

SENATE BILL REPORT

ESHB 2304

As Reported By Senate Committee On:
Transportation, January 23, 2002

Title: An act relating to transportation.

Brief Description: Adopting certain recommendations of the state Blue Ribbon Commission on Transportation.

Sponsors: House Committee on Transportation (originally sponsored by Representatives Fisher, Jarrett, Kessler, Berkey, Sullivan, Dunshee, Lovick, Kenney, Lantz, Santos, Ruderman, Edwards, Murray, Rockefeller, Wood, O'Brien, Cooper, Haigh, Fromhold, Tokuda, Ogden, Romero, Cody, Darneille, Simpson, Linville, Upthegrove, Schual-Berke, Kagi and McIntire; by request of Governor Locke).

Brief History:

Committee Activity: Transportation: 1/22/02, 1/23/02 [DPA].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass as amended.

Signed by Senators Haugen, Chair; Gardner, Vice Chair; Benton, Eide, Finkbeiner, Horn, Jacobsen, Johnson, Kastama, Keiser, McAuliffe, McDonald, Oke, Prentice, T. Sheldon, Shin and Swecker.

Staff: Greg Doss (786-7341)

Background: The Legislature and the Governor formed the Blue Ribbon Commission on Transportation (BRCT) in 1998 to assess the local, regional and state transportation system; ensure that current and future funding is spent wisely; make the system more accountable and predictable; and prepare a 20-year plan for funding and investing in the transportation system. The commission made 18 recommendations to the Governor and the Legislature. Specific recommendations included adopting transportation benchmarks; investing in maintenance, preservation, and improvements of the entire transportation system so that benchmarks can be achieved; achieving construction and project delivery efficiencies; and using the private sector to deliver projects and transportation services.

Summary of Amended Bill: Engrossed Substitute House Bill 2304 contains modified provisions from several Blue Ribbon bills passed by the Senate during the 2001 legislative session, and again on January 16, 2002. The original Senate bills and ESHB 2304 both contain provisions that include setting policy goals based on Blue Ribbon benchmark recommendations, contracting out transportation construction engineering services, transportation apprenticeships and prevailing wage assessments, and transportation planning and efficiencies. A summary of ESHB 2304 follows:

Part I - Establishment of Transportation Performance Measures. An intent section establishes that policy goals must be created for the operation, performance of, and investment in the state's transportation system. A number of specific goals are listed and include the following: (1) no interstate highways, state routes, or local arterials shall be in poor condition; (2) no bridges shall be structurally deficient, and safety retrofits must be performed on those state bridges at the highest seismic risk levels; and (3) traffic congestion on urban state highways shall be significantly reduced and be no worse than the national mean.

The policy goals are to be used as the basis for the establishment of detailed performance measures to be created by the Transportation Commission.

Part I takes effect July 1, 2002.

Part II - Alternative Delivery Procedures for Construction Services. It is established that there is a pressing need for additional transportation projects to meet the mobility needs of Washington. With additional projects comes the need for additional work force assistance to ensure and enhance project delivery time lines. It is further established that it is the intent of the Legislature that no state employees lose their employment as a result of implementing new and innovative project delivery procedures.

The Washington State Department of Transportation (WSDOT) and labor groups must work together to develop a financial incentive program to aid in employee retention and recruitment where problems exist and program delivery is negatively affected. The department's financial incentive program must support the goal of enhancing project delivery time lines. Once developed, the financial incentive program must be reviewed and approved by the Legislature before it can be implemented.

The department is authorized to acquire, by contract, construction engineering services from private firms solely to augment the department's work force and when the construction program cannot be delivered through its existing work force. The procedures for acquiring construction engineering services from private firms may not be used to displace existing state employees nor diminish the number of existing classified positions in the current construction program.

Starting in December of 2003 and for every two years afterward, the secretary of the WSDOT must report to the House and Senate Transportation committees on the use of construction engineering services from private firms.

Part II is null and void if new transportation revenues do not become law by January 1, 2003.

Part III - Apprenticeship and Adjustments to Prevailing Wage Provisions. It is established that the BRCT found that state and local transportation agencies are showing signs of an insufficiently skilled work force to operate the transportation system at its highest level. It is the intent of the Legislature that methods for fostering a stronger industry in transportation planning and engineering be explored.

It is further the intent of the Legislature to enhance the prevailing wage process by dedicating all intent and affidavit fees paid by contractors to the administration of the prevailing wage program.

The Department of Labor and Industries (L&I) must undertake the following activities: conduct wage surveys for each trade every three years; actively promote increased response rates; work with businesses, labor, and public agencies to ensure the integrity of information used in developing prevailing wage rates; process intents and affidavits in no more than seven working days from receipt of completed forms; and develop and implement electronic processing of intents and affidavits.

The Apprenticeship Council must work with WSDOT, local transportation jurisdictions, local and statewide joint apprenticeships and other apprenticeship programs, representatives of labor and business organizations with interest and expertise in the transportation workforce, and representatives of the state's universities and community and vocational colleges to establish technical apprenticeship opportunities specific to transportation needs. The council must issue a report of findings and recommendations to the transportation committees by December 1, 2002.

WSDOT must work with local transportation jurisdictions and representatives of transportation labor groups to establish a human resources skills bank of transportation professionals, designed to allow transportation authorities to draw from when needed. The department must issue a report of findings and recommendations to the transportation committees by December 1, 2002.

The state-interest component of the statewide multimodal transportation plan must include a plan for enhancing the skills of the existing technical transportation work force.

L&I, in cooperation with WSDOT, must conduct an assessment of the current practices, including survey techniques, used in setting prevailing wages for trades related to transportation facilities and project delivery. The assessment must include an analysis of regional variations and stratified sampling survey techniques. A final report must be submitted to the Governor and the transportation committees by December 1, 2002.

In establishing the prevailing rate of wage, all data collected by L&I must be used only in the county for which the work was performed. This requirement applies to surveys initiated on or after August 1, 2002.

Under current law, 30 percent of the revenue generated by fees charged for filing intents and affidavits of wages paid, and fees charged for requesting arbitration of disputes, is transferred from the Public Works Administration Account (PWAA) into the general fund. This transfer requirement is removed in the bill; thus this 30 percent of revenue remains in the PWAA for appropriation to L&I to fund the administration of the prevailing wage program.

\$950,000 from the PWAA is appropriated to L&I for the biennium ending June 30, 2003, to carry out the purposes of Part III.

Part III is null and void if new transportation revenues do not become law by January 1, 2003.

Part IV - Transportation Planning and Efficiency.

WSDOT Provisions. *Investment Efficiencies:* WSDOT must phase in the development of transportation demand modeling tools which evaluate investments by providing a common methodology to measure the costs and benefits of investments across modes. Project prioritization must be based upon cost-benefit analysis, where appropriate.

Maintenance and Preservation Efficiencies: The preservation program must use the most cost-effective pavement surfaces, and in making this determination, must take into consideration several factors that effect durability. The department must use a pavement management system using lowest life-cycle cost methodologies. The state highway system plan must include a maintenance element establishing service levels for highway maintenance that are designed to meet the benchmarks set by the Transportation Commission. Additionally, the state ferry system and state-owned rail programs must have a capital preservation plan using lowest life-cycle cost methodologies. The department must conduct a multimodal corridor analysis on major congested corridors where needed improvements are likely to cost in excess of \$100 million.

An intent section establishes that funding for transportation mobility improvements must be allocated to the worst traffic chokepoints in the state. It is further intended that the Legislature funds projects that provide systematic relief throughout an entire transportation corridor, rather than fund projects that provide spot improvements which fail to improve overall mobility within a corridor.

Priority programming for the improvement program must be based primarily upon: (1) addressing traffic congestion, delay and accidents; (2) location within heavily traveled corridors; (3) synchronization with other projects and modes; and (4) use of cost-benefit analysis to determine the proposed project's value. The department must report the results of its priority programming to the transportation committees by December 1, 2003, and December 1, 2005.

City/County Provisions. As a condition of receiving state funding, county transportation organizations, public transportation benefit areas, regional transit authorities, and municipalities which own or operate an urban public transportation system must submit to the Transportation Commission for certification, maintenance management plans which inventory all transportation system assets within their control, and preservation management plans which are based on lowest life-cycle costing.

During the 2003-2005 biennium, cities must provide the Transportation Commission preservation rating information on at least 70 percent of their city arterial network. Thereafter, the percentage of city arterials with preservation rating information must increase in 5 percent increments each biennium until 100 percent of the arterial network has preservation rating information. Sections applying to certain local provisions are null and void if new transportation revenue is not enacted by January 1, 2003.

The County Road Administration Board (CRAB) must establish a standard of good practice for maintenance of transportation system assets, to be implemented no later than December 31, 2007. CRAB must also develop a model maintenance management system for use by counties. Counties must submit their maintenance plans annually to CRAB, who will compile all the information and submit it to the Transportation Commission on an annual basis.

Amended Bill Compared to Original Bill: Construction engineering services is defined to include construction management, construction administration, materials testing, materials documentation, contractor payments, general administration, construction oversight, inspection and surveying.

The department's financial incentive program must support the goal of enhancing project delivery timelines.

The department of Labor and Industries must include in its prevailing wage study an analysis of stratified random sampling survey methods.

Public Transportation Benefit Areas and Regional Transit Authorities are added to the list of local governments covered under null and void provisions. The County Road Administration Board will develop maintenance standards, and counties will comply with those standards, only if new transportation revenue is enacted. Prior null and void provisions affecting local governments would have necessitated specific funding of required activities.

Appropriation: \$950,000 from the public works administration account.

Fiscal Note: Available.

Effective Date: The bill contains several effective dates. Please refer to the bill. Parts II and II are null and void if new transportation revenues do not become law by January 1, 2003. Sections 409 through 412, 415 and 416 are null and void if no funding is provided by January 1, 2003.

Testimony For: The bill will provide necessary tools for the Department of Transportation to deliver an enhanced construction program resulting from new transportation taxes. The bill implements reforms consistent with the intent of the Blue Ribbon Commission on Transportation. Concerns were expressed about the definition of "construction engineering services" and "existing workforce" at WSDOT. Concerns were expressed about mandatory county compliance with County Road Administration Board developed maintenance standards.

Testimony Against: None.

Testified: PRO: Andrew Johnsen, Governor's Office; Ed Barnes, Commissioner; Doug MacDonald, Secretary of Transportation; Doug Hurley, Blue Ribbon Commission on Transportation; Cliff Webster, Architects & Engineers; Amber Balch, Association of Washington Business; Jackie White, Association of Washington Counties; Peter Thein, Washington State Transit Association.