



Washington State
Transportation Commission



2020 TNB Loan Report Status Update

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TNB Loan Legislation Recap

- In 2018, the Legislature passed legislation (SHB 2990) stating its intent to provide up to \$85 million in loans for the TNB Account.
- Loans are meant to keep TNB toll rates at no more than \$0.25 more than current levels until debt service, deferred sales tax, and loans are repaid (through about FY 2032).
- Assumes no more than a \$0.25 rate increase, beginning on July 1, 2021 (FY 2022) or later.

Report to Legislature

- SHB 2990 directed the Transportation Commission to annually provide the Legislature a status report on the loan amounts necessary to meet the bill's intent.
 - First submitted in January 2019, as part of Commission's 2019 Tolling Report (Appendix A), and will provide update in January 2020.
 - Report directed to the Transportation Committees of the Legislature.
 - Required annually through the end of debt service payments in FY 2030, followed by reports on the loan repayment.

Loan for 2019-21 Biennium

- In 2019, the Legislature appropriated \$12.543 million to the TNB Account as a loan for the 2019-21 biennium.
- The loan amount was about \$2.36 million less than recommended in the 2019 TNB Loan Report
 - Legislature assumed less system-wide costs paid by TNB tolls for the 2019-21 biennium.

TNB Loan: 2019-2021 Biennium

	FY 2020	FY 2021	2019-21 Biennium
Loan Provided by Legislature (2019)	\$ 6,271,500	\$ 6,271,500	\$ 12,543,000
2019 Loan Report Estimates	\$ 6,511,000	\$ 8,392,000	\$ 14,903,000

Note: estimates rounded to nearest thousand.

2019-21 Fund Balance Status

- Status of Fund Balance for 2019-21 Biennium
 - The \$12.5 million loan continues to support a positive TNB Account fund balance throughout the 2019-21 biennium.
 - Determining if TNB Account fund balance continues to meet requirements of the Commission's Sufficient Minimum Balance (SMB) policy.
- Commission's SMB Policy Summary
 - Retrospective 3 month rolling average of the TNB Account fund balance shall not be less than \$10 million.
 - The Commission shall take action to identify measures that address a projected shortfall.
 - Policy does not require a rate-setting action.

Potential Recommendations: 2020 TNB Loan Report

- If Fund Balance Projects to Continue Meeting SMB Fund Balance Requirements in 2019-21 Biennium:
 - Recommend no action by Legislature or Commission in 2020.
- If Fund Balance Does Not Project to Meet SMB Fund Balance Requirements in remainder of 2019-21 Biennium:
 - Recommend Legislature appropriate additional funds (ex.: loan)
 - *If no additional funds provided by the Legislature, recommend Commission consider whether rate setting is necessary to meet fund balance requirements, and if action is necessary in 2020 or 2021.*

Next Steps: 2020 TNB Loan Report

- Complete analysis on whether current loan for 2019-21 biennium is sufficient to maintain fund balance requirements.
- Update TNB Citizen Advisory Committee on analysis results in January 2020.
- Provide Report to Commission for approval and present at January 2020 Commission meeting.
- Submit Report to Transportation Committees of the Legislature in January 2020.

Questions?

