

The Move Ahead WA 16-Year Transportation Package & 2022 Supplemental Transportation Budget

The 2022 Chair's Proposed Supplemental Budget (PSSB 5689) combines supplemental budget changes from the 2021 biennial transportation budget with 2021-23 initial spending from the Move Ahead WA 16-year plan. Initial 2021-23 Move Ahead WA expenditures supported by the Climate Commitment Act are in PSSB 5975.

Move Ahead WA 16 Year Plan Overview

The Move Ahead WA proposal invests \$16.8 billion in new resources over the next 16 years. Categorical spending includes:

- Over \$4.3 billion in transit, bike and pedestrian investments.
- Over \$4 billion to deliver new and existing priority road and bridge projects.
- \$3 billion in preservation and maintenance.
- \$2.4 billion to fully fund fish passage barrier removal, required to be completed by 2030.
- Over \$1.5 billion for the state ferry system.
- Nearly \$500 million for alternative fuel and electrification grants and projects.
- Over \$300 million in rail investments.

More specifically, significant investments over the 16-years of the Move Ahead WA proposal include:

- \$1.5 billion for highway preservation.
- \$1.1 billion for ferry vessel construction, vessel and terminal preservation and operating support. Coupled with \$435 million of Climate Commitment act resources for vessel construction, terminal and vessel electrification (5975).
- \$1 billion for the I-5 Columbia River Bridge.
- \$750 million for highway maintenance.
- \$640 million for SR 18 Widening - Issaquah Hobart Road to Raging River Road.
- \$500 million for stormwater retrofits & improvements.
- \$433 million for the SR 167/SR 509 Puget Sound Gateway.
- \$407 million for SR 520 Seattle Corridor Improvements - West End.
- \$380 million for I-405/SR 167 Corridor Improvements.
- \$244 million for I-5 JBLM HOV Improvements.
- \$210 million for US 2 Trestle Capacity Improvements & Westbound Trestle Replacement.
- \$150 million for ultra-high-speed rail between Oregon, Washington and British Columbia.
- \$150 million for rehabilitation of the Palouse River- Coulee City short line rail.

The resources assumed to support the 16-year Move Ahead WA spending include:

- \$5.4 billion in resources from the Climate Commitment Act.
- \$5 billion in resources from ESSB 5974, which includes an exported fuel credit system, increasing plate fees, and other revenue changes.
- \$3.4 billion in additional federal funds provided in the Federal Infrastructure Investment and Jobs Act (IIJA).
- \$2 billion from a direct one-time state general fund transfer (in addition to other kinds of time limited support).
- \$956 million from utilizing existing bond authority.

For more details, please see the LEAP transportation documents posted on fiscal.wa.gov.

Move Ahead WA Initial Operating Investments 2021-23 Highlights

- \$47 million for highway system maintenance.
- \$2.5 million for an Interstate 5 planning and environmental linkage study, and to advance a central Seattle Interstate 5 lid.
- \$2 million for the Pre-Apprenticeship & Supportive Services (PASS) Grant Program, including \$1.5 million for expansion of the PASS program to support apprenticeships and workforce development in the maritime industry.
- \$2 million for enhanced funding to the Office of Minority and Women Business Enterprise to increase the number of certified women and minority-owned contractors in the transportation sector.
- \$1 million for implementation costs associated with the revenue changes in the Move Ahead WA transportation package.
- \$550,000 to enhance the existing foster care driver's license support activities.
- \$141,000 for ESSB 5815 (homeless identicaid), a program to provide persons experiencing homelessness a taxpayer-funded identicaid on a one-time basis.

Move Ahead WA Initial Capital Investments 2021-23 Highlights in PSSB 5689

Highway preservation, stormwater, and traffic operations. Of the \$3 billion provided for preservation and maintenance over the 16-year plan, in 2021-23 the Move Ahead WA program provides \$140 million for additional highway preservation activities, \$10 million for stormwater retrofits & improvements, and \$3.1 million for traffic operations enhancements.

Funding for Previously Authorized Projects. The Move Ahead WA program provides an additional \$1.4 billion over 16 years for previously authorized projects with funding shortfalls, including the following amounts in 2021-23:

- \$268 million for I-405/SR 167 Corridor Improvements,
- \$70.8 million for SR 520 Seattle Corridor Improvements - West End,
- \$10.8 million for I-5/NB Marine View Dr to SR 529, and

- \$7.2 million for SR 167/SR 509 Puget Sound Gateway.

New Highway and Road Projects. The Move Ahead WA program provides funding for new projects in 2021-23 including:

- \$35 million for Port of Tacoma Road, East of I-5,
- \$25 million for SR 99 BAT Lanes: 148th St SW to Airport Rd – Everett,
- \$20.6 million for 224th Corridor Completion,
- \$17 million for the 42nd Ave Bridge,
- \$13.5 million for the I-5 Columbia River Bridge,
- \$10 million for the Poplar Way Bridge, and
- \$8 million for a SR 305/Suquamish Way Access Road.

Rail Projects. The Move Ahead WA program provides \$8.5 million in funding for the Palouse River - Coulee City short line rail rehabilitation in 2021-23.

Move Ahead WA Initial Climate Commitment Act 2021-23 Spending Allocations in PSSB 5975

The Climate Commitment Act of 2021 provides \$5.4 billion over 16 years for transportation investments that reduce carbon emissions. For more details, please see the LEAP transportation documents posted on fiscal.wa.gov.

The following is a summary of 2021-23 new spending, the first year of transportation spending supported by Climate Commitment Act revenues.

Active Transportation:

- \$6.9 million for Bike and Pedestrian Projects with prioritization for projects for overburdened communities.
- \$6.8 million for Safe Routes to School.
- \$5.6 million for Bike and Pedestrian Grants.
- \$3 million for Complete Streets through the Transportation Improvement Board.

Transit Programs and Projects:

- \$50 million for Ultra-High-Speed Rail. Funds will be held in reserve status until utilization as a match for federal funds.
- \$29.8 million for Transit Support Grants.
- \$14.1 million for Special Needs Transportation Grants.
- \$4.7 million for Green Transit Grants.
- \$4.7 million for Transit Projects with prioritization for projects for overburdened communities.
- \$1 million for Transit Coordination Grants.

- \$600,000 to the state ferry operating account to backfill the cost of fare-free ridership for those 18 years old and younger.

Other Move Ahead WA Items:

- Provisions within PSSB 5689, PSSB 5975 and the Move Ahead WA resources bill ESSB 5974 for transit, rail and ferries allow for youth 18 years of age and younger to ride free:
 - Transit support grants are distributed to transit agencies that adopt a fare-free policy for youth 18 years and younger.
 - The Transportation Commission must enact a fare-free policy for all 18 and younger on Washington State Ferries by October 1, 2022.
 - WSDOT will work with ODOT to submit a fare revision request to Amtrak for passengers 18 and younger to ride free on the Cascades corridor.
- Substitute Senate Bill 5488 transfers \$130 million over 10 years from the general fund to the Tacoma Narrows Toll Bridge Account outside of the supplemental budget's resource plan. The bill states legislative intent that the Transportation Commission will adjust tolls with the intended goal of maintaining two-axle toll rates at no more than 75 cents lower than current rates.

2022 Supplemental Changes

The 2022 Chair's Proposed Supplemental Transportation Budget includes just over \$12 billion in appropriation authority, an increase of \$200 million from the 2021 enacted supplemental budget. This increase is a combination of

- Increases of \$950 million in reappropriations being moved from the 2019-21 to the 2021-23 biennium for delayed capital project activity.
- Decreases from planned project spending in 2021-23 being delayed into 2023-25 or beyond.
- Decreases due to removal of a double appropriation of federal and state funding for fish passage barrier removals.
- Increases attributable to spending from the first year of the Move Ahead WA package.

An additional \$127 million in spending is included in PSSB 5975, combining with PSSB 5689 for a total of \$12.2 billion spending authorized in 2021-23.

Regular supplemental budget resources:

Even after downward adjustments under the February 2022 forecast, most transportation revenue sources remain above the March 2021 forecast which was used to develop the 2021-23 biennial transportation budget. Specifically, for the 2021-23 biennium transportation revenue is up from the March 2021 forecast by \$35 million or

0.5%. Next biennium, transportation revenues are also up from the March 2021 forecast by \$111 million or 1.6%. Over the next 10 years, transportation revenue projections are up from the March 2021 forecast by \$501 million or 1.4%. The exceptions are vehicle fees and ferry fares which reflect continued recalibration of the impacts of the pandemic and the timing of revenue recovery.

American Rescue Plan Act of 2021 funds remain as part of assumed revenues, supporting accounts which saw Covid-19 related revenue reductions (\$600 million). \$400 million is being used for water infrastructure investments to remove fish barriers.

As in prior years, the budget proposal is further supported by federal formula funds, bond sales, and some pre-existing account balances.

When overlaid with the Chair's 16-year spending plan, the increase in base revenues noted above has allowed all major transportation accounts to show a positive balance through the next 5 years. This has not been the case since 2019.

Regular supplemental budget spending:

Operating

Vacancy Savings

A net of \$73.6 million in savings are assumed in the larger transportation agencies based on estimated staff vacancies due to higher-than-expected turnover and hiring challenges. The amounts below reflect the net savings after setting aside contingency funds for additional costs for contracted services, overtime, and other costs associated with maintaining operational capacity, project delivery, and customer service levels.

- \$37 million in savings in the larger operating programs of the Washington State Department of Transportation.
- \$22.2 million in additional savings in the Washington State Patrol (in addition to \$28 million in vacancy savings assumed in the original 2021-23 budget).
- \$14.4 million in savings in the Department of Licensing.

WSDOT Public/Private Partnerships

- \$13.1 million from the Infrastructure Investment and Jobs Act to implement the National Electric Vehicle Program, at the direction of the Interagency EV Coordinating Council.

WSDOT Rail

- \$4 million for coordination and planning of the ultra-high-speed ground transportation corridor between British Columbia, Washington and Oregon.

Transportation Commission

- \$500,000 for a pilot program to support reforming EV incentives to prioritize getting the largest gasoline users to switch to EVs first.
- \$250,000 for an Interstate 405 low-income driver tolling relief pilot project.

Department of Commerce

- \$1 million from the Infrastructure Investment and Jobs Act to provide staff support for the Interagency EV Coordinating Council in order to help implement the National Electric Vehicle Program.
- \$10,000 to initiate development of a process to select projects to advance the research, development, or manufacturing of new sustainable aviation technologies.

Washington Traffic Safety Commission

- \$535,000 for a public awareness campaign regarding the “slow down and move over law” when approaching emergency/work zones.
- \$400,000 for active transportation grants supported by the Cooper Jones Active Transportation Safety Account.
- \$350,000 to study the illegal use of personal electronic devices by vehicle drivers in areas of the state with high collision rates.

Washington State Ferries

- \$9.0 million for workforce development, recruitment and retention.
- \$1.5 million expansion of pre-apprenticeship training to support the maritime industry.
- \$250,000 to study passenger demographics.

Other WSDOT

- \$9.2 million to replace obsolete equipment, including \$2 million specifically for snow removal equipment.
- \$4 million from the Waste Tire Removal Account to address safety risks and public health concerns associated with the clean-up of homeless encampments on WSDOT-owned rights-of-way and to implement E2SSB 5662 (right-of-way camping/housing).
- \$3.6 million for additional insurance costs for the SR 520 Bridge and Tacoma Narrows Bridge.
- \$1.2 million for increased asbestos abatement and related contracting costs in WSDOT facilities.
- \$1 million to hire a contractor to develop and implement community workforce agreements and to hire 4 FTE workforce development staff to serve as subject matter experts on federal and state civil rights laws.

- \$700,000 for WSDOT to contract with the State Auditor's Office for a performance audit of the electronic toll collection system.
- \$600,000 for the City of Seattle's office of planning and community development to support an equitable development initiative to reconnect the South Park neighborhood, currently divided by State Route 99.
- \$526,000 for implementation of the Healthy Environment for All (HEAL) Act approved by the Legislature (Chapter 314, Laws of 2021).
- \$500,000 for Thurston Regional Planning Council to conduct a study examining: 1) options for multimodal high-capacity transportation to serve travelers on the I-5 corridor between central Thurston County (Olympia area) and Pierce County, and 2) the feasibility, need, and potential governance and funding structures for passenger-only ferry service between the cities of Olympia and Seattle.
- \$450,000 for the department to continue to develop a performance-based project evaluation model.
- \$300,000 for implementation of SSB 5907 (roadside safety measures).
- \$235,000 for implementation of noxious weed control legislation approved by the Legislature (Chapter 217, Laws of 2021).
- \$100,000 in savings is assumed from recovery of credit card and other financial transaction costs related to the collection of special permit fees imposed under RCW 46.44.0941 for driver and vehicle fee transactions beginning January 1, 2023.

State Patrol

- \$13.8 million for 10% salary increases for troopers, sergeants, lieutenants, and captains.
- \$1.2 million for tenant improvements and staffing increases for the new state toxicology laboratory in Federal Way.
- \$1 million for additional diversity, equity and inclusion efforts, including contracting for external psychological examinations and additional independent oversight.

Department of Licensing

- \$727,000 for additional staff to process public records requests.
- \$618,000 to study licensing requirement for commercial drivers, additional processing cost associated with medical certificates for commercial drivers, and implementation of SSB 5631 (human trafficking disqualification for a commercial driver's license).

Capital

Fish passage barrier correction

The Chair's budget continues to fully fund fish passage barrier corrections as proposed by the Department of Transportation (DOT), at \$625 million, relating to the compliance with the federal injunction, for the 2021-23 period. Additional funds are provided through Move Ahead WA to fully fund the DOT requested amount (\$2.4 billion) to complete fish passage barrier removal within the injunction area by 2030.

Continuation of Connecting Washington Commitments

Total spending, including funds provided through Move Ahead WA, on capital highway improvement and preservation projects funded from the Connecting Washington (CW) program enacted by the Legislature in 2015 is expected to exceed \$3.3 billion in 2021-23 including:

- \$480 million for the SR 167/SR 509 Puget Sound Gateway project.
- \$461 million for the I-405/Renton to Bellevue - Corridor Widening project.
- \$402 million for the SR 520 Seattle Corridor Improvements - West End project.
- \$209 million for Highway System Preservation.
- \$187 million for the US 395 North Spokane Corridor project.

Other Highway Improvements and Preservation

Additional funding is provided in 2021-23 for projects including:

- \$9 million to the City of Seattle for costs associated with delays on the SR 99/Alaskan Way Viaduct – Replacement project.
- \$6.6 million for additional costs for the SR 99/Aurora Bridge – Painting project.
- \$2.7 million for US 97 Wildlife Crossing Improvements.
- \$2 million of federal grant funds for a Virtual Coordination Center for the I-5 corridor.
- \$1.8 million for the SR 241/Mabton Bridge project.
- \$1.7 million for a SR109/ 88 Corner Roadway temporary bypass.
- \$450,000 for SR 900 Safety Improvements.

Washington State Ferries (WSF) - Capital

The Chair's budget provides \$535.5 million in expenditure authority for the WSF Capital program. Including \$14.6 million for new hybrid electric vessel construction and \$10 million for vessel and terminal preservation, in addition to \$45.5 million for construction of the first hybrid electric Olympic class vessel and \$37 million for hybrid electric vessel conversion.

WSDOT Rail – Capital

The Chair's budget invests \$146.9 million in rail capital programs, including \$8.5 million for rehabilitation of the Palouse River Coulee City short line system.