

## **2026 SUPPLEMENTAL TRANSPORTATION BUDGET SUMMARY CONFERENCE BUDGET (ESSB 6005)**

The 2026 Supplemental Transportation Conference Budget (Conference Budget) spends a total of \$16.6 billion in the 2025-27 biennium, an increase of \$1.2 billion from the biennial budget. This increase is primarily for the reappropriation of spending authority previously for capital projects, as well as for significant new investments in preservation and maintenance.

In recognition of continued risk to economic and revenue projections, project inflation, and the magnitude of large upcoming projects, budget writers made choices throughout the budget to otherwise limit new investments, plan for the future, and consider the path forward for continued financial feasibility. Between the Conference Budget, the associated six-year project list, the application of updated revenue estimates and account balances, and the use of new bond authority, all transportation accounts are balanced through the 2029-31 fiscal biennium, also referred to as the six-year period.

New bond authority is limited to the minimum amount needed to support \$1.5 billion in added preservation and maintenance spending through the 2029-31 biennium, with the goal of providing certainty for this level of funding for this purpose over the next six years.

### **Transportation Revenue Changes and New Bond Authorization**

The recently adopted February 2026 Transportation Economic and Revenue Council forecast (February 2026 forecast) includes higher 2025-27 projected transportation revenue estimates compared to the March 2025 forecast on which the 2025-27 enacted budget was based. The increase is due to the enactment of significant transfers and fee and tax increases in April 2025 during the 2025 Legislative Session. These changes, totaling \$8.9 billion over 10 years, were incorporated into the June 2025 forecast, making that a better basis for comparison to the February 2026 forecast.

Compared to the June 2025 forecast, the February 2026 forecast revised revenues downward, making it the third quarterly forecast since June 2025 to trend downward. Areas where revenues were revised downward include fuel tax revenue, due to continued lower fuel consumption, and vehicle-related revenue, due to a decrease in car and truck registrations and related forecast components. In the three quarterly revenue forecasts since that legislation was built into the forecast, the 10-year projection of transportation resources has been lowered by a total of \$1.8 billion.

In other words, compared to increases assumed in April 2025, 20 percent of the projected increase in resources from the 2025 Legislative Session has been offset by a decrease in overall projections since then, primarily from softening of fuel tax projections.

Based on the Department of Ecology's December 2025 projection, overall Climate Commitment Act (CCA) revenues are also once again lowered, including deposits into the Carbon Emissions Reduction Account (CERA), the CCA account used for transportation investments. Beginning in the 2025-27 biennium, E2SHB 2251 is estimated to further decrease amounts deposited into CERA. An additional \$40 million of CCA auction proceeds is transferred to CERA during the 2025-27 fiscal biennium to support construction of new ferry vessels currently underway and bolster the existing spending plan; this transfer is included in the 2026 Supplemental Omnibus Operating Budget.

In addition to existing resources, the 2026 Supplemental Budget assumes the passage of legislation authorizing the issuance of \$800 million in new Transportation General Obligation (TR GO) bonds and \$500 million in triple pledge transportation bonds specific to the SR 520 tolled facility (Senate Bill 6225).

## 2026 Supplemental Spending Revisions

### Increased Support for Highway and Bridge Preservation

The Conference Budget includes a \$300 million increase in WSDOT highway and bridge system preservation in the 2025-27 fiscal biennium and a \$1.3 billion increase over six years, including an additional \$100 million for preservation on high-risk corridors.

Total highway and bridge system preservation spending in the 2025-27 biennium is now increased to \$1.3 billion, which includes \$100 million in reappropriated funds from the 2023-25 biennium.

Looking ahead to the future, the Conference Budget also requires WSDOT to submit a six-year prioritized list for bridge preservation and bridge replacement projects to the Legislature by January 1, 2027, to assist with planning for a multi-year investment program.

### Increased Support for Highway Maintenance

The Conference Budget includes additional resources in the amount of \$40 million in 2025-27 for the WSDOT Highway Maintenance Program to maintain state highway infrastructure. Of this amount, \$5 million is for WSDOT to make further progress replacing obsolete transportation equipment. This brings overall Highway Maintenance funding to a total of \$696 million in the 2025-27 biennium. The six-year plan assumes an increase of \$200 million in total for increased highway maintenance spending.

### Continued Delivery of and Updates to Existing Transportation Projects

Most transportation project capital spending represents a continuation of multi-year priorities established in prior budgets, with amounts and timing updated annually. Project expenditure timing in the House proposal largely reflects updated WSDOT estimates provided in January 2026. Projects underway include investments added for the 2003 Nickel package, the 2005 Transportation Partnership Act (TPA) package, the 2015 Connecting WA package, and the 2022 the Move Ahead WA package. The 2022 Move Ahead WA package also included a multi-year CCA investment plan.

Projects from the 2003 Nickel and 2005 TPA packages are mostly complete. Projects from the 2015 Connecting WA and 2022 Move Ahead WA packages are well underway with significant construction scheduled for the 2025-27 and 2027-29 biennia. The Conference Budget provides \$801 million in reappropriations of capital-related spending on existing projects.

### Changes to Existing Projects

While project timing in the Conference Budget largely reflects updated WSDOT estimates provided in January 2026, a few projects have additional changes, including those outlined below under Highway Improvements, Bridge Preservation, and Public Transportation.

#### *Highway Improvements*

- I-82 Yakima - Union Gap Economic Development Improvements -- The Conference Budget advances funding that the Governor's proposal delays but allows time for additional environmental review of the project.
- SR 3 Freight Corridor -- The Conference Budget retains funding for 2025-27 at the same level as the biennial budget and adjusts for 2023-25 actual expenditures.
- SR 531/43rd Ave NE to 67th Ave NE - Corridor Improvements -- The Conference Budget retains funding for 2025-27 at the same level as the biennial budget and adjusts for 2023-25 expenditures.

- SR 162/410 Interchange Design and Right-of-Way -- \$6.5 million is advanced to 2025-27.
- SR 224/Red Mountain Improvements -- The scope is changed within existing amounts to add the widening of Keene Road for compliance with Complete Streets standards.

#### *Bridge Preservation and Closure Mitigation*

- SR 165 Fairfax Bridge – Provision is made from the general allocation of bridge preservation and replacement funds for the Fairfax Bridge replacement project for planning, design, and environmental review.
- \$2.5 million is provided over 2025-27 and 2027-29 for SR 165 Fairfax Bridge closure mitigation.

#### *Public Transportation*

- King County Metro - Central Campus Electrification -- \$10 million is moved from the South Annex Base Electrification to the new Central Campus Electrification Project.
- Island Transit - Zero-Emission Solar Project -- \$1.6 million is moved from Island Transit-Fleet Expansion to the new Island Transit Zero-Emission Solar Project.
- Skagit Transit - Maintenance, Operations, and Administration Facility -- \$5 million is advanced to the 2027-29 biennium to assist with securing federal funding.

#### Local Programs

An underrun assumption is applied to the portfolio of local program capital projects in 2025-27 in recognition of current expenditure patterns. This approach optimizes budget stability and provides resources in the period they are needed without impacting project completion. A total of \$180 million in savings is assumed in the 2025-27 biennium to reflect this policy.

#### Columbia River Dredging

Funding of \$10 million is provided for property acquisition and infrastructure costs associated with Washington's sponsor ports' obligations under the Lower Columbia River Channel Maintenance Plan, which supports ongoing dredging of the Columbia River by the United States (US) Army Corps of Engineers. An additional amount is provided in the 2026 Supplemental Omnibus Capital Budget. Both are one-time provisions of funds by the Legislature.

#### Local Disaster Relief

- \$30 million is provided to the County Road Administration Board (CRAB) for a temporary loan program to counties for transportation infrastructure damage and impact resulting from December 2025 significant weather events. These funds are intended to be loans pending receipt of federal funds covering these costs. Counties must pay back loans within a reasonable time frame.
- \$15 million is provided to the Transportation Improvement Board (TIB) for a similar temporary loan program for cities to provide financial assistance for transportation infrastructure damage resulting from December 2025 significant weather events. These funds are to be loans pending receipt of federal funds covering these costs. Cities must pay back loans within a reasonable time frame.

#### Additional CRAB, TIB, and Freight Mobility State Investment Board (FMSIB) Programs

- \$1 million is provided to CRAB to reimburse counties for design costs associated with preparing projects for construction in the 2027-29 biennium under the new Local Road Program.
- A \$800,000 contingency pool is provided in WSDOT Local Programs for FMSIB projects that need additional resources due to unanticipated project cost increases.

### Other Transit and Active Transportation Spending

Amounts previously reduced for the Regional Mobility Grant (RMG) Program and new grants funded through the RMG Account in 2027-29 are restored on the capital project list. Likewise, Transportation Demand Management Grants that were to be reduced by \$5.7 million in 2025-27 are expected to be restored. In addition, CCA support for the School Based Bicycle Education Grant Program is phased out with support ending after the 2027-29 biennium.

### WSDOT Transportation Operations

The Transportation Operations Program is provided \$2 million for increased costs for Service Level Agreements with WSDOT's Land Mobile Radio and Microwave System vendors and \$1 million for operations at the Spokane Regional Traffic Management Center.

### WSDOT / Planning, Data, and Research

Multiple items are funded in the WSDOT Planning, Data, and Research Program:

- WSDOT received a \$1 million federal grant in 2023 for a study looking at multiuse path options along the US 97 corridor between Toppenish and Union Gap. Reappropriations of \$672,000, along with \$100,000 of new federal money, provides a total of \$772,000 in 2025-27 to complete the study.
- \$200,000 is provided for a feasibility study to evaluate locations at exit 34 of Interstate 90 (I-90) in North Bend for a public facility that would include truck parking and a Washington State Patrol (WSP) regional office and weigh station. The feasibility study must be reported to the Office of Financial Management (OFM) and the Legislature by June 30, 2027.

### WSDOT / Transportation Management, Information Technology, and Toll Operations

The Conference Budget includes several reappropriations and new investments for increased costs to information technology.

- Information Technology Program -- \$2.9 million for software cost increases for licenses and subscriptions.
- Toll Operations and Maintenance – A total of \$2.8 million for Customer Service Center back-office systems reappropriations.
- Transportation Management -- \$1 million for reappropriations and \$6.2 million for completion of final deliverables for the Transportation Reporting and Accounting Information System upgrade.

### WSDOT / Public Transportation

The Conference Budget adds or extends pilot programs providing transit assistance for targeted groups:

- A pilot program is funded at \$3.3 million for King County Metro and Kitsap Transit to provide affordable access to public transit to community and technical college students. A report on details of the pilot and recommendations is due to OFM and the Legislature by January 30, 2027.
- \$460,000 is provided to Pierce County to support public transportation services in rural areas on the Key Peninsula by extending the county's existing pilot program through mid-2027.

## WSDOT / Ferries - Operating

Changes to 2025-27 WSDOT Ferries operating funding in the Conference Budget include:

- \$500,000 to conduct a feasibility study on the potential of a state-controlled dockyard facility;
- \$2 million for a dedicated casualty response team to handle emergency vessel issues without impacting or pulling resources from active lay-ups; and
- \$254,000 to expand warehouse space for parts and material inventory, and to increase purchasing capacity with additional buyers trained to procure specialized maritime equipment.

In addition, CCA fund transfers to the Puget Sound Ferry Operations Account for the "Youth Zero-Fare" policy on Washington state ferries are phased out with transfers ending after the 2027-29 biennium.

## Department of Licensing

The Conference Budget includes multiple changes to the 2025-27 Department of Licensing (DOL) budget, including:

- \$1.9 million for the Abandoned Recreational Vehicle (RV) program for projected reimbursements for the removal of abandoned RVs from public property;
- \$1.7 million for one-time technology enhancements to improve call management and customer service, and to hire 4 additional contact center staff to handle increased call volume;
- \$1.4 million to enhance the Driver and Vehicle System (DRIVES). Enhancements include fee and law table changes, new federal and judicial mandates, legislatively directed and statutory changes resulting from legislation, and system changes required to support interstate data exchanges; and
- \$1.4 million for a second DOL2Go team to bring services to underrepresented and rural communities of Washington as well as a notification tool to inform rural customers when DOL2Go will be in their area.

## Washington State Patrol

The Conference Budget makes the following changes to Washington State Patrol (WSP) funding in the 2025-27 biennium:

- \$7.6 million is provided for continued support to replace and upgrade the Land Mobile Radio network and the statewide Wide Area Network;
- The DUI Toxicology funding is reduced by \$1.4 million to reflect a lower expectation of spending by WSP. It is assumed that this amount will be reappropriated in the 2027-29 biennium to make further progress on reducing the backlog and improving case turnaround times; and
- \$1 million is provided for video coordination and improved response to discovery and public disclosure requests.

## Washington Traffic Safety Commission

Federal appropriation authority is increased by \$10 million per biennium for expenditures of National Highway Safety Administration grant funds, which support fund public education, enforcement targeting high-risk driving behaviors, and grants to local jurisdictions and community-based organizations.

### Board of Pilotage Commissioners

\$360,000 is provided to support the marine pilotage training program and an increase in the monthly stipend paid to trainees.

### Joint Transportation Committee

A few changes are made to the Joint Transportation Committee (JTC) biennial budget.

- \$640,000 is provided for administration, tool hosting, maintenance, and support of the CERA program and project emissions reduction reporting tool. Funding is also provided for tool redesign for better integration of user data and data export capabilities.
- \$300,000 is provided to contract with Washington State University's Freight Policy Transportation Institute to conduct a study of off-hour gate operations at the container terminals operated jointly by the Ports of Seattle and Tacoma, as well as to review the existing methodology for designating WSDOT Freight and Goods Transportation System and Freight Mobility Strategic Investment Board strategic freight corridors.
- \$100,000 is provided to hire a facilitator to review options for long-term financial sustainability for the transportation budget.

### Central Services

A total of \$3.3 million is spread across state transportation agencies for State-Insurance Liability Account increases during the 2025-27 biennium, as well as other amounts for OFM and other central services for existing statewide applications, the One Washington Program, and other central charges.