February 2022 Transportation Revenue Forecast

State Transportation Overview

Doug Vaughn, Chief Financial Officer
Washington State Transportation Commission Meeting
March 15, 2022
February 2022 Transportation Forecast Highlights

- Incorporates the latest projections of the economic impacts of COVID-19
- The February 2022 revenue forecast is projected at $6.59 billion and lower than the last forecast by $87 million in the current biennium and down $90 million next biennium
- The February forecast is higher than the baseline March 2021 forecast by $35 million in the current biennium and up $111 million next biennium
- Comparing the February 2022 forecast to the pre-pandemic Feb. alternative forecast (removes I-976 impacts) has revenues lower by $418 million in the current biennium and down $185 million next biennium
COVID-19 Transportation System Performance

Highway Traffic
Data from 32 locations statewide
-6%
compared to Baseline year

Toll Facilities
Data from all five tolled highways and bridges
-7%
compared to Baseline year

WSDOT COVID-19 Multimodal Transportation System Performance Dashboard
https://www.wsdot.wa.gov/about/covid-19-transportation-report/
COVID-19 Transportation System Performance

Ferries Ridership
Data from all currently operating WSF routes

-33% compared to Baseline year

Passenger Rail
Data from Amtrak Cascades

-53% compared to Baseline year

WSDOT COVID-19 Multimodal Transportation System Performance Dashboard
https://www.wsdot.wa.gov/about/covid-19-transportation-report/
2021-23 State Transportation Revenue
February 2022 Forecast Compared to Prior Forecasts
## Transportation Revenue Impact of COVID-19 and Adjusted Economic Variables

<table>
<thead>
<tr>
<th>Revenue Sources Impacted by COVID-19 Shutdowns</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>FY 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Fuel tax</td>
<td>$ (147,535,900)</td>
<td>$ (219,841,280)</td>
<td>$ (145,518,900)</td>
<td>$ (130,924,300)</td>
</tr>
<tr>
<td>LPF *</td>
<td>$ (29,700,000)</td>
<td>$ 222,116,720</td>
<td>$ (3,438,800)</td>
<td>$ 22,368,699</td>
</tr>
<tr>
<td>Ferry Fares</td>
<td>$ (34,933,470)</td>
<td>$ (57,507,910)</td>
<td>$ (49,200,000)</td>
<td>$ (22,833,000)</td>
</tr>
<tr>
<td>Toll Revenue</td>
<td>$ (40,507,400)</td>
<td>$ (86,664,130)</td>
<td>$ (77,781,000)</td>
<td>$ (43,618,000)</td>
</tr>
<tr>
<td>Aeronautics Revenues</td>
<td>$ (338,100)</td>
<td>$ (366,700)</td>
<td>$ 367,600</td>
<td>$ (86,400)</td>
</tr>
<tr>
<td>Rental Car Tax</td>
<td>$ (5,993,000)</td>
<td>$ (15,531,840)</td>
<td>$ 201,600</td>
<td>$ 16,100</td>
</tr>
<tr>
<td>Motor Vehicle Sales Tax *</td>
<td>$ (3,650,000)</td>
<td>$ (32,740,210)</td>
<td>$ 3,519,500</td>
<td>$ 3,029,400</td>
</tr>
<tr>
<td><strong>Total Major Revenue Sources</strong></td>
<td>$(262,657,870)</td>
<td>$(190,535,350)</td>
<td>$(271,850,000)</td>
<td>$(172,047,501)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue Sources Impacted by COVID-19 Shutdowns</th>
<th>Percentage Change Between Feb. 2022 and Feb. 2020 Forecasts</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2020</td>
<td>FY 2021</td>
</tr>
<tr>
<td>Gross Fuel tax</td>
<td>-8.2%</td>
</tr>
<tr>
<td>LPF</td>
<td>-3.8%</td>
</tr>
<tr>
<td>Ferry Fares</td>
<td>-16.8%</td>
</tr>
<tr>
<td>Toll Revenue</td>
<td>-17.3%</td>
</tr>
<tr>
<td>Aeronautics Revenues</td>
<td>-9.7%</td>
</tr>
<tr>
<td>Rental Car Tax</td>
<td>-16.5%</td>
</tr>
<tr>
<td>Motor Vehicle Sales Tax</td>
<td>-6.9%</td>
</tr>
<tr>
<td><strong>TOTAL Major Revenue Sources</strong></td>
<td><strong>-8.4%</strong></td>
</tr>
</tbody>
</table>

* FY 2020 and 2021 are actuals and FY 2021 had prior year collections added in due to the court overturning I-976
February 2022 Forecast to Forecast Highlights

Fuel Tax Revenue
Both gas and diesel collections are down since the last forecast
Snow impacts in January collections and could have more in February collections
- 2021-23 Biennium: $3,421 million, down $11.4 million or 0.3% from previous forecast
- 2023-25 Biennium: $3,528 million, down $9.3 million or 0.3% from previous forecast

Vehicle Licenses, Permits and Fee Revenue
Registrations have been down every month since the last forecast
- 2021-23 Biennium: $1,739 million, down $33.2 million or 1.9% from previous forecast
- 2023-25 Biennium: $1,914 million, down $39.7 million or 2% from previous forecast

Rental Car and Vehicle Sales Tax Revenue
Rental car revenue
- 2021-23 Biennium: $76.9 million, down $2.3 million or 3.1% from previous forecast
- 2023-25 Biennium: $81.2 million, down $2.9 million or 3.7% from previous forecast

Vehicle Sales Tax
- 2021-23 Biennium: $119.4 million, down $0.04 million or 0.04% from previous forecast
- 2023-25 Biennium: $124.5 million, down $0.4 million or 0.4% from the previous forecast
February 2022 General Fund Forecast Highlights

- General fund revenues are higher than they were projected in the November forecast by $452.3 million or 5.9% due to tax collections coming in higher than expected.

- Higher real estate excise taxes (REET) collections in recent months has been one of the reasons for the growth in this February forecast. The Washington real estate market remains strong.

- Total GF-state revenue is up $1.4 billion in the current biennium and up another $1.3 billion next biennium from the last forecast.

- GF revenue sources are not the same as the transportation revenue sources: i.e. retail sales and use, business and occupation, public utility and non-cigarette tobacco products.

- During this pandemic, when people stay home, they have still purchased goods and services online which means they pay sales taxes which benefits state general fund revenues.
For Additional Information

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