

EMBARGOED

*until November 20, 2024, 3:30 pm PDT when it will be published at
www.erfc.wa.gov*

Transportation Revenue Review

November 20, 2024



WASHINGTON STATE
ECONOMIC AND REVENUE FORECAST COUNCIL

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WASHINGTON STATE

TRANSPORTATION ECONOMIC AND REVENUE FORECAST COUNCIL

AGENDA

TRANSPORTATION REVENUE REVIEW

November 20, 2024
3:30 p.m.

- Call to order
- Approval of meeting minutes from September 27, 2024
- Transportation Forecast
 - *Adoption of official state economic and revenue forecast and unofficial optimistic and pessimistic alternative forecasts*
- By-Laws
 - Update on draft By-Laws and potential discussion
- Adjournment

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STATE OF WASHINGTON
ECONOMIC AND REVENUE FORECAST COUNCIL
PO Box 40912 • Olympia, Washington 98504-0912 • (360) 534-1560

Meeting Minutes
Transportation Revenue Review
September 27, 2024
John A. Cherberg Bldg., Room A/B/C and Zoom

**Transportation Economic and Revenue
Forecast Council**

Jake Fey, House of Representatives
Marko Liias, Senate
Marcus Glasper, Department of Licensing
Mike Pellicciotti, Treasurer
Pat Sullivan, Office of Financial Management

Staff

Dave Reich, Executive Director

Call to Order

Dr. Reich called the meeting to order at 3:31 p.m.

New Business

Dr. Reich opened the meeting and introduced the newly formed TERFC Council and its members. He provided some detail related to the function of the council and the forecast, directed attendees to where they can access materials, and more information related to the council. Dr. Reich then opened the floor to the council for nominations on a chair.

Motion

Senator Liias moved, seconded by Director Glasper, to have Representative Fey serve as first council chair. Motion passed at 3:36 p.m.

Transportation Revenue Forecast Presentation

Dr. Reich presented information on the transportation revenue forecast. Dr. Reich summarized the forecast changes and provided background information on both the U.S. and Washington economies.

Motion

Treasurer Pellicciotti moved, seconded by Director Sullivan, to approve the forecast as presented. Motion passed at 4:08 p.m.

Administrative

Dr. Reich presented draft bylaws to help govern the TERFC. The bylaws would cover duration of chair appointment, chair succession order, should there be a vice-chair appointment, should delegates be allowed if a council member is unable to attend, and should delegates be allowed to vote. Further discussion required, the council decided to table the issue until the next meeting.

Motion

Representative Fey moved, seconded by Treasurer Pellicciotti to nominate Senator Liias as vice chair. Motion passed at 4:25 p.m.

Adjournment

With no further business, the meeting adjourned at 4:26 p.m.

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Transportation Economic & Revenue Forecast Council State of Washington



Transportation Revenue Review: November 20, 2024

Executive Summary

United States

- The economic forecast that underlies the transportation revenue forecast is the preliminary November 2024 forecast and is based on a modified version of S&P Global Market Intelligence's October 2024 control forecast for the U.S. economy. We have adjusted real gross domestic product (GDP) to be consistent with the Blue Chip "Consensus" GDP forecast for 2024 and 2025. We expect real GDP to increase 2.7% in 2024 and 2.0% in 2025, up from the 2.5% and 1.8% growth rates assumed in the September forecast. Our forecast for real GDP growth in 2026-29 is based on the most recent long-term forecast from Blue Chip which was released in October 2024. We expect growth rates of 2.1%, 2.0%, 2.0%, and 1.9% in 2026 through 2029 slightly higher than the September forecast.
- Our oil price forecast reflects the futures markets for the Brent (North Sea) oil price and West Texas Intermediate (WTI) benchmarks. This forecast was based on the Tuesday, October 15, 2024 closing prices for Brent and WTI futures. Oil prices are slightly higher than in the September forecast. As in September, oil prices are expected to decline throughout the forecast. The latest futures prices indicate that the refiner acquisition price of crude oil will average \$70 per barrel in the fourth quarter of 2024, down \$3 compared to the September forecast. By the fourth quarter of 2029 the refiner acquisition price of crude is expected to average \$66 per barrel, up from \$64 per barrel in the September forecast.
- National employment in October increased by 12,000 net jobs. Employment levels for August and September were revised down due to additional data and updated seasonal factors by a combined 112,000 jobs. It is likely that two major hurricanes and labor disputes impacted the October values. Job growth has slowed in the last few months with the 3-month moving average of monthly job adds now at 104,000. Sectors with the largest job gains in October included healthcare (+52,000), wholesale trade (+10,000) and government (+40,000). Sectors with declining employment in October included manufacturing (-46,000), employment services (-52,000) and arts and entertainment (-10,000).
- Two key measures of consumer confidence improved in October. The University of Michigan (UM) consumer sentiment survey increased by 0.4 points to 70.5 in October after increasing by 2.2 points in September. The Conference Board index of consumer confidence increased by 9.5 points in October to 108.7. Survey results indicated improved opinions about future business conditions, income and future job availability.
- Initial claims for unemployment insurance decreased by 4,000 to 217,000 (SA) in the week ending November 9th. The four-week moving average of initial claims decreased by 6,250 to 221,000.

- Consumer prices increased 0.2% (SA) in October following a 0.2% increase in September. Compared to October 2023, prices are up 2.6%. Core prices, which exclude food and energy, rose by 3.3% compared to October 2023.
- Industrial production decreased by 0.3% in September following a 0.3% increase in August. Industrial production was down 0.6% compared with its September 2023 level. New orders for core capital goods (i.e., durables excluding aircraft and military), which is a proxy for business investment, increased by 0.5% (SA) in September following a 0.3% increase in August according to U.S. Census Bureau data. New orders for core capital goods were 0.3% above their September 2023 level.
- Residential construction activity was down in September compared with August, and new home sales were up while existing home sales were down. September housing starts decreased by 0.5% (SA) compared to August and were 0.7% below their September 2023 level. Housing units authorized by building permits in September were 2.9% (SA) below their August level and 5.7% below their year-ago level. New home sales in September increased by 4.1% (SA) compared to August and were 6.3% above their year-ago level. Existing home sales in September decreased by 1.0% (SA) compared to August and were down 3.5% compared to September 2023. The seasonally adjusted Case-Shiller national home price index for August was 0.3% above its July level and 4.2% above its year-ago level.
- The major risks to the U.S. and Washington economies continue to be the impacts of elevated prices, high interest rates, geopolitical conflicts, layoffs and trade conflicts.

Washington

- Washington job growth for the preliminary November forecast was weaker than expected in the month since the September forecast was released. Total seasonally adjusted nonfarm payroll employment declined 2,100 in September. The forecast expected a gain of 2,700 jobs over the month. The construction sector increased by 700 jobs while manufacturing employment increased by 400 in September. The information sector had the largest increase with a gain of 1,300 jobs. The largest declines in private sector services were in accommodation and food services and membership associations with declines of 900 jobs each. Government employment declined by 4,000, although the decline was due to an 8,000 reduction in state government education which is notorious for seasonal adjustment issues around summer months.
- Washington's aerospace employment has increased 16,500 jobs since reaching a trough of 66,700 in August 2021, bringing the level to 83,300 in September 2024. The preliminary November economic forecast incorporated the September 12th vote to go on strike by machinists at Boeing. We assumed a 60-day strike duration. Aerospace employment is temporarily reduced by approximately 30,000, and wages associated with striking workers temporarily reduce our forecast of wages as well. The forecast also includes announced layoffs and furloughs. The combination of these factors, along with the underlying growth in the industry, results in a lower forecast of aerospace employment compared to September. We now expect aerospace

employment to peak at 89,500 jobs in early 2029 and then slowly decline through the rest of the year.

- We expect a 1.3% increase in Washington employment this year, unchanged from the September forecast. We expect slower growth during the remainder of the forecast as the U.S economy slows. We expect Washington employment growth to average 0.9% per year in 2025 through 2029, up slightly from the 0.8% average rate in the previous forecast.
- Washington's unemployment rate continues to hold steady. The unemployment rate was unchanged at 4.8% in September. The jobless rate has remained between 4.9% and 4.8% each month since March. The labor force participation rate fell from 63.5% to 63.3% in September and is down from 64.3% a year ago.
- The preliminary November forecast expects the Washington unemployment rate to reach 4.8% this year, up from a trough of 4.1% in 2023. We expect the unemployment rate to peak at 5.0% in 2026. The forecast then calls for the unemployment rate to trend down and reach 4.7% in 2029, up from 4.6% in the previous forecast.
- In September, after the forecast was complete, the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) released state personal income estimates for the second quarter of 2024. Washington personal income increased from \$657.3 billion (SAAR) in the first quarter to \$665.4 billion in the second quarter of 2024. The 5.1% increase (SAAR) in Washington personal income was the 28th among the states and District of Columbia and trailed the 5.3% (SAAR) rate of increase for the U.S. as a whole. Growth in Washington net earnings slightly trailed the U.S. in the second quarter, with Washington earnings increasing 6.2% (SAAR) compared to 6.3% (SAAR) for the nation. Dividends, interest, and rent grew 1.5% (SAAR) in both Washington and the nation. Transfer payments grew for both Washington and the nation, increasing 5.3% (SAAR) and 6.1% (SAAR) respectively.
- Our forecast for nominal personal income growth this year is 6.3%, up from 5.2% in the September forecast. The preliminary November forecast for nominal personal income growth in 2025 through 2029 averages 5.6% per year, unchanged from the previous forecast.
- Seattle-area home prices are increasing. Home prices grew 0.9% in August, the fifth consecutive increase. In comparison, the composite-20 index has increased in each of the past 19 months, growing 0.4% in August. Seattle home prices in August were up 5.2% over the year, equal to the increase in the composite-20 index.
- Seattle-area consumer price inflation is declining, although it continues to outpace the national average. From October 2023 to October 2024, the Seattle CPI rose 3.0% compared to the 2.6% increase in the U.S. City average index. Core prices, which exclude food and energy, increased 3.8% in Seattle and 3.3% in the U.S. City Average index. Seattle shelter cost inflation is now below the U.S. city average at 4.7% compared to 4.9%.

Excluding shelter, inflation in Seattle rose 1.8% while the U.S. city average rose 1.3% over the year.

- Washington exports increased 6.9% from the third quarter of 2023 to the third quarter of 2024. The increase was fueled by strong gains in Washington's top two exports: transportation equipment (+24.6%) and agriculture (+29.9%). Excluding transportation equipment and agricultural products, Washington exports declined 9.6% year over year in the third quarter of 2024.
- Washington car and truck sales declined in October by 3.4% compared to September to 272,900 (SAAR). Passenger car registrations fell 6.4% while light truck registrations increased 17.8%. The number of total registrations remained up 3.1% over the year in October.
- Washington housing construction picked up in the third quarter of 2024. A total of 36,000 units (SAAR) were permitted in July, August, and September, up from 33,300 units (SAAR) in the second quarter. Third quarter permits consisted of 18,600 single-family units and 17,400 multi-family units.
- The preliminary November forecast calls for housing permits to reach a trough of 35,400 units this year, down from 37,100 units in 2023. We expect housing permits to grow through 2029 reaching 43,200 units. The previous forecast called for total housing permits of 35,600 units this year, reaching 43,400 units in 2029.

Revenue

- For the November 2024 forecast, the 2023-25 biennium total transportation revenue estimate is \$6.8 billion which is a \$75 million (1.1%) decrease in comparison to the September 2024 forecast. This is driven by a decrease in MV fuel tax revenue of \$51 million, a decrease in toll revenue of \$9 million and a \$6 million decrease in business/other revenues.
- For the 2025-27 biennium, revenues are projected at \$7.0 billion which is \$94 million (1.3%) below the September 2024 forecast. For the 2027-29 biennium, revenues are projected at \$7.1 billion which is \$87 million (1.2%) below the September 2024 forecast. For the 10-year forecast horizon (2024-2033), total baseline revenue in November 2024 is down from the September forecast by \$380 million (1.1%), mainly driven by an expected decrease in the motor vehicle fuels tax.
- Fuel prices have been on a downward trajectory since peaking in the second quarter of 2022 and again in the third quarter of 2023. The forecast indicates a leveling off between \$3.7 and \$4.1 per gallon for retail gasoline and \$3.8 to \$4.0 for diesel in 2024 and 2025.
- Biodiesel prices for B20 and B5 have seen a year-to-year decline of 25% and 30%, respectively, in the first quarter of FY 2025. This notable reduction indicates that prices may fall to around \$3.1 per gallon for B20 and between \$2.60 and \$2.71 for B5 in the third quarter of FY 2025.

- The November 2024 motor fuel tax forecast has been updated to reflect actuals and updated input forecasts. Actuals for fiscal year 2024 indicate that gasoline consumption fell by 0.4% and diesel (special fuels) by 8.7%. For the four distribution months in FY 2025 so far, gasoline revenues are down about 5.8% from FY 2024 indicating that consumption is falling faster than forecasted in September. Special fuels revenues are tracking close to forecast. Washington State now anticipates collecting about \$3.18 billion from fuel taxes in the 2023-2025 biennium, which is a decrease of \$51 million or 1.6% compared to the September 2024 forecast. MVFT revenues are anticipated to be \$3.07 billion in the 2025-2027 biennium, which is decreased about \$105 million or 3.3% from the previous forecast. MVFT revenues are anticipated to be \$3.04 billion in the 2027-2029 biennium, which is decreased about \$103 million or 3.3% from the previous forecast.
- Washington State anticipates slightly reduced registrations compared with the September 2024 forecast, collecting about \$1.99 billion from vehicle licenses, permits, and fees (LPFs) in the 2023-2025 biennium, a decrease of \$4.3 million or 0.2% compared to the forecast for September 2024. The LPF forecast is anticipated to be \$2.14 billion for the 2025-2027 biennium, which is down about \$6.4 million or 0.3% from the previous forecast. The LPF forecast is anticipated to be \$2.26 billion for the 2027-2029 biennium, which is up about \$0.6 million or 0.02% from the previous forecast.
- Washington state ferries expect lower revenues on lower ridership than in September with total fare and miscellaneous revenues forecasted for the 2023-25 biennium amounting to \$374.5 million, 1.0% lower than the previous forecast of \$378.4 million. For the 2025-27 biennium, total fare and miscellaneous revenues are forecasted to be \$418.4 million, 0.5% lower than the previous forecast of \$420.5. For the 2027-29 biennium, total fare and miscellaneous revenues are forecasted to be \$436.9 million, 0.6% lower than the previous forecast of \$439.7.
- The forecast for toll revenue was revised to account for actuals through September 2024. The November forecast calls for revenue for the 2023-25 biennium to be \$531.3 million, a decrease of \$8.8 million or 1.6% compared with the September forecast. For the 2025-27 biennium, total toll revenues are forecasted to be \$564.1 million, 2.4% higher than the previous forecast of \$550.9 million. For the 2027-29 biennium, total toll revenues are forecasted to be \$596.1 million, 1.7% higher than the previous forecast of \$586.0 million.
- Driver-related revenues have been updated in this forecast, including updated actuals and input variables. Driver-related revenue for the FY 2023-25 biennium is forecasted at \$351.4 million, a decrease of \$0.9 million (0.2%) from the prior forecast due mostly to lower enhanced driver license and record fees. FY 2025-27 is expected to yield \$393.9 million in revenues, a decrease of \$1.6 million (0.4%) from the prior forecast. For the 2027-29 biennium, total driver-related revenues are forecasted to be \$380.3 million, 0.1% lower than the previous forecast of \$380.6 million.
- Total other transportation related revenues in the 2023-25 biennium are currently projected at \$374.5 million. This represents a decrease of \$6.0 million, or 1.6% compared to September 2024 forecast. For the 2025-27

- biennium, total other revenues are forecasted to be \$398.4 million, 2.0% higher than the previous forecast of \$390.7 million. For the 2027-29 biennium, total other revenues are forecasted to be \$414.4 million, 2.2% higher than the previous forecast of \$405.5 million.
- The total highway apportionment for Washington state for FFY 2024 was \$1,368.3 million. This reflects actual apportionment distributions for FFY 2024. The November 2024 total apportionment forecast for FFY 2025 is based on FHWA Notices NN4510.892, N4510.893, N4510.894 and N4510.895. The total apportionment forecast for FFY 2026 assumes an annual growth rate of 2% which is consistent with the US funding levels set forth in the IIJA. The current total annual apportionment estimates for FFYs 2025-2026 are \$1,137.3 million and \$1,160.0 million respectively, down 1.8% each year compared to the September 2024 forecast. The baseline forecast for FFY 2027 through FFY 2035 assumes annual growth of federal revenues of 1% annually.

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Transportation Revenue Review

Presented to the
Transportation Economic and Revenue
Forecast Council

Dave Reich
ERFC Executive Director

November 20, 2024



WASHINGTON STATE
ECONOMIC AND REVENUE FORECAST COUNCIL



Overview

Economic View

- The U.S. economy is growing, inflation is moderating, and interest rates are coming down
- WA economy also growing (job growth 1.0% YTD)
- Transportation revenues driven by population growth/travel and economic activity but impacted by SR/LR pandemic changes (e.g. WFH) and others

Revenue

- The transportation forecast is decreased by \$75 million (1.1%) for 2023-25 period compared with Sept.
- The transportation forecast is decreased by \$181 million (1.3%) for 2025-29 period compared with Sept.

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Transportation revenue forecast risks

Upside

- Stronger consumer spending, faster interest rate cuts lead to stronger economy, quicker resolution of world conflicts leads to lower energy prices

Downside

- Elevated interest rates push economy into recession, world conflicts intensify

"Neutral"

- Faster EV adoption lowers fuel revenue but raises EV fees

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WA employment forecast is slightly lower over the forecast period

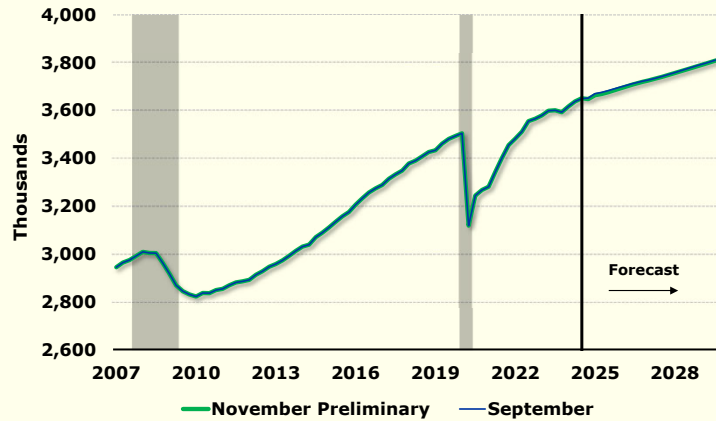
Average annual employment growth, 2024 to 2029:

U.S. = 0.4%

WA = 0.9%

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Washington Nonfarm Payroll Employment



Source: ERFC preliminary November 2024 forecast; historical data through 2024 Q3

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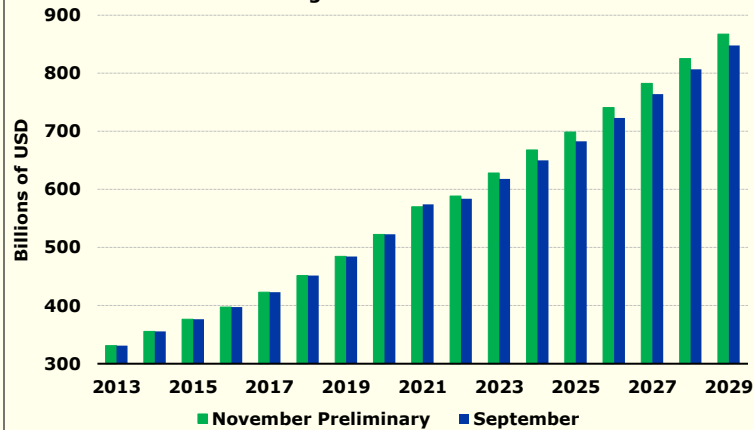


WA personal income forecast averages 5.4% annual growth from 2024-2029, down from 5.5% in Sept.

In September, BEA released 2024:2Q personal income and WA was up 5.1% (SAAR)

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Washington Personal Income



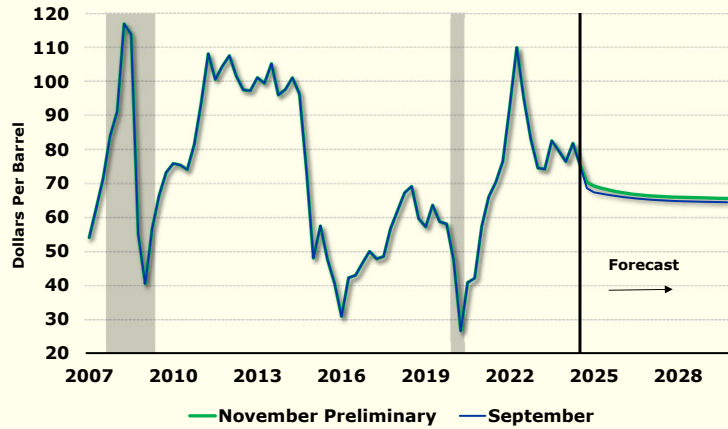
Source: ERFC preliminary November 2024 forecast; historical data through 2024 2Q

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Oil prices are higher than in the September forecast

Oil prices in the third quarter of 2024 were slightly higher than expected in the September forecast



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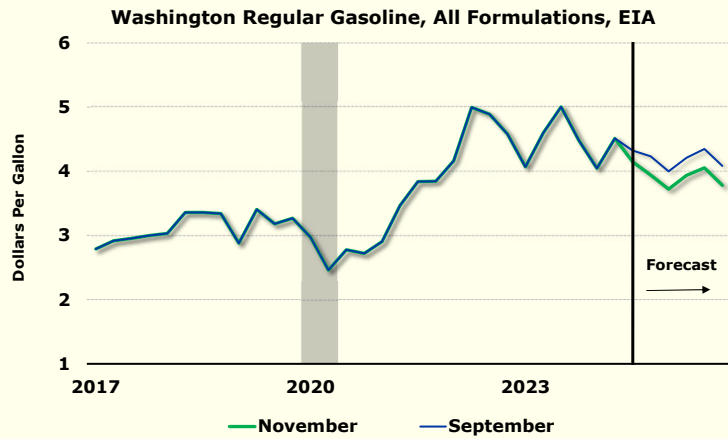
Source: Energy Information Administration, IHS Markit, ERFC; data through 2024 Q3
Note: Vertical black line indicates last actual

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Gas price forecast is lower than the September forecast

Nationally, about half the price of gas is determined by the price of oil (EIA)



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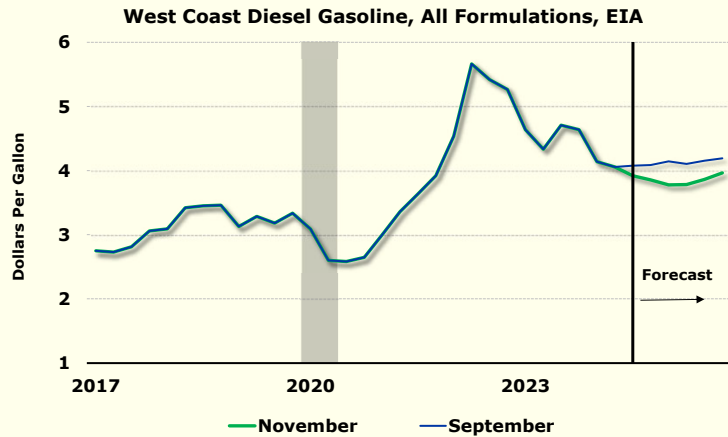
Source: Energy Information Administration, IHS Markit, ERFC November 2024 forecast; data through 2024 Q3
Note: Vertical black line indicates last actual

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Diesel price forecast also decreased compared with September

Nationally, about half the price of diesel is determined by the price of oil (EIA)



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Source: Energy Information Administration, IHS Markit, ERFC November 2024 forecast; data through 2024 Q3
Note: Vertical black line indicates last actual

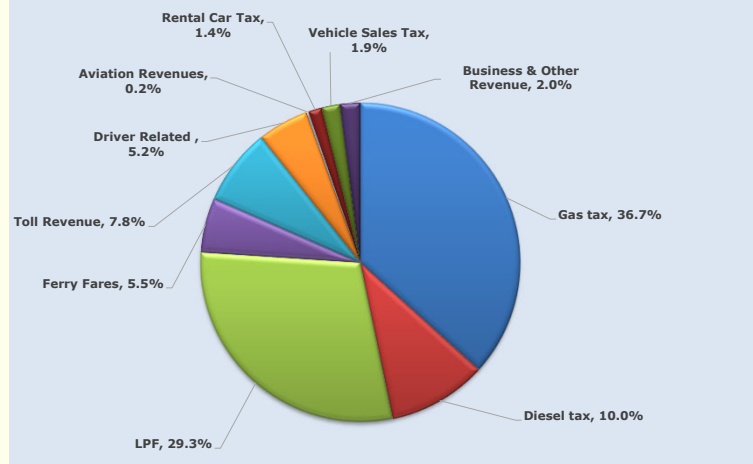
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Washington state transportation revenues

Fuel taxes are 47% of all state transportation revenues

Chart excludes federal and CCA revenues



Source: TERFC Vol. 2, November 2024

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Motor vehicle fuels tax revenue- November forecast

Overview

- Largest single transportation revenue (\$1.6B in FY 2024)
- Gas consumption peaked in 2018 and has been down since Covid

Actuals

- Gas actuals down 5.8% (yoy) for first four months of FY25
- Special fuels highly variable but close to forecast

Forecast

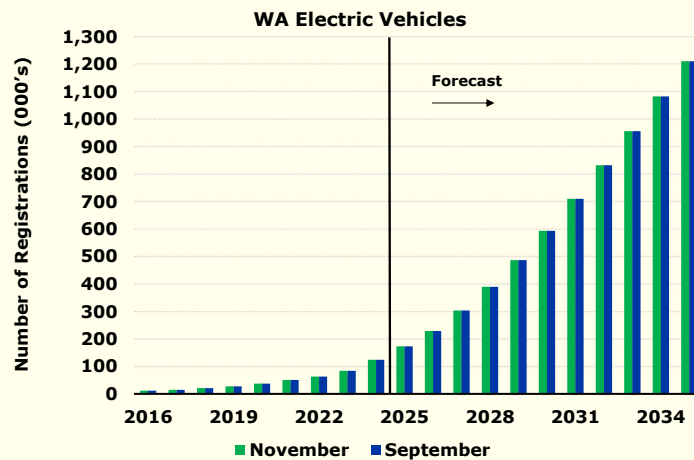
- Gas consumption/revenues declining faster than in September forecast
- Special fuel consumption/revenues similar to September

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Electric vehicle forecast calls for substantial growth that will impact fuel consumption



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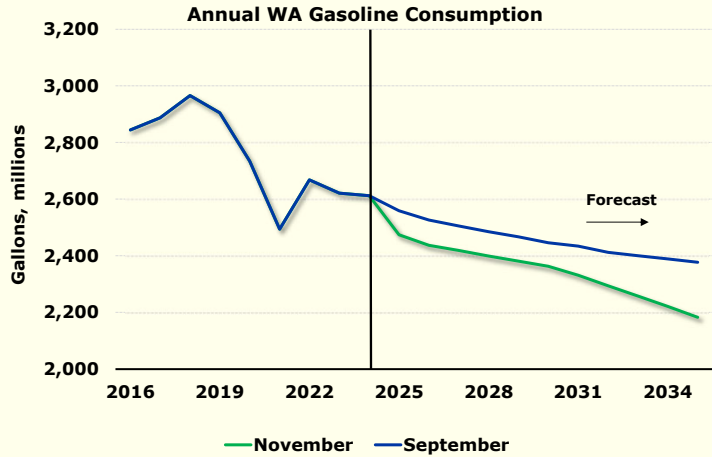
Source: TERFC November 2024 forecast; historical data through FY 2024

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Gas consumption is falling faster than in the September forecast

Gas tax revenues were about \$1.3B in FY 2024



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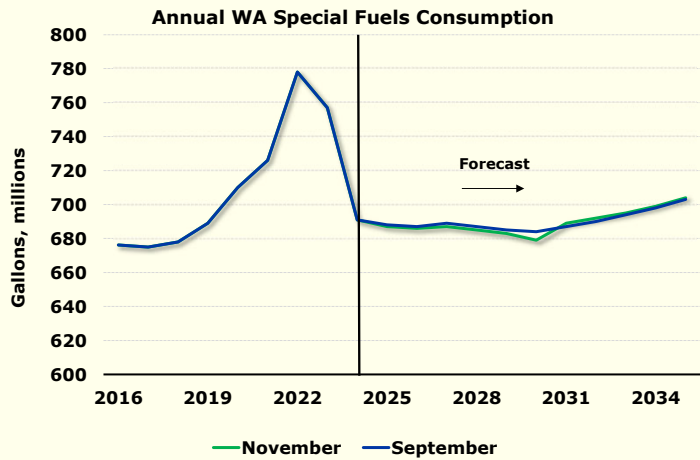
Source: TERFC November 2024 forecast; historical data through FY 2024

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Special fuel consumption forecast is little changed from September

Special fuel tax revenues were about \$340M in FY 2024



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Source: TERFC November 2024 forecast; historical data through FY 2024

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



MVFT Revenue Summary

2023-2025 Biennium

Item	Forecast (Sept. 2024)	Forecast (Nov. 2024)	Change
Gasoline (Gross)	\$2,548.2M	\$2,497.8M	(\$50.3M)
Special Fuels (Gross)	\$682.8M	\$682.1M	(\$0.7M)
Total (Gross)	\$3,231.0M	\$3,179.9M	(\$51.1M)

2025-2027 Biennium

Item	Forecast (Sept. 2024)	Forecast (Nov. 2024)	Change
Gasoline (Gross)	\$2,499.7M	\$2,396.7M	(\$103.0M)
Special Fuels (Gross)	\$680.0M	\$677.9M	(\$2.1M)
Total (Gross)	\$3,179.6M	\$3,074.5M	(\$105.1M)

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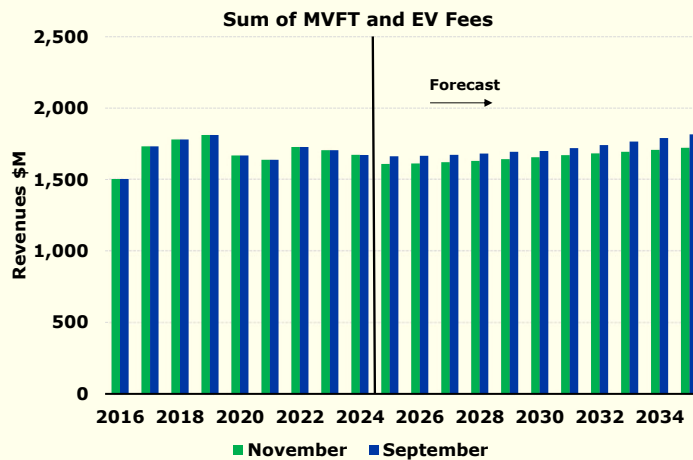
* Detail may not add to total due to rounding

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



The combination of MVFT and EV fees is expected to grow in nominal terms after 2025

EV fee growth will likely partially offset losses in MVFT over the forecast period



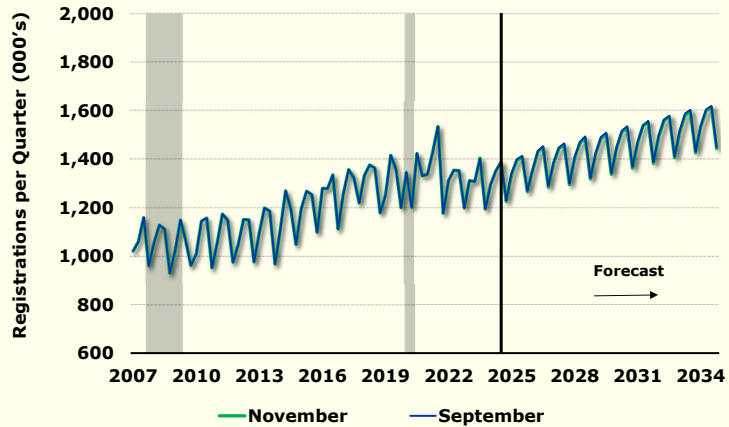
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Source: TERFC November 2024 forecast; historical data through FY 2024

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Passenger car registration forecast revised down slightly from September



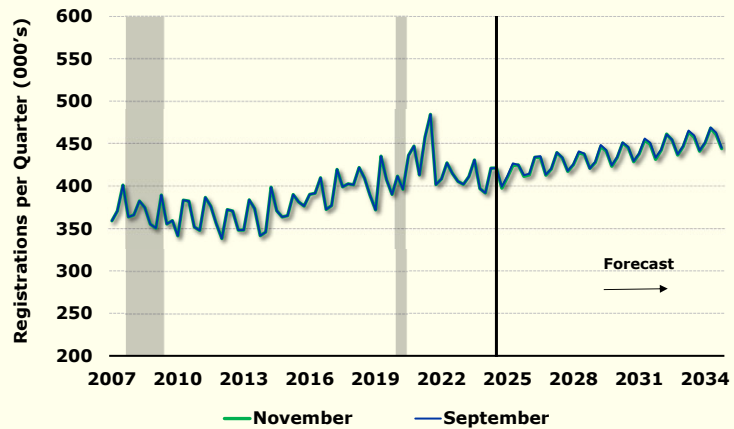
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Source: TERFC November 2024; data through 2024 Q3
Note: Vertical black line indicates last actual

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Truck registrations also revised down slightly compared with September



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Source: TERFC November 2024; data through 2024 Q3
Note: Vertical black line indicates last actual

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License, Permit and Fee Revenues- November forecast

Registrations

- Recent actuals very close to forecast
- Car and truck registration forecasts are revised down slightly on lower inputs

License-plate/other fees

- Plate fees lowered on lower actuals
- Other fees generally down slightly

Forecast Change

- Overall revenue decrease of 0.2% in 2023-'25 and 0.3% in 2025 -'27

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LPF Revenue Summary

2023-2025 Biennium

Item	Forecast (Sept 2024)	Forecast (Nov 2024)	Change
Basic Fee (\$30)	\$347.1M	\$346.5M	(\$0.6M)
Weight - Cars	\$442.4M	\$441.8M	(\$0.7M)
Weight - Trucks	\$545.6M	\$545.4M	(\$0.2M)
Plate Fees	\$216.4M	\$215.3M	(\$1.0M)
Other	\$446.8M	\$445.1M	(\$1.7M)
Total	\$1,998.3M	\$1,994.1M	(\$4.3M)

2025-2027 Biennium

Item	Forecast (Sept 2024)	Forecast (Nov 2024)	Change
Basic Fee (\$30)	\$359.7M	\$358.3M	(\$1.4M)
Weight - Cars	\$466.3M	\$464.8M	(\$1.5M)
Weight - Trucks	\$560.4M	\$560.6M	\$0.2M
Plate Fees	\$226.1M	\$224.1M	(\$2.0M)
Other	\$531.5M	\$529.8M	(\$1.8M)
Total	\$2,144.0M	\$2,137.6M	(\$6.4M)

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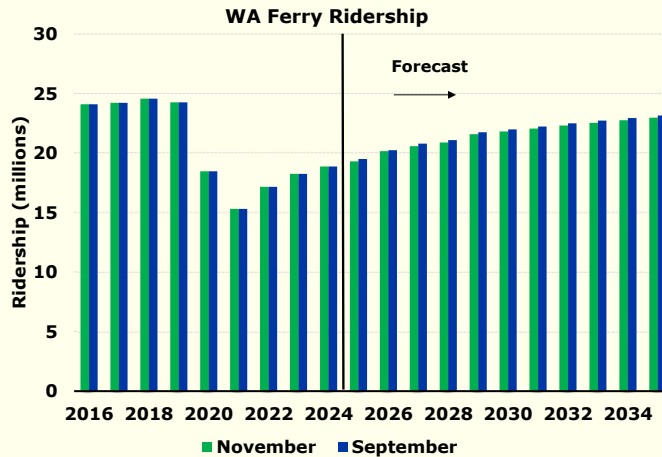
* Detail may not add to total due to rounding

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Ferry Ridership-down a little from September

Ferry service and ridership are both lower since the pandemic



Transportation Revenue Review
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Source: TERFC November 2024 forecast; historical data through FY 2024

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Ferry Revenue-November forecast

The WSTC adopted 4.25% fare increases for both FY 2024 and FY 2025

Ridership

- Ridership forecast reduced for all years on lower actuals/inputs

Policy Changes

- Fares went up 10/23 and 10/24
- Service level changes

Revenue Forecast

- Farebox revenue lower due to lower ridership forecast than Sept. 2024
- Revenue reductions 0.5-1% per biennium

Transportation Revenue Review
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WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



WSF Revenue Summary

2023-2025 Biennium

Item	Forecast (Sept. 2024)	Forecast (Nov. 2024)	Change
Farebox	\$369.2M	\$365.7M	(\$3.6M)
Miscellaneous	\$9.2M	\$8.8M	(\$0.4M)
Total	\$378.4M	\$374.5M	(\$3.9M)

2025-2027 Biennium

Item	Forecast (Sept. 2024)	Forecast (Nov. 2024)	Change
Farebox	\$408.8M	\$406.1M	(\$2.7M)
Miscellaneous	\$11.7M	\$12.3M	\$0.6M
Total (Gross)	\$420.5M	\$418.4M	(\$2.1M)

Transportation
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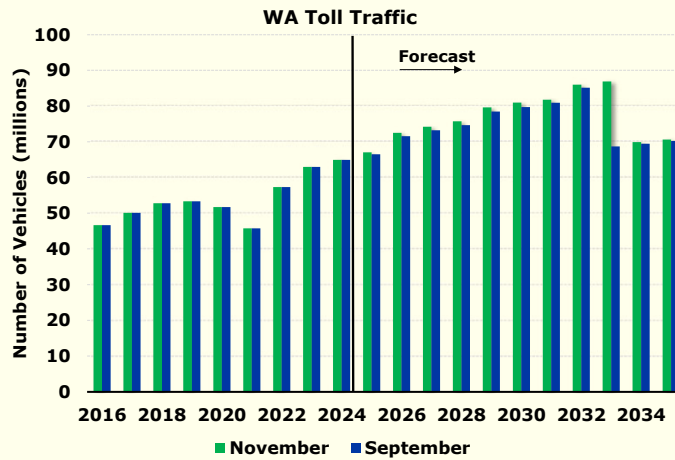
* Detail may not add to total due to rounding

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Toll facility traffic forecast-increased from September

Tacoma
Narrows
Bridge tolls
were
extended
through the
end in 2033



Source: TERFC November 2024 forecast; historical data through FY 2024

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

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Toll revenue-November forecast

Toll actuals since Sept. forecast (Sept. 2024)

- Transactions: 2.4% above Sept. forecast
- Revenues: \$1.2M (6.6%) above Sept. forecast

Recent Policy Changes

- Rates and toll times revised (3/2024) and rates on SR 520 (8/2024)
- TNB tolls extended through 2033

Revenue Forecast

- '23-'25 Biennium updated for actuals
- Travel demand updated for all facilities
- Toll/misc. revenues are generally up but offset by penalty fees reduction in 2025
- Volumes unchanged after 2025 for SR167/I-405

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WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Toll Revenue Summary

2023-2025 Biennium

Item	Forecast (Sept 2024)	Forecast (Nov 2024)	Change
Tacoma Narrows	\$165.3M	\$163.9M	(\$1.4M)
SR 520	\$181.1M	\$179.8M	(\$1.3M)
I-405 (ETLs)	\$77.6M	\$76.7M	(\$0.8M)
SR 167 (ETLs)	\$12.6M	\$13.1M	\$0.5M
SR 99	\$103.5M	\$97.7M	(\$5.7M)
Total	\$540.1M	\$531.3M	(\$8.8M)

2025-2027 Biennium

Item	Forecast (Sept 2024)	Forecast (Nov 2024)	Change
Tacoma Narrows	\$159.0M	\$162.2M	\$3.2M
SR 520	\$193.2M	\$201.1M	\$7.9M
I-405 (ETLs)	\$94.3M	\$94.0M	(\$0.3M)
SR 167 (ETLs)	\$24.7M	\$24.8M	\$0.1M
SR 99	\$79.7M	\$82.0M	\$2.2M
Total	\$550.9M	\$564.1M	\$13.2M

* Detail may not add to total due to rounding

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

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Driver related and other revenues- November forecast

Revenues

- Includes driver license fees, 0.3% vehicle sales tax, rental car tax, others

Actuals

- Generally coming in close to forecast
- Vehicle sales/use tax came in a little low
- Rental car taxes were above forecast

Revenue Forecast

- Enhanced license forecast revised down
- Speed safety camera revenue down in FY25, up in out-years
- Small changes to sales/use and rental taxes

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WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Other Revenues Summary

2023-2025 Biennium

Item	Forecast (Sept 2024)	Forecast (Nov 2024)	Change
Driver fees	\$352.3M	\$351.4M	(\$0.9M)
Vehicle sales tax	\$127.6M	\$127.1M	(\$0.4M)
Rental car tax	\$93.3M	\$94.0M	\$0.7M
Other	\$159.8M	\$153.4M	(\$6.3M)
Total	\$732.8M	\$725.9M	(\$6.9M)

2025-2027 Biennium

Item	Forecast (Sept 2024)	Forecast (Nov 2024)	Change
Driver fees	\$395.6M	\$393.9M	(\$1.6M)
Vehicle sales tax	\$132.0M	\$131.0M	(\$1.0M)
Rental car tax	\$96.0M	\$97.3M	\$1.3M
Other	\$162.7M	\$170.1M	\$7.4M
Total	\$786.3M	\$792.4M	\$6.1M

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* Detail may not add to total due to rounding

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Forecast changes by revenue source: 2023-25 biennium

The forecast decrease represents 1.1% of biennial revenue

Revenue Summary (\$Million)	Sep. 2024 Forecast	Nov. 2024 Forecast	Total Change*
MV Fuel Tax	\$3,231	\$3,180	(\$51)
Licenses, Permits, Fees	\$1,998	\$1,994	(\$4)
Ferry Revenues	\$378	\$375	(\$4)
Toll Revenues	\$540	\$531	(\$9)
Other	\$733	\$726	(\$7)
Total	\$6,880	\$6,806	(\$75)

Alternative Forecasts (\$Million)	2023-2025 Biennium	Difference from Baseline
Baseline (55%)	\$6,806M	
Optimistic (20%)	\$6,864M	\$58M
Pessimistic (25%)	\$6,746M	(\$60M)
Weighted Avg.	\$6,802M	(\$3M)

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All values in millions, # Detail may not add to total due to rounding

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Forecast changes by revenue source: 2025-27 biennium

The forecast decrease represents 1.3% of biennial revenue

Revenue Summary (\$Million)	Sep. 2024 Forecast	Nov. 2024 Forecast	Total Change*
MV Fuel Tax	\$3,180	\$3,075	(\$105)
Licenses, Permits, Fees	\$2,144	\$2,138	(\$6)
Ferry Revenues	\$420	\$418	(\$2)
Toll Revenues	\$551	\$564	\$13
Other	\$786	\$792	\$6
Total	\$7,081	\$6,987	(\$94)

Alternative Forecasts (\$Million)	2025-2027 Biennium	Difference from Baseline
Baseline (55%)	\$6,987M	
Optimistic (20%)	\$7,237M	\$250M
Pessimistic (25%)	\$6,597M	(\$390M)
Weighted Avg.	\$6,940M	(\$47M)

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All values in millions, # Detail may not add to total due to rounding

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Forecast changes by revenue source: 2027-29 biennium

The forecast decrease represents 1.2% of biennial revenue

Revenue Summary (\$Million)	Sep. 2024 Forecast	Nov. 2024 Forecast	Total Change*
MV Fuel Tax	\$3,139	\$3,035	(\$104)
Licenses, Permits, Fees	\$2,259	\$2,259	\$1
Ferry Revenues	\$440	\$437	(\$3)
Toll Revenues	\$586	\$596	\$10
Other	\$786	\$795	\$9
Total	\$7,209	\$7,122	(\$87)

Alternative Forecasts (\$Million)	2027-2029 Biennium	Difference from Baseline
Baseline (55%)	\$7,122M	
Optimistic (20%)	\$7,494M	\$372M
Pessimistic (25%)	\$6,498M	(\$624M)
Weighted Avg.	\$7,041M	(\$82M)

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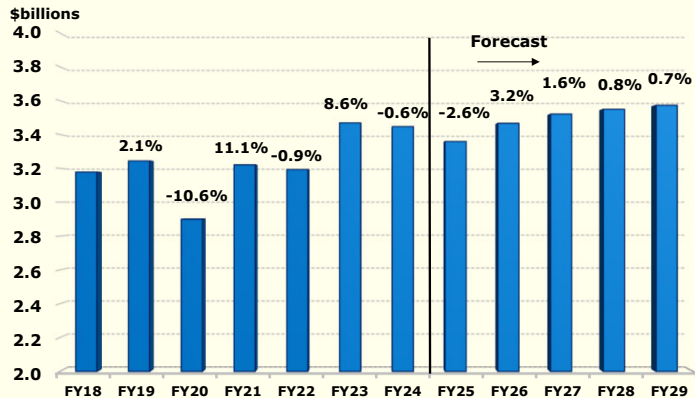
All values in millions, # Detail may not add to total due to rounding

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Transportation revenues are expected to grow over the 2025-2029 period

Chart excludes federal and CCA revenues



Transportation Revenue Review
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Source: TERFC forecast, November 2024

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Summary

- U.S. and WA economic forecast indicating slowing growth
- MVFT is major driver of revenue change for all years, most other sources are relatively small changes
- Impacts of geopolitical conflicts on commodity prices, lower spending or less travel pose risks to the forecast
- State transportation revenues are expected to grow 2.2% between the 2021-23 and 2023-25 biennia and 2.7% between the 2023-25 and 2025-27 biennia

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WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Questions



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Revenue Review
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Economic & Revenue Forecast Council
PO BOX 40912
Olympia WA 98504-0912
www.ercf.wa.gov
360-534-1560

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Forecast to Forecast Comparison for Transportation Revenues
November 2024 Forecast to September 2024 Forecast millions of dollars

	Current Biennium				Biennium				Biennium			
	2023-2025		2025-2027		2025-2027		2027-2029		2027-2029		2027-2029	
	Forecast November 2024	Forecast September 2024	Chg from Sep-24	Percent Change	Forecast November 2024	Forecast September 2024	Chg from Sep-24	Percent Change	Forecast November 2024	Forecast September 2024	Chg from Sep-24	Percent Change
Sources of Transportation Revenue												
Motor Vehicle Fuel Tax Collections	3,179.90	3,231.00	-51.1	-1.58%	3,074.50	3,179.60	-105.09	-3.31%	3,035.30	3,138.80	-103.5	-3.30%
Licenses, Permits and Fees	1,994.10	1,998.30	-4.26	-0.21%	2,137.60	2,144.00	-6.38	-0.30%	2,259.00	2,258.50	0.5	0.02%
Ferry Revenue†	374.5	378.4	-3.93	-1.04%	418.4	420.5	-2.12	-0.50%	436.9	439.7	-2.8	-0.64%
Toll Revenue	531.3	540.1	-8.77	-1.62%	564.1	550.9	13.17	2.39%	596.1	586	10.1	1.72%
Aviation Revenues	14.9	14.9	0	0.00%	14.4	14.4	0	0.00%	14.1	14.1	0	0.00%
Rental Car Tax	94	93.3	0.74	0.79%	97.3	96	1.31	1.37%	101.9	100.5	1.4	1.39%
Vehicle Sales Tax	127.1	127.6	-0.45	-0.35%	131	132	-0.96	-0.73%	138.9	139.8	-0.9	-0.64%
Driver-Related Fees	351.4	352.3	-0.85	-0.24%	393.9	395.6	-1.63	-0.41%	380.3	380.6	-0.3	-0.08%
Business/Other Revenues	138.5	144.9	-6.32	-4.36%	155.8	148.4	7.38	4.98%	159.6	151.2	8.4	5.56%
Total Revenues	6,805.70	6,880.60	-74.94	-1.09%	6,987.00	7,081.30	-94.31	-1.33%	7,122.00	7,209.00	-87	-1.21%
Distribution of Revenue												
Motor Fuel Tax Refunds and Transfers	213.1	216.2	-3.17	-1.47%	230.6	237.1	-6.57	-2.77%	229.5	235.9	-6.4	-2.71%
Motor Fuel Administrative Fee - DOL	18.7	18.7	0	0.00%	18	18	0	0.00%	17.7	17.7	0	0.00%
State Uses												
Motor Vehicle Account (108)	1,267.20	1,286.70	-19.48	-1.51%	1,366.40	1,401.70	-35.26	-2.52%	1,438.50	1,472.60	-34.1	-2.32%
Transportation 2003 (Nickel) Account (550)	390.8	395.5	-4.7	-1.19%	382.2	392.4	-10.11	-2.58%	379.4	387.8	-8.4	-2.17%
Transportation 2005 Partnership Account (09H)	579.7	586.8	-7.05	-1.20%	558.9	573.5	-14.59	-2.54%	553.6	568	-14.4	-2.54%
Connecting Washington Account (20H)	713.3	722.9	-9.57	-1.32%	681.2	701.1	-19.91	-2.84%	672	691.5	-19.5	-2.82%
Multimodal Account (218)	689.5	690	-0.45	-0.07%	721.1	722.1	-0.98	-0.14%	747.6	748.5	-0.9	-0.12%
Special Category C Account (215)	45	45.6	-0.6	-1.32%	42.9	44.2	-1.26	-2.84%	42.4	43.6	-1.2	-2.75%
Puget Sound Capital Construction Account (099)	32.7	33.1	-0.44	-1.32%	31.2	32.1	-0.91	-2.84%	30.8	31.7	-0.9	-2.84%
Puget Sound Ferry Operations Account (109)	431	433.9	-2.89	-0.67%	474	474.1	-0.08	-0.02%	491.9	492.5	-0.6	-0.12%
Capital Vessel Replacement Account (18J)	55.7	56	-0.27	-0.49%	58.7	59	-0.24	-0.40%	60	59.9	0.1	0.17%
Tacoma Narrows Bridge Account (511)	163.9	165.3	-1.4	-0.85%	162.2	169	3.21	2.02%	165.3	162.1	3.2	1.97%
High Occupancy Toll Lanes Account (09F)^	13.1	12.6	0.51	4.04%	24.8	24.7	0.1	0.40%	30.2	30.1	0.1	0.33%
SR 520 Corridor Account (16I)	172.6	167.5	5.12	3.05%	193.3	185.6	7.78	4.19%	202.3	198.1	4.2	2.12%
SR 520 Corridor Civil Penalties Account (17P)	7.2	13.6	-6.42	-47.05%	7.8	7.6	0.15	1.90%	7.8	7.6	0.2	2.63%
Interstate 405 Express Toll Lanes Operations (595)	76.7	77.6	-0.84	-1.08%	94	94.3	-0.3	-0.32%	106.1	106.4	-0.3	-0.28%
Alaskan Way Viaduct Replacement Acct. (535)	97.7	103.5	-5.74	-5.55%	82	79.7	2.24	2.81%	84.4	81.7	2.7	3.30%
Aeronautics Account (039)	14.8	14.8	0	0.00%	14.3	14.3	0	0.00%	14	14	0	0.00%
Washington State Aviation Account (21G)	0.1	0.1	0	0.00%	0.1	0.1	0	0.00%	0.1	0.1	0	0.00%
State Patrol Highway Account (081)	468.8	469.7	-0.94	-0.20%	487.2	488.6	-1.4	-0.29%	498.6	499.8	-1.2	-0.24%
Highway/Motorcycle Safety Accts. (106 & 082)	298.6	303.9	-5.3	-1.74%	356.9	350.1	6.83	1.95%	345.7	336.2	9.5	2.83%
School Zone Safety Account (780)	0.4	0.4	0.02	3.81%	0.4	0.4	0	0.00%	0.4	0.4	0	0.00%
Other accounts (201, 06T, 097, 09E, 216, 07C, 24-K)	43.8	44.1	-0.27	-0.61%	44.4	45.5	-1.04	-2.29%	44.8	46.3	-1.5	-3.24%
Electric Vehicle Account (20)	57.4	57.4	0	0.00%	0	0	0	0.00%	0	0	0	0.00%
Ignition Interlock Devices Revolving Acct 14V	7.7	7.8	-0.09	-1.19%	7.9	7.9	-0.01	-0.11%	8.1	8.1	0	0.00%
Multisu Roadway Safety Account Collections-571	0.6	0.6	0	0.02%	0.6	0.6	0	0.00%	0.7	0.7	0	0.00%
Move Ahead WA Accounts - 26P	210.3	211.4	-1.13	-0.53%	227.5	229.2	-1.7	-0.74%	231.6	229.5	2.1	0.92%
Move Ahead WA Accounts - 26Q	29	29.5	-0.53	-1.79%	35.4	36.3	-0.94	-2.60%	34.1	34.5	-0.4	-1.16%
Total for State Use	5,867.80	5,930.30	-62.48	-1.05%	6,055.68	6,124.10	-68.44	-1.12%	6,190.12	6,251.80	-61.68	-0.99%
Local Use												
Cities	172.4	174.7	-2.31	-1.32%	164.6	169.5	-4.81	-2.84%	162.4	167.1	-4.7	-2.81%
Counties	279.3	282.9	-3.66	-1.30%	267.8	275.4	-7.62	-2.77%	264.8	272.3	-7.5	-2.75%
Transportation Improvement Board (112 & 144)	188.3	190.8	-2.47	-1.30%	183.6	188.7	-5.14	-2.73%	186.3	191.4	-5.1	-2.66%
County Road Administration Board (102 & 253)	66.1	66.9	-0.83	-1.24%	66.8	68.5	-1.73	-2.52%	71.1	72.8	-1.7	-2.34%
Total for Local Use	706.1	715.4	-9.28	-1.30%	682.8	702.1	-19.31	-2.75%	684.7	703.6	-18.9	-2.69%
Total Distribution of Revenue	6,805.70	6,880.60	-74.94	-1.09%	6,987.00	7,081.30	-94.31	-1.33%	7,122.00	7,209.00	-87	-1.21%

† Ferry Fares plus non-farebox revenue

Forecast to Forecast Comparison for Transportation Revenues and Distributions 10-Year Period

November 2024 Forecast to September 2024 Forecast millions of dollars

	10-Year Period (2024-2033)			
	Forecast	Forecast	Chg from	Percent
	November 2024	September 2024	Sep-24	Change
Sources of Transportation Revenue				
Motor Vehicle Fuel Tax Collections	15,212.80	15,693.30	-480.53	-3.06%
Licenses, Permits and Fees	11,311.90	11,327.30	-15.45	-0.14%
Ferry Revenue†	2,149.30	2,162.20	-12.9	-0.60%
Toll Revenue	2,980.70	2,863.30	117.44	4.10%
Aviation Revenues	72.2	72.2	0	0.00%
Rental Car Tax	509.5	503	6.47	1.29%
Vehicle Sales Tax	697.7	701.5	-3.81	-0.54%
Driver-Related Fees	1,866.00	1,867.00	-1.02	-0.05%
Business/Other Revenues	735	725.4	9.57	1.32%
Total Revenues	35,535.00	35,915.20	-380.2	-1.06%
Distribution of Revenue				
Motor Fuel Tax Refunds and Transfers	1,127.50	1,159.80	-32.27	-2.78%
Motor Fuel Administrative Fee - DOL	89.8	89.8	0	0.00%
State Uses				
Motor Vehicle Account (108)	7,212.30	7,351.90	-139.61	-1.90%
Transportation 2003 (Nickel) Account (550)	1,894.10	1,936.50	-42.44	-2.19%
Transportation 2005 Partnership Account (09H)	2,779.60	2,851.60	-72	-2.52%
Connecting Washington Account (20H)	3,376.50	3,474.80	-98.27	-2.83%
Multimodal Account (218)	3,736.00	3,739.40	-3.45	-0.09%
Special Category C Account (215)	212.8	219	-6.19	-2.83%
Puget Sound Capital Construction Account (099)	154.8	159.3	-4.51	-2.83%
Puget Sound Ferry Operations Account (109)	2,424.80	2,428.70	-3.92	-0.16%
Capital Vessel Replacement Account (18J)	296.2	296.9	-0.61	-0.21%
Tacoma Narrows Bridge Account (511)	828.9	735.4	93.44	12.70%
High Occupancy Toll Lanes Account (09F)^	134.2	133.2	1.01	0.76%
SR 520 Corridor Account (16J)	1,029.90	1,005.10	24.85	2.47%
SR 520 Corridor Civil Penalties Account (17P)	39.7	45.7	-5.93	-13.00%
Interstate 405 Express Toll Lanes Operations (595)	507.9	509.8	-1.89	-0.37%
Alaskan Way Viaduct Replacement Acct. (535)	440.1	434.1	5.96	1.37%
Aeronautics Account (039)	71.8	71.8	0	0.00%
Washington State Aviation Account (21G)	0.4	0.4	0	0.00%
State Patrol Highway Account (081)	2,487.10	2,493.80	-6.69	-0.27%
Highway/Motorcycle Safety Accts. (106 & 082)	1,607.40	1,591.60	15.73	0.99%
School Zone Safety Account (780)	2.1	2.1	0.02	0.79%
Other accounts (201, 06T, 097, 09E, 216, 07C, 24-K)	223.5	231	-7.5	-3.25%
Electric Vehicle Account (20J)	57.4	57.4	0	0.00%
Ignition Interlock Devices Revolving Acct 14V	40.1	40.3	-0.15	-0.36%
Multiuse Roadway Safety Account Collections-571	3.3	3.3	0	0.00%
Move Ahead WA Accounts - 26P	1,120.70	1,119.90	0.74	0.07%
Move Ahead WA Accounts - 26Q	185.4	186.7	-1.27	-0.68%
Total for State Use	30,867.00	31,119.70	-252.67	-0.81%
Local Use				
Cities	816.1	839.9	-23.75	-2.83%
Counties	1,329.10	1,366.70	-37.62	-2.75%
Transportation Improvement Board (112 & 144)	942.1	967.5	-25.38	-2.62%
County Road Administration Board (102 & 253)	363.3	371.8	-8.53	-2.30%
Total for Local Use	3,450.60	3,545.90	-95.29	-2.69%
Total Distribution of Revenue	35,535.00	35,915.20	-380.23	-1.06%

† Ferry Fares plus non-farebox revenue

November 2024 Baseline Forecast
millions of dollars

Sources of Transportation Revenue	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Motor Vehicle Fuel Tax Collections	1,628.82	1,551.05	1,541.57	1,532.98	1,522.44	1,512.86	1,501.92	1,490.11	1,473.68	1,457.34	1,441.24	1,427.37
Licenses, Permits and Fees	981.91	1,012.16	1,050.17	1,087.45	1,114.29	1,144.73	1,176.00	1,211.40	1,248.17	1,285.58	1,323.75	1,360.90
Ferry Revenue†	182.13	192.35	207.04	211.32	214.58	222.3	224.97	229.02	231.57	234.02	236.1	238
Toll Revenue §	291.24	240.04	278.47	285.58	294.7	301.44	309.76	314.18	331.74	333.58	253.24	257.6
Aviation Revenues ‡	7.42	7.5	7.26	7.14	7.05	7.01	7.1	7.14	7.25	7.37	7.44	7.56
Rental Car Tax	46.3	47.7	48.15	49.14	50.35	51.52	52.61	53.63	54.56	55.5	56.52	57.55
Vehicle Sales Tax	63.7	63.42	64.57	66.46	68.45	70.42	72.31	74.24	76.13	77.96	79.98	81.88
Driver-Related Fees	173.32	178.08	189.24	204.71	197.85	182.41	181.16	185.1	183.71	190.4	201.22	209.98
Business/Other Revenues‡	72.09	66.45	79.9	75.86	79.6	80	80.72	66.28	66.89	67.17	67.79	68.07
Total Revenues	3,446.93	3,358.75	3,466.36	3,520.64	3,549.31	3,572.69	3,606.55	3,631.11	3,673.71	3,708.92	3,667.29	3,708.92
Distribution of Revenue												
Motor Fuel Tax Refunds and Transfers	96.85	116.22	115.37	115.22	114.85	114.62	114.26	113.98	113.16	112.98	112.11	111.44
Motor Fuel Administrative Fee - DOL	9.59	9.12	9.02	8.96	8.9	8.84	8.82	8.91	8.88	8.79	8.09	8.02
State Uses												
Motor Vehicle Account (108)	648.39	618.81	674.27	692.18	709.41	729.09	750.32	772.91	796.57	820.3	845.17	871.76
Transportation 2003 (Nickel) Account (550)	199.18	191.58	191.12	191.13	190.26	189.09	187.66	186.36	184.66	183.05	181.71	180.34
Transportation 2005 Partnership Account (09H)	297.27	282.45	279.94	278.96	277.43	276.2	274.76	273.21	270.91	268.49	266.35	263.94
Connecting Washington Account (20H)	367.39	345.93	341.59	339.59	337.13	334.87	332.37	329.69	325.93	322.05	318.55	314.74
Multimodal Account (218)	343.3	346.23	356.87	364.24	370.23	377.36	384.06	391.2	397.94	404.52	411.17	417.08
Special Category C Account (215)	23.15	21.8	21.53	21.4	21.25	21.11	20.95	20.78	20.54	20.3	20.08	19.84
Puget Sound Capital Construction Account (099)	16.85	15.86	15.66	15.57	15.46	15.36	15.24	15.12	14.95	14.77	14.61	14.43
Puget Sound Ferry Operations Account (109)	210.38	220.65	234.92	239.11	242.2	249.69	252.26	256.2	258.57	260.83	262.75	264.44
Capital Vessel Replacement Account (18J)	27.63	28.09	29.1	29.62	29.86	30.14	30.21	30.36	30.52	30.72	30.93	31.16
Tacoma Narrows Bridge Account (511)	86.21	77.65	80.76	81.47	82.27	83.03	83.75	84.59	85.44	83.71	0	0
High Occupancy Toll Lanes Account (09F)^	5.94	7.2	11.47	13.28	15.14	15.11	15.55	16.46	16.85	17.25	17.64	18.06
SR 520 Corridor Account (16J)	80.64	91.95	97.25	96.09	98.94	103.35	106.51	108.24	122.48	124.47	126.36	128.29
SR 520 Corridor Civil Penalties Account (17P)	10.03	-2.81	3.85	3.92	3.87	3.92	4.02	4.08	4.32	4.53	4.67	4.72
Interstate 405 Express Toll Lanes Operations (595)	45.34	31.38	44.36	49.66	52.92	53.22	56.71	57.37	58.09	58.86	59.59	60.39
Alaskan Way Viaduct Replacement Acct. (535)	63.08	34.66	40.79	41.17	41.57	42.82	43.22	43.44	44.56	44.78	44.98	46.15
Aeronautics Account (039)	7.37	7.45	7.21	7.09	7	6.97	7.05	7.09	7.21	7.33	7.39	7.51
Washington State Aviation Account (21G)	0.04	0.05	0.05	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
State Patrol Highway Account (081)	231.92	236.88	241.56	245.66	247.78	250.78	253.56	256.66	259.7	262.6	265.44	267.82
Highway/Motorcycle Safety Accts. (106 & 082)	145.93	152.64	173.49	183.45	180.03	165.63	159.23	148.01	146.55	152.4	161.96	169.72
School Zone Safety Account (780)	0.25	0.2	0.2	0.2	0.2	0.2	0.21	0.21	0.21	0.21	0.21	0.21
Other accounts (201, 06T, 097, 09E, 216, 07C, 24K)	21.77	22.07	22.18	22.27	22.34	22.43	22.52	22.59	22.65	22.72	22.78	22.86
Electric Vehicle Account (20J)	25.65	31.75	0	0	0	0	0	0	0	0	0	0
Ignition Interlock Devices Revolving Acct 14V	3.96	3.77	3.92	3.98	4.01	4.04	4.07	4.1	4.12	4.15	4.17	4.2
Multiuse Roadway Safety Account Collections-571	0.28	0.29	0.31	0.32	0.33	0.34	0.35	0.35	0.35	0.35	0.35	0.35
Move Ahead WA Accounts - 26P	102.67	107.63	111.37	116.15	116.29	115.31	113.92	113.04	112.31	111.96	111.86	112.1
Move Ahead WA Accounts - 26Q	13.27	15.73	17.19	18.18	17.65	16.43	21.4	21.67	21.6	22.3	23.45	24.35
Total for State Use	2,977.91	2,889.90	3,000.94	3,054.74	3,083.60	3,106.51	3,139.94	3,163.77	3,207.06	3,242.66	3,202.23	3,244.48
Local Use												
Cities	88.8	83.61	82.56	82.08	81.49	80.94	80.34	79.69	78.78	77.84	77	76.08
Counties	143.6	135.66	134.06	133.7	132.81	131.99	131.08	130.1	128.83	127.27	125.93	124.47
Transportation Improvement Board (112 & 144)	96.58	91.77	91.48	92.08	92.73	93.59	94.54	95.59	96.44	97.29	98.27	99.2
County Road Administration Board (102 & 253)	33.6	32.47	32.93	33.86	34.94	36.19	37.56	39.07	40.57	42.08	43.66	45.24
Total for Local Use	362.58	343.51	341.03	341.73	341.96	342.71	343.52	344.45	344.62	344.49	344.86	344.99
Total Distribution of Revenue	3,446.93	3,358.75	3,466.36	3,520.64	3,549.31	3,572.69	3,606.55	3,631.11	3,673.71	3,708.92	3,667.29	3,708.92

† Ferry Fares plus non-farebox revenue
‡ Aviation Revenues and Business/Other Revenues net of amounts transferred to General Fund in the November 2024

November 2024
Transportation Revenue Forecast Council
Alternative Revenue Forecasts by Biennium*
Millions of Dollars

	Revenue	Difference from Baseline (%)	Difference from Baseline (\$)
2023 - 2035 Biennium			
November 2024 Baseline (55%)	\$6,805.68		
Alternative Forecasts			
Optimistic (20%)	\$6,864.08	0.90%	58.4
Pessimistic (25%)	\$6,745.65	-0.90%	-60
Weighted Avg.	\$6,802.35	-0.05%	-3.3
2025 - 2027 Biennium			
November 2024 Baseline (55%)	\$6,987.00		
Alternative Forecasts			
Optimistic (20%)	\$7,237.45	3.60%	250.4
Pessimistic (25%)	\$6,596.91	-5.60%	-390.1
Weighted Avg.	\$6,939.57	-0.68%	-47.4
2027 - 2029 Biennium			
November 2024 Baseline	\$7,122.00		
Alternative Forecasts			
Optimistic (20%)	\$7,494.40	5.20%	372.4
Pessimistic (25%)	\$6,498.07	-8.80%	-623.9
Weighted Avg.	\$7,040.50	-1.14%	-81.5

*Factors based on Washington State Personal Income: Percentage differences based on Optimistic vs. Baseline and Pessimistic vs. Baseline

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Draft TERFC Bylaws

Presentation to the
Transportation Economic and Revenue Forecast Council

Dave Reich

11/20/24

Proposed TERFC Bylaws

Resolved since September

- ▶ Completed AG review
- ▶ Resolved issue on designees (generally not allowed, Treasurer has some flexibility)

Outstanding Issues

- ▶ How does the Chair rotate?
- ▶ How long does the Chair serve?

Other?



STATE OF WASHINGTON

ECONOMIC AND REVENUE FORECAST COUNCIL

PO Box 40912 □ Olympia, Washington 98504-0912 □ (360) 534-1560

Transportation Economic and Revenue Forecast Council Bylaws DRAFT

Article I – Purpose

The Transportation Economic and Revenue Forecast Council (TERFC) will carry out the transportation related provisions of RCW 82.33 (TERFC enabling legislation) and Chapter 42.30 RCW (Open Public Meetings Act) as they currently exist or hereafter amended and will perform the duties and functions as therein prescribed.

Article II – Officers and Duties

- A. Members of the council are appointed in accordance with RCW 82.33. The TERFC consists of the chairs and ranking members of the House and Senate transportation committees, the state treasurer, the director of the office of financial management and the director of the department of licensing. RCW 82.33.015(1).
- B. Vacancies on the TERFC are filled as individuals step into any of the elected or appointed roles that make up the TERFC.
- C. The chairperson for the council will be selected from among the four-caucus appointees. The council may select such other officers from the four caucus appointees as the members deem necessary.
 - a. The chairperson shall serve for a period not to exceed two years.
 - b. The chair should fairly alternate between parties and bodies as follows: House Republican (or successor caucus) member, House Democratic (or successor caucus) member, Senate Republican (or successor caucus) member, Senate Democratic (or successor caucus) member.
 - c. The chair shall do all such things as are appropriate for or delegated to such officer by the TERFC.
 - d. Should the current chair vacate the position and their position on the TERFC during the two-year term, the successor from the same house and party will be named to fill the vacancy until the end of term.
 - e. Should the current chair vacate the position but remain on the TERFC during the two-year term, the successor for the chair will be the next TERFC member in line for the chair.

Article III – Meetings

- A. A minimum of one council meeting is held per quarter.
- B. Transportation Revenue Review meetings will be scheduled and held in accordance with RCW 82.33.020(2) on or before November 20th, February 20th in the even-

numbered years, March 20th in the odd-numbered years, June 27th, and September 27th.

- C. If the chair is absent from the meeting, an acting chair will be designated among the attending council members for the purposes of facilitating the public meeting.
- D. An agenda for each meeting will be published on the ERFC website no later than twenty-four hours before the meeting.

Article IV – Quorum

- A. Five Council members make a quorum.
- B. Any member in continuous communication by telephone, video-conferencing, or similar technology with a council meeting shall also be considered to be present and shall be counted towards the quorum requirement and be eligible to vote.
- C. No votes will be taken on TERFC business unless a quorum is present. The quorum refers to the number of members present, not to the number actually voting on a particular question. Should a member choose to recuse him or herself from voting, the quorum is not affected.
- D. An affirmative vote of five or more is required for adopting the forecast.

Article V – Voting procedures

- A. Voting during the meetings will be recorded in the minutes.
- B. The chairperson shall have the same voting rights as any other member of the TERFC.
- C. Only duly appointed members of the TERFC (not designees) will be permitted to vote on any issue before the TERFC; no proxies will be permitted to vote except for the treasurer per RCW 43.08.120.
- D. The TERFC shall act by the adoption of a motion or resolution.

Article VI – Minutes

All meetings of the TERFC and subcommittees will have a written record concerning the actions of the council.

Article VII – Change in Bylaws

The bylaws may be reviewed for changes at the request of any member of the Transportation Economic and Revenue Forecast Council. Five or more members must vote to approve any changes to the Bylaws for those changes to be effective.