

Senate Transportation Committee Chair's Proposed 2019 Supplemental and 2019-21 Biennial Transportation Budget Summary

2019 Supplemental Budget

The 2019 Supplemental Transportation Budget includes nearly \$8.9 billion in appropriation authority, a decrease of \$479 million from the 2018 enacted supplemental budget. The decrease includes approximately \$460 million reappropriated to 2019-21 for delayed capital project activity. Other adjustments are made to accommodate unexpected needs and opportunities. Some of the significant changes are:

- Department of Transportation
 - Program M – Maintenance
 - \$15 million for snow and ice removal
 - Program U - Charges from Other Agencies
 - \$3.2 million for Washington State Ferries lawsuit costs
 - \$2.5 million for insurance gap coverage
 - Program Y – Rail
 - \$15M reduction in rail operating from delayed implementation of additional round trips between Seattle and Portland.
- Washington State Patrol
 - \$518 thousand for carbon monoxide indicator installation
 - \$18.3 million savings from trooper and non-field force vacancies
- Department of Licensing
 - \$4.2 million savings from licensing service office funding adjustment

2019-21 Biennial Budget

Resources

The budget proposal is based on the March 2019 forecast which includes a modest downward adjustment from the November 2018 forecast used in developing the Governor's budget proposal submitted in December. However, since the February 2018 forecast from last session, transportation revenue projections are up \$66 million (1.0%) in the 2019-21 biennium and \$408 million (1.2%) over the 10-year forecast horizon. Most of the major transportation budget revenue sources, including fuel taxes, license/permit/fee revenues, and toll revenues, are all up slightly from the forecast projection last session.

The budget proposal is further supported by federal funds, bond sales, and some pre-existing account balances, in part as a result of delayed capital project activity in 2017-19.

Appropriations

The budget provides just over \$9.8 billion in appropriation authority and includes the second full biennium of funding for the Connecting Washington construction and investment program.

Capital Expenditures

The biennial budget includes about \$5.2 billion in capital expenditures, an increase of a little over 18% from revised 2017-19 spending levels. Notable capital project expenditures include:

- Department of Transportation – Highway and Road Funding
 - New or additive funding:
 - \$8.5 million I-5 Columbia River Bridge office
 - \$3.1 billion fish culvert removal/remediation
 - \$35 million savings from legacy I-405 project segment and \$20 million toll revenue moved to advance design and complete right-of-way acquisition for the I-405 north end completion (I-405/SR 522 to I-5 Capacity Improvements)
 - Funding advanced on the following projects due to expected reappropriations on other projects:
 - \$40 million SR 167/SR 509 Puget Sound Gateway
 - \$18 million I-90/Barker to Harvard – Improve Interchanges & Local Roads
 - \$17 million I-90 Snoqualmie Pass – Widen to Easton
 - \$11.2 million SR 26/Dusty to Colfax – Add Climbing Lanes
 - \$11 million SR 155/Omak Bridge Rehabilitation
 - \$8 million I-82/EB WB On and Off Ramps
 - \$4 million I-90/Medical Lake & Geiger Interchanges
 - \$4 million SR 432 Longview Grade Crossing
 - \$2.2 million I-5/NB On-ramp at Bakerview
 - Cost increases:
 - \$35.1 million SR 99/Alaskan Way Viaduct Replacement Project
 - \$33.6 million I-5/Tacoma HOV Improvements
 - \$9.3 million SR 107/Chehalis River Bridge Approach and Rail Repair
 - \$9.2 million SR 167/SR 410 to SR 18 – Congestion Management (for culvert)
 - \$8 million I-405/NE 132nd Interchange – Totem Lake (for culvert)
 - \$3.1 million SR 14/Bingen Overpass
 - \$3 million SR 99/Viaduct Project – Construction Mitigation
 - \$1.4 million SR 14/Wind River Junction
- Department of Transportation – Ferry Funding
 - New or Additive Funding:
 - \$182 million for a new 144-car hybrid electric vessel with construction beginning 2023-25

- \$55 million for electric vessel charging at Seattle and Bainbridge terminals with funding beginning in 2023-25
 - \$41.5 million for up to two hybrid-electric ferry conversions with direction to seek additional funding and state funding contingent on receipt of Volkswagen settlement funds
 - \$5 million risk reserve for emergency capital repairs
 - \$990 thousand for planning work needed to prepare for hybrid-electric vessel terminal charging
- Cost increases:
 - \$ 95 million Seattle Terminal Replacement
 - \$ 28.5 million Mukilteo Terminal Replacement
- Department of Transportation – Rail Funding
 - New or Additive Funding:
 - \$27.7 million in anticipated insurance proceeds to purchase new trainsets

Operating Expenditures

The biennial budget includes about \$4.7 billion in expenditures in the various operating programs, a nearly 4% increase from revised 2017-19 spending levels. Notable operating expenditures include:

- Department of Transportation – IT, Support, and Planning
 - \$13 million direct preservation program support
 - \$11.7 million for labor management information system
 - \$6.1 million for worker safety for asbestos, respirable silica, arc flash, and industrial hygiene
 - \$5 million snow and ice removal contingency
 - \$4.6 million reauthorizing federal RUC grant
 - \$2.5 million I-5 corridor scenario analysis
 - \$2.5 million site litigation funds
 - \$1 million highway right-of-way cleanup
 - \$622 thousand Oregon shared bridge maintenance
 - \$500 thousand pre-apprenticeship grant program
 - \$500 thousand RTPO support
 - \$300 thousand executive leadership training
 - (\$2.1) million in savings from SB 5505 (local stormwater charges)
- Department of Transportation – Ferry and Rail Operating
 - \$8.1 million for WSF to address ongoing structural staffing shortages and training needs
 - \$1.6 million of state funds for continuation of ultra high speed rail planning work, conditional on receipt of equivalent amounts of private or local funds
 - \$600 thousand for development of a maintenance management system

- \$160 thousand for WSF vessel noise reduction study
- (\$1.74) million in cost recovery from two 3% ferry fare increases in 2019-21
- Department of Transportation – Public Transportation & Tolling
 - \$1 million for new first/last mile transportation demand management pilot program
 - \$1 million for continuation of small businesses transit pass incentive
 - \$608 thousand for additional toll-funded WSP enforcement on I-405 and 167
- Department of Transportation – Aviation
 - 0.5 FTE for aviation emergency planning
 - 0.5 FTE for emerging aeronautic technology, contingent on passage of SSB 5137 (aircraft excise taxes)
- Washington State Patrol
 - \$4.2 million for a third cadet class
 - \$2.6 million for radio communications equipment replacements
 - \$1.4 million for Land Mobile Radio system upgrades
 - \$645 thousand for a recruitment and retention captain position
 - (\$14.3) million savings from projected trooper and non-field force staff vacancies
 - (\$9.6) million savings from retired debt service payments
 - (\$8.5) million savings from smoothing pension contribution rate increases for State Patrol retirement system over 6 years
- Department of Licensing
 - \$3.7 million for data stewardship & privacy efforts
 - \$3.4 million for cloud continuity of operations backup improvements
 - \$2.7 million for abandoned RV disposal grants
 - \$2.2 million for DRIVES information technology maintenance
 - (\$26.3) million savings from adjusting licensing service office funding based on the latest projection for the enhanced driver's license workload
- Multiple or Other Agencies
 - \$200 thousand state parks road funding
 - (\$12) million savings through charging credit card transaction costs in the ferry rates, and the driver and vehicle charges of the Department of Licensing (plus \$4.7 million savings to Sound Transit)
- Compensation
 - \$11.1 million for PTE Local 17 members
 - \$16.1 million for eligible WSF employees
 - \$8.6 million for eligible WSP employees

Compensation in the budget includes funding of the collective bargaining agreements and interest arbitration awards for PTE Local 17 members, WSP captains, lieutenants, and troopers as well most WSF employees. Any additional state employee compensation adjustments will be provided in accordance with funding adjustments provided in the 2019-21 omnibus appropriations act.