

2007-09 Transportation Budget Conference Report Summary

Safety: The promises of the 2003 Nickel and 2005 Partnership packages

Safety remains the prime driver of transportation spending. The 2007-09 transportation budget continues that commitment by staying on course with the high-priority projects approved in the 2003 Nickel and 2005 Partnership tax packages.

Major features of the budget include:

- Keeping projects on schedule despite \$2 billion in increased costs since 2006.
- Restoring many delayed projects to the original schedules.
- Increasing funding for the State Route 520 Bridge.

The budget addresses additional project costs by authorizing additional bonds which take advantage of remaining capacity in the capital construction accounts. The budget also establishes a stable and permanent source of funding for the Washington State Patrol by increasing certain fees; this ensures that other revenues, previously assumed to be available to deliver projects, can be used for the intended purposes.

Mega projects

Safety is an overriding concern. The Alaskan Way Viaduct is unlikely to withstand another earthquake, and the 520 Bridge, is at risk of breaking up and sinking in a severe storm. The state will start tearing down the Alaskan Way Viaduct and begin building the pontoon components for the new 520 Bridge as soon as the appropriate construction site is confirmed.

Due to the safety risk related to the Alaskan Way Viaduct, and to avoid inflationary cost increases, the Governor and the Legislature agreed to direct the Department of Transportation to begin construction work on early safety and mobility improvements at the north and south ends of the project. Later in 2007 the Department will begin construction work to stabilize some of the viaduct column footings. In 2008 construction will begin on life safety upgrades to the battery street tunnel, earthquake strengthening at the north end of the project, and utility line relocations. In 2009 sections of the viaduct will start being removed. All these elements, totaling \$915 million over the next three biennia, would be necessary as part of any option selected for the central waterfront area.

To reserve adequate funding for the 520 bridge, the budget provides additional funds consisting of:

- \$560 million in state funds.
- \$110 million in federal bridge funds.
- \$200 million in federal transit funds expected to be allocated by the Puget Sound Regional Council.
- Access to a \$1 billion pool of funds earmarked exclusively for either the Alaskan Way Viaduct or SR 520 Bridge. Since the viaduct's total state funding is limited, the range of additional funds available from this pool to SR 520 is from \$600 million to \$1 billion.

It is expected that revenues from the Regional Transportation Investment District, tolling and other funding mechanisms will be used to fund the remainder of the project's cost. In the upcoming year work will proceed on the designation of the final configuration of the corridor and the mitigation needs of the impacted communities. Work will begin on pontoon construction concurrently with the final design and mitigation efforts.

To begin work on other mega projects around the state, the budget provides funding for a summit on regional transportation needs in the Spokane area which will include preliminary discussions of developing a regional funding mechanism for the North-South Corridor. For the Columbia River Crossing project between Vancouver and Portland, the Joint Transportation Committee will continue discussions with the Oregon Legislature over the 2007-09 biennium.

Finding funding for increased costs

This budget accommodates significant inflationary cost increases on nearly every project across the state. All projects committed to in the 2003 and 2005 packages remain funded and with the same scope as planned in last year's budget, except for a handful of projects that experienced scope changes due to issues that made the original plan no longer viable. These projects are listed in the project changes summary at the beginning of the projects lists.

On the next page is a sample of \$1 billion in projects around the state with major cost increases that are accommodated in the 2007-09 Transportation budget.

Project costs are listed in dollars in millions:

Project/Corridor	2006 Budgeted Total	2007 Conference Total	Difference
I-405 Corridor	1,464	1,484	19
I-5/Grand Mound to Maytown - Widening	76	130	54
I-90 Snoqualmie Pass	388	525	137
SR 522/Snohomish River Bridge to US 2	111	169	58
I-205 / Mill Plain Interchange to NE 28th Street	58	97	39
I-5 / Mellen Street to Grand Mound	160	193	37
SR 161 / 24th to Jovita	26	63	36
SR 502/Widening from I-5 to Battle Ground	58	88	30
SR 500/St Johns Blvd. - Interchange	30	48	18
SR 14 / Camas/Washougal Widening & Interchange	40	57	17
SR 539/Tenmile Road to SR 546 - Widening	86	102	16
US 12 McDonald Road to Walla Walla - Add lanes	50	66	16
SR 9 Corridor	133	144	11
SR16/I-5 HOV Corridor	930	1,405	475
SR395/North Spokane Corridor	374	473	99

Local government partnership

Some local government construction programs have also experienced recent cost increases. \$15 million of additional bond authority is therefore provided to the Transportation Improvement Board to help cover construction cost inflation. The board can accommodate additional borrowing capacity as bonds they issued in the 1980s are paid off.

Putting projects back on schedule

Under the financial constraints with which the Governor had to operate, several major projects would have been delayed. Under the Conference budget:

- The interchange project at I-405 and 132nd Street is completed eight years sooner.
- Rail improvements from Kelso to Martin's Bluff are made eight years sooner.
- The interchange at I-5 at Grand Mound will be replaced 10 years sooner.
- SR 502/I-5 to Battle Ground in Vancouver is widened four years sooner.
- Safety improvements at SR 532 at 64th Avenue are completed two years sooner.
- The SR 162/Puyallup River Bridge is replaced two years sooner.
- US 101/Shore Road to Kitchen Road is widened two years sooner.
- Smaller bridge projects in Cowlitz, Pacific, Snohomish and Yakima counties are completed sooner.

Relief of freight congestion

Since freight-related businesses benefit from statewide and regional gas tax projects, the budget funds a study to identify alternative funding solutions to support freight projects (SSB 5207).

The anticipated funds resulting from that study build on the ongoing goal of relieving freight congestion along roads to our ports and across our state by providing:

- \$25 million for modifications to the rail tunnel through Stampede Pass to accommodate double-stacked rail cars.
- \$94 million for SR 509, the north-south corridor linking port traffic to Interstate 5.
- \$188 million for SR 167 for the Regional Transportation Investment District (RTID) plan to extend 167 to the Port of Tacoma.
- \$5 million for other freight rail projects.

Existing funds provide nearly \$40 million is provided for freight rail projects in Bellingham, Chehalis, Creston, Dayton, Ephrata, Hoquiam, Longview, Moses Lake, Spokane, Tacoma, Toppenish, Vancouver, Wheeler and other cities. \$11 million is dedicated to the Palouse River and Coulee City rail line (PCC). Funds are also provided to continue the purchase of a fleet of refrigerated rail cars for the Washington Produce Rail Car Program.

\$2.5 million is provided for a freight rail investment bank to make loans for rail capital improvements such as spurs and sidings to serve industrial parks.

The budget includes \$76 million for 40 freight mobility projects to build grade separations to reduce rail-road conflicts, move truck traffic off main streets, build grade-separated routes and other projects that improve freight movement and separate cars from trains.

Other rail funding

The budget provides \$223 million to help move people and goods, easing conflicts between rail and roadways and passenger and freight rail, and to support ports and shippers. None of this money is used for Sound Transit, which is funded through voter-approved taxes in King, Pierce and Snohomish counties. The budget also funds a fifth daily round trip on Amtrak Cascades from Seattle and Portland.

Increasing capacity on roads through operational improvements

- **Low-cost safety improvements**

The transportation budget includes \$2 million in funding to place rumble strips on a number of highways to reduce crossover collisions, including US 2, US12, SR 395, SR 14, SR 503 and US97. Centerline Rumble Strips are placed on the centerline of

undivided highways to warn drivers they are leaving their intended lane of travel. The largest investment in this category (\$731,000) is for a section of SR 2 from Monroe to Deception Creek.

- **Intelligent transportation**

\$22 million is provided to improve commercial vehicle operations, traveler information and safety and congestion through the application of advanced technology.

- **Commercial vehicle information systems and networks (CVISN)**

\$3 million in federal and state funds is provided for the second phase of CVISN at 11 weigh stations along I-5, I-90 and I-82. This program allows expedited roadside motor carrier safety screening and enforcement by delivering real-time information on motor carrier safety, size, weight and credentials.

- **Low-cost enhancements**

\$6.8 million for low-cost traffic operations enhancements that provide immediate highway safety and efficiency improvements. The projects cost less than \$100,000 and include traffic control signals and signage, lane striping, minor widening of ramps, spot guard rail improvements, access control and pedestrian connections.

- **Clearing accidents more quickly**

WSDOT receives funding for incentive payments of \$2,500 to tow truck operators who meet quick clearance goals for crashes involving heavy trucks. There are more than 3,900 annual collisions involving heavy trucks statewide creating congestion that affects thousands of motorists.

Public Transportation

The budget continues the commitments made in the Nickel and TPA investments in public transportation and adds additional dollars to commute trip reduction efforts.

- **Paratransit and Special needs grants**

In accord with the Nickel and Partnership packages, the budget includes \$25 million for competitive and formula grants for transportation for people with special needs. Funds go to transit agencies and non-profit transportation providers of services for the elderly and people with disabilities.

- **Regional mobility grants**

The Office of Transit Mobility, created by the Legislature as part of the Partnership package, connects transit services and multimodal transportation planning through projects that improve the efficiency of transportation corridors. The budget provides \$40 million for regional mobility projects, including park & ride lots, bus rapid transit and transit centers.

- **Commute Trip Reduction**

\$2.4 million is provided for Growth and Transportation Efficiency Centers (GTECs) as described in the 2006 CTR Efficiency Act. This approach focuses transportation demand management efforts where they are most needed. Funds provided as a state match to local funds will establish up to eight GTECs.

The budget adds an additional \$2.6 million for vanpool grants for the successful Vanpool program in addition to the governor's requested \$6 million, bringing the total to \$8.6 million.

An additional \$1 million is provided for the trip reduction performance program (TRPP) which encourages innovative services, including teleworking, that eliminate vehicle trips to and from work.

The budget provides \$200,000 for a Commute Trip Reduction study of mobility education and how to reduce the number of parents who drive their kids to school, or kids who drive themselves to school.

- **Rural mobility grants**

In accord with the Partnership package, \$15 million is provided for public transportation in and between rural communities. This flexible grant program helps rural communities serve people who rely on public transportation.

- **Pedestrian and bicycle projects**

\$18 million is provided to improve safety for pedestrians and bicyclists and projects, to make sure children have safe routes to school.

Stable funding for the Washington State Patrol (WSP)

The WSP Highway account currently faced a \$35 million shortfall and competes for funding from other accounts that would otherwise fund construction projects. To bring solvency to the WSP account, this budget increases the fee for driving record abstracts from \$5 to \$10 and increases the fee for temporary permits on new vehicle sales and leases.

The budget also provides:

- \$2.8 million for increasing commercial vehicle safety initiatives. WSP will use data-driven analysis to prioritize motor carriers for inspection and compliance reviews and place motor carriers out of service until violations have been corrected.
- \$92,000 for classroom technology and other equipment at the Training Academy;
- \$81,000 to replace aging traffic collision investigation equipment; and
- \$662,000 for electronic traffic information processing, to allow law enforcement officers to create and transmit citations and collision reports from the field.

Department of Licensing

In response to the federal Western Hemisphere Travel Initiative, the Department of Licensing (DOL) receives \$8.9 million to implement an alternative, voluntary driver's license and identocard with enhanced security features for crossing the Canadian border. The funding relates to ESHB 1289, which, in part, allows DOL to charge an additional fee for the enhanced license, raising an estimated \$5.3 million.

DOL receives \$716,000 for DOL-subsidized motorcycle training classes to accommodate an additional 3,000 students per year. Funding is contingent on the passage of SB 5273, which redirects the \$5 endorsement fee to the Motorcycle Safety Education Account.

The budget provides \$2.9 million for DOL to conduct 60 percent of the skills testing for those applying for a commercial driver's license. All skills testing is currently provided through third-party testers. Funding is contingent on the passage of SHB 1267, which raises the skills testing fee from \$50 to \$100.

Ferries

Except for environmental planning and needed preservation capital terminal spending is suspended while the WSDOT gathers information and develops standards for the most efficient balance between capital and operating investments. For future terminal improvement design and construction funding requests, WSDOT will conduct cost benefit and life cycle cost analysis and provide that information to the Legislature for project scoping and funding decisions. All governor's recommended vessel procurement, vessel preservation, and system wide projects are funded as requested.

Operating costs are continued for all routes except the Seattle/Vashon passenger-only-ferry, which is funded through June 30, 2008, when funding responsibility for the run will be transferred to King County.

The budget provides \$22 million for ferry fuel cost increases and \$26 million to cover ongoing collective bargaining agreements.

ESHB 2358 directs the Commission to freeze ferry fares until September 1, 2009 or until the fare rules contain pricing policies that follow the guidelines set forth in the bill, whichever is later.

Other initiatives

- **Tolling**

The budget provides funding for WSDOT's tolling operations office and the activation of two new tolled projects, the Tacoma Narrows Bridge and the SR 167 HOT lane.

- **Interstate fuel tax auditors**
\$406,000 is provided for increased revenue collections enforcement by DOL that are expected to generate up to \$4 million in new revenue per biennium.
- **Compensation and benefits**
\$86 million is provided for compensation and benefits to both represented and unrepresented state employees in all transportation agencies.
- **Biofuel quality assurance**
\$1 million is provided to the Department of Agriculture's Motor Fuel Quality Program to inspect biofuel at the producer, distributor and retail levels.
- **Permit integration**
The Office of Regulatory Assistance will implement a successful streamlined permit pilot project statewide. This project developed multi-agency permits that integrate local, state and federal permits for transportation projects, following up work initiated under the Transportation Permit Efficiency and Accountability Committee.

Key Transportation Legislation

Regional Transportation

ESSB 6099: Hiring a mediator to help the department of transportation develop a state route number 520 expansion impact plan

- The Office of Financial Management (OFM) must hire a mediator and planning staff to develop a project impact plan that will address the impacts of the State Route (SR) 520 Bridge replacement and High Occupancy Vehicle (HOV) Project.
- The SR 520 project design is described as having six total lanes, with four general purpose lanes and two lanes for HOV travel that could also accommodate high capacity transit, including bus rapid transit.
- Requires that certain interested parties jointly develop a multimodal transportation plan that ensures coordination of bus services and light rail throughout the corridor.

SHB 1396: Providing a single ballot proposition for regional transportation investment districts and regional transit authorities at the 2007 general election

- Requires Sound Transit and the Regional Transportation Investment District to submit a single ballot proposition to regional voters at the 2007 general election that contains both agencies' respective transit and highway improvement plans.
- The single ballot proposition must pass in both taxing districts for the measure to take effect.

Ferries

HB 2353: Passenger Only Ferries

- Fuel purchased by a public transportation benefit area or a county ferry for passenger-only-ferry (POF) services is exempt from the sales and use tax.
- WSF is directed to sell the Chinook and Snohomish POF which provides the revenues which are appropriated in the budget bill for the POF grant program.
- The date by which those proposing to take over the Seattle/Vashon POF route must begin operations is extended to July 1, 2008.
- In the budget bill, state funded Seattle/Vashon POF services are funded through June 30, 2008. The uses to which a ferry district can put property tax revenues is expanded and county ferry districts are granted the ability to incur indebtedness and issue bonds to finance the construction, purchase, and preservation of POF vessels and associated terminals.

ESHB 2358: Ferry Study Recommendations Implementation

- The Transportation Commission is directed to conduct a survey of ferry users to help make ferry fare decisions.
- The Commission may not increase ferry fares until September 1, 2009 or until the fare rules contain pricing policies that follow the guidelines set forth in the bill, whichever is later.
- WSF is given guidelines for developing fare policies, operational strategies, terminal design standards, and long range capital plans and directed to use these in determining the most efficient balance of operating and capital investments.
- A process is put into place for capital funding requests whereby they must adhere to the aforementioned standards and strategies and must be accompanied by a predesign study with various elements which will be used by the Legislature for project scoping and funding decisions.

SHB 2378: Expediting New Vessel Construction for Washington State Ferries

- Authorizes the current qualified proposers to meet, confer, and submit a single joint proposal for the construction of ferry vessels.
- Modifies the provisions related to ferry vessel procurement through the design-build process to allow for the negotiation of a contract if there is only a single qualified proposer or a single proposal.

Coordinated Transportation

SHB 1694: Reauthorizes the agency council for coordinated transportation (ACCT)

- The makeup of the council is modified and its duties are streamlined. The council is directed to establish guidelines for a complaint process applicable to transportation providers and to participate in statewide emergency planning for persons with special transportation needs.

- The joint transportation committee is directed to study ways to improve coordination at the regional level.

Teen Driver Safety

SB 5036: Repealing the application of the sunset act to the intermediate driver's license program

- In 2000, the Washington legislature created the intermediate driver's license (IDL) which places certain restrictions on young drivers.
- Repeals application of the sunset act, making the IDL permanent.

Traffic Safety

EHB 1214: Regarding the use of electronic wireless communications devices for text messaging while operating a moving motor vehicle

- Makes operating a vehicle while sending, reading or writing a text message a secondary traffic infraction.
- The traffic infraction created in the bill does not apply to: (1) drivers of emergency vehicles; (2) a person reporting illegal activity or summoning emergency help; or (3) the relay of information between a transit or for-hire operator and that operator's dispatcher.
- Infractions from the use of a wireless communications device while driving do not become part of the driver's driving record, and are not reported to insurance companies or employers.

ESSB 5037: Restricting the use of a wireless communications device while operating a moving motor vehicle

- Makes operating a vehicle while holding a wireless communications device to one's ear a secondary traffic infraction.
- The traffic infraction created in the bill does not apply to: (1) drivers of tow trucks responding to disabled vehicles, or drivers of emergency vehicles; (2) a person using the wireless device in hands-free mode; (3) a person reporting illegal activity or summoning emergency help; or (4) a person using a hearing aid.
- Infractions from the use of a wireless communications device while driving do not become part of the driver's driving record, and are not reported to insurance companies or employers.

Commercial Vehicles

SHB 1304: Modifying commercial motor vehicle carrier provisions

- Authorizes the Washington State Patrol (WSP) to use data-driven analysis to prioritize motor carriers for inspection and compliance reviews.

- Requires certain intrastate motor carriers to have United States Department of Transportation numbers.
- Authorizes the WSP to place motor carriers out of service until violations have been corrected.
- Increases penalties for commercial vehicle compliance and safety violations.

SHB 1267: Modifying commercial driver's license requirements

- Adds a requirement that those applying for a CDL endorsement have successfully completed a course of instruction in the operation of a commercial motor vehicle or be certified by an employer as having the necessary skills and training.
- Currently nearly 100% of skills exams are performed by third party testers. The maximum skill exam fee is raised from \$50 to \$100. This will raise part of the \$2.9M in DOL's budget to perform 60% of the skills exams.

Washington State Patrol

ESHB 1260: Establishing contribution rates in the Washington state patrol retirement system

- The member contribution rate for Washington State Patrol Retirement System is reduced to the lesser of: one-half of the adjusted total contribution rate; or 7 percent, plus 50 percent of the contribution rate increase caused by any benefit improvement effective on or after July 1, 2007.

SHB 1417: Providing reimbursement for certain Washington state patrol survivor benefits

- Eligibility to enroll in Public Employees Benefits Board health benefit plans is expanded to include surviving spouses and dependent children of members of the Washington State Patrol Retirement System (WSPRS) killed in the line of duty.
- Reimbursement for survivor and dependent health benefit premium payments is added to the death benefits provided to survivors of members of the WSPRS killed in the line of duty.

SB 5313: Establishing the retirement age for members of the Washington state patrol retirement system

- Changes the mandatory retirement age for members of the Washington State Patrol Retirement System, other than a member serving as Chief of the Washington State Patrol, from 60 to 65.

SSB 5937: Providing for additional patrols along high-accident corridors

- The fee for an abstract of driving record is increased from \$5 to \$10. The \$5 increase will be deposited into the State Patrol Highway Account and may be used for enhanced State Patrol resources to address locations that have been identified as having higher than average collision rates.

SB 6129: Providing additional funding for the state patrol highway account

- The fee for a temporary permit is raised to \$15 and the documentary service fee is raised to \$50 per vehicle sale or lease.
- Revenue derived from the fee increase on temporary permits is deposited in the State Patrol Highway Account.

Border Security and Identity Cards/Drivers' Licenses

ESHB 1289: Authorizing the issuance of enhanced drivers' licenses and identicards to facilitate crossing the Canadian border

- Authorizes the Department of Licensing (DOL) to develop, in consultation with federal and Canadian authorities, a voluntary, enhanced driver's license and identicard to facilitate crossing of the border between Washington and British Columbia.
- Directs DOL to implement a statewide public information campaign to educate Washington citizens about border crossing requirements, and the availability of the enhanced driver's license and identicard.

SSB 5087: Addressing Washington state compliance with the federal REAL ID Act of 2005

- No state agency may expend funds to implement the Real ID Act of 2005 in Washington unless:
 - (1) all reasonable privacy and data security protections are included;
 - (2) the implementation does not place unreasonable costs or recordkeeping burdens on driver's license or identicard applicants; and
 - (3) sufficient federal funds are received by Washington to implement the Real ID Act of 2005 requirements.

Other Legislation

SHB 2394: Requesting the issuance and sale of general obligation bonds for highway improvements

- Authorization is provided for the sale of \$1.1 billion of general obligation bonds for transportation and safety and improvement projects.
- The bonds are backed by the motor and special fuels tax and the full faith and credit of the state.

SSB 5085: Providing that transportation accounts receive one hundred percent of their proportionate share of earnings.

- Transportation accounts that currently retain only 80 percent of the interest income they generate will instead retain 100 percent of the interest income they generate and will be subject to the State Treasurer's service fee.

SSB 5242: Establishing an internship program for wounded combat veterans

- Establishes an internship program for wounded combat veterans at the Washington State Department of Transportation (WSDOT).
- WSDOT may offer full or part time temporary positions in areas such as mapping, planning, procurement and quality control.

SSB 5207: Concerning a study to evaluate the imposition of a fee on the processing of shipping containers, port-related user fees, and other funding mechanisms to improve freight corridors; creating the freight congestion relief account.

- Joint Transportation Committee (JTC) is directed to study funding mechanisms as a means to fund freight infrastructure improvements. The study is subject to appropriation and due to the Legislative Transportation Committees prior to the start of the 2008 Legislative Session.
- Creates the Freight Congestion Relief Account in the State Treasury.