

FINAL BILL REPORT

ESHB 2474

PARTIAL VETO

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Synopsis as Enacted

Brief Description: Making supplemental transportation appropriations.

Sponsors: By House Committee on Transportation (originally sponsored by Representative Murray; by request of Governor Locke).

House Committee on Transportation
Senate Committee on Highways & Transportation

Background:

The Transportation Budget provides biennial appropriations to the major transportation agencies: Department of Transportation, Washington Traffic Safety Commission, County Road Administration Board, Transportation Improvement Board, Washington State Patrol and Department of Licensing. The Transportation Budget also provides appropriations from transportation funds to many smaller agencies with transportation functions.

Summary:

Overview

Legislation enacted in 2003 implemented a number of changes to improve accountability, efficiency, and oversight of the state's transportation system and associated agencies. The 2004 Supplemental Transportation Budget builds on that foundation with targeted funding of specific activities linking new revenue with specific projects to be delivered.

Agency Appropriations

Agency	Original 2003-05 Appropriations	2004 Supplemental Budget	Revised 2003-05 Appropriations
Department of Transportation	\$3,603,586	\$98,316	\$3,701,902
Department of Licensing	\$182,151	\$7,204	\$189,355
Washington State Patrol	\$251,099	\$3,765	\$254,864

County Road Improvement Board	\$94,184	\$7	\$94,191
Transportation Improvement Board	\$200,647	\$4	\$200,651
Traffic Safety Commission	\$20,820		\$20,820
Special Appropriations to the Governor for I-776 Refunds		\$3,300	\$3,300
Other Agencies with Transportation Funding	\$1,146	\$100	\$1,246
Bond Retirement and Interest	\$352,296	(\$7,553)	\$344,743
Total Appropriations	\$4,705,929	\$105,143	\$4,811,072

Type of Funds Utilized in Transportation Budget

Fund Type	Original 2003-05 Appropriations	2004 Supplemental Budget	Revised 2003-05 Appropriations
State Funds	\$2,734,278	\$7	\$2,734,285
Federal Funds	\$768,652	\$84,401	\$853,053
Local Funds	\$36,722	\$25,735	\$62,457
Bonds	\$1,166,277	(\$5,000)	\$1,161,277
Total Funding	\$4,705,929	\$105,143	\$4,811,072

Recent Developments

Since the completion of the 2003 Legislative Session, the Washington Supreme Court has rendered a decision on Initiative 776 that eliminated some local transportation option taxes and reduced the gross weight fees on trucks under 10,000 pounds to \$30. The 10-year revenue reduction is \$205 million. The 2003-05 biennial revenue reduction is as follows:

I-776 Reductions of \$43.1 million

- \$9.41 million from the State Patrol Highway Account.
- \$30.163 million from the Motor Vehicle Account.
- \$925 thousand from the Puget Sound Ferry Operations Account.

- \$2.605 million from the Nickel Account.

I-776 Response and Funding of Other Emerging Issues

- Revenue losses are partially mitigated through available fund balances, federal funding provided for ferries, a risk management reduction, and reductions in state expenditures as follows:
 - \$18.6 million state ferry capital funding is replaced with federal funding.
 - \$8 million fund transfer from Transportation Equipment Fund (\$5 million) and the Advanced Right of Way Account (\$3 million).
 - \$7.569 million reduction in self insurance premiums.
 - \$6.177 million in program reductions.
 - \$1.9 million in vacancy/salary savings.
 - \$7.553 million one time debt service reduction.

Nickel Project Management and Schedule Adjustments

- The recommended adjustments proposed by the Transportation Commission have been adopted.
- No projects have been added or deleted from the 2003 Transportation (Nickel) Program.
- All projects originally listed are slated for completion within the financial package adopted in 2003.
- The budget accelerates the schedule for projects associated with the 2010 Olympics, including I-5 HOV at Everett and SR 539 (10 mile road to SR 546) in Whatcom County. The budget also accelerates construction for the SR 16 Burley Olalla Interchange project by one year.

Budget Additions

- \$11.0 million from the Puyallup Tribal Settlement Account to mitigate effects on traffic currently being served by the Murray Morgan Bridge in Tacoma.
- \$1.2 million for the design of a SR507 to SR 510 bypass in Yelm.
- \$650 thousand for phase two of the SR164 corridor study.
- \$500 thousand for a sensitive lands database for use in GIS systems.
- \$1.7 million for additional noise walls on I-5 by Salmon Creek.
- \$400 thousand for a traffic and economic study of the Mount Saint Helens tourist and recreational area.
- \$550 thousand for a route development plan of SR169.
- \$2.48 million for either the SR28 – east end of the George Sellar Bridge Phase I or the US 2/97 Peshastin East interchange project.
- \$500 thousand for sensitive lands database.

Freight and Rail Projects

- \$13.9 million for local freight mobility projects which include projects at the Port of Pasco, Port of Kalama, Benton County, City of Fife, Colville, Kent, Seattle, Spokane County, and Granite Falls.

- \$800 thousand for a new freight rail spur in Lewis County.

Public Transportation

- Greater flexibility is provided for special needs transportation providers. Funds maybe used by transit agencies for operating and capital as long as the agencies maintain or increase special needs transportation compared to the previous year.
- The use of vanpool funds provided in 2003 is expanded to include incentives to employers to increase employee van pool use.
- \$100 thousand for Benton County Commute Trip Reduction Program.
- \$500 thousand for King County for a car sharing program. Funds serve as a state match to federal funding.

Washington State Ferries

- \$1 million for a study on the viability of the existing Keystone harbor.
- Funding for the fourth new ferry vessel has been accelerated from 2011-13 to 2007-11. This adjustment provides for more efficient contracting and millions of dollars in savings associated with building all four ferry vessels consecutively.
- \$15.4 million has been received in one-time funding, including \$9.4 million for ferry security equipment purchases.
- \$3 million in toll credits are assigned to Kitsap transit to assist them in obtaining federal funds for passenger only ferry capital projects.
- Washington State Ferries is to develop a 10-year strategy plan.

Mandatory Increases

- \$3.3 million in local and state funding for the production and mailing of refund checks to truck owners affected by I-776.
- \$1.71 million for the Department of Labor and Industries payments for workers' compensation coverage.
- \$3.8 million to implement ferry system security to meet U.S. Coast Guard requirements.
- \$873 thousand in federal and state funds to implement the new federal commercial vehicle entrants program and the new northern border program.
- \$427 thousand for state laws to bring Washington into compliance with federal commercial driver license laws and to fund a bill passed in 2003 for new ignition interlock requirements.
- \$1.404 million for DOL workload and cost increases.
- \$647 thousand for ferries fuel cost increases.
- \$906 thousand for ferries insurance premium cost increase.
- \$265 thousand increase in revolving fund charges.

Recently Identified Needs

- \$1 million for the Safe Routes for Schools Program.
- \$721 thousand for new laser printers in vehicle licensing services offices.

- \$948 thousand in federal and DUI cost recovery funds for the purchase of additional video cameras and new breath test equipment to be used by the Washington State Patrol.
- \$1.489 million for the implementation of bills passed by the Legislature. The bills include the implementation of alternate driver license renewals, four new specialized license plates, and the implementation of voluntary biometrics.
- \$475 thousand for the implementation of a transportation data recovery site at Union Gap.
- \$283 thousand for pilot projects regarding employee safety at selected DOL high risk offices and for a DOL policy and data analyst.

Votes on Final Passage:

House	85	10	
Senate	38	9	(Senate amended)
House			(House refused to concur)
Senate	49	0	(Senate amended)
House	93	3	(House concurred)

Effective: March 31, 2004

Partial Veto Summary:

- Section 216 providing \$400K for a traffic and economic development study of the Mt. St. Helens recreational area.
- Section 224 (5) directing DOT to conduct an origin/destination study for passengers using Amtrak within Washington and Oregon.
- Section 225 (3) directing the Governor to add the State Historic Preservation Officer to any steering committee that makes final selection of projects funded with STP enhancement funds (federal).
- Section 302 (4) (b) providing \$100,000 for an analysis of the effectiveness and efficiency of a right versus left HOV lane.
- Section 305 (7) directing DOT to submit a business plan to the Legislature and be approved by OFM before the Palouse River/Coulee City short line rail system can be purchased.
- Section 505 having to do with balancing the Freight Mobility Account. Since the bills creating and providing revenue for this account did not pass, this section was not needed.