
Proposed Senate 2011-13 Transportation Budget

Senate Transportation Committee
March 22, 2011

Budget Highlights

Budget Bill – PSSB 5176

Agency Detail

Project List Comparison

LEAP Documents Referenced in Budget

Tab 1--All Projects

Tab 2--Nickel/TPA Highway Projects

Tab 3--Pedestrian and Bicycle Safety Program Projects and Safe
Routes to School Program Projects

Tab 4--Regional Mobility Grant Program



Transportation Outlook

Washington state continues to feel the negative impacts of the worldwide economic recession, a volatile global oil market, a decline in vehicle miles traveled, and the use of more fuel efficient vehicles--all resulting in the continued erosion of dedicated transportation revenue.

For the first time in history, in 2009-2011, Washington state will collect less transportation revenue than in the prior biennium (0.4% decrease). Since enactment of the 2010 supplemental transportation budget, forecasted transportation revenues for distribution to state accounts have declined approximately \$79 million for the 2011-2013 fiscal biennium and nearly \$821 million over the course of the 10-year timeframe. This reflects the recent adoption of a revised fuel forecasting methodology that acknowledges fuel consumption has gone flat over the last decade.

Compounding the impact of the lower revenue estimates are projected increases in spending. In the current 2011-2013 budget period, maintenance level spending has increased \$96 million to maintain existing transportation programs and activities through the 2011-2013 fiscal biennium. Over the 10-year timeframe, state expenditures are projected to decrease by approximately \$300 million relative to 2010 estimates for the same time period.

Despite the projected effect of moderating costs, the impact of dramatically lower forecast revenues forewarns of structural deficits in two years for those accounts supporting core transportation investments and operating programs. The activities most adversely affected by the deterioration of transportation revenues are some of the state's fundamental transportation obligations including maintenance, preservation, and stewardship of the existing highway system; Washington State Patrol's (WSP's) highway safety mission; and operating and preserving the Washington State Ferries (WSF).

The 2003 "Nickel" and 2005 Transportation Partnership Act (TPA) construction programs do remain viable for the 10-year timeframe. However, these construction improvement programs continue to be reliant on out-biennia fund transfers from other transportation accounts thus accelerating the funding shortfall for core transportation programs.

Of the 421 Nickel and TPA projects originally authorized, 346 are either complete or underway as of February 2011. \$3.9 billion is provided in 2011-2013 to continue the implementation of these projects committed to by the 2003 and 2005 Legislatures. The 2003 and 2005 gas tax funding packages are estimated to support an average of 10,000 direct, indirect, and induced jobs each year over a 10-year period. The majority of the jobs supported by the Nickel and TPA are performed by the private sector. Due to continued reduced revenue projections, several Nickel and TPA projects remain outside the funded transportation financial plan timeframe. However, no additional TPA or Nickel projects were delayed in the Committee's proposed biennial budget.

Budget Summary

The Senate Transportation Committee's proposed 2011-2013 biennial transportation budget funds almost \$9 billion in transportation operating and construction activities in the two-year period. This reflects an increase of nearly \$1.7 billion over estimated final spending for the 2009-2011 biennium.

However, the proposed budget also reflects ongoing funding reductions of nearly \$28 million across most Department of Transportation and Department of Licensing administrative programs. This is in addition to operating program savings and efficiencies of \$27 million taken in the 2009-2011 biennium. Together, these reductions represent continuing savings of nearly 10% in operating costs. Additionally, the proposed budget is consistent with the Department of Transportation's projected decline in the engineering and technical support workforce corresponding with the winding down of the highway construction programs (projected to be 800 fewer FTEs by the end of the 2013-2015 fiscal biennium). The proposed budget also reflects a savings of \$27 million in highway project bid underruns that have occurred since the Governor's budget release.

Additional efficiencies and enhancements are reflected in the proposed budget, assuming the enactment of various legislative measures, such as:

- SSB 5405, SSB 5406, & SSB 5742 (Reforming the Washington State Ferries);
- SSB 5250 (Expanding the use of the design-build procurement process);
- SSB 5128 (Statewide transportation planning reforms);
- SSB 5796 (Implementing recommendations from the JTC public transportation study);
- SSB 5797 (Implementing results of the JTC efficiencies study of certain transportation agencies);
- ESB 5061 (Vehicle/vessel title & registration statutory rewrite); and
- SSB 5251 (Electric vehicle fees).

Washington State Patrol: Due to the Federal Communications Commission's requirement that all public safety agencies transition to a narrowband by January 1, 2013, \$40.1 million is provided for radio infrastructure and equipment that facilitates state trooper communication.

\$8.2 million is provided for mobile office platforms that give troopers access to electronic vehicle and driver databases from their vehicles, and for adding digital video cameras to their vehicles. Along with the narrowband transition, this investment will increase officer and public safety.

The Senate is considering ways the State Patrol could reduce costs by asking the agency to review fuel usage and officer uniforms to capture further efficiencies.

Washington State Ferries: The Committee's proposed budget continues to support the WSF vessel delivery schedule, as WSF takes delivery of the last of three new Kwa-di Tabil class ferries, the MV Kennewick, in January 2012. In addition, the proposed budget assumes \$165 million for one new 144-capacity ferry vessel, of which \$65.9 million is provided in the 2011-2013 biennium. WSF is directed to contract for an optional second vessel, which may be procured if additional funds become available before the contract option must be exercised. \$79 million in additional fuel funding is also provided for a total of \$135 million in fuel funding for the system.

In conjunction with a restructuring of the WSF operating and capital budgets, designed to provide increased fiscal transparency, the Committee's proposed budget reflects over \$30 million in WSF operating cost savings, due primarily to administrative savings and the following actions facilitating a reformed ferry system:

- The recently negotiated collective bargaining agreement (\$21.8 million in savings);
- Reductions taken in administration (\$6.5 million in savings);
- Reduced service, targeted at off-peak runs across the system that affect fewer customers (\$4.0 million in savings);
- The elimination of the Marine Employees Commission (\$0.5 million in savings); and
- Funding a more strategic marine insurance package for WSF vessels (\$2 million in savings).

\$8.2 million is provided for WSDOT to develop and implement a time, leave and labor distribution system as was recommended by the State Auditor. The proposed budget assumes the State Auditor's involvement in the implementation and acquisition of the system. Although this system will be used throughout the Department, it provides the most benefit to the WSF by replacing an archaic manual time-keeping system. This will provide WSDOT with current technology that will allow it to better manage its employees, resulting ultimately in cost savings and efficiencies.

In order to investigate the potential for further administrative efficiencies within WSF, the proposed budget directs the Joint Transportation Committee (JTC) to examine the existing WSF management organizational structure. The JTC is also directed to study the most appropriate fare media for use with the reservation system and demand management pricing.

Department of Licensing: \$8.6 million is provided for an online fuel tax system that will allow for easier tax filing by customers, which will reduce errors, increase tax reconciliation efficiency, and generate savings.

Rail: The Committee's proposed budget continues to reflect the original \$590 million awarded to Washington state from the American Recovery & Reinvestment Act (ARRA) via the Federal Rail Administration for projects that increase the speed and reliability of passenger rail service along the I-5 corridor. Agreements were signed in February of this year that guarantee the funds to Washington state, and the Department is expected to begin spending these funds on specific projects later in 2011.

In October of 2010, Washington was awarded an additional \$31 million in high speed rail funds from other federal appropriations. This funding is being used to increase capacity through Mount Vernon and build station improvements in Tukwila and at King Street Station in Seattle. In December of 2010, Washington received an additional award of \$161 million in ARRA funds that will be allocated to high speed rail projects proposed in the original grant request that were not selected at that time, bringing the total of high speed rail grants received by Washington to \$782 million.

Public Transportation: \$40 million is provided for continuing the Regional Mobility Grant Program, which restores the \$20 million that was taken out in the Governor's proposed budget. Additionally, \$17 million is provided for continuing the Rural Mobility Grant Program and \$25 million is provided to continue the Special Needs Transportation Grant Program. Funding to the Office of Transit Mobility was removed (\$1.2 million) from the agency's underlying budget because many of the activities from the program were one-time only. However, it is intended that the ongoing work identified in current law will continue, such as providing public transportation expertise to local agencies and recommending best practices to integrate transit strategies into local land use regulations.

Stormwater: An additional \$9.744 million is provided for WSDOT to meet its obligations under its National Pollutant Discharge Elimination System permit. Funding will support the completion of planning activities and basic infrastructure investments.

Tolling: The Committee's proposed budget continues to reflect tolling on the Tacoma Narrows Bridge and the SR 167 High Occupancy Toll (HOT) Lane pilot project. The proposed budget also continues to support efforts to begin tolling on the SR 520 Floating Bridge this year, run the new tolling operations center, and start the new photo toll collection and adjudication process. Specifically, the proposed budget reflects that the new statewide tolling operations center has reduced costs on the Tacoma Narrows Bridge by over \$4 million per biennium.

Highway Projects: The Committee's proposed budget includes over 700 projects totaling \$4.87 billion on highway- related expenditures in 2011-2013, with \$4.2 billion of that amount for actual construction, a record amount for Washington that reflects the peak of spending for the Nickel and TPA projects. Examples of some of the larger projects that will be under construction in 2011-2013 are listed below:

| Project Title | 2011-13 Funding | Total Project Funding |
|--|----------------------------|----------------------------------|
| SR 520/ Bridge Replacement and HOV Program | 1,247,769,000 | 2,478,632,000 |
| SR 99/Alaskan Way Viaduct - Replacement | 917,940,000 | 2,401,393,000 |
| I-5/Tacoma HOV Improvements | 319,562,000 | 1,477,351,000 |
| I-90/Snoqualmie Pass East - Hyak to Keechelus Dam | 147,450,000 | 551,410,000 |
| Statewide Asphalt Roadways Preservation | 116,115,000 | 432,381,000 |
| Statewide Concrete Roadways Preservation | 52,792,000 | 284,512,000 |
| US 395/North Spokane Corridor | 66,542,000 | 414,780,000 |
| I-5/Mellen Street I/C to Grand Mound I/C - Add Lanes | 81,985,000 | 199,369,000 |
| I-5/SR 161/SR 18 - Interchange Improvements | 44,610,000 | 109,495,000 |
| Seismic Bridges Program - High & Med. Risk (TPA) | 25,778,000 | 99,684,000 |
| SR 502/I-5 to Battle Ground - Add Lanes | 47,377,000 | 87,786,000 |
| SR 9/212th St SE to 176th St SE, Stage 3 - Add Lanes | 58,988,000 | 87,295,000 |
| US 101/Shore Rd to Kitchen Rd - Widening | 51,560,000 | 84,304,000 |
| SR 303/Manette Bridge Bremerton Vicinity - Replace Bridge | 19,531,000 | 60,604,000 |
| SR 14/Camas Washougal - Add Lanes and Build Interchange | 41,630,000 | 56,723,000 |
| SR 28/Jct US 2 and US 97 to 9th St, Stage 1 - New Alignment | 25,725,000 | 56,343,000 |
| SR 28/E End of the George Sellar Bridge - Construct Bypass | 14,523,000 | 29,097,000 |
| SR 285/W End of George Sellar Bridge - Intersection Improvements | 15,043,000 | 22,393,000 |
| US 12/SR 124 Intersection - Build Interchange | 12,078,000 | 22,251,000 |
| SR 410/Nile Valley Landslide - Reconstruct Route | 16,323,000 | 21,187,000 |
| US 2/Bickford Avenue - Intersection Safety Improvements | 17,017,000 | 19,720,000 |
| I-90/Sullivan Rd to Barker Rd - Additional Lanes | 9,615,000 | 19,125,000 |

Planning for the Future: \$5.6 million in federal funding, received in the fall of 2010 as redistributed funds from other states, is allocated in the Committee's proposed budget to begin project definition and scoping of unfunded projects that will increase safety and improve traffic flow around the state. If new funding becomes available, this work will allow WSDOT to begin building new projects and creating jobs statewide.