

**Transportation Revenue
Forecast Council
September 2018
Transportation Economic and
Revenue Forecasts
Volume III: Alternate Forecast Tables**

Transportation Revenue Forecast Council

Alternative Forecasts

September 2018

- Vehicle Miles Travelled ForecastIII-3
- Alternate Ferry Revenue Forecast.....III-10
- Alternate Enhanced Driver’s LicenseIII-18

**Vehicle Miles Traveled
Forecast September 2018**

WSDOT VEHICLE MILES TRAVELLED FORECAST FOR SEPTEMBER 2018

- WSDOT has produced a statewide VMT forecast for more than twenty years.
- All independent variables have been updated from the latest TRFC data and WSDOT Statewide Travel & Collision Data Office (STCDO) provides estimated “actual” Vehicle Miles Travelled data for calendar year 2017.
- “Actual” Vehicle Miles Travelled for FY 2017 was 61.124 billion, 1.49 % higher than 2016 and 0.46% higher than last year’s forecast for FY 2017.
- The current forecast is slightly higher than the previous forecast for 2018 to 2043. This is due primarily to:
 - Higher employment projections since Sept 2017
 - Higher projected vehicle registrations since Sept 2017
 - Lower projected fuel costs
 - Higher start point, with 2017 actuals coming in above previous forecast
- The September 2018 forecast for VMT is about 0.5% higher in the short-term and the difference grows over time from the September 2017 forecast
- Current forecast calls for low year-over-year VMT growth for 2018 and 2019
 - Average annual growth rate is 1.17%
- Current forecast calls for year-over-year long-term increase in VMT for 2020-2043
 - Average annual growth rate is 0.24%
 - The current forecast year over year increase in the long-term is more pronounced than last year’s projection and the increase is positive for a longer period of time than the last forecast.

STATEWIDE VMT FORECAST METHODOLOGY

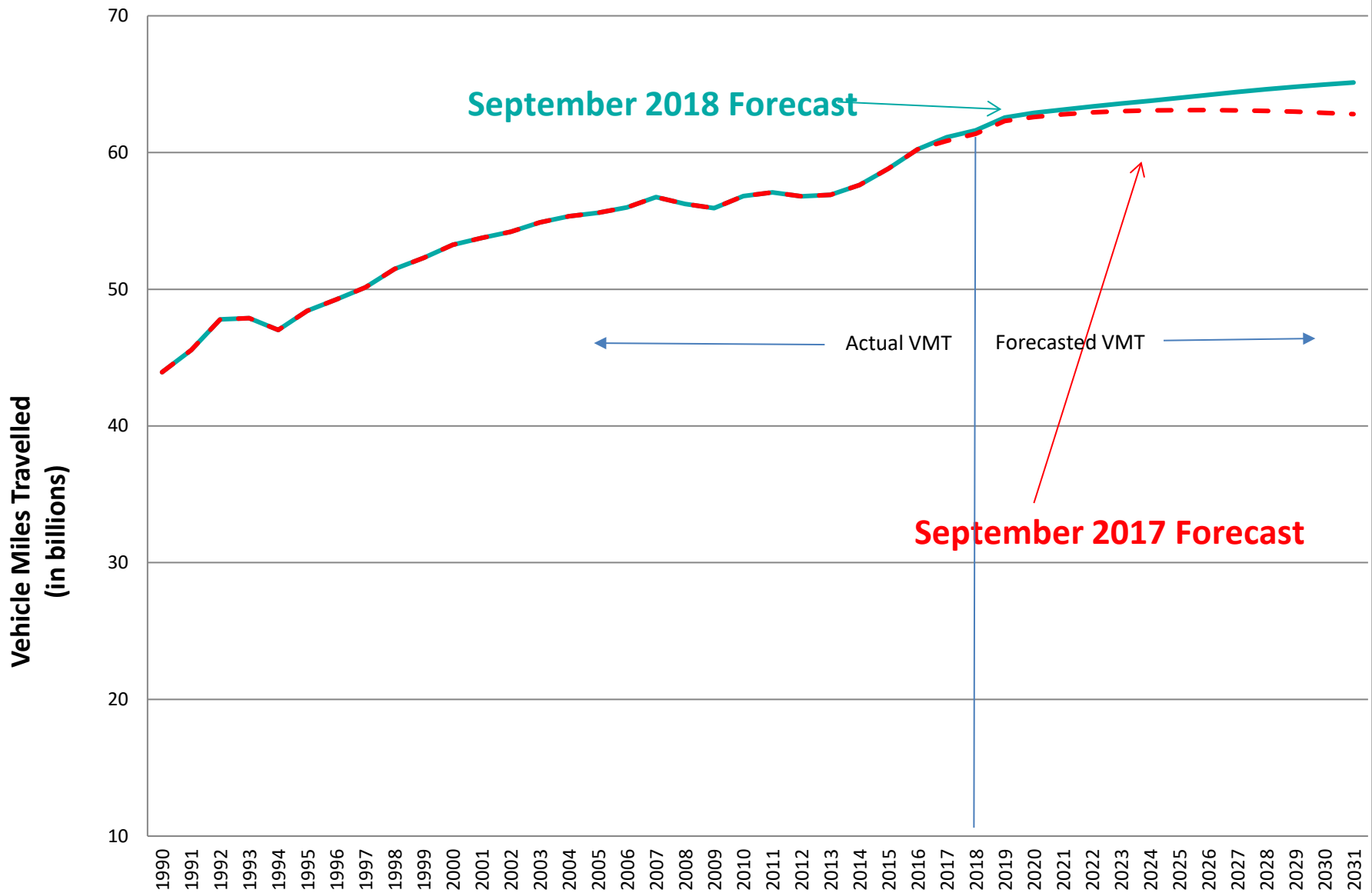
- The Statewide VMT model is first differenced log-log functional form which includes the log of the following independent variables:
 - Washington employment
 - Washington motor vehicle registrations
 - Washington gas prices
- The forecast model considers three separate types of impacts on VMT: economic activity, vehicles registered, and gas prices
- Analysis of VMT history led to decision to truncate history used in formulation
 - VMT growth rates in recent years do not match past aggressive rates in 2014 and continues in current forecast
 - VMT history from 1966 through 1990 shows growth averaging 4.5% per year.
 - VMT history from 1991 through 2001 shows growth averaging 2% per year.
 - VMT history from 2002 to 2017 shows growth averaging 0.81% per year.

- Using history from 1966 through 1990 produced forecasts that have proven to be too aggressive
- Forecast now uses history since 1991 and the forecast agrees with current trends in history, national trends, or research literature showing flattening of VMT

SOURCE OF INDEPENDENT FORECASTED VARIABLES

- Washington employment – Economic and Revenue Forecast Council September 2018 forecast in the near-term and from OFM’s long-term non-farm employment projections for Washington.
- Washington motorized vehicle registrations –WSDOT-Economic Analysis section for the Transportation Revenue Council September 2018 forecast
- Washington gasoline prices –WSDOT forecast for the Transportation Revenue Council September 2018 forecast

Vehicle Miles Travel Forecast Comparison



September 2016 Forecast of Vehicle Miles Travelled (History and Forecast), VMT per capita, and Independent Variables.

YEAR	Total VMT (Billion Miles)	Percent Change	VMT Per Capita	Percent Change	VMT Per Driver Pop	Percent Change	Independent Variables					
							Washington Employment ¹ (in Thousands)	Percent Change	Vehicles Registered ² (in Thousands)	Percent Change	Gas Prices ³	Percent Change
1965	14.803						869		1,525		0.19	
1966	15.645	5.69%					940	8.12%	1,619	6.16%	0.19	0.00%
1967	17.067	9.09%					1,021	8.63%	1,727	6.67%	0.20	5.26%
1968	18.347	7.50%					1,075	5.27%	1,834	6.20%	0.20	0.00%
1969	19.211	4.71%					1,116	3.82%	1,971	7.47%	0.21	5.00%
1970	20.371	6.04%	5,936		9,048		1,109	-0.65%	1,971	0.00%	0.21	0.00%
1971	20.844	2.32%	6,073	2.30%	9,143	1.05%	1,062	-4.16%	1,998	1.37%	0.22	4.76%
1972	21.835	4.75%	6,337	4.35%	9,495	3.85%	1,079	1.60%	2,078	4.00%	0.22	0.00%
1973	22.977	5.23%	6,564	3.59%	9,845	3.68%	1,127	4.41%	2,200	5.87%	0.23	4.55%
1974	22.317	-2.87%	6,267	-4.53%	9,307	-5.46%	1,172	3.96%	2,288	4.00%	0.36	56.52%
1975	23.106	3.54%	6,370	1.64%	9,370	0.67%	1,217	3.86%	2,358	3.06%	0.40	11.11%
1976	24.685	6.83%	6,657	4.51%	9,723	3.77%	1,249	2.62%	2,483	5.30%	0.41	2.50%
1977	26.485	7.29%	6,929	4.07%	10,109	3.96%	1,322	5.88%	2,649	6.69%	0.43	4.88%
1978	28.605	8.00%	7,220	4.20%	10,495	3.82%	1,427	7.94%	2,743	3.55%	0.44	2.33%
1979	29.511	3.17%	7,181	-0.54%	10,362	-1.26%	1,534	7.48%	2,969	8.24%	0.69	56.82%
1980	28.765	-2.53%	6,826	-4.94%	9,673	-6.65%	1,607	4.75%	3,092	4.14%	1.25	81.16%
1981	29.446	2.37%	6,897	1.03%	9,607	-0.68%	1,615	0.49%	3,219	4.11%	1.40	12.00%
1982	30.744	4.41%	7,142	3.56%	9,854	2.57%	1,590	-1.53%	3,214	-0.16%	1.29	-7.86%
1983	31.965	3.97%	7,350	2.90%	10,126	2.76%	1,564	-1.61%	3,256	1.31%	1.23	-4.65%
1984	33.414	4.53%	7,582	3.16%	10,451	3.22%	1,623	3.77%	3,328	2.21%	1.21	-1.59%
1985	34.260	2.53%	7,686	1.37%	10,561	1.05%	1,685	3.82%	3,422	2.82%	1.26	3.76%
1986	35.152	2.60%	7,776	1.17%	10,700	1.32%	1,741	3.30%	3,569	4.30%	1.17	-7.05%
1987	37.207	5.85%	8,076	3.86%	11,148	4.18%	1,805	3.66%	3,768	5.58%	0.91	-22.29%
1988	40.045	7.63%	8,492	5.14%	11,750	5.40%	1,897	5.12%	3,876	2.85%	0.94	3.91%
1989	42.434	5.97%	8,749	3.03%	12,147	3.38%	1,992	4.99%	4,007	3.39%	0.95	1.25%
1990	43.934	3.53%	8,787	0.44%	12,246	0.81%	2,106	5.74%	4,219	5.29%	1.01	5.89%
1991	45.536	3.65%	8,882	1.09%	12,344	0.81%	2,165	2.81%	4,293	1.75%	1.24	22.29%
1992	47.793	4.96%	9,106	2.52%	12,668	2.63%	2,206	1.90%	4,448	3.61%	1.12	-9.10%
1993	47.894	0.21%	8,948	-1.73%	12,425	-1.92%	2,244	1.70%	4,480	0.73%	1.18	4.87%
1994	47.025	-1.81%	8,618	-3.68%	11,975	-3.62%	2,291	2.13%	4,512	0.70%	1.14	-2.97%
1995	48.430	2.99%	8,718	1.15%	12,101	1.05%	2,346	2.37%	4,581	1.54%	1.22	6.74%
1996	49.259	1.71%	8,717	-0.01%	12,082	-0.16%	2,384	1.65%	4,587	0.12%	1.27	3.81%
1997	50.135	1.78%	8,736	0.22%	12,074	-0.07%	2,483	4.15%	4,701	2.49%	1.31	3.08%
1998	51.482	2.69%	8,846	1.26%	12,177	0.85%	2,583	3.99%	4,847	3.11%	1.20	-8.44%
1999	52.303	1.59%	8,884	0.43%	12,157	-0.16%	2,650	2.63%	4,930	1.71%	1.12	-5.96%
2000	53.248	1.81%	8,932	0.53%	12,180	0.18%	2,717	2.52%	5,195	5.37%	1.43	27.53%
2001	53.752	0.95%	8,889	-0.48%	12,097	-0.68%	2,754	1.36%	5,256	1.17%	1.57	9.66%
2002	54.201	0.84%	8,857	-0.35%	11,987	-0.91%	2,704	-1.80%	5,422	3.17%	1.36	-13.32%
2003	54.890	1.27%	8,855	-0.03%	11,953	-0.28%	2,697	-0.26%	5,473	0.94%	1.49	9.04%
2004	55.330	0.80%	8,797	-0.65%	11,855	-0.83%	2,715	0.66%	5,652	3.27%	1.78	19.87%
2005	55.584	0.46%	8,680	-1.34%	11,703	-1.28%	2,774	2.17%	5,720	1.21%	2.08	16.94%
2006	55.989	0.73%	8,600	-0.92%	11,547	-1.34%	2,856	2.94%	5,832	1.95%	2.60	25.04%
2007	56.739	1.34%	8,601	0.02%	11,482	-0.56%	2,931	2.65%	5,912	1.38%	2.84	9.21%
2008	56.236	-0.89%	8,439	-1.88%	11,201	-2.45%	2,995	2.15%	6,161	4.21%	3.30	16.06%
2009	55.934	-0.54%	8,327	-1.34%	10,998	-1.81%	2,937	-1.94%	6,030	-2.13%	2.78	-15.74%
2010	56.811	1.57%	8,400	0.89%	11,059	0.55%	2,832	-3.55%	5,950	-1.32%	2.89	3.94%
2011	57.082	0.48%	8,379	-0.25%	11,004	-0.49%	2,852	0.69%	6,153	3.42%	3.38	17.00%
2012	56.793	-0.51%	8,260	-1.42%	10,840	-1.49%	2,893	1.43%	6,104	-0.80%	3.84	13.68%
2013	56.897	0.18%	8,177	-1.00%	10,738	-0.94%	2,951	2.02%	6,211	1.74%	3.73	-2.96%
2014	57.619	1.27%	8,173	-0.05%	10,728	-0.09%	3,018	2.27%	6,336	2.01%	3.61	-3.20%
2015	58.825	2.09%	8,235	0.75%	10,796	0.63%	3,104	2.82%	6,553	3.43%	3.08	-14.68%
2016	60.228	2.39%	8,324	1.08%	10,894	0.91%	3,195	2.95%	6,806	3.86%	2.51	-18.59%
2017	61.124	1.49%	8,346	0.27%	10,903	0.07%	3,285	2.82%	7,003	2.88%	2.70	7.66%
2018	61.620	0.81%	8,319	-0.33%	10,846	-0.52%	3,369	2.56%	7,251	3.55%	3.02	11.88%
2019	62.557	1.52%	8,354	0.42%	10,875	0.26%	3,462	2.75%	7,407	2.14%	3.20	6.05%
2020	62.904	0.56%	8,313	-0.50%	10,809	-0.61%	3,522	1.74%	7,537	1.77%	3.32	3.53%
2021	63.140	0.38%	8,258	-0.66%	10,729	-0.74%	3,561	1.11%	7,641	1.37%	3.53	6.27%
2022	63.363	0.35%	8,202	-0.68%	10,647	-0.76%	3,595	0.94%	7,749	1.41%	3.52	-0.04%
2023	63.576	0.34%	8,146	-0.68%	10,564	-0.78%	3,625	0.84%	7,858	1.40%	3.51	-0.32%
2024	63.778	0.32%	8,090	-0.68%	10,480	-0.79%	3,650	0.70%	7,940	1.05%	3.49	-0.68%
2025	63.996	0.34%	8,038	-0.64%	10,397	-0.79%	3,678	0.76%	8,030	1.13%	3.46	-0.79%
2026	64.216	0.34%	7,988	-0.62%	10,316	-0.78%	3,707	0.78%	8,124	1.17%	3.46	-0.20%
2027	64.425	0.33%	7,938	-0.63%	10,237	-0.76%	3,735	0.77%	8,220	1.17%	3.50	1.18%
2028	64.621	0.30%	7,888	-0.63%	10,160	-0.75%	3,763	0.74%	8,317	1.18%	3.56	1.91%
2029	64.805	0.28%	7,838	-0.63%	10,086	-0.73%	3,794	0.84%	8,415	1.18%	3.66	2.80%
2030	64.974	0.26%	7,789	-0.63%	10,011	-0.74%	3,829	0.92%	8,512	1.15%	3.78	3.31%
2031	65.121	0.23%	7,738	-0.65%	9,936	-0.75%	3,863	0.88%	8,609	1.14%	3.88	2.46%
2032	65.247	0.19%	7,688	-0.65%	9,861	-0.75%	3,896	0.86%	8,704	1.11%	3.96	2.03%
2033	65.364	0.18%	7,638	-0.65%	9,788	-0.74%	3,930	0.87%	8,820	1.33%	4.03	1.98%
2034	65.466	0.16%	7,588	-0.65%	9,717	-0.73%	3,965	0.89%	8,920	1.13%	4.11	2.01%
2035	65.543	0.12%	7,537	-0.67%	9,643	-0.76%	3,997	0.82%	9,019	1.12%	4.20	2.00%
2036	65.604	0.09%	7,486	-0.68%	9,569	-0.77%	4,029	0.80%	9,119	1.11%	4.28	2.00%
2037	65.648	0.07%	7,434	-0.69%	9,495	-0.78%	4,061	0.79%	9,219	1.09%	4.37	2.02%
2038	65.676	0.04%	7,382	-0.70%	9,420	-0.78%	4,093	0.79%	9,319	1.08%	4.46	2.03%
2039	65.687	0.02%	7,187	-2.65%	9,345	-0.79%	4,125	0.78%	9,419	1.07%	4.55	2.02%
2040	65.688	0.00%	7,121	-0.91%	9,270	-0.81%	4,159	0.81%	9,519	1.06%	4.64	2.02%
2041	66.115	0.65%	7,103	-0.26%	9,077	-2.08%	4,362	4.90%	9,619	1.05%	4.74	2.12%
2042	66.106	-0.01%	7,038	-0.91%	8,988	-0.99%	4,408	1.05%	9,718	1.04%	4.85	2.46%
2043	66.241	0.20%	6,990	-0.69%	8,919	-0.76%	4,454	1.04%	9,818	1.03%	4.97	2.46%

¹Forecast 2016-2021 from Economic and Revenue Forecast Council's September 2016 Forecast
Forecast 2021-2041 extended based on OFM forecast growth rate Sept 2015
Forecast 2041-2043 extended using trend

²Forecast 2016-2031 from Transportation Revenue Forecast Council's September 2016 Forecast

³Forecast 2016-2031 from Transportation Revenue Forecast Council's September 2016 Forecast

REVENUE AND RIDERSHIP PROJECTIONS
SEPTEMBER 2018 FORECAST
FISCAL YEARS 2019-2029

Prepared for
Washington State Ferries

for Presentation to the
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WSP USA

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Washington State Ferries

September 2018 Revenue and Ridership Forecasts — Fiscal Years 2019-2029

SEPTEMBER 2018 FORECAST NOTES

The fare revenue and ridership forecasts for Washington State Ferries (WSF) are completed in four stages. First, monthly ridership projections by seven fare categories are prepared for each route using time series analysis methods, with a forecast horizon from the present through fiscal year (FY) 2029.

The seven fare categories include: (1) passenger full fares, (2) passenger commuter discount fares, (3) passenger other discount fares, (4) auto full fares, (5) auto commuter discount fares, (6) other discount vehicles, and (7) oversize vehicle fares.

Stage two of the process generates system-wide ridership projections. Econometric models combine ferry fare scenarios with demographic and economic projections to produce system-wide unconstrained ridership forecasts by seven fare categories through FY 2029. Within each fare category, the individual route forecasts are then calibrated to match the system-wide forecast totals from the econometric models.

The third stage of the process consists of adjusting the calibrated passenger and vehicle ridership by route to reflect seasonal vehicle capacity constraints, changes in service hours, and/or the net impacts from adding or eliminating service.

Last, the appropriate fares and average fare realizations are applied to the calibrated, capacity-constrained ridership forecasts for each route by fare category. This yields monthly and annual revenue forecasts by route for seven fare categories.

In August 2017, the Washington State Transportation Commission adopted two annual fare increases, the second of which will take effect on October 1, 2018 (FY 2019). The September 2017 Forecast includes projections for two fare scenarios.

- **Baseline Forecast** – Includes nickel-rounded fare increases in FY 2018 of 2.1% for passengers, 2.9% for non-oversize vehicles, and an average of 1.6% on oversize vehicles, effective October 1, 2017. FY 2019 increases of 2.1%, 2.5% and 0.0%, respectively, are set to follow on October 1, 2018. With no further fare increases, real fares will decline from FY 2020 forward.
- **Alternative 1 Forecast** – Builds on the Baseline Forecast by adding consecutive 2.5% increases each October, from 2019 through 2028 (FY 2020-29), resulting in slightly increasing real fares under current inflation projections.

The FY 2018 projections have been updated to include actual ridership and revenue through August 2018, including the effects of service disruptions on the Anacortes-Sidney, B.C. route.

Ridership Impacts

- The September 2018 Forecast for ridership incorporates the latest updated demographic and economic variable projections provided by the State.
- Revisions to the real personal income projections are up very slightly over the forecast horizon, with correspondingly small, almost immaterial impacts on ridership.
- The three different employment projections have also been revised very slightly higher, with very small upward impacts on ridership.
- Real gasoline price projections have been revised significantly upward through the forecast horizon, especially so through FY 2025. This results in lower vehicle/driver ridership projections in all forecast years.
- Small but increasing downward revisions to projected inflation yield small but progressively higher real fares over time, which puts downward pressure on the ridership forecasts. For passenger ridership, higher real fares more than offset other upward trends by FY 2023.
- Ridership for September 2018 came in 1.1% higher than the June 2018 Forecast, lifting the FY 2018 actual ridership by 0.1% over the previous forecast. Overall, FY 2018 ridership was 2.3% higher than the March 2017 Forecast (with the increase entirely in passenger fares), and 0.8% higher than the previous year.
- The September Forecast for ridership in FY 2019 is 0.2% higher compared to the previous June 2018 Forecast.

Revenue Impacts

- FY 2018 revenue came in 0.2% higher than forecasted in June. FY 2019 for July and August came in 3% above the June 2018 projections, notwithstanding service disruptions on the Anacortes-Sidney, B.C. route during part of August.
- The 2017/19 biennium forecast of \$392.6 M is 1.4 M (0.3%) higher than the June Baseline and Alternative 1 Forecasts, with \$384.4 M in base fares for the operating account and \$8.2 M in surcharge revenue for the capital account.
- For the 2019/21 biennium, forecasted revenues of \$407.4 M under the Baseline Forecast are \$0.8 M (0.2%) lower than projected in June. For the Alternative 1 Forecast, revenues of \$416.8 M are \$1.0 M (0.2%) lower.
- Thereafter, the biennial revenue for the Baseline and Alternative 1 Forecasts range from essentially 0.3% to 0.6% lower than projected in June.

Washington State Ferries

REVENUE PROJECTIONS ~ BASELINE FORECAST

Adopted Fares through October 1, 2018 | No Changes in Fares after FY 2019¹

September 2018 Forecast – Fiscal Years 2019-2029

Fiscal Year	September 2018 Capacity-Constrained Revenue Forecast	Fiscal Year Annual Growth Rate	September Biennium Total	September vs. June Forecast			June 2018 Baseline	
				% Change by Fiscal Year	\$ Change and % Change by Biennium		Capacity-Constrained Revenue Forecast	Biennium Total
2010	\$147,009,545	1.7%						
2011	\$147,447,850	0.3%	\$294,457,395					
2012	\$155,085,373	5.2%						
2013	\$162,047,033	4.5%	\$317,132,406					
2014	\$167,441,867	3.3%						
2015	\$175,965,750	5.1%	\$343,407,617					
2016	\$181,444,863	3.1%						
2017	\$186,973,746	3.0%	\$368,418,609					
2018	\$192,827,951	3.1%		0.2%			\$192,421,000	
2019 ²	\$199,770,000	3.6%	\$392,597,951	0.5%	\$1,355,951	0.3%	\$198,821,000	\$391,242,000
2020	\$202,689,000	1.5%		(0.1%)			\$202,902,000	
2021	\$204,756,000	1.0%	\$407,445,000	(0.3%)	(\$842,000)	(0.2%)	\$205,385,000	\$408,287,000
2022	\$207,163,000	1.2%		(0.4%)			\$207,946,000	
2023	\$209,526,000	1.1%	\$416,689,000	(0.5%)	(\$1,750,000)	(0.4%)	\$210,493,000	\$418,439,000
2024	\$211,844,000	1.1%		(0.5%)			\$212,888,000	
2025	\$214,336,000	1.2%	\$426,180,000	(0.4%)	(\$2,002,000)	(0.5%)	\$215,294,000	\$428,182,000
2026	\$216,709,000	1.1%		(0.4%)			\$217,487,000	
2027	\$218,448,000	0.8%	\$435,157,000	(0.4%)	(\$1,706,000)	(0.4%)	\$219,376,000	\$436,863,000
2028	\$219,928,000	0.7%		(0.5%)			\$221,078,000	
2029	\$221,407,000	0.7%	\$441,335,000	(0.6%)	(\$2,491,000)	(0.6%)	\$222,748,000	\$443,826,000

¹ The Baseline Forecast includes 2.1% passenger and 2.9% vehicle fare increases on October 1, 2017, followed by 2.1% and 2.5% increases, respectively, on October 1, 2018 (FY 2019), plus the 25¢ surcharge per fare sold for funding capital expenditures. The Baseline Forecast excludes any further changes to the nominal fares after October 2018, resulting in declining real fares thereafter. The Baseline Forecast also reflects the current programmed level of service subject to capacity constraints.

² FY 2018 includes actual revenue data through August 2018. Light green shaded values are entirely actual data.

Washington State Ferries

REVENUE PROJECTIONS ~ BASELINE FORECAST

Adopted Fares through October 1, 2018 | No Changes in Fares after FY 2019¹

September 2018 Forecast – Fiscal Years 2019-2029

Fiscal Year	September 2018 Capacity-Constrained Revenue Forecast	Fiscal Year Annual Growth Rate	September Biennium Total	Distribution of Revenue to Operating and Capital Programs			
				25¢ Surcharge Revenue for Capital Program	Capital Biennium Total	Base Fare Revenue for Operating Program	Operating Biennium Total
2010	\$147,009,545	1.7%				\$147,009,545	
2011	\$147,447,850	0.3%	\$294,457,395			\$147,447,850	\$294,457,395
2012	\$155,085,373	5.2%		\$2,544,970		\$152,540,403	
2013	\$162,047,033	4.5%	\$317,132,406	\$3,626,191	\$6,171,161	\$158,420,842	\$310,961,245
2014	\$167,441,867	3.3%		\$3,662,690		\$163,779,177	
2015	\$175,965,750	5.1%	\$343,407,617	\$3,894,088	\$7,556,778	\$172,071,662	\$335,850,839
2016	\$181,444,863	3.1%		\$4,007,848		\$177,437,015	
2017	\$186,973,746	3.0%	\$368,418,609	\$4,022,681	\$8,030,529	\$182,951,065	\$360,388,080
2018	\$192,827,951	3.1%		\$4,084,581		\$188,743,370	
2019 ²	\$199,770,000	3.6%	\$392,597,951	\$4,163,000	\$8,247,581	\$195,607,000	\$384,350,370
2020	\$202,689,000	1.5%		\$4,201,000		\$198,488,000	
2021	\$204,756,000	1.0%	\$407,445,000	\$4,253,000	\$8,454,000	\$200,503,000	\$398,991,000
2022	\$207,163,000	1.2%		\$4,308,000		\$202,855,000	
2023	\$209,526,000	1.1%	\$416,689,000	\$4,365,000	\$8,673,000	\$205,161,000	\$408,016,000
2024	\$211,844,000	1.1%		\$4,421,000		\$207,423,000	
2025	\$214,336,000	1.2%	\$426,180,000	\$4,477,000	\$8,898,000	\$209,859,000	\$417,282,000
2026	\$216,709,000	1.1%		\$4,531,000		\$212,178,000	
2027	\$218,448,000	0.8%	\$435,157,000	\$4,576,000	\$9,107,000	\$213,872,000	\$426,050,000
2028	\$219,928,000	0.7%		\$4,619,000		\$215,309,000	
2029	\$221,407,000	0.7%	\$441,335,000	\$4,662,000	\$9,281,000	\$216,745,000	\$432,054,000

¹ The Baseline Forecast includes 2.1% passenger and 2.9% vehicle fare increases on October 1, 2017, followed by 2.1% and 2.5% increases, respectively, on October 1, 2018 (FY 2019), plus the 25¢ surcharge per fare sold for funding capital expenditures. The Baseline Forecast excludes any further changes to the nominal fares after October 2018, resulting in declining real fares thereafter. The Baseline Forecast also reflects the current programmed level of service subject to capacity constraints.

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Washington State Ferries

REVENUE PROJECTIONS ~ ALTERNATIVE 1 FORECAST

Adopted Fares through October 1, 2018 | 2.5% Annual Fare Increases FY 2020-29¹

September 2018 Forecast – Fiscal Years 2019-2029

Fiscal Year	September 2018 Capacity-Constrained Revenue Forecast	Fiscal Year Annual Growth Rate	September Biennium Total	September vs. June Forecast			June 2018 Alternative 1	
				% Change by Fiscal Year	\$ Change and % Change by Biennium	Capacity-Constrained Revenue Forecast	Biennium Total	
2010	\$147,009,545	1.7%						
2011	\$147,447,850	0.3%	\$294,457,395					
2012	\$155,085,373	5.2%						
2013	\$162,047,033	4.5%	\$317,132,406					
2014	\$167,441,867	3.3%						
2015	\$175,965,750	5.1%	\$343,407,617					
2016	\$181,444,863	3.1%						
2017	\$186,973,746	3.0%	\$368,418,609					
2018	\$192,827,951	3.1%		0.2%		\$192,421,000		
2019 ²	\$199,770,000	3.6%	\$392,597,951	0.5%	\$1,355,951	0.3%	\$198,821,000	\$391,242,000
2020	\$205,504,000	2.9%		(0.1%)		\$205,715,000		
2021	\$211,321,000	2.8%	\$416,825,000	(0.4%)	(\$980,000)	(0.2%)	\$212,090,000	\$417,805,000
2022	\$217,421,000	2.9%		(0.4%)		\$218,347,000		
2023	\$224,028,000	3.0%	\$441,449,000	(0.4%)	(\$1,921,000)	(0.4%)	\$225,023,000	\$443,370,000
2024	\$230,794,000	3.0%		(0.4%)		\$231,773,000		
2025	\$238,061,000	3.1%	\$468,855,000	(0.4%)	(\$1,831,000)	(0.4%)	\$238,913,000	\$470,686,000
2026	\$245,437,000	3.1%		(0.3%)		\$246,165,000		
2027	\$252,845,000	3.0%	\$498,282,000	(0.3%)	(\$1,445,000)	(0.3%)	\$253,562,000	\$499,727,000
2028	\$260,258,000	2.9%		(0.2%)		\$260,899,000		
2029	\$267,533,000	2.8%	\$527,791,000	(0.3%)	(\$1,410,000)	(0.3%)	\$268,302,000	\$529,201,000

¹ The Alternative 1 Forecast includes 2.1% passenger and 2.9% vehicle fare increases on October 1, 2017, 2.1% and 2.5% increases, respectively, on October 1, 2018 (FY 2019), followed by 2.5% annual fare increases each October thereafter, and include the 25¢ surcharge per fare sold for funding capital expenditures. Projected annual inflation is less than the 2.5%, leading to slightly increasing real fares over the forecast horizon. The Alternative 1 Forecast also reflects the current programmed level of service subject to capacity constraints.

² FY 2018 includes actual revenue data through August 2018. Light green shaded values are entirely actual data.

Washington State Ferries

REVENUE PROJECTIONS ~ ALTERNATIVE 1 FORECAST

Adopted Fares through October 1, 2018 | 2.5% Annual Fare Increases FY 2020-29¹

September 2018 Forecast – Fiscal Years 2019-2029

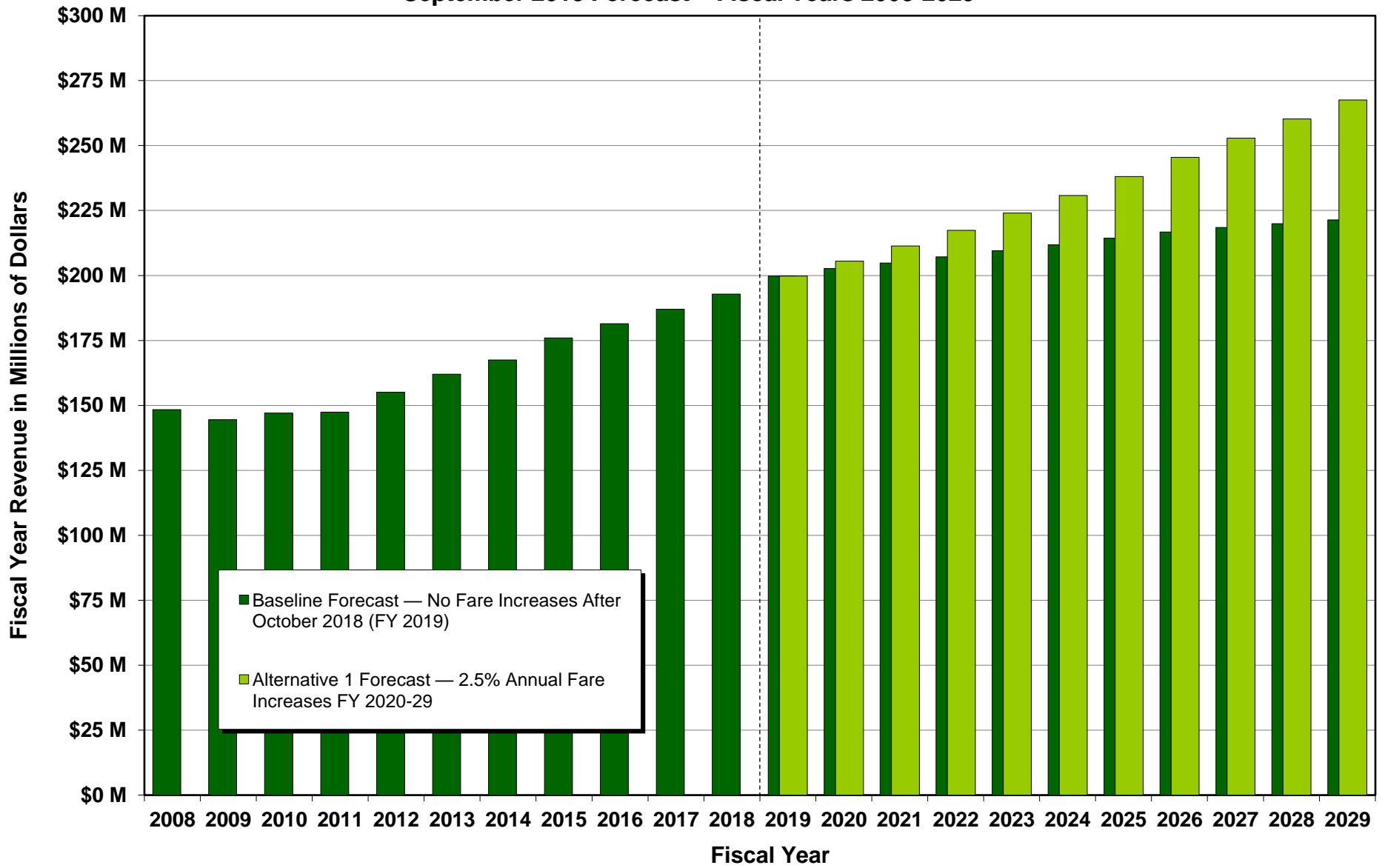
Fiscal Year	September 2018 Capacity-Constrained Revenue Forecast	Fiscal Year Annual Growth Rate	September Biennium Total	Distribution of Revenue to Operating and Capital Programs			
				25¢ Surcharge Revenue for Capital Program	Capital Biennium Total	Base Fare Revenue for Operating Program	Operating Biennium Total
2010	\$147,009,545	1.7%				\$147,009,545	
2011	\$147,447,850	0.3%	\$294,457,395			\$147,447,850	\$294,457,395
2012	\$155,085,373	5.2%		\$2,544,970		\$152,540,403	
2013	\$162,047,033	4.5%	\$317,132,406	\$3,626,191	\$6,171,161	\$158,420,842	\$310,961,245
2014	\$167,441,867	3.3%		\$3,662,690		\$163,779,177	
2015	\$175,965,750	5.1%	\$343,407,617	\$3,894,088	\$7,556,778	\$172,071,662	\$335,850,839
2016	\$181,444,863	3.1%		\$4,007,848		\$177,437,015	
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2018	\$192,827,951	3.1%		\$4,084,581		\$188,743,370	
2019 ²	\$199,770,000	3.6%	\$392,597,951	\$4,163,000	\$8,247,581	\$195,607,000	\$384,350,370
2020	\$205,504,000	2.9%		\$4,187,000		\$201,317,000	
2021	\$211,321,000	2.8%	\$416,825,000	\$4,208,000	\$8,395,000	\$207,113,000	\$408,430,000
2022	\$217,421,000	2.9%		\$4,232,000		\$213,189,000	
2023	\$224,028,000	3.0%	\$441,449,000	\$4,264,000	\$8,496,000	\$219,764,000	\$432,953,000
2024	\$230,794,000	3.0%		\$4,293,000		\$226,501,000	
2025	\$238,061,000	3.1%	\$468,855,000	\$4,323,000	\$8,616,000	\$233,738,000	\$460,239,000
2026	\$245,437,000	3.1%		\$4,351,000		\$241,086,000	
2027	\$252,845,000	3.0%	\$498,282,000	\$4,378,000	\$8,729,000	\$248,467,000	\$489,553,000
2028	\$260,258,000	2.9%		\$4,405,000		\$255,853,000	
2029	\$267,533,000	2.8%	\$527,791,000	\$4,431,000	\$8,836,000	\$263,102,000	\$518,955,000

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Washington State Ferries — Revenue History and Forecast Trends

September 2018 Forecast – Fiscal Years 2008-2029



Washington State Ferries

RIDERSHIP PROJECTIONS ~ BASELINE FORECAST

Adopted Fares through October 1, 2018 | No Changes in Fares after FY 2019¹

September 2018 Forecast – Fiscal Years 2019-2029

Fiscal Year	September 2018 Unconstrained Demand Forecast*	September 2018 Capacity Constrained Projections				June 2018 Projections	
		Passenger Ridership	Vehicle/Driver Ridership	Total Ridership	Annual Rate of Growth	Total Ridership	Sep. % Chg from Jun.
2010		12,463,027	10,169,074	22,632,101	(0.3%)		
2011		12,242,320	9,968,973	22,211,293	(1.9%)		
2012		12,236,081	9,983,059	22,219,140	0.0%		
2013		12,350,126	10,045,043	22,395,169	0.8%		
2014		12,696,936	10,154,905	22,851,841	2.0%		
2015		13,270,874	10,387,368	23,658,242	3.5%		
2016		13,523,385	10,559,240	24,082,625	1.8%		
2017		13,669,834	10,544,735	24,214,569	0.5%		
2018	24,563,817	13,856,444	10,707,373	24,563,817	1.4%	24,539,000	0.1%
2019 ²	24,990,000	14,107,000	10,883,000	24,990,000	1.7%	24,951,000	0.2%
2020	25,255,000	14,246,000	11,004,000	25,250,000	1.0%	25,240,000	0.0%
2021	25,584,000	14,432,000	11,135,000	25,567,000	1.3%	25,595,000	(0.1%)
2022	25,962,000	14,650,000	11,268,000	25,918,000	1.4%	25,967,000	(0.2%)
2023	26,369,000	14,887,000	11,393,000	26,280,000	1.4%	26,354,000	(0.3%)
2024	26,787,000	15,134,000	11,509,000	26,643,000	1.4%	26,731,000	(0.3%)
2025	27,216,000	15,374,000	11,634,000	27,008,000	1.4%	27,097,000	(0.3%)
2026	27,652,000	15,624,000	11,749,000	27,373,000	1.4%	27,456,000	(0.3%)
2027	28,089,000	15,886,000	11,816,000	27,702,000	1.2%	27,798,000	(0.3%)
2028	28,536,000	16,153,000	11,870,000	28,023,000	1.2%	28,133,000	(0.4%)
2029	28,996,000	16,429,000	11,922,000	28,351,000	1.2%	28,472,000	(0.4%)

¹ The Baseline Forecast includes 2.1% passenger and 2.9% vehicle fare increases on October 1, 2017, followed by 2.1% and 2.5% increases, respectively, on October 1, 2018 (FY 2019), plus the 25¢ surcharge per fare sold for funding capital expenditures. The Baseline Forecast excludes any further changes to the nominal fares after October 2018, resulting in declining real fares thereafter. The Baseline Forecast also reflects the current programmed level of service subject to capacity constraints.

² FY 2018 includes actual ridership data through August 2018. Light green shaded values are entirely actual data.

* Excludes adjustments for vessel capacity constraints, 25¢ per fare capital surcharge impacts, and fiscal year-to-date actual data.

Washington State Ferries

RIDERSHIP PROJECTIONS ~ ALTERNATIVE 1 FORECAST

Adopted Fares through October 1, 2018 | 2.5% Annual Fare Increases FY 2020-29¹

September 2018 Forecast – Fiscal Years 2019-2029

Fiscal Year	September 2018 Unconstrained Demand Forecast*	September 2018 Capacity Constrained Projections				June 2018 Projections	
		Passenger Ridership	Vehicle/Driver Ridership	Total Ridership	Annual Rate of Growth	Total Ridership	Sep. % Chg from Jun.
2010		12,463,027	10,169,074	22,632,101	(0.3%)		
2011		12,242,320	9,968,973	22,211,293	(1.9%)		
2012		12,236,081	9,983,059	22,219,140	0.0%		
2013		12,350,126	10,045,043	22,395,169	0.8%		
2014		12,696,936	10,154,905	22,851,841	2.0%		
2015		13,270,874	10,387,368	23,658,242	3.5%		
2016		13,523,385	10,559,240	24,082,625	1.8%		
2017		13,669,834	10,544,735	24,214,569	0.5%		
2018	24,563,817	13,856,444	10,707,373	24,563,817	1.4%	24,539,000	0.1%
2019 ²	24,990,000	14,107,000	10,883,000	24,990,000	1.7%	24,951,000	0.2%
2020	25,164,000	14,191,000	10,968,000	25,159,000	0.7%	25,148,000	0.0%
2021	25,301,000	14,277,000	11,013,000	25,290,000	0.5%	25,322,000	(0.1%)
2022	25,467,000	14,394,000	11,050,000	25,444,000	0.6%	25,496,000	(0.2%)
2023	25,682,000	14,528,000	11,112,000	25,640,000	0.8%	25,706,000	(0.3%)
2024	25,892,000	14,658,000	11,167,000	25,825,000	0.7%	25,895,000	(0.3%)
2025	26,104,000	14,772,000	11,234,000	26,006,000	0.7%	26,071,000	(0.2%)
2026	26,318,000	14,896,000	11,290,000	26,186,000	0.7%	26,248,000	(0.2%)
2027	26,530,000	15,029,000	11,338,000	26,367,000	0.7%	26,429,000	(0.2%)
2028	26,750,000	15,169,000	11,382,000	26,551,000	0.7%	26,608,000	(0.2%)
2029	26,989,000	15,322,000	11,414,000	26,736,000	0.7%	26,797,000	(0.2%)

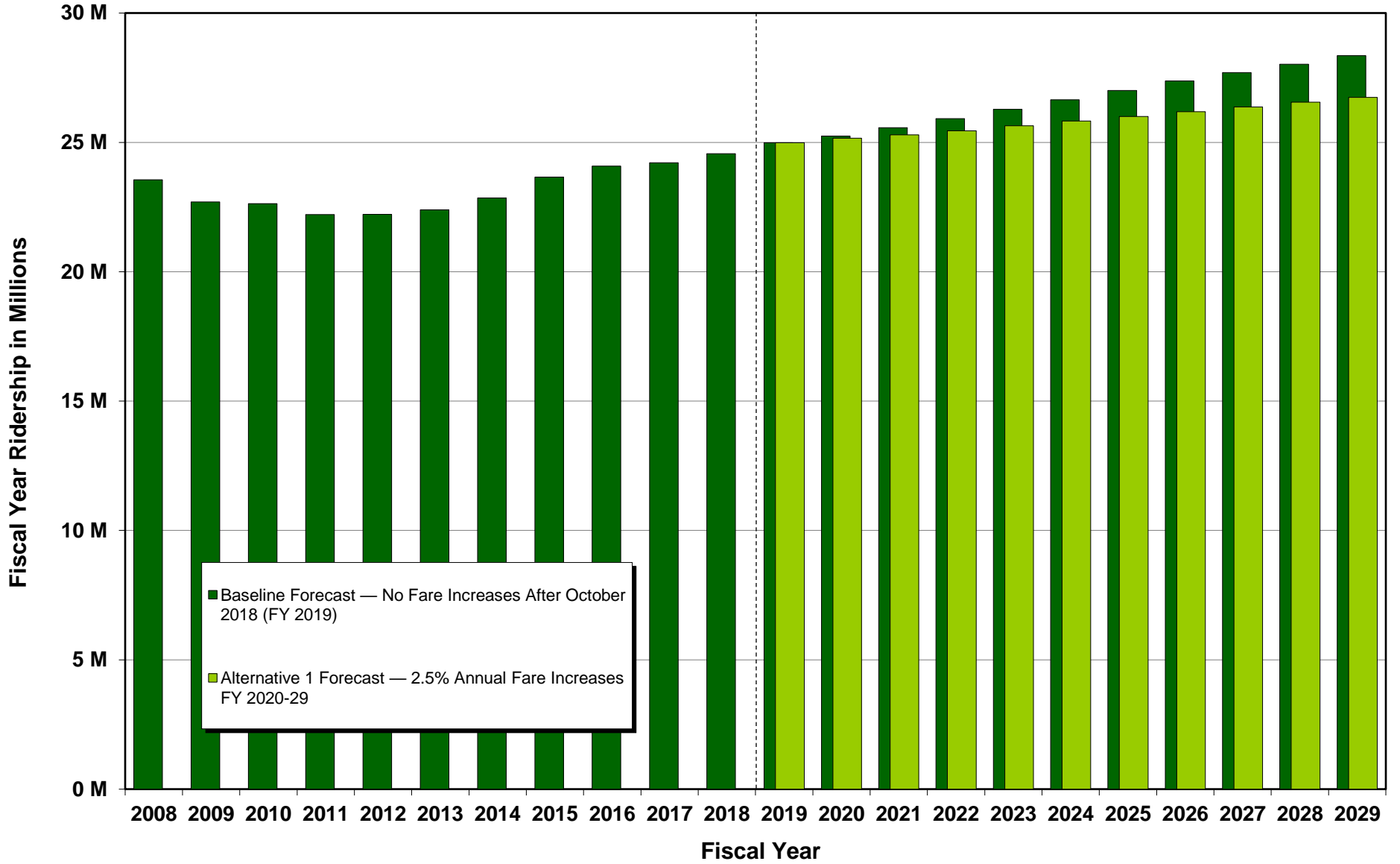
¹ The Baseline Forecast includes 2.1% passenger and 2.9% vehicle fare increases on October 1, 2017, followed by 2.1% and 2.5% increases, respectively, on October 1, 2018 (FY 2019), plus the 25¢ surcharge per fare sold for funding capital expenditures. The Baseline Forecast excludes any further changes to the nominal fares after October 2018, resulting in declining real fares thereafter. The Baseline Forecast also reflects the current programmed level of service subject to capacity constraints.

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* Excludes adjustments for vessel capacity constraints, 25¢ per fare capital surcharge impacts, and fiscal year-to-date actual data.

Washington State Ferries — Ridership History and Forecast Trends

September 2018 Forecast – Fiscal Years 2008-2029



Enhanced Drivers Licenses & Identical Cards Alternative Forecast September 2018

Prepared by

Washington State Department of Licensing

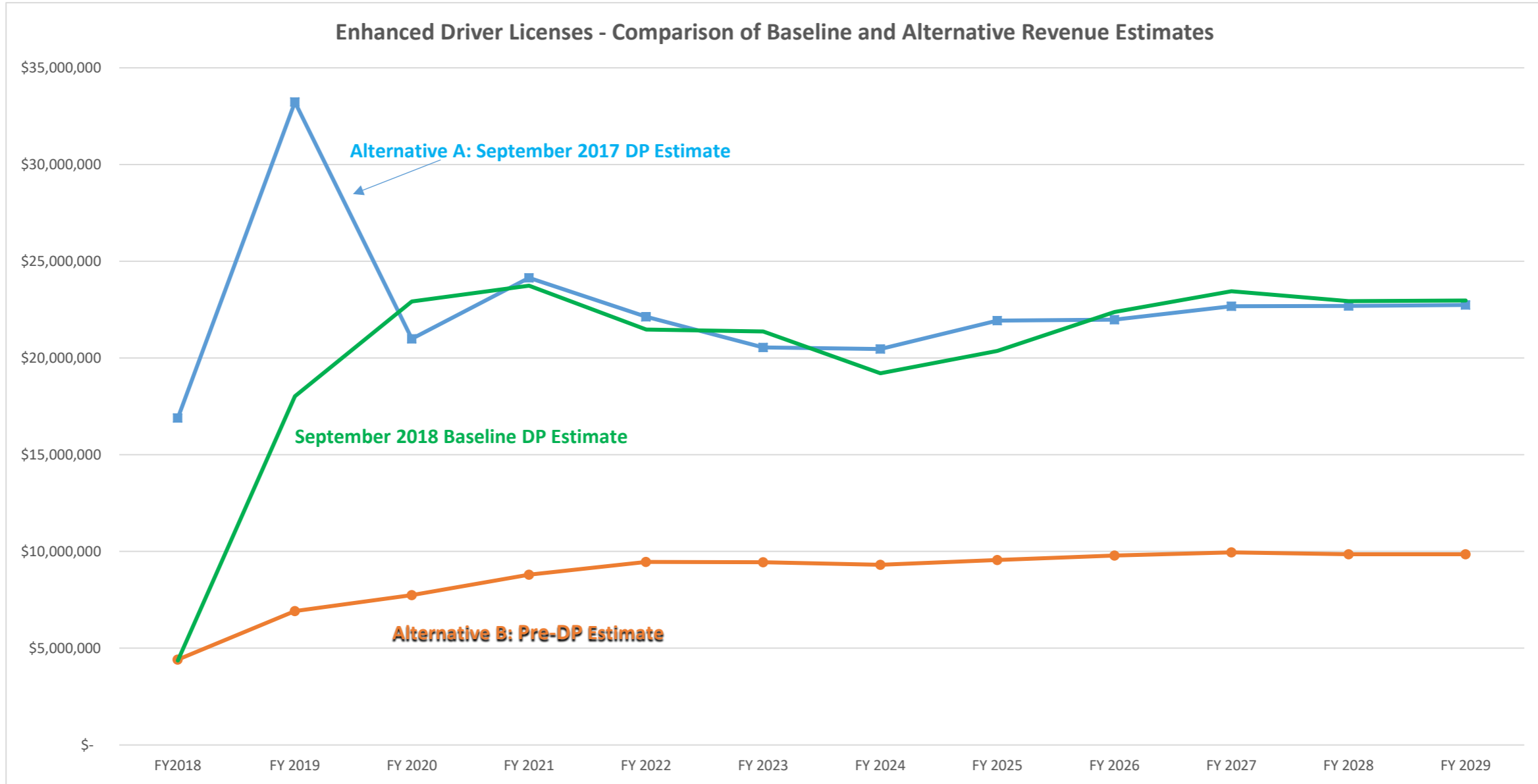
Comparison of Alternative Enhanced Drivers' License Revenue Forecasts to the Baseline September 2018 Forecast

	<u>FY2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>
September 2018 Baseline DP Estimates	\$ 4,361,952	\$ 18,023,400	\$ 22,929,400	\$ 23,738,700	\$ 21,473,500	\$ 21,368,300	\$ 19,219,000	\$ 20,363,600	\$ 22,381,400	\$ 23,456,000	\$ 22,942,300	\$ 22,975,200
Alternative A: Sept. 2017 DP Estimates	\$ 16,896,000	\$ 33,227,000	\$ 20,999,000	\$ 24,148,000	\$ 22,128,000	\$ 20,540,000	\$ 20,473,000	\$ 21,929,000	\$ 21,978,000	\$ 22,668,000	\$ 22,696,000	\$ 22,737,000
\$ Difference from September Baseline forecast	\$ 12,534,048	\$ 15,203,600	\$ (1,930,400)	\$ 409,300	\$ 654,500	\$ (828,300)	\$ 1,254,000	\$ 1,565,400	\$ (403,400)	\$ (788,000)	\$ (246,300)	\$ (238,200)
Percentage Change from the September Baseline Forecast	287%	84%	-8%	2%	3%	-4%	7%	8%	-2%	-3%	-1%	-1%
Alternative B: Pre-DP Estimate	\$ 4,413,000	\$ 6,924,000	\$ 7,742,000	\$ 8,795,000	\$ 9,460,000	\$ 9,441,000	\$ 9,320,000	\$ 9,566,000	\$ 9,798,000	\$ 9,954,000	\$ 9,857,000	\$ 9,863,000
\$ Difference from September Baseline forecast	\$ 51,048	\$ (11,099,400)	\$ (15,187,400)	\$ (14,943,700)	\$ (12,013,500)	\$ (11,927,300)	\$ (9,899,000)	\$ (10,797,600)	\$ (12,583,400)	\$ (13,502,000)	\$ (13,085,300)	\$ (13,112,200)
Percentage Change from the September Baseline Forecast	1%	-62%	-66%	-63%	-56%	-56%	-52%	-53%	-56%	-58%	-57%	-57%

September 2018 Baseline DP Estimates: Is a close approximation of **Alternative A** with minor adjustment to FY19-21 given delays in public information campaign as well as FY18 actual to date.

Alternative A: Sept. 2017 DP Estimate reflects DOL's 2017 Decision Package request to build capacity to meet much higher anticipated EDL demand. It does not look at EDL adoption rate on an annual basis as Alternative B. Rather it focused on the first six years of ramp-up demand (FY18-23) around federal REAL ID enforcement date (Oct. 2020). Years beyond 2023 were simply renewals of what happens FY18-23.

Alternative B: Pre-DP Estimate is based primarily on actual observations to date with known policy changes incorporated in a relatively conservative manner. For example, it also incorporates additional demand around federal REAL ID enforcement date, but not to the extent as the Sept. 2017 DP request. The Pre-DP estimate has been the adopted EDL forecast since inception.



September 2018 Baseline DP Estimates: Is a close approximation of **Alternative A** with minor adjustment to FY19-21 given delays in public information campaign as well as FY18 actual to date.

Alternative A: Sept. 2017 DP Estimate reflects DOL's 2017 Decision Package request to build capacity to meet much higher anticipated EDL demand. It does not look at EDL adoption rate on an annual basis as Alternative B. Rather it focused on the first six years of ramp-up demand (FY18-23) around federal REAL ID enforcement date (Oct. 2020). Years beyond 2023 were simply renewals of what happens FY18-23.

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