

2016 Senate Transportation Committee Chair's Proposed Supplemental Budget Summary

The Chair's 2016 Supplemental Transportation Budget includes \$8.6 billion in appropriation authority, an increase of \$496 million from the 2015-17 enacted combined “current” and “new law” budgets. The increase is primarily attributable to reappropriated funds from the previous biennium for delayed capital activity and additional federal dollars in the capital spending plan, including recently authorized Fixing America’s Surface Transportation (FAST) Act funds.

Changes to the Near-Term Revenue Outlook

The Chair's proposal is based on the February 2016 forecast which includes a slight upward revision in state revenue collections due to higher than expected fuel tax collections and increases in collections from licenses, permits and fees. Overall, state transportation revenues are forecasted at \$5.7 billion for the current biennium and \$6.3 billion in 2017-19.

The February forecast also includes a change in the baseline forecast for federal funds. With enactment of a new 5-year federal transportation FAST Act funding authorization bill, federal funding levels in core federal transportation programs are higher than the previous federal authorization act known as MAP-21. For the remainder of the 2015-17 biennium, the current 66 percent-34 percent state/local split will remain for the core Federal Highway Administration programs with the exception of the new freight program formula funds. Later this year a workgroup will be convened to review changes in the FAST Act and recommend a state/local fund split agreement for the remainder of the FAST Act.

Implementing the Connecting Washington Investment Package

The Chair's proposal makes only minor changes to the expenditures contained in the Connecting Washington highway project list. Generally, projects retain current total funding and project aging assumptions as passed the Legislature in 2015. For the 2015-17 biennium, Connecting Washington Account expenditure authority is \$449 million. Technical changes are made to the following projects through program shifts to reflect a more appropriate budget program for project delivery:

- Dolorway Intersection Improvements – From Program Z to I
- 9th Street Plaza Roundabout – From Program Z to I
- SR 241/Mabton Bridge – From Program I to P
- SR 502 Main Street Project/Widening – From Program I to Z
- I-5/Mellen Street Connector – From Program I to Z
- US 12/Wildcat Bridge Replacement – From Program I to P
- Ridgefield Rail Overpass – From Program I to Z

For the tiered lists of transit, and bicycle and pedestrian projects funded by “new law” revenues, the Chair's proposal retains the 16-year delivery of these projects.

Nickel and TPA Program

The Chair's budget proposal continues delivery of remaining Nickel and TPA projects funded by the Legislature. About \$169 million of Nickel and TPA funding is reappropriated from the 2013-15 biennium to the 2015-17 biennium.

In the Ferry Capital Program, Nickel program funding of \$17.5 million is reappropriated to finish the 3rd Olympic Class vessel, and \$17 million of Nickel funds for the 4th Olympic Class vessel are advanced from 2017-19 to 2015-17.

Other Capital Program Highlights

The aforementioned changes in forecasted federal revenues result in \$349 million of additional funding for asphalt pavement and road preservation projects, and \$108 million for safety improvement projects over the next 16 years. The Chair's proposal also adds \$84 million to existing fish passage barrier/culvert funding over the 16-year plan using federal funds.

\$5 million is provided for current biennium, capital program legal settlements and mitigation activities that are not covered by the state's self-insurance liability program. These funds will be held in unallotted status until WSDOT has exhausted all other fund sources to pay these legal settlements.

In the Ferry Capital Program, the Chair's budget includes \$2 million of additional funding for emergency repairs; \$8.8 million in new FAST Act funds for additional vessel preservation work and acceleration of work on the 4th 144-car ferry; and \$300,000 for passenger counting equipment.

Operating Program Highlights

Several technical changes are made to all transportation agency budgets including adding funding for compensation increases and inter-agency revolving fund charges approved by the 2015 Legislature. Beyond these technical changes, funds are added for various individual items.

- WSDOT Operating Program Changes
 - \$2.8 million for the Maintenance Program to pay higher local government stormwater fees.
 - \$1.4 million to purchase and operate 10 new Incident Response Trucks to clear accidents faster on high-volume and high congestion state freeways.
 - \$663,000 to continue existing Amtrak Cascades Service and to begin operational funding for two new round-trips from Seattle to Portland.
 - \$346,000 additional federal funding for state rail transit safety oversight activities.
 - The budget directs WSDOT to issue a request-for-proposals for a new tolling customer service toll collection system by December 1, 2016.

- Washington State Ferries
 - \$5.9 million of federal funds for vessel maintenance.
 - \$1.3 million for operating costs of the 3rd Olympic Class vessel scheduled for operation in early 2017.
 - \$158,000 for the continued operation of the ferry reservation system.
 - \$165,000 to hire two additional electricians at the Eagle Harbor Maintenance Facility to address routine and emergency vessel work.

- Washington State Patrol
 - \$760,000 to continue funding of the Judicial Information Network Data Exchange system.
 - \$150,000 for an organizational assessment to address recruitment and retention issues for WSP personnel.

- Department of Licensing
 - \$2.4 million to expand capacity for processing enhanced driver licenses and enhanced identicards. Recent federal announcements have caused an increase in wait times and demand for these documents. Funding will hire up to 25 new Licensing Service Representatives (LSRs) to preserve short wait times and process transactions as quickly as possible. These funds are made contingent on a monthly evaluation by DOL and OFM of actual demand for these documents.
 - \$1.4 million to provide all LSRs with the ability to process commercial driver license and enhanced driver license transactions.
 - \$6.7 million to accelerate delivery of the driver's module of the Business and Technology Modernization (BTM) project. The vehicle's module is scheduled to finish 6 months earlier than anticipated.
 - \$1.3 million to consolidate all BTM project staff into one location and permanently relocate staff in the Prorate and Fuel Tax Division. At the conclusion of the BTM project, the department will vacate the Bristol Court facility resulting in future lease savings.

- Utilities and Transportation Commission
 - \$1.1 million to correct at-risk public railroad-highway grade crossings to improve public safety.