

2002 Supplemental Transportation Budget Executive Summary

PSSB 6348

Senate Transportation Committee

Mary Margaret Haugen, Chairman

Transportation Budget Comparisons (Dollars in Millions)

<u>1999-01 Transportation Funding</u>	
1999-01 Final Funding Level	\$3,301
<u>2001-03 Transportation Funding</u>	
2001-03 Funding	\$3,403
2002 Supplemental Budget	(\$ 35)
Revised 2001-03 Funding	<u>\$3,368</u>

Note: \$303 million in bond retirement and interest amounts are not included.

Revenue Summary.....Page 2

New Liabilities.....Page 3

Expenditure Adjustments by Agency/ Mode.....Page 3

2001-03 Budget Revenues

The Omnibus Operating Budget provided support to transportation on the expectation of funding through 2ESSB 6166, the LOEFF bill. The Transportation Budget lost \$100 million in General Fund support when the LOEFF bill failed to pass the 2001 Legislature. Additional revenue losses resulted from a decline in ferry fare revenue.

Revenue losses are partially mitigated through reductions in programs, transfers of available fund balances, cost-recovery related increases in several license fees and a change from annual to biennial licensing.

Revenue Shortfalls:

- Ongoing Omnibus Budget Support Eliminated
- Ferry Fare Revenue Down

(\$70) million impact resulted from a transfer of revenue from the Multimodal Account to the General Fund. The revenue, if 2ESSB 6166 passed the legislature, would have been replaced by LEOFF funds.

(\$30) million impact resulted when funds were not transferred from the Pension Asset Reserve Account as contemplated in the LOEFF bill during the 2001 session.

(\$3.5) Million impact results from a difference between the March 2001 and February 2002 forecast for ferry fare revenue.

New Revenues:

- Fund Balance Transfers
- License Fee Increases
- Move from Annual to Biennial Licensing

\$33.9 million in additional revenue from the I-695 increase in license fees are permanently redirected from the State Patrol Highway Account to the Motor Vehicle Account. (SB 5078 or SB 6494)

\$5 million in Highway Safety Fund balance is moved into the Motor Vehicle Account.

\$40 million in one-time revenue created from a change to biennial licensing. (SB 6494)

\$25 million created through fee increases designed to allow DOL to reach cost recovery on selected services. (SB 6814)

New Liabilities:

The Transportation Budget will assume expenditure responsibility for State Patrol functions previously funded by the General Fund. An increased demand on the State's self-insurance pool will increase premiums paid by transportation agencies. The Budget is impacted by increases in Attorney General and ferry insurance costs, local government statutory mandates, and a need for increased ferry security following the attacks of September 11, 2001.

Major New Transportation Liabilities

\$12.6 million assumed one-time for State Patrol activities.

\$14.9 million additional need for GA Self-Insurance Pool.

\$2.2 million in WSDOT and WSP ferry security enhancements.

Expenditure Adjustments by Agency/Mode:

Department of Transportation: \$2.59 billion

State Highways: Total Budget = \$1.69 billion

- No projects are cut in this budget.
- **\$15 million** is reduced in the Improvement Program due to reappropriation adjustments.
- **\$21 million** is reduced in the Preservation Program due to an overestimation of earthquake emergency repairs.
- **\$39 million** is reduced in the Improvement Program for the Tacoma Narrows Bridge project. It is assumed the project will advance with public funding and these funds will be replaced with bond proceeds supported by toll receipts.

Washington State Ferries: Total Budget = \$488.7 million

- \$10 million in savings is realized from a delay in ferry rehabilitation.
- \$10.7 million in savings is realized from lower ferry fuel costs.

Rail: Total Budget = \$54.4 million

- \$900 thousand is provided to maintain existing passenger rail services at current levels of service.

2002 Supplemental Transportation Budget (PSSB 6348)

Public Transportation: Total Budget = \$13.4 million

- \$1 million is reduced for the "Relax" campaign and the Commute Trip Reduction (CTR) program for fund balance purposes. (\$200 thousand reduction to Relax; \$800 thousand to CTR).

Local Programs: Total Budget = \$93 million

- **\$1 million** in school safety projects will be delayed until the 2003-05 biennium.
- **\$8.4 million** in expenditure responsibility for local projects is transferred to the Transportation improvement Board.

Washington State Patrol: \$255 million

- **\$455 thousand** is reduced from the \$830 thousand in additional mission vehicle funding provided in the 2001-03 biennial budget. The agency will replace the \$455 thousand with savings generated by selling and re-deploying vehicles used only for commuting purposes.
- **\$2.6 million** is reduced from the Capital Budget to delay construction on the Weigh-in-Motion projects funded in the biennial budget.
- **\$12.6 million** is added to fund items previously funded in the General Fund budget.

Department of Licensing: \$172 million

- **\$1 million** is added for vehicle field system equipment for licensing sub-agents. Revenue for this comes from the Licensing Services Account.
- **\$1 million** is added for leases, indirect costs realignment, and revolving fund corrections.
- **\$1 million** is added to crack down on commercial driver license fraud (80% federal funds).
- **\$2 million** is added to implement bills concerning: motorcycle funding, abandoned vehicles, two-year registration, English language requirement for commercial drivers, commercial driver disqualifications, and three special license plate bills.
- **\$210 thousand** is reduced from technology projects funded in the 2001 budget.

2002 Supplemental Transportation Budget (PSSB 6348)

Other Agencies

Transportation Improvement Board (TIB): Total Budget = \$246 million

- **\$32.6 million** is re-appropriated from dedicated accounts. Now that actual expenditures for last biennium are a matter of record, additional funds are known to be available for grants in the 2001-03 Biennium.

County Road Administration Board: Total Budget = \$89.2 million

- **\$8.6 million** is re-appropriated from dedicated accounts. Now that actual expenditures for last biennium are a matter of record, additional funds are known to be available for grants to counties in the 2001-03 Biennium.

Other Savings

Compensation Changes:

- **\$6 million** is generated through a reduction in expected expenditures for employee benefit funding, pension funding and due to delays or reductions in salary increases. The amount listed here is an estimate pending final determination in the Omnibus Operating Budget.