

Senate Transportation Committee 2006 Supplemental Budget Proposal

Senator Mary Margaret Haugen

Implementation and Accountability

A supplemental budget is a mechanism to make small mid-biennium adjustments, deal with unexpected circumstances, make minor policy shifts and prepare for the next major budget. The Senate Supplemental Transportation Budget is a “Stay the Course” budget that focuses on the implementation the 2003 Nickel Package and the 2005 Transportation Partnership Package.

The Legislature’s foremost priority in this and future budgets is to meet the commitments made to the public in the 2003 and 2005 packages. Legislative oversight of the funding and project delivery is of paramount importance in keeping that commitment. The budget makes adjustments for the efficient and economic delivery of the projects. While some schedule changes and reallocation of funds have been made to address project cost changes, the dedicated funds remain intact and are sufficient to fund the list of projects set forth when the packages were developed by the Legislature.

Even when the packages were developed, it was clear that State funding alone would not be sufficient to meet the demands of the extremely costly projects in Puget Sound. The Legislature continues to work with Sound Transit and the Regional Transportation Investment District in the development of a balanced Puget Sound regional transportation system. The key to a successful regional program is a single point of responsibility and oversight for regional transportation decisions.

Part of the 2005 Partnership package included funding for Regional Mobility grants, Safe Routes to Schools and Bicycle/Pedestrian grants. This supplemental budget provides \$25 million in state funds and additional federal funds to implement those grants.

Status of Transportation Budget not supported by the 2003/2005 Packages

While the 2003/2005 packages provided resources for the lists of specific safety, preservation and congestion projects, the underlying finances of the state transportation system require an in-depth reevaluation and assessment.

The State system is still suffering the effects of Initiative-695, which removed a large amount of funding for the state ferry system. Consequently, the 2003/2005 packages made investments in ferry vessels and terminals. Those funds remain intact and secure. However, other assumptions of how much of the underlying fuel taxes could be shifted in order to support the ferry system now appear to be overstated. Ferry fare rates have grown substantially and may be suppressing ferry ridership and revenues. The governor has proposed a study of ferry system financing and this budget expands the study to include a review of management, operations and capital investment. This review may affect all transportation agencies since the underlying fuel tax is the single largest source of funding for our highways, the state patrol and our licensing agencies.

Federal Funding – SAFETEA-LU

The reauthorization of the Federal Surface Transportation Act is referred to as SAFETEA-LU (Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users). The federal funds Washington State receives represent that portion of the federal fuel tax and other charges that are returned to Washington State. Federal regulations determine the distribution and use of those funds. The largest portion is dedicated to preserving the National Highway System, Interstate Highway preservation, bridge repair, and air quality. Several new federal initiatives allocate funds for border infrastructure and safe routes to school.

The Senate budget utilizes these funds to complement and support our state programs within the constraints of the federal regulations. Federal funds allow us to extend the State Safe Routes to School program, assist in repair of landslide and flood damage, improve safety on rural two-lane roads, hazardous intersection, and improve traffic flow at Canadian border crossings.

2006 Supplemental Transportation Budget
STC Chair Proposed
Total State
(Dollars in Thousands)

<u>Agency</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Department of Transportation			
State Funds Total	61,773.5	-223,831.5	-162,058.0
Federal Funds Total	0.0	281,035.0	281,035.0
Washington State Patrol			
State Funds Total	5,797.0	0.0	5,797.0
Department of Licensing			
State Funds Total	1,911.0	0.0	3,822.0
Joint Transportation Committee			
State Funds Total	204.0	0.0	204.0
Legislative Evaluation & Accountability Program			
State Funds Total	50.0	0.0	50.0
Special Appropriations to the Governor			
State Funds Total	508.0	0.0	508.0
Office of Financial Management			
State Funds Total	234.0	0.0	234.0
Board of Pilotage Commissioners			
State Funds Total	603.0	0.0	603.0
Washington Traffic Safety Commission			
State Funds Total	10.0	0.0	10.0
Federal Funds Total	5.0	0.0	5.0
Department of Archaeology & Historic Preservation			
State Funds Total	287.0	0.0	287.0
County Road Administration Board			
State Funds Total	13.0	-695.0	-682.0
Transportation Improvement Board			
State Funds Total	13.0	-7,200.0	-7,187.0
Total	0.0	87,000.0	87,000.0
Marine Employees' Commission			
State Funds Total	17.0	0.0	17.0
Transportation Commission			
State Funds Total	-83.0	0.0	-83.0
Freight Mobility Strategic Investment Board			
State Funds Total	2.0	0.0	2.0
Department of Agriculture			
State Funds Total	1.0	0.0	1.0
Bond Retirement and Interest			
State Funds Total	-40,878.0	0.0	-40,878.0
Total 2006 Supplemental State Funds	31,189.0	-230,872.0	-199,683.0
Total 2006 Supplemental Federal Funds	5.0	332,644.0	332,649.0
Total State and Federal Changes	31,194	101,772	132,966

Highlights of Supplemental Items:

- \$20 million is provided for the Regional Mobility Grant Program created in the 2005 Partnership Package. This program was developed to provide funding assistance to local governments for projects that improve inter-county services, park and ride lots, rush hour transit services, and capital projects that improve connections and efficiencies in the transportation system. (See attached lists of projects for this program and other programs described in this section.)
- \$10 million of federal funds are allocated to roadway repairs caused by flood and landslides.
- \$3.9 million is provided for the vanpool program to purchase 150 new vans to help local transit districts meet the growing demand for this popular service. \$750,000 is provided to help local governments implement the new Commute Trip Reduction Program. The new program focuses on the most congested highways in the state during peak commute windows and provides for better planning integration between the state, regional transportation planning organizations and local governments.
- \$3 million is provided from State 2005 Package funds and federal funds for the Safe Routes to School Grant Program.
- \$4 million is provided for Bicycle and Pedestrian Grants both created in the 2005 package.
- A 1% cost of living salary increase is provided for all Washington State Patrol commissioned officers effective July 1, 2006.
- \$18.1 million in fuel cost increases are funded in the transportation agencies. \$13.8 million in motor vehicle account funding is provided for increased fuel cost in the Washington State Ferry System. \$3 million is provided for the remaining operational portions of WSDOT. \$1.3 million is provided to the Washington State Patrol.
- \$350,000 is provided to implement the ferry collective bargaining bill, SSB 6794.
- \$6.2 million is provided to implement the ferry collective bargaining agreements and arbitration awards.
- \$1.3 million is provided for employee compensation in recognition of agreements between the department and the ferry unions that will result in employees assuming greater responsibilities and accountability for job performance.
- The Senate is providing \$2.5 million to assist the Port of Walla Walla with the construction of a rail loop facility that will serve as the launching point for a public private-partnership developed to distribute Washington State fresh produce directly to east coast markets.
- \$750,000 is provided for the Puget Sound Regional Governance Commission to develop a plan for a single point of accountability for transportation projects and financing in the King, Snohomish and Pierce County region.
- \$738 thousand is provided to the Department of Licensing to improve oversight over driver training schools.