

Transportation Budget Summary

Introduction

The proposed 2015-17 biennial transportation budget, along with the proposed second supplemental transportation budget for the current 2013-15 biennium, provide the resources and authority to continue legislative transportation priorities and to implement several new priorities. For the 2015-17 fiscal biennium, the proposed budget provides over \$7.6 billion in appropriation authority, with \$3.8 billion for capital projects, \$2.3 billion for operating programs, and \$1.5 billion for debt service. The total amount appropriated is a reduction from the \$8.4 billion proposed in the 2013-15 budget, as amended by the proposed second supplemental budget. This reduction reflects the nearing completion of the Transportation 2003 ("Nickel") and Transportation Partnership Act (TPA) capital programs.

2013-15 Biennium: Second Supplemental Budget

The proposed second supplemental transportation budget provides funding for emergent concerns and reduces the funding authority for certain capital programs in which work has been delayed. Emergent concerns include \$2.0 million in extraordinary repair costs for the state ferry vessels and terminals and \$1.6 million in financial assistance for unexpected caseload costs in the Ignition Interlock Program. Delays in construction schedules in the Washington State Department of Transportation (WSDOT) Highway Construction program, along with changes in other capital programs, have contributed to a net decrease of about \$700 million in spending in the current biennium. Most of this spending is shifted to the 2015-17 biennium.

2015-17 Biennium Budget

Major themes in the proposed 2015-17 biennial transportation budget include completion of significant components of the Nickel and TPA packages, maintaining the existing investments and systems, delivering several new legislative priorities, and looking ahead.

The Nickel and TPA Packages Are Nearing Completion

By the end of the 2015-17 fiscal biennium, much of the Nickel and TPA packages will be complete. Major highway work anticipated in the biennium includes:

- Construction of a new six-lane State Route 520 (SR 520) floating bridge and some of the associated work on the west side of the bridge (\$379 million);
- Completion of the SR 99 tunnel replacement for the Alaskan Way Viaduct and completion of design and permitting work on other aspects, including the demolition of the Viaduct (\$640 million);
- Commencing construction of the next two miles of the widening of I-90 from the Keechelus Dam to the Stampede Pass interchange vicinity, including the construction of a wildlife overcrossing (\$108 million);
- Completion of several projects associated with the US 395/North Spokane Corridor development, including the relocation of the Burlington Northern-Santa Fe (BNSF) mainline from Freya Street to Rowan Street and the grading from Spokane River to Francis Avenue (\$36 million); and
- Completion of parts of the Interstate 5 (I-5) high-occupancy vehicle (HOV) lanes in Tacoma, including from M Street to Portland Avenue (\$275 million).

By the end of the biennium, only \$0.5 billion of the \$19 billion TPA and Nickel investment will remain to be spent.

Maintaining Existing Investments and Systems

Significant amounts are allocated in the proposed 2015-17 biennial transportation budget for the maintenance, preservation, and administration of investments, systems, and programs that have been previously established.

For the Washington State Ferry (WSF) system, over \$260 million is provided to address various projects, including the completion of the third Olympic Class ferry boat - allowing the state to maintain the existing fleet of Puget Sound ferries at 23 vessels - and continued work on the Seattle and Mukilteo terminal projects. Over \$1 million is added in order to support the WSF reservation system.

Freight rail grant funding of \$1.4 million is provided in 2015-17 for seven miles of track upgrade work on the Palouse River and Coulee City railroad track in Spokane County. The project will allow heavier and longer freight trains to service a new grain shipping terminal. The total project is expected to cost \$7.3M.

For state highways, about \$252 million is provided to repave approximately 2,100 miles of roadway. For bridges, \$145 million is provided to start, continue, and/or complete work on about 50 bridges, including painting, deck replacement, column repair, and structural replacement.

To address fish passage barriers, the proposal provides \$70 million to begin construction on about 20 culverts, which improve access to about 150 miles of habitat. The funding will allow completion of about 13 culverts.

To replace aging fuel and fee administration systems at the Department of Licensing (DOL), the proposal provides \$27 million for the next phase of the Department's Business and Technology Modernization project regarding vehicle titling and registration software and support, as well as \$5 million to complete the installation of a new fuel tax system. An additional \$3 million is provided for an updated production system for driver license cards.

For rail investments undertaken as a result of the federal American Reinvestment and Recovery Act (ARRA) in 2009, \$369 million is provided to complete work that will allow for two additional Amtrak roundtrips between Seattle and Portland, for increased on-time performance and a 10 minute reduction in travel time.

For transit and other modes, the proposed budget provides a total of \$114 million for special needs transportation grants, rural mobility grants, regional mobility grants, vanpool grants, commute trip reduction grants, and administrative activities. About \$28 million is provided for bicycle and pedestrian safety and Safe Routes to Schools grants. The amounts provided for the Regional Mobility Grant program and special needs transit grants each reflect increases of \$10 million from 2013-15 levels.

For the Washington State Patrol (WSP), the proposed budget provides \$2 million to rehabilitate the WSP Training Academy's drive course. Funding is provided to continue the Target Zero teams in Spokane and Yakima counties. The agency will use existing appropriation authority to begin a phased-in replacement of 200 evidential breath test instruments statewide.

Implementing New Legislative Priorities

Despite the constraint of level fuel tax revenues, the proposed 2015-17 biennial transportation budget does include a limited number of new legislative initiatives.

For the WSDOT tolling division, the budget provides \$10 million to begin operating the express toll lanes on I-405 between Lynnwood and Bellevue, with tolling expected to commence on the express lanes by fall of 2015. Over \$1.9 million is provided to implement ESSB 5481, which will improve integration of the Good 2 Go electronic tolling system with the pay by mail system and yield enhanced communication with customers. The bill also will improve web access for customers to manage all of their Good 2 Go accounts and provide flexibility for WSDOT customer service representatives to assist customers with account issues and errors and the ability to waive penalties.

Regarding other WSDOT road programs, additional transit mitigation of \$17 million is provided to address delays in the completion of the Alaskan Way Viaduct Replacement Project. In addition, \$1.7 million is provided to create and implement a practical design training program for the purpose of achieving functionally equivalent project outcomes with lower-cost approaches. A disadvantaged business enterprise (DBE) engagement position is also continued.

For other WSDOT programs, \$1.0 million is provided to allow for WSF operations training initiatives. Funding of \$325,000 is provided for the development of one account-based system for customers of both the ferry system and tolling system. Over \$2.5 million is provided to the WSDOT Aviation Program for local airport preservation grants.

Regarding compensation and benefit increases, \$15 million is provided for salary and wage arbitration awards for the WSP troopers and \$12 million for WSF personnel. Other state employee increases will be determined once the omnibus operating budget has been negotiated.

Looking Ahead

The proposed 2015-17 biennial transportation budget also includes several studies and evaluations.

The Joint Transportation Committee (JTC) is directed to study issues relating to WSP trooper recruitment and retention and must identify associated barriers. The JTC must also study areas of prominent road-rail conflicts and recommend a corridor-based prioritization process for addressing impacts. The Economic Partnerships program at WSDOT is directed to evaluate the potential public-private partnership opportunities for the toll booths on the Tacoma Narrows Bridge. Through the WSDOT Highways and Local Programs program, \$500,000 is provided for an analysis of at-grade train crossings alternatives for the City of Edmonds. The Freight Mobility Strategic Investment Board (FMSIB) is provided \$250,000 for a study of freight infrastructure needs, including an update of the long-term marine cargo forecast. Finally, the Transportation Commission is provided \$300,000 to further evaluate aspects of a potential road usage charge system.