

Supplemental Transportation Budget (PSHB 1786) - Summary

The House Transportation Committee Chair's proposed supplemental transportation budget (House Chair's proposal) spends a total of \$11.7 billion, a decrease of \$137 million from the enacted biennial budget. While most of the programs and agencies have small positive adjustments, over \$500 million of savings in Connecting Washington Account spending offset increases elsewhere. The savings are associated with funds that have been held in abeyance, pending the determination that certain federal funds could be used to support fish passage barrier removals.

Resource Changes.

Since the enactment of the 2021-23 biennial transportation budget in April 2021, total expected state resources traditionally dedicated to transportation have grown only modestly. The forecast for state resources traditionally dedicated to transportation has increased \$21 million on a base of \$5.6 billion for the biennium, a change of 0.4 percent. Much of this is explained by offsetting changes: the combination of a small increase in the forecast for motor fuel taxes, along with a more robust increase in rental car taxes, versus declines in the forecasts for vehicle fees and ferry fares.

Aside from traditional resources, the passage of the Climate Commitment Act (CCA) in 2021 has provided additional resources to the transportation budget for certain purposes. The provisions of the Act require that \$5.4 billion from the auction of emission allowances be deposited in transportation accounts over time. For the 2021-23 biennium, it is assumed that \$127 million will be realized from these auctions, deposited into the Carbon Emissions Reductions Account (CERA), and made available for transportation purposes.

The outlook for federal funds has changed since the biennial budget was enacted. The Infrastructure Investment and Jobs Act (IIJA) passage enacted by Congress is expected to yield perhaps as much as \$200 million more annually in federal transportation funds to Washington State than were expected prior to the passage of the IIJA.

Expenditure and Policy Modifications.

The House Chair's proposal includes a number of modifications to agency appropriation levels and budgetary policies. The modifications, to some extent, acknowledge recent legislative priorities in certain areas.

Clean Fuel Initiatives.

The House Chair's proposal provides additional resources for the advancement of technologies that support clean fuels, including the use of state funds to leverage funding under the IIJA.

- \$16.9 million of spending authority is provided to the Washington State Department of Transportation (WSDOT) to support the implementation of the National Electric Vehicle Program, the new program established for electric vehicle infrastructure in the IJJA. The total includes \$2.8 million in state matching funds. In part, the funding is intended to begin work on the electric vehicle (EV) infrastructure and mapping tool required under E2SHB 1287 (2021).
- \$2 million in additional state funds is provided for the Clean Alternative Fuel Charging Infrastructure program. The funds are accelerated from the 2023-25 biennium, bringing the total for the 2021-23 biennium to \$10.9 million.

Rail.

The proposed modifications to budgetary expenditures and policies for rail include items for both traditional rail activity, as well as plans for ultra-high speed rail.

- \$250,000 is provided for a Joint Transportation Committee (JTC) study for the evaluation of the benefits and costs associated with the following alternatives for the Palouse River and Coulee City short-line rail system owned by WSDOT: rail banking, WSDOT ownership, and disposing of the right-of-way and returning the land to private ownership.
- \$4 million is provided for the continued coordination, engagement, and planning for a new ultra-high speed ground transportation corridor, with participation from Washington, Oregon, and British Columbia.
- \$50 million in state funds is set aside to advance Ultra-High Speed Rail as a potential match for pending federal grant opportunities.

Public Transportation.

The passage of the CCA in 2021 provided additional funding for multimodal sources of transportation, including transit and other means of public transportation. From the CERA account, the House Chair's proposal provides the following amounts:

- \$4.7 million, for various new public transportation projects and activities;
- \$14.1 million, for newly selected special needs grants;
- \$29.8 million, for transit support grants;
- \$4.7 million, for newly selected green transportation grants; and
- \$1 million, for newly selected transit coordination grants, with priority given to grant proposals that promote the formation of joint partnerships between transit agencies or merge service delivery across entities.

In addition to the CERA-supported activities, the House Chair's proposal includes \$500,000 for King County Metro to develop a pilot program to place teams including human services

personnel along routes that are enduring significant public safety issues and various disruptive behavior.

Driver's Licensing.

On the commercial driver's licensing side, the House Chair's proposal provides funding for a couple of items to help address a shortage of commercial drivers. The amount of \$405,000 is provided to process commercial driver's license (CDL) medical certificates to comply with federal law. The amount of \$100,000 is provided to contract for a study on the potential impacts that current licensing requirements, including required training hours and testing requirements, may have on the shortage of commercial drivers, and whether adjustments to these requirements may be warranted to help alleviate the shortage.

On the personal driver's licensing side, \$350,000 is provided to expand an existing program driver's license assistance and support services in King County to low-income immigrant and refugee women.

Washington State Ferries.

Operations. \$585 million in total funds is provided for Washington State Ferries (WSF) operations in the House Chair's proposal, an increase of \$40.6 million from the enacted biennial budget. Of that amount, \$9.7 million is funded by state funds and \$34.9 million is funded with additional federal transit funds from American Rescue Plan Act (ARPA). An additional \$44.7 million of these funds is available to pay for operating costs in the 2023-25 biennium.

Enhancements included in the 2022 Supplemental budget for WSF:

- \$7.5 million is provided to improve employee retention by guaranteeing work schedules and hours for on-call employees.
- \$1.8 million is provided for internships, career advancement opportunities, new employee training housing for trainees, and for the cost of required Transportation Worker Identification Credentials, or TWIC cards.
- \$3.5 million is provided for overtime costs, which remain high during the labor shortage.
- \$500,000 is provided for human resources support to hire on a continuous, year-round basis, assist applicants navigating the hiring and credentialing process, and create a recruiting plan to attract a more diverse workforce.
- \$8.9 million is provided for increased compensation of WSF employees, providing a 3.25 percent increase on July 1, 2022, and a lump sum payment of up to \$2,500, paid on a sliding scale based on income. The compensation increases in the marine collective bargaining agreements are consistent with the treatment of state employee compensation generally.
- \$17 million is provided for the increased costs of fuel and higher than previously projected credit card fees.

- \$1.3 million is provided for staff resources for dispatch, regional operations, and maintenance of vessels and digital systems.

Capital. \$499 million in total funds is provided for Washington State Ferries (WSF) capital preservation and improvements in the House Chair's proposal, a decrease of \$5.7 million from the enacted biennial budget.

The only new project in the WSF Capital program is a crew dispatch system to help address missed sailings due to crewing, funded at \$14 million. Additional funds are also provided to address the Wenatchee fire repair expenses and other emergency repairs.

Highways: Improvements.

Some highway improvement projects approved by the Legislature through multiple transportation packages since 2005 have seen recent cost increases due to extended program delivery dates, scope refinements, escalation costs, higher labor and materials costs, and project delays due to COVID-19.

The House Chair's proposal recognizes escalating costs for several Connecting Washington (CW) projects. Total spending on capital highway improvement and preservation projects from the CW Account is expected to exceed \$2.95 billion, including backfills for the following projects for increased costs or revenue shortfalls:

- Puget Sound Gateway, SR 167, and SR 509 (\$433 million);
- SR 520 corridor improvements on the west end (\$406 million);
- Widening of I-90 Snoqualmie Pass to Easton (\$179 million);
- I-5/NB Marine View Dr to SR 529 (\$31 million);
- SR 432 Longview Grade Crossing (\$13 million); and
- Other Connecting Washington projects (\$13 million).

In addition, through the Connecting Washington program, planned work on US 395 in the North Spokane Corridor is advanced to deliver the project ahead of schedule by up to two years.

Highways: Maintenance.

Acknowledging several concerns about safety and security on highways and in rest areas, the House Chair's proposal includes several initiatives to address the topic.

- Additional resources are provided for maintaining and operating safety rest areas to ensure that safety rest areas are open for use (\$5 million).
- The WSDOT will conduct a pilot program in the 2021-23 biennium to allow commercial motor vehicles to park in chain up and chain off areas along highways US 2 and I-90 between May 1st and November 1st.

- In consultation with human trafficking advocates, the WSDOT will develop, install, and inspect monthly human trafficking informational posters in every rest room in every safety rest area owned and operated by the department by December 31, 2022.
- Additional resources are provided for the department to address the risks to safety and public health associated with homeless encampments on department-owned rights-of-way, including \$2 million for encampment cleanup in the City of Fife (\$12 million).

Highways: Tolling.

The House Chair's proposal assumes the passage of HB 2024 that defers repayment of deferred sales taxes on the SR 520 Corridor project, already completed. The deferral reduces costs for the project by \$17.1 million for the biennium.

Washington State Patrol.

The House Chair's proposal provides a total of \$553 million for the operating and capital costs of the Washington State Patrol (WSP), an increase of \$2 million from the 2021-23 enacted biennial transportation budget. The funding level is the net effect of recognizing vacancy savings and providing funding for emergent issues related to the high level of vacancies as well as enhancements for selected WSP activities:

- \$37 million in savings are estimated based on updated information on actual and projected vacancies in trooper and non-field force staff.
- \$14.8 million in contingency funding is provided to address emergent issues such as: operating a mini-academy and training opportunities for lateral transfers from other agencies; increased overtime, travel and other related costs; increased contracting to maintain adequate service levels; and unanticipated facility and equipment needs.
- \$2 million is provided to replace one of the WSP's aging Cessna 182 aircraft with a Cessna 206 equipped with forward looking infrared cameras.
- \$1.2 million is provided for staff and tenant improvements at the new Federal Way toxicology lab.
- \$749,000 is provided for additional staff to decrease the backlog at the VIN inspection unit, which seeks to identify and track stolen vehicle parts.
- \$554,000 is provided for a feasibility study of data collection and integration needs not addressed by One Washington.
- \$607,000 is provided for increased costs of the project to address the Marysville detachment office's project to connect its water supply to a new source and address failures in the fire suppression system.
- \$250,000 is provided for additional training related to the implementation of Substitute House Bill 2037 (peace officers use of force).
- \$981,000 is provided for costs of Substitute House bill 2057 (Strengthening diversity, equity, and inclusion in the State Patrol workforce) for staff at the WSP Diversity Office, WSP's contract for psychological exams, and the costs of the Governor's Office of Equity

in overseeing the WSP's implementation of their diversity, equity, and inclusion strategic recruitment and retention plan.

Local Programs.

The House Chair's proposal provides funding and assistance through the WSDOT Locals Programs to support activities that help local governments.

- \$650,000 is provided to support the active transportation grant programs efforts to increase the diversity of the application pool and for expansion of the grant programs with CERA funding.
- Funding is provided from funds dedicated by the CCA to reducing carbon emissions from transportation:
 - \$5.6 million is provided for additional bicycle and pedestrian grants.
 - \$6.8 million is provided for additional safe routes to schools grants.
 - \$6.9 million is provided for new bicycle and pedestrian projects.
- \$600,000 is provided for the City of Seattle's Office of Planning and Community Development in support of an equitable development initiative to reconnect the South Park neighborhood, currently divided by State Route 99.
- \$190,000 is provided to support the continued operation of the Puget Island-Westport ferry (Wahkiakum ferry) across the Columbia River.

Other Legislative Priorities.

A few projects representing legislative priorities receive additional funds in the House Chair's proposal.

- Funding is provided for the WSDOT to work with Quinault Nation to construct a two-mile, temporary by-pass around the 88 Corner area to address damage related to weather events and landslides (\$1.7 million).
- Additional funding is provided for the I-5/North Lewis county Interchange project to advance future funding for this project to accelerate delivery by up to two years (\$1.5 million).
- Funding is provided for the SR 162/SR 161 Additional Connectivity in South Pierce County project to conduct a study on the need for additional connectivity in the area between SR 162, south of Military Road East and north of Orting, and SR 161 in South Pierce County (\$500,000).

Another legislative priority is emphasis on diversity, equity, and inclusion. There are several items in the House Chair's proposal that address this.

- Funding is provided to utilize a contractor to develop and implement community workforce agreements and to hire workforce development staff to serve as subject matter experts on federal and state civil rights laws (\$1.4 million).
- Funding is provided for the Pre-Apprenticeship & Supportive Services (PASS) grant program to increase the number of individuals prepared to work in the maritime labor force (\$1.5 million).
- As discussed above, funding is provided for costs of Substitute House bill 2057 (Strengthening diversity, equity, and inclusion in the State Patrol workforce).

Studies.

Several studies to address unresolved issues are funded in the House Chair's proposal.

At the JTC, studies are funded to:

- Identify strategies to maximize walk on passenger ridership of the Anacortes - San Juan ferry routes (\$300,000);
- Better understand the demographics of the non-driving population in Washington and the availability of transportation options available to them (\$400,000);
- Fund an independent review conducted by the JTC of the ultra-high speed rail corridor studies overseen by WSDOT to date. The review will assess past assumptions and provide additional analysis of benefits and costs for communities of color, low-income households, and other disadvantaged communities (\$400,000);
- Provide options for the establishment of powered micro mobility device lending libraries, in order to provide low-cost, reliable, and healthier modes of transportation to vulnerable communities (\$150,000); and
- Evaluate options for the shortline rail system owned by the Department of Transportation, as discussed above.

Other studies in the House Chair's proposal include the following.

- Funding is provided for the Transportation Commission to conduct a planning-level traffic and revenue study of the hood river bridge to determine the viability of toll revenues to support future financing of improvements and possible replacement of the bridge (\$1.5 million).
- Funding is provided for WSDOT to study and develop a statewide standard for accessible frequent fixed route transit (\$400,000).