

June 2022 Transportation Revenue Forecast

State Transportation Overview

Doug Vaughn, Chief Financial Officer
Washington State Transportation Commission Meeting
July 19, 2022

June 2022 Transportation Forecast Highlights

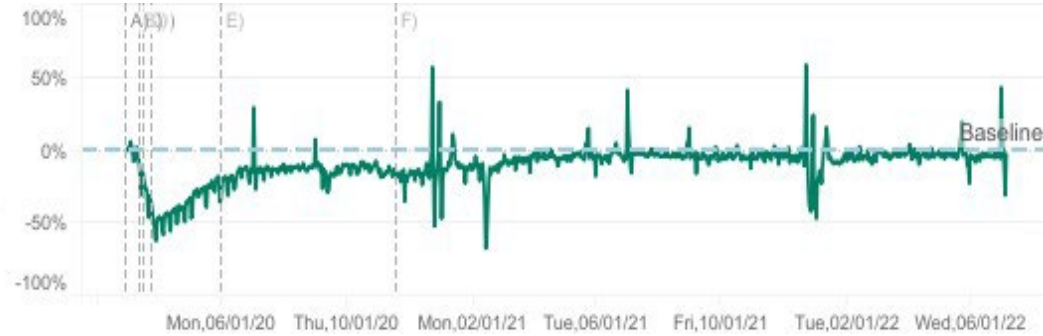
- Incorporates the latest projections of the economic impacts of COVID-19.
- Incorporates the Move Ahead Washington revenue package.
- The June 2022 revenue forecast is projected at \$6.72 billion and higher than the last forecast by \$127.7 million in the current biennium and up \$279.2 million next biennium.
- Comparing the June 2022 forecast to the pre-pandemic February 2020 alternative forecast (removes I-976 impacts) has revenues lower by \$290.4 million in the current biennium and up \$94.3 million next biennium.
- The increases in the forecast in the next biennium and over the 10-year forecast horizon are due to the Move Ahead Washington revenue package, increases in Business related revenues, Rental Car taxes and Vehicle Sales taxes.

COVID-19 Transportation System Performance

Highway Traffic

Data from 32 locations statewide

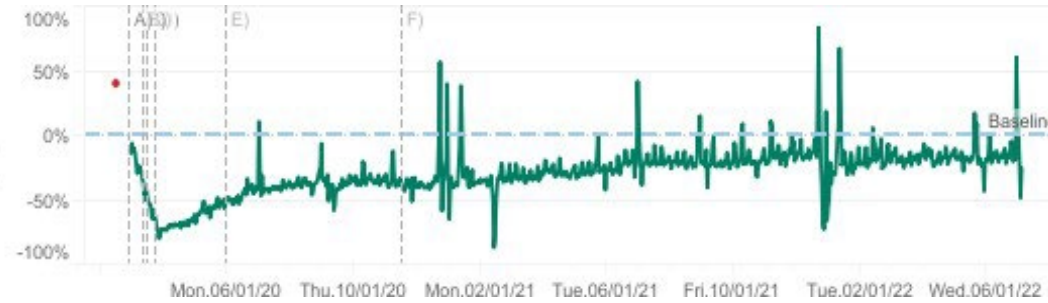
-3%
compared to Baseline year*



Toll Facilities

Data from all five tolled highways and bridges

-26%
compared to Baseline year*



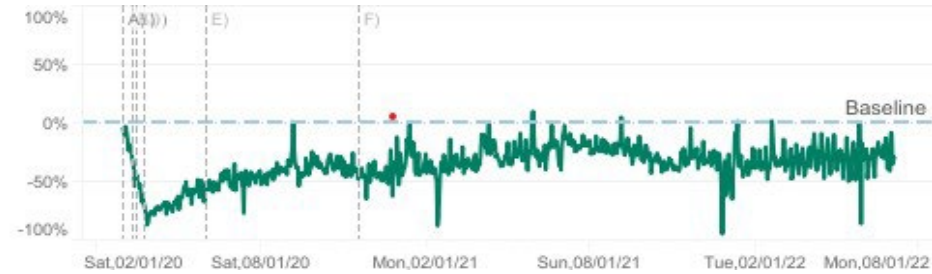
WSDOT COVID-19 Multimodal Transportation System Performance Dashboard
<https://www.wsdot.wa.gov/about/covid-19-transportation-report/>

COVID-19 Transportation System Performance

Ferries Ridership

Data from all currently operating WSF routes

-30%
compared to Baseline year*



Passenger Rail

Data from Amtrak Cascades

-30%
compared to Baseline year*

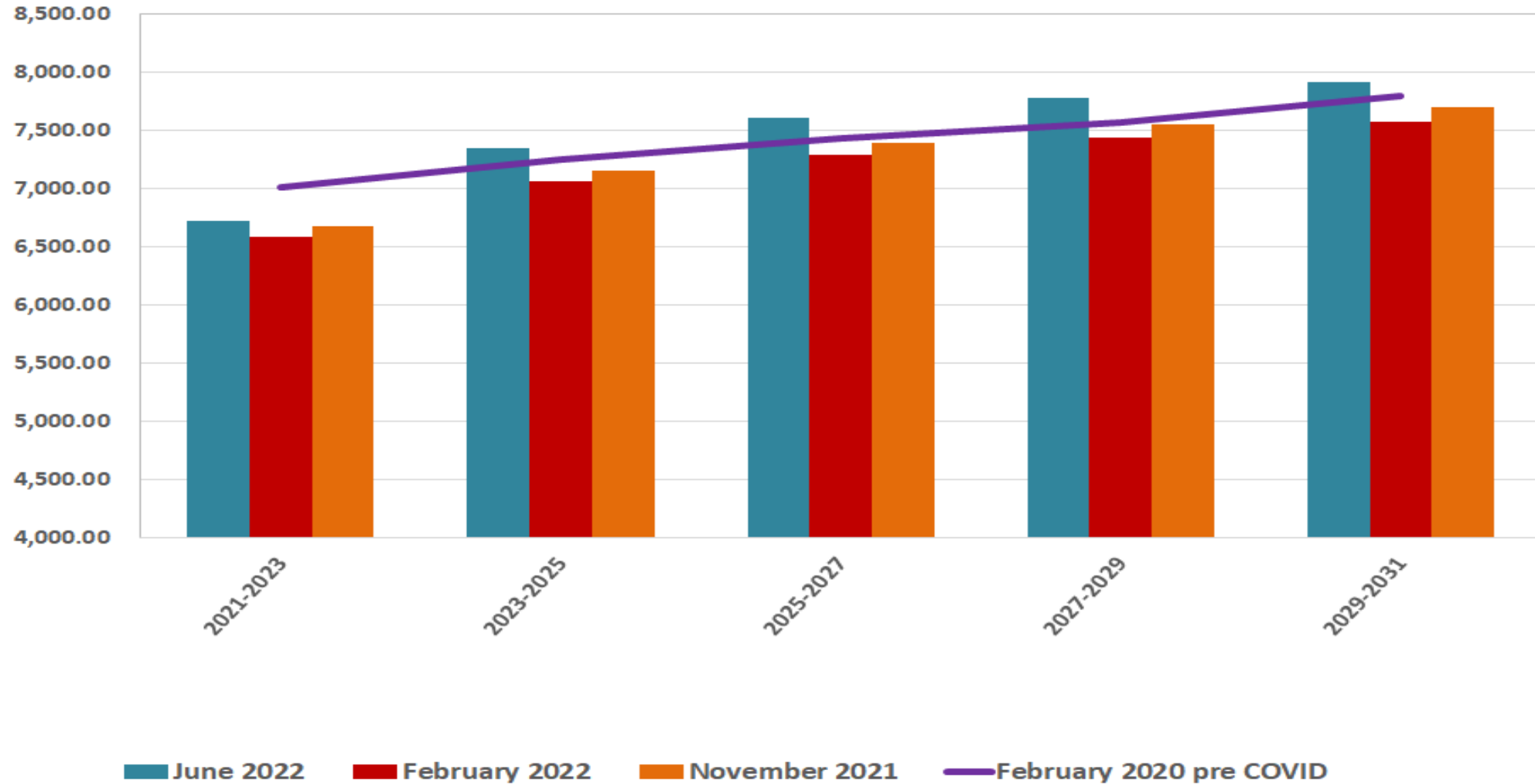


WSDOT COVID-19 Multimodal Transportation System Performance Dashboard
<https://www.wsdot.wa.gov/about/covid-19-transportation-report/>

2021-23 State Transportation Revenue



June 2022 Forecast Compared to Prior Forecasts



Transportation Revenue Impact of COVID-19 and Adjusted Economic Variables

Revenue Sources Impacted by COVID-19 Shutdowns	\$ Difference Between June 2022 and Feb. 2020 Forecasts			
	FY 2020	FY 2021	FY 2022	FY 2023
Gross Fuel tax	\$ (147,535,900)	\$ (219,841,280)	\$ (136,008,600)	\$ (123,774,700)
LPF *	\$ (29,700,000)	\$ 222,116,720	\$ (15,397,308)	\$ 137,032,699
Ferry Fares	\$ (34,933,470)	\$ (57,507,910)	\$ (51,685,000)	\$ (37,131,000)
Toll Revenue	\$ (40,507,400)	\$ (86,664,130)	\$ (82,528,000)	\$ (55,134,500)
Aeronautics Revenues	\$ (338,100)	\$ (366,700)	\$ (250,857)	\$ (282,800)
Rental Car Tax	\$ (5,993,000)	\$ (15,531,840)	\$ 2,031,400	\$ 1,434,900
Motor Vehicle Sales Tax *	\$ (3,650,000)	\$ (32,740,210)	\$ 7,088,100	\$ 5,878,100
Total Major Revenue Sources	\$(262,657,870)	\$(190,535,350)	\$(276,750,265)	\$(71,977,301)
Revenue Sources Impacted by	Percentage Change Between Feb. 2022 and Feb. 2020 Forecasts			
	FY 2020	FY 2021	FY 2022	FY 2023
Gross Fuel tax	-8.2%	-12.0%	-7.4%	-6.7%
LPF	-4.5%	27.5%	-1.9%	15.2%
Ferry Fares	-16.8%	-26.0%	-23.1%	-16.4%
Toll Revenue	-17.3%	-34.2%	-31.2%	-20.1%
Aeronautics Revenues	-9.7%	-10.3%	-7.0%	-7.8%
Rental Car Tax	-16.5%	-41.9%	5.4%	3.7%
Motor Vehicle Sales Tax	-13.5%	-60.1%	12.7%	10.3%
TOTAL Major Revenue Sources	-8.4%	-5.9%	-8.5%	-2.1%

June 2022 Forecast to Forecast Highlights

Fuel Tax Revenue

Gas forecast is no change from the Feb. 2022 forecast and diesel is up slightly since the last forecast

- 2021-23 Biennium: \$3,438 million, up \$16.7 million or 0.5% from previous forecast
- 2023-25 Biennium: \$3,538 million, up \$ 9.3 million or 0.3% from previous forecast

Vehicle Licenses, Permits and Fee Revenue

Registrations have been down over the last 4 months compared to last forecast. This June 2022 forecast incorporates the effects of the Move Ahead Washington Package.

- 2021-23 Biennium: \$1,842 million, up \$102.7 million or 5.91% from previous forecast
- 2023-25 Biennium: \$2,157 million, up \$243.1 million or 12.7% from previous forecast

Rental Car and Vehicle Sales Tax Revenue

Rental car revenue

- 2021-23 Biennium: \$80.1 million, up \$3.3 million or 4.2% from previous forecast
- 2023-25 Biennium: \$83.9 million, up \$4.8 million or 3.8% from previous forecast

Vehicle Sales Tax

- 2021-23 Biennium: \$125.8 million, up \$6.4 million or 5.4% from previous forecast
- 2023-25 Biennium: \$129.2 million, up \$3.8 million or 3.8% from the previous forecast

2022 Transportation Package (ESSB 5974) forecast

New/Incremental revenues by fee type June 2022 forecast

Move Ahead WA (26P) by Fee	FY21-23	FY23-25	FY25-27	FY27-29	FY29-31	10 Year Total
Plate original from \$10 to \$50 <i>*Includes Motorcycle Plates</i>	\$ 55,453,600	\$ 117,561,800	\$ 115,401,900	\$ 114,109,100	\$ 113,456,700	\$ 515,983,100
Plate replacement from \$10 to \$30 <i>*Includes Motorcycle Plates</i>	\$ 33,082,130	\$ 66,322,920	\$ 65,981,190	\$ 65,434,500	\$ 65,077,470	\$ 295,898,210
Dealer Temp from \$15 to \$40	\$ 20,297,500	\$ 41,125,000	\$ 39,990,000	\$ 39,295,000	\$ 38,942,500	\$ 179,650,000
Stolen Vehicle Check Fee from \$15 to \$50 and from \$50 to \$75 in FY2027	\$ 15,701,960	\$ 32,594,500	\$ 46,002,670	\$ 58,960,040	\$ 60,371,200	\$ 213,630,370
DOL service/License Plate Tech fee for light duty trucks from \$0.00 to \$.50+\$.25	\$ 344,800	\$ 1,878,300	\$ 1,936,700	\$ 1,970,100	\$ 2,003,700	\$ 8,133,600
Move Ahead WA Flexible (26Q) by Fee	FY21-23	FY23-25	FY25-27	FY27-29	FY29-31	10 Year Total
EDL/EID from \$4 to \$7 per year	\$ 6,208,900	\$ 20,264,200	\$ 23,072,200	\$ 20,651,100	\$ 18,747,200	\$ 88,943,600
ADR from \$13 to \$17 and \$19 in FY30	\$ 3,224,400	\$ 9,403,100	\$ 9,644,800	\$ 9,764,300	\$ 19,752,400	\$ 51,789,000
DL/ID replacement from \$10 to \$20	\$ 1,468,000	\$ 3,983,600	\$ 4,041,500	\$ 4,090,800	\$ 4,143,200	\$ 17,727,100
Aviation Fuel Tax (Fund 039)	FY21-23	FY23-25	FY25-27	FY27-29	FY29-31	10 Year Total
Aviation fuel tax from \$.11 to \$.18 per gallon	\$ 1,494,600	\$ 3,341,000	\$ 3,375,600	\$ 3,405,900	\$ 3,445,700	\$ 15,062,800
Total New Revenue from ESSB 5974	\$ 137,275,890	\$ 296,474,420	\$ 309,446,560	\$ 317,680,840	\$ 325,940,070	\$ 1,386,817,780

June 2022 General Fund Forecast Highlights

- General fund revenues are higher than projected in the February forecast by \$589.9 million or 6.4% due to tax collections coming in higher than expected.
- Revenue Act taxes consist of the sales, use, business, and occupation (B&O), utility and tobacco products taxes along with associated penalty and interest payments.
- Revenue Act collections for the current period came in \$89.4 million or 5.4% higher than the February forecast.
- GF revenue sources are different from 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.

Questions?

Doug Vaughn

Chief Financial Officer

Washington State Department of Transportation

VaughnD@wsdot.wa.gov

(360) 705-7401