

HOUSE BILL REPORT FOR ESHB 1175, EFFECT OF SENATE AMENDMENT
Comparison of Senate Engrossed Striking Amendment to ESHB 1175 (as passed House floor)
as of April 21, 2011 at 8:00 p.m.

Summary

The proposed Senate striking amendment to the 2011-13 Transportation Budget provides \$9.0 billion in funds for transportation projects and activities for the 2011-13 biennium. Compared to the House passed 2011-13 Transportation Budget, the striking amendment reflects an increase of over \$100 million in appropriations of all funds.

The increased funds primarily reflect full funding of the first of two 144-car vessels for Washington State Ferries; additional funding for the Columbia River Crossing Project; the addition of a limited number of new contributions to highway, street, rail, and transit projects; and increased spending for the Washington State Patrol's narrowbanding initiative.

The proposed Senate striking amendment maintains the underlying investments funded in the House passed Transportation Budget for stormwater permit compliance (\$10 million), transit and bike/pedestrian grant programs (\$99 million), fuel costs at ferries and the State Patrol (\$64 million), and information technology investments in on-line fuel tax collection, mobile office platform, and enterprise timekeeping.

Projects

Of the total amount, \$5.9 billion is appropriated for capital investments. Differences in investments in freight mobility, highway improvement and preservation projects, the high speed rail program are shown in the accompanying project differences report.

Ferries

During the 2011-13 biennium, \$32 million is provided for the cost of finishing the third 64-class vessel, the MV Kennewick, to be delivered in early 2012. The proposal also includes \$124 million for the first of two 144-car class vessels, with the remainder provided in the 2013-15 biennium. This first vessel is projected to begin construction in early 2012.

Ferry fare increases are changed to reflect the following:

- The year-to-year base fare increase will be held to 2.5%.
- To finalize the financing for the new 144 car vessels, a 25 cent surcharge will be imposed on each one-way fare, consistent with ESSB 5742.
- To pay for future increased costs of fuel, the financial plan associated with the proposed striking amendment assumes the implementation of a fuel surcharge.

Ferries savings are mostly unchanged in the proposed final budget: \$20 million in labor savings to reflect the renegotiated collective bargaining agreements, \$4 million in service reduction savings, and about \$4.1 million in management and administrative savings. Unlike the House

passed transportation budget, the proposed striking amendment exempts the Washington State Ferries from biofuel procurement requirements of state agencies, reducing fuel costs for the system.

The Joint Transportation Committee is tasked with a number of new studies relating to the Washington State Ferries: analysis of the most appropriate fare media for use in conjunction with the new reservation system, demand management pricing, and new payment mechanisms; analysis of how to achieve a more balanced management organization structure scaled to the workforce; and the evaluation of the potential use of liquefied natural gas on existing vessels and the new 144-car class vessels.

State Patrol

Reductions for traffic control at ferry terminals and for the auto theft investigation program are called out specifically. The total budget savings in the State Patrol budget remains the same at \$5.3 million.

For the State Patrol, the proposed striking amendment fully funds equipment, infrastructure, and systems integrations costs related to complying with the Federal Communications Commission's narrowbanding requirements.

The proposed transportation budget permits work zone safety cameras, to be enforced in cooperation with the State Patrol.

Savings in Transportation Budgets

As with the House passed budget, efficiency reductions are made to transportation agencies budgets to address shortfalls in revenue. The biennial efficiency savings of \$26.1 million reflects \$3 million in reductions at the Department of Licensing, compared to \$6 million in the House proposed budget.

Additional savings totaling \$78 million are achieved through programmatic reductions and compensation adjustments consistent with the transportation budget approved by the House.