

March 2023 Forecasts and Service / Staffing Update

Washington State Ferries

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Washington State Transportation Commission Meeting
May 16, 2023

Agenda

- Current ridership
- March 2023 ridership and revenue forecasts

Key factors driving the March 2023 ferry ridership forecasts

- **While ridership continued to grow, performance for November through February fell short of forecast, reversing September and October's trend**
 - Ridership over the past four months is at 73% of pre-pandemic levels (compared to 80% in September / October and 75% fiscal year-to-date)
 - Below-normal service levels and winter storms in late December/early January are contributing factors
 - Current trends decrease the FY 2023 ridership and revenue projections
- **March Forecast projections for the economic variables overall contribute to slightly lower ridership demand over forecast horizon**

Economic & Demographic Factors Impacting Latest Ridership Forecasts

↑ Higher Ridership Demand

Lower real gas prices

Slightly higher near-term and long-term employment projections

↓ Lower Ridership Demand

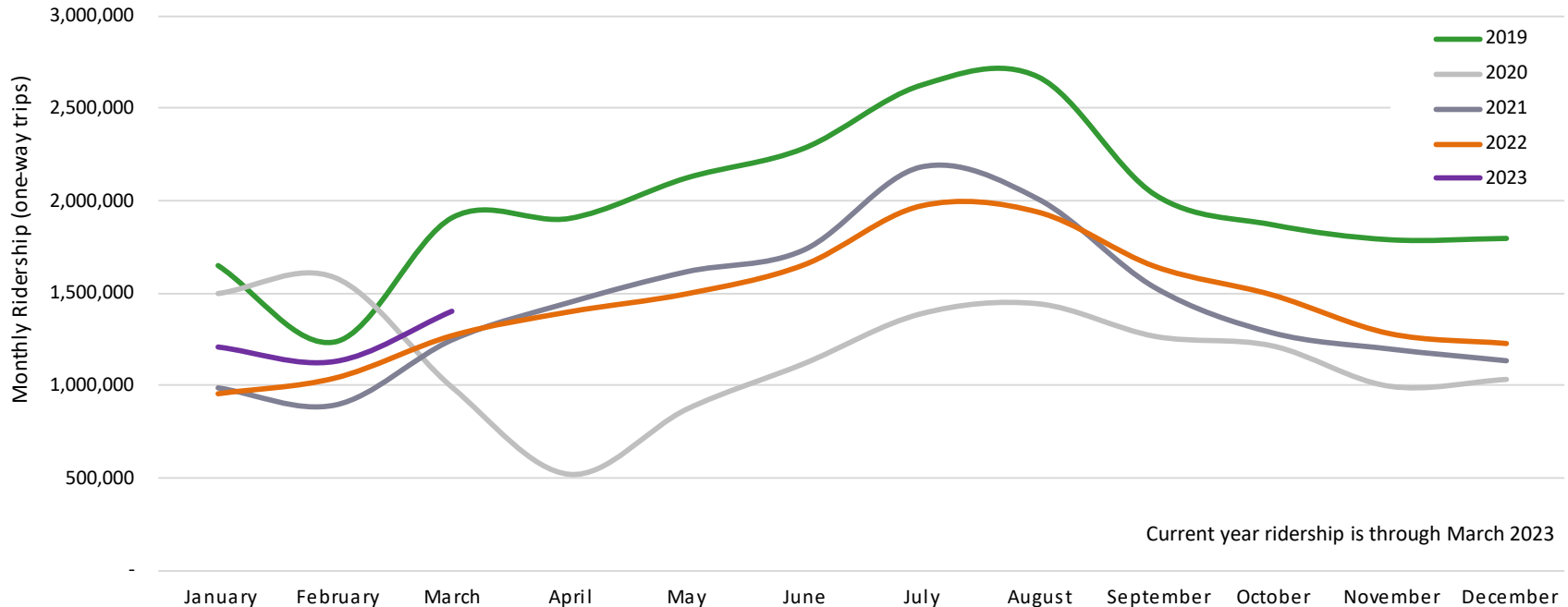
Lower forecast period inflation projections (causes higher real fares over time)

Slightly lower medium-term employment projections

Lower real personal income projections

Current Ridership

- Although September and October showed relative strength, current ridership from November 2022 through March 2023 lags pre-pandemic levels, with reduced service a contributing factor until recently
 - For CY 2022, ridership averaged 69% of 2019 levels, with passenger fare riders at 65% and vehicles/drivers at 82%
 - Through March of CY 2023, ridership is at 78% of 2019 levels, with passengers at 67% and vehicles/drivers at 91%



Ferry Passenger Ridership Baseline Forecast Comparison: March 2023 vs. November 2022

March 2023 Baseline Forecast — passenger fare ridership changes:

FY 2023

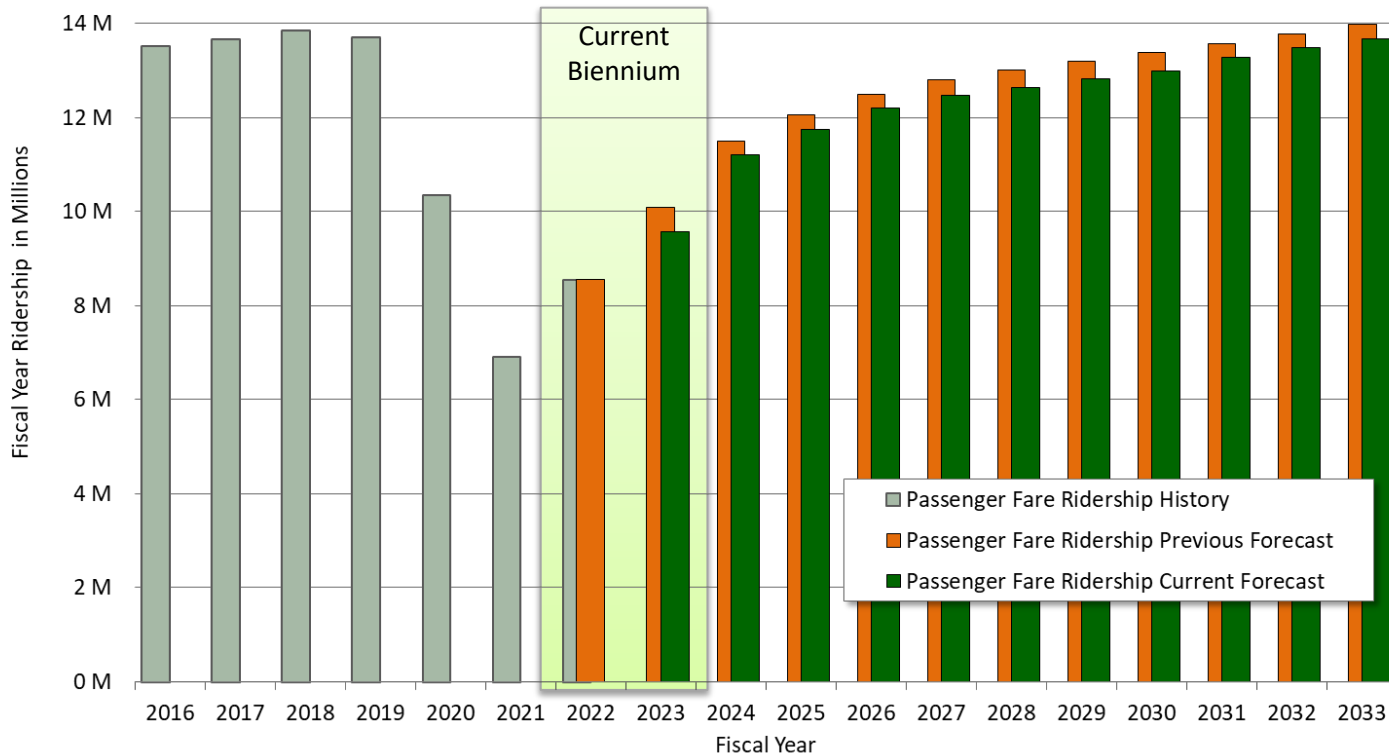
➕ 11.9% annual growth

➔ 5.1% from November

FY 2024

➕ 14.0% annual growth

➔ 2.5% from November



Ferry Vehicle/Driver Baseline Ridership Forecast Comparison: March 2023 vs. November 2022

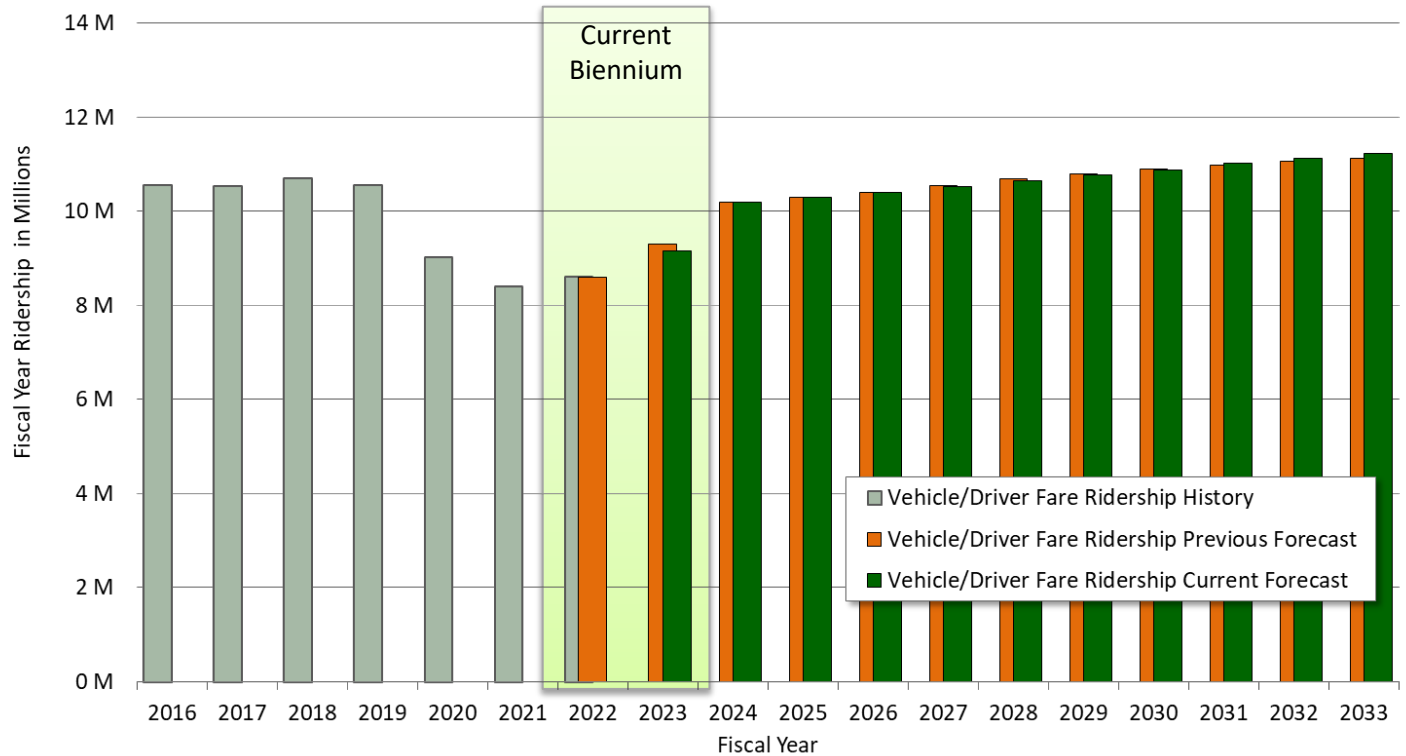
March 2023 Baseline Forecast — vehicle/driver fare ridership changes:

FY 2023

- + 6.4% annual growth
- ↓ 1.7% from November

FY 2024

- + 11.3% annual growth
- ↑ 0.02% from November (nearly unchanged)



Change in Baseline Forecast Ferry Revenue: November vs. September

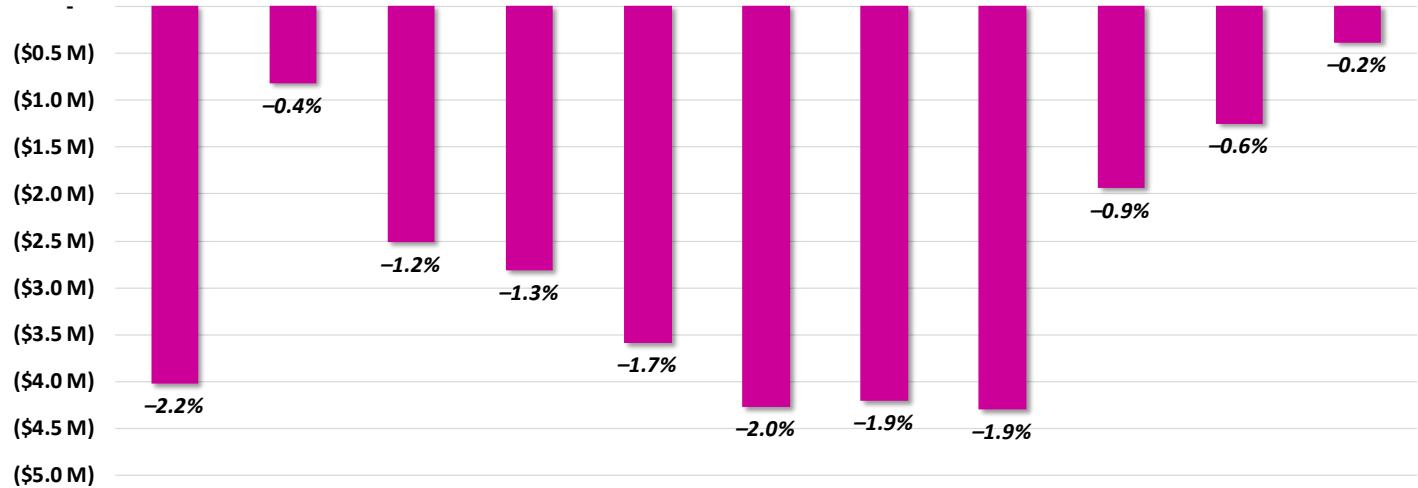
March 2022 Baseline
Forecast changes in
ferry farebox revenues:*

FY 2023

↓ \$4.03 M (2.2%)
from November

FY 2024

↓ \$0.82 M (0.4%)
from November



	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Forecast Change	(\$4.03 M)	(\$0.82 M)	(\$2.51 M)	(\$2.82 M)	(\$3.59 M)	(\$4.27 M)	(\$4.20 M)	(\$4.30 M)	(\$1.94 M)	(\$1.25 M)	(\$0.38 M)
Forecast % Change	-2.2%	-0.4%	-1.2%	-1.3%	-1.7%	-2.0%	-1.9%	-1.9%	-0.9%	-0.6%	-0.2%

* Farebox revenues include base fares plus capital and vessel surcharges; excludes miscellaneous terminal and vessel non-fare revenues

Summary: November vs. September Baseline Forecasts for Ridership and Revenue

Measure	March 2023 Forecast	November 2022 Forecast	Change	Percentage Change
FY 2022 Total Ridership	17,156,000	17,156,000	—	—
FY 2023 Total Ridership	18,726,000	19,394,000	-668,000	-3.4%
2021/23 Biennium Farebox & Miscellaneous Revenues	\$349,737,000	\$354,184,000	-\$4,447,000	-1.3%
2023/25 Biennium Farebox & Miscellaneous Revenues	\$416,009,000	\$419,380,000	-\$3,371,000	-0.8%

Reasons for the Revisions

- Weaker recent performance likely reflecting continued below-normal service levels and winter storms in late December/early January, along with net negative economic factors.
- The forecast model for passenger commuter fare ridership has been updated to recognize enduring telecommuting trends and lack of rebound in passenger commuter (frequent user) fare ridership.
- Projected decreases in vessel non-fare revenue, primarily attributed to revised galley revenue projections, more than offset increases in terminal non-fare revenue, resulting in slightly lower projected miscellaneous revenues.



Questions?

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