

## **2026 SUPPLEMENTAL TRANSPORTATION BUDGET SUMMARY**

### **HOUSE CHAIR & RANKING MEMBER (PSHB 2306)**

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The House Transportation Committee Chair and Ranking Member’s proposed 2026 supplemental transportation budget (House proposal) spends a total of \$16.5 billion in the 2025-27 biennium, an increase of \$1.1 billion from the biennial budget. Much of this increase is for the reappropriation of spending authority previously provided in 2023-25 for capital projects. The House proposal also includes significant new investments in preservation and maintenance for the state’s road and bridge network and lays groundwork for the future of the state’s ferry system in the areas of vessel procurement and terminal and vessel preservation.

#### **Transportation Revenue Changes**

The 2025-27 projected transportation revenues are up in the recently adopted February 2026 Transportation Economic and Revenue forecast (February 2026 forecast) compared to the March 2025 forecast on which the 2025-27 enacted budget was based. The increase is due to the enactment of significant transfers and fee and tax increases in April 2025 during the 2025 legislative session. These changes, estimated at \$8.9 billion over 10 years, were incorporated into the June 2025 forecast, making that a better comparison to the February 2026 forecast.

The February 2026 forecast revised revenues downward, making it the third quarterly forecast since June 2025 to trend in that direction. Areas where revenues were revised downward include fuel tax revenue, due to continued lower fuel consumption, and vehicle-related revenue, due to a decrease in car and truck registrations and related forecast components. In the three quarterly revenue forecasts since that legislation was built into the forecast, the 10-year projection of transportation resources has been lowered by a total of \$1.8 billion.

In other words, compared to increases assumed in April 2025, 20 percent of the projected increase in resources from the 2025 session has been offset by a decrease in overall projections since then, primarily from softening of fuel tax projections.

Based on the Department of Ecology’s December 2025 projection, the overall Climate Commitment Act (CCA) revenue forecast is once again lowered with total CCA revenues continuing to be below the transportation statutory required minimum level starting in 2030. Beginning in the 2025-27 biennium, E2SHB 2251 is estimated to further decrease amounts deposited in the Carbon Emissions Reduction Account, the CCA account used for transportation investments.

#### **2026 Supplemental Spending Revisions**

The House proposal increases 2025-27 appropriations on net by \$1.1 billion for a revised spending level of \$16.5 billion. The largest changes from the biennial budget are the reappropriation of \$782 million in delayed highway and other construction activity and \$335 million new investment in preservation and maintenance activities at the Washington State Department of Transportation (WSDOT).

Of the \$16.5 billion in appropriation authority provided in the House proposal, \$10.2 billion is allocated to the capital program, \$4.6 billion is allocated for operating costs, and \$1.7 billion is allocated for debt service and related costs.

#### **Climate Commitment Act (CCA) Spending**

\$42.5 million in new spending is provided for a variety of carbon emissions reducing expenditures during

## **2026 SUPPLEMENTAL TRANSPORTATION BUDGET SUMMARY HOUSE CHAIR & RANKING MEMBER (PSHB 2306)**

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the 2025-27 biennium. New investments are made in the areas of rail, public transportation, active transportation, and electrification and alternative fuels.

### Rail

- \$12.2 million for funding for three projects to support the reduction of Amtrak Cascades trip times through track extension, freight train storage track, and third mainline track connection work.
- \$2 million for additional funding to support the Amtrak Cascades zero-fare policy for individuals 18 years old and younger traveling within Washington (WA) state.

### Public Transportation

- \$12 million for King County Metro to mitigate traffic congestion from the WSDOT Revive Interstate 5 project.
- \$2.8 million for mobility grants to support and improve transit services in tribal communities.
- \$426,000 to assist Pierce, Skagit, and Whatcom County ferries with youth zero-fare policies.

### Active Transportation

\$5 million for sidewalks and midblock crossing in Spanaway on State Route (SR) 7 to construct a 10-foot-wide shared-use path and installation of a midblock crossing with overhead pedestrian signal to enhance accessibility to the Spanaway Transit Center.

- \$1.27 million for Fennel Creek Trail to construct a 12-foot-wide paved path to connect a gap that exists in the trail.
- \$813,000 for a North Bend Cedar Falls Way shared-use path to enhance pedestrian and bicycle connectivity between neighborhoods and recreational areas.
- \$725,000 for Brown Street sidewalk improvements to construct new sidewalks adjacent to the Keene-Riverview Elementary School.
- \$500,000 for a Burke-Gilman Trail SR 522 Accessibility Project to construct a connection for pedestrians and cyclists.
- \$275,000 for a Marine View Drive Trail SR 509 Accessibility Project to conduct a feasibility study to review options for identified gaps in pedestrian and bicycle connections.
- \$80,000 for pedestrian safety improvements at the intersection of Bruckner's Way and Roberts Drive.

### Electrification and Alternative Fuel

- \$2 million for the purchase and installation of electric vehicle chargers at Department of Natural Resources regional administrative facilities.
- \$640,000 to the Joint Transportation Committee (JTC) to continue the development of tools and methodologies to assist in ongoing program delivery evaluation for fuel conversion programs that receive appropriations from the CERA over time.
- \$500,000 to support the replacement of aging diesel- and gas-powered food distribution vehicles with electric delivery trucks and electric vehicle charging infrastructure.

### Capital Projects

Most transportation project capital spending represents a continuation of multi-year priorities established in prior budgets, with amounts and timing updated annually. Project expenditure timing in the House proposal largely reflects updated WSDOT estimates provided in January 2026. Projects underway include investments added for the 2003 Nickel package, the 2005 Transportation Partnership Act (TPA) package, the 2015 Connecting WA package, and the 2022 the Move Ahead WA package. The

## **2026 SUPPLEMENTAL TRANSPORTATION BUDGET SUMMARY HOUSE CHAIR & RANKING MEMBER (PSHB 2306)**

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2022 Move Ahead WA package also included a multi-year CCA investment plan.

Projects from the 2003 Nickel and 2005 TPA packages are mostly complete. Projects from the 2015 Connecting WA and 2022 Move Ahead WA packages are well underway with significant construction scheduled for the 2025-27 and 2027-29 biennia.

While project timing in the House proposal largely reflects updated WSDOT estimates provided in January 2026, a few projects have additional timing or scope changes, including the projects outlined below in Highway Improvements, Highway Preservation, and Public Transportation.

### Highway Improvements

- SR 162/410 Interchange Design and Right-of-Way - \$6.5 million is advanced to 2025-27.
- SR 224/Red Mountain Improvements - Scope change within existing amounts to add the widening of Keene Road for compliance with Complete Streets standards.
- SR 3 Freight Corridor - The House proposal retains funding for 2025-27 at the same level as the biennial budget and adjusts for 2023-25 actual expenditures.

### Highway Preservation

- SR 165 Fairfax Bridge - \$12 million of overall funding for bridge replacement is provided for the Fairfax Bridge project for planning, design, and environmental review.

### Public Transportation

- Island Transit - Zero-Emission Solar Project - \$1.6 million is moved from the Island Transit-Fleet Expansion project to the new Island Transit Zero-Emission Solar Project.
- Skagit Transit - Maintenance, Operations, and Administration Facility - \$5 million is advanced to the 2027-29 biennium in order to assist with securing federal funding.

### Washington State Ferries Projects

The state's ferry system includes 20 marine terminals and 21 car and passenger ferries. Spending on ferries capital is increased in the House Proposal by \$135.9 million in the 2025-27 biennium, in recognition of updated timing for vessel construction and the need to avoid service interruption and reduced service levels.

Looking to the future, \$500,000 is provided for the JTC to convene a work group that includes legislative and executive branch members to develop a long-range vessel and asset management plan to examine vessel procurement options and evaluate financial options for terminal improvements, vessel procurement, and ferry asset preservation over time.

### Highway and Bridge System Preservation

The House proposal includes a \$300 million increase in WSDOT preservation. This amount is provided from the newly created Preserve Washington Account (PWA). This amount, along with \$100 million in reappropriated funds brings total preservation spending in the 2025-27 biennium to \$1.3 billion. In addition, \$430 million in increased preservation spending is planned for the 2027-29 biennium.

The House proposal requires WSDOT to submit a six-year prioritized list for bridge preservation and

## **2026 SUPPLEMENTAL TRANSPORTATION BUDGET SUMMARY HOUSE CHAIR & RANKING MEMBER (PSHB 2306)**

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bridge replacement projects to the Legislature by January 1, 2027, in order to assist with planning for a multi-year investment program.

### WSDOT / Highway Maintenance

The House proposal includes additional resources in the amount of \$35 million from the PWA for the Highway Maintenance Program to maintain state highway infrastructure. This brings overall Highway Maintenance funding to a total of \$691 million.

### Local Programs

Resource smoothing is applied to the portfolio of local program capital projects to distribute resources to optimize budget stability without impacting the overall project completion or funding provided. A total of \$227 million in savings is reflected in the 2025-27 biennium due to resource smoothing, offset by an equivalent increase in spending in 2027-29 and 2029-31. Likewise, \$100 million in savings is reflected in the 2027-29 biennium, offset by an equivalent increase in spending in 2029-31 and 2031-33.

### Other Transit and Active Transportation Spending

Amounts previously reduced for the Regional Mobility Grant (RMG) Program and new grants funded through the RMG Account in 2027-29 are restored on the project list. Likewise, Transportation Demand Management Grants that were to be reduced by \$5.7 million in 2025-27 are expected to be restored.

### Columbia River Dredging

Funding of \$7.5 million is provided for property acquisition and infrastructure costs associated with Washington's sponsor ports' obligations under the Lower Columbia River Channel Maintenance Plan, which supports ongoing dredging of the Columbia River by the United States (US) Army Corps of Engineers.

### WSDOT Transportation Operations

The Transportation Operations Program is provided \$2 million for increased costs for Service Level Agreements with WSDOT's Land Mobile Radio and Microwave systems vendors.

### WSDOT / Planning, Data, and Research

Multiple items are funded in the WSDOT Planning, Data, and Research Program:

- WSDOT received a \$1 million federal grant in 2023 for a study looking at multiuse path options along the US 97 corridor between Toppenish and Union Gap. Reappropriations of \$672,000, along with \$100,000 of new federal money, provides a total of \$772,000 in 2025-27 to complete the study.
- \$200,000 is provided for a feasibility study to evaluate locations at exit 34 of Interstate 90 (I-90) in North Bend for a public facility that would include truck parking, the King County Readiness Center, and a Washington State Patrol (WSP) regional office and weigh station. The feasibility study must be reported to the Office of Financial Management (OFM) and the Legislature by June 30, 2027.

## **2026 SUPPLEMENTAL TRANSPORTATION BUDGET SUMMARY HOUSE CHAIR & RANKING MEMBER (PSHB 2306)**

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### WSDOT / Transportation Management, Information Technology, and Toll Operations

The House proposal includes several reappropriations and new investments for increased costs to information technologies in several programs:

- Information Technology Program - \$2.9 million for software cost increases for licenses and maintenance subscription contracts;
- Toll Operations and Maintenance - \$2.4 million for Customer Service Center back-office systems reappropriation;
- Toll Operations and Maintenance - \$420,000 for the reappropriation of funding for the Customer Service Center back-office systems work at home capability scope expansion;
- Transportation Management and Support - \$6.2 million to complete final deliverables for the Transportation Reporting and Accounting Information System (TRAINS 4.0) upgrade; and
- Transportation Management and Support - \$1 million is reappropriated from the 2023-25 biennium to the 2025-27 biennium for TRAINS 4.0.

### WSDOT / Public Transportation

The House proposal adds or extends pilot programs for providing access to public transit for targeted groups:

- A new pilot program is funded at \$3.3 million for King County Metro and Kitsap Transit to provide affordable access to public transit to community and technical college students. A report on details of the pilot and recommendations is due to OFM and the Legislature by January 30, 2027.
- An additional \$240,000 is provided to Pierce County for the existing pilot to extend access to rural areas on the Key Peninsula through mid-2027.

### WSDOT / Ferries - Operating

Changes to 2025-27 WSDOT Ferries operating funding in the House proposal include:

- \$500,000 to conduct a feasibility study on the potential of a state-controlled dockyard facility;
- \$2 million for a dedicated casualty response team to handle emergency vessel issues without impacting or pulling resources from active lay-ups; and
- Terminal traffic control funding is increased by \$50,000 to assist with the safe movement of traffic on Bainbridge Island at and near the Bainbridge Terminal from May 2026 through August 2026.

### Department of Licensing

The House proposal includes multiple changes to the 2025-27 Department of Licensing (DOL) budget:

- \$1.4 million for a second DOL2Go team to bring services to underrepresented and rural communities of Washington as well as a notification tool to inform rural customers when DOL2Go will be in their area.
- \$2 million for the Abandoned Recreational Vehicle (RV) program for projected reimbursements for the removal of abandoned RVs from public property.
- \$1.3 million to enhance the Driver and Vehicle System (DRIVES). Enhancements include fee and law table changes, new federal and judicial mandates, legislatively directed and statutory changes resulting from legislation, and system changes required to support interstate data exchanges.

## **2026 SUPPLEMENTAL TRANSPORTATION BUDGET SUMMARY HOUSE CHAIR & RANKING MEMBER (PSHB 2306)**

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### Washington State Patrol

The House proposal makes the following to WSP funding in 2025-27:

- \$7.6 million is provided for continued support to replace and upgrade the Land Mobile Radio network and the statewide Wide Area Network.
- The DUI Toxicology funding is reduced by \$1.4 million to reflect a lower expectation of spending by WSP. It is assumed that this amount will be reappropriated in the 2027-29 biennium to make further progress on reducing the backlog and improving case turnaround times.
- \$1 million is provided to support video coordination and processes for discovery and public disclosure requests.

### Washington Traffic Safety Commission

Federal appropriation authority is increased by \$10 million per biennium for expenditures of National Highway Safety Administration grant funds, which fund public education, enforcement targeting high-risk driving behaviors, and grants to local jurisdictions and community-based organizations.

### Board of Pilotage Commissioners

To reflect an increase in the marine pilot training surcharge that took effect this past January, an increase of \$360,000 is provided for this and future biennia for support of the marine pilotage training program and an increase in the monthly stipend paid to trainees.

### Joint Transportation Committee

\$300,000 is provided to contract with Washington State University's Freight Policy Transportation Institute to conduct a study of off-hour gate operations at the container terminals operated jointly by the Ports of Seattle and Tacoma, as well as to review the existing methodology for designating WSDOT Freight and Goods Transportation System and Freight Mobility Strategic Investment Board strategic freight corridors.

### Central Services

A total of \$36 million is added across state transportation agencies for State-Insurance Liability Account increases during the 2025-27 biennium, as well as \$20 million for OFM Central Services for existing statewide applications, the One Washington Program, and other central charges.