ESHB 2878 - CONF REPT
By Conference Committee

Strike everything after the enacting clause and insert the following:

"2007-09 BIENNIUM

GENERAL GOVERNMENT AGENCIES--OPERATING

Sec. 101. 2007 c 518 s 101 (uncodified) is amended to read as follows:

FOR THE UTILITIES AND TRANSPORTATION COMMISSION

Grade Crossing Protective Account--State
Appropriation . . . . . ((~~$505,000~~))
$504,000

Sec. 102. 2007 c 518 s 102 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT

Motor Vehicle Account--State Appropriation . . . . . ((~~$3,054,000~~))
$3,577,000

State Patrol Highway Account--State Appropriation $100,000

Puget Sound Ferry Operations Account--State
Appropriation $100,000

TOTAL APPROPRIATION . . . . . ((~~$3,154,000~~))
$3,777,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $2,545,000 of the motor vehicle account--state appropriation is provided solely for the office of regulatory assistance integrated permitting project.

(2) $75,000 of the motor vehicle account--state appropriation is

provided solely to address transportation budget and reporting requirements.

(3) $100,000 of the state patrol highway account--state appropriation is provided solely for a study of the most cost-effective means of ensuring that the pension concerns of the members of the Washington state patrol retirement system are adequately and appropriately considered and submitted to the legislature. The office of financial management shall solicit participation and guidance from the senate ways and means committee, the house of representatives appropriations committee, the department of retirement systems, the Washington state patrol troopers association, the Washington state patrol lieutenants association, the Washington state patrol, and the office of the state actuary, and report the study recommendations to the legislature by November 1, 2008.

(4) The department shall make a recommendation to the transportation committees of the legislature by December 1, 2008, as to whether Washington state ferries marine employees should be covered under workman's compensation.

(5) $400,000 of the motor vehicle account--state appropriation is provided solely for the continued maintenance and support of the transportation executive information system (TEIS).

(6) The office of financial management shall work collaboratively with the house of representatives and senate transportation committees to ensure that future budget proposals reflect criteria for performance excellence and earned value measures, and align with the goals and performance measures contained within the state transportation progress report.

Sec. 103. 2007 c 518 s 103 (uncodified) is amended to read as follows:

FOR THE MARINE EMPLOYEES COMMISSION

Puget Sound Ferry Operations Account--State

Appropriation . . . . . ((~~$422,000~~))

$434,000

The appropriation in this section is subject to the following conditions and limitations: A maximum of $22,000 may be expended to pay the department of personnel for conducting the 2007 salary survey.

Sec. 104. 2007 c 518 s 104 (uncodified) is amended to read as follows:

FOR THE STATE PARKS AND RECREATION COMMISSION

Motor Vehicle Account--State Appropriation . . . . . ((~~$985,000~~)) $983,000

The appropriation in this section is subject to the following conditions and limitations: The entire appropriation in this section is provided solely for road maintenance purposes.

Sec. 105. 2007 c 518 s 105 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF AGRICULTURE

Motor Vehicle Account--State Appropriation . . . . . ((~~$1,358,000~~)) $1,355,000

The appropriation in this section is subject to the following conditions and limitations:

(1) $351,000 of the motor vehicle account--state appropriation is provided solely for costs associated with the motor fuel quality program.

(2) ((~~$1,007,000~~)) $1,004,000 of the motor vehicle account--state appropriation is provided solely to test the quality of biofuel. The department must test fuel quality at the biofuel manufacturer, distributor, and retailer.

Sec. 106. 2007 c 518 s 106 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION

Motor Vehicle Account--State Appropriation . . . . . ((~~$223,000~~)) $340,000

The appropriation in this section is subject to the following conditions and limitations: The entire appropriation is provided solely for ((~~staffing costs to be dedicated to state~~)) transportation activities. Staff hired to support transportation activities must have practical experience with complex construction projects.

Sec. 107. 2007 c 518 s 107 (uncodified) is amended to read as follows:

FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE

Motor Vehicle Account--State Appropriation . . . . . ((~~$1,595,000~~)) $1,195,000

The appropriation in this section is subject to the following conditions and limitations:

(1) ((~~$800,000~~)) $400,000 of the motor vehicle account--state appropriation is provided solely for the continued maintenance and support of the transportation executive information system (TEIS).

(2) $795,000 of the motor vehicle account--state appropriation is provided solely for development of a new transportation capital budgeting system and transition of a copy of the transportation executive information system (TEIS) to LEAP. At a minimum, the new budgeting system development effort must provide comprehensive schematic diagrams of the current and proposed transportation capital budget process, information flows, and data exchanges; common, agreed-upon data definitions and business rules; detailed transportation capital budget data and system requirements; and a strategy for implementation, including associated costs and a timeframe.

TRANSPORTATION AGENCIES--OPERATING

Sec. 201. 2007 c 518 s 201 (uncodified) is amended to read as follows:

FOR THE WASHINGTON TRAFFIC SAFETY COMMISSION

Highway Safety Account--State Appropriation . . . . . ((~~$2,609,000~~)) $2,605,000

Highway Safety Account--Federal Appropriation . . . . ((~~$15,880,000~~)) $15,845,000

School Zone Safety Account--State Appropriation . . . . ((~~$3,300,000~~)) $3,376,000

TOTAL APPROPRIATION . . . . . ((~~$21,789,000~~)) $21,826,000

The appropriations in this section are subject to the following conditions and limitations: $76,000 of the school zone safety account--state appropriation is provided solely for contracting with the office of the superintendent of public instruction (OSPI) to conduct pilot programs in three school districts for road safety education and training for children, in order to teach children safe

walking, bicycling, and transit use behavior. The pilot projects shall be conducted during the 2008-09 academic year, and shall be modeled after a program and curriculum successfully implemented in the Spokane school district. Funds are provided for curriculum resources, bicycle purchases, teacher training, other essential services and equipment, and OSPI administrative expenses which may include contracting out pilot program administration. The participating school districts shall be located as follows: One in Grant county, one in Island county, and one in Kitsap county. The OSPI shall evaluate the pilot programs, and report to the transportation committees of the legislature no later than December 1, 2009, on the outcomes of the pilot programs. The report shall include a survey identifying barriers to, interest in, and the likelihood of students traveling by biking, walking, or transit both prior to and following completion of the pilot program.

Sec. 202. 2007 c 518 s 202 (uncodified) is amended to read as follows:

FOR THE COUNTY ROAD ADMINISTRATION BOARD

Rural Arterial Trust Account--State Appropriation . . . . ((~~$907,000~~))
$900,000

Motor Vehicle Account--State Appropriation . . . . . ((~~$2,075,000~~))
$2,058,000

County Arterial Preservation Account--State
Appropriation . . . . . ((~~$1,399,000~~))
$1,388,000

TOTAL APPROPRIATION . . . . . ((~~$4,381,000~~))
$4,346,000

The appropriations in this section are subject to the following conditions and limitations: $481,000 of the county arterial preservation account--state appropriation is provided solely for continued development and implementation of a maintenance management system to manage county transportation assets.

Sec. 203. 2007 c 518 s 203 (uncodified) is amended to read as follows:

FOR THE TRANSPORTATION IMPROVEMENT BOARD

Urban Arterial Trust Account--State Appropriation . . . ((~~$1,793,000~~))
$1,778,000

Transportation Improvement Account--State
Appropriation . . . . . ((~~$1,795,000~~))
$1,780,000
TOTAL APPROPRIATION . . . . . ((~~$3,588,000~~))
$3,558,000

Sec. 204. 2007 c 518 s 204 (uncodified) is amended to read as follows:

FOR THE BOARD OF PILOTAGE COMMISSIONERS

Pilotage Account--State Appropriation . . . . . ((~~$1,156,000~~))
$1,152,000

Sec. 205. 2007 c 518 s 205 (uncodified) is amended to read as follows:

FOR THE JOINT TRANSPORTATION COMMITTEE

Motor Vehicle Account--State Appropriation . . . . . ((~~$2,103,000~~))
$2,513,000
Multimodal Transportation Account--State Appropriation . . . $550,000

TOTAL APPROPRIATION . . . . . ((~~$2,653,000~~))
$3,063,000

The appropriations in this section ((~~is~~)) are subject to the following conditions and limitations:

(1) ((~~$500,000~~)) $750,000 of the motor vehicle account--state appropriation is for establishing a work group to implement Engrossed Substitute House Bill No. 2358 (regarding state ferries) and review other matters relating to Washington state ferries. The cochairs of the committee shall establish the work group comprising committee members or their designees, an appointee by the governor, and other stakeholders as appointed by the cochairs, to assist in the committee's work. The work group shall report ((~~the progress of~~)) on its tasks to the transportation committees of the legislature by December ((~~15, 2007~~)) 2008. The work group is tasked with the following:

(a) Implementing the recommendations of Engrossed Substitute House Bill No. 2358 (regarding state ferries). As directed by Engrossed Substitute House Bill No. 2358, the committee work group shall participate in and provide a review of the following:

(i) The Washington transportation commission's development and interpretation of a survey of ferry customers;

(ii) The department of transportation's analysis and reestablishment of vehicle level of service standards. In reestablishing the standards, consideration must be given to whether boat wait is the appropriate measure;

(iii) The department's development of pricing policy proposals. In developing these policies, the policy, in effect on some routes, of collecting fares in only one direction must be evaluated to determine whether one-way fare pricing best serves the ferry system;

(iv) The department's development of operational strategies;

(v) The department's development of terminal design standards; and

(vi) The department's development of a long-range capital plan;

(b) Reviewing the following Washington state ferry programs:

(i) Ridership demand forecast;

(ii) Updated life cycle cost model, as directed by Engrossed Substitute House Bill No. 2358;

(iii) Administrative operating costs, nonlabor and nonfuel operating costs, Eagle Harbor maintenance facility program and maintenance costs, administrative and systemwide capital costs, and vessel preservation costs; and

(iv) The Washington state ferries' proposed capital cost allocation plan methodology, as described in Engrossed Substitute House Bill No. 2358;

(c) Making recommendations regarding:

(i) The most efficient timing and sizing of future vessel acquisitions beyond those currently authorized by the legislature. Vessel acquisition recommendations must be based on the ridership projections, level of service standards, and operational and pricing strategies reviewed by the committee and must include the impact of those recommendations on the timing and size of terminal capital investments and the state ferries' long range operating and capital finance plans; and

(ii) Capital financing strategies for consideration in the 2009 legislative session. This work must include confirming the department's estimate of future capital requirements based on a long range capital plan and must include the department's development of a

plan for codevelopment and public private partnership opportunities at public ferry terminals; and

(d) Evaluate the capital cost allocation plan methodology developed by the department to implement Engrossed Substitute House Bill No. 2358.

(2) $250,000 of the motor vehicle account--state appropriation and $250,000 of the multimodal transportation account--state appropriation are for the continuing implementation of ((~~Substitute Senate Bill No. 5207~~)) chapter 514, Laws of 2007.

(3) $300,000 of the multimodal transportation account--state appropriation is for implementing Substitute House Bill No. 1694 (coordinated transportation). If Substitute House Bill No. 1694 is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(4) $150,000 of the motor vehicle account--state appropriation is for the Puget Sound regional council to conduct a pilot program for multimodal concurrency analysis. This pilot program will analyze total trip needs for a regional growth center based on adopted land use plans, identify the number of trips which can be accommodated by planned roadway, transit service, and nonmotorized investments, and identify gaps for trips that cannot be served and strategies to fill those gaps. The purpose of this pilot is to demonstrate how this type of multimodal concurrency analysis can be used to broaden and strengthen local concurrency programs.

Sec. 206. 2007 c 518 s 206 (uncodified) is amended to read as follows:

FOR THE TRANSPORTATION COMMISSION

Motor Vehicle Account--State Appropriation . . . . . ((~~$2,276,000~~)) $2,322,000

Multimodal Transportation Account--State Appropriation . . . $112,000

TOTAL APPROPRIATION . . . . . ((~~$2,388,000~~)) $2,434,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $350,000 of the motor vehicle account--state appropriation is provided solely for the commission to conduct a survey of ferry customers as described in Engrossed Substitute House Bill No. 2358.

Development and interpretation of the survey must be done with participation of the joint transportation committee work group established in section 205(1) of this act.

(2) ((~~$100,000 of the motor vehicle account--state appropriation is provided solely for a study to identify and evaluate long-term financing alternatives for the Washington state ferry system. The study shall incorporate the findings of the initial survey described in subsection (1) of this section, and shall consider the potential for state, regional, or local financing options. The commission shall submit a draft final report of its findings and recommendations to the transportation committees of the legislature no later than December 2008.~~

~~(3)~~)) The commission shall conduct a planning grade tolling study that is based on the recommended policies in the commission's comprehensive tolling study submitted September 20, 2006.

(3) Pursuant to RCW 43.135.055, during the 2007-09 fiscal biennium, the transportation commission shall establish, periodically review, and, if necessary, modify a schedule of toll charges applicable to the state route 167 high-occupancy toll lane pilot project, as required by RCW 47.56.403.

(4) Pursuant to RCW 43.135.055, during the 2007-09 fiscal biennium, the transportation commission shall periodically review, and, if necessary, modify the schedule of toll charges applicable to the Tacoma Narrows bridge, taking into consideration the recommendations of the citizen advisory committee created by RCW 47.46.091.

(5) $205,000 of the motor vehicle account--state appropriation is provided solely for a study of potential revenue sources for the Washington state ferry system. The study must model and assess the revenue generating potentials of feasible alternative funding sources. The revenue forecasting models must be dynamic and ownership of these models must be retained by the commission. The commission shall develop revenue source recommendations that will generate revenue equal to or greater than the funding level identified by the ferries finance study of the joint transportation committee referenced in section 205 of this act, and shall report its recommendations to the transportation committees of the legislature by November 15, 2008.

(6) The transportation commission shall develop recommendations to reduce and control tolling operations costs. These recommendations

shall be presented to the transportation committees of the state legislature by December 1, 2008. To this end, the commission shall generate benchmarks to evaluate program efficiencies. They shall also review and confirm data necessary to evaluate tolling operations. The department of transportation shall cooperate with the commission and provide documents and data to assist with this evaluation.

Sec. 207. 2007 c 518 s 207 (uncodified) is amended to read as follows:

FOR THE FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD

Motor Vehicle Account--State Appropriation . . . . . ((~~$695,000~~)) $691,000

The appropriation in this section is subject to the following conditions and limitations:

(1) The freight mobility strategic investment board shall, on a quarterly basis, provide status reports to the office of financial management and the transportation committees of the legislature on the delivery of projects funded by this act.

(2) The freight mobility strategic investment board and the department of transportation shall collaborate to submit a report to the office of financial management and the transportation committees of the legislature by September 1, 2008, listing proposed freight highway and rail projects. The report must describe the analysis used for selecting such projects, as required by chapter 47.06A RCW for the board and as required by this act for the department. When developing its list of proposed freight highway and rail projects, the freight mobility strategic investment board shall use the priorities identified in section 309(7)(a) of this act to the greatest extent possible.

Sec. 208. 2007 c 518 s 208 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE PATROL--FIELD OPERATIONS BUREAU

State Patrol Highway Account--State Appropriation . . . . . ((~~$225,445,000~~)) $226,924,000

State Patrol Highway Account--Federal Appropriation $10,602,000

State Patrol Highway Account--Private/Local

Appropriation $410,000

TOTAL APPROPRIATION . . . . . ((~~$236,457,000~~)) $237,936,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Washington state patrol officers engaged in off-duty uniformed employment providing traffic control services to the department of transportation or other state agencies may use state patrol vehicles for the purpose of that employment, subject to guidelines adopted by the chief of the Washington state patrol. The Washington state patrol shall be reimbursed for the use of the vehicle at the prevailing state employee rate for mileage and hours of usage, subject to guidelines developed by the chief of the Washington state patrol.

(2) In addition to the user fees, the patrol shall transfer into the state patrol nonappropriated airplane revolving account under RCW 43.79.470 no more than the amount of appropriated state patrol highway account and general fund funding necessary to cover the costs for the patrol's use of the aircraft. The state patrol highway account and general fund--state funds shall be transferred proportionately in accordance with a cost allocation that differentiates between highway traffic enforcement services and general policing purposes.

(3) The patrol shall not account for or record locally provided DUI cost reimbursement payments as expenditure credits to the state patrol highway account. The patrol shall report the amount of expected locally provided DUI cost reimbursements to the governor and transportation committees of the senate and house of representatives by September 30th of each year.

(4) $1,662,000 of the state patrol highway account--state appropriation is provided solely for the implementation of Substitute House Bill No. 1304 (commercial vehicle enforcement). If Substitute House Bill No. 1304 is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(5) During the ((~~fiscal year 2008~~)) 2007-2009 biennium, the Washington state patrol shall continue to perform traffic accident investigations on Thurston, Mason, and Lewis county roads((~~, and shall work with the counties to transition the~~)) when requested to do so by the respective county; however, the counties shall conduct traffic

accident investigations on county roads ((~~to the counties by July 1, 2008~~)) beginning July 1, 2009.

(6) $100,000 of the state patrol highway account--state appropriation is provided solely for the implementation of Substitute House Bill No. 1417 (health benefits for surviving dependents). If Substitute House Bill No. 1417 is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(7) $3,300,000 of the state patrol highway account--state appropriation is provided solely for the salaries and benefits associated with accretion in the number of troopers employed above 1,158 authorized commissioned troopers, or solely for training new cadets; however, the amount provided in this subsection is contingent on the Washington state patrol submitting a 2009-11 budget request that fully funds field force operations without reliance on a projected vacancy rate. The Washington state patrol shall perform a study with a final report due to the legislative transportation committees by December 1, 2008, on the advantages and disadvantages of staffing the commercial vehicle enforcement section with commissioned officers instead of commercial vehicle enforcement officers.

(8) By July 1, 2008, the Washington state patrol shall assign six additional troopers to the Monroe detachment from among troopers requesting transfer to Monroe or graduating cadet classes.

Sec. 209. 2007 c 518 s 209 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE PATROL--INVESTIGATIVE SERVICES BUREAU

State Patrol Highway Account--State Appropriation . . . ((~~$1,300,000~~))
$1,552,000

Sec. 210. 2007 c 518 s 210 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE PATROL--TECHNICAL SERVICES BUREAU

State Patrol Highway Account--State Appropriation . . ((~~$103,157,000~~))
$102,726,000

State Patrol Highway Account--Private/Local
Appropriation $2,008,000

TOTAL APPROPRIATION . . . . . ((~~$105,165,000~~))
$104,734,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The Washington state patrol shall work with the risk management division in the office of financial management in compiling the Washington state patrol's data for establishing the agency's risk management insurance premiums to the tort claims account. The office of financial management and the Washington state patrol shall submit a report to the legislative transportation committees by December 31st of each year on the number of claims, estimated claims to be paid, method of calculation, and the adjustment in the premium.

(2) ((~~$12,641,000~~)) $9,981,000 of the total appropriation is provided solely for automobile fuel in the 2007-2009 biennium.

(3) ((~~$8,678,000~~)) $7,461,000 of the total appropriation is provided solely for the purchase of pursuit vehicles.

(4) ((~~$5,254,000~~)) $6,328,000 of the total appropriation is provided solely for vehicle repair and maintenance costs of vehicles used for highway purposes.

(5) $384,000 of the total appropriation is provided solely for the purchase of mission vehicles used for highway purposes in the commercial vehicle and traffic investigation sections of the Washington state patrol.

(6) The Washington state patrol may submit information technology related requests for funding only if the patrol has coordinated with the department of information services as required by section 602 of this act.

(7) $630,000 of the total appropriation is provided solely for the ongoing software maintenance and technical support for the digital microwave system. The Washington state patrol shall coordinate with the other members of the Washington state interoperability executive committee to ensure compatibility between emergency communication systems.

Sec. 211. 2007 c 518 s 212 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING

Marine Fuel Tax Refund Account--State Appropriation $32,000

Motorcycle Safety Education Account--State

Appropriation . . . . . ((~~$3,905,000~~))

$3,898,000

Wildlife Account--State Appropriation . . . . . ((~~$843,000~~))
$830,000

Highway Safety Account--State Appropriation . . . . . ((~~$141,953,000~~))
$145,444,000

Highway Safety Account--Federal Appropriation $233,000

Motor Vehicle Account--State Appropriation . . . . . ((~~$79,230,000~~))
$78,235,000

Motor Vehicle Account--Private/Local Appropriation $1,372,000

Motor Vehicle Account--Federal Appropriation . . . . . ((~~$117,000~~))
$1,354,000

Department of Licensing Services Account--State
Appropriation . . . . . ((~~$3,540,000~~))
$4,639,000

Washington State Patrol Highway Account--State
Appropriation $1,145,000

TOTAL APPROPRIATION . . . . . ((~~$232,370,000~~))
$237,182,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $2,941,000 of the highway safety account--state appropriation is provided solely for the implementation of Substitute House Bill No. 1267 (modifying commercial driver's license requirements). If Substitute House Bill No. 1267 is not enacted by June 30, 2007, the amount provided in this subsection shall lapse. The department shall informally report to the legislature by December 1, 2008, with measurable data indicating the department's progress in meeting its goal of improving public safety by improving the quality of the commercial driver's license testing process.

(2) $716,000 of the motorcycle safety education account--state appropriation is provided solely for the implementation of Senate Bill No. 5273 (modifying motorcycle driver's license endorsement and education provisions). If Senate Bill No. 5273 is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(3) ((~~$8,872,000~~)) (a) $12,422,000 of the highway safety account--state appropriation is provided solely for costs associated with the ((~~systems development and issuance of~~)) processing costs of issuing enhanced drivers' licenses and identicards ((~~to facilitate crossing the~~

~~Canadian border. If Engrossed Substitute House Bill No. 1289 (relating to the issuance of enhanced drivers' licenses and identicards) is not enacted by June 30, 2007, the amount provided in this subsection shall lapse. The department may expend funds only after acceptance of the enhanced Washington state driver's license for border crossing purposes by the Canadian and United States governments. The department may expend funds only after prior written approval of the director of financial management~~)). (b) Of the amount provided in (a) of this subsection, up to $1,000,000 is for a statewide educational campaign, which must include coordination with existing public and private entities, to inform the Washington public of the benefits of the new enhanced drivers' licenses and identicards. Funds may be spent on educational campaigns only after the caseload for enhanced drivers' licenses and identicards falls below levels that can be reasonably processed by the department within the appropriation provided by this subsection. $300,000 of the $1,000,000 is for the department to partner with cross-border tourism businesses to create an educational campaign.

(c) Of the amount provided in (a) of this subsection, $10,722,000 is provided solely for costs associated with providing enhanced driver's license processing at 14 licensing services offices.

(d) Of the amount provided in (a) of this subsection, $700,000 is provided solely for costs associated with extending hours beyond current regular business hours at the 14 licensing service offices that provide enhanced driver's license processing services.

(4) $91,000 of the motor vehicle account--state appropriation and $152,000 of the highway safety account--state appropriation are provided solely for contracting with the office of the attorney general to investigate criminal activity uncovered in the course of the agency's licensing and regulatory activities. Funding is provided for the 2008 fiscal year. The department may request funding for the 2009 fiscal year if the request is submitted with measurable data indicating the department's progress in meeting its goal of increased prosecution of illegal activity.

(5) $350,000 of the highway safety account--state appropriation is provided solely for the costs associated with the systems development of the interface that will allow insurance carriers and their agents

real time, online access to drivers' records. If Substitute Senate Bill No. 5937 is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(6) $1,145,000 of the state patrol highway account--state appropriation is provided solely for the implementation of Substitute House Bill No. 1304 (modifying commercial motor vehicle carrier provisions). If Substitute House Bill No. 1304 is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(7) The department may submit information technology related requests for funding only if the department has coordinated with the department of information services as required by section 602 of this act.

(8) ((~~Within the amounts appropriated in this section, the department shall, working with the legislature, develop a proposal to~~)) $116,000 of the motor vehicle account--state appropriation is provided solely for the department to prepare draft legislation that streamlines title and registration statutes to specifically address apparent conflicts, fee distribution, and other ((~~recommendations by the department~~)) relevant issues that are revenue neutral and which do not change legislative policy. The department shall ((~~report the results of this review to the transportation committees of the legislature by December 1, 2007~~)) submit the draft legislation to the transportation committees of the legislature by the end of the biennium.

(9) $246,000 of the department of licensing services account--state appropriation is provided solely for the implementation of Substitute House Bill No. 3029 (secure vehicle licensing system). If Substitute House Bill No. 3029 is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(10) $200,000 of the highway safety account--state appropriation is provided solely for the implementation of Senate Bill No. 6885 (driving record abstracts). If Senate Bill No. 6885 is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(11) $417,000 of the highway safety account--state appropriation is provided solely for the implementation of Engrossed Second Substitute House Bill No. 3254 (ignition interlock drivers' license). If Engrossed Second Substitute House Bill No. 3254 is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(12) $100,000 of the department of licensing services account--state appropriation is provided solely for the implementation of Engrossed Second Substitute House Bill No. 2817 (contaminated vehicles). If Engrossed Second Substitute House Bill No. 2817 is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(13) The department shall investigate instituting a program whereby individual registered vehicle owners may have license plates tested for reflectivity to determine whether the department's requirement that the license plates be replaced after seven years can be waived for that particular set of license plates.

Sec. 212. 2007 c 518 s 213 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--TOLL OPERATIONS AND MAINTENANCE--PROGRAM B

High-Occupancy Toll Lanes Account--State
Appropriation . . . . . ((~~$2,596,000~~))
$2,253,000

Motor Vehicle Account--State Appropriation . . . . . ((~~$5,600,000~~))
$600,000

Tacoma Narrows Toll Bridge Account--State
Appropriation . . . . . ((~~$28,218,000~~))
$28,322,000

TOTAL APPROPRIATION . . . . . ((~~$36,414,000~~))
$31,175,000

The appropriations in this section are subject to the following conditions and limitations:

((~~(1) $5,000,000 of the motor vehicle account--state is provided solely to provide a reserve for the Tacoma Narrows Bridge project. This appropriation shall be held in unallotted status until the office of financial management deems that revenues applicable to the Tacoma Narrows Bridge project are not sufficient to cover the project's expenditures.~~

~~(2) The department shall solicit private donations to fund activities related to the opening ceremonies of the Tacoma Narrows bridge project.~~)) The department shall develop incentives to reduce and control tolling operations costs. These incentives may be directed

at the public, the tolling contractor, or the department. Incentives to be considered should include, but not be limited to: Incentives to return unneeded transponders, incentives to close inactive accounts, incentives to reduce printed account statements, incentives to reduce labor costs, and incentives to reduce postage and shipping costs. These incentives shall be presented for review by the transportation commission by September 30, 2008.

Sec. 213. 2007 c 518 s 214 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--INFORMATION TECHNOLOGY--PROGRAM C

Transportation Partnership Account--State
Appropriation . . . . . ((~~$4,556,000~~))
$5,892,000

Motor Vehicle Account--State Appropriation . . . . . ((~~$67,613,000~~))
$67,710,000

Motor Vehicle Account--Federal Appropriation $1,096,000

Puget Sound Ferry Operations Account--State
Appropriation . . . . . ((~~$9,192,000~~))
$9,143,000

Multimodal Transportation Account--State
Appropriation $363,000

Transportation 2003 Account (Nickel Account)--State
Appropriation . . . . . ((~~$4,000,000~~))
$5,337,000

TOTAL APPROPRIATION . . . . . ((~~$86,820,000~~))
$89,541,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The department shall consult with the office of financial management and the department of information services to ensure that (a) the department's current and future system development is consistent with the overall direction of other key state systems; and (b) when possible, use or develop common statewide information systems to encourage coordination and integration of information used by the department and other state agencies and to avoid duplication.

(2) The department shall provide updated information on six project milestones for all active projects, funded in part or in whole with 2005 transportation partnership account funds or 2003 nickel account funds, on a quarterly basis in the transportation executive information system (TEIS). The department shall also provide updated information on six project milestones for projects, funded with preexisting funds and that are agreed to by the legislature, office of financial management, and the department, on a quarterly basis in TEIS.

(3) ((~~$2,300,000~~)) $3,300,000 of the motor vehicle account--state appropriation is provided solely for preliminary work needed to transition the department to the state government network. In collaboration with the department of information services the department shall complete an inventory of the current network infrastructure, ((~~and~~)) develop an implementation plan for transition to the state government network, improve security, and initiate connection to the state government network.

(4) $1,000,000 of the motor vehicle account--state appropriation, ((~~$4,556,000~~)) $5,892,000 of the transportation partnership account--state appropriation, and ((~~$4,000,000~~)) $5,337,000 of the transportation 2003 account (nickel account)--state appropriation are provided solely for the department to develop a project management and reporting system which is a collection of integrated tools for capital construction project managers to use to perform all the necessary tasks associated with project management. The department shall integrate commercial off-the-shelf software with existing department systems and enhanced approaches to data management to provide web-based access for multi-level reporting and improved business workflows and reporting. Beginning September 1, 2007, and on a quarterly basis thereafter, the department shall report to the office of financial management and the transportation committees of the legislature on the status of the development and integration of the system. The first report shall include a detailed work plan for the development and integration of the system including timelines and budget milestones. At a minimum the ensuing reports shall indicate the status of the work as it compares to the work plan, any discrepancies, and proposed adjustments necessary to bring the project back on schedule or budget if necessary.

(5) The department may submit information technology related

requests for funding only if the department has coordinated with the department of information services as required by section 602 of this act.

(6) $1,600,000 of the motor vehicle account--state appropriation is provided solely for the critical application assessment implementation project. The department shall submit a progress report on the critical application assessment implementation project to the house of representatives and senate transportation committees on or before December 1, 2007, and December 1, 2008, with a final report on or before June 30, 2009.

Sec. 214. 2007 c 518 s 215 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--FACILITY MAINTENANCE, OPERATIONS AND CONSTRUCTION--PROGRAM D--OPERATING

Motor Vehicle Account--State Appropriation . . . . . ((~~$34,569,000~~)) $33,982,000

Sec. 215. 2007 c 518 s 216 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--AVIATION--PROGRAM F

Aeronautics Account--State Appropriation . . . . . ((~~$6,889,000~~)) $7,866,000

Aeronautics Account--Federal Appropriation $2,150,000

Multimodal Transportation Account--State Appropriation . . . $631,000

TOTAL APPROPRIATION . . . . . ((~~$9,670,000~~)) $10,647,000

The appropriations in this section are subject to the following conditions and limitations: The entire multimodal transportation account--state appropriation ((~~is~~)) and $400,000 of the aeronautics account--state appropriation are provided solely for the aviation planning council as provided for in RCW 47.68.410.

Sec. 216. 2007 c 518 s 217 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--PROGRAM DELIVERY MANAGEMENT AND SUPPORT--PROGRAM H

Transportation Partnership Account--State

Appropriation $2,422,000

Motor Vehicle Account--State Appropriation . . . . . ((~~$50,446,000~~)) $52,275,000

Motor Vehicle Account--Federal Appropriation $500,000

Multimodal Transportation Account--State Appropriation $250,000

Transportation 2003 Account (Nickel Account)--State Appropriation $2,422,000

TOTAL APPROPRIATION . . . . . ((~~$56,040,000~~)) $57,869,000

The appropriations in this section ((~~is~~)) are subject to the following conditions and limitations: $2,422,000 of the transportation partnership account appropriation and $2,422,000 of the transportation 2003 account (nickel account)--state appropriation are provided solely for consultant contracts to assist the department in the delivery of the capital construction program by identifying improvements to program delivery, program management, project controls, program and project monitoring, forecasting, and reporting. The consultants shall work with the department of information services in the development of the project management and reporting system.

The consultants shall provide an updated copy of the capital construction strategic plan to the legislative transportation committees and to the office of financial management on June 30, 2008, and each year thereafter.

The department shall coordinate its work with other budget and performance efforts, including Roadmap, the findings of the critical applications modernization and integration strategies study, including proposed next steps, and the priorities of government process.

The department shall report to the transportation committees of the house of representatives and senate, and the office of financial management, by December 31, 2007, on the implementation status of recommended capital budgeting and reporting options. Options must include: Reporting against legislatively-established project identification numbers and may include recommendations for reporting against other appropriate project groupings; measures for reporting progress, timeliness, and cost which create an incentive for the department to manage effectively and report its progress in a

transparent manner; and criteria and process for transfers of funds among projects.

Sec. 217. 2007 c 518 s 218 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--ECONOMIC PARTNERSHIPS--PROGRAM K

Motor Vehicle Account--State Appropriation . . . . . ((~~$1,151,000~~)) $991,000

Multimodal Transportation Account--State Appropriation . . . $300,000

TOTAL APPROPRIATION . . . . . ((~~$1,451,000~~)) $1,291,000

The appropriations in this section ((~~is~~)) are subject to the following conditions and limitations:

(1) $300,000 of the multimodal account--state appropriation is provided solely for the department to hire a consultant to develop a plan for codevelopment and public-private partnership opportunities at public ferry terminals.

(2) The department shall conduct an analysis and, if determined to be feasible, initiate requests for proposals involving the distribution of alternative fuels along state department of transportation rights-of-way.

Sec. 218. 2007 c 518 s 219 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--HIGHWAY MAINTENANCE--PROGRAM M

Motor Vehicle Account--State Appropriation . . . . . ((~~$321,888,000~~)) $331,342,000

Motor Vehicle Account--Federal Appropriation . . . . . ((~~$2,000,000~~)) $5,000,000

Motor Vehicle Account--Private/Local Appropriation $5,797,000

TOTAL APPROPRIATION . . . . . ((~~$329,685,000~~)) $342,139,000

The appropriations in this section are subject to the following conditions and limitations:

(1) If portions of the appropriations in this section are required to fund maintenance work resulting from major disasters not covered by

federal emergency funds such as fire, flooding, and major slides, supplemental appropriations must be requested to restore state funding for ongoing maintenance activities.

(2) The department shall request an unanticipated receipt for any federal moneys received for emergency snow and ice removal and shall place an equal amount of the motor vehicle account--state into unallotted status. This exchange shall not affect the amount of funding available for snow and ice removal.

(3) The department shall request an unanticipated receipt for any private or local funds received for reimbursements of third party damages that are in excess of the motor vehicle account--private/local appropriation.

(4) ((~~$1,500,000~~)) $5,000,000 of the motor vehicle account--federal appropriation is provided for unanticipated federal funds that may be received during the 2007-09 biennium. Upon receipt of the funds, the department shall provide a report on the use of the funds to the transportation committees of the legislature and the office of financial management.

(5) Funding is provided for maintenance on the state system to deliver service level targets as listed in LEAP Transportation Document 2007-C, as developed April 20, 2007. In delivering the program and aiming for these targets, the department should concentrate on the following areas:

(a) Eliminating the number of activities delivered in the "f" level of service at the region level; and

(b) Evaluating, analyzing, and potentially redistributing resources within and among regions to provide greater consistency in delivering the program statewide and in achieving overall level of service targets.

(6) The department may work with the department of corrections to utilize corrections crews for the purposes of litter pickup on state highways.

(7) $650,000 of the motor vehicle account--state appropriation is provided solely for increased asphalt costs.

(8) The department shall prepare a comprehensive listing of maintenance backlogs and related costs and report to the office of financial management and the transportation committees of the legislature by December 31, 2008.

(9) $76,026,000 of the motor vehicle account--state appropriation is for snow and ice related expenses, within which is a one-time increase of $3,250,000 provided solely for extraordinary snow and ice removal expenses incurred during the winter of 2007-08.

Sec. 219. 2007 c 518 s 220 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--TRAFFIC OPERATIONS--PROGRAM Q--OPERATING

Motor Vehicle Account--State Appropriation . . . . . ((~~$52,040,000~~)) $51,340,000

Motor Vehicle Account--Federal Appropriation $2,050,000

Motor Vehicle Account--Private/Local Appropriation $127,000

TOTAL APPROPRIATION . . . . . ((~~$54,217,000~~)) $53,517,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $654,000 of the motor vehicle account--state appropriation is provided solely for the department to time state-owned and operated traffic signals. This funding may also be used to program incident, emergency, or special event signal timing plans.

(2) $346,000 of the motor vehicle account--state appropriation is provided solely for the department to implement a pilot tow truck incentive program. The department may provide incentive payments to towing companies that meet clearance goals on accidents that involve heavy trucks.

(3) $6,800,000 of the motor vehicle account--state appropriation is provided solely for low-cost enhancements. The department shall give priority to low-cost enhancement projects that improve safety or provide congestion relief. The department shall prioritize low-cost enhancement projects on a statewide rather than regional basis. By January 1, 2008, and January 1, 2009, the department shall provide a report to the legislature listing all low-cost enhancement projects prioritized on a statewide rather than regional basis completed in the prior year.

(4) The department, in consultation with the Washington state patrol, may conduct a pilot program for the patrol to issue infractions

based on information from automated traffic safety cameras in roadway construction zones on state highways when workers are present.

(a) In order to ensure adequate time in the 2007-09 biennium to evaluate the effectiveness of the pilot program, any projects authorized by the department must be authorized by December 31, 2007.

(b) The department shall use the following guidelines to administer the program:

(i) Automated traffic safety cameras may only take pictures of the vehicle and vehicle license plate and only while an infraction is occurring. The picture must not reveal the face of the driver or of passengers in the vehicle;

(ii) The department shall plainly mark the locations where the automated traffic safety cameras are used by placing signs on locations that clearly indicate to a driver that he or she is entering a roadway construction zone where traffic laws are enforced by an automated traffic safety camera;

(iii) Notices of infractions must be mailed to the registered owner of a vehicle within fourteen days of the infraction occurring;

(iv) The owner of the vehicle is not responsible for the violation if the owner of the vehicle, within fourteen days of receiving notification of the violation, mails to the patrol, a declaration under penalty of perjury, stating that the vehicle involved was, at the time, stolen or in the care, custody, or control of some person other than the registered owner, or any other extenuating circumstances;

(v) For purposes of the 2007-09 biennium pilot project, infractions detected through the use of automated traffic safety cameras are not part of the registered owner's driving record under RCW 46.52.101 and 46.52.120. Additionally, infractions generated by the use of automated traffic safety cameras must be processed in the same manner as parking infractions for the purposes of RCW 3.46.120, 3.50.100, 35.20.220, 46.16.216, and 46.20.270(3). However, the amount of the fine issued for an infraction generated through the use of an automated traffic safety camera is one hundred thirty-seven dollars. The court shall remit thirty-two dollars of the fine to the state treasurer for deposit into the state patrol highway account;

(vi) If a notice of infraction is sent to the registered owner and the registered owner is a rental car business, the infraction will be dismissed against the business if it mails to the patrol, within

fourteen days of receiving the notice, a declaration under penalty of perjury of the name and known mailing address of the individual driving or renting the vehicle when the infraction occurred. If the business is unable to determine who was driving or renting the vehicle at the time the infraction occurred, the business must sign a declaration under penalty of perjury to this effect. The declaration must be mailed to the patrol within fourteen days of receiving the notice of traffic infraction. Timely mailing of this declaration to the issuing agency relieves a rental car business of any liability under this section for the notice of infraction. A declaration form suitable for this purpose must be included with each automated traffic infraction notice issued, along with instructions for its completion and use; and

(vii) By June 30, 2009, the department shall provide a report to the legislature regarding the use, public acceptance, outcomes, and other relevant issues regarding the pilot project.

(5) The traffic signal operations along 164th Street SE at the intersections of Mill Creek Boulevard and SR 527 should be optimized to minimize vehicle delay on both corridors based on traffic volumes and not only on functional classification or designation.

Sec. 220. 2007 c 518 s 221 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--TRANSPORTATION MANAGEMENT AND SUPPORT--PROGRAM S

Motor Vehicle Account--State Appropriation . . . . . ((~~$28,215,000~~)) $27,363,000

Motor Vehicle Account--Federal Appropriation $30,000

Puget Sound Ferry Operations Account--State Appropriation $1,321,000

Multimodal Transportation Account--State Appropriation $1,223,000

TOTAL APPROPRIATION . . . . . ((~~$30,789,000~~)) $29,937,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The department shall work with staffs from the legislative evaluation and accountability program committee, the transportation

committees of the legislature, and the office of financial management on developing a new capital budgeting system to meet identified information needs.

(2) $250,000 of the multimodal account--state appropriation is provided solely for implementing a wounded combat veteran's internship program, administered by the department. The department shall seek federal funding to support the continuation of this program.

Sec. 221. 2007 c 518 s 222 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--TRANSPORTATION PLANNING, DATA, AND RESEARCH--PROGRAM T

Motor Vehicle Account--State Appropriation . . . . . ((~~$30,698,000~~))
$27,757,000

Motor Vehicle Account--Federal Appropriation $19,163,000

Multimodal Transportation Account--State
Appropriation . . . . . ((~~$1,029,000~~))
$1,760,000

Multimodal Transportation Account--Federal
Appropriation $2,809,000

Multimodal Transportation Account--Private/Local
Appropriation $100,000

TOTAL APPROPRIATION . . . . . ((~~$53,799,000~~))
$51,589,000

The appropriations in this section are subject to the following conditions and limitations:

(1) ((~~$3,900,000 of the motor vehicle account--state appropriation is provided solely for the costs of the regional transportation investment district (RTID) and department of transportation project oversight. The department shall provide support from its urban corridors region to assist in preparing project costs, expenditure plans, and modeling. The department shall not deduct a management reserve, nor charge management or overhead fees. These funds, including those expended since 2003, are provided as a loan to the RTID and shall be repaid to the state within one year following formation of the RTID. $2,391,000 of the amount provided under this subsection shall lapse, effective January 1, 2008, if voters fail to approve formation of the RTID at the 2007 general election, as determined by~~

~~the certification of the election results.~~)) $1,559,000 of the motor vehicle account--state appropriation is provided solely for costs incurred for the 2007 regional transportation investment district election.

(2) ((~~$300,000~~)) $800,000 of the multimodal transportation account--state appropriation is provided solely for a transportation demand management program, developed by the Whatcom council of governments, to further reduce drive-alone trips and maximize the use of sustainable transportation choices. The community-based program must focus on all trips, not only commute trips, by providing education, assistance, and incentives to four target audiences: (a) Large work sites; (b) employees of businesses in downtown areas; (c) school children; and (d) residents of Bellingham.

(3) $320,000 of the motor vehicle account--state appropriation and $128,000 of the motor vehicle account--federal appropriation are provided solely for development of a freight database to help guide freight investment decisions and track project effectiveness. The database will be based on truck movement tracked through geographic information system technology. TransNow will contribute an additional $192,000 in federal funds which are not appropriated in the transportation budget. The department shall work with the freight mobility strategic investment board to implement this project.

(4) By December 1, 2008, the department shall require confirmation from jurisdictions that plan under the growth management act, chapter 36.70A RCW, and that receive state transportation funding under this act, that the jurisdictions have adopted standards for access permitting on state highways that meet or exceed department standards in accordance with RCW 47.50.030. The objective of this subsection is to encourage local governments, through the receipt of state transportation funding, to adhere to best practices in access control applicable to development activity significantly impacting state transportation facilities. By January 1, 2009, the department shall submit a report to the appropriate committees of the legislature detailing the progress of the local jurisdictions in adopting the highway access permitting standards.

(5) $150,000 of the motor vehicle account--federal appropriation is provided solely for the costs to develop an electronic map-based

computer application that will enable law enforcement officers and others to more easily locate collisions and other incidents in the field.

(6) The department shall add a position within the freight systems division to provide expertise regarding the trucking aspects of the state's freight system.

(7) The department shall evaluate the feasibility of developing a freight corridor bypass from Everett to Gold Bar on US 2, including a connection to SR 522. US 2 is an important freight corridor, and is an alternative route for I-90. Congestion, safety issues, and flooding concerns have all contributed to the need for major improvements to the corridor. The evaluation shall consider the use of toll lanes for the project. The department must report to the transportation committees of the legislature by December 1, 2007, on its analysis and recommendations regarding the benefit of a freight corridor and the potential use of freight toll lanes to improve safety and congestion in the corridor.

(8) The department shall work with the department of ecology, the county road administration board, and the transportation improvement board to develop model procedures and municipal and state rules in regard to maximizing the use of recycled asphalt on road construction and preservation projects. The department shall report to the joint transportation committee by December 1, 2008, with recommendations on increasing the use of recycled asphalt at the state and local level.

(9) $140,000 of the multimodal transportation account--state appropriation is provided solely for a full-time employee to develop vehicle miles traveled and other greenhouse gas emissions benchmarks as described in Engrossed Second Substitute House Bill No. 2815. If Engrossed Second Substitute House Bill No. 2815 is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(10) $80,000 of the motor vehicle account--state appropriation is provided solely to study the feasibility of a new interchange on interstate 5 between the city of Rochester and harrison avenue.

(11) $100,000 of the multimodal transportation account--state appropriation is provided solely to support the commuter rail study between eastern Snohomish county and eastern King county as defined in Substitute House Bill No. 3224. Funds are provided to the Puget Sound

regional council for one time only. If Substitute House Bill No. 3224 is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

Sec. 222. 2007 c 518 s 223 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--CHARGES FROM OTHER AGENCIES--PROGRAM U

Motor Vehicle Account--State Appropriation . . . . . ((~~$66,342,000~~)) $66,102,000

Motor Vehicle Account--Federal Appropriation $400,000

Multimodal Transportation Account--State Appropriation $259,000

TOTAL APPROPRIATION . . . . . ((~~$67,001,000~~)) $66,761,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $36,665,000 of the motor vehicle fund--state appropriation is provided solely for the liabilities attributable to the department of transportation. The office of financial management must provide a detailed accounting of the revenues and expenditures of the self-insurance fund to the transportation committees of the legislature on December 31st and June 30th of each year.

(2) Payments in this section represent charges from other state agencies to the department of transportation.

(a) FOR PAYMENT OF OFFICE OF FINANCIAL MANAGEMENT DIVISION OF RISK MANAGEMENT FEES $1,520,000

(b) FOR PAYMENT OF COSTS OF THE OFFICE OF THE STATE AUDITOR . . . . . ((~~$1,150,000~~)) $1,153,000

(c) FOR PAYMENT OF COSTS OF DEPARTMENT OF GENERAL ADMINISTRATION FACILITIES AND SERVICES AND CONSOLIDATED MAIL SERVICES . . . . . ((~~$4,157,000~~)) $4,859,000

(d) FOR PAYMENT OF COSTS OF THE DEPARTMENT OF PERSONNEL . . . . . ((~~$4,033,000~~)) $7,593,000

(e) FOR PAYMENT OF SELF-INSURANCE LIABILITY

PREMIUMS AND ADMINISTRATION $36,665,000

(f) FOR PAYMENT OF THE DEPARTMENT OF GENERAL ADMINISTRATION CAPITAL PROJECTS SURCHARGE $1,838,000

(g) FOR ARCHIVES AND RECORDS MANAGEMENT . . . . . ((~~$647,000~~)) $677,000

(h) FOR OFFICE OF MINORITIES AND WOMEN BUSINESS ENTERPRISES . . . . . ((~~$1,070,000~~)) $1,042,000

(i) FOR USE OF FINANCIAL SYSTEMS PROVIDED BY THE OFFICE OF FINANCIAL MANAGEMENT . . . . . ((~~$930,000~~)) $1,266,000

(j) FOR POLICY ASSISTANCE FROM THE DEPARTMENT OF INFORMATION SERVICES . . . . . ((~~$1,138,000~~)) $945,000

(k) FOR LEGAL SERVICE PROVIDED BY THE ATTORNEY GENERAL'S OFFICE . . . . . ((~~$8,859,000~~)) $9,045,000

(l) FOR LEGAL SERVICE PROVIDED BY THE ATTORNEY GENERAL'S OFFICE FOR THE SECOND PHASE OF THE BOLDT LITIGATION $158,000

Sec. 223. 2007 c 518 s 224 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--PUBLIC TRANSPORTATION--PROGRAM V

Regional Mobility Grant Program Account--State
Appropriation $40,000,000

Multimodal Transportation Account--State
Appropriation . . . . . ((~~$85,202,000~~)) $85,601,000

Multimodal Transportation Account--Federal
Appropriation $2,582,000

Multimodal Transportation Account--Private/Local
Appropriation . . . . . ((~~$291,000~~)) $659,000

TOTAL APPROPRIATION . . . . . ((~~$128,075,000~~)) $128,842,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $25,000,000 of the multimodal transportation account--state appropriation is provided solely for a grant program for special needs transportation provided by transit agencies and nonprofit providers of transportation.

(a) $5,500,000 of the amount provided in this subsection is provided solely for grants to nonprofit providers of special needs transportation. Grants for nonprofit providers shall be based on need, including the availability of other providers of service in the area, efforts to coordinate trips among providers and riders, and the cost effectiveness of trips provided.

(b) $19,500,000 of the amount provided in this subsection is provided solely for grants to transit agencies to transport persons with special transportation needs. To receive a grant, the transit agency must have a maintenance of effort for special needs transportation that is no less than the previous year's maintenance of effort for special needs transportation. Grants for transit agencies shall be prorated based on the amount expended for demand response service and route deviated service in calendar year 2005 as reported in the "Summary of Public Transportation - 2005" published by the department of transportation. No transit agency may receive more than thirty percent of these distributions.

(2) Funds are provided for the rural mobility grant program as follows:

(a) $8,500,000 of the multimodal transportation account--state appropriation is provided solely for grants for those transit systems serving small cities and rural areas as identified in the Summary of Public Transportation - 2005 published by the department of transportation. Noncompetitive grants must be distributed to the transit systems serving small cities and rural areas in a manner similar to past disparity equalization programs.

(b) $8,500,000 of the multimodal transportation account--state appropriation is provided solely to providers of rural mobility service in areas not served or underserved by transit agencies through a competitive grant process.

(3) $8,600,000 of the multimodal transportation account--state appropriation is provided solely for a vanpool grant program for: (a)

Public transit agencies to add vanpools; and (b) incentives for employers to increase employee vanpool use. The grant program for public transit agencies will cover capital costs only; no operating costs for public transit agencies are eligible for funding under this grant program. No additional employees may be hired from the funds provided in this section for the vanpool grant program, and supplanting of transit funds currently funding vanpools is not allowed. Additional criteria for selecting grants must include leveraging funds other than state funds.

(4) $40,000,000 of the regional mobility grant program account--state appropriation is provided solely for the regional mobility grant projects identified on the LEAP Transportation Document 2007-B as developed April 20, 2007. The department shall review all projects receiving grant awards under this program at least semiannually to determine whether the projects are making satisfactory progress. Any project that has been awarded funds, but does not report activity on the project within one year of the grant award, shall be reviewed by the department to determine whether the grant should be terminated. The department shall promptly close out grants when projects have been completed, and any remaining funds available to the office of transit mobility shall be used only to fund projects on the LEAP Transportation Document 2007-B as developed April 20, 2007. The department shall provide annual status reports on December 15, 2007, and December 15, 2008, to the office of financial management and the transportation committees of the legislature regarding the projects receiving the grants.

(5) $17,168,087 of the multimodal transportation account--state appropriation is reappropriated and provided solely for the regional mobility grant projects identified on the LEAP Transportation Document 2006-D, regional mobility grant program projects as developed March 8, 2006. The department shall continue to review all projects receiving grant awards under this program at least semiannually to determine whether the projects are making satisfactory progress. The department shall promptly close out grants when projects have been completed, and any remaining funds available to the office of transit mobility shall be used only to fund projects on the LEAP Transportation Document 2007-B as developed April 20, 2007, or the LEAP Transportation Document 2006-D as developed March 8, 2006.

(6) $200,000 of the multimodal transportation account--state appropriation is provided solely for the department to study and then develop pilot programs aimed at addressing commute trip reduction strategies for K-12 students and for college and university students. The department shall submit to the legislature by January 1, 2009, a summary of the program results and recommendations for future student commute trip reduction strategies. The pilot programs are described as follows:

(a) The department shall consider approaches, including mobility education, to reducing and removing traffic congestion in front of schools by changing travel behavior for elementary, middle, and high school students and their parents; and

(b) The department shall design a program that includes student employment options as part of the pilot program applicable to college and university students.

(7) $2,400,000 of the multimodal account--state appropriation is provided solely for establishing growth and transportation efficiency centers (GTEC). Funds are appropriated for one time only. The department shall provide in its annual report to the legislature an evaluation of the GTEC concept and recommendations on future funding levels.

(8) $381,000 of the multimodal transportation account--state appropriation is provided solely for the implementation of Substitute House Bill No. 1694 (reauthorizing the agency council on coordinated transportation). If Substitute House Bill No. 1694 is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(9) ((~~$136,000~~)) $504,000 of the multimodal transportation account--private/local appropriation is provided solely for the implementation of Senate Bill No. 5084 (updating rail transit safety plans). If Senate Bill No. 5084 is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(10) $60,000 of the multimodal transportation account--state appropriation is provided solely for low-income car ownership programs. The department shall collaborate with interested regional transportation planning organizations and metropolitan planning organizations to determine the effectiveness of the programs at providing transportation solutions for low-income persons who depend upon cars to travel to their places of employment.

(11) $1,000,000 of the multimodal transportation account--state appropriation is provided solely for additional funding for the trip reduction performance program, including telework enhancement projects. Funds are appropriated for one time only.

(12) ((~~$2,000,000~~)) $2,309,000 of the multimodal transportation account--state appropriation is provided solely for the tri-county connection service for Island, Skagit, and Whatcom transit agencies.

(13) $150,000 of the multimodal transportation account--state appropriation is provided solely as a grant for a telework pilot project to be developed, administered, and monitored by the Kitsap regional coordinating council. Funds are appropriated for one time only. The primary purposes of the pilot project are to educate employers about telecommuting, develop telework policies and resources for employers, and reduce traffic congestion by encouraging teleworking in the workplace. As part of the pilot project, the council shall recruit public and private sector employer participants throughout the county, identify telework sites, develop an employer's toolkit consisting of teleworking resources, and create a telecommuting template that may be applied in other communities. The council shall submit to the legislature by July 1, 2009, a summary of the program results and any recommendations for future telework strategies.

Sec. 224. 2007 c 518 s 225 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--MARINE--PROGRAM X

Puget Sound Ferry Operations Account--State
Appropriation . . . . . ((~~$412,189,000~~))
$426,761,000

Multimodal Transportation Account--State
Appropriation . . . . . ((~~$1,830,000~~))
$1,914,000

TOTAL APPROPRIATION . . . . . ((~~$414,019,000~~))
$428,675,000

The appropriations in this section are subject to the following conditions and limitations:

(1) ((~~$79,191,000~~)) $90,299,000 of the Puget Sound ferry operations--state appropriation is provided solely for auto ferry vessel operating fuel in the 2007-2009 biennium.

(2) The Washington state ferries must work with the department's information technology division to implement an electronic fare system, including the integration of the regional fare coordination system (smart card). Each December and June, semiannual updates must be provided to the transportation committees of the legislature concerning the status of implementing and completing this project, with updates concluding the first December after full project implementation.

(3) The Washington state ferries shall continue to provide service to Sidney, British Columbia.

(4) ((~~$1,830,000~~)) $1,914,000 of the multimodal transportation account--state appropriation is provided solely to provide passenger-only ferry service. The ferry system shall continue passenger-only ferry service from Vashon Island to Seattle through June 30, 2008. Ferry system management shall continue to implement its agreement with the inlandboatmen's union of the pacific and the international organization of masters, mates and pilots providing for part-time passenger-only work schedules.

(5) $932,000 of the Puget Sound ferries operations account--state appropriation is provided solely for compliance with department of ecology rules regarding the transfer of oil on or near state waters. Funding for compliance with on-board fueling rules is provided for the 2008 fiscal year. The department may request funding for the 2009 fiscal year if the request is submitted with an alternative compliance plan filed with the department of ecology, as allowed by rule.

(6) $1,116,000 of the Puget Sound ferry operations account--state appropriation is provided solely for ferry security operations necessary to comply with the ferry security plan submitted by the Washington state ferry system to the United States coast guard. The department shall track security costs and expenditures. Ferry security operations costs shall not be included as part of the operational costs that are used to calculate farebox recovery.

(7) $378,000 of the Puget Sound ferry operations account--state appropriation is provided solely to meet the United States coast guard requirements for appropriate rest hours between shifts for vessel crews on the Bainbridge to Seattle and Edmonds to Kingston ferry routes.

(8) $694,000 of the Puget Sound ferries operating account--state appropriation is provided solely for implementing Engrossed Substitute House Bill No. 2358 as follows:

(a) The department shall allow the joint transportation committee work group established in section 205(1) of this act to participate in the following elements as they are described in Engrossed Substitute House Bill No. 2358:

(i) Development and implementation of a survey of ferry customers;

(ii) Analysis and reestablishment of vehicle level of service standards. In reestablishing the standards, consideration shall be given to whether boat wait is the appropriate measure. The level of service standard shall be reestablished in conjunction with or after the survey has been implemented;

(iii) Development of pricing policy proposals. In developing these policies, the policies, in effect on some routes, of collecting fares in only one direction shall be evaluated to determine whether one-way fare pricing best serves the ferry system. The pricing policy proposals must be developed in conjunction with or after the survey has been implemented;

(iv) Development of operational strategies. The operational strategies shall be reestablished in conjunction with the survey or after the survey has been implemented;

(v) Development of terminal design standards. The terminal design standards shall be finalized after the provisions of subsections (a)(i) through (iv) and subsection (b) of this section have been developed and reviewed by the joint transportation committee; and

(vi) Development of a capital plan. The capital plan shall be finalized after terminal design standards have been developed by the department and reviewed by the joint transportation committee.

(b) The department shall develop a ridership demand forecast that shall be used in the development of a long-range capital plan. If more than one forecast is developed they must be reconciled.

(c) The department shall update the life cycle cost model to meet the requirements of Engrossed Substitute House Bill No. 2358 no later than August 1, 2007.

(d) The department shall develop a cost allocation methodology proposal to meet the requirements described in Engrossed Substitute House Bill No. 2358. The proposal shall be completed and presented to the joint transportation committee no later than August 1, 2007.

<u>(9) $200,000 of the Puget Sound ferry operations account--state appropriation is provided solely for the initial acquisition of</u>

transportation worker identification credentials required by the United States department of homeland security for unescorted access to secure areas of ferries and terminals.

(10) The legislature finds that a rigorous incident investigation process is an essential component of marine safety. The department is directed to review its accident and incident investigation procedures and report the results of its review with any proposals for changes to the legislature by November 1, 2008.

(11) The department shall allow the use, by two separate drivers, of fare media allowing for multiple discounted vehicle trips aboard Washington state ferries vessels.

(12) Washington state ferries may investigate the implementation of a pilot car-sharing program in the San Juan Islands, in order to reduce the peak auto-load pressures on the inter-island San Juan ferry system and provide a convenient alternative for the residents of the San Juan Islands. Under the pilot program, inter-island passengers should be able to reserve a car, pay their normal automobile ferry fare, walk on the ferry, and use the shared car upon arrival. The Washington state ferries shall report to the transportation committees of the legislature by November 15, 2008, regarding the feasibility of the pilot program, including whether the difference between the passenger ferry fare and the automobile ferry fare would cover the subsidy costs needed to implement the pilot program.

(13) While developing fare and pricing policy proposals, the department may consider the desirability of reasonable fares for persons using the ferry system to commute daily to work and other frequent users who live in ferry-dependent communities.

(14) $357,000 of the Puget Sound ferry operations account--state appropriation is for two extra trips per day, beyond the current schedule, from May 19, 2008, through September 8, 2008, at the Port Townsend/Keystone route.

Sec. 225. 2007 c 518 s 226 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--RAIL--PROGRAM Y--OPERATING

Multimodal Transportation Account--State

Appropriation . . . . . ((~~$37,034,000~~))

$37,010,000

The appropriation in this section is subject to the following conditions and limitations:

(1) The department shall publish a final long-range plan for Amtrak Cascades by September 30, 2007. By December 31, 2008, the department shall submit to the office of financial management and the transportation committees of the legislature a midrange plan for Amtrak Cascades that identifies specific steps the department would propose to achieve additional service beyond current levels.

(2)(a) $29,091,000 of the multimodal transportation account--state appropriation is provided solely for the Amtrak service contract and Talgo maintenance contract associated with providing and maintaining the state-supported passenger rail service. Upon completion of the rail platform project in the city of Stanwood, the department shall provide daily Amtrak Cascades service to the city.

(b) The department shall negotiate with Amtrak and Burlington Northern Santa Fe to adjust the Amtrak Cascades schedule to leave Bellingham at a significantly earlier hour.

(c) When Amtrak Cascades expands the second roundtrip between Vancouver, B.C. and Seattle, the department shall negotiate for the second roundtrip to leave Bellingham southbound no later than 8:30 a.m.

(3) No Amtrak Cascade runs may be eliminated.

(4) $40,000 of the multimodal transportation account--state appropriation is provided solely for the produce railcar program. The department is encouraged to implement the produce railcar program by maximizing private investment.

(5) The department shall begin planning for a third roundtrip Cascades train between Seattle and Vancouver, B.C. by 2010.

Sec. 226. 2007 c 518 s 227 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--LOCAL PROGRAMS--PROGRAM Z--OPERATING

Motor Vehicle Account--State Appropriation . . . . . ((~~$8,630,000~~)) $8,981,000

Motor Vehicle Account--Federal Appropriation $2,567,000

TOTAL APPROPRIATION . . . . . ((~~$11,197,000~~)) $11,548,000

(1) The appropriations in this section are subject to the following

conditions and limitations: The department of transportation shall provide up to $2,700,000 in toll credits to Kitsap transit for passenger-only ferry service and up to $750,000 in toll credits to the port of Kingston for the purchase of a passenger-only ferry vessel. The number of toll credits provided to Kitsap transit and the port of Kingston must be equal to, but no more than, a number sufficient to meet federal match requirements for grant funding for passenger-only ferry service, but shall not exceed the amount authorized under this section. The department may not allocate, grant, or utilize any state or state appropriated or managed federal funds as a match to the federal grant funding on projects to which these toll credits are applied.

(2) $902,000 of the motor vehicle account--state appropriation is provided solely to Wahkiakum county for operating and maintenance costs of the Puget Island-Westport ferry.

TRANSPORTATION AGENCIES--CAPITAL

Sec. 301. 2007 c 518 s 301 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE PATROL

State Patrol Highway Account--State Appropriation . . . ((~~$2,934,000~~)) $4,234,000

The appropriation in this section is subject to the following conditions and limitations:

(1) $2,200,000 is provided solely for the following minor works projects: $195,000 for HVAC renovation at the Chehalis, Kelso, Okanogan, and Ellensburg detachments; $50,000 for roof replacements at the Toppenish, SeaTac NB, SeaTac SB, and Plymouth weigh stations; $35,000 for replacement of the Shelton academy roof drain and downspout; $100,000 for parking lot repairs at Okanogan, Goldendale, Ritzville, and Moses Lake detachment offices and the Wenatchee 6 headquarters; $290,000 for replacement of the weigh station scales at Brady and Artic; $152,000 for carpet replacement at the Ritzville, Moses Lake, Morton, Kelso, Chehalis, Walla Walla, Kennewick, South King, and Hoquiam detachment offices; $185,000 for HVAC replacement at Tacoma and Marysville detachment offices; $330,000 for repair and upgrade of the Bellevue tower; $473,000 for replacement of twenty-one

communication site underground fuel tanks; $240,000 for replacement of communication site buildings at Lind, Scoggans Mountain, and Lewiston Ridge; and $150,000 for unforeseen emergency repairs.

(2) $687,000 is provided solely for design and construction of regional waste water treatment systems for the Shelton academy of the Washington state patrol.

(3) $47,000 is provided solely for predesign of a single, consolidated aviation facility at the Olympia airport to house the fixed wing operations of the Washington state patrol, the department of natural resources (DNR), and the department of fish and wildlife, and the rotary operations of the DNR.

(4) $1,300,000 of the state patrol highway account--state appropriation is provided solely for the acquisition of land adjacent to the Shelton training academy for anticipated expansion; however, the amount provided in this subsection is contingent on the Washington state patrol adding a surcharge to the rates charged to any other agency or entity that uses the academy in an amount sufficient to defray a share of the expansion costs that is proportionate to the relative volume of use of the academy by such agencies or entities. The surcharge imposed must be sufficient to recover the requisite portion of the academy expansion costs within ten years of the effective date of this subsection.

Sec. 302. 2007 c 518 s 302 (uncodified) is amended to read as follows:

FOR THE COUNTY ROAD ADMINISTRATION BOARD

Rural Arterial Trust Account--State Appropriation $64,000,000

Motor Vehicle Account--State Appropriation . . . . . ((~~$2,368,000~~)) $2,370,000

County Arterial Preservation Account--State Appropriation . . . . . ((~~$32,861,000~~)) $32,641,000

TOTAL APPROPRIATION . . . . . ((~~$99,229,000~~)) $99,011,000

The appropriations in this section are subject to the following conditions and limitations:

(1) ((~~$2,069,000~~)) $2,370,000 of the motor vehicle account--state appropriation may be used for county ((~~ferries. The board shall review~~

~~the requests for county ferry funding in consideration with other projects funded from the board. If the board determines these projects are a priority over the projects in the rural arterial and county arterial preservation grant programs, then they may provide funding for these requests~~)) ferry projects as set forth in RCW 47.56.725(4).

(2) The appropriations contained in this section include funding to counties to assist them in efforts to recover from winter storm and flood damage, by providing capitalization advances and local match for federal emergency funding as determined by the county road administration board. The county road administration board shall specifically identify any such selected projects and shall include information concerning them in its next annual report to the legislature.

Sec. 303. 2007 c 518 s 303 (uncodified) is amended to read as follows:

FOR THE TRANSPORTATION IMPROVEMENT BOARD

Small City Pavement and Sidewalk Account--State
Appropriation . . . . . ((~~$4,500,000~~))
$5,900,000

Urban Arterial Trust Account--State Appropriation . . ((~~$129,600,000~~))
$126,600,000

Transportation Improvement Account--State
Appropriation . . . . . ((~~$90,643,000~~))
$87,143,000

TOTAL APPROPRIATION . . . . . ((~~$224,743,000~~))
$219,643,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The transportation improvement account--state appropriation includes up to $7,143,000 in proceeds from the sale of bonds authorized in RCW 47.26.500.

(2) The urban arterial trust account--state appropriation includes up to $15,000,000 in proceeds from the sale of bonds authorized in Substitute House Bill No. 2394. If Substitute House Bill No. 2394 is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

NEW SECTION. **Sec. 304.** A new section is added to 2007 c 518 (uncodified) to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION. The nickel and transportation partnership revenue packages were created in 2003 and 2005 to finance transportation construction over a sixteen year period. Since the adoption of the 2003 and 2005 transportation project lists, significant cost increases have resulted from extraordinary inflation. At the same time, motor vehicle fuel prices have risen dramatically, and state and federal gas tax revenues dedicated to paying for these programs are forecasted to decrease over the sixteen year time period. Additional cost increases and eroding revenues will be difficult, if not impossible, to accommodate in the sixteen year financial plan.

As part of its budget submittal for the 2009-2011 biennium, the department of transportation shall prepare information regarding the nickel and transportation partnership funded projects for consideration by the office of financial management and the legislative transportation committees that:

(1) Compares the original project cost estimates approved in the 2003 and 2005 project list to the completed cost of the project, or the most recent legislatively approved budget and total project costs for projects not yet completed;

(2) Identifies highway projects that may be reduced in scope and still achieve a functional benefit;

(3) Identifies highway projects that have experienced scope increases and that can be reduced in scope;

(4) Identifies highway projects that have lost significant local or regional contributions which were essential to completing the project; and

(5) Identifies contingency amounts allocated to projects.

Sec. 305. 2007 c 518 s 304 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--PROGRAM D (DEPARTMENT OF TRANSPORTATION-ONLY PROJECTS)--CAPITAL

Motor Vehicle Account--State Appropriation . . . . . ((~~$6,202,000~~))
$6,255,000

The appropriation in this section is subject to the following conditions and limitations:

(1) $584,000 of the motor vehicle account--state appropriation is for statewide administration.

(2) ((~~$750,000~~)) $803,000 of the motor vehicle account--state appropriation is for regional minor projects.

(3) $568,000 of the motor vehicle account--state appropriation is for the Olympic region headquarters property payments.

(4) By September 1, 2007, the department shall submit to the transportation committees of the legislature predesign plans, developed using the office of financial management's predesign process, for all facility replacement projects to be proposed in the facilities 2008 budget proposal.

(5) $1,600,000 of the motor vehicle account--state appropriation is for site acquisition for the Tri-cities area maintenance facility.

(6) $2,700,000 of the motor vehicle account--state appropriation is for site acquisition for the Vancouver light industrial facility.

(7) The department shall work with the office of financial management and staff of the transportation committees of the legislature to develop a statewide inventory of all department-owned surplus property that is suitable for development for department facilities or that should be sold. By December 1, 2008, the department shall report to the joint transportation committee on the findings of this study.

Sec. 306. 2007 c 518 s 305 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--IMPROVEMENTS--PROGRAM I

Transportation Partnership Account--State
Appropriation . . . . . ((~~$1,226,516,000~~))
$1,109,593,000

Motor Vehicle Account--State Appropriation . . . . . ((~~$82,045,000~~))
$87,210,000

Motor Vehicle Account--Federal Appropriation . . . . ((~~$404,090,000~~))
$457,580,000

Motor Vehicle Account--Private/Local
Appropriation . . . . . ((~~$49,157,000~~))
$64,487,000

Special Category C Account--State Appropriation . . . ((~~$29,968,000~~))
$29,125,000

Multimodal Transportation Account--Federal
Appropriation $86,100,000
Tacoma Narrows Toll Bridge Account--State
Appropriation . . . . . ((~~$142,484,000~~))
$32,277,000
Transportation 2003 Account (Nickel Account)--State
Appropriation . . . . . ((~~$1,100,746,000~~))
$1,147,529,000
((~~Freight Congestion Relief Account--State~~
~~Appropriation . . . . . $40,000,000~~))
Freight Mobility Multimodal Account--State
Appropriation $208,000
TOTAL APPROPRIATION . . . . . ((~~$3,075,006,000~~))
$3,014,109,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire transportation 2003 account (nickel account) appropriation and the entire transportation partnership account appropriation are provided solely for the projects and activities as listed by fund, project, and amount in LEAP Transportation Document ((~~2007-1~~)) 2008-1, Highway Improvement Program (I) as developed ((~~April 20, 2007~~)) March 10, 2008. However, limited transfers of specific line-item project appropriations may occur between projects for those amounts listed subject to the conditions and limitations in section 603 of this act.

(2) The department shall not commence construction on any part of the state route number 520 bridge replacement and HOV project until a record of decision has been reached providing reasonable assurance that project impacts will be avoided, minimized, or mitigated as much as practicable to protect against further adverse impacts on neighborhood environmental quality as a result of repairs and improvements made to the state route 520 bridge and its connecting roadways, and that any such impacts will be addressed through engineering design choices, mitigation measures, or a combination of both. The requirements of this section shall not apply to off-site pontoon construction supporting the state route number 520 bridge replacement and HOV project.

(3) Within the amounts provided in this section, ((~~$1,991,000~~)) $1,895,000 of the transportation partnership account--state appropriation, ((~~$1,656,000~~)) $2,147,000 of the motor vehicle account--federal appropriation, and ((~~$8,343,000~~)) $10,331,000 of the transportation 2003 account (nickel account)--state appropriation are for project 109040T as identified in the LEAP transportation document referenced in subsection (1) of this section: I-90/Two Way Transit-Transit and HOV Improvements - Stage 1. Expenditure of the funds on construction is contingent upon revising the access plan for Mercer Island traffic such that Mercer Island traffic will have access to the outer roadway high occupancy vehicle (HOV) lanes during the period of operation of such lanes following the removal of Mercer Island traffic from the center roadway and prior to conversion of the outer roadway HOV lanes to high occupancy toll (HOT) lanes. Sound transit may only have access to the center lanes when alternative R8A is complete.

(4) The Tacoma Narrows toll bridge account--state appropriation includes up to ((~~$131,016,000~~)) $18,000,000 in proceeds from the sale of bonds authorized by RCW 47.10.843.

(5) The funding described in this section includes ((~~$8,095,541~~)) $36,693,000 of the transportation 2003 account (nickel account)--state appropriation and ((~~$237,241 of the motor vehicle account--private/local~~)) $208,000 of the freight mobility multimodal account--state appropriation, which are for the SR 519 project identified as project number 851902A in the LEAP Transportation Document referenced in subsection (1) of this section. The total project is expected to cost no more than $74,400,000 including ((~~$11,950,000~~)) $10,610,000 in contributions from project partners, including Burlington Northern Santa Fe railroad.

(6) To promote and support community-specific noise reduction solutions, the department shall:

(a) Prepare a draft directive that establishes how each community's priorities and concerns may be identified and addressed in order to allow consideration of a community's preferred methods of advanced visual shielding and aesthetic screening, for the purpose of improving the noise environment of major state roadway projects in locations that do not meet the criteria for standard noise barriers. The intent is for these provisions to be supportable by existing project budgets. The directive shall also include direction on the coordination and

selection of visual and aesthetic options with local communities. The draft directive shall be provided to the standing transportation committees of the legislature by January 2008; and

(b) Pilot the draft directive established in (a) of this subsection in two locations along major state roadways. If practicable, the department should begin work on the pilot projects while the directive is being developed. One pilot project shall be located in Clark county on a significant capacity improvement project. The second pilot project shall be located in urban King county, which shall be on a corridor highway project through mixed land use areas that is nearing or under construction. The department shall provide a written report to the standing transportation committees of the legislature on the findings of the Clark county pilot project by January 2009, and the King county pilot project by January 2010. Based on results of the pilot projects, the department shall update its design manual, environmental procedures, or other appropriate documents to incorporate the directive.

((~~(8)~~)) (7) If the "Green Highway" provisions of Engrossed Second Substitute House Bill No. 1303 (cleaner energy) are enacted, the department shall erect signs on the interstate highways included in those provisions noting that these interstates have been designated "Washington Green Highways."

((~~(9)~~)) (8) If on the I-405/I-90 to SE 8th Street Widening project the department finds that there is an alternative investment to preserve reliable rail accessibility to major manufacturing sites within the I-405 corridor that are less expensive than replacing the Wilburton Tunnel, the department may enter into the necessary agreements to implement that alternative provided that costs remain within the approved project budget.

((~~(11)~~)) (9) The department shall apply for surface transportation program (STP) enhancement funds to be expended in lieu of or in addition to state funds for eligible costs of projects in Programs I and P, including, but not limited to, the SR 518, SR 519, SR 520, and Alaskan Way Viaduct projects.

((~~(12)~~)) (10) $250,000 of the motor vehicle account--state appropriation ((~~is~~)) and $226,000 of the motor vehicle account--federal appropriation are provided solely for an inland pacific hub study to develop an inland corridor for the movement of freight and goods to and

through eastern Washington; and $500,000 of the motor vehicle account--state appropriation is provided solely for the SR3/SR16 corridor study to plan and prioritize state and local improvements needed over the next 10-20 years to support safety, capacity development, and economic development within the corridor.

((~~(13)~~)) (11) The department shall, on a quarterly basis beginning July 1, 2007, provide to the office of financial management and the legislature reports providing the status on each active project funded in part or whole by the transportation 2003 account (nickel account) or the transportation partnership account. Funding provided at a programmatic level for transportation partnership account and transportation 2003 account (nickel account) projects relating to bridge rail, guard rail, fish passage barrier removal, and roadside safety projects should be reported on a programmatic basis. Projects within this programmatic level funding should be completed on a priority basis and scoped to be completed within the current programmatic budget. Other projects may be reported on a programmatic basis. The department shall work with the office of financial management and the transportation committees of the legislature to agree on report formatting and elements. Elements shall include, but not be limited to, project scope, schedule, and costs. The department shall also provide the information required under this subsection on a quarterly basis via the transportation executive information systems (TEIS).

((~~(14)~~)) (12) The department shall apply for the competitive portion of federal transit administration funds for eligible transit-related costs of the SR 520 bridge replacement and HOV project. The federal funds described in this subsection shall not include those federal transit administration funds distributed by formula.

((~~(15)~~)) (13) Funding provided by this act for the Alaskan Way Viaduct project shall not be spent for preliminary engineering, design, right-of-way acquisition, or construction on the project if completion of the project would more likely than not reduce the capacity of the facility. Capacity shall be measured by including the consideration of the efficient movement of people and goods on the facility.

((~~(16)~~)) (14) The governor shall convene a collaborative process involving key leaders to determine the final project design for the Alaskan Way Viaduct.

(a) The process shall be guided by the following common principles: Public safety must be maintained; the final project shall meet both capacity and mobility needs; and taxpayer dollars must be spent responsibly.

(b) The state's project expenditures shall not exceed $2,800,000,000.

(c) A final design decision shall be made by December 31, 2008.

((~~(17)~~)) (15) During the 2007-09 biennium, the department shall proceed with a series of projects on the Alaskan Way Viaduct that are common to any design alternative. Those projects include relocation of two electrical transmission lines, Battery Street tunnel upgrades, seismic upgrades from Lenora to the Battery Street tunnel, viaduct removal from Holgate to King Street, and development of transit enhancements and other improvements to mitigate congestion during construction.

((~~(18) The entire freight congestion relief account--state appropriation is contingent upon the enactment during the 2007-2009 fiscal biennium of a bill, resulting from the study established in Substitute Senate Bill No. 5207, that makes available funding to support project expenditures funded from the freight congestion relief account created in Substitute Senate Bill No. 5207. If such a funding bill is not enacted by June 30, 2009, the entire freight congestion relief account--state appropriation shall lapse.~~

~~(19)~~)) (16) The transportation 2003 account (nickel account)--state appropriation includes up to ((~~$874,610,000~~)) $825,000,000 in proceeds from the sale of bonds authorized by RCW 47.10.861.

((~~(20)~~)) (17) The transportation partnership account--state appropriation includes up to ((~~$900,000,000~~)) $740,000,000 in proceeds from the sale of bonds authorized in RCW 47.10.873.

((~~(21)~~)) (18) The special category C account--state appropriation includes up to ((~~$22,080,000~~)) $21,497,000 in proceeds from the sale of bonds authorized in Substitute House Bill No. 2394. If Substitute House Bill No. 2394 is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

((~~(22)~~)) (19) $4,500,000 of the motor vehicle account--federal appropriation is provided solely for cost increases on the SR 304/Bremerton tunnel project.

((~~(23) $3,000,000~~)) (20) $2,071,000 of the motor vehicle account--((~~state~~)) federal appropriation is provided solely for initial design and right of way work on a new southbound SR 509 to eastbound SR 518 freeway-to-freeway elevated ramp.

((~~(24)~~)) (21) $500,000 of the motor vehicle account--federal appropriation to the SR 543/I-5 to Canadian border project is provided solely for retaining wall facia improvements.

((~~(25) $1,400,000~~)) (22) $950,000 of the motor vehicle account--federal appropriation ((~~is~~)) and $24,000 of the motor vehicle account--state appropriation are provided solely for the Westview school noise wall.

((~~(26)~~)) (23) $1,600,000 of the motor vehicle account--((~~federal~~)) state appropriation is provided solely for two noise walls on SR 161 in King county.

((~~(27)~~)) (24) ((~~$900,000~~)) $20,000 of the motor vehicle account--state appropriation and ((~~$100,000~~)) $280,000 of the motor vehicle account--federal appropriation are provided solely for interchange design and planning work on US 12 at A street and tank farm road.

(25) The funding described in this section includes $19,939,000 of the transportation partnership account--state appropriation, $29,000 of the motor vehicle account--state appropriation, $308,000 of the motor vehicle account--private/local appropriation, and $17,900,000 of the motor vehicle account--federal appropriation for the I-5/Columbia river crossing/Vancouver project. The funding described in this subsection includes up to $15,000,000 awarded to Washington and Oregon jointly through the U.S. department of transportation corridors of the future program in the 2007 federal highway authority discretionary fund allocations.

(26) The department shall study any outstanding issues, including financial issues that may apply to the I-5/Columbia river crossing/Vancouver project. The department's efforts must include an analysis of current bi-state efforts in planning, coordination, and funding for the project; opportunities for the joining of state and local government agencies and the private sector in a strong partnership that contributes to the completion of the project; and opportunities to work with the congressional delegations of Oregon and Washington to provide federal funding and other assistance that will advance this project of national and regional significance.

(27) $1,500,000 of the motor vehicle account--federal appropriation and $4,908,000 of the transportation partnership account--state appropriation are provided solely for project 109040Q as identified in the LEAP transportation document in subsection (1) of this section: I-90/Two-Way Transit-Transit and HOV Improvements, Stages 2 and 3. Of these amounts, up to $550,000 of the transportation partnership account--state appropriation is to provide funding for an independent technical review, overseen by the joint transportation committee, of light rail impacts on the Interstate 90 - Homer Hadley Floating Bridge. The technical review shall complement sound transit's current and planned engineering design work to expand light rail in the central Puget Sound region. The department shall coordinate its work with sound transit and seek contributions from sound transit for the review.

(28) $1,400,000 of the motor vehicle account--state appropriation is provided solely for safety improvements on US Highway 2 between Monroe and Gold Bar. Additional project funding of $8,600,000 is assumed in the 2009-2011 biennium, bringing the total project funding to $10,000,000. This high priority safety project will provide safety enhancements on US Highway 2 between Gold Bar and Monroe, such as a passing lane or interchange/turning lane improvements. The department shall seek input from the US Highway 2 safety coalition to select projects that will help reduce fatalities on this corridor.

(29) $2,267,000 of the motor vehicle account--federal appropriation, $218,500 of the motor vehicle account--state appropriation, and $1,500,000 of the motor vehicle account--private/local appropriation are provided solely for installing centerline rumble strips and related improvements on US Highway 2 between Monroe and Sultan. The section of US Highway 2 from Monroe to Deception Creek has a high frequency of centerline crossover collisions. By installing centerline rumble strips, the project will reduce the risk of crossover collisions. This project will also place shoulder rumble strips between Monroe and Sultan.

(30) $1,500,000 of the motor vehicle account--state appropriation is provided solely for the SR 28/E End of the George Sellar bridge (202802V) for the purpose of funding a pedestrian tunnel connection. This funding is provided in anticipation of a federal grant specific to this project, which, if received, must be used to reimburse the state funding provided in this subsection.

(31) For the period of preconstruction tolling on the state route 520 bridge, the department shall develop improvements of traffic flow from the eastern Lake Washington shoreline to 108th avenue northeast in Bellevue including:

(a) Near-term, low-cost enhancements which relocate the high-occupancy vehicle lanes to the inside of the alignment; and

(b) A plan for an accelerated improvement project for the construction of median flyer stops, reconfiguration of interchanges, addition of direct access ramps, community enhancement lids, and pedestrian/bike path connections.

The department shall report to the joint transportation committee by September 1, 2008, on the short-term low-cost improvement plans and include in their budget submittal to the office of financial management a proposal for the accelerated improvement project.

Sec. 307. 2007 c 518 s 306 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--PRESERVATION--PROGRAM P

Transportation Partnership Account--State Appropriation . . . . . ((~~$220,164,000~~)) $181,666,000

Motor Vehicle Account--State Appropriation . . . . . ((~~$71,392,000~~)) $86,540,000

Motor Vehicle Account--Federal Appropriation . . . . ((~~$425,161,000~~)) $463,338,000

Motor Vehicle Account--Private/Local Appropriation . . ((~~$15,285,000~~)) $18,138,000

Transportation 2003 Account (Nickel Account)--State Appropriation . . . . . ((~~$5,122,000~~)) $11,136,000

Puyallup Tribal Settlement Account--State Appropriation . . . . . ((~~$11,000,000~~)) $12,500,000

TOTAL APPROPRIATION . . . . . ((~~$748,124,000~~)) $773,318,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire transportation 2003 account (nickel account) appropriation and the entire transportation partnership account appropriation are provided solely for the projects and activities as listed by fund, project, and amount in LEAP Transportation Document ((~~2007-1~~)) 2008-1, Highway Preservation Program (P) as developed ((~~April 20, 2007~~)) March 10, 2008. However, limited transfers of specific line-item project appropriations may occur between projects for those amounts listed subject to the conditions and limitations in section 603 of this act.

(2) ((~~$295,000~~)) $287,000 of the motor vehicle account--federal appropriation and ((~~$5,000~~)) $11,000 of the motor vehicle account--state appropriation are provided solely for the department to determine the most cost efficient way to replace the current Keller ferry. Options reviewed shall not include an expansion of the current capacity of the Keller ferry.

(3) ((~~$5,513,000~~)) $5,308,000 of the transportation partnership account--state appropriation is provided solely for the purposes of settling all identified and potential claims from the Lower Elwha Klallam Tribe related to the construction of a graving dock facility on the graving dock property. In the matter of *Lower Elwha Klallam Tribe et al v. State et al,* Thurston county superior court, cause no. 05-2-01595-8, the Lower Elwha Klallam Tribe and the state of Washington entered into a settlement agreement that settles all claims related to graving dock property and associated construction and releases the state from all claims related to the construction of the graving dock facilities. The expenditure of this appropriation is contingent on the conditions and limitations set forth in subsections (a) and (b) of this subsection.

(a) $2,000,000 of the transportation partnership account--state appropriation is provided solely for the benefit of the Lower Elwha Klallam Tribe to be disbursed by the department in accordance with terms and conditions of the settlement agreement.

(b) ((~~$3,513,000~~)) $3,308,000 of the transportation partnership account--state appropriation is provided solely for the department's remediation work on the graving dock property in accordance with the terms and conditions of the settlement agreement.

(4) The department shall apply for surface transportation program (STP) enhancement funds to be expended in lieu of or in addition to

state funds for eligible costs of projects in Programs I and P, including, but not limited to, the SR 518, SR 519, SR 520, and Alaskan Way Viaduct projects.

(5) The department shall, on a quarterly basis beginning July 1, 2007, provide to the office of financial management and the legislature reports providing the status on each active project funded in part or whole by the transportation 2003 account (nickel account) or the transportation partnership account. Funding provided at a programmatic level for transportation partnership account projects relating to seismic bridges should be reported on a programmatic basis. Projects within this programmatic level funding should be completed on a priority basis and scoped to be completed within the current programmatic budget. Other projects may be reported on a programmatic basis. The department shall work with the office of financial management and the transportation committees of the legislature to agree on report formatting and elements. Elements shall include, but not be limited to, project scope, schedule, and costs. The department shall also provide the information required under this subsection on a quarterly basis via the transportation executive information systems (TEIS).

(6) The department of transportation shall continue to implement the lowest life cycle cost planning approach to pavement management throughout the state to encourage the most effective and efficient use of pavement preservation funds. Emphasis should be placed on increasing the number of roads addressed on time and reducing the number of roads past due.

(7) ((~~$2,604,501~~)) $13,257,000 of the motor vehicle account--federal appropriation and ((~~$3,000,000~~)) $5,000,000 of the motor vehicle account--state appropriation are for expenditures on damaged state roads due to flooding, mudslides, rock fall, or other unforeseen events.

(8) ((~~$9,665~~)) $188,000 of the motor vehicle account--state appropriation, ((~~$12,652,812~~)) $28,749,000 of the motor vehicle account--federal appropriation, and ((~~$138,174,581~~)) $105,653,000 of the transportation partnership account--state appropriation are provided solely for the Hood Canal bridge project.

(9) $12,500,000 of the Puyallup tribal settlement account--state appropriation is provided solely for mitigation costs associated with

the Murray Morgan/11th Street Bridge demolition. The department may negotiate with the city of Tacoma for the purpose of transferring ownership of the Murray Morgan/11th Street Bridge to the city. If the city agrees to accept ownership of the bridge, the department may use the Puyallup tribal settlement account appropriation and other appropriated funds for bridge rehabilitation, bridge replacement, bridge demolition, and related mitigation. In no event shall the department's participation exceed $39,953,000. No funds may be expended unless the city of Tacoma agrees to take ownership of the bridge in its entirety and provides that the payment of these funds extinguishes any real or implied agreements regarding future bridge expenditures.

Sec. 308. 2007 c 518 s 307 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--TRAFFIC OPERATIONS--PROGRAM Q--CAPITAL

Motor Vehicle Account--State Appropriation . . . . . ((~~$9,212,000~~)) $9,462,000

Motor Vehicle Account--Federal Appropriation $15,951,000

Motor Vehicle Account--Private/Local Appropriation $74,000

TOTAL APPROPRIATION . . . . . ((~~$25,237,000~~)) $25,487,000

The appropriations in this section are subject to the following conditions and limitations: The motor vehicle account--state appropriation includes ((~~$8,833,000~~)) $8,959,335 provided solely for state matching funds for federally selected competitive grant or congressional earmark projects. These moneys shall be placed into reserve status until such time as federal funds are secured that require a state match.

Sec. 309. 2007 c 518 s 308 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--WASHINGTON STATE FERRIES CONSTRUCTION--PROGRAM W

Puget Sound Capital Construction Account--State Appropriation . . . . . ((~~$139,139,000~~)) $142,250,000

Puget Sound Capital Construction Account--Federal
Appropriation . . . . . ((~~$66,145,000~~)) $45,259,000
Puget Sound Capital Construction Account--Private/Local Appropriation $2,089,000
Multimodal Transportation Account--State
Appropriation $4,100,000
Transportation 2003 Account (Nickel Account)--State
Appropriation . . . . . ((~~$76,525,000~~)) $59,469,000
TOTAL APPROPRIATION . . . . . ((~~$285,909,000~~)) $253,167,000

The appropriations in this section are subject to the following conditions and limitations:

(1) ((~~$6,432,000~~)) $36,500,000 of the Puget Sound capital construction account--state appropriation is provided solely for ((~~emergency capital costs~~)) project 944470A as identified in the LEAP Transportation Document 2008-1, Ferries Construction Program (W) as developed March 10, 2008, for the construction of three marine vessels to replace the steel electric auto ferry vessels. The document includes a total of $84,500,000 for these replacement vessels.

(2) ((~~$16,567,000~~)) $21,460,823 of the Puget Sound capital construction account--state appropriation ((~~and~~)), $4,100,000 of the multimodal transportation account--state appropriation, $5,410,000 of the transportation 2003 account (nickel account)--state appropriation, $4,490,000 of the Puget Sound capital construction account--federal appropriation, and $2,089,000 of the Puget Sound capital construction account--private/local appropriation are provided solely for the terminal projects listed:

(a) Anacortes ferry terminal - utilities work; right-of-way purchase for a holding area during construction; and completion of design and permitting on the terminal building, pick-up and drop-off sites, and pedestrian and bicycle facilities;

(b) Bainbridge Island ferry terminal - environmental planning and a traffic signalization project in the vicinity of SR 305 Harborview drive;

(c) Bremerton ferry terminal - overhead loading control system and moving the terminal agent's office;

(d) Clinton ferry terminal - septic system replacement;

(e) Edmonds ferry terminal - right-of-way acquisition costs ((~~and~~)), federal match requirements, and removal of Unocal Pier;

(f) Friday Harbor ferry terminal - parking resurfacing;

(g) Keystone and Port Townsend ferry terminals - route environmental planning;

(h) Kingston ferry terminal - transfer span retrofit and overhead vehicle holding control system modifications;

(i) Mukilteo ferry terminal - right-of-way acquisition, archaeological studies, ((~~and~~)) environmental planning, and additional vehicle holding;

(j) Orcas ferry terminal - dolphin replacement;

(k) Port Townsend ferry terminal - wingwall replacement, interim holding, tie-up slip, and initial reservation system;

((~~(k)~~)) (l) Seattle ferry terminal - environmental planning, coordination with local jurisdictions, ((~~and~~)) coordination with highway projects, and contractor payment for automated re-entry gates; ((~~and~~

~~(l)~~)) (m) Southworth ferry terminal - federal grant to conduct preliminary studies and planning for a 2nd operating slip; and

(n) Vashon Island and Seattle ferry terminals - modify the passenger-only facilities.

((~~(4) $76,525,000~~)) (3) $46,020,666 of the transportation 2003 account (nickel account)--state appropriation and ((~~$50,985,000~~)) $3,750,000 of the Puget Sound capital construction account--((~~state~~)) federal appropriation are provided solely for the procurement of ((~~four~~)) up to three 144-vehicle auto-passenger ferry vessels.

((~~(5)~~)) (4) $18,716,000 of the Puget Sound capital construction account--state appropriation is provided solely for the Eagle Harbor maintenance facility preservation project. These funds may not be used for relocating any warehouses not currently on the Eagle Harbor site.

((~~(6)~~)) (5) The department shall research an asset management system to improve Washington state ferries' management of capital assets and the department's ability to estimate future preservation needs. The department shall report its findings regarding a new asset management system to the governor and the transportation committees of the legislature no later than January 15, 2008.

((~~(7)~~)) (6) The department shall sell the M.V. Chinook and M.V. Snohomish passenger-only fast ferries as soon as practicable and deposit the proceeds of the sales into the passenger ferry account created in RCW 47.60.645. Once the department ceases to provide passenger-only ferry service, the department shall sell the M.V. Kalama and M.V. Skagit passenger-only ferries and deposit the proceeds of the sales into the passenger ferry account created in RCW 47.60.645.

((~~(8)~~)) (7) The department shall, on a quarterly basis beginning July 1, 2007, provide to the office of financial management and the legislature reports providing the status on each project listed in this section and in the project lists submitted pursuant to this act and on any additional projects for which the department has expended funds during the 2007-09 fiscal biennium. Elements shall include, but not be limited to, project scope, schedule, and costs. The department shall also provide the information required under this subsection via the transportation executive information systems (TEIS).

(8) $1,105,000 of the Puget Sound capital construction account--state appropriation and $8,038,000 of the transportation 2003 account (nickel account)--state appropriation are provided solely for a dolphin replacement project at the Vashon Island ferry terminal. The department shall submit a predesign study to the joint transportation committee before beginning design or construction of this project.

(9) The department of transportation is authorized to sell up to $105,000,000 in bonds authorized by RCW 47.10.843 for vessel and terminal acquisition, major and minor improvements, and long lead-time materials acquisition for the Washington state ferries.

(10) The department shall review the costs and benefits of continued use of the primavera scheduling system in the Washington state ferries marine division and include that review with its 2009-2011 budget submittal.

(11) The department shall review staffing in its capital engineering divisions to ensure core competency in, and a focus on, terminal and vessel preservation, with staffing sufficient to implement the preservation program in the capital plan. Until the completion of the capital plan, the department shall maintain capital staffing levels at or below the level of staffing on January 1, 2008.

(12) The department shall sell, be in the process of selling, or

otherwise dispose of the four steel electric auto-ferry vessels in the most cost effective way practicable no later than June 1, 2008.

Sec. 310. 2007 c 518 s 309 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--RAIL--PROGRAM Y--CAPITAL

Essential Rail Assistance Account--State Appropriation . . . $500,000

((~~Freight Congestion Relief Account--State Appropriation . . . . . $25,000,000~~))

Transportation Infrastructure Account--State Appropriation . . . . . ((~~$2,500,000~~)) $1,713,000

Transportation Infrastructure Account--Federal Appropriation $787,000

Multimodal Transportation Account--State Appropriation . . . . . ((~~$154,637,000~~)) $165,512,000

Multimodal Transportation Account--Federal Appropriation . . . . . ((~~$30,450,000~~)) $33,906,000

Multimodal Transportation Account--Private/Local Appropriation . . . . . ((~~$7,894,000~~)) $2,659,000

TOTAL APPROPRIATION . . . . . ((~~$220,981,000~~)) $205,077,000

The appropriations in this section are subject to the following conditions and limitations:

(1)(a) Except as provided otherwise in ((~~subsection (8) of~~)) this section, the entire appropriations in this section are provided solely for the projects and activities as listed by fund, project, and amount in LEAP Transportation Document ((~~2007-1~~)) 2008-1, Rail Capital Program (Y) as developed ((~~April 20, 2007~~)) March 10, 2008. However, limited transfers of specific line-item project appropriations may occur between projects for those amounts listed subject to the conditions and limitations in section 603 of this act.

(b) Within the amounts provided in this section, ((~~$2,500,000~~)) $1,713,000 of the transportation infrastructure account--state appropriation ((~~is~~)) and $787,000 of the transportation infrastructure

account--federal appropriation are for low-interest loans for rail capital projects through the freight rail investment bank program. The department shall issue a call for projects based upon the legislative priorities specified in subsection (7)(a) of this section. Application must be received by the department by ((~~November 1, 2007~~)) October 1, 2008. By ((~~December 1, 2007~~)) November 1, 2008, the department shall submit a prioritized list of recommended projects to the office of financial management and the transportation committees of the legislature. The department shall award low-interest loans to the port of Moses Lake in the amount of $213,000, and based upon the prioritized list of rail capital projects most recently submitted to the legislature pursuant to this subsection, as follows: Port of Benton County ($250,000); Port of Everett ($250,000); Central Terminals, LLC ($250,000); Tacoma Rail--Maintenance Facility ($250,000); NW Container Service ($250,000); Port of Chehalis ($250,000); Ballard Terminal Railroad ($250,000); Eastern Washington Gateway Railroad ($36,875); Spokane County ($250,000); Tacoma Rail--Locomotive Idling ($250,000).

(c) Within the amounts provided in this section, ((~~$3,335,000~~)) $2,561,000 of the multimodal transportation account--state appropriation is for statewide - emergent freight rail assistance projects. However, the department shall perform a cost/benefit analysis of the projects according to the legislative priorities specified in subsection (7)(a) of this section, and shall give priority to the following projects: Rail - Tacoma rail yard switching upgrades ($500,000); Rail - Port of Ephrata spur rehabilitation ($127,000); Rail - Lewis and Clark rail improvements ($1,100,000); Rail - Port of Grays Harbor rail access improvements ($543,000); and Rail - Port of Longview rail loop construction ($291,000)((~~; and Rail - Port of Chehalis ($774,000)~~)). If the relative cost of any of the six projects identified in this subsection (1)(c) is not substantially less than the public benefits to be derived from the project, then the department shall not assign the funds to the project, and instead shall use those funds toward those projects identified by the department in the attachments to the "Washington State Department of Transportation FREIGHT RAIL ASSISTANCE FUNDING PROGRAM: 2007-2009 Prioritized Project List and Program Update" dated December 2006 for which the proportion of public benefits to be gained compared to the cost of the project is greatest.

(d) ((~~Within the amounts provided in this section, $25,000,000 of the freight congestion relief account--state appropriation is for modifications to the Stampede Pass rail tunnel to facilitate the movement of double stacked rail cars. The department shall quantify and report to the legislature by December 1, 2007, the volume of freight traffic that would likely be shipped by rail rather than trucks if the Stampede Pass rail tunnel were modified to accommodate double stacked rail cars.~~

~~(e)~~)) Within the amounts provided in this section, ((~~$200,000~~)) $339,000 of the multimodal transportation account--state appropriation is for rescoping and completion of required environmental documents for the Kelso to Martin's Bluff - 3rd Mainline and Storage Tracks project. The rescoped project may include funds that are committed to the project by local or private funding partners. However, the rescoped project must be capable of being completed with not more than $49,470,000 in future state funding, inclusive of inflation costs. Subject to this funding constraint, the rescoped project must maximize capacity improvements along the rail mainline.

((~~(f)~~)) (e) Within the amounts provided in this section, $3,600,000 of the multimodal transportation account--state appropriation is for work items on the Palouse River and Coulee City Railroad lines.

(2) The multimodal transportation account--state appropriation includes up to ((~~$137,620,000~~)) $144,500,000 in proceeds from the sale of bonds authorized by RCW 47.10.867.

(3) The department is directed to seek the use of unprogrammed federal rail crossing funds to be expended in lieu of or in addition to state funds for eligible costs of projects in Program Y, including, but not limited to the "Tacoma -- bypass of Pt. Defiance" project.

(4) If new federal funding for freight or passenger rail is received, the department shall consult with the transportation committees of the legislature and the office of financial management prior to spending the funds on existing or additional projects.

(5) The department shall sell any ancillary property, acquired when the state purchased the right-of-ways to the PCC rail line system, to a lessee of the ancillary property who is willing to pay fair market value for the property. The department shall deposit the proceeds from the sale of ancillary property into the transportation infrastructure account.

(6) ((~~The entire freight congestion relief account--state appropriation is contingent upon the enactment during the 2007-2009 fiscal biennium of a bill, resulting from the study established in Substitute Senate Bill No. 5207, that makes available funding to support project expenditures funded from the freight congestion relief account created in Substitute Senate Bill No. 5207. If such a funding bill is not enacted by June 30, 2009, the entire freight congestion relief account--state appropriation shall lapse.~~

~~(7)~~))(a) The department shall develop and implement the benefit/impact evaluation methodology recommended in the statewide rail capacity and needs study finalized in December 2006. The benefit/impact evaluation methodology shall be developed using the following priorities, in order of relative importance:

(i) Economic, safety, or environmental advantages of freight movement by rail compared to alternative modes;

(ii) Self-sustaining economic development that creates family-wage jobs;

(iii) Preservation of transportation corridors that would otherwise be lost;

(iv) Increased access to efficient and cost-effective transport to market for Washington's agricultural and industrial products;

(v) Better integration and cooperation within the regional, national, and international systems of freight distribution; and

(vi) Mitigation of impacts of increased rail traffic on communities.

(b) The department shall convene a work group to collaborate on the development of the benefit/impact analysis method to be used in the evaluation. The work group must include, at a minimum, the freight mobility strategic investment board, the department of agriculture, and representatives from the various users and modes of the state's rail system.

(c) The department shall use the benefit/impact analysis and priorities in (a) of this subsection when submitting requests for state funding for rail projects. The department shall develop a standardized format for submitting requests for state funding for rail projects that includes an explanation of the analysis undertaken, and the conclusions derived from the analysis.

(d) The department and the freight mobility strategic investment board shall collaborate to submit a report to the office of financial management and the transportation committees of the legislature by September 1, 2008, listing proposed freight highway and rail projects. The report must describe the analysis used for selecting such projects, as required by this act for the department and as required by chapter 47.06A RCW for the board. When developing its list of proposed freight highway and rail projects, the freight mobility strategic investment board shall use the priorities identified in (a) of this subsection to the greatest extent possible.

((~~(8) $5,000,000 of the multimodal transportation account--state appropriation is reappropriated and provided solely for the costs of acquisition of the PCC railroad associated with the memorandum of understanding (MOU), which was executed between Washington state and Watco. Total costs associated with the MOU shall not exceed $10,937,000.~~))

(7) The department shall apply at the earliest possible date for grants, pursuant to the new competitive intercity rail grant program announced by the federal railroad administration on February 19, 2008, for any projects that may qualify for such federal grants and are currently identified on the project list referenced in subsection (1)(a) of this section.

(8) Up to $8,500,000 of any underexpenditures of state funding designated on the project list referenced in subsection (1)(a) of this section for the "Vancouver-Rail Bypass and W 39th Street Bridge" project may be used to upgrade, to class 2 condition, track owned by Clark county between Vancouver and Battle Ground.

(9) Up to $400,000 of the multimodal transportation account--state appropriation is contingent upon the port of Chehalis submitting a full copy of the FEMA application packet to the department in order to assist the department in verifying the scope of the repairs and the rail transportation value of the project identified on the project list referenced in subsection (1)(a) of this section as "Port of Chehalis-Track Rehabilitation" (F01002A).

Sec. 311. 2007 c 518 s 310 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--LOCAL PROGRAMS--PROGRAM Z--CAPITAL

Highway Infrastructure Account--State Appropriation $207,000

Highway Infrastructure Account--Federal Appropriation $1,602,000

Freight Mobility Investment Account--State Appropriation . . . . . ((~~$12,500,000~~)) $12,378,000

((~~Freight Congestion Relief Account--State Appropriation . . . . . $46,720,000~~))

Transportation Partnership Account--State Appropriation . . . . . ((~~$2,906,000~~)) $3,906,000

Motor Vehicle Account--State Appropriation . . . . . ((~~$9,854,000~~)) $12,870,000

Motor Vehicle Account--Federal Appropriation . . . . . ((~~$60,150,000~~)) $63,823,000

Freight Mobility Multimodal Account--State Appropriation . . . . . ((~~$12,100,000~~)) $12,750,000

Freight Mobility Multimodal Account--Private/Local Appropriation $3,755,000

Multimodal Transportation Account--Federal Appropriation . . . . . ((~~$3,500,000~~)) $4,224,000

Multimodal Transportation Account--State Appropriation . . . . . ((~~$33,158,000~~)) $32,134,000

Transportation 2003 Account (Nickel Account)--State Appropriation . . . . . ((~~$2,706,000~~)) $2,721,000

Passenger Ferry Account--State Appropriation $8,500,000

TOTAL APPROPRIATION . . . . . ((~~$193,903,000~~)) $158,870,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The department shall, on a quarterly basis, provide status reports to the legislature on the delivery of projects as outlined in

the project lists incorporated in this section. For projects funded by new revenue in the 2003 and 2005 transportation packages, reporting elements shall include, but not be limited to, project scope, schedule, and costs. Other projects may be reported on a programmatic basis. The department shall also provide the information required under this subsection on a quarterly basis via the transportation executive information system (TEIS).

(2) $8,500,000 of the passenger ferry account--state appropriation is provided solely for near and long-term costs of capital improvements in a business plan approved by the governor for passenger ferry service.

(3) The department shall seek the use of unprogrammed federal rail crossing funds to be expended in lieu of or in addition to state funds for eligible costs of projects in local programs, program Z capital.

(4) The department shall apply for surface transportation program (STP) enhancement funds to be expended in lieu of or in addition to state funds for eligible costs of projects in local programs, program Z capital.

(5) Federal funds may be transferred from program Z to programs I and P and state funds shall be transferred from programs I and P to program Z to replace those federal funds in a dollar-for-dollar match. Fund transfers authorized under this subsection shall not affect project prioritization status. Appropriations shall initially be allotted as appropriated in this act. The department may not transfer funds as authorized under this subsection without approval of the office of financial management. The department shall submit a report on those projects receiving fund transfers to the office of financial management and the transportation committees of the legislature by December 1, 2007, and December 1, 2008.

(6) The city of Winthrop may utilize a design-build process for the Winthrop bike path project. Of the amount appropriated in this section for this project, $500,000 of the multimodal transportation account--state appropriation is contingent upon the state receiving from the city of Winthrop $500,000 in federal funds awarded to the city of Winthrop by its local planning organization.

(7) ((~~$7,000,000~~)) $11,591,224 of the multimodal transportation account--state appropriation, ((~~$7,000,000~~)) $8,640,239 of the motor vehicle account--federal appropriation, and $4,000,000 of the motor

vehicle account--federal appropriation are provided solely for the pedestrian and bicycle safety program projects and safe routes to schools program projects identified in the LEAP Transportation Document 2007-A, pedestrian and bicycle safety program projects and safe routes to schools program projects as developed April 20, 2007. Projects must be allocated funding based on order of priority. The department shall review all projects receiving grant awards under this program at least semiannually to determine whether the projects are making satisfactory progress. Any project that has been awarded funds, but does not report activity on the project within one year of the grant award, shall be reviewed by the department to determine whether the grant should be terminated. The department shall promptly close out grants when projects have been completed, and identify where unused grant funds remain because actual project costs were lower than estimated in the grant award.

(8) Up to a maximum of $5,000,000 of the multimodal transportation account--state appropriation and up to a maximum of $2,000,000 of the motor vehicle account--federal appropriation are reappropriated for the pedestrian and bicycle safety program projects and safe routes to schools program projects identified in the LEAP transportation document 2006-B, pedestrian and bicycle safety program projects and safe routes to schools program projects as developed March 8, 2006. Projects must be allocated funding based on order of priority. The department shall review all projects receiving grant awards under this program at least semiannually to determine whether the projects are making satisfactory progress. Any project that has been awarded funds, but does not report activity on the project within one year of the grant award, shall be reviewed by the department to determine whether the grant should be terminated. The department shall promptly close out grants when projects have been completed, and identify where unused grant funds remain because actual project costs were lower than estimated in the grant award.

(9) ((~~The entire freight congestion relief account--state appropriation is contingent upon the enactment during the 2007-2009 fiscal biennium of a bill, resulting from the study established in Substitute Senate Bill No. 5207, that makes available funding to support project expenditures funded from the freight congestion relief~~

~~account created in Substitute Senate Bill No. 5207. If such a funding bill is not enacted by June 30, 2009, the entire freight congestion relief account--state appropriation shall lapse.~~

~~(10)~~)) $3,500,000 of the multimodal transportation account--federal appropriation is provided solely for the Museum of Flight pedestrian bridge safety project.

((~~(11)~~)) (10) $250,000 of the multimodal transportation account--state appropriation is provided solely for the icicle rail station in Leavenworth.

((~~(12)~~)) (11) $1,500,000 of the motor vehicle account--state appropriation is provided solely for the Union Gap city road project.

((~~(13) $350,000~~)) (12) $250,000 of the motor vehicle account--state appropriation is provided solely for the Saltwater state park bridge project and off-site traffic control costs.

((~~(14)~~)) (13) $1,000,000 of the motor vehicle account--state appropriation ((~~is~~)) and $4,688,000 of the motor vehicle account--federal appropriation are provided solely for the coal creek parkway project.

((~~(15)~~)) (14) $250,000 of the multimodal transportation account--state appropriation is provided solely for a streetcar feasibility study in downtown Spokane.

((~~(16)~~)) (15) $500,000 of the motor vehicle account--((~~state~~)) federal appropriation is provided solely for ((~~the~~)) slide repairs completed during 2007 and 2008 at or in the vicinity of marine view drive bridge ((~~project~~)) on Marine View Drive and on Des Moines Memorial Drive in Des Moines.

(16) $1,100,000 of the motor vehicle account--state appropriation is provided solely for local road improvements that connect to the I-82 valley mall boulevard project (508201O). Planned funding of an additional $2,000,000 shall be made available to this project in the 2009-11 biennium.

(17) $2,400,000 of the motor vehicle account--state appropriation is provided solely for completion of the riverside avenue extension project in the city of Spokane.

(18) For the 2007-09 project appropriations, unless otherwise provided in this act, the director of financial management may authorize a transfer of appropriation authority between projects

managed by the freight mobility strategic investment board, in order for the board to manage project spending and efficiently deliver all projects in the respective program.

TRANSFERS AND DISTRIBUTIONS

Sec. 401. 2007 c 518 s 401 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALES DISCOUNTS AND DEBT TO BE PAID BY MOTOR VEHICLE ACCOUNT AND TRANSPORTATION FUND REVENUE

Highway Bond Retirement Account Appropriation . . . . ((~~$570,030,000~~))
$544,061,000

Ferry Bond Retirement Account Appropriation . . . . . ((~~$38,059,000~~))
$37,380,000

Transportation Improvement Board Bond Retirement
Account--State Appropriation . . . . . ((~~$27,749,000~~))
$26,822,000

Nondebt-Limit Reimbursable Account Appropriation . . . ((~~$19,359,000~~))
$13,059,000

Transportation Partnership Account--State
Appropriation . . . . . ((~~$6,694,000~~))
$1,823,000

Motor Vehicle Account--State Appropriation . . . . . ((~~$986,000~~))
$457,000

Transportation Improvement Account--State Appropriation . . . $68,000

Multimodal Transportation Account--State
Appropriation . . . . . ((~~$1,032,000~~))
$675,000

Transportation 2003 Account (Nickel Account)--State
Appropriation . . . . . ((~~$6,560,000~~))
$2,003,000

Urban Arterial Trust Account--State Appropriation . . . . ((~~$473,000~~))
$113,000

Special Category C Account Appropriation . . . . . ((~~$160,000~~))
$99,000

TOTAL APPROPRIATION . . . . . ((~~$671,170,000~~))

$626,560,000

Sec. 402. 2007 c 518 s 402 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES AND FISCAL AGENT CHARGES

Transportation Partnership Account--State Appropriation . . . . . ((~~$2,254,000~~)) $243,000

Motor Vehicle Account--State Appropriation . . . . . ((~~$329,000~~)) $61,000

Transportation Improvement Account--State Appropriation $5,000

Multimodal Transportation Account--State Appropriation . ((~~$130,000~~)) $90,000

Transportation 2003 Account (Nickel Account)--State Appropriation . . . . . ((~~$2,187,000~~)) $267,000

Urban Arterial Trust Account--State Appropriation $38,000

Special Category C Account--State Appropriation . . . . . ((~~$53,000~~)) $13,000

TOTAL APPROPRIATION . . . . . ((~~$4,996,000~~)) $717,000

Sec. 403. 2007 c 518 s 403 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR MVFT BONDS AND TRANSFERS

((~~(1)~~)) Motor Vehicle Account--State Reappropriation:

For transfer to the Tacoma Narrows Toll Bridge Account . . . . . ((~~$131,016,000~~)) $19,133,000

The department of transportation is authorized to sell up to ((~~$131,016,000~~)) $18,000,000 in bonds authorized by RCW 47.10.843 for the Tacoma Narrows bridge project. Proceeds from the sale of the bonds shall be deposited into the motor vehicle account. The department of transportation shall inform the treasurer of the amount to be deposited.

((~~(2) Motor Vehicle Account--State Appropriation: For transfer to the Puget Sound Capital Construction Account . . . . . $131,500,000~~

~~The department of transportation is authorized to sell up to $131,500,000 in bonds authorized by RCW 47.10.843 for vessel and terminal acquisition, major and minor improvements, and long lead-time materials acquisition for the Washington state ferries.~~))

Sec. 404. 2007 c 518 s 404 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--STATE REVENUES FOR DISTRIBUTION

Motor Vehicle Account Appropriation for motor vehicle fuel tax distributions to cities and counties . . . . . ((~~$526,320,000~~)) $501,783,827

Sec. 405. 2007 c 518 s 405 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--TRANSFERS

Motor Vehicle Account--State Appropriation: For motor vehicle fuel tax refunds and statutory transfers . . . . . ((~~$937,181,000~~)) $902,982,000

Sec. 406. 2007 c 518 s 406 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING--TRANSFERS

Motor Vehicle Account--State Appropriation: For motor vehicle fuel tax refunds and transfers . . . . . ((~~$346,657,000~~)) $445,345,000

Sec. 407. 2007 c 518 s 407 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--ADMINISTRATIVE TRANSFERS

(1) Recreational Vehicle Account--State Appropriation: For transfer to the Motor Vehicle Account--State . . . . . ((~~$3,005,000~~))

$4,505,000

(2) License Plate Technology Account--State Appropriation: For the Multimodal Transportation Account--State $4,500,000

(3) Motor Vehicle Account--State Appropriation: For transfer to the High-Occupancy Toll Lanes Operations--State Account $3,000,000

(4) Motor Vehicle Account--State Appropriation: For transfer to the Puget Sound Capital Construction Account--State $20,000,000

(5) Multimodal Transportation Account--State Appropriation: For transfer to the Puget Sound Ferry Operations Account--State . . . . . ((~~$39,000,000~~)) $66,000,000

(6) Advanced Right-of-Way Revolving Account--State Appropriation: For transfer to the Motor Vehicle Account--State $30,000,000

(7) Waste Tire Removal Account--State Appropriation: For transfer to the Motor Vehicle Account--State $5,600,000

(8) Motor Vehicle Account--State Appropriation: ((~~For transfer to the Transportation Partnership Account--State . . . . . $25,000,000~~)) For transfer to the Puget Sound Ferry Operations Account--State $3,000,000

((~~(10)~~)) (9) Multimodal Transportation Account--State Appropriation: For transfer to the Transportation Infrastructure Account--State . . . . . ((~~$7,000,000~~)) $6,600,000

((~~(11)~~)) (10) Highway Safety Account--State Appropriation: For transfer to the Multimodal Transportation Account--State $9,500,000

(11) Urban Arterial Trust Account--State Appropriation: For transfer to the Small City Pavement and Sidewalk Account--State $1,400,000

(12) Multimodal Transportation Account--Federal Appropriation: For transfer to the Transportation Infrastructure Account--Federal $1,000,000

The transfers identified in this section are subject to the following conditions and limitations: ((~~(a)~~)) The amount transferred in subsection (3) of this section may be spent only on "highway purposes" as that term is construed in Article II, section 40 of the Washington state Constitution.

COMPENSATION

Sec. 501. 2007 c 518 s 501 (uncodified) is amended to read as follows:

COMPENSATION--NONREPRESENTED EMPLOYEES--INSURANCE BENEFITS. The appropriations for state agencies, are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, shall not exceed $707 per eligible employee for fiscal year 2008. For fiscal year 2009 the monthly employer funding rate shall not exceed ((~~$732~~)) $575 per eligible employee.

(b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or make other changes to benefits consistent with RCW 41.05.065.

(c) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments, into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts shall not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. From January 1, 2008, through December 31, 2008, the subsidy shall be $165.31. Starting January 1, 2009, the subsidy shall be $184.26 per month.

Sec. 502. 2007 c 518 s 502 (uncodified) is amended to read as follows:

COMPENSATION--REPRESENTED EMPLOYEES OUTSIDE SUPER COALITION--INSURANCE BENEFITS. The appropriations for state agencies, are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, for represented employees outside the super coalition under chapter 41.80 RCW, shall not exceed $707 per eligible employee for fiscal year 2008. For fiscal year 2009 the monthly employer funding rate shall not exceed ((~~$732~~)) $575 per eligible employee.

(b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or make other changes to benefits consistent with RCW 41.05.065.

(c) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments, into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts shall not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. From January 1, 2008, through December 31, 2008, the subsidy shall be $165.31. Starting January 1, 2009, the subsidy shall be $184.26 per month.

Sec. 503. 2007 c 518 s 503 (uncodified) is amended to read as follows:

COMPENSATION--REPRESENTED EMPLOYEES--SUPER COALITION. Collective bargaining agreements negotiated as part of the super coalition under chapter 41.80 RCW include employer contributions to health insurance

premiums at 88% of the cost. Funding rates at this level are currently $707 per month for fiscal year 2008 and ((~~$732~~)) $575 per month for fiscal year 2009. The agreements also include a one-time payment of $756 for each employee who is eligible for insurance for the month of June, 2007, and is covered by a 2007-2009 collective bargaining agreement pursuant to chapter 41.80 RCW, as well as continuation of the salary increases that were negotiated for the twelve-month period beginning July 1, 2006, and scheduled to terminate June 30, 2007.

MISCELLANEOUS

Sec. 601. RCW 46.68.110 and 2007 c 148 s 1 are each amended to read as follows:

Funds credited to the incorporated cities and towns of the state as set forth in RCW 46.68.090 shall be subject to deduction and distribution as follows:

(1) One and one-half percent of such sums distributed under RCW 46.68.090 shall be deducted monthly as such sums are credited and set aside for the use of the department of transportation for the supervision of work and expenditures of such incorporated cities and towns on the city and town streets thereof, including the supervision and administration of federal-aid programs for which the department of transportation has responsibility: PROVIDED, That any moneys so retained and not expended shall be credited in the succeeding biennium to the incorporated cities and towns in proportion to deductions herein made;

(2) Thirty-three one-hundredths of one percent of such funds distributed under RCW 46.68.090 shall be deducted monthly, as such funds accrue, and set aside for the use of the department of transportation for the purpose of funding the cities' share of the costs of highway jurisdiction studies and other studies. Any funds so retained and not expended shall be credited in the succeeding biennium to the cities in proportion to the deductions made;

(3) One percent of such funds distributed under RCW 46.68.090 shall be deducted monthly, as such funds accrue, to be deposited in the small city pavement and sidewalk account, to implement the city hardship assistance program, as provided in RCW 47.26.164. However, any moneys so retained and not required to carry out the program under this

subsection as of July 1st of each odd-numbered year thereafter, shall be retained in the account and used for maintenance, repair, and resurfacing of city and town streets for cities and towns with a population of less than five thousand.

(4) Except as provided in RCW 47.26.080, after making the deductions under subsections (1) through (3) of this section and RCW 35.76.050, the balance remaining to the credit of incorporated cities and towns shall be apportioned monthly as such funds accrue among the several cities and towns within the state ratably on the basis of the population last determined by the office of financial management.

NEW SECTION. **Sec. 602.** A new section is added to 2007 c 518 (uncodified) to read as follows:

Our ability to maintain and preserve the state's investment in transportation is acknowledged to be related to the replacement cost of the system, yet the state has no estimates of the entire system's cost or replacement value. A large portion of the state's highway system was developed prior to June 30, 1980, so it is important that the inventory and valuation include all of the state's highway system including the parts of the system constructed prior to June 30, 1980, that is not required by governmental accounting standards board's statement number 34. Consequently, the department of transportation, in conjunction with the office of financial management, must implement the governmental accounting standards board's statement number 34, including a complete inventory and valuation of the state's highway system's cost basis and replacement cost. During 2008, the cochairs of the joint transportation committee shall select legislators to work with the office of financial management and the department of transportation. The purpose of the effort is to enhance decision making that will result in strategic long-term investment decisions in transportation capital project management and appropriate levels of asset maintenance and preservation. The office of financial management will coordinate and manage the complete inventory and the valuation of the total state's highway system. The office of financial management must submit a final report to the legislative transportation committees on or before December 1, 2009.

NEW SECTION. **Sec. 603.** A new section is added to 2007 c 518 (uncodified) to read as follows:

In order to promote the receipt of federal enhancement funds, or other applicable federal or state grant funds, the following portions of highway are designated as part of the scenic and recreational highway system: Beginning at the Anacortes ferry landing, the Washington state ferries Anacortes/San Juan Islands route, which includes stops at Lopez, Shaw, Orcas, and San Juan Islands; and the roads on San Juan and Orcas Islands as described in San Juan Island county council resolution no. 7, adopted February 5, 2008.

Sec. 604. 2007 c 518 s 713 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION

Transportation Infrastructure Account--State

Appropriation . . . . . ((~~$7,000,000~~)) $8,600,000

The appropriation in this section is subject to the following conditions and limitations: The Palouse River and Coulee City (PCC) rail line system is made up of the CW, P&L and PV Hooper rail lines. The amount provided in this section is provided solely for grants to any intergovernmental entity or local rail district to which ((~~operating rights for the PCC rail line system are assigned, provided that the funds are~~)) the department of transportation assigns the management and oversight responsibility for the business and economic development elements of existing operating leases on the PCC rail lines. Business and economic development elements include such items as levels of service and business operating plans, but shall not include the state's oversight of railroad regulatory compliance, rail infrastructure condition, or real property management issues. The PCC rail system must be managed in a self-sustaining manner and best efforts shall be used to ensure that it does not require state capital or operating subsidy beyond the level of state funding expended on it to date. The assignment of the stated responsibilities to an intergovernmental entity or rail district shall be on such terms and conditions as the department of transportation and the intergovernmental entity or rail district mutually agree. The grant funds may be used only to refurbish the rail lines. It is the intent

of the legislature to make the funds appropriated in this section available as grants to an intergovernmental entity or local rail district for the purposes stated in this section at least until June 30, 2012, and to reappropriate as necessary any portion of the appropriation in this section that is not used by June 30, 2009.

NEW SECTION. **Sec. 605.** A new section is added to 2007 c 518 (uncodified) to read as follows:

SPECIAL APPROPRIATIONS TO THE GOVERNOR--INSURANCE ACCOUNTING SYSTEM

Aeronautics Account--State Appropriation $2,000
State Patrol Highway Account--State Appropriation $338,000
Puget Sound Capital Construction Account--State
Appropriation $24,000
Transportation Partnership Account--State Appropriation . . . $44,000
Highway Safety Account--State Appropriation $120,000
Motor Vehicle Account--State Appropriation $882,000
Puget Sound Ferry Operating Account--State Appropriation . . $294,000
Urban Arterial Trust Account--State Appropriation $2,000
Transportation Improvement Account--State Appropriation $2,000
Department of Licensing Services Account--State
Appropriation $2,000
Multimodal Transportation Account--State Appropriation $12,000
Tacoma Narrows Bridge Toll Account--State Appropriation . . . $10,000
Transportation 2003 Account (Nickel Account)--State
Appropriation $120,000
TOTAL APPROPRIATION $1,852,000

The appropriations in this section fund various state transportation agencies to support the state insurance accounting system. From the applicable accounts, the office of financial management shall reduce allotments to the respective agencies by an amount that conforms with the insurance accounting system special appropriations enacted in the 2008 supplemental omnibus appropriations act, Engrossed Substitute House Bill No. 2687 (chapter . . ., Laws of 2008). The allotment reductions under this section shall be placed in reserve status and remain unexpended.

NEW SECTION. **Sec. 606.** If any provision of this act or its

application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 607.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

(End of bill)

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ESHB 2878 - CONF REPT
By Conference Committee

On page 1, line 1 of the title, after "appropriations;" strike the remainder of the title and insert "amending RCW 46.68.110; amending 2007 c 518 ss 101, 102, 103, 104, 105, 106, 107, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 401, 402, 403, 404, 405, 406, 407, 501, 502, 503, and 713 (uncodified); adding new sections to 2007 c 518 (uncodified); making appropriations and authorizing capital improvements; and declaring an emergency."

--- END ---