

Proposed 2011-13 Transportation Budget (PSHB 1175)

Representative Judy Clibborn, Chair
House Transportation Committee

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Connecting Washington, Generating Jobs, and Promoting Commerce
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BUDGET SUMMARY

- The House Chair's proposed transportation budget appropriates \$8.9 billion for transportation operations and capital needs for the upcoming biennium.
- Of the 421 projects paid for by the Nickel and Transportation Partnership revenue, almost 300 have been completed. \$3.9 billion is provided in the 2011-13 biennial budget to continue the implementation of these projects started by the 2003 and 2005 Legislatures.
- Additionally, substantial investments will be made in preserving and maintaining the state's highway system (\$1.1 billion).
- The House Chair's proposal also makes significant investments in passenger rail (\$402 million), ferry terminal and vessel projects (\$237 million), freight mobility and rail projects (\$44 million), and transit and bike/pedestrian grant programs (\$99 million).
- Transportation revenue sources have continued to grow more slowly than expected, with projected revenues for the 2011-13 biennium \$100 million less than what was assumed a year ago (a roughly 2 percent decrease).

ACCOUNTABILITY MEASURES

With the completion of the Nickel and TPA construction programs in sight and the continuing erosion of underlying transportation revenues, the House Transportation Chair has emphasized accountability and efficiency measures in the upcoming transportation budget. State transportation agencies are directed to reduce administrative and overhead costs and seek new means of partnering with the private sector to deliver public services. The state will need to demonstrate that current resources are well managed before new revenues may be raised for future investments.

Increased Partnerships with the Private Sector

- The House Chair's budget directs the Department of Transportation (DOT) to transition to a smaller, more efficient technical and engineering workforce. The DOT will reduce its workforce levels by 400 full-time equivalent (FTE) employees by the end of the 2011-13 biennium, with an eventual reduction of 800 FTEs. For future preliminary and technical engineering needs, the DOT will have to increase its use of private contractors.
- Engrossed Substitute House Bill 1635 authorizes driver training schools and school districts to administer both the knowledge portion and the driving portion of the driver licensing examination. The bill is expected to reduce wait times at driver licensing services offices.
- Substitute Senate Bill 5250 acknowledges the gains made in using alternative procurement methods for transportation projects and requires the DOT to establish a process for using the design-build procedure for projects costing more than \$1 million.
- The Joint Transportation Committee will conduct a study to evaluate the potential for financing state transportation projects using innovative financing methods, including public

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private partnerships. The study will evaluate whether public private partnerships are in the public interest, including the effects of private versus public financing on the state's bonding capacity.

Ferry System Accountability

- At the bargaining table, Washington State Ferries (WSF) management and labor successfully reached an agreement to bring marine employee benefits more in line with represented general government employee benefits. These efforts will save \$10 million per year. In addition, labor representatives have committed to starting these savings during the 2009-11 biennium, saving the system an additional \$500,000.
- Reductions in headquarters and administrative activities will save an additional \$5.8 million.
- Ferry users also will help solve the ferry system's short-term operating budget problems. Service reductions saving \$3.1 million include:
 - An extension of winter hours from 12 weeks to 20 weeks on the Anacortes-Sidney route, the Interisland route, and the Fauntleroy-Vashon-Southworth route.
 - Reduction of late night service on the Mukilteo-Clinton route and the Point Defiance-Tahlequah route.
 - Reduction of mid-day service on the Point Defiance-Tahlequah route and the Bremerton-Seattle route.
- Furthermore, ferry users will be asked to pay increased fares of 7.5 percent in 2011 and 2.5 percent in 2012.
- All in all, savings and fare increases in the ferry system budget total almost \$40 million but are not sufficient to balance the operating account for the next biennium. As a result, \$81 million will have to be transferred from other transportation accounts to ensure continuous, sustainable service.
- With the passage of Substitute House Bill 1516, WSF management will be held accountable to performance measures relating to worker and passenger safety, service effectiveness, on-time service, operating cost containment, and maintenance and capital program effectiveness.
- The Marine Employees Commission will be consolidated into the Public Employees Relations Commission resulting in \$400,000 savings to the transportation budget.

Investments in Information Technology

- \$7.4 million is provided for an online fuel tax collection system. The Department of Licensing collects fuel tax revenue of over \$1.2 billion a year. The current system requires labor-intensive manual processes, and results in an estimated loss of revenue of \$3 million to \$6 million a year. In addition to increased revenue, a new system will provide customer benefits such as electronic filing and improved quality and availability of information. The elimination of paperwork processing is ultimately expected to provide savings in excess of this up-front investment.
- The \$10.8 million Enterprise Time Keeping system will support WSF's ability to manage employee time, leave, and benefit usage, an important tool in the effort to respond to

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criticism of the ferry system's ability to manage its own employees. Once completed, access to the system will be made available to other state agencies, if they choose to pay a share of system costs.

- The Washington State Patrol's Mobile Office Platform is funded at \$7.3 million. When fully implemented, all highway system troopers will have computer access in their patrol cars, allowing queries to the electronic driver and vehicle databases. The troopers will also have access to digital cameras to record video evidence. These tools will increase officer efficiency and data accuracy, officer and public safety, and liability mitigation.

Reductions in Transportation Budgets

- To help close the transportation deficit, transportation agencies are asked to trim ongoing daily operations. This initiative will achieve \$29.5 million in biennial budget savings.
- Efficiencies in contracted services for Tacoma Narrows Bridge tolling operations will save an estimated \$4.5 million. Effective February 2011, a new statewide Customer Service Center (CSC) opened to replace the existing CSC. Costs for this contract will be allocated among the Tacoma Narrows Bridge (TNB), State Route (SR) 167, and the SR 520 Bridge.
- Consistent with policies set forth in the Governor's proposed Omnibus Appropriations Act, a temporary 3 percent reduction in salaries is expected to save \$18 million for the 2011-13 biennium and \$14 million will be saved by suspending the cost of living allowances for members of the Plan 1 retirement systems.
- The Amtrak Cascades passenger rail service, a service sponsored by the state, expects \$7.5 million in Amtrak credit savings during the 2011-13 biennium.

OPERATING INVESTMENTS IN TRANSPORTATION IN THE 2011-13 BIENNIUM

- To address the emerging issue of congestion in the region of the Joint Base Lewis-McChord, the House Chair's proposed budget includes \$630,000 for a number of initiatives. First, the DOT will collaborate with the affected transportation planning organizations and transit agencies to develop a plan to reduce vehicle demand and increase public transportation options. Twenty new vans are provided to support increased vanpooling options in the area. Finally, to reduce collisions and travel delays, the DOT will complete the ramp metering project at on-ramps in the northbound direction of Interstate 5 in the Joint Base area.
- For the Washington State Patrol, \$600,000 is provided for preliminary engineering of a new system of radio infrastructure and equipment to respond to narrowbanding requirements from the Federal Communications Commission (FCC). The FCC has established a requirement for a maximum 12.5 kHz bandwidth across land mobile bands, allowing greater spectrum access to public and private users. This preliminary engineering effort will more precisely define the costs of the projects and evaluate the extent to which existing infrastructure and systems may be utilized.

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- In the second fiscal year of the biennium, \$20.4 million is set aside to begin implementation of the narrowbanding system, including funding for portable radios, land mobile radio infrastructure, and system integration.
- For stormwater permit compliance, the House Chair's budget provides \$10.2 million. The DOT's February 2009 National Pollutant Discharge Elimination System permit expands coverage to more than 100 cities and counties across the state, increasing the number of regulated state highway centerline miles by 40 percent from 1,140 to 1,600. The new permit establishes 51 specific performance indicators and 396 specific compliance actions.
- An additional \$6.9 million is invested in the highway maintenance backlog, building on the previous biennia's commitment to the stewardship of the state's roadways, for a total of \$22.7 million.
- Almost \$67 million is provided for increased fuel costs at the Washington State Patrol, the ferry system, and for the maintenance program at the DOT. Ferry system bio-fuel usage reflects the continuation of the current policy of using a B5 mixture, as long as the price remains below certain benchmarks.

Multi-Modal Investments

- The House Chair's proposed transportation budget includes continued support of the Regional Mobility Grant program at \$40 million. The Regional Mobility Grant program supports local efforts to improve transit mobility and reduce congestion on our most heavily traveled roadways. Eligible agencies include transit agencies (including Sound Transit), cities, and counties. The next cycle of these grants will focus on construction projects that achieve the interconnectivity goals of the state program.
- Rural Mobility grants are continued at \$17 million. Half of this funding is distributed to transit systems to address sales tax collections disparity. The other half is awarded on a competitive basis to providers of rural mobility service in areas not served or underserved by transit agencies. Consistent with Substitute House Bill 1897, the program will include a pilot project to provide agricultural workers with enhanced transit opportunities through the establishment of one or more vanpool programs.
- For 2011-13, the van pool program will receive \$6 million to purchase 288 vans, of which 20 will be dedicated for use in the Joint Base Lewis-McChord corridor. During its first six years, the statewide vanpool program has doubled the number of vanpools in our state. With the economic downturn, the focus of the program is turning to replacement vans.
- For the Safe Routes to School and Pedestrian/Bike Safety grant programs, \$11 million is provided for new projects. Washington's Safe Routes to School program provides technical assistance and resources to cities, counties, schools, school districts, and state agencies for improvements that get more children walking and bicycling to school safely. The Pedestrian and Bicycle Safety program objective is to improve the transportation system to enhance safety and mobility for people who choose to walk or bike.

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CAPITAL CONSTRUCTION INVESTMENTS IN TRANSPORTATION IN THE 2011-12 BIENNIUM

During the 2011-13 biennium, the House Chair's proposed budget will invest \$5.8 billion in transportation capital construction (highways, rail, and ferries). Within this amount, just over \$2 billion is provided to address the safety issues posed by the SR 520 Bridge and the SR 99 Alaskan Way Viaduct. The remaining funds will ensure busy 2011 and 2012 summer construction seasons all around the state.

Higher Speed Rail

Washington State continues to attract federal funds for its higher speed rail program. In addition to the \$590 million in federal funds awarded in 2010, Washington State won \$161.5 million from funds given back by Ohio and Wisconsin. With these funds, the Amtrak Cascades program will be able to add service, reduce delays, and increase on-time performance by improving track quality and reliability. These investments come at a time when rail ridership is at its highest levels in the 16 years the program has been in existence.

Freight Mobility and Rail Investments

The House Chair's proposed budget continues support of the strategic investments in projects identified by the Freight Mobility and Strategic Investment Board (FMSIB).

The FMSIB projects with significant funding in the 2011-13 biennium:

Project Title	2011-13	Total
Strander Blvd/SW 27th St Connection	3,675,000	4,123,000
S 228th Street Extension & Grade Separation	3,373,000	8,623,000
Marginal/Diagonal approach & Argo Gate	3,300,000	3,300,000
Port of Tacoma Rd- Interchange improvements	3,000,000	3,903,000
SR99/Spokane St. Bridge - Replace Bridge Approach	2,700,000	2,700,000
Yakima Grade Separated Rail Crossing	2,480,000	7,000,000
Rail Tie-In to Mainline Schedule 2 Rail Trench #15-18	2,381,000	5,050,000
WVFA		
Havana St/BNSF Separation Project	2,000,000	4,000,000
Bigelow Gulch Rd - Urban Boundary To Argonne Rd	1,500,000	2,000,000
SR 99 Puyallup River Bridge	1,300,000	5,000,000
Green Valley BNSF & UP Industrial	1,250,000	2,500,000
East Marginal Way Truck Access	994,000	994,000
South Park Bridge	969,000	1,469,000
Myra Rd at Dalles Rd Intersection	501,000	501,000
70th and Valley Ave Widening	500,000	2,000,000
M St SE Grade Separation Project	200,000	6,124,000

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For the 2011-13 biennium, the House Chair's proposed transportation budget continues support of the Freight Rail Investment Bank Loan program and the Freight Rail Assistance grant program. Both programs seek to improve the freight rail system in the state, and projects must benefit the state's interests.

Freight Rail Loan Recipients:

Tacoma Rail-Annie Tracks 1 & 2 Rail Relay	612,000
Tacoma Rail-Locomotive Repower	450,000
Tacoma Rail- Yard Track Relay	361,000
Port of Vancouver-Farwest Steel Rail Spur	250,000
City of Richland-Loop Track	250,000

Freight Rail Grant Recipients:

Cascade and Columbia River Railroad	684,000
Port of Vancouver-Grain Spur Extension	527,000
Puget Sound and Pacific Railroad	498,000
Clark County- Lewis and Clark Rail Line	455,000
Spokane County- Geiger Spur (Loan and Grant)	378,000
Columbia Basin-Schrag Line	392,000

Ferries

In 2011-13, the WSF will take delivery of the last of three new Kwa-di Tabil class ferries, the MV Kennewick, in January 2012. \$32 million is included in the House Chair's proposed transportation budget for the completion of this vessel.

The House Chair's 2011-13 transportation budget proposal also sets aside \$65 million for the construction of a 144-car vessel beginning in the second year of the biennium. Full funding of the vessel is dependent on new resources.

Highway Construction

The House Chair's proposed transportation budget includes the following highway improvement projects with 2011-13 funding over \$10 million:

Project	2011-13	Total
I-5/Tacoma HOV Improvements	319,562,000	1,477,351,000
I-405/Kirkland Vicinity Stage 2 - Widening	192,757,000	423,485,000
I-90/Snoqualmie Pass East - Hyak to Keechelus	147,450,000	551,410,000
SR 522/Snohomish River Bridge to US 2	113,108,000	182,443,000
I-5/Mellen Street I/C to Grand Mound I/C	81,985,000	199,369,000
I-90/Two Way Transit - Transit and HOV	64,780,000	145,337,000
I-5/NE 134th St Interchange (I-5/I-205)	62,926,000	98,441,000

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I-405/NE 8th St to SR 520 Braided Ramps	60,083,000	224,471,000
SR 9/212th St SE to 176th St SE, Stage 3	58,988,000	87,295,000
US 101/Shore Rd to Kitchen Rd - Widening	51,560,000	84,304,000
SR 502/I-5 to Battle Ground - Add Lanes	47,377,000	87,786,000
I-5/SR 161/SR 18 - Interchange Improvements	44,610,000	109,495,000
SR 14/Camas Washougal - Add Lanes, I/C	41,630,000	56,723,000
SR 500/St Johns Blvd - Build Interchange	40,044,000	56,961,000
Fish Passage Barriers	29,911,000	130,045,000
US 395/NSC-US 2 to Wandermere and US 2 Lowering	27,414,000	149,914,000
I-5/Columbia River Crossing/Vancouver	25,000,000	158,008,000
SR 28/Jct US 2 and US 97 to 9th St, Stage 1	24,040,000	54,658,000
US 395/NSC-Francis Ave to Farwell Rd	22,622,000	209,882,000
NSC-North Spokane Corridor Design	22,019,000	195,497,000
US 2/Bickford Avenue - Intersection Safety	17,017,000	19,720,000
I-5/Grand Mound to Maytown - Add Lanes	16,403,000	115,335,000
SR 285/W End of George Sellar Bridge	15,043,000	22,393,000
SR 28/E End of the George Sellar Bridge	14,523,000	29,097,000
SR 161/24th St E to Jovita - Add Lanes	12,756,000	39,866,000
SR 9/SR 531-172nd St NE - Improve Intersection	12,143,000	15,589,000
US 12/SR 124 Intersection - Build Interchange	12,078,000	22,251,000
I-5/196th St (SR 524) Interchange - Build Ramps	11,174,000	33,775,000

Highway Preservation

The House Chair's proposed transportation budget includes almost \$760 million for highway system preservation activities. These include asphalt and chip seal road overlays, bridge repair to address seismic and scour issues, concrete roadways preservation, spot intersection improvements to address safety issues, emergency slides and floods, guardrail retrofit, and many other aspects of necessary, ongoing preservation work.

In addition to the general programmatic investments, below are some of the larger preservation projects included in the 2011-13 biennium:

Project	2011-13	Total
SR 529/Ebey Slough Bridge - Replace Bridge	21,851,000	42,307,000
SR 303/Manette Bridge Bremerton Vicinity - Replace Bridge	19,531,000	60,604,000
SR 410/Nile Valley Landslide - Reconstruct Route	16,323,000	21,187,000
SR 9/Pilchuck Creek - Replace Bridge	15,139,000	19,472,000
SR 99/Spokane St Bridge - Replace Bridge Approach	12,724,000	14,037,000
SR 21/Keller Ferry Boat - Replace Boat	12,002,000	12,002,000
SR 105/North River Bridge - Replace Bridge	11,739,000	23,163,000
US 101/Bone River Bridge - Replace Bridge	11,560,000	13,297,000

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US 2/43rd Ave SE Vic to 50th Ave SE Vic - Bridge Rehabilitate	6,320,000	8,565,000
US 2/Wenatchee River Bridge - Replace Bridge	5,620,000	7,963,000
SR 162/Puyallup River Bridge - Replace Bridge	5,305,000	15,007,000
I-5/E Fork Lewis River Bridge to Todd Road Vicinity - Paving	5,142,000	5,488,000
US 101/Middle Nemah River Bridge - Replace Bridge	4,852,000	5,617,000
SR 105/Smith Creek Bridge - Replace Bridge	4,287,000	12,169,000
US 97/Satus Creek Bridge - Bridge Replacement	3,808,000	6,656,000
SR 530/Skaglund Hill Slide	3,610,000	13,472,000