

2004 Transportation Supplemental Budget

Background

The 2003 Legislative session implemented a number of changes to improve the accountability, efficiency, and oversight of our state's transportation system and the associated agencies. The enacted 03-05 biennium Transportation Budget built upon that foundation with targeted funding of specific activities and through linking new revenue with specific projects to be delivered.

Recent Developments

Since the completion of the 2003 Legislative session, the courts rendered a decision on Initiative 776 that eliminated some local transportation option taxes and reduced the gross weight fees on light trucks under 10,000 pounds to \$30.

The reduction of the gross weight fees affected the Motor Vehicle Account, the Washington State Patrol Highway Account, the Puget Sound Ferries Operation Account, and the Transportation 2003 Account. Combined, these accounts were reduced by \$42.8 million in the current biennium and approximately \$200 million over 10 years.

Addressing the ShortFall

Three strategies -- federal funds swap, fund transfers, and program reductions -- are used to eliminate the deficit in the Motor Vehicle Account and to provide additional funds for mandated or high priority activities.

Federal Funds Swap

- **\$18.6 million** – The Washington State Ferries received an additional \$18.6 million in federal funds. Using these additional funds in lieu of the originally budgeted state and bond appropriation allows for an equivalent amount of state funds to be freed up; covering a portion of the deficit in the Motor Vehicle Account. These funds are a loan, with 5% annual interest, and will be paid back to the ferry system in the 2005-07 biennium.

Fund Transfers

Transportation account balances were reviewed for any funds that could be transferred to the Motor Vehicle Account. The following balances are transferred to the Motor Vehicle Account:

- **\$5.0 million** – from the Transportation Equipment Fund;
- **\$3.0 million** – from the Advance Right of Way Account; and
- **\$5.0 million** – from the Highway Safety Account.

Program Reductions

The following are examples of program reductions included in the supplemental budget:

- **\$7.6 million** – Self-insurance premiums;
- **\$4.9 million** – RTID project estimate review;
- **\$1.9 million** – Unfilled positions;
- **\$1.4 million** – Congestion relief modeling;
- **\$1.2 million** – Pomeroy Maintenance facility;
- **\$900 thousand** – RTID support;
- **\$450 thousand** – Second year funding for the Legislative Transportation Committee;
- **\$330 thousand** – Commerce corridor study; and
- **\$320 thousand** – Second year funding for the DOT freight office.

Budget Additions

High Priority Projects/Activities

The following are examples of high priority additions included in the supplemental budget:

- \$11.4 million for local freight mobility projects which includes projects at the Port of Pasco, Colville, Kent, Seattle, Spokane County and Granite Falls;
- \$3.0 million for capital improvements associated with Washington State Ferry passenger-only service. Following completion of these improvements, Southworth-Seattle passenger-only ferry service is intended to begin in the 2005-07 biennium;
- \$1.0 million for the Safe Routes for Schools Program;
- \$500 thousand as a state match to federal funds for the flex car program;
- \$11.0 million from the Puyallup Tribal Settlement Account to mitigate effects on traffic currently being served by the Murray Morgan Bridge in Tacoma;
- \$1.2 million for the design of a SR 507 to SR 510 bypass in Yelm;
- \$1.0 million to DOT for a drive better campaign;
- \$1.0 million for a SR 169 Corridor Study;
- \$948 thousand in federal and state DUI cost reimbursements for 65 in car video cameras and 60 replacement DataMaster breath test instruments;
- \$800 thousand for a new freight rail spur in Lewis County;
- \$650 thousand for phase two of the SR 164 Corridor Study;
- \$500 thousand for a sensitive lands database for use in GIS systems;
- \$400 thousand for a traffic and economic study of the Mt. St. Helen's tourist and recreation area; and
- \$157 thousand for Department of Licensing employee safety.

Mandatory Increases

The following are examples of mandatory increases included in the supplemental budget:

- \$3.3 million to pay for the refund checks to truck owners affected by I-776;
- \$906 thousand for increase ferry insurance premiums;

- \$647 thousand for increased fuel costs for the Washington State Ferries;
- \$319 thousand for increased stormwater assessment fees;
- \$592 thousand in federal funding for the New Entrants and Northern Border High Priority Programs administered by the Washington State Patrol;
- \$172 thousand for fuel cost increases for Washington State Patrol vehicles; and
- \$470 thousand for ignition interlock requirements and commercial license compliance with new federal regulations.

Proposed Changes to the New Revenue Project List

Included in the supplemental budget are a few project adjustments to reflect updated priorities based on new information. Changes include:

- Accelerating two projects that will help mitigate traffic impacts during the 2010 Olympics; the Everett/I-5 HOV lane and the SR 539/Ten Mile Road to SR 546 projects;
- Modifying the Wenatchee Area projects by reducing the scope of the US 2 Peshastin East safety project and funding two higher priority projects in the region; phase one of the SR 28/East end of the George Sellar Bridge and constructing a half diamond interchange at US 2/East Wenatchee Cascade Avenue;
- Removing funding for the downtown Seattle I-5 EIS;
- Allowing \$3.5 million for design and land acquisition for the SR 522 UW/Bothell CC campus access project; and
- Accelerating preliminary engineering work on the Alaskan Way Viaduct, including the acceleration of \$28 million from the 2011-13 biennium to the 2005-07 biennium.