

## **2018 Senate Transportation Committee Chair's Proposed Supplemental Budget Summary**

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The Chair's proposed 2018 Supplemental Transportation Budget includes \$9.3 billion in appropriation authority, an increase of \$826 million from the 2017-19 enacted budget. The increase is primarily attributable to reappropriated funds from the previous biennium for delayed capital activity and incorporation of transportation related compensation and central agency service charge items originally provided for in the 2017-19 biennial Operating Budget.

### **Changes to the Near-Term Revenue Outlook**

The Chair's proposal is based on the February 2018 forecast which includes a slight upward revision in state revenue collections due to higher than expected fuel tax collections and increases in collections from licenses, permits and fees. Overall, state transportation revenues are forecasted at \$6.4 billion for the current biennium and \$6.6 billion in 2019-21. Forecasted revenue for the ten-year period is \$33.8 billion, an increase of \$313 million over the November 2017 forecast for the same timeframe.

### **Department of Transportation Capital Program Highlights**

#### **Program D – Facilities**

- \$6.0 million for Olympic Region Administration and Maintenance Facility - Additional funding is provided to accommodate increased construction costs (space needs were reduced, but construction costs per sq/ft have risen substantially) and City of Lacey traffic mitigation costs.
- \$3.4 million for Northwest Region Headquarters - Funding is provided for design and planning of the Dayton Ave. building renovation for the Department of Ecology (ECY) and Department of Licensing (DOL) to become tenants. Total project costs are \$46.5M. Funding is contingent upon ECY and DOL signing 20-year leases in the Dayton Ave. building and paying a proportional share of the DOT upfront costs, to be paid into the Motor Vehicle Account.

#### **Program I - Improvements**

- SR 167/SR 410 to SR 18 – Congestion Management (\$20 million) is added as a new project. The project was originally proposed during the 2017 legislative session and will use a \$5 million Puget Sound Regional Council grant to create a third northbound lane using existing highway footprint. Additionally, active traffic management measures such as cameras and ramp metering will be installed as part of the project. The other \$15 million for the project is federal funding shifted from another project that will now be funded using TPA funding as was originally intended by the Legislature.

- Alaskan Way Viaduct Replacement Tunnel – The project is increased by \$76 million in the 2019-21 biennium. Of this, \$22 million is local appropriation authority for city utility agreements and recovery of legal expenditures. The remaining \$54 million is TPA funding that will go toward additional overhead costs incurred due to the tunneling delay and is the amount estimated to be needed for project completion, some of which is a risk reserve.
- SR 167/SR 509 Puget Sound Gateway Program—A proviso is added to direct proceeds from the sale of any surplus real property acquired for the purpose of building the project to stay on the project.
- The budget reflects updated timing for six previously advanced Connecting Washington projects under an existing reappropriations-based pilot program for project timing flexibility:
  - SR 20/Sharpes Corner Vicinity Intersection
  - SR 28/SR 285, North Wenatchee Area Improvements
  - I-5/Rebuild Chamber Way Interchange Improvements
  - SR 28 East Wenatchee Corridor Improvements
  - SR 510/Yelm Loop Phase 2
  - US 12/Wildcat Bridge Replacement
- SR 9/176<sup>th</sup> St. SE to SR 96 Widening--\$8.8 million in savings from another TPA project on SR 9 is shifted to this project to complete design and right-of-way acquisition to make this project ad-ready.
- I-5/Rebuild Chamber Way Interchange--\$3.9 million Connecting Washington reduction due to federal emergency money now being applied toward the bridge replacement.
- SR 3/Belfair Area--\$2.5 million close-out cost increase for rebuilding failed retention ponds added as mitigation for the project.

The budget also includes funding, timing shifts, or additional money toward the following nine capital improvement projects. These are:

- \$450,000 for an SR 303 Corridor Study near Bremerton
- \$500,000 for a SR 241/Sunnyside Vicinity Improvements project
- \$500,000 for an I-5/Mounts Rd to Tumwater – Corridor Study
- \$500,000 is added and the I-90/Barker to Harvard project and is re-scoped to include a crossing over Henry Road, and other interchange and local improvements
- \$500,000 for an IJR for Exit 274 improvements on I-5 in Blaine
- \$600,000 for the Gateway project to go toward design and engineering of the SR 167/Meridian interchange
- \$500,000 additional funding on the I-5/179<sup>th</sup> St interchange project in Clark County
- I-5/Ship Canal Noise Wall project—funding is moved up so the noise walls can begin to be constructed sooner
- SR 525 Improvements – Freeland Vicinity—the project is re-scoped to allow for more flexibility in safety improvements needed in the Freeland vicinity

### Program Q – Traffic Operations

The budget also includes funding for one new traffic operations project:

- \$40,000 for flashing speed radar signs on SR 530 north of Darrington

### Program W – Ferries

- \$7.1 million for Mukilteo Terminal - Adjusted cash flow and increased project costs are accommodated.
- \$25.6 million for Seattle Terminal - Funding is provided for increased project cost estimates.
- \$600,000 for Electric Vessel RFP - Funding is provided for the request for proposal (RFP) process to convert three Jumbo Mark II class ferry vessels from diesel to hybrid electric along with the necessary modifications to the terminals to support and charge electric ferries.

The budget also includes funding for two new ferry initiatives. These are:

- \$750,000 for additional solar panels at the Mukilteo Terminal
- \$100,000 for issuing a Request for Proposals for the conversion of a ferry to operate on LNG

### Program Y – Rail

The budget includes funding for three new rail capital initiatives. These are:

- \$400,000 for Rail Noise Mitigation – South 19th St. and 6th Ave. in Tacoma
- \$650,000 for Bridge 12 (Salmon Creek) Replacement
- \$1M for track work on the P.C.C. P.V. Hooper Rail Line

### Program Z – Local Programs

The budget also includes funding for 15 new local, capital projects. These are:

- \$1.5 million for the Bronson Way Bridge in Renton
- \$1.5 million for White Salmon- Courtney Road
- \$1.3 million for the South Lake Stevens Multi-Use Path
- \$800,000 for a Redmond Ridge NE Roundabout
- \$800,000 for the Shelton - Downtown Connector Project
- \$750,000 for a Willis St/4th Ave Roundabout in Kent
- \$500,000 for Viking Way in Stanwood
- \$500,000 for Renaissance Trail connections in Vancouver

- \$500,000 for a SR 522 Crossing in Kenmore
- \$500,000 for the 35th Ave. SE Reconstruction Project in Mill Creek
- \$500,000 for the 156th St NE Overcrossing in Marysville
- \$500,000 for NE 132nd Street sidewalks and improvements in Kirkland
- \$500,000 for 520 Montlake Noise Mitigation
- \$400,000 for Chelan - Traffic Improvements
- \$100,000 for Lyman - Prevedal Road repairs

## **Operating Program Highlights**

### ***Department of Transportation***

#### **Multiple Budget Entities**

- Volkswagen Settlement Funded Projects - Certain programs within WSDOT are directed to apply to the Washington State Department of Ecology for grants funded by the \$112.7 million Volkswagen Settlement. The grants the department is directed to pursue include projects to electrify and reduce air emissions from public sector transit buses, the electrification of public-sector ferries, shore-power projects, and electric vehicle charging station infrastructure projects.

#### **Program B—Tolling**

- \$5.6 million for SR 99 Tunnel Tolling Operations & Maintenance - Funding is provided for the new SR 99 tunnel's expected share of expenses incurred to collect toll revenues and operate customer services for the final 7 months of the biennium.
- \$1.8 million for SR 99 Ramp Up Transponders - Funding is provided for the purchase of transponders before the opening of the new SR 99 tunnel. The subsequent sale of the transponders to customers is expected to make this item revenue-neutral.
- \$592,000 for SR 520 Traffic and Revenue Forecast - Funding is provided to cover annual master bond resolution-required traffic and revenue studies that were previously covered by the project budget.
- \$2.9 million for CSC Vendor Increases - Funding is provided for increased costs of the old vendor and new vendors as the department transitions vendors for the operation of the tolling back office system and customer service center this biennium.

#### **Program M – Maintenance**

- \$381,000 for Right-of-Way Clean-Up Equipment - Funding is provided to procure equipment needed to implement safety improvements and debris clean-up on department-owned right-of-way in Seattle.

- \$2.9 million for SR 99 Tunnel Structure Operations & Maintenance - Funding is provided for operating and maintaining the new SR 99 tunnel for the final 8 months of the biennium.

#### Program S – Program Management and Support

- \$250,000 for a Studded Tire Information Campaign - Funding is provided for a pilot public information campaign in Spokane county regarding the damage of studded tire use on state and local roadways.

#### Program T- Planning

- \$500,000 RTPO Funding Increase - Additional resources are provided for the Regional Transportation Planning Organization (RTPO) program.
- \$4.6 million Road Usage Charge Federal Authority - Additional federal expenditure authority is provided for a federal grant award for the road usage charge pilot project.
- \$100,000 Substitute Senate Bill 6195 - Funding is provided for rulemaking regarding the implementation of SSB 6195, which relates to facilitating transportation projects of statewide significance.
- \$181,000 Bridge Joint Noise Mitigation Study - Funding is provided for the University of Washington to work with WSDOT to study and report back to the Legislature on reducing noise impacts from bridge expansion joints.
- \$200,000 SR 162/SR 410 Practical Design Study - Funding is provided for a practical solutions study for the State Route (SR) 162 and SR 410 interchange, based on the recommendations of the SR 162 Study/Design project (L2000107). The study must include short, medium, and long-term phase recommendations and is due to the Legislature by January 1, 2019.
- \$100,000 SR 410 Study Bridge Evaluation - Funding is provided to the existing SR 410 Corridor Study for an evaluation of the structural integrity and lifecycle of the White River bridge between Enumclaw and Buckley. The study must also analyze the bridge's capability to accommodate future traffic needs.

#### Program V – Public Transportation

The budget includes funding for three new transit initiatives. These are:

- \$1.0 million for a pilot ORCA transit subsidy program for businesses and non-profits.
- \$757,000 reappropriated for Kitsap Transit, SR 305 Interchange Improvements at Suquamish Way Park and Ride.
- \$375,000 in additional funds for support of the Intercity Transit Dash shuttle service.

### Programs X - Ferries

- \$100,000 for Human Resources Investigator - Funding is provided for a human resources investigator in the Ferries Division to improve the consistency and efficiency of investigative processes.
- \$100,000 for U.S. Coast Guard Required Training - Funding is provided for hiring and training new and current employees to reduce missed sailings and ensure the workforce is trained and qualified to fill vacancies of retired employees while maintaining a safe, reliable ferry system into the future.
- \$600,000 to Standardize Maintenance Procedures - Funding is provided for standardizing maintenance procedures by vessel class and terminals to provide better maintenance and preservation of ferry assets, resulting in improved vessel reliability.
- \$2.0 million to Retain Hyak Vessel - Funding is provided to retain usage of the MV Hyak to maintain service and fleet capacity while the MV Tokitae and MV Samish are out of service for warranty repairs.

The budget also includes funding for two new ferry initiatives. These are:

- \$25,000 for additional police traffic control at Fauntleroy Terminal
- \$75,000 for a study of loading procedures at the Fauntleroy Terminal

### Program Y – Rail

- \$3.6 million for High Speed Rail Investment Analysis - Appropriation authority for local funding contributions of up to \$3,600,000 is provided for an investment grade analysis of ridership and revenue to study high-speed rail and to attract private investment.

The budget also includes funding for two new rail initiatives. These are:

- \$250,000 for an east-west intercity passenger rail study
- Within existing resources, a study on electrification of rail

### Program Z – Local Programs

- \$190,000 Wahkiakum County Ferry - Funding is provided for the increased cost for operating the ferry operated by Wahkiakum County on the Columbia River between Puget Island and Westport.

### ***Department of Licensing***

- \$28.0 million for Real ID Implementation - Funding is provided for additional staff, technology improvements, and public outreach related to REAL ID implementation and expected Enhanced Driver's License and Identocard workload. Of this amount, \$5 million

of the funding is placed in unallotted status to be provided only based on wait times and other metrics.

- \$3.3 million for Business and Technology Modernization - Funding is provided for additional costs associated with the business and technology modernization of the department's DRIVES computer system, including funding for additional testers and trainers.
- \$635,000 for Identity Verification Services - Funding is provided for the additional costs associated with the use of identity verification services during issuances of Commercial Driver's Licenses, Enhanced Driver's Licenses and Enhanced Identicards.

### ***Washington State Patrol***

- \$4.4 million for Arming and Trooper Basic Training Class - Funding is provided for one additional arming and trooper basic training class that is expected to allow the Washington State Patrol to get close to its authorized 672 trooper staffing level by the end of the 2017-19 biennium.
- \$339,000 for Connecting State Data Centers - Funding is provided for costs associated with connecting the state data centers and other communication improvements to the Washington State Patrol's facilities.
- \$1.4 million in capital funds for Skid Pan - Funding is provided for higher than budgeted costs associated with a new concrete skid pan at the Washington State Patrol's training academy.
- \$3.4 million From Vacancy Savings - Savings are assumed based on vacancy savings from the Washington State Patrol's anticipated staffing levels for the 2017-19 biennium.

### ***Utilities and Transportation Commission (UTC)***

- \$50,000 is provided for early rulemaking to establish marine pilotage tariffs pursuant to Substitute Senate Bill 6519.

### ***Other Studies***

- \$255,000 Transportation Network Companies Study - Funding is provided for staff and consultant costs associated with conducting a study regarding the regulation of Transportation Network Companies within the state of Washington.
- \$307,000 For Hire Vehicle Study - Funding is provided for staff and consultant costs associated with conducting a study regarding the regulation of taxi, other for-hire transportation services, and Transportation Network Companies.
- \$350,000 City Transportation Funding Study - Funding is provided from city study funds for a consultant study to assess the current state of city transportation funding, identify emerging issues, and recommend funding sources to meet current and future needs.