

ESSB 5988 - H COMM AMD

By Committee on Transportation

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) An additive transportation budget of
4 the state is hereby adopted and, subject to the provisions set forth,
5 the several amounts specified, or as much thereof as may be necessary
6 to accomplish the purposes designated, are hereby appropriated from
7 the several accounts and funds named to the designated state agencies
8 and offices for employee compensation and other expenses, for capital
9 projects, and for other specified purposes, including the payment of
10 any final judgments arising out of such activities, for the period
11 ending June 30, 2017.

12 (2) It is the intent of the legislature that the funding levels
13 specified in LEAP Transportation Documents 2015 NLH-1, NLH-2, and
14 NLH-3 as developed April 12, 2015, represents a commitment to provide
15 appropriations to the agencies, programs, and activities at the
16 amounts identified therein through fiscal year 2031.

17 (3) Unless the context clearly requires otherwise, the
18 definitions in this subsection apply throughout this act.

19 (a) "Fiscal year 2016" or "FY 2016" means the fiscal year ending
20 June 30, 2016.

21 (b) "Fiscal year 2017" or "FY 2017" means the fiscal year ending
22 June 30, 2017.

23 (c) "FTE" means full-time equivalent.

24 (d) "Lapse" or "revert" means the amount shall return to an
25 unappropriated status.

26 (e) "Provided solely" means the specified amount may be spent
27 only for the specified purpose. Unless otherwise specifically
28 authorized in this act, any portion of an amount provided solely for
29 a specified purpose that is not expended subject to the specified
30 conditions and limitations to fulfill the specified purpose shall
31 lapse.

32 (f) "Reappropriation" means appropriation and, unless the context
33 clearly provides otherwise, is subject to the relevant conditions and
34 limitations applicable to appropriations.

1 (g) "LEAP" means the legislative evaluation and accountability
2 program committee.

3 (h) "TEIS" means the transportation executive information system.

4 **2015-2017 FISCAL BIENNIUM**
5 **GENERAL GOVERNMENT AGENCIES—OPERATING**

6 NEW SECTION. **Sec. 101. FOR THE STATE PARKS AND RECREATION**
7 **COMMISSION**

8 Snowmobile Account—State Appropriation \$398,000

9 NEW SECTION. **Sec. 102. FOR THE RECREATION AND CONSERVATION**
10 **FUNDING BOARD**

11 Recreation Resource Account—State Appropriation \$3,528,000

12 NEW SECTION. **Sec. 103. FOR THE DEPARTMENT OF NATURAL RESOURCES**

13 ORV and Nonhighway Vehicle Account—State
14 Appropriation. \$1,399,000
15 Nonhighway and Off-Road Vehicle Activities Program
16 Account—State Appropriation. \$1,972,000
17 TOTAL APPROPRIATION. \$3,371,000

18 **TRANSPORTATION AGENCIES—OPERATING**

19 NEW SECTION. **Sec. 201. FOR THE JOINT TRANSPORTATION COMMITTEE**

20 Motor Vehicle Account—State Appropriation. \$450,000

21 The appropriation in this section is subject to the following
22 conditions and limitations: \$450,000 of the motor vehicle account—
23 state appropriation is for the joint transportation committee for the
24 design-build contracting review panel established in chapter ...
25 (Engrossed Substitute Senate Bill No. 5997), Laws of 2015. The
26 department of transportation must provide technical assistance, as
27 necessary. If chapter ... (Engrossed Substitute Senate Bill No.
28 5997), Laws of 2015 is not enacted by June 30, 2015, the amount
29 provided in this subsection lapses.

30 NEW SECTION. **Sec. 202. FOR THE DEPARTMENT OF LICENSING**

31 Motor Vehicle Account—State Appropriation. \$4,000,000

1 The appropriation in this section is subject to the following
2 conditions and limitations: \$4,000,000 of the motor vehicle account—
3 state appropriation is provided solely for implementation of
4 chapter ... (Engrossed Substitute Senate Bill No. 5987)
5 (transportation revenue), Laws of 2015.

6 NEW SECTION. **Sec. 203. FOR THE DEPARTMENT OF TRANSPORTATION—**
7 **HIGHWAY MAINTENANCE—PROGRAM M**

8 Connecting Washington Account—State Appropriation. . . . \$6,250,000

9 NEW SECTION. **Sec. 204. FOR THE DEPARTMENT OF TRANSPORTATION—**
10 **TRAFFIC OPERATIONS—PROGRAM Q**

11 Connecting Washington Account—State Appropriation \$3,125,000

12 NEW SECTION. **Sec. 205. FOR THE DEPARTMENT OF TRANSPORTATION—**
13 **TRANSPORTATION MANAGEMENT AND SUPPORT—PROGRAM S**

14 Multimodal Transportation Account—State Appropriation. . . \$1,500,000

15 The appropriation in this section is subject to the following
16 conditions and limitations: \$1,500,000 of the multimodal
17 transportation account—state appropriation is provided solely for a
18 grant program that makes awards for the following: (1) Support for
19 nonprofit agencies, churches, and other entities to help provide
20 outreach to populations underrepresented in the current
21 apprenticeship programs; (2) preapprenticeship training; and (3)
22 transportation and other supports that are needed to help women and
23 minorities enter and succeed in apprenticeship. The department must
24 report on grants that have been awarded and the amount of funds
25 disbursed by December 1, 2015, and annually thereafter.

26 NEW SECTION. **Sec. 206. FOR THE DEPARTMENT OF TRANSPORTATION—**
27 **PUBLIC TRANSPORTATION—PROGRAM V**

28 Regional Mobility Grant Program Account—State
29 Appropriation. \$15,000,000

30 Rural Mobility Grant Program Account—State
31 Appropriation. \$9,000,000

32 Multimodal Transportation Account—State Appropriation. . \$27,000,000

33 TOTAL APPROPRIATION. \$51,000,000

1 The appropriations in this section are subject to the following
2 conditions and limitations:

3 (1) \$7,000,000 of the multimodal transportation account—state
4 appropriation is for the projects listed in LEAP Transportation
5 Document 2015 NLH-3 TRANSIT PROJECTS as developed April 12, 2015.

6 (2) \$3,740,000 of the multimodal transportation account—state
7 appropriation is provided solely for grants to nonprofit providers of
8 special needs transportation. Grants for nonprofit providers must be
9 based on need, including the availability of other providers of
10 service in the area, efforts to coordinate trips among providers and
11 riders, and the cost-effectiveness of trips provided.

12 (3) \$13,260,000 of the multimodal transportation account—state
13 appropriation is provided solely for grants to transit agencies to
14 transport persons with special transportation needs. Grants for
15 transit agencies must be prorated based on the amount expended for
16 demand response service and route deviated service in calendar year
17 2013 as reported in the "Summary of Public Transportation - 2013"
18 published by the department of transportation. No transit agency may
19 receive more than thirty percent of these distributions.

20 (4) \$9,000,000 of the rural mobility grant program account—state
21 appropriation is provided solely for grants to aid small cities in
22 rural areas as prescribed in RCW 47.66.100.

23 (5) \$2,000,000 of the multimodal transportation account—state
24 appropriation is provided solely for a vanpool grant program for: (a)
25 Public transit agencies to add vanpools or replace vans; and (b)
26 incentives for employers to increase employee vanpool use. The grant
27 program for public transit agencies must cover capital costs only.
28 Operating costs for public transit agencies are not eligible for
29 funding under this grant program. Additional employees may not be
30 hired from the funds provided in this section for the vanpool grant
31 program, and supplanting of transit funds currently funding vanpools
32 is not allowed. The department must encourage grant applicants and
33 recipients to leverage funds other than state funds.

34 (6)(a) \$1,000,000 of the multimodal transportation account—state
35 appropriation is provided solely for grants to transit agencies
36 located in counties with a population of seven hundred thousand or
37 more that border Puget Sound to fund projects that further
38 integration and coordination between two or more such agencies.

- 1 (b) The projects selected must involve one or more of the
 2 following criteria:
- 3 (i) Aligning fare structures;
 - 4 (ii) Integrating service planning;
 - 5 (iii) Coordinating long-range planning, including capital
 6 projects planning and implementation;
 - 7 (iv) Integrating administrative functions and internal business
 8 practices; or
 - 9 (v) Integrating customer-focused tools and initiatives.
- 10 (c) The transit agencies selected by the department to receive a
 11 grant must match the grant amount on at least a dollar for dollar
 12 basis.

13 **TRANSPORTATION AGENCIES—CAPITAL**

14 NEW SECTION. **Sec. 301. FOR THE FREIGHT MOBILITY STRATEGIC**
 15 **INVESTMENT BOARD**

16 Freight Mobility Investment Account—State Appropriation. . \$8,300,000

17 NEW SECTION. **Sec. 302. FOR THE TRANSPORTATION IMPROVEMENT BOARD**
 18 Transportation Improvement Account—State Appropriation. . \$3,600,000
 19 Connecting Washington Account—State Appropriation. . . . \$10,000,000
 20 TOTAL APPROPRIATION. \$13,600,000

21 The appropriations in this section are subject to the following
 22 conditions and limitations: \$10,000,000 of the connecting Washington
 23 account—state appropriation is provided solely for the complete
 24 streets program.

25 NEW SECTION. **Sec. 303. FOR THE COUNTY ROAD ADMINISTRATION BOARD**
 26 Rural Arterial Trust Account—State Appropriation. \$1,800,000
 27 County Arterial Preservation Account—State Appropriation. \$1,800,000
 28 TOTAL APPROPRIATION. \$3,600,000

29 NEW SECTION. **Sec. 304. FOR THE DEPARTMENT OF TRANSPORTATION—**
 30 **IMPROVEMENTS—PROGRAM I**

31 Connecting Washington Account—State Appropriation. . . . \$145,325,000

32 The appropriation in this section is subject to the following
 33 conditions and limitations:

1 (1) Except as provided otherwise in this section, the entire
2 connecting Washington account appropriation is for the projects and
3 activities as listed by fund, project, and amount in LEAP
4 Transportation Document 2015 NLH-1 as developed April 12, 2015,
5 Program - Highway Improvements Program (I).

6 (2) The connecting Washington account—state appropriation
7 includes up to \$15,515,000 in proceeds from the sale of bonds
8 authorized by chapter . . . (House Bill No. 1298), Laws of 2015.

9 (3) Funds appropriated to the I-5 JBLM Corridor Improvements
10 project (M00100R) must be limited to addressing traffic congestion on
11 current highways with no funds being expended to plan, design, or
12 construct any possible future connection or segments of unfunded
13 projects on state highways or any traffic resulting from unfunded
14 projects.

15 (4) In making budget allocations to the Puget Sound Gateway
16 project (M00600R), the department shall implement the project's
17 construction as a single corridor investment. The department shall
18 develop a coordinated corridor construction and implementation plan
19 for state route number 167 and state route number 509 in
20 collaboration with affected stakeholders. Specific funding
21 allocations must be based on where and when specific project segments
22 are ready for construction to move forward and investments can be
23 best optimized for timely project completion. Emphasis must be placed
24 on avoiding gaps in fund expenditures for either project.

25 NEW SECTION. **Sec. 305. FOR THE DEPARTMENT OF TRANSPORTATION—**
26 **PRESERVATION—PROGRAM P**

27 Connecting Washington Account—State Appropriation. . . . \$87,333,000

28 The appropriation in this section is subject to the following
29 conditions and limitations: The entire connecting Washington account
30 appropriation in this section is for the projects and activities as
31 listed in LEAP Transportation Document 2015 NLH-1 as developed April
32 12, 2015, Program - Highway Preservation Program (P).

33 NEW SECTION. **Sec. 306. FOR THE DEPARTMENT OF TRANSPORTATION—**
34 **WASHINGTON STATE FERRIES CONSTRUCTION—PROGRAM W**

35 Connecting Washington Account—State Appropriation. . . . \$32,177,000

36 Multimodal Transportation Account—State Appropriation. . . \$9,028,000

37 TOTAL APPROPRIATION. \$41,205,000

1 The appropriations in this section are subject to the following
2 conditions and limitations:

3 (1) The entire connecting Washington account appropriation in
4 this section is for the projects and activities as listed in LEAP
5 Transportation Document 2015 NLH-1 as developed April 12, 2015,
6 Program - Washington State Ferries Capital Program (W).

7 (2) Within existing resources, the department must evaluate the
8 feasibility of utilizing the federal EB-5 immigrant investor program
9 for financing the construction of a safety of life at sea (SOLAS)
10 certificated vessel for the Anacortes-Sidney ferry route. The
11 department must establish a group that includes, but is not limited
12 to, the department of commerce and entities or individuals
13 experienced with vessel engineering and EB-5 financing for assistance
14 in evaluating the applicability of the EB-5 immigrant investor
15 program. The department must deliver a report containing the results
16 of the evaluation to the transportation committees of the legislature
17 and the office of financial management by December 1, 2015.

18 (3) \$96,502,000 in state funds is to be provided over the life of
19 the project for completion of the Seattle terminal replacement
20 project, including: (a) Design work and selection of a preferred
21 plan; (b) replacing timber pilings with pilings sufficient to support
22 a selected terminal design; (c) replacing the timber portion of the
23 dock with a new and reconfigured steel and concrete dock; and (d)
24 other staging and construction work as the amount allows.

25 (4) \$99,000,000 in state funds is to be provided over the life of
26 the project for the acquisition of a 144-car vessel.

27 (5) \$68,600,000 in state funds is to be provided over the life of
28 the project for the completion of the Mukilteo terminal replacement
29 project.

30 NEW SECTION. **Sec. 307. FOR THE DEPARTMENT OF TRANSPORTATION—**
31 **RAIL—PROGRAM Y**

32 Multimodal Transportation Account—State
33 Appropriation. \$4,000,000

34 The appropriation in this section is subject to the following
35 conditions and limitations: The entire appropriation in this section
36 is for the projects and activities as listed in LEAP Transportation
37 Document 2015 NLH-1 as developed April 12, 2015, Program - Rail
38 Program (Y).

NEW SECTION. **Sec. 308. FOR THE DEPARTMENT OF TRANSPORTATION—**

LOCAL PROGRAMS—PROGRAM Z

Multimodal Transportation Account—State Appropriation.	\$15,000,000
Connecting Washington Account—State Appropriation.	\$13,225,000
TOTAL APPROPRIATION.	\$28,225,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire connecting Washington account appropriation is for the projects and activities as listed by fund, project, and amount in LEAP Transportation Document 2015 NLH-1 as developed April 12, 2015, Program - Local Programs (Z).

(2) \$5,000,000 of the multimodal transportation account—state appropriation is provided solely for the pedestrian and bicycle safety program.

(3) \$3,000,000 of the multimodal transportation account—state appropriation is provided solely for newly selected safe routes to schools projects. The department may consider the special situations facing high-need areas, as defined by schools or project areas in which the percentage of the children eligible to receive free and reduced-price meals under the national school lunch program is equal to, or greater than, the state average as determined by the department, when evaluating project proposals against established funding criteria while ensuring continued compliance with federal eligibility requirements.

(4) \$7,000,000 of the multimodal transportation account—state appropriation is for the projects listed in LEAP Transportation Document 2015 NLH-2 PEDESTRIAN AND BICYCLE SAFETY PROJECTS as developed April 12, 2015.

TRANSFERS AND DISTRIBUTIONS

NEW SECTION. **Sec. 401. FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALES DISCOUNTS AND DEBT TO BE PAID BY MOTOR VEHICLE ACCOUNT AND TRANSPORTATION FUND REVENUE**

Connecting Washington Account—State Appropriation.	\$78,000
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1 NEW SECTION. **Sec. 402. FOR THE STATE TREASURER—BOND RETIREMENT**
2 **AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR**
3 **BOND SALE EXPENSES AND FISCAL AGENT CHARGES**

4 Connecting Washington Account—State Appropriation. \$16,000

5 NEW SECTION. **Sec. 403. FOR THE STATE TREASURER—STATE REVENUES**
6 **FOR DISTRIBUTION**

7 Motor Vehicle Account—State Appropriation: For motor
8 vehicle fuel tax distributions to cities and
9 counties. \$53,156,000

10 NEW SECTION. **Sec. 404. FOR THE STATE TREASURER—TRANSFERS**

11 Motor Vehicle Account—State Appropriation: For motor
12 vehicle fuel tax refunds and transfers. \$27,150,000

13 NEW SECTION. **Sec. 405. FOR THE STATE TREASURER—ADMINISTRATIVE**
14 **TRANSFERS**

15 (1) State Patrol Highway Account—State Appropriation:
16 For transfer to the Connecting Washington Account—State. . . \$9,700,000

17 (2) Transportation Partnership Account—State
18 Appropriation: For transfer to the Connecting Washington
19 Account—State. \$5,000,000

20 (3) Motor Vehicle Account—State Appropriation:
21 For transfer to the Connecting Washington Account—
22 State. \$5,831,000

23 (4) Puget Sound Ferry Operations Account—State
24 Appropriation: For transfer to the Connecting Washington
25 Account—State. \$600,000

26 (5) Transportation 2003 Transportation (Nickel)
27 Account—State Appropriation: For transfer to the
28 Connecting Washington Account—State. \$2,270,000

29 (6) Highway Safety Account—State Appropriation:
30 For transfer to the Multimodal Transportation
31 Account—State. \$1,900,000

32 (7) Motor Vehicle Account—State Appropriation:
33 For transfer to the Transportation Improvement
34 Account—State. \$3,600,000

35 (8) Motor Vehicle Account—State Appropriation:

1 For transfer to the Rural Arterial Trust Account—State. . . \$1,800,000
 2 (9) Motor Vehicle Account—State Appropriation:
 3 For transfer to the County Arterial Preservation
 4 Account—State. \$1,800,000
 5 (10) Multimodal Transportation Account—State
 6 Appropriation: For transfer to the Regional Mobility
 7 Grant Program Account—State. \$15,000,000
 8 (11) Multimodal Transportation Account—State
 9 Appropriation: For transfer to the Rural Mobility
 10 Grant Program Account—State. \$9,000,000

11 **MISCELLANEOUS**

12 **Sec. 501.** RCW 46.68.030 and 2011 c 171 s 85 are each amended to
 13 read as follows:

14 (1) The director shall forward all fees for vehicle registrations
 15 under chapters 46.16A and 46.17 RCW, unless otherwise specified by
 16 law, to the state treasurer with a proper identifying detailed
 17 report. The state treasurer shall credit these moneys to the motor
 18 vehicle fund created in RCW 46.68.070.

19 (2) Proceeds from vehicle license fees and renewal vehicle
 20 license fees must be deposited by the state treasurer as follows:

21 (a) \$20.35 of each initial or renewal vehicle license fee must be
 22 deposited in the state patrol highway account in the motor vehicle
 23 fund, hereby created. Vehicle license fees, renewal vehicle license
 24 fees, and all other funds in the state patrol highway account must be
 25 for the sole use of the Washington state patrol for highway
 26 activities of the Washington state patrol, subject to proper
 27 appropriations and reappropriations.

28 (b) \$2.02 of each initial vehicle license fee and \$0.93 of each
 29 renewal vehicle license fee must be deposited each biennium in the
 30 Puget Sound ferry operations account.

31 (c) Any remaining amounts of vehicle license fees and renewal
 32 vehicle license fees that are not distributed otherwise under this
 33 section must be deposited in the motor vehicle fund.

34 (3) During the 2015-2017 fiscal biennium, the legislature may
 35 transfer from the state patrol highway account to the connecting
 36 Washington account such amounts as reflect the excess fund balance of
 37 the state patrol highway account.

1 **Sec. 502.** RCW 46.68.280 and 2003 c 361 s 601 are each amended to
2 read as follows:

3 (1) The transportation 2003 account (nickel account) is hereby
4 created in the motor vehicle fund. Money in the account may be spent
5 only after appropriation. Expenditures from the account must be used
6 only for projects or improvements identified as transportation 2003
7 projects or improvements in the omnibus transportation budget and to
8 pay the principal and interest on the bonds authorized for
9 transportation 2003 projects or improvements. Upon completion of the
10 projects or improvements identified as transportation 2003 projects
11 or improvements, moneys deposited in this account must only be used
12 to pay the principal and interest on the bonds authorized for
13 transportation 2003 projects or improvements, and any funds in the
14 account in excess of the amount necessary to make the principal and
15 interest payments may be used for maintenance on the completed
16 projects or improvements.

17 (2) During the 2015-2017 fiscal biennium, the legislature may
18 transfer from the transportation 2003 account (nickel account) to the
19 connecting Washington account such amounts as reflect the excess fund
20 balance of the transportation 2003 account (nickel account).

21 (3) The "nickel account" means the transportation 2003 account.

22 **Sec. 503.** RCW 46.68.290 and 2006 c 337 s 5 are each amended to
23 read as follows:

24 (1) The transportation partnership account is hereby created in
25 the state treasury. All distributions to the account from RCW
26 46.68.090 must be deposited into the account. Money in the account
27 may be spent only after appropriation. Expenditures from the account
28 must be used only for projects or improvements identified as 2005
29 transportation partnership projects or improvements in the omnibus
30 transportation appropriations act, including any principal and
31 interest on bonds authorized for the projects or improvements.

32 (2) The legislature finds that:

33 (a) Citizens demand and deserve accountability of transportation-
34 related programs and expenditures. Transportation-related programs
35 must continuously improve in quality, efficiency, and effectiveness
36 in order to increase public trust;

37 (b) Transportation-related agencies that receive tax dollars must
38 continuously improve the way they operate and deliver services so
39 citizens receive maximum value for their tax dollars; and

1 (c) Fair, independent, comprehensive performance audits of
2 transportation-related agencies overseen by the elected state auditor
3 are essential to improving the efficiency, economy, and effectiveness
4 of the state's transportation system.

5 (3) For purposes of chapter 314, Laws of 2005:

6 (a) "Performance audit" means an objective and systematic
7 assessment of a state agency or agencies or any of their programs,
8 functions, or activities by the state auditor or designee in order to
9 help improve agency efficiency, effectiveness, and accountability.
10 Performance audits include economy and efficiency audits and program
11 audits.

12 (b) "Transportation-related agency" means any state agency,
13 board, or commission that receives funding primarily for
14 transportation-related purposes. At a minimum, the department of
15 transportation, the transportation improvement board or its successor
16 entity, the county road administration board or its successor entity,
17 and the traffic safety commission are considered transportation-
18 related agencies. The Washington state patrol and the department of
19 licensing shall not be considered transportation-related agencies
20 under chapter 314, Laws of 2005.

21 (4) Within the authorities and duties under chapter 43.09 RCW,
22 the state auditor shall establish criteria and protocols for
23 performance audits. Transportation-related agencies shall be audited
24 using criteria that include generally accepted government auditing
25 standards as well as legislative mandates and performance objectives
26 established by state agencies. Mandates include, but are not limited
27 to, agency strategies, timelines, program objectives, and mission and
28 goals as required in RCW 43.88.090.

29 (5) Within the authorities and duties under chapter 43.09 RCW,
30 the state auditor may conduct performance audits for transportation-
31 related agencies. The state auditor shall contract with private firms
32 to conduct the performance audits.

33 (6) The audits may include:

34 (a) Identification of programs and services that can be
35 eliminated, reduced, consolidated, or enhanced;

36 (b) Identification of funding sources to the transportation-
37 related agency, to programs, and to services that can be eliminated,
38 reduced, consolidated, or enhanced;

1 (c) Analysis of gaps and overlaps in programs and services and
2 recommendations for improving, dropping, blending, or separating
3 functions to correct gaps or overlaps;

4 (d) Analysis and recommendations for pooling information
5 technology systems used within the transportation-related agency, and
6 evaluation of information processing and telecommunications policy,
7 organization, and management;

8 (e) Analysis of the roles and functions of the transportation-
9 related agency, its programs, and its services and their compliance
10 with statutory authority and recommendations for eliminating or
11 changing those roles and functions and ensuring compliance with
12 statutory authority;

13 (f) Recommendations for eliminating or changing statutes, rules,
14 and policy directives as may be necessary to ensure that the
15 transportation-related agency carry out reasonably and properly those
16 functions vested in the agency by statute;

17 (g) Verification of the reliability and validity of
18 transportation-related agency performance data, self-assessments, and
19 performance measurement systems as required under RCW 43.88.090;

20 (h) Identification of potential cost savings in the
21 transportation-related agency, its programs, and its services;

22 (i) Identification and recognition of best practices;

23 (j) Evaluation of planning, budgeting, and program evaluation
24 policies and practices;

25 (k) Evaluation of personnel systems operation and management;

26 (l) Evaluation of purchasing operations and management policies
27 and practices;

28 (m) Evaluation of organizational structure and staffing levels,
29 particularly in terms of the ratio of managers and supervisors to
30 nonmanagement personnel; and

31 (n) Evaluation of transportation-related project costs, including
32 but not limited to environmental mitigation, competitive bidding
33 practices, permitting processes, and capital project management.

34 (7) Within the authorities and duties under chapter 43.09 RCW,
35 the state auditor must provide the preliminary performance audit
36 reports to the audited state agency for comment. The auditor also may
37 seek input on the preliminary report from other appropriate
38 officials. Comments must be received within thirty days after receipt
39 of the preliminary performance audit report unless a different time
40 period is approved by the state auditor. The final performance audit

1 report shall include the objectives, scope, and methodology; the
2 audit results, including findings and recommendations; the agency's
3 response and conclusions; and identification of best practices.

4 (8) The state auditor shall provide final performance audit
5 reports to the citizens of Washington, the governor, the joint
6 legislative audit and review committee, the appropriate legislative
7 committees, and other appropriate officials. Final performance audit
8 reports shall be posted on the internet.

9 (9) The audited transportation-related agency is responsible for
10 follow-up and corrective action on all performance audit findings and
11 recommendations. The audited agency's plan for addressing each audit
12 finding and recommendation shall be included in the final audit
13 report. The plan shall provide the name of the contact person
14 responsible for each action, the action planned, and the anticipated
15 completion date. If the audited agency does not agree with the audit
16 findings and recommendations or believes action is not required, then
17 the action plan shall include an explanation and specific reasons.

18 The office of financial management shall require periodic
19 progress reports from the audited agency until all resolution has
20 occurred. The office of financial management is responsible for
21 achieving audit resolution. The office of financial management shall
22 annually report by December 31st the status of performance audit
23 resolution to the appropriate legislative committees and the state
24 auditor. The legislature shall consider the performance audit results
25 in connection with the state budget process.

26 The auditor may request status reports on specific audits or
27 findings.

28 (10) For the period from July 1, 2005, until June 30, 2007, the
29 amount of \$4,000,000 is appropriated from the transportation
30 partnership account to the state auditors office for the purposes of
31 subsections (2) through (9) of this section.

32 (11) During the 2015-2017 fiscal biennium, the legislature may
33 transfer from the transportation partnership account to the
34 connecting Washington account such amounts as reflect the excess fund
35 balance of the transportation partnership account.

36 **Sec. 504.** RCW 47.60.530 and 2011 1st sp.s. c 16 s 1 are each
37 amended to read as follows:

38 (1) The Puget Sound ferry operations account is created in the
39 motor vehicle fund.

1 (2) The following funds must be deposited into the account:

2 (a) All moneys directed by law;

3 (b) All revenues generated from ferry fares; and

4 (c) All revenues generated from commercial advertising,
5 concessions, parking, and leases as allowed under RCW 47.60.140.

6 (3) Moneys in the account may be spent only after appropriation.

7 (4) Expenditures from the account may be used only for the
8 maintenance, administration, and operation of the Washington state
9 ferry system.

10 (5) During the 2015-2017 fiscal biennium, the legislature may
11 transfer from the Puget Sound ferry operations account to the
12 connecting Washington account such amounts as reflect the excess fund
13 balance of the Puget Sound ferry operations account.

14 NEW SECTION. Sec. 505. If any provision of this act or its
15 application to any person or circumstance is held invalid, the
16 remainder of the act or the application of the provision to other
17 persons or circumstances is not affected.

18 NEW SECTION. Sec. 506. This act is necessary for the immediate
19 preservation of the public peace, health, or safety, or support of
20 the state government and its existing public institutions, and takes
21 effect immediately."

22 Correct the title.

(End of Bill)

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