasts over the forecast horizon help to bolster both ridership and fare revenues beyond the current fiscal year. Lower real gas prices, combined with lower real fares as a result of slightly higher inflation projections, also contribute to higher revenue and ridership projections. October 2016 actual ridership was 1.7% lower than the previous year and 6.9% lower than the September forecast contributes to the FY 2017 ridership and revenue forecasts being 0.7% and 0.9% lower than previously forecasted, respectively. That October 2016 was the rainiest on record likely contributed to the lower than expected performance.
- Miscellaneous revenue forecasts for the 2015-2017 biennium are down 2.1% from September, with vessel non-fare revenue down more than other non-fare revenue from terminals. A new galley vendor contract was awarded and the revised forecasts reflect a temporary reduction at the end of the prior contracts. WSF will have actuals from the new food service vendor that started on October 1, 2016, and those additional revenues will be incorporated into the March 2017 forecast.

Toll Revenue

Overview

Washington State has four tolled facilities. The September 2016 forecast was a no change forecast from June 2016; The November 2016 forecast has changes to toll revenues for all four toll facilities.

- Tacoma Narrows Bridge (TNB): November update reflects the strong regional population and employment growth, leading to a 0.7% increase on transaction from prior forecast in FY 2017. This same adjustment in transactions continued throughout the forecast horizon. There was also a revision in the payment mix for TNB. Good To Go(GTG) transponder transactions percent of total is decreased from 59.8 to 57.7 percent in FY 2017; the Pay By Plate (PBP) transactions percent of total increased by 2.0 percent, from 9.2% to 11.2%. This change was due to actual GTG transponder transactions coming in less than projected and photo tolling transactions (especially PBP transactions) coming in higher than anticipated. TNB total revenue is up minimally from the last forecast through most of the forecast horizon except for the last biennium. November forecast anticipates the transponder transaction share will go up in the future, reaching to a steady stage of 64.5% in FY 2026.
- SR 520 Toll Bridge: SR 520 November update incorporates the latest investment grade forecast based on the performance assessment through June 2016, a revised socioeconomic forecast, the latest closure assumptions for SR 520 and I-90, and revised payment share projections. SR 520 traffic forecast is down 2% in FY 2017 and about 1% the remaining years of the forecast horizon. The reduced projections for gross toll revenue potential in the November 2016 forecast and adjustments to toll revenue leakage rates to account for higher rates of revenue not recognized attributed to the inability to read a license plate or identify the vehicle owner, partially offset by higher toll revenue recovery in the civil penalty process, led to slight decreases in adjusted gross toll revenue of \$3.3 million in the 2015-17 biennium, and \$2.6 million in the 2017-19 biennium. Starting in FY 2020, leakage rates are expected to decline with the transition to new customer service center (CSC) systems software and operations vendor contracts with improved back office systems and operations toll billing procedures.
- SR 167 High Occupancy Toll (HOT) Lanes: This November forecast reflects the actual transaction and revenue trend in the current biennium, which brings up the toll revenue by \$438,028 (14 percent increase) from last forecast. The revenue increase is driven by higher transactions and higher toll rate.
- I-405 Express Toll Lanes (ETLs): The November 2016 forecast was revised from the values presented in the September 2016 forecast. Similar to SR 520, the updated forecast for adjusted toll revenue incorporates higher revenue not recognized leakage in the short term until the transition to new CSC systems software and operations vendor contracts that are anticipated to result in revenue not recognized leakage rates more aligned with industry standards. The November 2016 forecast predicts adjusted gross toll revenue to be \$35 million for the 2015-17 biennium, which is \$5 million (18 percent) higher than the previous forecast. The total I-405 revenue and fees are updated to \$41 million for 2015-17 biennium, \$6 million (18 percent) higher than the previous forecast.

The following table is a summary of changes to the Adjusted Gross Toll Revenue. More details are available under the narratives for each toll facility.

Figure 14: Changes to Adjusted Gross Toll Revenue (\$ millions)

	Toll Facility	FY 2016	FY 2017	2015-17 Biennium	FY 2018	FY 2019	2017-19 Biennium
November TRFC	TNB	\$ 78.191	\$ 79.836	\$ 158.027	\$ 81.301	\$ 82.593	\$ 163.894
	SR 520	69.353	75.469	144.822	80.562	82.340	162.902
	SR 167 HOT Lanes	1.387	2.000	3.387	-	-	-
	I-405 ETLs	12.333	23.154	35.487	24.698	26.427	51.125
	Total	\$ 161.264	\$ 180.459	\$ 341.723	\$ 186.561	\$ 191.360	\$ 377.921
June TRFC	TNB	\$ 77.958	\$ 79.511	\$ 157.469	\$ 81.012	\$ 82.111	\$ 163.123
	SR 520	69.058	79.059	148.117	86.990	83.490	170.480
	SR 167 HOT Lanes	1.350	1.703	3.053	-	-	-
	I-405 ETLs	12.526	17.629	30.155	18.513	19.449	37.962
	Total	\$ 160.892	\$ 177.902	\$ 338.794	\$ 186.515	\$ 185.050	\$ 371.565
Changes from June TRFC	TNB	\$ 0.233 0.3%	\$ 0.325 0.4%	\$ 0.558 0.4%	\$ 0.289 0.4%	\$ 0.482 0.6%	\$ 0.771 0.5%
	SR 520	\$ 0.295 0.4%	\$ (3.590) -4.5%	\$ (3.295) -2.2%	\$ (6.428) -7.4%	\$ (1.150) -1.4%	\$ (7.578) -4.4%
	SR 167 HOT Lanes	\$ 0.037 2.7%	\$ 0.297 17.4%	\$ 0.334 10.9%	\$ - 0.0%	\$ - 0.0%	\$ - 0.0%
	I-405 ETLs	\$ (0.193) -1.5%	\$ 5.525 31.3%	\$ 5.332 17.7%	\$ 6.185 33.4%	\$ 6.978 35.9%	\$ 13.163 34.7%
	Total Changes	\$ 0.372 0.2%	\$ 2.557 1.4%	\$ 2.929 0.9%	\$ 0.046 0.0%	\$ 6.310 3.4%	\$ 6.356 1.7%

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

As mentioned in the toll *Overview*, TNB's primary change in November 2016 forecast is to reflect the strong socioeconomic growth and the revision of the payment mix.

Based on the actual transaction trend in the past year, November forecast adjusts payment share assumptions, with *Good To Go!* (GTG) transponder shares decreasing from approximately 59.8 percent to 57.7 percent in FY 2017, and GTG Pay by Plate (PBP) shares increasing from 9.2 percent to 11.2 percent. The leakage assumption is unchanged from last forecast.

All the factors combined, comparing to June 2016 forecast, TNB adjusted gross toll revenue November forecast shows \$558,000 toll revenue increase (by 0.4%) in 2015-17 biennium, and \$771,000 toll revenue increase (by 0.5%) in 2017-19 biennium. In the November forecast, TNB civil penalty forecast was brought down significantly by \$335,377 in the current biennium. The decline in the civil penalty revenue grows each biennium and by the last biennium, civil penalties is down \$1.1 million from the last forecast. Overall, total TNB toll and fee revenues are up by \$382,689 or 0.2% from the last forecast in the current biennium but over the forecast horizon, the loss in civil penalty revenue is greater than the increase in toll revenue. By the 2023-25 biennium, TNB total toll and fee revenue is down slightly from the last forecast.

Figure 15: FY 2017 TNB Reported Toll Transactions Compared to June 2016 Forecast

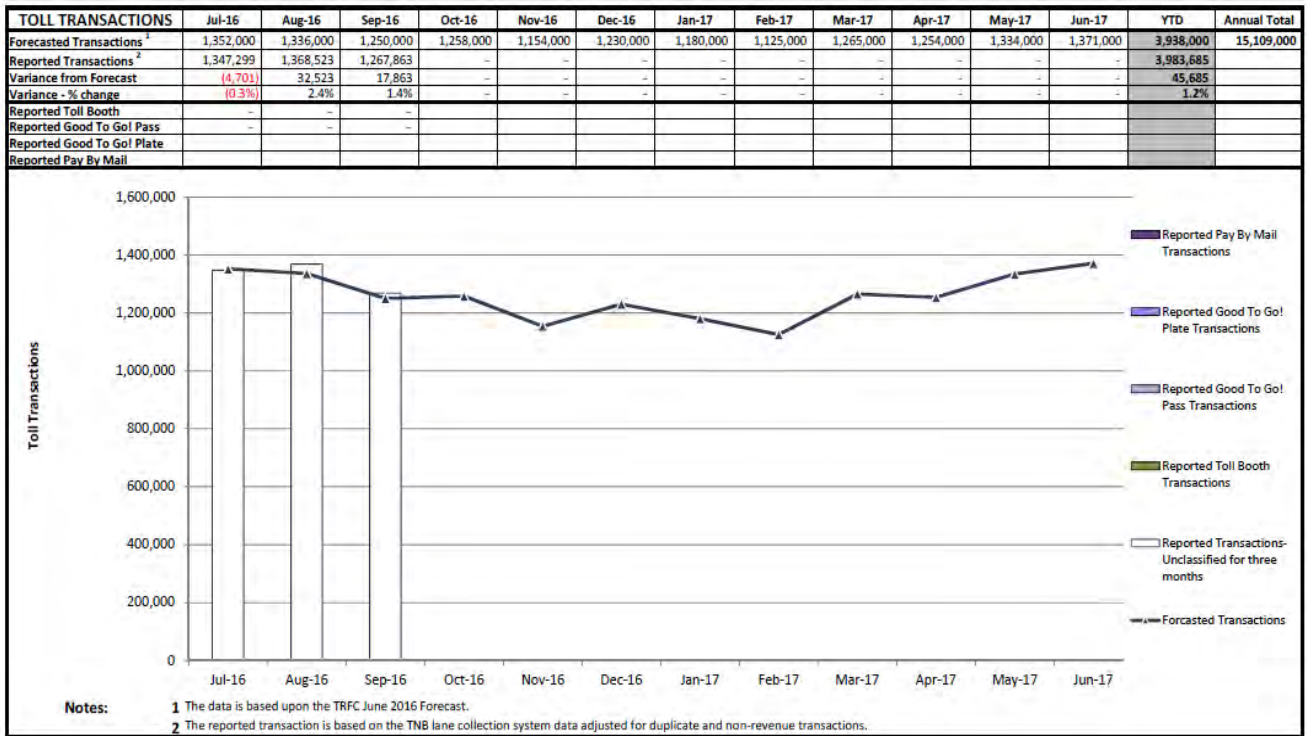
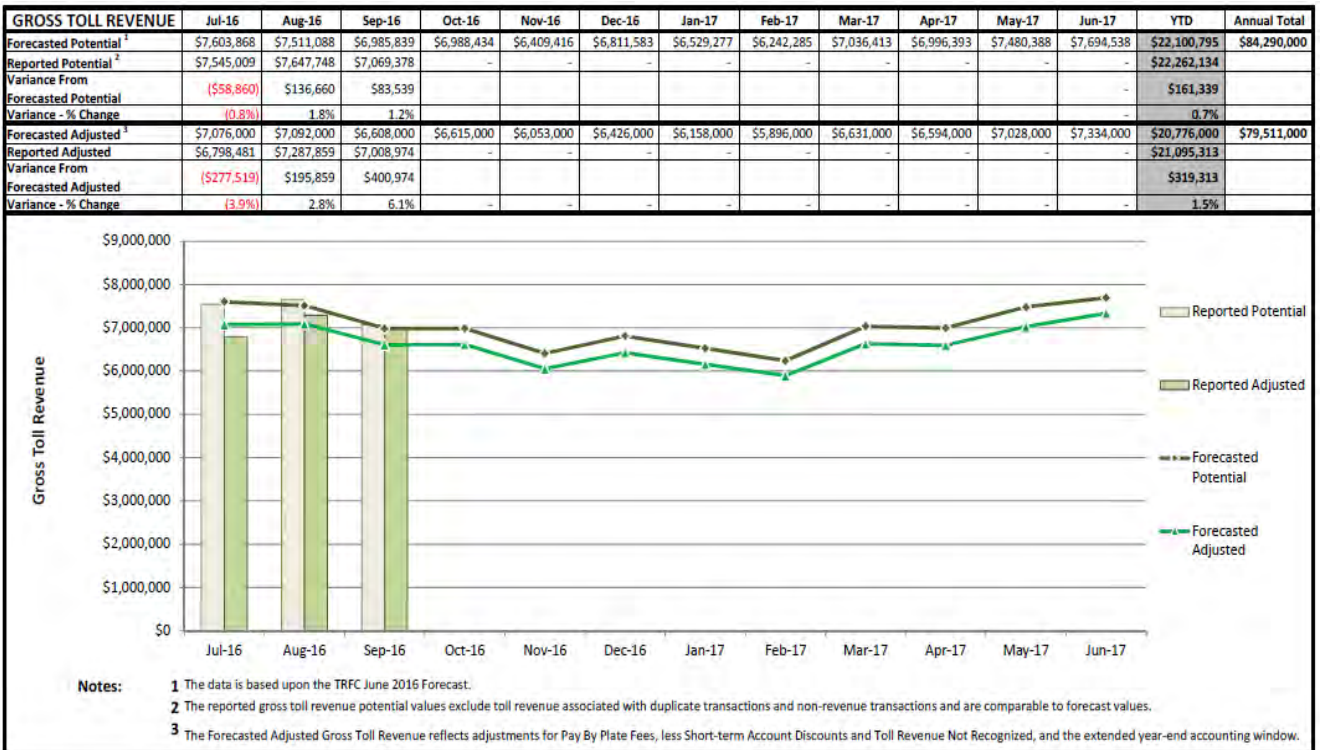


Figure 16: FY 2017 TNB Reported Toll Revenue Compared to June 2016 Forecast



Updates to SR 520 Toll Bridge traffic and toll revenue

The SR 520 November 2016 TRFC forecast incorporates the latest investment grade forecast update referred to as the November 2016 forecast.

The November 2016 forecast incorporates actual SR 520 traffic volumes and gross toll revenue potential through December 2015, and preliminary actual values based on monthly reporting from January 2016 through June 2016. The performance review was used primarily to inform the short term traffic and revenue forecast. Average weekday and weekend transactions for FY 2016 were re-benchmarked using observed data; short term weekday and weekend transaction growth rates were re-evaluated and updated; and weekday hourly profiles of transactions by direction were refined to better align with recent observations as well as future incremental capacity enhancements along the corridor.

The assumptions on the number of SR 520 closures have not changed since the June 2016 forecast, with the exception of two additional weekend closure days on SR 520 in FY 2017. The revised forecast also incorporates the expected impact of partial I-90 closures due to construction in FY 2017.

A revised independent economic forecast for the bridge influence area was completed by Community Attributes Inc. in October 2016 and taken into account in developing the revised revenue forecasts.

The November 2016 forecast has lower *Good To Go!* Shares with the decrease being around minus 0.5 percent compared to the prior forecast.

The November 2016 forecast includes adjustments to the current and subsequent biennia to reflect actual experience with the current CSC vendor in regards to the rate of readable license plate images and rate for identifying the vehicle owner's name and address for sending a toll bill when the plate is readable. This results in higher rates of revenue not recognized (unbillable) leakage. During the 2019-21 biennium, we expect a transition to new CSC systems software and operations vendor contracts, which are expected to improve and lower the rate of revenue not recognized (unbillable) leakage. Accounting for leakage and revenue and discounts associated with the \$0.25 *Good to Go!* Pay By Plate fees and short term account discount, adjusted gross toll revenue is \$3.3 million or 2.2 percent lower than the prior forecast in the 2015-17 biennium and \$2.6 million or 1.6 percent lower in the 2017-19 biennium.

SR 520's full FY 2016 transaction and gross toll revenue reported values are within 2 percent of the November 2015 IG forecast (finalized in June 2016 TRFC) transaction values but they are down. The gross toll revenue potential and adjusted gross toll revenue values are within one half of one percent of the last forecast. However, the adjusted gross toll revenue values include approximately \$800,000 in recovered toll revenue through the Customer Program for Resolution (CPR), which provides customers with overdue unpaid tolls, fees, and penalties an opportunity to resolve the underlying issues with their late payments and have the fees and penalties (but not the tolls) waived as a one-time courtesy. The program was implemented in July 2015 and was not accounted for in the June 2016 TRFC forecast values. The current forecast assumes CPR payments as an offset to toll revenue leakage.

SR 520's first quarter FY 2017 transaction are within one half of one percent of the November 2015 IG forecast (finalized in June 2016 TRFC), and gross toll revenue potential and adjusted gross toll revenue are 0.8 percent and 2.9 percent lower respectively. Similar to FY 2016 forecast values, the FY 2017 forecast values have not accounted for toll revenue recovered through the CPR program.

SR 520's civil penalty forecast is down significantly from the last forecast. In the current biennium, civil penalty revenue is down \$8.43 million so total SR 520 toll and fee revenue is down \$10.95 million or 5.82%. This same decline in civil penalty revenue is seen in the outer biennia. In the next biennium, total SR 520 toll and fee revenue is down \$9 million or 4.6%. By the last biennium, the change from the last forecast in total toll revenue and fees is \$6.3 million or 2.7%.

Figure 17: FY 2016 SR 520 Reported Toll Transactions Compared to June 2016 Forecast

TOLL TRANSACTIONS	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Fiscal Year To Date	Annual Total
Forecasted Closure Days ¹	-	1.4	-	-	2.0	2.0	-	-	1.0	4.00	-	-	10.4	10.39
Reported Closure Days	-	1.4	-	-	1.7	0.8	-	-	0.5	5.5	-	-	9.8	9.8
Forecasted Transactions ²	1,932,000	1,903,000	1,894,000	2,016,000	1,754,000	1,777,000	1,862,000	1,837,000	2,033,000	1,788,000	2,038,000	2,052,000	22,886,000	22,886,000
Reported Transactions ³	2,047,488	1,931,941	1,901,386	2,053,773	1,749,637	1,853,500	1,901,672	1,849,759	2,046,140	1,667,332	2,075,349	2,139,023	23,217,000	23,217,000
Variance From Forecast	115,488	28,941	7,386	37,773	(4,363)	76,500	39,672	12,759	13,140	(120,668)	37,349	87,023	331,000	331,000
Variance - % Change	6.0%	1.5%	0.4%	1.9%	(0.2%)	4.3%	2.1%	0.7%	0.6%	(6.7%)	1.8%	4.2%	1.4%	1.4%
Reported Good To Go! Pass	61.1%	60.5%	62.1%	63.5%	64.1%	63.5%	64.8%	65.0%	64.0%	63.3%	62.3%	60.9%	62.9%	62.9%
Reported Good To Go! Plate	21.4%	21.8%	21.5%	20.6%	20.5%	20.3%	20.2%	20.1%	20.9%	21.8%	21.8%	22.2%	21.1%	21.1%
Reported Pay By Mail	17.4%	17.6%	16.4%	15.9%	15.5%	16.3%	15.0%	14.8%	15.1%	14.9%	15.9%	16.9%	16.0%	16.0%

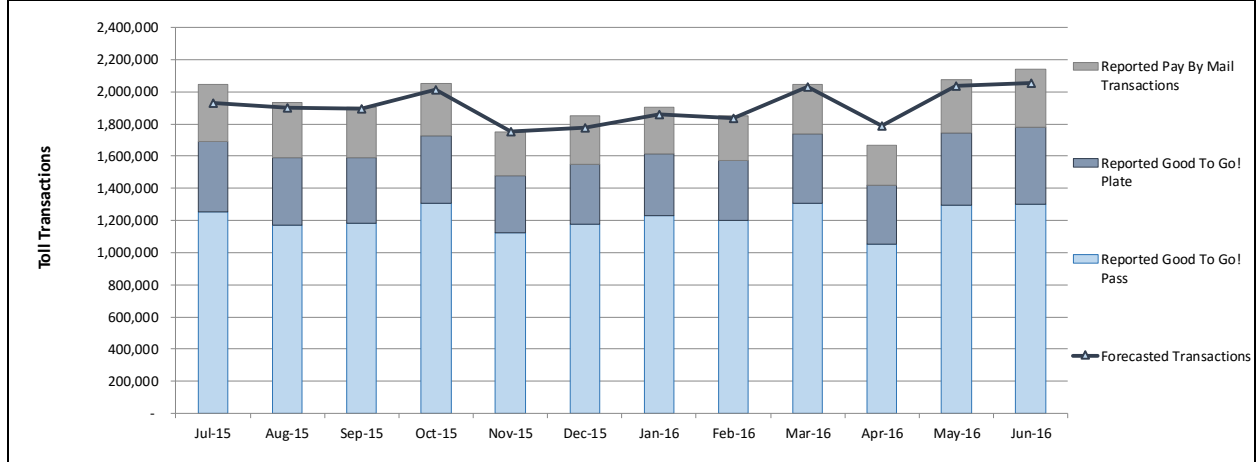


Figure 18: FY 2016 SR 520 Reported Toll Revenue Compared to June 2016 Forecast

GROSS TOLL REVENUE	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Fiscal Year To Date	Annual Total
Forecasted Closure Days ¹	-	1.4	-	-	2.0	2.0	-	-	1.0	4.00	-	-	10.39	10.39
Reported Closure Days	-	1.4	-	-	1.7	0.8	-	-	0.5	5.5	-	-	9.8	9.8
Forecasted Potential ²	\$6,293,000	\$6,174,000	\$6,150,000	\$6,533,000	\$5,705,000	\$5,829,000	\$5,965,000	\$5,978,000	\$6,667,000	\$5,922,000	\$6,588,000	\$6,688,000	\$74,492,000	\$74,492,000
Reported Potential ³	\$6,617,330	\$6,245,899	\$6,140,916	\$6,572,689	\$5,618,227	\$5,939,381	\$6,038,102	\$5,963,796	\$6,631,687	\$5,519,736	\$6,622,872	\$6,891,041	\$74,801,674	\$74,801,674
Variance From Forecast	\$324,330	\$71,899	(\$9,084)	\$39,689	(\$86,773)	\$110,381	\$73,102	(\$14,204)	(\$35,313)	(\$402,264)	\$34,872	\$203,041	\$309,674	\$309,674
Variance - % Change	5.2%	1.2%	(0.1%)	0.6%	(1.5%)	1.9%	1.2%	(0.2%)	(0.5%)	(6.8%)	0.5%	3.0%	0.4%	0.4%
Forecasted Adjusted ⁴	\$5,484,022	\$5,725,000	\$5,702,000	\$6,057,000	\$5,289,000	\$5,404,000	\$5,531,000	\$5,542,000	\$6,182,000	\$5,491,000	\$6,108,000	\$6,552,978	\$69,068,000	\$69,068,000
Reported Adjusted ⁵	\$5,627,319	\$5,740,750	\$5,711,531	\$6,143,241	\$5,322,810	\$5,277,914	\$5,461,808	\$5,691,787	\$6,519,559	\$5,267,446	\$6,014,768	\$6,573,886	\$69,352,819	\$69,352,819
Variance From Forecast	\$143,298	\$15,750	\$9,531	\$86,241	\$33,810	(\$126,086)	(\$69,192)	\$149,787	\$337,559	(\$223,554)	(\$93,232)	\$20,908	\$284,819	\$284,819
Variance - % Change	2.6%	0.3%	0.2%	1.4%	0.6%	(2.3%)	(1.3%)	2.7%	5.5%	(4.1%)	(1.5%)	0.3%	0.4%	0.4%

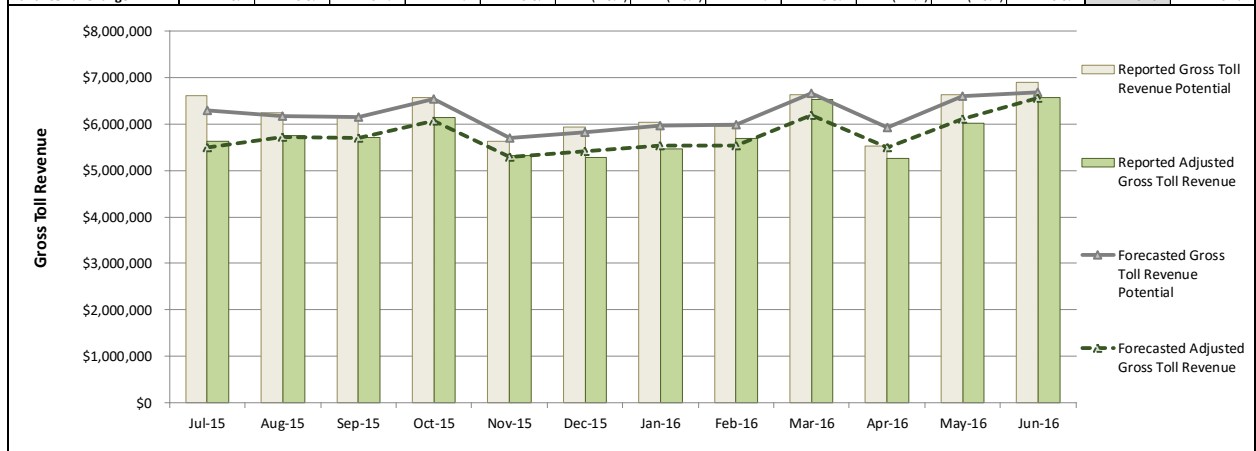


Figure 19: FY 2017 SR 520 Reported Toll Transactions Compared to June 2016 Forecast

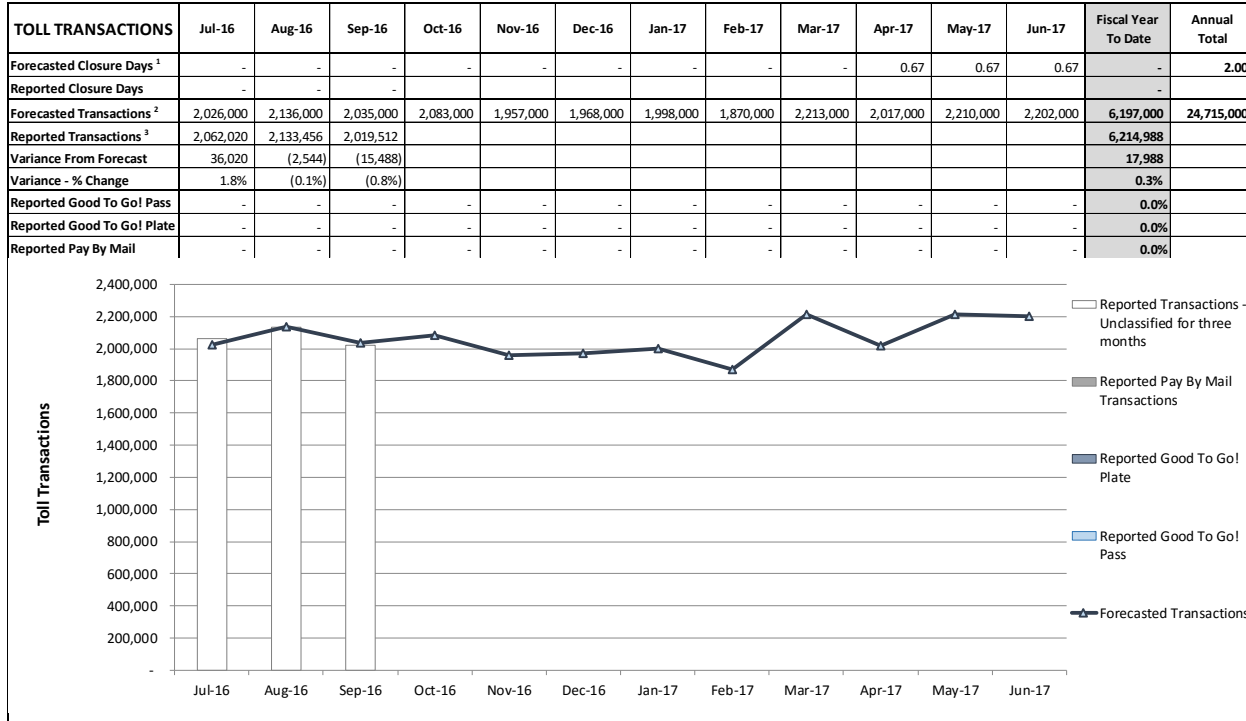
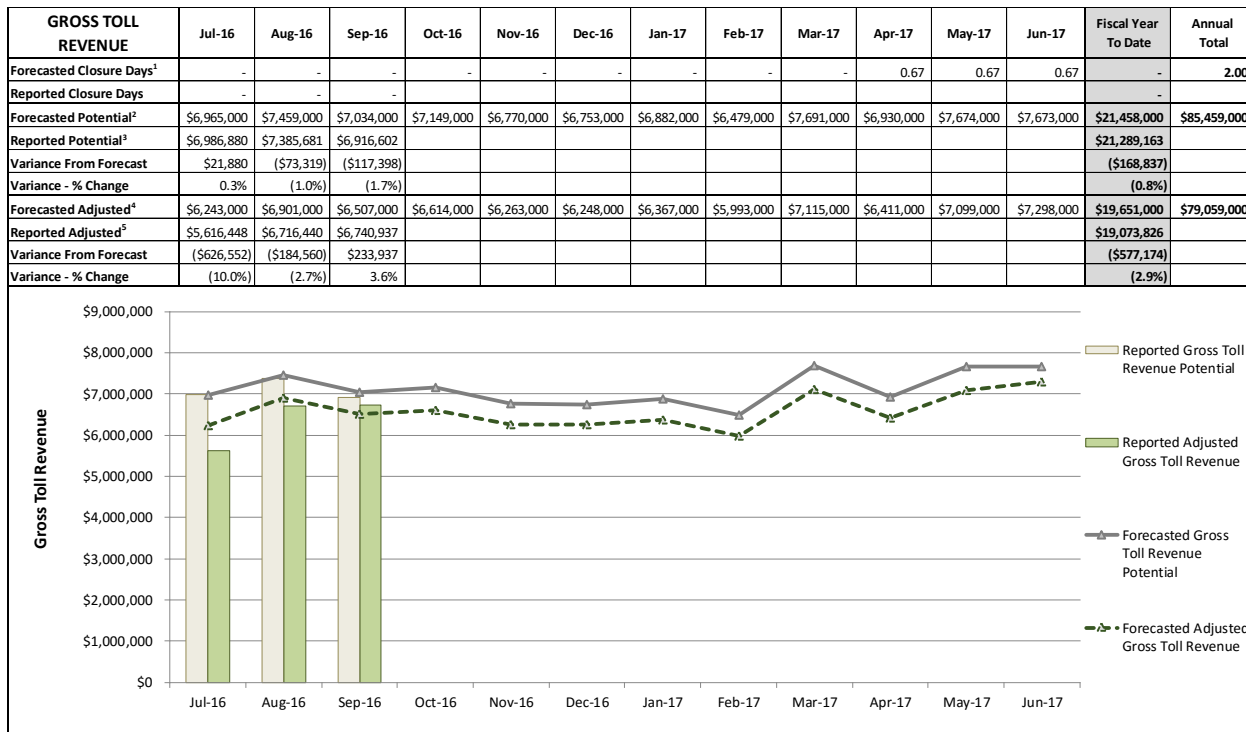


Figure 20: FY 2017 SR 520 Reported Toll Revenue Compared to June 2016 Forecast



Updates to SR 167 High Occupancy Toll (HOT) Lanes traffic and toll revenue

Under current law, SR 167 HOT lanes pilot program will expire in June 2017. The baseline toll revenue forecast has the HOT lanes traffic and revenue ending at the end of FY 2017

Comparing to prior forecast, SR 167 HOT Lanes November forecast increases FY 2017 toll transactions to 1,500,000, up by 181,000 (13.7 percent increase). In FY 2017, SR 167 toll revenue is forecasted to be \$2,000,000, up by \$297,000 (17 percent increase). For the biennium, adjusted toll revenue is up \$334,376 million or 11 percent over the last forecast. Transponder sales, statement fees and miscellaneous revenue are all up from the last forecast. This raises the November total SR 167 toll and fee revenues by \$435,028 or 13.7 percent from the last forecast.

SR 167 November forecast reflects the strong transaction and revenue growth in FY 2017. Toll transactions in the first three months were 17% above the forecast. Toll revenue shows a stronger growth; revenue in the first four months were 31% over the forecast.

By the end of December 2016, the 9-mile southbound HOT Lane extension is expected to be fully operational. This improvement will increase the toll transactions starting from the second half of FY 2017.

Figure 21: FY 2017 SR 167 Reported Toll Transactions Compared to June 2016 Forecast

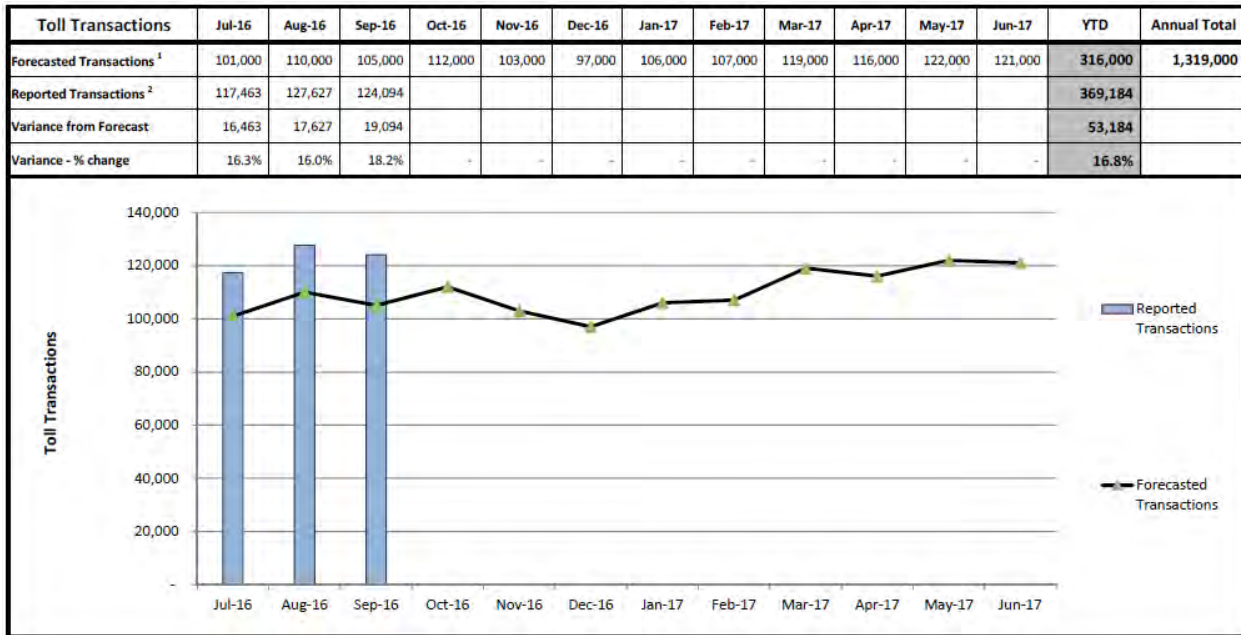
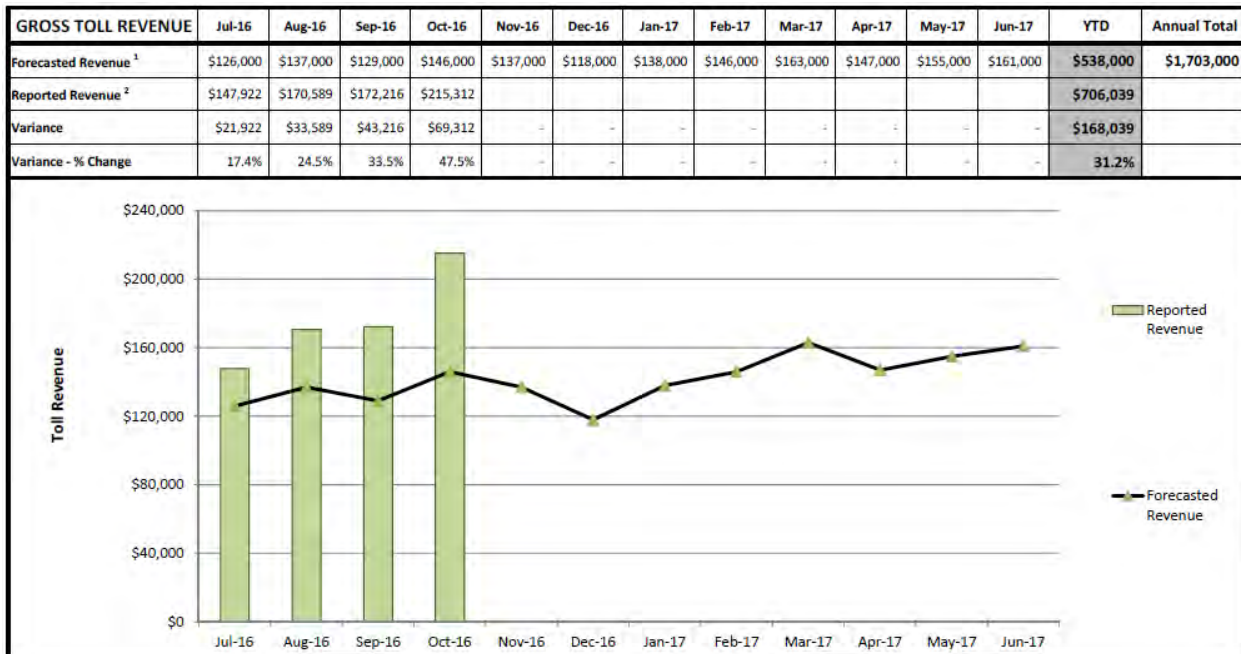


Figure 22: FY 2017 SR 167 Reported Toll Revenue Compared to June 2016 Forecast



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

I-405 ETLs November 2016 forecast incorporates information from the actual traffic and revenue data since I-405 ETLs opened in September 2015. Both the prior and new November forecast only include express toll lanes from Bellevue north to Everett and excludes any future express toll lanes south of Bellevue.

The I-405 transactions are up from the last forecast by 10 percent each year due to actual transactions coming in much stronger than last projected. First quarter FY 2017 trips on I-405 are 10.5 percent higher than projected in the June 2016 TRFC values, and gross toll revenue potential and adjusted gross toll revenue are 22.1 percent and 17.7 percent higher respectively. Similar to SR 520, adjusted gross toll revenue values include recovered toll revenue through the Customer Program for Resolution (CPR), which provides customers with unpaid tolls, fees, and penalties an opportunity to resolve the underlying issues with their late payments and have the fees and penalties waived as a one-time courtesy. The program was implemented in July 2015 and was not accounted for in the prior TRFC forecast values. The current November 2016 forecast assumes CPR payments as an offset to toll revenue leakage.

The I-405 ETLs gross revenue potential is projected at \$41.5 million in the current biennium which is an upward revision of \$6 million or a 17 percent increase. In the next biennium, the gross revenue potential is up even more by \$12.8 million or nearly 30%. This increase from the last forecast in I-405 gross revenue potential rises to \$29 million or 45 percent increase from the last forecast for the last biennium. The mix of payment type was adjusted to better reflect the recent tolling experience so GTG- transponder pass customers' gross revenue potential rose by 23 percent or \$4.5 million and PBP customers' gross revenue potential is up by \$1 million or 19 percent and PBM customers' gross revenue potential is up by a half million or 5 percent in the current biennium.

November update follows the same methodology and socio-economic assumption as those applied in June forecast. The main cause contributing to the higher revenue is the most recent data (through September 2016) reflect a higher demand for the facility. Average toll rate has been increased from \$1.90 to \$2.11 in FY 2017.

The I-405 civil penalty revenue has been brought up in this forecast by \$406,878 or 18 percent in the current biennium. This increase grows over the forecast horizon. Total toll revenue and fees for I-405 is higher in the current biennium by \$6.3 million or nearly 17 percent. That revenue increase from the last forecast continues and grows over time so by the end of the forecast horizon, I-405 total revenue and fees are up by \$32.5 million or 51 percent.

Figure 23 below lists some of the key assumptions and methodologies used for November and June forecasts; most of the assumptions are the same.

Figure 23: I-405 ETLs Forecast Main Assumptions and Methodologies

	June 2016 Forecast	November 2016 Forecast
What kind of model used?	Same for the two forecasts. Land use and corridor growth was extracted from the regional model and applied to a spreadsheet-based marketshare model. Marketshare curves were developed based on actual data and were applied to determine future ETLs usage and revenue.	
Socio-economic inputs	Same for the two forecasts. Socio-economic inputs were derived from Version 4.0.3 of the PSRC 4k Model which utilized 2006 household survey and 2010 census data. The population and employment forecasts used in the model were based on county level projections prepared by PSRC. Corridor-level growth rates were developed from the PSRC 4k model and traffic was assigned to the ETL via a market-share based spreadsheet model.	
Population, employment, and growth assumption		
Assumption on driver's preference to toll rate	Revealed preference information based on I-405 ETL usage since September 2015 was utilized to determine how drivers would respond to various toll levels.	same as June 2016 forecast updated with actuals through September 2016
Ramp-up assumption	Same for the two forecasts. Actual data suggests that the managed lanes are operating close to capacity in the peak hours, suggesting that ramp-up is largely complete. Small ramp-up (<5%) is expected in FY 2017.	
Transaction share by payment type	High Pay-By-Mail share. PBM is predicted to be approximately 20% in FY 2016, 15% in FY 2017 and slowly dropping over time to 10% by FY 2022. FY 2016: GTG Total = 80% (GTG Pass = 63%, GTG Plate = 17%); PBM = 20% FY 2017: GTG Total = 85% (GTG Pass = 68%, GTG Plate = 17%); PBM = 15% FY 2022: GTG Total = 90% (GTG Pass = 72%, GTG Plate = 18%); PBM = 10%	FY 2017: GTG Total = 83% (GTG Pass = 67%, GTG Plate = 16%); PBM = 17% FY 2022: Same assumption used in June forecast. GTG Total = 90% (GTG Pass = 72%, GTG Plate = 18%); PBM = 10%. HOV share changed from 32% to 28.5% to reflect stabilizing HOV rates through the end of FY 2016 and early FY 2017.
Average Toll Rate	FY 2017: \$1.90 and growing at 3% every fiscal year.	FY 2017: \$2.11 (still growing at 3% every fiscal year) to reflect higher than expected tolling
Seasonality	FY 2016 - FY 2018: Monthly performance forecasted using seasonality data from TNB, SR 167 and SR 520	FY 2017 - FY 2019: Number of non-holiday weekdays factored into seasonality distributions

After accounting for leakage and payment fees and discounts, I-405 ETLs adjusted gross toll revenue of \$35 million is projected for the 2015-17 biennium, which is \$5 million (18 percent) higher than the previous forecast. The total I-405 revenue and late payment fees were updated to \$39 million for the 2015-17 biennium, \$6 million (18 percent) higher than the previous forecast.

The November 2016 forecast includes adjustments to the current and subsequent biennia to reflect actual experience with the current vendor in regards to the rate of readable license plate images and identifying the vehicle owner's name and address for sending a toll bill when the plate is readable, resulting in higher rates of revenue not recognized (unbillable) leakage. During the 2019-21 biennium, we expect a transition to a new CSC systems and operations vendor contract(s), which is expected to improve and lower the rate of revenue not recognized (unbillable) leakage. The adjusted gross toll revenue for ETL is projected to be \$35.5 million and this is \$5.3 million or 18 percent higher than the last forecast in the current

biennium. Next biennium, ETL gross revenue potential is projected at \$55.4 million which is \$12.8 million or 30 percent more than last forecast. The adjusted I-405 toll revenue is projected to be \$51.1 million and up \$13.2 million or 35 percent above the prior forecast. The difference in adjusted gross toll revenue between the revised November I-405 forecast and the last forecast increases over time. By the end of the forecast horizon, the biennia adjusted gross toll revenue on I-405 is projected to be \$90.4 million which is a revision upward of \$31.7 million or 54 percent.

Figure 24: FY 2017 I-405 Reported Toll Trips Compared to June 2016 Forecast

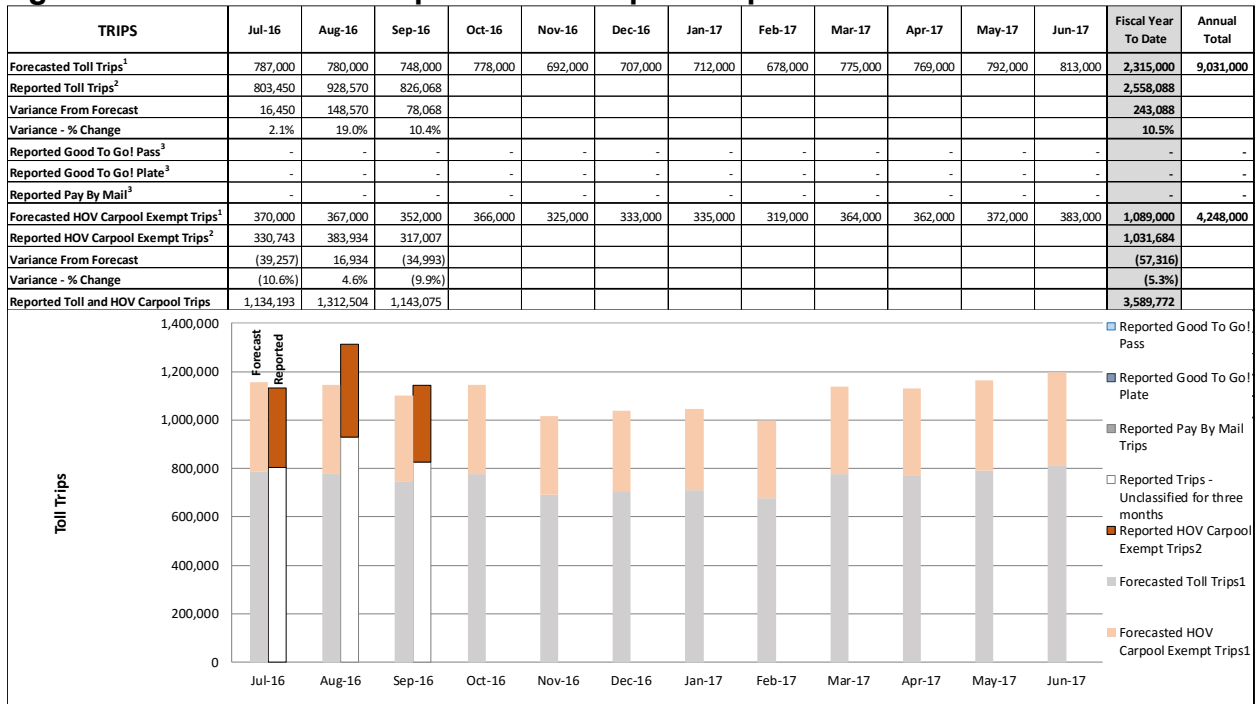
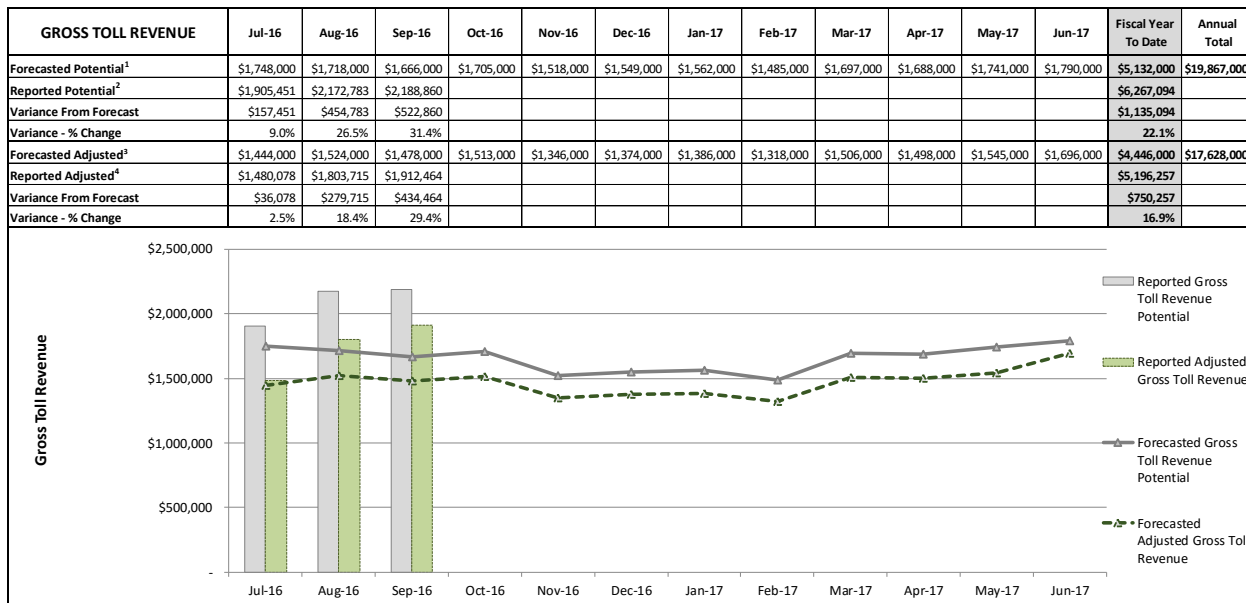


Figure 25: FY 2017 I-405 Reported Toll Revenue Compared to June 2016 Forecast



Federal Funds Revenue

FHWA – Highways Forecast

Overview

After state funds, the largest source of transportation revenue is federal funds. The Federal Funds forecast contains the formula funds distributed by the Federal Highway Administration (FHWA) to Washington State Department of Transportation for highway purposes. Federal funds reported in this forecast are based on federal fiscal year (FFY) which begins on October 1. This September 2016 and subsequent federal forecasts are based on the Fixing America's Surface Transportation (FAST) Act.

On December 4, 2015, President Obama signed into law a new transportation reauthorization bill, Fixing America's Surface Transportation (FAST) Act, providing a five-year extension of the federal surface transportation programs. The FAST Act provides over \$305 billion of funding for Federal-aid transportation programs for federal fiscal years (FFY) 2016 through 2020. This new multiyear reauthorization bill comes after a string of five (5) short-term extensions of the previous transportation reauthorization, Moving Ahead for Progress in the 21st Century (MAP-21).

Apportionment Forecast

- Apportionment levels for FFY 2016 are \$711.6 million and have been updated to reflect actual apportionment distributions from FHWA.
- The November 2016 apportionment forecast for FFY 2017 is \$744.3 million. This FFY 2017 apportionment forecast has been updated to reflect FHWA Notice N4510.807 dated October 3, 2016 which transmits a slightly lower base apportionment than in the September 2016 forecast which was based on a prior FHWA Notice N4510.806.
- The federal government has determined that Washington State is subject to a penalty which reduces the states apportionment which was not known about in the last forecast. This penalty is being imposed on Washington because we are not in compliance with the US Code 23, section 164- Minimum Penalties for Repeat Offenders for Driving While Intoxicated or Driving Under the Influence. This Section 164 penalty is being shown beginning in FFY 2017 as a reduction to the National Highway Performance Program (NHPP). The penalty is being forecasted to return to the state as apportionment in the Highway Safety Improvement Program (HSIP). This assumption is being made because it is consistent with how this penalty has historically been handled.
- Federal apportionment is split between state and local programs. The Governor's office and the Office of Financial Management convened a group to discuss this state and local splitting of funds in 2016. The November 2016 forecast incorporates the new state and local split agreement reached by this working group. The agreed upon split assumes the following:
 - WSDOT's distribution from NHPP and STBGP are held at 2015 computational tables levels.
 - The incremental increase in NHPP funds allowed in the FAST Act will be used by Local Programs to create an asset management-based competitive grant program for projects on the NHS. We've called out the statewide competitive NHS program in the detailed forecast tables. The amount of this increase is anticipated to average \$19.4 million per year, \$77.5 million over the remaining 4-years of the Act.
 - A portion of the incremental increase in STBGP (up to \$15 million per year, up to \$60 million over the remaining 4-years of the Act) can be added to the local bridge program. The remaining annual growth in STBGP is attributed to the Local's portion of the "Any area of the state" distribution.
 - Overall state and local federal funds split starts at 64% / 36% in FFY 2017 and decreases over time.
- The apportionment forecast for FFY 2018 – FFY 2020 ranges from \$734.2 million in FFY 2018 to \$657.9 million in FFY 2020 (which includes the rescission).

- The apportionment forecast FFY 2020 is lower than previous years due to a \$7.6-billion-dollar rescission that was incorporated in the FAST Act. The rescission amount for Washington has been updated in this November 2016 forecast to reflect a new FHWA Rescission Distribution analysis dated November 7, 2016. Previous federal forecasts assumed Washington would take \$131.7 of the rescission while this updated FHWA analysis distributes a total rescission amount of \$110.0 million to Washington. In this forecast, the programs taking the hit from the rescission is changed to reflect the latest analysis from FHWA.
- The November 2016 federal forecast for years after FFY 2020 are grown off of the pre-rescission FFY 2020 funding levels along with the November 2016 Washington State fuel consumption forecast 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.
- Every year Washington State receives multiple types of OA. The majority of the OA received annually is the Core Program OA. Washington State also receives OA that is tied to other discretionary and allocated programs.
- The November 2016 core formula OA forecast for FFY2017 is \$651.6 million and is based on Notice N4520.243 dated October 4, 2016.
- The total OA for this November 2017 forecast is \$729.4 million which is 0.6% lower than the September 2016 OA forecast because the apportionment forecast is lower.
- Obligation Authority for federal fiscal years beyond 2017 is assumed to be 98% of apportionment each year which is consistent with the apportionment to OA ratio set in Section 1101 and 1102 of H.R 4348 legislation and our prior forecast assumptions.

FTA - Public Transportation Federal Funds

Overview

On December 4, 2015, President Obama signed into law a new transportation reauthorization bill, Fixing America's Surface Transportation (FAST) Act, providing a five-year extension of the federal surface transportation programs. Federal assistance to public transportation is provided primarily through the public transportation program administered by the Department of Transportation's Federal Transit Administration (FTA). The federal public transportation program was authorized from FY2016 through FY2020 as part of the FAST Act.

The FAST Act authorized \$11.8 billion in FY2016 for public transportation programs, an amount rising to \$12.6 billion in FY2020 nationwide. Typically, about 80% of federal public transportation program funding comes from the mass transit account of the highway trust fund and 20% comes from the general fund of the U.S. Treasury.

Public Transportation Federal Apportionment Funds Forecast

- The change in the November forecast is very minor. In FY 2021 and beyond, the forecast is changed to reflect the slightly higher growth rates in fuel consumption in the November forecast. This brings the forecast up by \$45,000 or 0.2% in FY 2021 but over time, this increase reduces to a 0.1% change.

- The November 2016 FTA – Public Transportation forecast for 2017 through 2020 will be based on the FAST Act program funds distribution tables produced by the Federal Transit Administration (FTA). A three-year average (1.72%) was applied to the national totals on the FTA distribution tables for these years for Washington’s proportionate share of the formula program funds.
- Total federal public transportation formula program funds for FFY 2017 are anticipated to be \$18.4 million and growing to \$19.6 million by FFY2020.
- The non-urbanized area formula program is the largest program, making up 70% of all federal public transportation revenue coming to Washington state each year.
- The long-term public transportation formula federal program forecast for FFY 2021 – 2027 will be grown annually using the Washington State Fuel Consumption forecasted growth rates. Total federal public transportation formula program funds are anticipated to grow to \$20 million by FFY 2027.

FTA – Washington State Ferries (WSF) Federal Funds

Federal assistance to Washington State Ferries (WSF) is provided primarily through the public transportation program administered by the Department of Transportation’s Federal Transit Administration (FTA). The federal public transportation program was authorized from FY2016 through FY2020 as part of the FAS

WSF Federal Apportionment Funds Forecast

The November 2016 WSF federal funds forecast is based on the FAST Act. There are six major federal public transportation programs administered by FTA of which WSF receives funds: (1) Urbanized Area Formula; (2) State of Good Repair (SGR); (3) New Starts; (4) Rural Area Formula; (5) Bus and Bus Facilities; and (6) Enhanced Mobility of Seniors and Individuals with Disabilities. These are discussed in more detail below. Funding for all of these programs, except New Starts, comes from the mass transit account of the Highway Trust Fund. New Starts funding comes from the federal general fund.

The federal public transportation programs of which WSF receives funding in the FAST Act have different rules for the distribution of their funds. Some of the programs are distributed based on formulas while other programs are distributed based on competitive grant processes. This federal forecast will only forecast the formula driven programs but we will report any competitive grant funds we have received or have been awarded.

The WSF federal formula programs distributed through the FTA are the following:

- State of Good Repair Grants (5337) – High Intensity Fixed Guideway
 - The state of Good Repair grants program provides financial assistance to public transit agencies that operate rail fixed-guideway and High-Intensity motorbus systems for the maintenance, replacement and rehabilitation of capital assets.
- Urbanized Area Formula Program Grants (5307) – Passenger Ferry
 - The Urbanized Area Formula Funding program makes Federal resources available to urbanized areas and to Governors for transit capital and operating assistance and for transportation related planning in urbanized areas.

The November 2016 WSF federal funds forecast is based on the FTA - FAST Act fact sheets for both the State of Good Repair Grants (5337) and the Urbanized Area Formula Program Grants (5307) programs. These fact sheets show the annual national total apportionment for these program for FFY 2016 through FFY 2020. Washington States level of apportionment of these programs for FFY 2016 is distributed based on the Puget Sound Regional Council (PSRC) split letter dated June 28, 2016. This letter shows the amount of formula funding received by all eligible recipients including WSF. The FFY 2017 – FFY 2020

WSF formula federal funds forecast is based on maintaining the same proportionate share of the federal total received by Washington State in FFY 2016.

Washington State Ferries (WSF) Federal Apportionment Funds Forecast

- The November 2016 FTA – WSF for 2017 through 2020 will be based on the FAST Act program funds distribution tables produced by the Federal Transit Administration (FTA). A three-year average (1.72%) was applied to the national totals on the FTA distribution tables for these years for Washington’s proportionate share of the formula program funds.
- Total federal WSF formula program funds for FFY 2017 are anticipated to be \$12.1 million and growing to \$12.5 million by FFY2020.
- The 5337 – State of Good Repair Program is the largest program, making up 58% of all federal public transportation revenue coming to Washington state each year.
- The long-term WSF formula federal program forecast for FFY 2021 – 2027 will be grown annually using the Washington State Fuel Consumption forecasted growth rates. Total federal public transportation formula program funds are anticipated to grow to \$12.8 million by FFY 2027.

Forecast Contacts

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Economic Variables and Fuel Price Forecast

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Motor Fuel Tax Revenue Forecast

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Motor Vehicle Licenses, Permits & Fees Revenue Forecast

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Driver Related Revenue Forecasts

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Washington State Ferries Ridership and Revenue Forecast

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Federal Funds Forecast

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Appendix

Table Related to the November 2016 Forecast

Impact to Select Transportation Accounts

Figure 26: 2015 Transportation Revenue Package with the November 2016 Forecast Compared to the September 2015 Forecast

Transportation Revenue Bill - 2ESSB 5987 & SHB 1480 <i>dollars in millions</i>	2015-17		2017-19		10-Year Period (2015-2025)	
	Forecast	Chg from	Forecast	Chg from	Forecast	Chg from
	Nov 16	Sep 15	Nov 16	Sep 15	Nov 16	Sep 15
Revenues						
Motor Vehicle Fuel Taxes Increase (7 cents 8/1/15 & 4.9 cents 7/1/16); Handling Loss Elimination and Increase in Off-highway Refunds by 11.9 cents	541.8	9.6	820.7	26.6	3,888.9	142.8
Vehicles paying Weight-based Registration Fee (All Trucks)	38.3	3.4	77.7	7.2	398.2	22.4
Vehicles paying Freight Project Fee (Trucks >10,000 lbs)	11.2	0.7	22.8	1.8	103.5	8.2
Passenger Vehicle Weight Fees	90.0	2.6	185.0	3.7	1,043.5	(30.3)
Intermittent-Use Trailers (\$187.50)	7.2	(0.0)	30.0	0.0	58.1	0.1
Plug-in Vehicle Renewal Fee (\$100)	0.2	0.0	0.6	0.2	4.4	2.5
Electric/Plug-in Vehicle Renewal Fee (\$50)	0.7	0.1	1.7	0.3	15.2	8.0
Title Service Fee \$12 (Vessels)	0.1	0.0	0.2	0.1	0.7	1.0
Registration Service Fee \$5 (Vessels)	0.5	0.1	0.5	0.2	2.2	0.4
Commercial Driver's License (CDL) Fees HIGHWAY SAFETY	1.6	0.2	3.1	(0.7)	13.7	0.4
Enhanced Driver's License Fees (EDL/EID) HIGHWAY SAFETY	4.9	2.9	11.5	7.7	56.9	40.0
DOL Report of Sale Fees	-	-	5.2	(0.0)	19.6	0.1
Studded Tire Fee	0.2	(0.0)	1.0	0.0	4.3	(0.0)
Total Revenues	696.7	19.5	1,160.0	47.0	5,609.2	195.5
Distributions						
Motor Vehicle Fund (108)	36.2	2.5	87.8	5.5	358.4	20.8
Transportation 2003 Nickel Account (550)	2.6	0.2	5.3	0.5	26.3	1.6
Transportation Partnership Account (09H)	5.7	0.5	11.6	1.0	57.9	3.5
Connecting Washington Account (NEW)	541.8	9.6	820.7	26.6	3,888.9	142.8
Puget Sound Capital Construction Account (099)	-	-	-	-	-	-
Puget Sound Ferry Operations Account (109)	0.8	0.1	1.7	0.1	7.5	0.4
Capital Vessel Replacement Account (18J)	0.6	0.1	3.6	0.2	14.2	1.5
Multimodal Transportation Account (218)	90.6	2.5	187.8	4.0	1,063.0	(22.2)
Special Category C Account (215)	-	-	-	-	-	-
License Plate Technology Account (06T)	-	-	0.1	(0.0)	0.4	(0.0)
DOL Services Account (201)	-	-	0.3	0.0	1.2	0.1
WSP Highway Account (081)	11.9	0.9	25.7	2.0	118.5	6.8
Highway Safety Fund (106)	6.5	3.1	15.2	7.0	72.6	40.3
Rural Arterial Trust Account (102)	-	(0.00)	-	(0.02)	-	(0.1)
Transportation Improvement Accounty (144)	-	(0.00)	-	(0.02)	-	(0.1)
Total Distributions	696.6	19.4	1,159.9	47.0	5,609.2	195.5

* Intermittent-Use trailer fee impact is the gross impact from the new trailer fee not the net impact

In 2015 lawmakers passed 2SSB 5987 which was the new 2015 Transportation Revenue package. The new revenue package has a variety of fee increases with the largest tax increase being from the motor fuel tax increase. The new legislation also authorized various transfers of funds and tax credits which are also listed in the table above.