

**Transportation Economic Revenue Forecast
Council**

**June 2025 Transportation Economic and
Revenue Forecast**

Volume I: Summary

Washington Transportation

Economic and Revenue Forecast

June 2025

Volume I

Forecast Overview	4
Economic Variables Forecast	7
Motor Fuel Price Forecast	7
Motor Vehicle Fuel Tax Forecast	9
Motor Vehicle Revenue (Licenses, Permits and Fees)	12
Driver Related Revenues Forecasts	14
Other Transportation Related Revenue Forecasts	15
Ferry Ridership and Revenue	18
Toll Revenue	23
Federal Funds Revenue	31
Public Transportation Federal Funds Revenue	35
Washington State Ferries Federal Funds Revenue	36
Appendix	37
2022 Transportation Packet (ESSB 5974) New/Incremental Revenues by Fee	38
Forecast Contact List Other Transportation Related Revenue Forecasts	39

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 has carried out its forecast responsibilities for transportation revenues through the Transportation Revenue Forecast Council. Each quarter, technical staff of the Department of Licensing, the Department of Transportation, the Washington State Patrol, and the Office of Forecast Council produce forecasts.

The revenue forecasts agreed upon by the Transportation Revenue Forecast Council members became the official estimated revenues under RCW 43.88.020 21.

The 2023 Legislature amended RCW 82.33.020 through the passage of ESHB 1838. As a result, WSDOT transferred the state's motor fuels, fuels prices, vehicle registration and other revenue forecast activities to Washington's Economic Revenue Forecast Council (ERFC). The transition of forecasting activities from WSDOT to ERFC was completed in 2024 and the September 2024 forecast was the first forecast ERFC produced.

June 2025 Transportation Forecast Overview

Forecast Overview

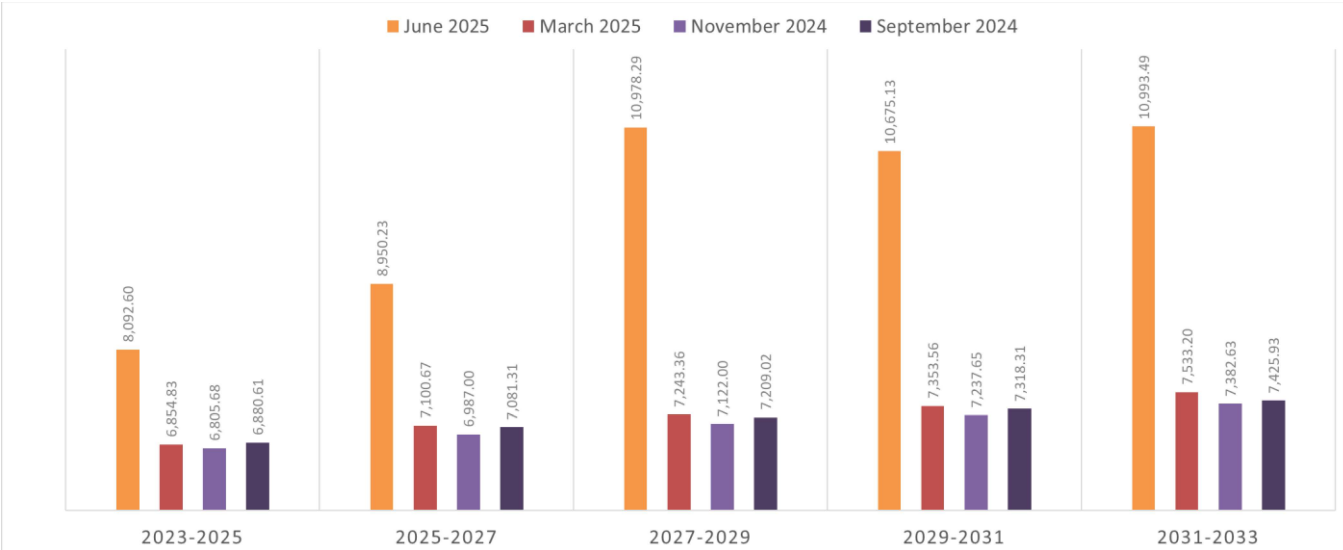
- **2023–2025 Biennium:** The total transportation revenue estimate for the 2023–25 biennium stands at \$8.09 billion, reflecting a \$1.23 billion increase compared to the March 2025 forecast. This is primarily attributed to adding the revenues from the Climate Commitment Act, transfers from the general fund and the effect of new legislation. (see Figure 1).
- **2025–2027 Biennium:** Revenues for the 2025–27 biennium are projected at \$8.95 billion, representing an increase of \$1849.5 million, or 26%, over the March 2024 forecast (see Figure 1).
- **2027–2029 Biennium:** Revenues for the 2027–29 biennium are anticipated to reach \$10.98 billion, reflecting an increase of \$3735 million, or 51.5%, compared to the March 2025 forecast (see Figure 1).
- **Three-Biennia Forecast Horizon:** Over the three-biennia forecast horizon, total baseline revenues for June 2025 have increased by \$6.82 billion, or 24.35%, relative to the March 2025 forecast. (see Figure 1).

Figure 1: Current June 2025 vs. March 2025 Forecast: All Revenues

Forecast to Forecast Comparison for Transportation Revenues and Distributions 10-Year Period												
June 2025 Forecast to March 2025 Forecast millions of dollars												
	Current Biennium 2023-2025				Biennium 2025-2027				Biennium 2027-2029			
	Forecast June 2025	Forecast March 2025	Chg from March 2025	Percent Change	Forecast June 2025	Forecast March 2025	Chg from March 2025	Percent Change	Forecast June 2025	Forecast March 2025	Chg from March 2025	Percent Change
Sources of Transportation Revenue												
Motor Vehicle Fuel Tax Collections	3,235.4	3,229.7	5.68	0.18%	3,656.8	3,185.7	471.05	14.79%	3,843.8	3,154.8	688.98	21.84%
Licenses, Permits and Fees	1,990.4	1,992.7	(2.28)	-0.11%	2,228.0	2,134.0	94.05	4.41%	2,256.4	169.23	7.56%	7.56%
Ferry Revenue†	377.4	379.3	(1.88)	-0.50%	448.0	424.2	23.72	5.59%	476.1	444.3	31.81	7.16%
Toll Revenue	536.0	531.3	4.75	0.89%	555.3	564.1	(8.79)	-1.56%	600.2	596.1	4.04	0.68%
Aviation Revenues	15.2	15.0	0.18	1.17%	14.5	14.4	0.09	0.65%	14.1	14.1	(0.00)	-0.01%
Rental Car Tax	90.1	91.6	(1.53)	-1.66%	149.4	94.5	54.89	58.07%	161.6	98.6	63.00	63.91%
Vehicle Sales Tax/Sales Tax Transfer	127.7	128.2	(0.44)	-0.34%	252.9	133.3	119.51	89.63%	920.8	141.3	779.50	551.68%
Driver-Related Fees	359.7	353.9	5.78	1.63%	419.3	394.9	24.39	6.18%	415.6	378.4	37.23	9.84%
Business/Other Revenues	133.9	133.2	0.71	0.54%	240.6	155.5	85.08	54.70%	300.4	159.4	141.01	88.45%
Climate Commitment Act	886.9		886.90		1,056.2		1,056.19		860.2		860.23	
Transfers	339.9		339.90		(70.6)		(70.63)		959.9		959.89	
Total Revenues	8,092.6	6,854.8	1,237.77	18.06%	8,950.2	7,100.7	1,849.55	26.05%	10,978.3	7,243.4	3,734.92	51.56%
Distribution of Revenue												
Motor Fuel Tax Refunds and Transfers	205.3	205.0	0.27	0.13%	231.4	206.3	25.10	12.17%	245.0	206.2	38.81	18.82%
Motor Fuel Administrative Fee - DOL	19.2	19.2	0.00	0.00%	19.1	19.1	0.00	0.00%	18.9	18.9	0.00	0.00%
State Uses												
Motor Vehicle Account (108)	1,290.9	1,289.2	1.75	0.14%	1,892.7	1,416.7	475.98	33.60%	2,183.6	1,487.2	696.47	46.83%
Transportation 2003 (Nickel) Account (550)	395.5	394.7	0.79	0.20%	391.5	391.5	0.00	0.00%	397.8	390.4	7.47	1.91%
Transportation 2005 Partnership Account (09H)	586.3	585.6	0.65	0.11%	586.8	574.1	12.72	2.22%	591.7	570.6	21.12	3.70%
Connecting Washington Account (20H)	839.5	726.4	113.04	15.56%	812.9	712.5	100.39	14.09%	778.7	706.0	72.68	10.30%
Multimodal Account (21B)	686.0	687.5	(1.51)	-0.22%	682.3	719.1	(36.81)	-5.12%	2,225.8	745.1	1,480.72	198.73%
Special Category C Account (215)	45.9	45.8	0.07	0.16%	45.4	44.9	0.45	1.00%	45.3	44.5	0.77	1.72%
Puget Sound Capital Construction Account (099)	33.4	33.3	0.05	0.16%	33.0	32.7	0.33	1.00%	32.9	32.4	0.56	1.72%
Puget Sound Ferry Operations Account (109)	434.9	436.2	(1.33)	-0.31%	499.4	481.0	18.39	3.82%	525.8	500.5	25.29	5.05%
Capital Vessel Replacement Account (18J)	55.3	55.3	0.01	0.01%	78.3	58.1	20.20	34.79%	87.6	59.6	28.08	47.14%
Tacoma Narrows Bridge Account (511)	163.9	163.9	(0.00)	0.00%	162.7	162.2	0.43	0.26%	165.8	165.3	0.49	0.30%
High Occupancy Toll Lanes Account (09F)*	13.1	13.1	0.00	0.00%	20.7	24.8	(4.05)	-16.36%	30.2	30.2	0.00	0.00%
SR 520 Corridor Account (16J)	172.6	172.6	0.00	0.00%	196.5	193.3	3.13	1.62%	205.8	202.3	3.56	1.76%
SR 520 Corridor Civil Penalties Account (17P)	7.2	7.2	0.00	0.00%	7.8	7.8	0.00	0.01%	7.8	7.8	0.00	0.05%
Interstate 405 Express Toll Lanes Operations (59S)	81.5	76.7	4.75	6.19%	85.7	94.0	(8.30)	-8.53%	106.1	106.1	(0.01)	-0.01%
Alaskan Way Viaduct Replacement Acct. (53S)	97.7	97.7	(0.00)	0.00%	82.0	82.0	0.00	0.00%	84.4	84.4	0.00	0.00%
Aeronautics Account (039)	15.1	14.9	0.18	1.21%	18.9	14.3	4.59	32.13%	22.2	14.0	8.20	58.72%
Washington State Aviation Account (21G)	0.1	0.1	(0.00)	-3.83%	0.1	0.1	(0.00)	-2.09%	0.1	0.1	(0.00)	-1.29%
State Patrol Highway Account (081)	462.5	464.4	(1.98)	-0.43%	489.9	479.1	10.80	2.25%	511.1	490.4	20.69	4.22%
Highway/Motorcycle Safety Accts. (106 & 082)	299.6	296.3	3.34	1.13%	438.8	357.9	80.87	22.60%	479.1	344.7	134.41	38.99%
School Zone Safety Account (780)	0.5	0.5	0.03	7.12%	0.4	0.4	0.00	0.00%	0.4	0.4	0.00	0.00%
Other accounts (201, 06T, 09T, 09E, 216, 07C, 24-K)	43.6	43.5	0.08	0.19%	44.9	44.9	0.00	0.00%	45.7	44.8	0.87	1.95%
Electric Vehicle Account (20J)	57.8	57.8	0.00	0.00%	0.0	0.0	0.00	0.00%	0.0	0.0	0.00	0.00%
Ignition Interlock Devices Revolving Acct 14V	7.9	7.9	0.11	1.38%	7.9	7.9	0.00	0.00%	8.1	8.1	0.00	0.00%
Multistate Roadway Safety Account Collections-571	0.6	0.6	(0.00)	-0.38%	0.6	0.6	(0.01)	-0.94%	0.7	0.7	(0.00)	-0.50%
Move Ahead WA Accounts - 26P	209.5	210.3	(0.73)	-0.35%	277.9	227.5	50.33	22.12%	286.4	232.0	54.39	23.45%
Move Ahead WA Accounts - 26Q	260.5	30.3	230.25	760.97%	34.8	35.4	(0.56)	-1.58%	260.9	33.3	227.63	684.13%
Driver Education Safety Improvement Account (NEW)	0.0	0.0	0.00		12.9		12.9		16.7		16.70	
ISA Revolving Account (NEW)	0.0	0.0	0.00		0.0		0.00		0.0		0.00	
Carbon Emissions Reductions Account (CERA) - 26A	886.9		886.90		1,056.2		1,056.19		860.2		860.23	
Veterans Stewardship Account (08V)	0.0	0.0	0.00		0.0		0.00		0.0		0.00	
Wildfire Resp Forest Restor & Comm Resil (25P)	0.0	0.0	0.00		0.0		0.00		0.0		0.00	
Total for State Use	7,148.2	5,911.8	1,236.44	20.91%	7,963.7	6,162.1	1,801.65	29.24%	9,960.9	6,300.6	3,660.32	58.10%
Cities	175.9	175.6	0.28	0.16%	183.8	172.2	11.54	6.70%	188.4	170.6	17.72	10.39%
Counties	284.7	284.3	0.38	0.14%	288.6	279.8	8.81	3.15%	291.7	277.8	13.87	4.99%
Transportation Improvement Board (112 & 144)	191.0	191.7	(0.70)	-0.36%	193.5	191.7	1.84	0.96%	198.3	195.1	3.14	1.61%
County Road Administration Board (102 & 253)	67.3	67.2	0.10	0.15%	70.2	69.5	0.62	0.89%	75.1	74.1	1.06	1.43%
Total for Local Use	719.9	718.8	1.06	0.15%	736.0	713.2	22.81	3.20%	753.5	717.7	35.80	4.99%
Total Distribution of Revenue	8,092.6	6,854.8	1,237.77	18.06%	8,950.2	7,100.7	1,849.55	26.05%	10,978.3	7,243.4	3,734.92	51.56%

Figure 2 presents a comparison of transportation revenues across the four most recent forecast cycles: June 2025, March 2025, November 2024, and September 2024. The June 2025 forecast estimates the 10-year total transportation revenue to be \$13.6 billion (37.7%) higher than the projections in March 2025 forecast.

Figure 2: Total Transportation Revenues Estimates - Biennia: June 2025 – February 2024



Washington's transportation revenue is derived from various taxes, fees, permits, tolls, and other sources. The quarterly revenue forecasts include the components outlined in Figure 3. This graph illustrates the projected distribution of revenue sources for the 2023–25 biennium, totaling \$6.854 billion. Gasoline fuel taxes represent the largest share, accounting for 37.2% of the total. Collectively, fuel taxes contribute approximately 47.1% of all revenues. Revenues from licenses, permits, and fees comprise the second-largest share, at 29.1%. The three primary revenue sources are expected to account for 76.2% of total revenues for the 2023–25 biennium. The remaining 23.8% is projected to come from ferry fares, toll revenues, driver-related revenues, and other transportation-related sources.

Figure 3: Revenue By Source 2023-25 Biennium (\$6.8 billion)

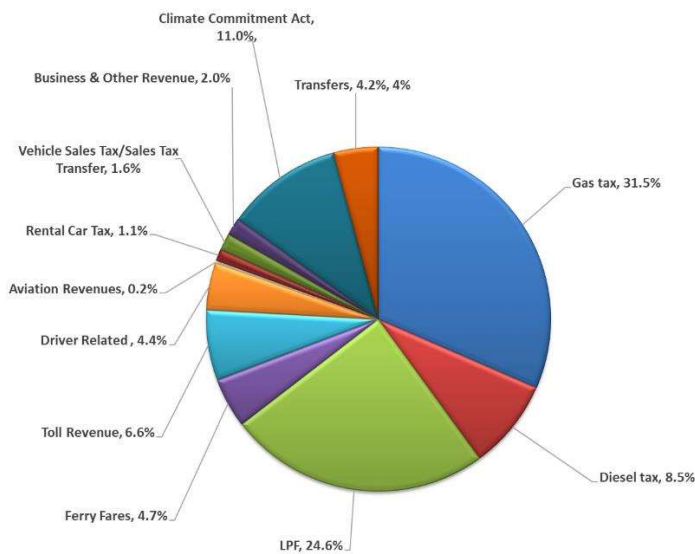


Figure 4 shows the June 2025 Forecast LESS the Move Ahead Washington Revenue Package compared to the June 2022 forecast.

Figure 4: Current Forecast Revenue comparison to the June 2025 forecast less the impact of the Move Ahead Washington Revenue Package (Chapter 182, Laws of 2022)

ESSB 5974 Transportation Resources Bill (2022) Revenue Impact Summary

	2023-2025			2025-2027			10-Year-Period (23-33)		
	June 2025	June 2022	Change	June 2025	June 2022	Change	June 2025	June 2022	Change
Move Ahead WA (26P) by Fee									
Plate original from \$10 to \$50 *Includes Motorcycle Plates	95.04	117.56	-19.2%	94.76	115.40	-17.9%	483.78	573.43	-15.6%
Plate replacement from \$10 to \$30 *Includes Motorcycle Plates	56.79	66.32	-14.4%	54.69	65.98	-17.1%	277.42	328.09	-15.4%
Dealer Temp from \$15 to \$40	29.99	41.13	-27.1%	35.15	39.99	-12.1%	176.73	197.99	-10.7%
DOL service fee for trucks from \$0.00 to \$0.50*	1.51	1.88	-19.7%	1.76	1.94	-9.3%	8.81	9.83	-10.4%
License Plate Tech fee for trucks from \$0.00 to \$0.25*	0.75	0.94	-19.7%	0.88	0.97	-9.3%	4.40	4.91	-10.4%
Stolen Vehicle Fee from \$15 to \$35**	25.59	32.59	-21.5%	28.64	46.00	-37.7%	151.91	259.57	-41.5%
Subtotal Move Ahead WA (26P)	209.67	260.42	-19.5%	215.88	270.28	-20.1%	1,103.05	1,373.81	-19.7%
Move Ahead WA Flexible (26Q) by Fee									
EDL/EID from \$4 to \$7 per year	19.20	20.26	-5.2%	21.19	23.07	-8.2%	93.92	102.07	-8.0%
ADR from \$13 to \$17 and \$19 in FY30	9.19	9.40	-2.3%	9.43	9.64	-2.2%	67.19	68.54	-2.0%
DL/ID replacement from \$10 to \$20	4.12	3.98	3.3%	4.21	4.04	4.3%	21.37	20.45	4.5%
Subtotal Move Ahead WA Flexible (26Q)	32.51	33.65	-3.4%	34.84	36.76	-5.2%	181.79	190.92	-4.8%
Aviation Fuel Tax (Fund 039)									
Aviation fuel tax from \$.11 to \$.18 per gallon	5.19	3.34	55.3%	4.92	3.38	45.8%	24.57	17.05	44.1%
Total New Revenue from ESSB 5974	247.37	297.41	-16.8%	255.63	310.41	-17.6%	1,309.41	1,581.79	-17.2%

* Included technical cleanup bill ESHB 1853 (2023) resulted in all trucks being a subject to DOL service fee (\$0.50) and Licence plate technology fee (\$0.25)

**Stolen Vehicle Check Fee from \$15 to \$50 and from \$50 to \$75 in FY2027 (26P fund, forecasted by WADOT)

Economic Variables Forecast

In their revenue forecasts, analysts utilize a variety of economic and demographic variables to monitor trends. The Washington State Department of Transportation (WSDOT) and the Economic Revenue Forecast Council (ERFC) compile key economic variables, which include real personal income in Washington, inflation, sector-specific employment, housing starts, Vehicles Miles Traveled (VMT), and sales of new light vehicles in the U.S.

The variables for June 2025 are based on forecasts provided by the Washington Economic and Revenue Forecast Council (ERFC), S&P Global, and the Office of Financial Management (OFM).

Below we present an analysis and key insights for fuel prices.

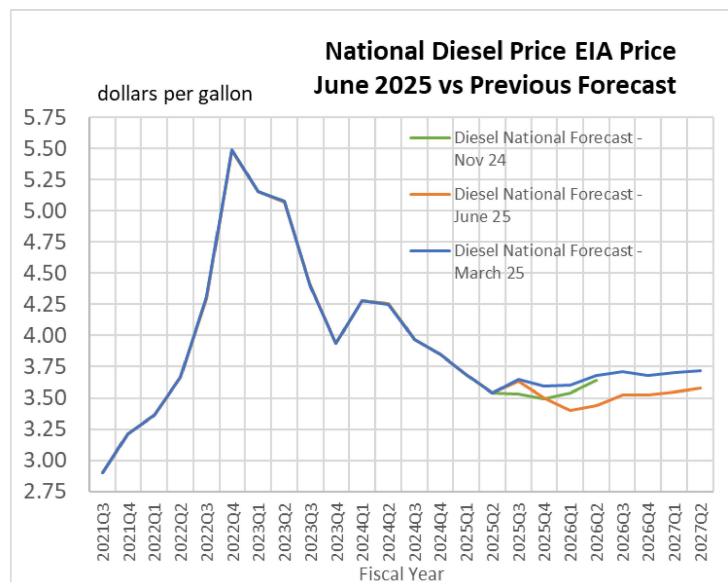
Fuel Prices

The fuel price forecast has been updated using a similar methodology and the same price references described in detail in June 2024, Volume I. Biodiesel prices are based on Washington State Ferries' latest reported purchase price of biodiesel, including markup, delivery, and other tax costs (Adjusted Price Per Gallon, APPG).

The reference prices are derived from two primary sources:

- S&P Global: Gasoline Price. ERFC sends this file to partner forecasters prior to developing the forecast.
- US Energy Information Administration (EIA): Diesel Price. This is from the EIA Short-Term Energy Outlook, June 10 2025. ERFC forecast may not capture the increase in oil prices observed after the EIA forecast was published.

Figure 5: National Diesel Price

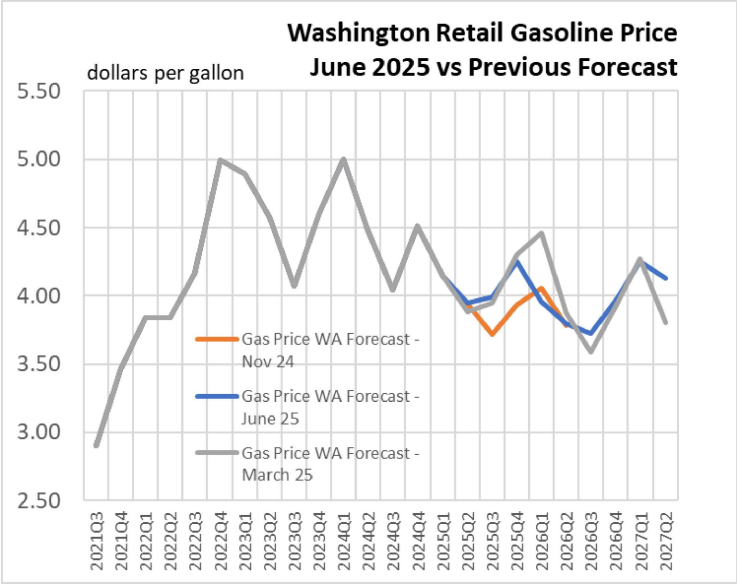


Source: EIA

Brent Oil prices declined last year, falling to the lowest price in 3 years in May (a little more than \$61 per gallon), and the biodiesel forecast aligns with diesel price trends. The figure indicates a decline in the diesel price forecast from the second quarter of FY 2024, with an expected annual decrease of 9.1% by the end of the 2025 fiscal year, bringing the forecast close to \$3.50 per gallon.

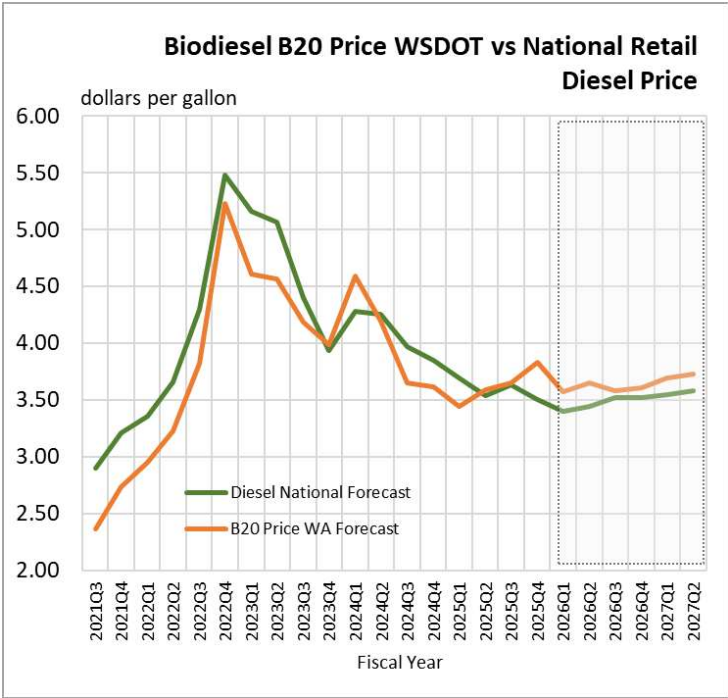
The fuel prices forecast for June 2025 is presented below. The graphs show trends in various fuel prices from fiscal year 2022 to mid-2027, reflecting futures markets for Brent oil as detailed in the [STEO](#) report on pages 23 and 24. Gasoline prices have been decreasing since their peak in the first quarter of fiscal year 2024, with the forecast suggesting a price close to \$3.80 per gallon by the second quarter of FY 2026.

Figure 6: Washington retail gasoline price



Source: ERFC estimates and S&P global national price of reference

Figure 7: Washington biodiesel price



Source: ERFC estimates and S&P global national price of reference

In the third quarter of FY 2025, biodiesel prices for B20 and B5 experienced year-over-year growth rates of 0% and 2.6%, respectively. The forecast indicates that prices may decrease to approximately \$3.65 per gallon for B20 and close to \$3.11 per gallon for B5 in the second quarter of FY 2026.

Figure 8: Fuel prices forecast

Fiscal year - Quarter	Gas Price WA Forecast	Diesel Price Forecast	Diesel National Forecast	B20 Price WA Forecast	B5 Price WA Forecast
2021Q3	2.90	3.00	2.90	2.36	2.02
2021Q4	3.47	3.36	3.21	2.73	2.37
2022Q1	3.84	3.64	3.36	2.95	2.60
2022Q2	3.84	3.92	3.66	3.23	2.90
2022Q3	4.16	4.53	4.29	3.82	3.55
2022Q4	5.00	5.66	5.48	5.23	4.74
2023Q1	4.89	5.42	5.16	4.61	4.25
2023Q2	4.58	5.26	5.07	4.57	3.98
2023Q3	4.07	4.64	4.40	4.19	3.71
2023Q4	4.60	4.33	3.94	3.98	3.62
2024Q1	5.00	4.71	4.28	4.59	4.39
2024Q2	4.48	4.64	4.25	4.19	3.62
2024Q3	4.05	4.14	3.97	3.65	3.12
2024Q4	4.51	4.06	3.85	3.62	3.14
2025Q1	4.15	3.92	3.69	3.44	3.07
2025Q2	3.95	3.76	3.54	3.59	3.11
2025Q3	3.99	3.82	3.63	3.65	3.20
2025Q4	4.25	3.81	3.50	3.83	3.13
2026Q1	3.96	3.59	3.40	3.57	3.15
2026Q2	3.80	3.65	3.44	3.65	3.11
2026Q3	3.73	3.63	3.52	3.58	3.11
2026Q4	3.97	3.66	3.52	3.61	3.05
2027Q1	4.25	3.72	3.55	3.69	3.25
2027Q2	4.13	3.77	3.58	3.73	3.16

Source: ERFC estimates

Motor Vehicle Fuel Tax Forecast

The Motor Vehicle Fuel Tax (MVFT) forecast is divided into two primary categories: Gasoline (Gas) and Special Fuels (SF). The MVFT forecast, along with the corresponding revenue forecast and distributions, has been updated.

Fuel consumption (expressed in cash gallons: revenue divided by the tax rate) was forecasted using models that employed quarterly data. The two principal explanatory variables for gas gallonage are Washington State employment and electric vehicle registrations. For special fuels, the main variable is Washington taxable sales adjusted for inflation. Snowmobile refunds were also forecasted by the Department of Licensing (DOL). The actual data provided by DOL has been impacted by a system defect following the CORE21 implementation. This issue has affected fuel tax reporting for a five-month period (January to May - month of sales). ERFC has decided not to incorporate 2025

months of sales data into the forecast due to these unresolved data concerns. Instead, ERFC proceeded to update the forecast based on economic variables and legislative changes.

The key legislative changes from [ESB 5801](#) are:

- Beginning July 1, 2025, the fuel tax rate for motor vehicle fuel and special fuel increased by \$0.06 per gallon from \$0.494 to \$0.554 per gallon. In addition, the fuel tax rate for special fuel has increased \$0.03 per gallon beginning July 1, 2025, and by an additional \$0.03 per gallon beginning July 1, 2027. Fuel tax rates, except for the special fuel differential rates, are increased by an inflation adjustment factor of 2 percent each year beginning July 1, 2026.
- The special fuel differential rate is increased by an inflation adjustment factor of 2 percent each year beginning July 1, 2028. Revenue generated from these fuel tax rate increases is distributed to the Motor Vehicle Fund, except that 2.5 percent is distributed to incorporated cities, and 2.5 percent is distributed to counties.

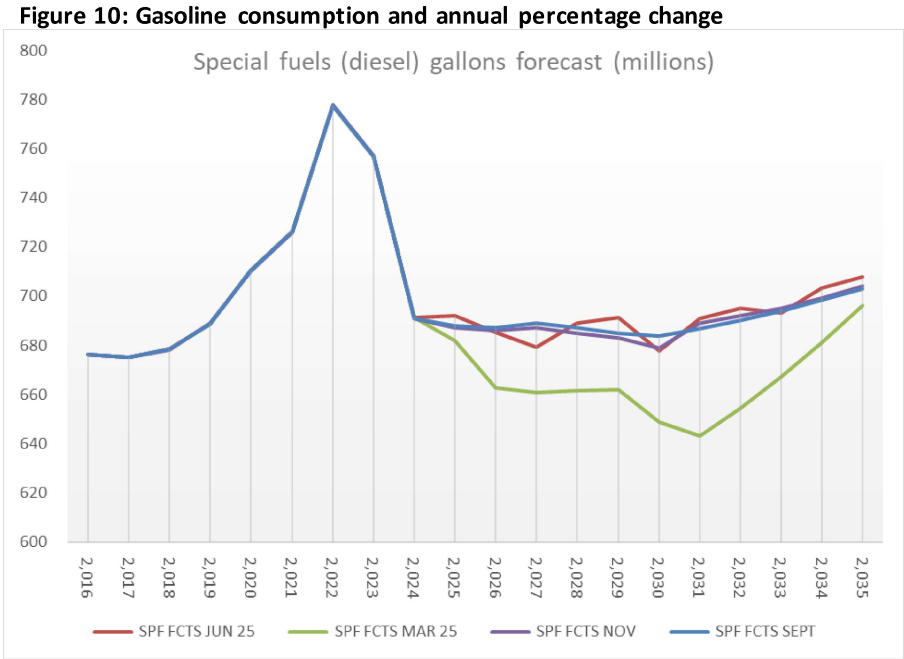
The accompanying graphs show the increase in tax rates by type of fuel used for the revenue estimation.

Figure 9: Gasoline consumption and annual percentage change



Source: ERFC estimates – Treasury reports

The forecast for special fuels consumption is higher than the previous forecast by 3.4% for fiscal year 2026 and by 2.8% for fiscal year 2027. The June 2025 forecast uses projected real taxable sales (adjusted for inflation) for years after 2029 following the trend of income from the S&P Short Term forecast and the result is a forecast close to what was projected in September and November 2024.



Source: ERFC estimates – Treasury reports

The forecast for total motor fuel consumption is higher than the previous forecast by 0.8% for fiscal year 2026 and by 0.2% for gasoline. The gap between the previous and new forecasts widens for later fiscal years, with the new forecast being 2.5% higher for all motor fuels in fiscal year 2031.

Washington State is expected to collect approximately \$3.24 billion from the Motor Vehicle Fuel Tax (MVFT) in the 2023-2025 biennium, an increase of \$5 million or 0.16% from the earlier forecast. For the 2025-2027 biennium, MVFT revenue is projected at \$3.66 billion, representing an increase of \$471 million or 14.8% compared to the previous projection.

Motor Vehicle Revenue (Licenses, Permits, and Fees)

Overview

Vehicle-related forecasts fall into two main categories: motor vehicle registrations and license plate-related fees. These forecasts have a variety of small fees, but most of the revenue is from registration-based fees. There are five main economic drivers of the vehicle licenses, permits, and fees (LPF) forecast: Washington population and net migration, Washington real personal income, Washington Non-ag Employment, Washington - U.S. real income share, and U.S. sales of light vehicles. It is important to note that Engrossed Substitute Senate Bill 5801 (ESSB 5801) impacted many LPF-related revenues for Fiscal Year 2026 (2025-2027 Biennium) and beyond.

Washington State anticipates collecting about \$1.99 billion from vehicle licenses, permits, and fees (LPFs) in the 2023-2025 biennium, which is a decrease of \$2.3 million or 0.11% compared to the forecast for March 2025. The LPF forecast is anticipated to be \$2.23 billion by the 2025-2027 biennium, which is up about \$94.1 million or 4.4% from the previous forecast. Most of this impact is due to the legislative changes as outlined in ESSB 5801.

One of the main drivers of the LPF revenue forecasted by the Economic and Revenue Forecast Council (ERFC) is the vehicle registration forecasts and corresponding revenue forecasts. The forecast models for cars and trucks remain unchanged from the previous forecast. The forecast for cars is slightly lower than the March forecast due largely to the fact that actual car registrations were slightly lower than expected and the forecast for non-farm employment is lower than in March. The truck registration forecast is also slightly lower than the previous forecast. This is because actual truck registrations since last forecast were just slightly lower than the forecasted amount and the forecast for non-farm employment is lower than March. The fees used to convert vehicle registrations to revenues are unchanged from the prior forecast. There are small changes to the forecast for motorhomes, travel trailers, and other vehicle types.

These registration forecasts have a direct impact on the weight-based and non-weight-based registration fees. The three major revenues that the ERFC forecasts for the LPF are the Vehicles paying Basic License Fee (\$30), Vehicles paying Weight-based Registration Fee (All Trucks), and the Passenger Vehicle Weight Fee. While the slight changes to the car and truck registrations would allude to only small changes in the three major revenues that the ERFC forecasts for the LPF, ESSB 5801 (2025) increased revenues for fiscal year 2026 and beyond for both the Vehicles paying Weight-based Registration Fee (All Trucks) and the Passenger Vehicle Weight Fee. Because the legislation outlined in ESSB 5801 does not begin until January 1, 2026, the 2023-2025 biennium remains mostly unchanged from the March forecast, with less than one percent decreases in revenues for each of those 3 sources. For the 2025-2027 biennium, the Vehicles paying Basic License Fee (\$30) decreased 0.9% compared to the March forecast, while the Vehicles paying Weight-Based Registration Fees (All Trucks) increased 10.9% and the Passenger Vehicle Weight Fee increased 4.32%.

Overall, the ERFC forecasted portion of the LPF revenue for the 2023-25 biennium is \$1.480 Billion, down from \$1.482 billion (-0.16%) in the March 2025 Forecast. For the 2025-27 biennium, the ERFC forecasted portion of the LPF revenue is \$1.622 billion, up from \$1.540 billion (5.33%) in the March 2025 forecast.

The June 2025 forecast of LPF revenue projected by the Department of Licensing includes the following revenue sources:

- Dealer temporary permit, registration, and plate fees.
- DOL services account.
- Electric vehicles and charging infrastructure fees.
- Plates: original, replacement, transfer, and reflectivity; multimodal account and license plate technology.
- Title fees: regular and quick title.

- Vehicle business licenses.
- Service and filing fees.
- Other fees: abandoned RV disposal, IFTA decals, intermittent-use trailers, multiuse roadway fees.

These LPF fees are deposited into 18 different accounts, including Motor Vehicle Account Capital Vessel Replacement Account, and Move Ahead WA.

This forecast incorporates the known impact of 2025 passed legislation, which increased various LPF fees. The DOL forecasted portion of LPF revenue for 2025-27 biennium is \$593.8 million, an increase of \$12 million (2%) from the prior forecast. Over the ten-year period of FY2026-2035, DOL forecasted LPF revenues are projected to total \$4,072 million, an increase of \$165 million (4.2%) from the prior forecast.

Primary reasons for the change in the June 2025 forecast

- **Abandoned Vehicle Fee** is increased from \$6 to \$8 effective Jan 1, 2026. Forecast is increased \$700K (24.2%) in the 2025-27 biennium, and the ten-year outlook is increased by \$4.4 million (38.3%) compared to the previous forecast.
- **Title Fee** forecast is lowered by \$3.6 million (-5.1%) for the 2025-27 biennium and lowered by \$12 million (-3.4%) for the ten-year horizon compared to previous forecast. The trend is following S&P Global's May 2025 light vehicle sales economic variable forecast that was significantly lowered for the next four years and moderately lowered in the remainder of forecast horizon.
- **Original Issue Plate** forecast is lowered by \$6.8 million (-5.4%) for the 2025-27 biennium and lowered by \$8.8 million (-1.4%) for the ten-year horizon compared to previous forecast. This forecast is affected by the downturn in title fee forecast.
- **Plate Replacement Fee** forecast is lowered by \$4 million (-4.7%) for the 2025-27 biennium and the ten-year outlook is lowered by \$9.9 million (-2.3%) compared to previous forecast.
- **Dealer Temporary License Plate** forecast is lowered by \$4.5 million (-8.4%) in 2025-27 biennium, and the ten-year outlook is lowered by \$10.9 million (-4.1%) compared to previous forecast. Adjustments made due to an actuals trend observation, affected by S&P Global's lower forecast for new light vehicle sales.
- **DOL Service Fee** is increased from \$0.5 to \$0.75 effective Jan 1, 2026. The forecast is increased by \$3.4 million (37.4%) for the 2025-27 biennium and the ten-year outlook is increased by \$22.4 million (46%) compared to the previous forecast.
- **Filing Fees** forecast is increased by \$1.3 million (18.6%) for the 2025-27 biennium and the ten-year outlook is increased by \$8.3 million (23.5%) compared to the previous forecast. Title filing fee is increased from \$5.5 to \$6.5, while the registration filing fee is increased from \$4.5 to \$6, effective Jan 1, 2026.
- **Service Fee** forecast is increased by \$9.4 million (20.9%) in 2025-27 biennium and increased by \$64.9 million (28%) in the ten-year outlook compared to previous forecast. The title service fee is increased from \$15 to \$18, while registration service fee is increased from \$8 to \$11, effective Jan 1, 2026.
- **Special Plates** forecast is newly added to Transportation Revenue Forecast. The current forecast contains only the Historical Throwback plate revenue forecast.
- **Motor Vehicle Business Licenses** forecast is increased by 806K (9%) for the 2025-27 biennium and increased by \$4 million (8.8%) for the ten-year outlook compared to previous forecast. This revision is primarily due to the Abandoned Vehicle revenue forecast returning to roughly Nov 2024 level.

Driver Related Revenue Forecasts

Overview

The *June 2025* forecast of driver-related revenue projected by the Department of Licensing includes the following revenue sources:

- Driver license fees: commercial driver licenses, enhanced driver licenses, and temporary restricted licenses
- ID card fees
- Driver exam application fees
- Abstract driving records (ADR)
- Motorcycle operator fees
- Ignition interlock fees,
- Other miscellaneous 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), Move Ahead WA Flexible Account (MAWA), and Ignition Interlock Revolving Account (IIRA). June 2025 forecast adds Driver Education Safety Improvement Account and Intelligent Speed Assistance Revolving Account from 2025 legislative session.

Driver-related revenue for FY 2025-27 biennium is forecasted at \$402 million, \$7million higher (1.8%) from the prior forecast. Over the ten-year period of FY2026-2035, driver-related revenues are projected to total \$2,083 million, \$161.5 million (8.4%) higher than the prior forecast.

It is important to note that with SHB1207 passed in the 2021 legislative session, DOL offers eight-year licenses and ID cards, along with the existing six-year license and IDs. For the first four years of implementation, all first time Driver/ID issuances will have variable renewal terms while Driver and ID renewals will follow either a six - or eight-year renewal cycle depending on customer choice. Caution is advised in year-over-year comparisons.

*Notable changes in the **June 2025** forecast:*

Total Driver Licenses Fees revenue actuals track 5% average variance higher than March 2025 forecast over 4 months. This is primarily due to unprecedented demand in Enhanced Driver License (EDL) and Identification (EID), coincide with REAL ID deadline in April 2025, while other driver-related transactions which require 'counter time' is in temporary decline. Of note is the change of customer's preference toward shorter-term Driver's License and Identicards, which reduce revenue per transaction.

- **Driver License Fee** is increased \$1 per validity year in Oct 1, 2025, and effective Jul 1, 2028 this fee is further increased by \$1 per validity year every three years. The forecast increased by \$15.6 million (9.8%) for 2025-27 biennium, while the 10-year forecast is increased by \$166 million (23.7%) compared to the previous forecast.
- **Identicard Fee** is increased \$1 per validity year in Oct 1, 2025, and effective Jul 1, 2028 this fee is further increased by \$1 per validity year every three years. The forecast increased by \$1.2 million (7.2%) for 2025-27 biennium, while the 10-year forecast is increased by \$19.2 million (22.6%) compared to the previous forecast.

- **EDL and EID** forecast lowered by \$1.2 million (-2.3%) for 2025-27 biennium. The 10-year forecast decreased by \$18.8 million (-7.8%). Adjustment is based on customer's preference for shorter validity term, which resulted from lower revenue per transaction.
- **Driver Examination Fee** is increased from \$35 to \$50 effective Jan 1, 2026. The forecast for the 2025-27 biennium is increased by \$7 million (31%), while the 10-year forecast is increased by \$45.6 million (39.9%).
- **Instruction Permit Fee** is increased from \$25 to \$35 effective Jan 1, 2026. The forecast for the 2025-27 biennium is increased by \$1.7 million (\$24%), while the 10-year forecast is increased by \$10.7 million (\$30%).

Other Transportation Related Revenue Forecast

Overview

This category of transportation related revenue forecasts consists of four primary components: vehicle sales and use taxes, rental car sales taxes, studded tire fees and business and other revenues. 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
- Speed Safety Camera Systems

ESSB 5801 (2025) modifies existing tax revenues as well as introduces new ones. Here are the changes that affect this section:

- **Rental Car Tax (Existing Tax & New Tax):** The 5.9% additional rental car tax is increased to 11.9% on January 1, 2026 and then adjusted down to 9.9% on January 1, 2027 and thereafter; and (2) applies these rates to peer-to-peer car transaction involving a vehicle exempted from retail sales or use tax. True peer-to-peer transactions involving personal car sharing by individuals would not be subject to taxation.
- **Motor Vehicle Sales and Use Tax (Existing Tax):** Increases the additional sales tax assessment on motor vehicles from 0.3% to 0.5% beginning January 1, 2026.
- **Luxury Vehicle Tax (New Tax):** Imposes a luxury tax of 8% on a portion of the retail sale, lease, or transfer of a vehicle beginning January 1, 2026. Applies to the portion of the selling price or value that exceeds \$100,000. The deduction of \$100,000 is increased by 2% per year.
- **Luxury Noncommercial Aircraft Tax (New Tax):** Imposes a luxury tax of 10% on a portion of the retail sale, lease, or transfer on an aircraft beginning April 1, 2026. Applies to the portion of the selling price or value that exceeds \$500,000 of non-commercial aircraft.
- **Recreational Vessel Tax (New Tax):** Imposes a 0.5% sales and use tax on recreational vessels beginning July 1, 2026.
- **Tire Fee (New Tax):** Increases the existing \$1 tire replacement fee to \$5 and increases the amount retained by the retailer to 25 cents beginning January 1, 2026.
- **Work Zone Safety Cameras (Existing Tax):** Current policy provides a \$0 fine for the 1st offense. Increases the fine for the first offense to \$125 beginning July 1, 2026, through the pilot termination.

In addition to the changes in ESSB 5801, ESSB 5802 (2025) dedicates 0.1 percent of the state sales and use tax into the Multimodal Transportation Account starting July 1, 2027. Additionally, starting June 2025, specific amounts appropriated for transportation from the Climate Commitment Act (CCA) are now included in the forecast. These include allocations to the Carbon Emissions Reduction Account (CERA). The information presented outlines the projected annual allocation to CERA, which is set at approximately \$359 million per year, extending through 2035. Additionally, transfers from other accounts to CERA are included if they are explicitly specified in current biennial budgets. However, since there are no predefined rules governing future appropriations, these transfers are assumed to be zero for fiscal years without detailed budgets. HB 2077 establishes a tax on certain business activities related to surpluses generated under the zero-emission vehicles program. Some of the proceeds from the tax will be deposited in the CERA starting in FY 2028.

During the 2024 Legislative Session, SSB 6115 passed, and it will amend RCW 46.63.200. The RCW continues to authorize use of automated Speed Safety Camera Systems (aka Work Zones Speed Cameras (WZSC)) in active work zones on state highways. The intention of WZSC is to help reduce vehicle speeds in active work zones while increasing overall safety for travelers and workers, alike. The penalty for a speed safety camera system violation is: (a) \$0 for the first violation; and (b) \$248 for the second violation, and for each violation thereafter. Revenue generated from these systems must be deposited into the Highway Safety Fund and first used exclusively for operating and administrative costs associated with these systems. Any revenue that exceeds the operation and administrative costs must be distributed for the purpose of traffic safety, including but not limited to, driver training education, and local DUI emphasis patrols.

The Washington State Department of Transportation (WSDOT) and the Washington State Patrol (WSP) were originally directed to collaborate and have operational Speed Safety Camera Systems in place by July 1, 2024. The deployments have been pushed back to March of 2025. This is due to reaching an impasse during contract negotiations with the first selected apparent Successful Vendor (ASV). An updated RFP was released April 2, 2024. These systems will be in place through September 30, 2030. Both agencies have been working diligently to lay the groundwork for successful implementation. We have been Integrating best practices for how these systems are deployed around the country; and are engaged in ongoing discussions about rulemaking refinements. We have recently concluded a Request for Proposal (RFP). We estimate the five-year horizon, Speed Safety Cameras revenues of \$73.4M.

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.

Primary reasons for the change in the June 2025 Forecast

- In the June 2025 forecast, the sales and use tax on motor vehicle purchases is slightly lower in the 2023-25 biennium than in the March forecast. While use tax collections are up, retail sales tax collections are down. Moving forward, the 2025-27 biennium June forecast increases due to ESSB 5801. Sales and Use tax collections are forecasted to be \$57.8 million (43.4%) higher than the March forecast.
- For the 2023-25 biennium, rental car tax collections are \$1.5 million (-1.7%) lower than the March forecast. This is mainly due to lower than forecasted actuals. For the 2025-27 biennium, the June 2025 rental car forecast is \$54.9 million (58.1%) higher than the March 2025 forecast. As stated above, this growth is due to the increase in the tax rate as outlined in ESSB 5801.
- Forecasted heavy equipment tax collections have decreased since the previous forecast due mainly to lower than forecasted actuals. For the 2023-25 biennium, heavy equipment rental tax collections are forecasted to be -1.6%

lower while in the 2025-27 biennium they are forecasted to be –3.9% lower.

- HOV penalties in June 2025 are unchanged from the last forecast.
- **WSDOT Business related revenue** for the 2023-25 biennium has been revised up by \$763 thousand, or 2.4%, from the March forecast. This is due to actuals coming in. **The School Zone Fines** forecast for the current biennium is up \$35 thousand, or 7.1%, from the March forecast. These changes reflect updated actuals coming in.
- **Speed Safety Cameras Systems** - As the program becomes operational and actual trends are observed, WSDOT will update the forecast to ensure more accurate projections. In future biennia, WSDOT will incorporate additional variables to further enhance forecast accuracy. The forecast is down about \$3.5M or 72.5% in the current biennium. This decrease is due to the delay of the program starting and causing revenue collection to be pushed out.
- **WSP Business Related Revenues** for the 2023-25 biennium have been revised down by (\$31,950) or (.26%). The change reflects updated actuals.
- **Aviation Fuel Tax (039)** forecast is tracking well with actuals-to-date and is consistent with recently observed increases to taxable gallons. Overall, the forecast is virtually unchanged.
- **Driver Licensing Technology Support Account (25W)** is collected by Administrative Office of the Courts (AOC) for supporting information technology systems used by the Department of Licensing to communicate with the judicial information system, manage driving records, and implement court orders. DOL forecasts this revenue on behalf of AOC. The forecast tracks well with actuals and is virtually unchanged.

Total Other Transportation Related revenues in the 2023-25 biennium are currently projected at \$1.254 billion. This represents an increase of \$885.8 million, or 240.7% compared to March 2025 forecast. It is important to note that the overwhelming majority of this increase is due to the changes in legislation from ESSB 5801 and 5802, as well as the addition of the CCA funds.

Ferry Ridership and Revenue

Summary

Ridership for the 2023-2025 biennium is projected to be nearly 38.3 million, approximately 0.3% lower than previously forecasted, with one month of forecasted values remaining in FY 2025. Over the same period, total revenue is projected to equal \$377.4 million, comprising \$369.1 million in farebox and surcharge revenues plus \$8.3 million in miscellaneous revenues, which overall is 0.5% lower than the prior November Forecast.

Over the subsequent 10 years from FY 2026 through FY 2035, ridership is projected to be 0.8% to 4.1% lower than previously forecasted, while total farebox and miscellaneous revenues combined are projected to range from 2.7% to 5.6% higher than in the prior forecast. The divergence in trends between ridership and revenue can be largely attributed to the fare policy and related changes enacted by the 2025 Washington State Legislature, which:

- Set a 2025-27 biennium revenue target for rate setting by the Washington State Transportation Commission (WSTC) that will require general fare increases;
- Directed increases in the vessel replacement surcharge by \$0.50 in October 2025 plus another \$0.10 in October 2027 and 2029; and
- Called for implementation of an additional 3% transaction cost recovery fee on fare purchases made with a credit or debit card.

The above actions increase base fare revenue, capital surcharge revenue, and miscellaneous revenues, respectively; however, their collective impact on the effective fares paid by customers concurrently dampens ridership.

Absent the fare, surcharge, and fee policy changes described above, the June ridership forecasts would have ranged from no change to increases of less than one percent, compared to the March Forecast. This finding reflects a slim net positive impact of the updated economic variables alongside slightly lower than anticipated ridership in the most recent three months, compared with the March forecast.

Overview

The fare revenue and ridership projections for Washington State Ferries are prepared using (1) systemwide econometric models to estimate overall demand by fare category, (2) autoregressive-integrated-moving average time series models to allocate monthly ridership demand across the 10 routes and seven fare categories, and (3) a set of spreadsheet models to assess vessel capacity constraints on ridership and calculate revenue projections. Ridership and revenues are estimated for the following seven fare categories.

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

In August 2023, the WSTC adopted two fare increases for FY 2024 and FY 2025. The first took place on October 1, 2023 and

the second on October 1, 2024. Both increases raised the base passenger and vehicle/driver fares by 4.25% with nickel rounding. At the same time, a temporary 1% additional discount to multi-ride passes was implemented to dampen the fare increases experienced by frequent users. The temporary additional discount will expire on September 30, 2025.

In May 2025, the Governor signed legislation, ESSB 5801, requiring the WSTC to:

- Increase the vessel replacement surcharge by \$0.50 from \$0.25 to \$0.75, effective October 1, 2025, with two additional \$0.10 increases on October 1, 2027 (\$0.85 total) and on October 1, 2029 (\$0.95 total), which remains paired with the \$0.25 hybrid vessel surcharge;
- Implement a credit card recovery fee of at least three percent on all fare purchases made with a credit or debit card (assumed implementation date of March 1, 2026); and
- Increase base fares in combination with the above to achieve a 2025-27 biennium revenue target of \$408.8 million.

The June 2025 forecast incorporates these fare policy changes, including the assumption of 2.5 percent fare increases in October of 2026 and 2027. While the vessel replacement surcharge increase will generate additional revenue for the Capital Vessel Replacement Account (18J), it is projected to *decrease* base fare revenue for operations due to the dampening impact of higher fares on demand. Similarly, the credit card recovery fee is expected to reduce ridership demand and therefore revenues, and the proceeds of the recovery fee are not considered part of base farebox revenue.

The June 2025 Forecast incorporates actual ridership data through May 2025 and actual revenue collections through April 2025.

COVID-19 Impacts and Service Level Constraints

Beginning in early March 2020, the COVID-19 pandemic negatively impacted ferry travel, with April 2020 ridership 73% lower than April 2019. Since then, the rebound in ridership has been somewhat variable and extended, reflecting post-pandemic travel patterns, including less frequent use by many customers, combined with reduced and uncertain service levels. This forecast takes into consideration the WSF Service Contingency Plan updated in May 2025, which reflects the aim to return to pre-pandemic service levels in Summer 2025, earlier than previously expected. Nonetheless, the ridership and revenue forecasts acknowledge that vessel and/or crew shortages may impact service reliability, with stable, full-service restoration awaiting the arrival of new ferries starting in mid-2028 (FY 2029). The June 2025 Forecast includes the following assumptions regarding service levels:

- The Fauntleroy-Vashon-Southworth triangle route is assumed to generally resume operations of a third vessel starting in July 2025 (FY 2026). This is a year earlier than assumed in the prior March 2025 Forecast.
- A second boat on the Seattle-Bremerton route is assumed to be reinstated by July 2025 (FY 2026), in alignment with assumptions in the prior March 2025 Forecast.
- On the Port Townsend-Coupeville route, resumption of the second vessel normally added for the late Spring and Summer seasons is assumed to restart on July 4, 2025 (FY 2026), in alignment with previous March 2025 Forecast assumptions. Initially for this summer, the second boat will run only Friday through Monday only, with a full return to everyday operations assumed in late Spring 2026.
- The Point Defiance-Tahlequah, Anacortes-San Juan Island, Seattle-Bainbridge, Mukilteo-Clinton, and Edmonds-Kingston routes will continue to operate the majority of the time with the normal number of vessels.
- In the event that service reductions are required due to insufficient vessel or crew availability, WSF will first reduce third-vessel service on the Fauntleroy-Vashon-Southworth route and second-vessel service on the Seattle-Bremerton and Port Townsend-Coupeville (shoulder/Summer only) routes. The forecast accounts for this by

assuming slightly lower reliability factors on these routes.

- Resumption of service on the Anacortes-Sidney, B.C. international route is assumed to be delayed until Summer 2030 (FY 2031), which will also add limited capacity to summer service in the San Juan Islands as a fifth vessel. Anacortes-Sidney, B.C. ridership demand is then expected to ramp up over a three-year period.

Ridership

In the first 11 months of FY 2025, actual ridership averaged 2.6% higher than the same period in FY 2024, with passenger fares 3.2% higher and vehicle/driver fares 1.9% higher. Overall ridership growth FY 2025-to-date is lower than the growth experienced in FY 2024, albeit higher for vehicle/driver ridership which contribute more to revenues. Total ridership for 11 out of 12 months in FY 2025 exceeds 79% of comparable pre-pandemic (FY 2019) levels.

From March through May 2025, actual monthly ridership ranged from 2.0% lower to 4.5% higher than the same months in the prior fiscal year, a result that was 1.1% to 2.1% below the monthly March Forecast values. On average across all three months, ridership grew by 2.3% over the same period in FY 2024, with passenger fares 2.9% higher and vehicle/driver fares 1.7% higher, though the levels were below March forecast expectations by 1.7%, with passenger fares 2.0% below forecast and vehicle/driver fares 1.4% below forecast.

For FY 2025 overall, inclusive of 11 months of actual data, ridership is projected to be 0.5% lower than in the prior March forecast. This amounts to a 0.3% decrease in ridership over the full 2023-25 biennium compared to the March Forecast.

FY 2026 ridership forecast is 0.8% lower than in the March Forecast, attributed in large part to the demand suppression of the increase in the vessel replacement surcharge, the introduction of a credit card processing cost recovery fee, and the 2.5% base fare increase. The impacts of the fare policy changes are larger in FY 2027, when they are in effect for the full fiscal year along with an additional 2.5% fare increase, such that ridership for the full 2025-27 biennium is projected to be 1.5% lower than forecast.

Over the rest of the forecast horizon (FYs 2028-35), the June ridership projections range from 3.3% to 4.1% lower than the March Forecast.

Absent the effects of the additional surcharge and credit card processing fees, the June 2025 ridership projections for the 2025-27 biennium would have been nearly 0.7% higher compared to March.

Revenues

Total reported fare and surcharge revenues for the first ten months of FY 2025 (through April 2025) were 0.4% lower than the same period in FY 2024. Actual revenue performance for the three most recent months recorded (February – April 2025) collectively fell short of the March Forecast by 1.6%. Revenue for the first 11 months of FY 2025 comprise approximately 96% of the pre-pandemic fare revenue levels, a share that exceeds the corresponding pre-pandemic ridership share of 79% due to a series of general fare increases and a doubling of capital surcharges since the start of the pandemic, along with stronger growth in higher-fare vehicle traffic.

In the current 2023-25 biennium, fare and fare surcharge revenues are projected to be 0.4% lower, while miscellaneous revenues are forecast to be 4.5% lower, than in the prior March Forecast. Total 2023-25 biennium fare and miscellaneous

revenues are expected to be \$377.4 million, 0.5% lower than the March Forecast of \$379.3 million.

In the 2025-2027 biennium, fare revenues are projected to be \$406.2 million, 1.7 percent higher than previously forecast. Fare surcharge revenues are projected to be \$23.9 million, 82.6% higher than in the March Forecast due to the increase in the vessel replacement surcharge.

There is a new miscellaneous revenue category from the credit card transaction fee recovery, totaling \$7.3 million in the 2025-27 biennium, which when combined with the existing vessel and other non-fare revenues, causes total miscellaneous revenues to exceed the March Forecast by 52.9%. Excluding the credit card recovery fees, 2025-27 biennium miscellaneous revenues would have been 9.5% lower than the March Forecast.

Subsequent biennia fare and surcharge revenue projections are expected to range from 5.1% to 5.4% higher relative to the March forecast. Miscellaneous revenues excluding credit card recovery fees for the subsequent biennia would have averaged 12.5% less than March; however, with the credit card recovery fees, miscellaneous revenues are expected to range from 66% to 77% higher. Overall farebox and miscellaneous revenues over the remainder of the forecast horizon through FY 2035 average about 7.2% higher than the prior projections.

Over the 10 years from FY 2026 through FY 2035, farebox and miscellaneous revenues (including credit card transaction fees) are projected to total \$2.43 billion, about 6.9% above the prior forecast and its differing fare and fee assumptions.

Impact of Youth-Fare Elimination

The elimination of youth fares starting October 1, 2022 remains included in the current June Forecast and amounts to a reduction in fare and surcharge revenues of nearly \$4.5 million for FY 2025, and between \$4.7 million and \$5.7 million in subsequent fiscal years.

Forecast Change Primary Drivers

- The primary reasons for the changes in the June 2025 Forecast are:
- Fare, surcharge, and fee policy changes collectively pulled demand downward while increasing total revenues.
- Actual ridership levels for March through May 2025 were, on average, slightly lower than previously forecast, bringing down the fiscal year total and slightly lowering the launch trajectory for the June Forecast.
- Lower real gasoline price projections, higher real personal income projections through FY 2029, and slightly higher inflation projections through FY 2028— which result in lower real fares notwithstanding the fare policy changes — collectively bolster ferry ridership demand.
- Meanwhile, lower projections for employment, real personal income after FY 2029, and inflation after FY 2028 dampen demand.
- Miscellaneous revenues excluding credit card recovery fees have been revised lower throughout the forecast horizon, primarily due to updated vendor projections, especially for advertising concession revenues. Credit card recovery fees are a new miscellaneous revenue source for the June Forecast and will be compared to prior forecasts starting in September.

Forecast Disclaimer

Since the COVID-19 pandemic, material changes to the previous normal ferry ridership patterns continue to persist and slowly evolve toward a “new normal”. Total passenger fares, while showing recent improvement, continue to lag further

behind pre-pandemic levels than do vehicle/driver fares. While service improvements continue, WSF continues to experience a lower level of service reductions and reduce service reliability when compared with pre-pandemic levels a result of fleet constraints and staffing issues. The duration and magnitude of these combined effects and how they will continue to impact ferry ridership demand, while becoming more apparent with contingency planning, retain some degree of uncertainty. As such, the June 2025 Forecast projections, as well as the assumptions upon which they are based at the time of preparation, remain subject to change with an above average level of risk and uncertainty, which may cause actual results to vary from projections.

Toll Revenue

June 2025 Forecast Update Overview

The traffic and potential toll revenue forecasts for all five toll facilities for the June 2025 Forecast are provided by independent traffic and revenue consultant, Stantec. The adjusted toll revenue forecasts for the SR 520 Bridge, I-405 Express Toll Lanes (ETLs), and SR 99 Tunnel are prepared by WSP USA Inc., in close coordination with the WSDOT Toll Division and its consultants.

Of note for each of the five toll facilities' June 2025 Forecast updates:

- One toll facility (SR 99 Tunnel) is a no-change forecast from the March 2025 Forecast (which was a no-change forecast from the November 2024 Forecast) for traffic and gross toll revenue potential, which reflected the most recent travel demand modeling, socio-economic data, and project scheduling.
- Two toll facilities (Tacoma Narrows Bridge {TNB} and SR 520 Bridge) have forecast updates throughout their forecast periods. Forecast assumptions are based on recently passed legislation, ESSB 5801 (Sections 501-502), which removes the toll exemption for transit and ride share vehicles for these two toll bridges; this is assumed to start as of October 1, 2025 (FY2026).
- Two toll facilities (I-405 ETLs and the SR 167 HOT Lanes) have forecast updates based on updated scheduling for each corridor, including upcoming projects:
 - I-405: the forecasts assume that the Renton to Bellevue (RTB) segment is completed and opened in July 2026 (FY2027).
 - SR 167: the forecasts assume that the Toll Upgrade is completed in January 2026 (FY2026) but continue to assume existing toll policy (transponder tolls only).

The methodology for the June 2025 Forecast update is similar to the ones applied in the previous forecasts:

- The overall forecasting methodology is similar to the ones applied since the June 2020 and subsequent forecasts, with usage of recent actual data, as applicable, and assuming a different forecast pattern for each facility based on the observed trends.
- Each toll facility has been analyzed on its own, with the actual total traffic, average toll rate, and total revenue by month used as the key inputs.
- The forecasts for FY 2025 and FY 2026 have been made on a month-by-month basis.
- The forecast assumes that Pay By Mail customers would continue to pay \$2 above the Good To Go! toll rates for 2-axle vehicles. A similar rate differential for trucks based on the number of axles is also assumed.

Specific Adjusted Toll Revenue Assumptions:

- Adjustments to potential gross toll revenue forecasts include the \$0.25 per transaction fee revenue for Good To Go! account-based Pay By Plate transactions, leakage allowances for toll revenue not recognized (unbillable), unpaid toll bills, and toll revenue recovered through Civil Penalty adjudication for customers using the Customer Program for Resolution (CPR) at the Good To Go! toll rate.
- An adjustment is made for CPR toll revenue, which is recorded at the Good To Go! toll rate in the reported values. In addition to toll revenue captured through CPR at the Good To Go! toll rate instead of the Pay By Mail toll rate, there is toll revenue collected associated to toll revenue recovered at the Pay By Mail toll rate included in the revenue category for civil penalties and recovered toll revenue.
- Adjustments for uncollectible revenue and rates of toll bill recovery in the civil penalty process have been reviewed and no changes were made in the current forecast.

- Transponder revenue forecasts are estimated based on a systemwide approach. Transponder revenue for all facilities except for SR 99 is adjusted to reflect changes in transaction forecasts for I-405 Express Lanes and transition of non-revenue transactions, excluding HOV carpool exemptions, to revenue transactions on SR 520 and TNB, resulting in revisions to facility allocations.
 - SR 99 is considered a no-change forecast for transponder revenue as non-revenue transactions are still considered and the impact from removal on the other facilities resulted in a change in less than 1 percent over the forecast horizon
- Miscellaneous revenue attributed to interest earnings for TNB, SR 520 and SR 99 have not been changed for this forecast.

Recent Actuals: Seven-month (October 2024 through April 2025) in Comparison to November 2024 Forecast

Toll Traffic for all facilities combined is above the November 2024 Forecast by 1.6 percent, or 0.6 million transactions. Adjusted Toll Revenue for all facilities combined is above the November 2024 Forecast by 2.7 percent, or \$3.5 million (Figure 11).

Figure 11: Seven-month (October 2024 through April 2025) – Toll Transaction and Revenue Performance vs November 2024 Forecast (millions)

Toll Facility	Toll Transactions		Adjusted Toll Revenue	
		Oct 2024 thru April 2025		Oct 2024 thru April 2025
TNB	Forecasted Transactions	9.16	Forecasted Toll Revenue	\$42.52
	Reported Transactions	9.11	Reported Toll Revenue	\$42.49
	Variance From Forecast	-0.05	Variance From Forecast	-\$0.03
	Variance - % Change	-0.5%	Variance - % Change	-0.1%
SR 520	Forecasted Transactions	12.03	Forecasted Toll Revenue	\$48.55
	Reported Transactions	12.68	Reported Toll Revenue	\$49.76
	Variance From Forecast	0.65	Variance From Forecast	\$1.22
	Variance - % Change	5.4%	Variance - % Change	2.5%
I-405	Forecasted Transactions	5.44	Forecasted Toll Revenue	\$15.34
	Reported Transactions	5.49	Reported Toll Revenue	\$18.30
	Variance From Forecast	0.06	Variance From Forecast	\$2.96
	Variance - % Change	1.1%	Variance - % Change	19.3%
SR 167	Forecasted Transactions	0.99	Forecasted Toll Revenue	\$3.66
	Reported Transactions	0.99	Reported Toll Revenue	\$3.81
	Variance From Forecast	0.00	Variance From Forecast	\$0.15
	Variance - % Change	0.2%	Variance - % Change	4.1%
SR 99	Forecasted Transactions	9.88	Forecasted Toll Revenue	\$18.79
	Reported Transactions	9.80	Reported Toll Revenue	\$18.02
	Variance From Forecast	-0.07	Variance From Forecast	-\$0.77
	Variance - % Change	-0.7%	Variance - % Change	-4.1%
Total	Forecasted Transactions	37.49	Forecasted Toll Revenue	\$128.86
	Reported Transactions	38.07	Reported Toll Revenue	\$132.38
	Variance From Forecast	0.59	Variance From Forecast	\$3.53
	Variance - % Change	1.6%	Variance - % Change	2.7%

Summary of June 2025 Forecast Results

Figure 12 provides summary comparison between June 2025 Forecast and November 2024 Forecast results.

Some highlights include:

- Based on I-405 actual toll rate performance, FY 2025 Total Toll Revenue and Fees of \$244.8 million is \$4.7 million,

or (2.0 percent) above November 2024 Forecast estimate.

- Next Biennium (FY2026 and FY2027) ETLs Toll Revenue and Fees combined of \$539.9 million are below the November 2024 Forecast by -\$12.4 million (or -2.2 percent) due to projects' schedules update.
- FY 2026-2033 ESSB 5801 impacts on SR 520 are \$14.4M (or 1.6 percent) and TNB is \$1.9M, or (or 0.3 percent) Toll Revenue and Fees increase.
- Ten-year (2024-2033) Toll Revenue and Fees of 2,989.5 million are \$8.7 million (or 0.3 percent) increase to the November 2024 Forecast.

Figure 12: Revenue Comparison – June 2025 Forecast vs. November 2024 Forecast (\$ millions)

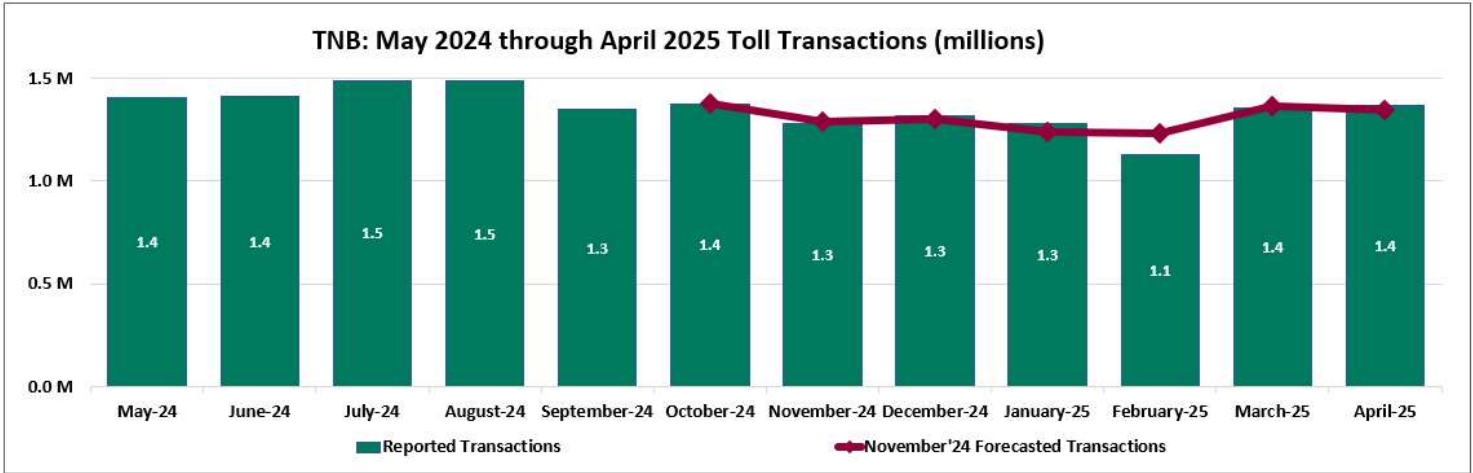
	Toll Facility	FY 2024	FY 2025	2023-25 Biennium	2025-27 Biennium	2027-29 Biennium	2029-31 Biennium	2031-33 Biennium	2024-33 Ten-Year
June 2025	TNB								
	Adjusted Gross Toll Revenue	\$75.44	\$76.25	\$151.69	\$154.98	\$158.04	\$161.21	\$164.45	\$790.36
	Other Revenue	\$10.77	\$1.40	\$12.17	\$7.68	\$7.76	\$7.63	\$5.21	\$40.45
	Total TNB Revenue & Fees	\$86.21	\$77.65	\$163.86	\$162.66	\$165.79	\$168.84	\$169.66	\$830.81
	SR 520								
	Adjusted Gross Toll Revenue	\$72.19	\$84.14	\$156.33	\$183.75	\$196.55	\$208.08	\$239.06	\$983.76
	Other Revenue	\$18.48	\$5.01	\$23.48	\$20.48	\$17.07	\$18.51	\$20.76	\$100.30
	Total SR 520 Revenue & Fees	\$90.67	\$89.15	\$179.81	\$204.23	\$213.62	\$226.58	\$259.82	\$1084.07
	I-405 ETLs								
	Adjusted Gross Toll Revenue	\$24.75	\$33.07	\$57.82	\$79.80	\$98.83	\$105.79	\$108.38	\$450.59
	Other Revenue	\$20.59	\$3.06	\$23.65	\$5.92	\$7.30	\$8.30	\$8.55	\$53.72
	Total I-405 ETLs Revenue & Fees	\$45.34	\$36.13	\$81.47	\$85.72	\$106.13	\$114.06	\$116.94	\$504.31
	SR 167 ETLs								
	Adjusted Gross Toll Revenue	\$5.67	\$6.92	\$12.59	\$20.03	\$29.42	\$31.17	\$33.20	\$126.41
	Other Revenue	\$0.27	\$0.28	\$0.56	\$0.67	\$0.83	\$0.84	\$0.89	\$3.78
	Total SR 167 ETLs Revenue & Fees	\$5.94	\$7.20	\$13.14	\$20.70	\$30.25	\$32.00	\$34.09	\$130.19
	SR 99								
	Adjusted Gross Toll Revenue	\$31.38	\$33.60	\$64.98	\$70.09	\$72.39	\$74.43	\$76.95	\$358.77
	Other Revenue	\$31.70	\$1.06	\$32.76	\$11.87	\$12.06	\$12.24	\$12.39	\$81.31
	Total SR 99 Revenue & Fees	\$63.08	\$34.66	\$97.74	\$81.96	\$84.39	\$86.67	\$89.34	\$440.09
	All Toll Facilities								
	Adjusted Gross Toll Revenue	\$209.43	\$233.98	\$443.41	\$508.64	\$555.16	\$580.64	\$622.05	\$2709.90
	Other Revenue	\$81.81	\$10.80	\$92.62	\$46.62	\$45.02	\$47.51	\$47.79	\$279.56
	Total Revenue & Fees	\$291.25	\$244.79	\$536.03	\$555.26	\$600.17	\$628.15	\$669.84	\$2989.46
November 2024 TERFC	TNB								
	Adjusted Gross Toll Revenue	\$75.437	\$76.252	\$151.689	\$154.564	\$157.547	\$160.714	\$163.944	\$788.458
	Other Revenue	\$10.772	\$1.401	\$12.173	\$7.667	\$7.755	\$7.627	\$5.204	\$40.426
	Total TNB Revenue & Fees	\$86.209	\$77.653	\$163.862	\$162.231	\$165.302	\$168.341	\$169.148	\$828.884
	SR 520								
	Adjusted Gross Toll Revenue	\$72.193	\$84.138	\$156.331	\$180.662	\$193.000	\$204.359	\$235.042	\$969.394
	Other Revenue	\$18.475	\$5.007	\$23.482	\$20.442	\$17.064	\$18.498	\$20.749	\$100.235
	Total SR 520 Revenue & Fees	\$90.67	\$89.15	\$179.81	\$201.10	\$210.06	\$222.86	\$255.79	\$1069.63
	I-405 ETLs								
	Adjusted Gross Toll Revenue	\$24.751	\$28.325	\$53.076	\$87.592	\$98.828	\$105.758	\$108.383	\$453.637
	Other Revenue	\$20.591	\$3.057	\$23.648	\$6.422	\$7.313	\$8.316	\$8.566	\$54.265
	Total I-405 ETLs Revenue & Fees	\$45.342	\$31.382	\$76.724	\$94.014	\$106.141	\$114.074	\$116.949	\$507.902
	SR 167 ETLs								
	Adjusted Gross Toll Revenue	\$5.671	\$6.917	\$12.588	\$24.019	\$29.417	\$31.169	\$33.200	\$130.393
	Other Revenue	\$0.273	\$0.283	\$0.556	\$0.732	\$0.828	\$0.835	\$0.892	\$3.843
	Total SR 167 ETLs Revenue & Fees	\$5.945	\$7.200	\$13.145	\$24.751	\$30.245	\$32.004	\$34.092	\$134.237
	SR 99								
	Adjusted Gross Toll Revenue	\$31.379	\$33.604	\$64.983	\$70.089	\$72.326	\$74.425	\$76.954	\$358.777
	Other Revenue	\$31.701	\$1.055	\$32.756	\$11.867	\$12.060	\$12.241	\$12.385	\$81.309
	Total SR 99 Revenue & Fees	\$63.081	\$34.659	\$97.740	\$81.956	\$84.386	\$86.666	\$89.339	\$440.087
	All Toll Facilities								
	Adjusted Gross Toll Revenue	\$209.432	\$233.926	\$443.668	\$516.926	\$551.118	\$576.425	\$617.523	\$2700.660
	Other Revenue	\$81.812	\$10.803	\$92.615	\$47.130	\$45.020	\$47.517	\$47.796	\$280.078
	Total Revenue & Fees	\$291.244	\$244.039	\$536.283	\$564.056	\$596.138	\$623.942	\$665.319	\$2980.738
Changes from November 2024 TRFC	TNB								
	Adjusted Gross Toll Revenue	\$0.00	\$0.00	\$0.00	\$4.1	\$4.9	\$5.50	\$5.51	\$1.90
	Other Revenue	\$0.00	\$0.00	\$0.00	\$0.01	\$0.00	\$0.00	\$0.00	\$0.02
	Total TNB Revenue & Fees	\$0.00	\$0.00	\$0.00	\$4.3	\$4.9	\$5.50	\$5.51	\$1.92
	Total % Change	0.0%	0.0%	0.0%	0.3%	0.3%	0.3%	0.3%	0.2%
	SR 520								
	Adjusted Gross Toll Revenue	\$0.00	\$0.00	\$0.00	\$3.08	\$3.55	\$3.72	\$4.02	\$14.37
	Other Revenue	\$0.00	\$0.00	\$0.00	\$0.04	\$0.01	\$0.01	\$0.01	\$0.07
	Total SR 520 Revenue & Fees	\$0.00	\$0.00	\$0.00	\$3.13	\$3.56	\$3.73	\$4.03	\$14.44
	Total % Change	0.0%	0.0%	0.0%	1.6%	1.7%	1.7%	1.6%	1.3%
	I-405 ETLs								
	Adjusted Gross Toll Revenue	\$0.00	\$4.75	\$4.75	-\$7.79	\$0.00	\$0.00	\$0.00	-\$3.05
	Other Revenue	\$0.00	\$0.00	\$0.00	-\$5.00	-\$0.01	-\$0.01	-\$0.01	-\$5.54
	Total I-405 ETLs Revenue & Fees	\$0.00	\$4.75	\$4.75	-\$8.30	-\$0.01	-\$0.01	-\$0.01	-\$3.59
	Total % Change	0.0%	15.1%	6.2%	-8.8%	0.0%	0.0%	0.0%	-0.7%
	SR 167 ETLs								
	Adjusted Gross Toll Revenue	\$0.00	\$0.00	\$0.00	-\$3.99	\$0.00	\$0.00	\$0.00	-\$3.99
	Other Revenue	\$0.00	\$0.00	\$0.00	-\$0.06	\$0.00	\$0.00	\$0.00	-\$0.06
	Total SR 167 ETLs Revenue & Fees	\$0.00	\$0.00	\$0.00	-\$4.05	\$0.00	\$0.00	\$0.00	-\$4.05
	Total % Change	0.0%	0.0%	0.0%	-16.4%	0.0%	0.0%	0.0%	-3.0%
	SR 99								
	Adjusted Gross Toll Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Total SR 99 Revenue & Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Total % Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	All Toll Facilities								
	Adjusted Gross Toll Revenue	\$0.00	\$4.75	\$4.75	-\$8.28	\$4.04	\$4.22	\$4.52	\$9.24
	Adjusted Gross Toll Revenue % Change	0.0%	2.1%	1.1%	-1.6%	0.7%	0.7%	0.7%	0.3%
	Other Revenue	\$0.00	\$0.00	\$0.00	-\$5.51	\$0.00	\$0.00	\$0.00	-\$5.52
	Total Revenue & Fees	\$0.00	\$4.75	\$4.75	-\$8.79	\$4.04	\$4.21	\$4.52	\$8.72
	Total % Change	0.0%	2.0%	0.9%	-1.6%	0.7%	0.7%	0.7%	0.3%

Tacoma Narrows Bridge (TNB)

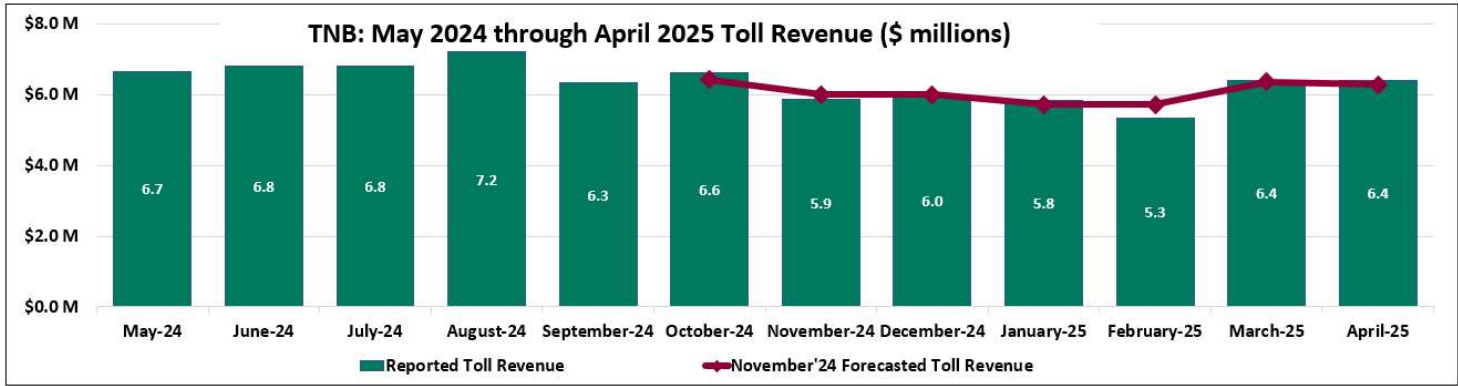
Recent Traffic and Revenue Performance, with Comparison to the November 2024 Forecast

Figure 13 provides 12-month Toll Transactions and Reported Toll Revenue actual performance, with a comparison to the November 2024 Forecast for the seven months between October 2024 and April 2025. For this seven-month comparison, the actual toll transactions were below the forecast by -0.5 percent (or -48,000), and the actual reported revenues were below the November 2024 Forecast by -0.1 percent (or -\$31,000).

Figure 13: TNB 12-month Reported Toll Transactions and Revenues, with Comparison to November 2024 Forecasts



Note: April 2025 monthly transactions are stated based on preliminary estimates



Updates to Tacoma Narrows Bridge Toll Traffic and Revenue Forecasts

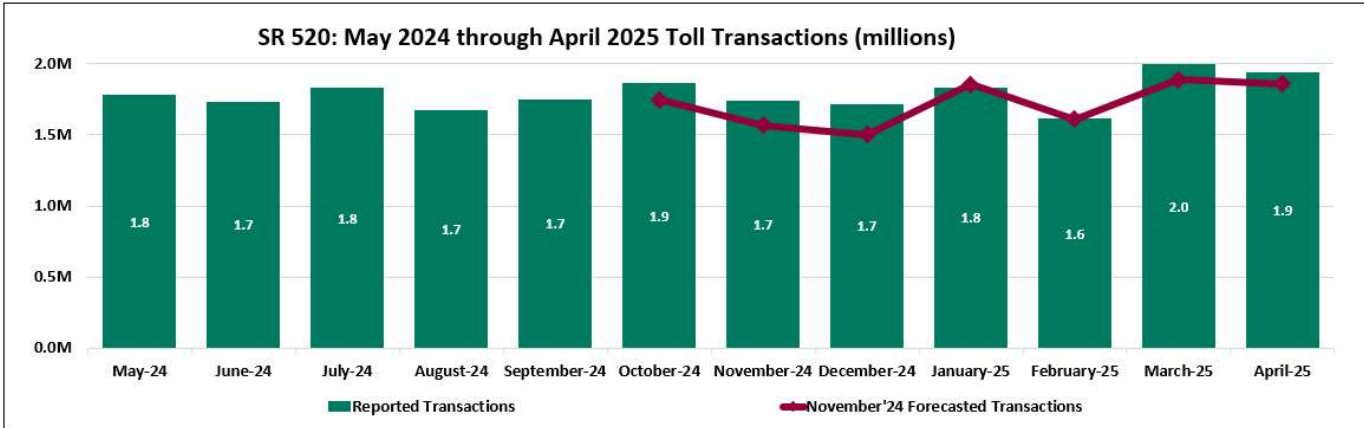
This June 2025 Forecast has been updated based on recently passed legislation, ESSB 5801 (Sections 501-502), which removes the toll exemption for transit and ride share vehicles; this is assumed to start as of October 1, 2025 (FY2026).

Ten-year period (FY2024 to FY2033) total revenue and fees of \$830.8 million are \$1.9 million (or 0.2 percent) increase to the November 2024 Forecast, (Figure 12).

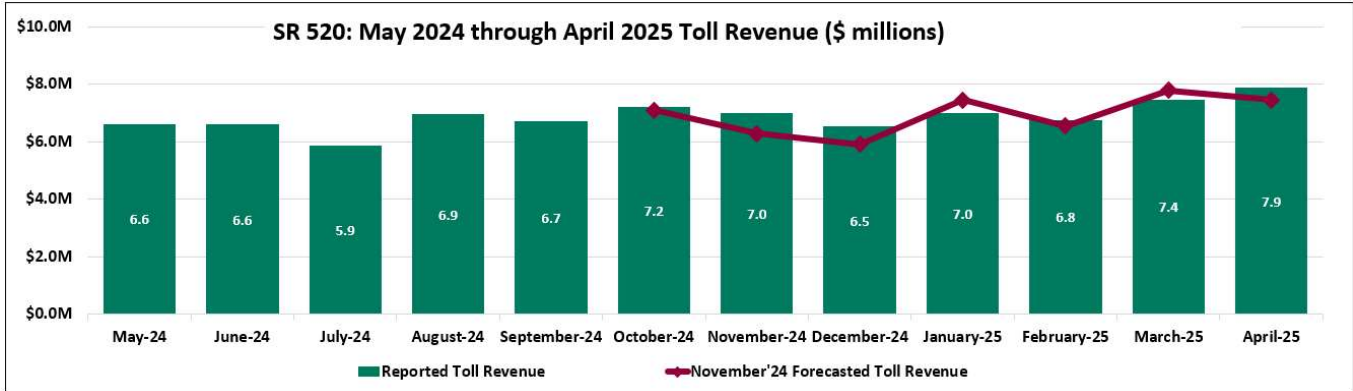
SR 520 Toll Bridge
Recent Traffic and Revenue Performance, with Comparison to the November 2024 Forecast

Figure 14 provides 12-month Toll Transactions and Reported Toll Revenue actual performance, with a comparison to the November 2024 Forecast for the seven months between October 2024 and April 2025. For this seven-month comparison, the actual toll transactions were above the forecast by 5.4 percent (or 0.7 million), and the actual reported revenues were above the November 2024 Forecast by 2.5 percent (or \$1.2 million).

Figure 14: SR 520 12-month Reported Toll Transactions and Revenues, with Comparison to November 2024 Forecasts



Note: April 2025 monthly transactions are stated based on preliminary estimates



Note: December 2023 Toll Revenue attributed to 70K toll transactions were processed late, and incl. in January 2024.

Updates to SR 520 Toll Bridge Toll Traffic and Revenue Forecasts

This June 2025 Forecast has been updated based on recently passed legislation, ESSB 5801 (Sections 501-502), which removes the toll exemption for transit and ride share vehicles; this is assumed to start as of October 1, 2025 (FY2026).

Ten-year period (FY 2024 to FY 2033) total revenue and fees of \$1,084.1 million are \$14.4 million (or 1.3 percent) increase to the November 2024 Forecast, (Figure 12).

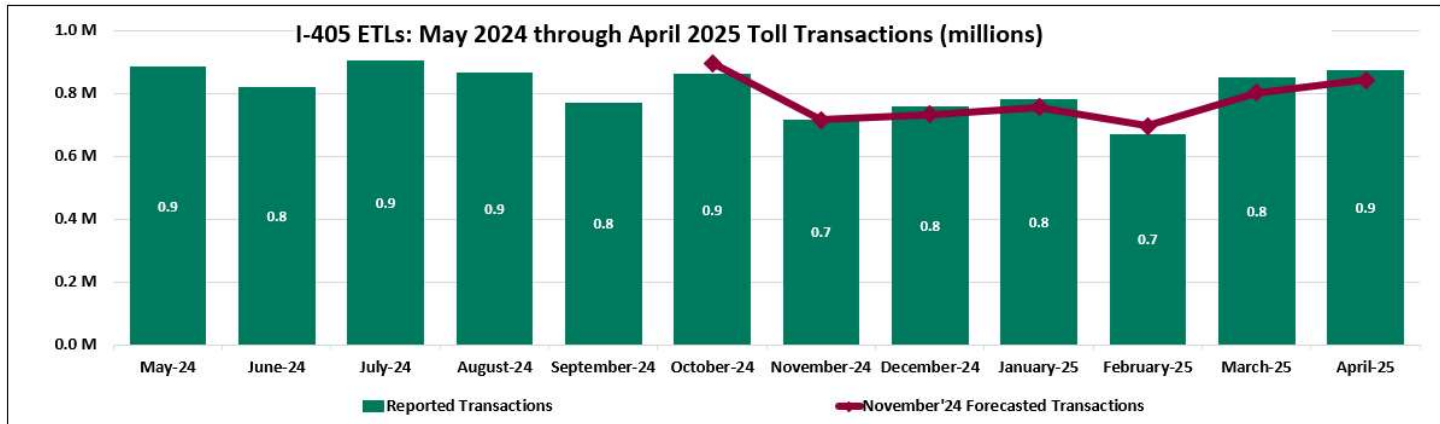
I-405 Express Toll Lanes (ETLs)

Recent Traffic and Revenue Performance, with Comparison to the November 2024 Forecast

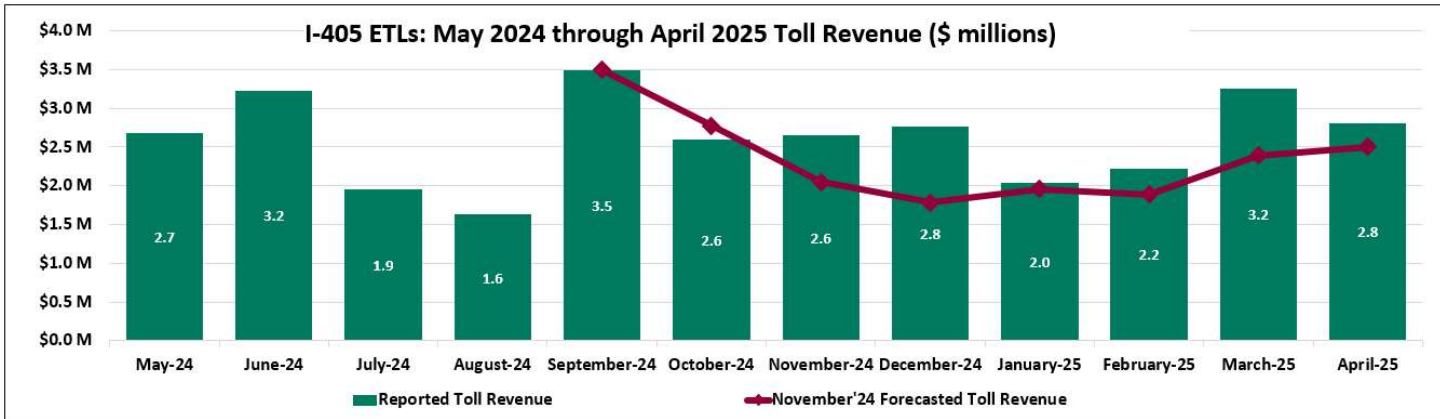
Figure 15 provides 12-month Toll Transactions and Reported Toll Revenue actual performance, with a comparison to the November 2024 Forecast for the seven months between October 2024 and April 2025. For this seven-month comparison, the actual toll transactions were above the forecast by 1.1 percent (or 0.1 million), and the actual reported revenues were

above the November 2024 Forecast by 19.3 percent (or \$3.0 million).

Figure 15: I-405 ETLs 12-month Reported Toll Transactions and Revenues, with Comparison to November 2024 Forecasts



Note: April 2025 monthly transactions are stated based on preliminary estimates



Note: Max toll rates and hours of operations policy update effective March 1, 2024. High August toll revenue is attributed to August related Toll Revenues that were processed in September.

Updates to I-405 Express Toll Lanes (ETLs) Toll Traffic and Revenue Forecasts

- This June Forecast has been updated based on updated scheduling for upcoming projects, including:
- o I- 405: the forecasts assume that the Renton to Bellevue (RTB) segment is completed and opened in July 2026 (FY2027).
 - o SR 167: the forecasts assume that the Toll Upgrade is completed in January 2026 (FY2026) but continue to assume existing toll policy (transponder tolls only).

Ten-year period (FY 2024 to FY 2033) total revenue and fees of \$504.3 million are -\$3.6 million (or -0.7 percent) reduction to the November 2024 Forecast, (Figure 12).

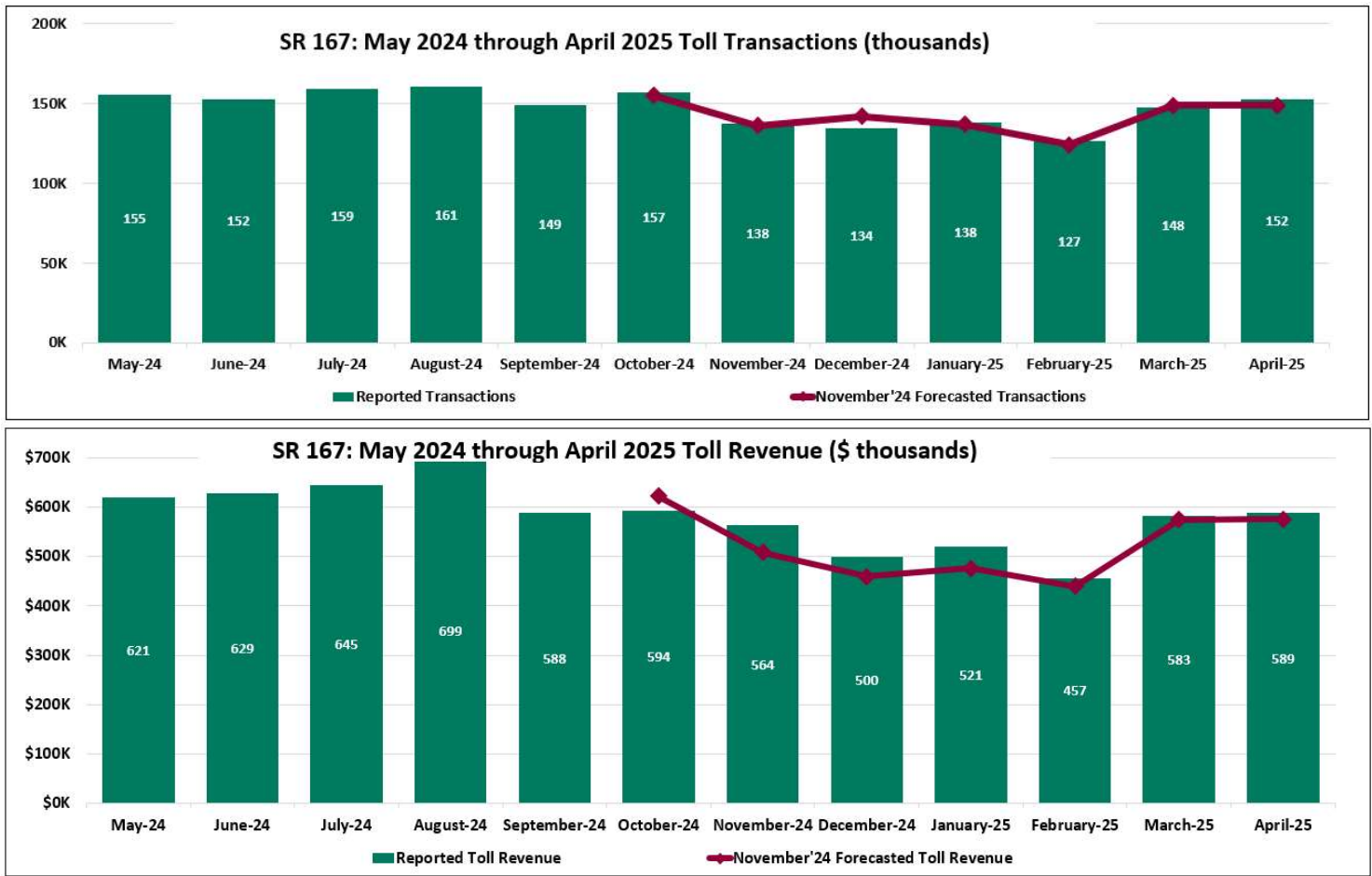
SR 167 Express Toll Lanes (ETLs)

Recent Traffic and Revenue Performance, with Comparison to the November 2024 Forecast

Figure 16 provides 12-month Toll Transactions and Reported Toll Revenue actual performance, with a comparison to the November 2024 Forecast for the seven months between October 2024 and April 2025. For this seven-month comparison, the actual toll transactions were above the forecast by 0.2 percent (or 2,000), and the actual reported revenues were

above the November 2024 Forecast by 4.1 percent (or \$149,000).

Figure 16: SR 167 ETLs 12-month Reported Toll Transactions and Revenues, with Comparison to November 2024 Forecasts



Note: Min and Max toll rates and hours of operations policy update effective March 1, 2024.

Updates to SR 167 Express Toll Lanes (ETLs) Toll Traffic and Revenue Forecasts

- This June Forecast has been updated based on updated scheduling for upcoming projects, including:
- o I- 405: the forecasts assume that the Renton to Bellevue (RTB) segment is completed and opened in July 2026 (FY2027).
 - o SR 167: the forecasts assume that the Toll Upgrade is completed in January 2026 (FY2026) but continue to assume existing toll policy (transponder tolls only).

Ten-year period (FY 2024 to FY 2033) total revenue and fees of \$130.2 million are -\$4.0 million (or -3.0 percent) reduction to the November 2024 Forecast, (Figure 12).

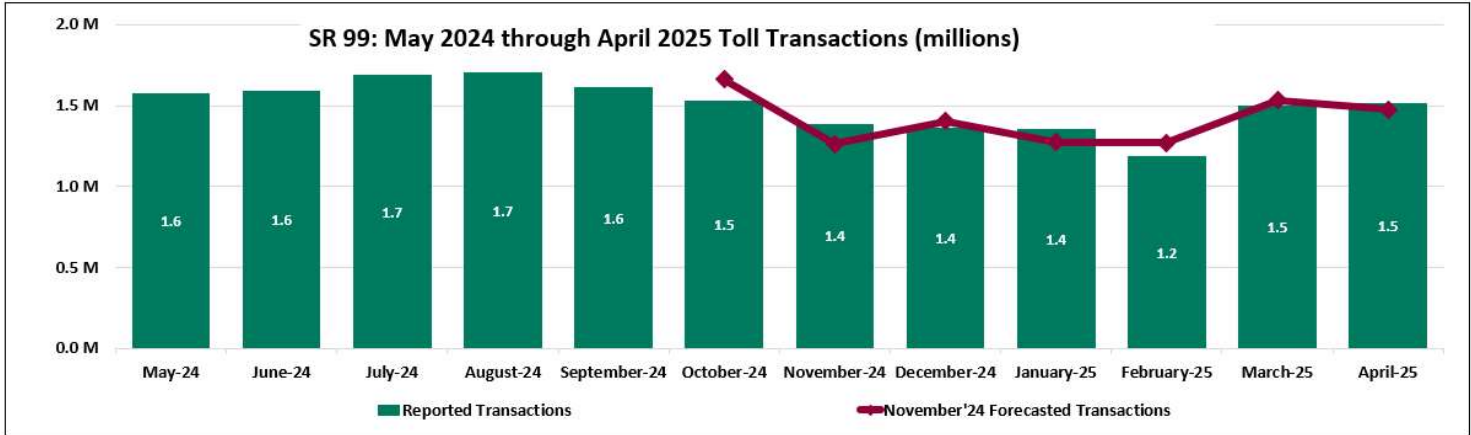
SR 99 Tunnel

Recent Traffic and Revenue Performance, with Comparison to the November 2024 Forecast

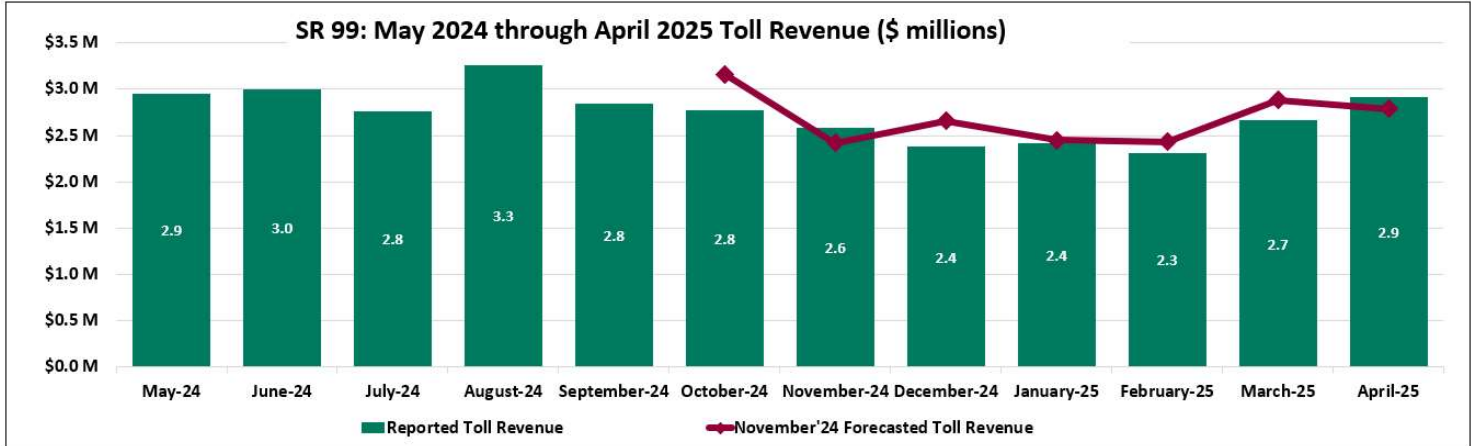
Figure 17 provides 12-month Toll Transactions and Reported Toll Revenue actual performance, with a comparison to the November 2024 Forecast for the seven months between October 2024 and April 2025. For this seven-month comparison, the actual toll transactions were below the forecast by -0.7 percent (or -0.1 million), and the actual reported revenues

were below the November 2024 Forecast by -4.1 percent (or -\$0.8 million).

Figure 17: SR 99 12-month Reported Toll Transactions and Revenues, with Comparison to November 2024 Forecasts



Note: April 2025 monthly transactions are stated based on preliminary estimates



Updates to SR 99 Tunnel Toll Traffic and Revenue Forecasts

This June 2025 Forecast is a no-change forecast from the March 2025 Forecast (which was a no-change forecast from the November 2024 Forecast) for traffic and gross toll revenue potential, which reflected the most recent travel demand modeling, socio-economic data, and project scheduling.

Federal Funds Revenue

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 the federal fiscal year (FFY) which begins on October 1.

On November 15, 2021, President Biden signed the Infrastructure Investment and Jobs Act (IIJA), a \$1.2 trillion investment in transportation and other types of infrastructure (including energy, water, and broadband). Nationwide, this represents a \$550 billion increase in federal government spending above baseline funding levels. The foundation of the IIJA is a new five-year authorization of the federal Surface Transportation Program to replace the expired Fixing America's Surface Transportation (FAST) Act. The IIJA authorizes \$567 billion in spending authority for all transportation programs over five years, an increase of \$274 billion (more than 48%) above FAST Act baseline spending levels. In addition, the bill broadens eligibility criteria for many existing programs and establishes within the U.S. Department of Transportation (USDOT) alone at least two dozen new formula and discretionary (competitive) grant programs targeting key priorities, including but not limited to, resiliency, sustainability, equity, and safety.

FHWA – Highways Forecast

- The total highway apportionment for Washington state for FFY 2024 was \$1,368.3 million. This reflects actual apportionment distributions for FFY 2024.
- The March 2025 total apportionment forecast for FFY 2025 is based on FHWA Notices NN4510.892, N4510.893, N4510.894 and N4510.895. FFY 2026 assumes an annual growth rate of 2% which is consistent with the US funding levels set forth in the Infrastructure Investment and Jobs Act (IIJA). FFY 2027 thru FFY 2035 forecast of federal highway apportionment assumes revenue growth of 1%. The current total apportionment estimate for FFY 2025 is \$1,137.3 million.
- The baseline forecast for FFY 2027 thru FFY 2035 assume revenue growth of 1%.

Obligation Authority (OA) Forecast

- Obligation authority (OA) (a.k.a. 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.
- The March 2025 CORE OA for FFY 2024 has been reconciled to actual OA distributions and is \$1,336.4 million which includes distributions for discretionary items, Other allocated programs as well as Ferry Boat/Terminals distributions.
- Total OA forecast for FFY 2025 and throughout the forecast horizon will be set at 98% of apportionment, which is consistent with historical Washington State OA distributions.
- The methodology used to split the formula OA distributions between the State Programs and the Local Programs was modified in the September 2018 forecast.

Allocations of IIJA Funds Forecast:

When new federal transportation authorization laws are enacted, Washington state has a tradition of convening a work group to make recommendations on future distributions of federal-aid highway formula program funding to state and local governments. The Work Group met three times in September and July 2022.

Summary of funding split decisions for the five-year IIJA authorization

National Highway Performance Program -

- Retain similar splits as FAST Act which was also assumed in the Move Ahead Washington allocation— 87% state/13%, local.
- The local share is to be administered through the NHS Asset Management Program administered through the WSDOT Local Programs Office

Surface Transportation Block Grant program –

- Maintain FFY 2022 and FFY 2023 at the Move Ahead Washington identified split (28 state/72% local)
- For FFY 2024 – FFY 2026, the split is revised to 16% state/84% local to effectively provide the historic split of 21% state/79% local, over the course of the five years.

Highway Safety Improvement Program –

- No change from FAST Act distribution – continue to allocate funds based on updated crash data to support the Target Zero statewide safety plan – FFY 2022 data reflects split 30% state/70% local.

Congestion Mitigation & Air Quality (CMAQ) Program –

- No change from FAST Act – continue to allocate funds to the five eligible Metropolitan Planning Organizations to help meet the requirements of the federal Clean Air Act— 100% local.

Bridge Replacement Program (NEW)

- Maintain FFY 2022 and FFY 2023 at the Move Ahead Washington identified splits (85% state/15% local).
- For FFY 2024 – FFY 2026, the split is revised to 46% state/54% local to effectively provide an average split of 61% state/39% local, over the course of the five years.
- The local share is to be administered through the Local Bridge grant program administered by the WSDOT Local Programs Office
- The maximum funding cap for local bridges is raised to \$25M.
- Non-federal match for local off-system bridges will not be required by the state.

National Highway Freight Program –

- Retain current splits (50% state/50% local) as identified in Move Ahead Washington to ensure that Washington’s Freight System Plan can be submitted to the Federal Highway Administration for approval by the federal October 2022 deadline.

Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation Program (PROTECT) –

- For FFY 2022 no change to Move Ahead Washington allocation (100% state).
- For FFY 2023-2026, \$25m set aside for tribal resiliency projects.
Remaining \$75m shall be directed to local fish passage projects (over 4 years).
The Brian Abbot Fish Barrier Removal Board shall facilitate the project selection process. The Board shall work with WSDOT Local Programs to ensure that project selection criteria are consistent with federal requirements.
- WSDOT Local Programs shall administer funding for all projects awarded PROTECT funds.

National Electric Vehicle Program –

- New IIJA program – funds are provided 100% to the state.

Carbon Reduction Program -

- New IIJA program funds are split 35% state/65% local.

FHWA Penalties:

The March 2025 federal forecast incorporates four FHWA penalties for current and prior years, which Washington State was subject to.

- The Section 164 Penalty – FHWA has determined that Washington State is not in compliance with section 164 of title 23, United States Code, the Minimum Penalties for Repeat Offenders for Driving While Intoxicated or Driving Under the Influence. This penalty amounts to 2.5% of the National Highway Performance Program and Surface Transportation Block Grant Program apportionments annually and WSDOT elects to withhold the entire amount from the National Highway Performance Program. These funds are reserved for release for use on eligible Highway Safety Improvement Program (HSIP) activities or transfer to the States’ 402 Safety Programs pending the outcome of the administrative and “general practice” certification review processes. Section 164 penalty funds are included as part of the Highway Safety Improvement Program totals.
- Safety Performance Penalty – FHWA has determined that Washington State has failed to meet or make significant progress towards meeting the safety performance targets established in Target Zero. This penalty requires the state to obligate an amount equal to a prior year’s apportionment of HSIP funds on HSIP projects.
- Vulnerable Road Users (VRU) - Applies when the total annual fatalities of a non-motorist as defined in 23 U.S.C.148(a)(15) represents not less than 15% of the annual crash fatalities. The penalty requires that in the following fiscal year, the state obligate not less than 15% of the funds apportioned for the Highway Safety

Improvement Program for Highway Safety projects to address the safety of vulnerable users as defined above.

- High Risk Rural Roads (HRRR) – This penalty applies to all states where the fatality rate on rural roads increases over the most recent 2-year period for which data is available. This penalty requires the State to obligate an amount equal to at least 200 percent of its FY 2009 high risk rural roads set-aside for high-risk rural roads, as defined in their State Strategic Highway Safety Plan.

COVID 19 Stimulus Funds:

The Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) created a Coronavirus Relief Fund (CRF) which provides \$150 billion to state, local, territorial, and tribal governments. The CRF provides \$150 billion for expenditures incurred due to the COVID-19 public health emergency. The November, November and September 2021 federal apportionment forecasts include an estimated CRF distribution to Washington State for ferries and public transportation. This CRF estimate does not include fund distributions made directly to King, Pierce, Snohomish, and Spokane counties.

The Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) was signed by President Trump on December 27, 2020, making consolidated appropriations for the fiscal year ending November 30, 2021, providing coronavirus emergency response and relief. This act made modifications to existing COVID-19 relief legislation and provided additional appropriations for the expenditure of federal COVID-19 pandemic relief funds. The November and September 2021 Forecasts include funds made available to WSDOT through this CRRSAA Act of \$168 million. There will be no impact on forecasts beyond 2025.

The America Rescue Plan Act of 2021 (ARPA) was signed into law by President Biden on March 11, 2021. The ARPA provides an estimated \$1.9 trillion in stimulus to aid in the COVID-19 pandemic. This February 2022 Federal Highway forecast includes \$400 Million in ARPA funds intended for Fish Barrier projects. The February 2022 federal highway forecast will include \$400 million of ARPA funds that is for Fish Barrier projects. There will be no impact on forecasts beyond 2025.

FTA - Public Transportation Federal Funds

Overview

In addition to the FHWA formula and non-formula programs governed by the Infrastructure Investment and Jobs Act (IIJA), the Federal Transit Administration also provides program allocations to Washington for a variety of transit projects. The IIJA authorize \$91.2 billion for FFY 2022-2026 for public transportation programs nationwide.

WSDOT each quarter forecasts the federal funds for public transportation programs. The March 2025 Public Transportation federal funds forecast reflects actual apportionments for FY 2022 through FY 2024. The numbers do not include CARES, CRRSAA, and ARPA funds that were received in FY 2020, and FY2021. The updated apportionment totals reflect increased funding levels provided under the IIJA for those years. An annual growth rate of 2% is assumed for FY 2026, and a 1% annual growth rate assumed for FY 2027 through FY 2035. For the 2023-25 Biennium, WSDOT received \$30.1 million in FY 2024 FTA apportionments with \$30.7 million anticipated for FY 2025. For the next 2025-27 Biennium, \$63.2 million is anticipated in new apportionments.

FTA – Washington State Ferries (WSF) Federal Funds

WSF receives significant federal assistance through the public transportation program administered by the Department of Transportation's Federal Transit Administration (FTA). The federal public transportation program is authorized from FFY 2022 through FFY 2026 as part of the IIJA which was signed into law on November 15, 2021.

WSF Federal Apportionment Funds Forecast

Washington State's level of FTA apportionment for FFY 2024 is distributed among regional transit agencies based on the most recent Puget Sound Regional Council (PSRC) split letter. This letter shows the amount of formula funding received by each eligible recipient, including WSF. The March 2025 WSF federal forecast reflects the current split letter released by PSRC for FFY 2024. This now includes a formula allocation of the new PSRC Equity Set-aside. PSRC has prepared a forecast for FFYs 2025 – 2028. The forecasts for FFYs 2029-36 are based on the PSRC forecast for FFY 2028 and an annual growth rate of one percent which is consistent with the assumption of funding level increases used by WSDOT.

The IIJA has significantly changed WSF's apportionment of FTA formula funds. The distribution to WSF increased from \$13.2 million in FFY 2021 to \$21.1 million in FFY 2024. The forecast continues to increase through FFY 2026. Beginning in FFY 2027 the PSRC forecast declines to pre-IIJA levels and holds steady for 2027 and 2028 forecasts. Beyond FFY 2028 WSF has assumed a growth rate of one percent per year. WSF's annual funding from this source is projected to increase each year beyond 2028 reaching \$21.1 million in FFY 2036.

The FTA formula funds forecast is based on PSRC's annual split level. As a result, there is not change from the November 2024 forecast to the March 2025 forecast.

APPENDIX

2022 Transportation Packet (ESSB 5974)
New/Incremental Revenues by Fee Type
June 2025 vs. June 2022 forecast

ESSB 5974 Transportation Resources Bill (2022) Revenue Impact Summary

	2023-2025			2025-2027			10-Year-Period (23-33)		
Move Ahead WA (26P) by Fee	June 2025	June 2022	Change	June 2025	June 2022	Change	June 2025	June 2022	Change
Plate original from \$10 to \$50 *Includes Motorcycle Plates	95.04	117.56	-19.2%	94.76	115.40	-17.9%	483.78	573.43	-15.6%
Plate replacement from \$10 to \$30 *Includes Motorcycle Plates	56.79	66.32	-14.4%	54.69	65.98	-17.1%	277.42	328.09	-15.4%
Dealer Temp from \$15 to \$40	29.99	41.13	-27.1%	35.15	39.99	-12.1%	176.73	197.99	-10.7%
DOL service fee for trucks from \$0.00 to \$0.50*	1.51	1.88	-19.7%	1.76	1.94	-9.3%	8.81	9.83	-10.4%
License Plate Tech fee for trucks from \$0.00 to \$0.25*	0.75	0.94	-19.7%	0.88	0.97	-9.3%	4.40	4.91	-10.4%
Stolen Vehicle Fee from \$15 to \$35**	25.59	32.59	-21.5%	28.64	46.00	-37.7%	151.91	259.57	-41.5%
Subtotal Move Ahead WA (26P)	209.67	260.42	-19.5%	215.88	270.28	-20.1%	1,103.05	1,373.81	-19.7%
	2023-2025			2023-2025			10 Year Total		
Move Ahead WA Flexible (26Q) by Fee	June 2025	June 2022	Change	June 2025	June 2022	Change	June 2025	June 2022	Change
EDL/EID from \$4 to \$7 per year	19.20	20.26	-5.2%	21.19	23.07	-8.2%	93.92	102.07	-8.0%
ADR from \$13 to \$17 and \$19 in FY30	9.19	9.40	-2.3%	9.43	9.64	-2.2%	67.19	68.54	-2.0%
DL/ID replacement from \$10 to \$20	4.12	3.98	3.3%	4.21	4.04	4.3%	21.37	20.45	4.5%
Subtotal Move Ahead WA Flexible (26Q)	32.51	33.65	-3.4%	34.84	36.76	-5.2%	181.79	190.92	-4.8%
	2023-2025			2023-2025			10 Year Total		
Aviation Fuel Tax (Fund 039)	June 2025	June 2022	Change	June 2025	June 2022	Change	June 2025	June 2022	Change
Aviation fuel tax from \$.11 to \$.18 per gallon	5.19	3.34	55.3%	4.92	3.38	45.8%	24.57	17.05	44.1%
Total New Revenue from ESSB 5974	247.37	297.41	-16.8%	255.63	310.41	-17.6%	1,309.41	1,581.79	-17.2%

* Included technical cleanup bill ESHB 1853 (2023) resulted in all trucks being a subject to DOL service fee (\$0.50) and Licence plate technology fee (\$0.25)

**Stolen Vehicle Check Fee from \$15 to \$50 and from \$50 to \$75 in FY2027 (26P fund, forecasted by WADOT)

Forecast Contacts

Economic Variables and Fuel Price Forecast

Luis Hillon, Economic & Revenue Forecast Council - 360-534-1560 luish@dor.wa.gov

Motor Fuel Tax Revenue Forecast

Luis Hillon, Economic & Revenue Forecast Council - 360-534-1560 luish@dor.wa.gov

Motor Vehicle Licenses, Permits & Fees Revenue Forecast

Tyler Humphries, Economic & Revenue Forecast Council - 360-534-1560 tylerh3@dor.wa.gov

Alice Vogel, Washington State Department of Licensing, 360-902-3986 avogel@dol.wa.gov

Olga Novikova, Washington State Department of Licensing, 360-902-0121, onovikova@dol.wa.gov

Tom Gilmore, Washington State Department of Licensing, 360-902-3751, tgilmore@dol.wa.gov

Christian Bush, Washington State Department of Licensing, 360-634-5237, Christian.Bush@dol.wa.gov

Driver Related Revenue Forecasts

Alice Vogel, Washington State Department of Licensing, 360-902-3986 avogel@dol.wa.gov

Rina Wikandari, Washington State Department of Licensing, 360-634-5379 rina.wikandari@dol.wa.gov

Wenjun Wu, Ph.D., Washington State Department of Licensing, 360-634-5108, wenjun.wu@dol.wa.gov

Other Transportation Related Revenue Forecast

Vehicle Sales, Rental Car Tax and Heavy Equipment Rental Tax

Tyler Humphries, Economic & Revenue Forecast Council - 360-534-1560 tylerh3@dor.wa.gov

Studded Tire Fee

Luis Hillon, Economic & Revenue Forecast Council - 360-534-1560 luish@dor.wa.gov

HOV Penalties and Hazardous Substance Tax

Luis Hillon, Economic & Revenue Forecast Council - 360-534-1560 luish@dor.wa.gov

Business and Other Revenue

Ruslan Makhoulouf, WSDOT-HQ 360-705-7944 olsonr@wsdot.wa.gov

WSP Business Related Revenue

Mario Buono, WSP (360) 596-4046 x11046, mario.buono@wsp.wa.gov

Speed Safety Camera Systems

Kyle Miller, WSDOT, 360-705-7946, milleky@wsdot.wa.gov

Leingang, Tony, WSDOT 360-709-8002, leingaa@wsdot.wa.gov

Aeronautics Revenue

Alice Vogel, Washington State Department of Licensing, 360-902-3986 avogel@dol.wa.gov

Washington State Ferries Ridership and Revenue Forecast

Siri Olson, WSDOT – Ferry Division 206-515-3762 siri.olson@wsdot.wa.gov

Toll Operations Traffic and Revenue

Jen Khozikov, WSDOT-Toll Division, 206-716-1153, khozikj@wsdot.wa.gov

Joe Patterson, WSDOT-Toll Division, 206-464-1220 patterj@wsdot.wa.gov

Federal Funds Forecast

FHWA

Anissa Allen, WSDOT

Federal Public Transportation

Michelle Cowan, WSDOT, cowanmi@wsdot.wa.gov, 360-705-6956

Firas Makhlof, WSDOT, makhlof@wsdot.wa.gov, 360-705-7875

FTA Ferries

Siri Olson, Washington State Department of Transportation, 206.948.3769, siri.olson@wsdot.wa.gov

Brent Baker, WSP, brent.baker@wsp.com