

The 2003-05 House Transportation Budget

The 2003-05 transportation budget starts not with dollars, but with accountability. The public demands and deserves improved accountability from government, and government must be more responsive to the public. As a result, the first part of the 2003 legislative session was devoted to accountability and efficiency improvements.

Accountability

- Requiring regular performance audits of transportation agencies (HB 2227, SB 5748)
- Requiring transportation agencies to manage assets wisely (SB 5248)
- Improving citizen oversight of the transportation system (HB 1120)

Efficiencies

- Ensuring prevailing wage rates are accurate (SB 5248)
- Allowing DOT to contract with the private sector (SB 5248)
- Expanding apprenticeship opportunities at Dept. of Transportation (SB 5248)
- Streamlining transportation permitting (SB 5279)

Governance

- Phasing out the Transportation Commission (HB 1122)
- Giving the Governor the authority to hire and fire the Secretary of Transportation (HB 1122)

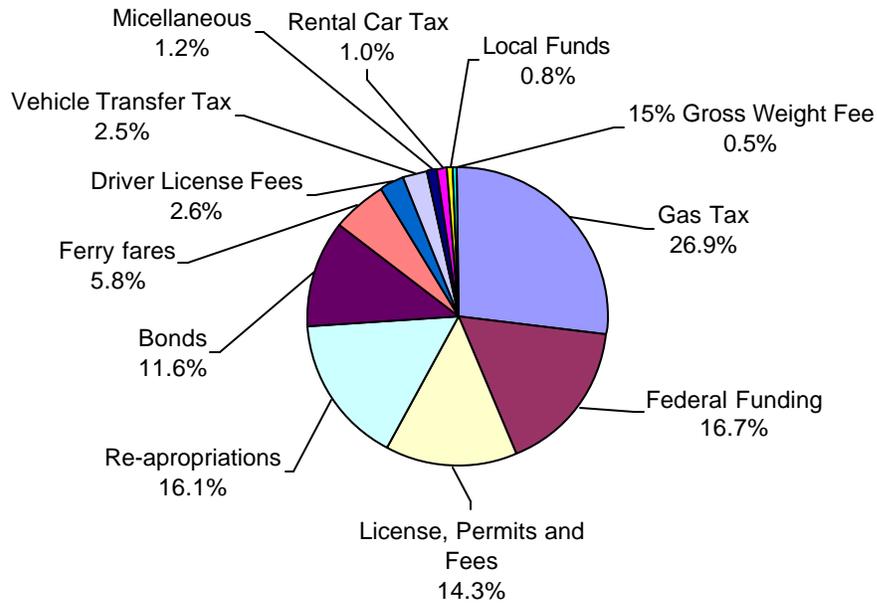
Strategic principles guide the transportation budget

However, the fact remains: the demand for transportation investments exceeds available revenues. Faced with that challenge, the 2003-05 budget is based on six strategic principles, to ensure the best investment returns from available resources. The legislature, through the 2003-05 transportation budget, has a responsibility to:

- Recognize that safety of the traveling public is our greatest concern and our highest priority for new investments.
- Provide mobility for all people, especially those most in need of assistance.
- Actively manage, maintain and preserve our existing transportation system by being good stewards of our resources.
- Move people and goods more efficiently and effectively by building more and consuming less.
- Build public trust and stimulate the economy by building the right projects; finish the ones we've started; then start projects that we can finish.
- Provide better oversight of government expenditures and operations. The public demands and deserves improved accountability from government; and government must be more responsive to the public.

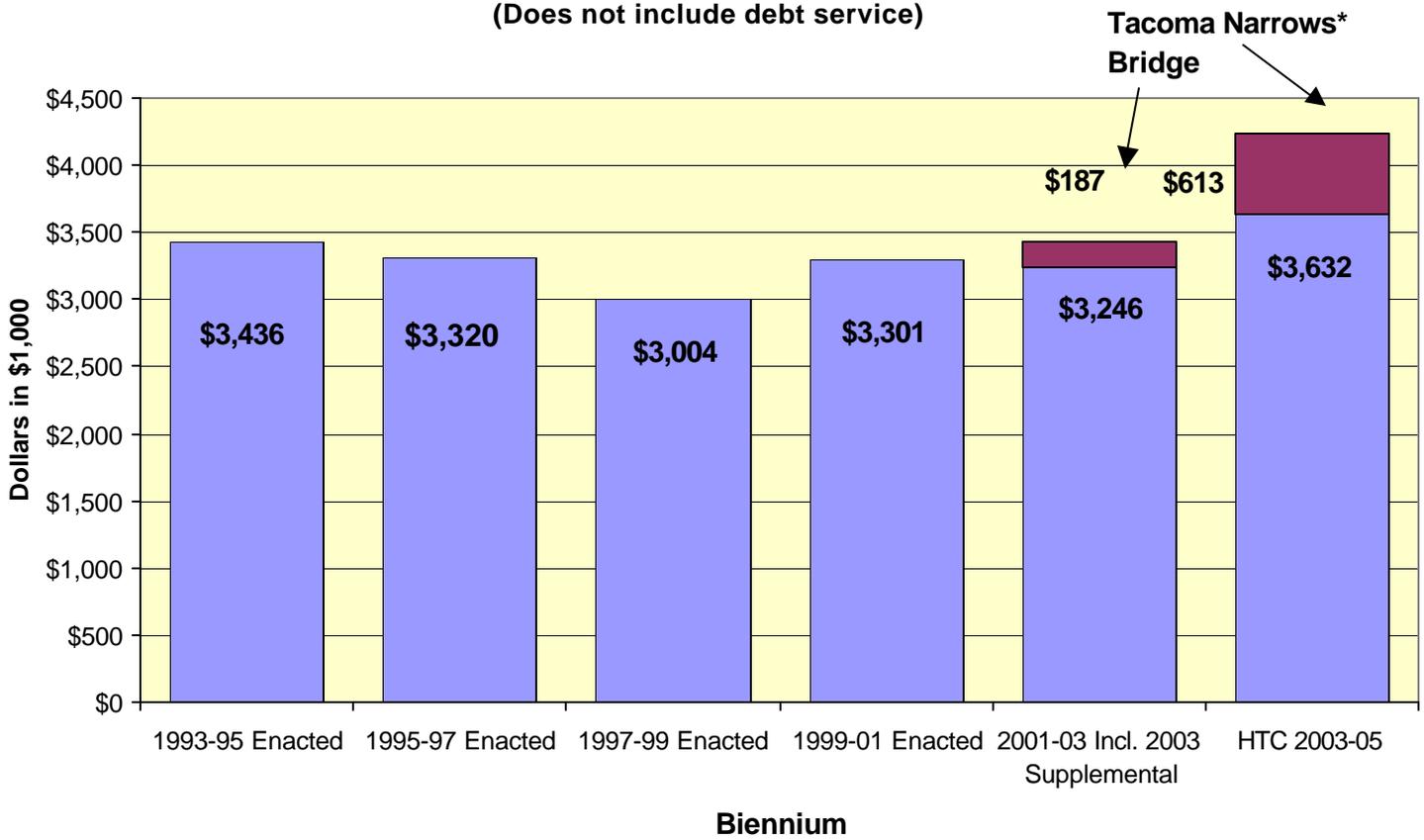
2003-05 Revenue

The budget is based on revenues already authorized by law, and revenues from new tax increases: a 3 cent increase in fuel taxes, a 15% increase in truck weight fees, and a new 0.6% vehicle transfer tax.



2003-05 Revenue Source (Dollars in Millions)	Existing Revenue	New Revenue	Total Revenue
Gas Tax	\$1,066	\$180	\$1,246
Federal Funding	\$770		\$770
License, Permits and Fees	\$659		\$659
Re-appropriations	\$742		\$742
Bonds	\$242	\$295	\$537
Ferry Fares	\$270		\$270
Driver License Fees	\$122		\$122
Vehicle Transfer Tax		\$117	\$117
Miscellaneous	\$56		\$56
Rental Car Tax	\$45		\$45
Local Funds	\$35		\$35
15% Gross Weight Fee		\$22	\$22
Total	\$4,007	\$614	\$4,621

Transportation Budget History
 (Does not include debt service)



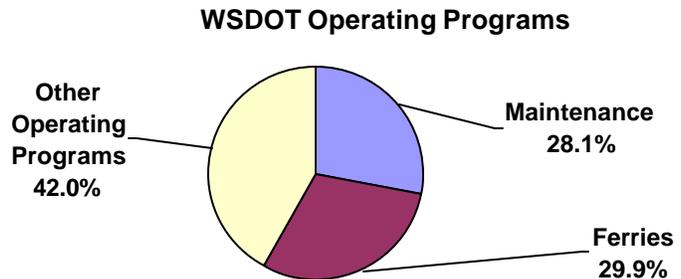
*Tacoma Narrows Bridge funded primarily through the issuance of bonds to be paid by user fees

Investments

The 2003-05 budget funds operating and capital investments, from both existing revenue sources and new tax revenues.

WSDOT Operating Budget – \$1.046 Billion

The largest component of the Department of Transportation’s operating budget is the ferry system, which is appropriated \$313 million in 2003-05. The budget maintains passenger-only service to Vashon, and adds passenger-only service to Kingston and Southworth. It maintains existing auto-ferry routes. The budget endorses the bulk of the “5+5+5” plan.

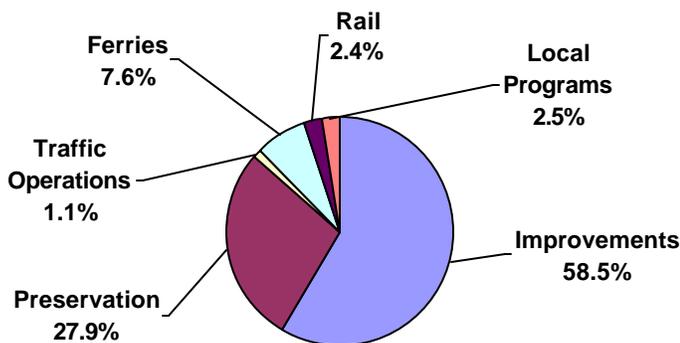


Highway maintenance is the second largest component, budgeted at \$293 million. Other operating costs \$376 million, include traffic operations; information technology; transportation planning, data and research; management; and other charges necessary to run a large state agency.

\$64 million of the new transportation revenue will be spent on mobility improvements in 2003-05. This includes improved passenger rail service (\$7 million), funds to transit agencies and non-profit organizations for paratransit service, rural mobility and sales tax equalization (\$46 million); vanpools (\$5 million); and commute trip reduction investments (\$6 million).

WSDOT Capital Budget - \$2.447 Billion

The Department of Transportation’s capital budget for 2003-05 includes revenues from current sources and the proposed tax increases. Current revenue sources are invested in preservation of the existing system (\$683 million); the ferry system (\$185 million) – improvements to the highway system (\$1.432 billion of which \$613 million is the Tacoma Narrow Bridge) and capital is provided for traffic operations (\$26 million), rail capital (\$60 million) and for local capital needs of (\$61 million).



New tax increases are invested in preservation (\$21 million); safety and improvements to the highway system (\$410 million); the ferry system (\$21 million) and local capital needs (\$22 million).

Other Agencies Operating Budgets – \$477 Million

Other agencies funded in the 2003-05 transportation budget include the Washington State Patrol, funded at \$253 million; the Department of Licensing, funded at \$181 million; and other transportation related agencies are funded at \$43 million.

Examples of new initiatives include improved radio communications for the Washington State Patrol; continued ferry security enhancements; and improvements to agency computer infrastructures to improve service to the public.

The County Road Administration Board and the Transportation Improvement Board remain as separate agencies in this budget. The Freight Mobility Strategic Investment Board is transferred to Department of Transportation.

Other Agencies Capital Budgets - \$273 Million

The capital budget for the Transportation Improvement Board totals \$198 million, for road-building grants primarily to urban areas. The County Road Administration Board, which makes road building grants to rural areas, is appropriated \$75 million in capital funds.

Transportation Investment Priorities

Our transportation investments are focused on some very basic concepts. These investments are made in the current-revenue budget, and with the revenues from new tax increases. Projects in each of nearly all of these categories are funded in urban and rural Washington, in Eastern Washington and in Western Washington.

- **Safety.** The safety of the traveling public comes first. It is our greatest concern and our highest priority for new investments.
- **Preservation.** We must actively manage, maintain and preserve our existing transportation system by being good stewards of our resources. It's fiscally prudent to invest in our existing facilities, to keep them from degrading to the point where they're too expensive to rehabilitate or maintain.
- **Mobility.** It's our responsibility to provide mobility for all people, especially those most in need of assistance. We must move people and goods more efficiently and effectively by building more *and* consuming less. Mobility investments can be the most cost effective and fiscally conservative way to address certain congestion problems. They serve both urban and rural Washington.
- **Improvements.** The most important way we can build public trust and stimulate the economy is by building the right projects; finish the ones we've started; then start projects that we can finish.
- **Ferries.** The ferry system is the public highway for island residents, and needs to be adequately supported and maintained. Passenger-only ferries are a vital link in our transportation system, and are an efficient investment to address congested roadways.

Highlights of major investments

Following are some examples of the capital investments funded from revenues currently in place, as well as new tax revenues. The complete list of projects is available.

Safety

- Eastside freeway safety improvements
- Traffic signals installed at dangerous intersections (SR 9 @ SR 528)
- Safety improvements at congested interchanges (I-90, SR 9 @ SR 528, I-5 @ SR 532; US 2 @ US 97)
- Interstate safety improvements, including improvements to on-ramps and bridge railing (I-90)
- Adding left turn lanes (SR 243, SR 290)
- Straightening dangerous curves (SR 4, Svensen's curve)
- Roadside safety improvements (I-182 @ US 395)

Preservation

- Hood Canal Bridge, east half replacement
- Yakima River Bridge in Richland, SR 240
- Lewis & Clark Bridge, replace bridge deck and paint the bridge, SR 433
- Bridge seismic retrofits
- Concrete pavement preservation
- Stormwater retrofit

Mobility

- Improvements in passenger rail service between Seattle and Portland,
- Passenger rail track improvements between Seattle and Vancouver, Washington
- Improving rail shipment of agricultural products
- Funding passenger only ferry service, and adding new service where the demand exists.
- Enhancing special needs and paratransit service to urban and rural communities
- Improving mobility for people in rural areas
- Business tax incentives for reducing commute trips
- Facilitating better highway and transit connections with additional park and ride lots
- Increasing the availability of vanpools

Improvements

- HOV improvements on I-5, SR 16, SR 99
- Widening US 12 near Walla Walla
- Widening SR 202 from SR 520 to Sahalee Way
- Modifications to the I-90 Sunset interchange
- SR 539 from Horton Road to Tenmile Road
- Adding lanes to SR 240 from I-182 to Richland
- I-405, West Valley Highway to Maple Valley
- Alaskan Way Viaduct
- Additional lanes on SR 24 from I-82 to Keys Road
- Truck passing lanes on SR 101

Ferries

- Building four new auto vessels
- Adding two additional passenger-only vessels to the fleet
- Investment in terminal preservation and improvements

New Law Budget

Ten-Year Revenues & Expenditures

New State sources only • dollars in millions

	10 Year Amount
Total Addition Under New Law	\$2,574
Gas Tax: 3¢ effective July 1, 2003	\$1,048
Vehicle Transfer Tax: 0.6% effective July 1, 2003	695
15% Gross Weight Surcharge for Trucks	119
Bond Proceeds (Bonds 85.5% of the gas tax)	1,315
Less Debt Service	(603)
	<u><u>\$2,574</u></u>

Use of New Law Revenue:	Amount	Safety Benefit
State Highway Preservation Projects		
• Concrete Pavement Preservation	\$150	
• Bridge Seismic Retrofit	35	
• Stormwater Retrofit	50	
Stand Alone Safety Projects		
• Safety Projects	196	✓
Puget Sound Region Highway Improvement and Safety Projects		
• I-5 HOV lanes to Pierce County	\$55	✓
• I-5 Everett Core HOV Lanes	225	✓
• SR 16, Pierce County Core HOV Lanes	91	
• SR-161, 176th to 234th additional lanes	20	✓
• Alaskan Way Viaduct - EIS, Design, ROW	100	
• SR 99, Shoreline Aurora Ave.-N Corridor Transit/HOV	10	✓
• SR 167, New Freeway, Stg. 1 and 2 design	61	
• SR 167, 15th SW to 15th NW HOV	41	✓
• I-405, West Valley Highway to Maple Valley	150	✓
• SR 509 Design & critical R/W	35	
• SR 520 Bridge - EIS	4	
• Cross-Base Highway - Pierce County	15	

Highway Improvement and Safety Projects Outside of the Puget Sound

• SR 4, Svensen's Curve (realign 1 mile SR 4)	5	
• I-5, Columbia River Crossing (bridge replacement study)	2	
• Reconstruct I-5 Interchange at NE 134th (I-205) Design & R/W	7	
• Lexington Bridge	5	✓
• US 12 widening from SR 124 to the Walla Walla River	33	✓
• SR 24, I-82 to Keys Road - additional lanes	32	✓
• I-90 Build lanes from Argonne to Sullivan Road	34	✓
• I-90, Cle Elum to Vantage - truck climbing passing lanes	13	✓
• SR 101 Blyn/Gardiner truck passing lanes	3	
• US 101, Northbound truck climbing lane (East of Sequim)	2	✓
• SR 240 Tri-Cities - additional lanes	57	✓
• SR 270, Pullman to Idaho State Line - additional lanes	29	✓
• SR 304 - SR 3 to Bremerton Ferry Terminal - additional lanes	11	✓
• SR 543, I-5 to Canadian Border - additional lanes for freight	17	✓

Other Highway Projects

• Fish Passage Barriers	15	
• Chronic Environmental Retrofit	14	
• Height Restricted Bridges	17	
• Park and Ride Lots	50	

Projects to Improve Local Roads for Freight

• Local Freight Projects	119	✓
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Washington State Ferries

• Replace 1927 Auto Ferries (3rd & 4th new vessels)	132	
• Vessel & Terminal Preservation	50	
• Terminal Improvements	52	
• Passenger Only Ferries - Additional Vessel	7	

Passenger Rail Operating & Capital Projects

• Seattle-Vancouver WA Track Improvements	148	
• Seattle-Bellingham Track Improvements	21	
• Additional Service to Portland	43	

Freight Rail Capital Projects

• Rail Capital Projects that Improve Freight Movement	45	
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Public Transportation programs and grants

• Special Needs/Paratransit services - Transit Agencies	180	
• Transit Aid to Rural Counties (sales tax equalization)	60	
• Vanpools	40	

Other Grant Programs

• Commute Trip Reduction Grants & Tax Credits	30
• Rural Mobility Grants	30
• Special Needs/Paratransit Grants - Non-profits	<u>20</u>

Total Investment \$2,559