

HOUSE BILL REPORT

ESB 5513

As Reported by House Committee On:
Transportation

Title: An act relating to restructuring of certain transportation agencies.

Brief Description: Restructuring certain transportation agencies.

Sponsors: Senators Haugen, Shin, Kohl-Welles, Rasmussen, Fairley and Prentice.

Brief History:

Committee Activity:

Transportation: 3/17/05, 4/4/05 [DPA].

**Brief Summary of Engrossed Bill
(As Amended by House Committee)**

- Governor appoints Secretary of Transportation, with consent of the Senate.
- Transportation Commission expires on July 1, 2006.
- Transportation Commission's duties to be transferred based on a legislative study.
- Transportation Performance Audit Board recreated as the Transportation Accountability Commission with the additional duty of providing a forum for public input on accountability.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass as amended. Signed by 25 members: Representatives Murray, Chair; Wallace, Vice Chair; Woods, Ranking Minority Member; Appleton, Buck, Campbell, Curtis, Dickerson, Ericksen, Flannigan, Hankins, Hudgins, Jarrett, Kilmer, Lovick, Morris, Nixon, Rodne, Schindler, Sells, Shabro, Simpson, B. Sullivan, Takko and Upthegrove.

Minority Report: Without recommendation. Signed by 1 member: Representative Wood.

Staff: Beth Redfield (786-7347).

Background:

Under current law, the Washington Transportation Commission (Commission) oversees the Washington State Department of Transportation (WSDOT) and appoints the Secretary of Transportation (Secretary). The Secretary may only be removed for cause. The Commission

is composed of seven voting members, appointed by the Governor with the consent of the Senate, and the Secretary who sits as a nonvoting member. The seven appointed members serve for six year terms, may not include more than four members from the same political party, and must include four members from Western Washington and three members from Eastern Washington. In addition to overseeing the WSDOT, the Commission has numerous other statutory duties, including statewide transportation planning, bonds issuance, serving as the state's tolling authority and setting ferry fares, and sharing responsibility for project selection and funding.

The Legislative Transportation Committee (LTC) is a statutory legislative agency established to, among other things, conduct studies of designated transportation issues and to make recommendations to the full Legislature regarding statewide transportation policy. The LTC is composed of 12 senators and 12 representatives, with not more than six members from each house representing the same political party.

The Transportation Performance Audit Board (TPAB) was established in 2003 to primarily provide oversight and accountability of transportation-related agencies through the use of directed agency reviews, and functional and performance audits. The TPAB is composed of four legislators, five citizen members with specified transportation-related expertise appointed by the Governor, an at-large member appointed by the Governor, and the legislative auditor as an ex officio member. The TPAB may conduct agency performance and outcome measurement reviews, and must recommend to the LTC's executive committee whether a full performance or functional agency audit is appropriate. If a performance audit is requested by the LTC, the Joint Legislative Audit and Review Committee (JLARC) must add the audit to its biennial audit work plan. The legislative auditor must, to the greatest extent possible, hire private consultants to conduct the performance audits.

Summary of Amended Bill:

The Secretary is appointed by the Governor, with the consent of the Senate, and serves at the pleasure of the Governor. The Secretary assumes authority previously directed to the Washington Transportation Commission (Commission) to propose the Washington State Department of Transportation (WSDOT) agency budget and to authorize departmental request legislation.

The Commission expires July 1, 2006. In the meantime, the Commission retains certain authority, including statewide transportation planning, serving as the state's tolling authority and setting ferry fares, and sharing responsibility for project selection and funding. The Commission's duties will be transferred based on the recommendations of a legislative study.

The LTC statutes are repealed. References to the LTC are also deleted from the statute.

In the place of the LTC, the Joint Transportation Committee (JTC) is created. Its purpose is to review and research transportation programs and issues. The executive committee of the JTC is made up of the Chairs and Ranking members of the House and Senate Transportation

Committees. The Chairs of the standing committees serve as the Co-Chairs of the JTC. The membership of the JTC may vary depending on the subject matter of research projects.

The JTC is directed to conduct a review of the duties, roles and functions of the Commission and the WSDOT. The JTC must make its recommendations for the transfer of the Commission duties in a report due December 15, 2005.

The TPAB is recreated as the Transportation Accountability Commission (TAC). In addition to conducting performance measure reviews and audits, the TAC will provide a forum for public input regarding transportation accountability. The membership of the TAC is increased to 12, 11 of whom are voting members. The Commission's composition is also changed. Citizen membership is increased from five to six. Of the five citizen members, three must have transportation related expertise and three must have performance measurement expertise.

The TAC is directed to review priority programming processes and criteria. The TAC has separate authority to direct performance audits. The TAC administrator must, to the greatest extent possible and subject to available funds, hire private consultants to conduct the performance audits. However, the TAC may contract with the legislative auditor to serve as the contract manager of the reviews and performance audits. The TAC's authority regarding directed agency reviews, and functional and performance audits, is expanded to include local transportation entities, with no exemption for cities, counties and port districts. The LTC staff are transferred to the TAC.

Amended Bill Compared to Original Bill:

The bill as passed the Senate retains the Transportation Commission. Additionally, under the Senate proposal, the Commission will provide staff support to the TPAB, receives an expanded role as a public forum for transportation policy development, and will house the Transportation Policy Institute (TPI).

The Senate bill contains no study of the Commission duties.

As proposed by the Senate, the TPI will conduct research, prepare studies, and periodically submit recommendations to the Legislature regarding transportation policy issues of statewide significance. These functions were formerly conducted by the LTC and in the House amendment are conducted by the JTC.

The TPI is governed by a board of directors composed of seven voting members as follows: four legislators, two Commission members, and the Secretary. Additionally, the executive director of the Washington State Transportation Center, and the staff coordinators of the transportation committees of the House and Senate serve on the board as nonvoting members. In the Senate proposal, TPAB's duties remain limited to conducting performance measure reviews and performance audits. The TPAB membership is also increased to 12, however this is done by adding a member of the Transportation Commission rather than increasing citizen membership. The TPAB's authority regarding directed agency reviews, and functional and

performance audits, is expanded to include certain local transportation entities, excluding cities, counties, and port districts.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill contains an emergency clause and takes effect on July 1, 2005, except for section 103, relating to the retire/rehire law, which takes effect on July 1, 2006.

Testimony For: (In support) The Blue Ribbon Commission made a series of recommendations, and we have implemented all but two. One of those was to make the Secretary a cabinet position. This is the year to finish the work to make transportation much more accountable. The bill provides for direct accountability through the Governor. We think that the Commission needs to continue to play an important role in overseeing the WSDOT. The Legislature doesn't have the time to do proper oversight. Also, the Commission has provided an important function as a public forum and will need to be in place to set tolls and ferry fares. One of the things that was great about the LTC was that it did really good studies. Some of our best policy has come out of independent studies that were done. That is why we put in place the Transportation Policy Institute (TPI). Finally, we provide the TPAB with more independent authority. We also eliminate the prescriptive membership requirements.

(With concerns) This bill allows TPAB to audit local transportation agencies. Cities, counties, and port districts are exempted. That leaves transit agencies. Transit agencies are subject to audits by the State Auditor and by the Federal Transit Administration. Transit agencies are also required to meet benchmarks developed by the state, to submit their asset management plans and can use the peer review process. Transit agencies are funded primarily by local revenues. Over the last four years, 16 of 18 systems have passed sales tax increases. That is the ultimate performance audit, going before the voters and asking for approval.

Testimony Against: None.

Persons Testifying: (In support) Senator Haugen, prime sponsor.

(With concerns) Peter Thein, Washington State Transit Association.

Persons Signed In To Testify But Not Testifying: None.