

The Transportation Package

The transportation package raises \$4.2 billion over 10 years, to invest in highway, rail, mobility, ferry, and transit projects throughout the state.

These new revenues, combined with the existing tax revenues, will begin to address some of Washington's transportation needs.

- **Safety is a priority for funding.** The package makes investments in safety projects throughout the state. It invests \$177 million to begin to repair the Alaskan Way Viaduct, fixes killer highways, for example, SR 270 in Pullman, replaces dangerous intersections, widens two-lane roadways, straightens dangerous curves, builds left turn lanes, improves dangerous bridges, installs traffic signals, and installs median barriers to prevent cars from crossing the center line.
- **Preservation is also a priority for funding.** The package includes funding to replace crumbling concrete road surfaces, repair bridges in danger of collapse during earthquakes, replace the east half of the Hood Canal Bridge, repair the Yakima River Bridge in Richland on SR 240, and makes other major investments to make sure that existing facilities are maintained.
- **Congestion relief is significantly addressed.** \$2.2 billion will be invested in the Central Puget Sound road system, to improve I-405; add HOV lanes on I-5, SR 167, SR 16, and other roadways; and make other investments that will allow traffic to move more freely. The North-South freeway in Spokane is funded at \$190 million, to address an identified bottleneck. Other investments are made in congested areas throughout the state.

The budget also invests in non-highway mobility investments.

- **Passenger-only ferry service.** It maintains a state role in the passenger-only ferry business, funding service between Vashon Island and Seattle.
- **Rural and urban transit.** It makes a state investment in transit, with nearly \$100 million for local transit service for the elderly and disabled who depend on transit. There is also new investment in rural transit service. There is funding for the Seattle street car to serve South Lake Union.
- **Passenger rail.** It invests \$183 million in the passenger rail system, with critical track improvements from Vancouver, Washington to Bellingham, and provides money to purchase another trainset to operate another run between Seattle and Portland.
- **Freight rail** investments of \$45 million to improve the movement of goods throughout the state and to the ports, and to reduce truck traffic on our highways.
- **Commute trip reduction** efforts are funded, with \$30 million for tax incentives to businesses that pay their employees not to drive alone to work, and grant funds to help other employers reduce the number of cars their employees drive to and from work.

- **Vanpools.** Funding of \$30 million is provided for vanpools to provide commuting options.
- **Off-road recreation.** Funding for off-road recreation will increase \$20 million throughout the next 10 years. Refunds to fund trails, snowmobile recreation, off road vehicle facilities, etc. will increase from one percent of 18 cents today to one percent of 23 cents.

Investments in the ferry system to make the system more cost effective and improve service to its 23 million yearly customers.

- **Four new auto ferries** will replace four vessels built in 1927 that have outlived their useful lives.
- **Preservation.** \$36 million will be invested in the preservation of the ferry terminals and vessels, necessary to keep them from falling into disrepair.
- **Terminal improvements.** Approximately \$200 million is provided in terminal improvements to modernize terminals in Edmonds, Mukilteo and Anacortes.
- **Passenger-only ferry service.** The Washington State Ferries will provide passenger-only service between Vashon and Seattle. Bremerton's passenger-only service will be funded by the State until September, and then Kitsap Transit will have the opportunity to institute passenger-only service for their customers.

Funding is provided for investments clean air and water protection.

- The **Neah Bay rescue tug** is fully funded at \$2.7 million a biennium through 2008.
- **Clean air funding** is also provided through 2008, at \$10 million a biennium. These funds will be used to retrofit school buses, and reduce air pollution.

Provide improvements in the efficiency and accountability of the transportation system in 2003.

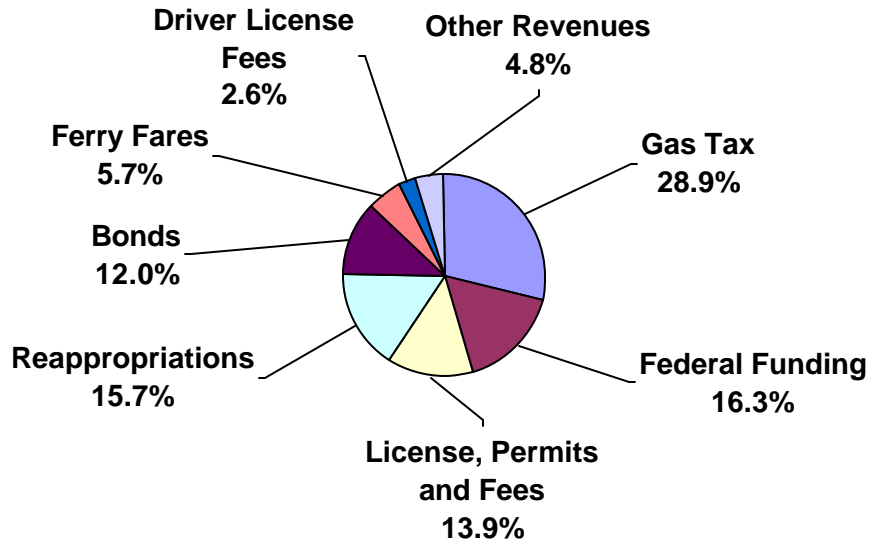
Accountability

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

Efficiencies

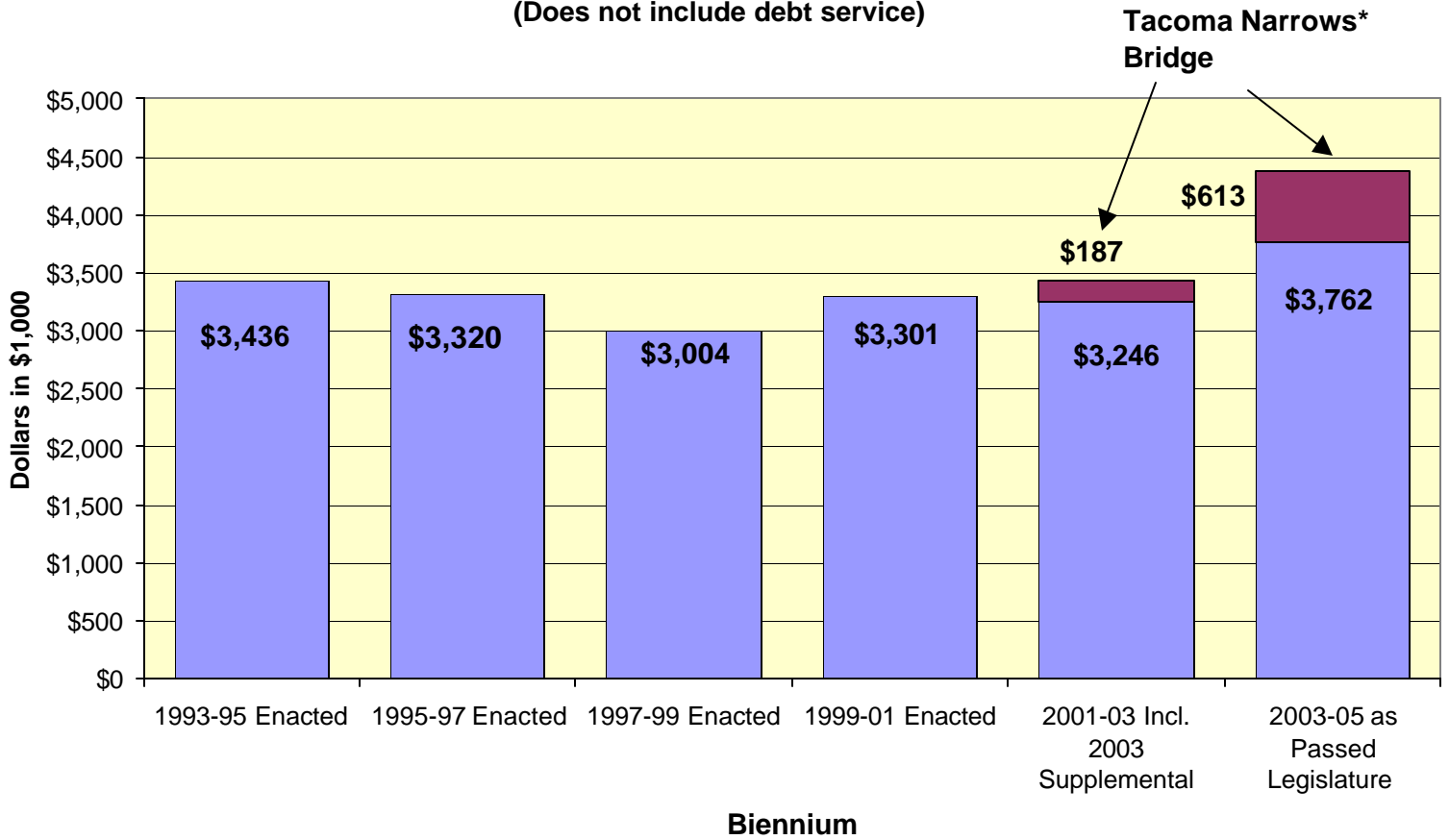
- Streamlining transportation permitting (SB 5279)
- Ensuring prevailing wage rates are accurate (SB 5248)
- Allowing DOT to contract with the private sector (SB 5248)
- Expanding apprenticeship opportunities at Dept. of Transportation (SB 5248)

2003-05 Transportation Revenues



2003-05 Revenue Source (Dollars in Millions)	Existing Revenue	New Revenue	Total Revenue
Gas Tax	\$1,066	\$301	\$1,367
Federal Funding	\$771		\$771
License, Permits and Fees	\$659		\$659
Re-appropriations	\$742		\$742
Bonds	\$242	\$327	\$569
Ferry Fares	\$270		\$270
Driver License Fees	\$122		\$122
Vehicle Sales Tax		\$58	\$58
Miscellaneous	\$56		\$56
Rental Car Tax	\$45		\$45
Local Funds	\$37		\$37
15% Gross Weight Fee		\$21	\$21
License Plate Retention		\$8	\$8
Total	\$4,010	\$715	\$4,725

Transportation Budget History (Does not include debt service)



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

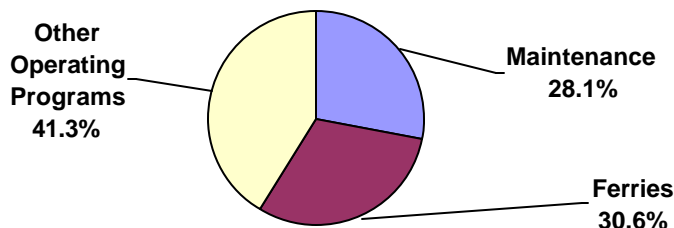
2003-05 Investments

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

WSDOT Operating Budget – \$1.031 Billion

The largest component of the Department of Transportation’s operating budget is the ferry system, which is appropriated \$315 million in 2003-05. The budget maintains passenger-only service to Vashon, and temporary service to Bremerton. It maintains existing auto-ferry routes. The budget endorses the bulk of the “5+5+5” plan.

WSDOT Operating Programs



Highway maintenance is the second largest component, budgeted at \$289 million. Other operating costs \$427 million, include traffic operations; information technology; transportation planning, data and research; management; and other charges necessary to run a large state agency.

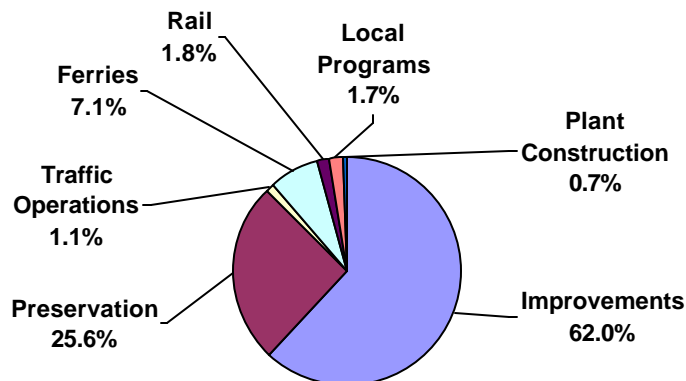
\$38 million of the new transportation revenue will be spent on mobility improvements in 2003-05. This includes funds to transit agencies and non-profit organizations for paratransit service, rural mobility and sales tax equalization (\$28 million); vanpools (\$4 million); and commute trip reduction investments (\$6 million).

WSDOT Capital Budget - \$2.577 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 (\$661 million); the ferry system (\$183 million) – improvements to the highway system (\$1.597 billion of which \$613 million is the Tacoma Narrow Bridge) and capital

is provided for traffic operations (\$29 million), rail capital (\$46 million) Plant Construction (\$17 million) and for local capital needs of (\$44 million).

New tax increases are invested in preservation, safety and improvements to the highway system (\$572 million); the ferry system (\$18 million), rail projects (\$30 million) and local capital needs (\$6 million).



Other Agencies Operating Budgets – \$478 Million

Other agencies funded in the 2003-05 transportation budget include the Washington State Patrol, funded at \$251 million; the Department of Licensing, funded at \$186 million; and other transportation related agencies are funded at \$41 million.

Examples of new initiatives include continued ferry security enhancements; and improvements to agency computer infrastructures to improve service to the public.

The County Road Administration Board, the Transportation Improvement Board and the Freight mobility Strategic Investment Board remain as separate agencies in this budget.

Other Agencies Capital Budgets - \$289 Million

The capital budget for the Transportation Improvement Board totals \$198 million, for road-related grants, primarily to urban areas. The County Road Administration Board, which makes road related grants to rural areas, is appropriated \$91 million in capital funds.

New Transportation Revenues: FY 2004 – FY 2013

(Dollars in Thousands)

Revenues Restricted to Highway Use (18th Amendment)

5 Cent Gas Tax Increase (7/1/03)	\$1,747,250
15% Increase to Gross Weight Fees (8/1/03)	\$ 118,224
Title Fee Transfer to Nickel Account	<u>\$ 58,500</u>
Total Cash Revenue	\$1,923,974
Bond Proceeds	\$2,600,000
Debt Service on New Bonds	<u>(\$950,471)</u>
Total 18 th Amendment Dollars	\$3,573,503

Mobility Revenues

0.3% Sales Tax on Motor Vehicles (7/1/03)	\$347,797
\$20 Plate Retention Fee	<u>\$ 40,000</u>
Total Cash Revenue	\$387,797
Bond Proceeds	\$349,500
Debt Service on New Bonds	<u>(\$132,100)</u>
Total Flexible Dollars	\$605,197
Total 10-Year Revenues:	\$4,178,700

Other Funding

Revenue for rescue tug	\$ 6,750
Revenue for clean air	\$ 25,000
Revenue for NOVA – trails and non-road recreation	<u>\$ 20,000</u>
TOTAL	\$ 51,750